

FOR IMMEDIATE RELEASE

BLUE HARBOUR GROUP COMMENTS ON NEW 6.4% STAKE IN RACKSPACE HOSTING

- Rackspace's "excellent long-term prospects" not reflected in share price –
- Blue Harbour: "We believe the Board and management team are committed to closing this significant valuation gap." -

Greenwich, CT, August 18, 2014 – Blue Harbour Group, L.P., which today reported that it owns approximately 9.1 million shares or 6.4% of Rackspace Hosting, Inc., issued the following statement:

Todd R. Marcy, a Managing Director of Blue Harbour, stated, "Rackspace has built an incredibly valuable business with excellent long-term prospects that we believe are not reflected in the company's current share price. We believe the Board and management team are committed to closing this significant valuation gap. We look forward to a constructive, ongoing dialogue on the various alternatives Rackspace has to unlock and deliver meaningful shareholder value, whether as a standalone independent entity or pursuant to the current strategic review process."

Blue Harbour Group was formed in 2004 to pursue an Active Ownership investment strategy by acting as a lead minority shareholder primarily in U.S. publicly traded companies, and working collaboratively with managements and boards to identify initiatives to create and unlock shareholder value.

Blue Harbour manages more than \$3 billion of capital on behalf of pension funds, endowments and sovereign wealth funds.

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