



Commonwealth of Virginia
Office of Governor Bob McDonnell

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**Governor McDonnell Announces New Investment
in Montgomery County**

~ Rackspace Hosting to expand IT hosting operation~

RICHMOND - Governor Bob McDonnell today announced that Rackspace® Hosting, (NYSE: RAX), the open cloud company, is expanding its IT hosting operation in the Virginia Tech Corporate Research Center in Montgomery County. The project will result in a \$5.5 million investment in building construction and improvements and is expected to provide capacity for more than 100 new jobs at the Rackspace facility.

Speaking about today's announcement, Governor McDonnell said, "Virginia remains one of the most active data markets in the country, and Rackspace's Montgomery County cloud computing operation is thriving. The Commonwealth is a prime location for data centers, offering companies both an advanced broadband infrastructure and a highly skilled technical workforce. I look forward to Rackspace's continued growth and the creation of new high-tech jobs for the New River Valley region."

"Rackspace is one of more than 700 data processing, hosting and related establishments located in Virginia," said Jim Cheng, Virginia Secretary of Commerce and Trade. "Employing more than 11,000 Virginians, the data center industry is booming, and Rackspace's expansion is a great testament to this growth."

Montgomery County is a great fit for the company, providing the right business environment and a pipeline of skilled employees ready to work. We congratulate Rackspace Hosting on its success.”

Rackspace® (NYSE: RAX) is the open cloud company and founder of OpenStack, the standard open-source operating system for cloud computing. Headquartered in San Antonio, Rackspace delivers its renowned Fanatical Support® to more than 200,000 business customers, from data centers on four continents. Rackspace is a leading provider of hybrid clouds, which enable businesses to run their workloads where they run most effectively — whether on the public cloud, a private cloud, dedicated servers, or a combination of these platforms. Rackspace has been recognized by Bloomberg BusinessWeek as a Top 100 Performing Technology Company and is featured on Fortune’s list of 100 Best Companies to Work For. For more information, visit www.rackspace.com.

“The pool of critical technical talent provided by Virginia Tech, Radford, the University of Virginia, and James Madison University has helped the Blacksburg office grow into a large Rackspace development center,” said Robert McAden, business operations manager, Rackspace. The Blacksburg area is a top ranking place for outdoor enthusiasts and place to raise a family. Both of these traits are important factors in recruiting experienced talent and making our decision easy to invest in growing our Blacksburg operations.”

The Virginia Economic Development Partnership worked with the Montgomery County Department of Economic Development and the Virginia Tech Corporate Research Center to secure the project for Virginia. Through its Virginia Jobs Investment Program, the Virginia Department of Business Assistance will provide funding and services to support the company’s recruitment, training and retraining activities.

“Rackspace’s announcement is great news for our community,” said Jim Politis, Chair, Montgomery County Board of Supervisors. “The expansion will add more quality, high-paying technology jobs to our community. It also signifies that there is a strong, growing IT and software development cluster here in Montgomery County.”

Joe Meredith, Ph.D., President, Virginia Tech Corporate Research Center, said, “The Virginia Tech Corporate Research Center is pleased to be able to provide the infrastructure that will enable Rackspace to expand its operation here in Blacksburg. We look forward to a long and prosperous relationship with a leading-edge IT company.”

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