

(Official Form 1) (10/05)

United States Bankruptcy Court Southern District of New York		Voluntary Petition																				
Name of Debtor (if individual, enter Last, First, Middle): Silicon Graphics, Inc.		Name of Joint Debtor (Spouse) (Last, First, Middle): N/A																				
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): Silicon Graphics Computer Systems, SGI, Inc., SGI		All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names): N/A																				
Last four digits of Soc. Sec. No./Complete EIN or other Tax I.D. No. (if more than one, state all): EIN: 94-2789662		Last four digits of Soc. Sec. No./Complete EIN or other Tax I.D. No. (if more than one, state all): N/A																				
Street Address of Debtor (No. & Street, City, and State): 1500 Crittenden Lane Mountain View, California		Street Address of Joint Debtor (No. & Street, City, and State): N/A																				
ZIP CODE 94043-1351		ZIP CODE																				
County of Residence or of the Principal Place of Business: Santa Clara County		County of Residence or of the Principal Place of Business: N/A																				
Mailing Address of Debtor (if different from street address): N/A		Mailing Address of Joint Debtor (if different from street address): N/A																				
ZIP CODE		ZIP CODE																				
Location of Principal Assets of Business Debtor (if different from street address above): N/A																						
ZIP CODE		ZIP CODE																				
Type of Debtor (Form of Organization) Check one box.) <input type="checkbox"/> Individual (includes Joint Debtors) <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and provide the information requested below.) State type of entity: _____	Nature of Business (Check all applicable boxes.) <input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101 (51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input type="checkbox"/> Nonprofit Organization qualified under 15 U.S.C. § 501(c)(3)	Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box) <input type="checkbox"/> Chapter 7 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 9 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding <input type="checkbox"/> Chapter 13																				
Filing Fee (Check one box) <input checked="" type="checkbox"/> Full Filing Fee attached <input type="checkbox"/> Filing Fee to be paid in installments (Applicable to individuals only) Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form No. 3A. <input type="checkbox"/> Filing Fee waiver requested (Applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.		Nature of Debts (Check one box) <input type="checkbox"/> Consumer/Non-Business <input checked="" type="checkbox"/> Business																				
<input checked="" type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D).		Chapter 11 Debtors Check one box: <input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D). ----- Check if: <input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts owed to non-insiders or affiliates are less than \$2 million.																				
Statistical/Administrative Information (Estimates only) UNDETERMINED <input type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.		THIS SPACE IS FOR COURT USE ONLY																				
Estimated Number of Creditors (consolidated with affiliates) <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">1-49</td> <td style="width: 10%;">50-99</td> <td style="width: 10%;">100-199</td> <td style="width: 10%;">200-999</td> <td style="width: 10%;">1000-5000</td> <td style="width: 10%;">5,001-10,000</td> <td style="width: 10%;">10,000-25,000</td> <td style="width: 10%;">10,001-50,000</td> <td style="width: 10%;">50,001-100,000</td> <td style="width: 10%;">OVER 100,000</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>		1-49	50-99	100-199	200-999	1000-5000	5,001-10,000	10,000-25,000	10,001-50,000	50,001-100,000	OVER 100,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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FORM B1, Page 2

Voluntary Petition <i>(This page must be completed and filed in every case)</i>	Name of Debtor(s): Silicon Graphics, Inc.	
Prior Bankruptcy Case Filed Within Last 8 Years (If more than one, attach additional sheet)		
Location Where Filed: N/A	Case Number: N/A	Date Filed: N/A
Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor (If more than one, attach additional sheet)		
Name of Debtor: <p style="text-align: center;">See Attached Schedule 1</p>	Case Number: <p style="text-align: center;">Pending</p>	Date Filed: <p style="text-align: center;">May 8, 2006</p>
District: <p style="text-align: center;">Southern District of New York</p>	Relationship: <p style="text-align: center;">Affiliates</p>	Judge: <p style="text-align: center;">Pending</p>
<p style="text-align: center;">Exhibit A</p> (To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11)	<p style="text-align: center;">Exhibit B</p> (To be completed if debtor is an individual whose debts are primarily consumer debts)	
<input checked="" type="checkbox"/> Exhibit A is attached and made a part of this petition.	I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by § 342(b) of the Bankruptcy Code. X _____ Signature of Attorney for Debtor(s) Date	
<p style="text-align: center;">Exhibit C</p> Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety? <input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition. <input checked="" type="checkbox"/> No (See Exhibit C attached hereto.)	<p style="text-align: center;">Certification Concerning Debt Counseling by Individual/Joint Debtor(s)</p> <input type="checkbox"/> I/we have received approved budget and credit counseling during the 180-day period preceding the filing of this petition. <input type="checkbox"/> I/we request a waiver of the requirement to obtain budget and credit counseling prior to filing based on exigent circumstances. (Must attach certification describing.)	
Information Regarding the Debtor (Check the Application boxes)		
Venue (Check any applicable box)		
<input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.		
<input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.		
<input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.		
Statement by a Debtor Who Resides as a Tenant of Residential Property		
<i>Check all applicable boxes</i>		
<input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)		
_____ (Name of landlord than obtained judgment)		
_____ (Address of landlord)		
<input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and		
<input type="checkbox"/> Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.		

(Official Form 1) (10/05)

FORM B1, Page 3

Voluntary Petition

(This page must be completed and filed in every case)

Name of Debtor(s):

Silicon Graphics, Inc.

Signatures

Signature(s) of Debtor(s) (Individual/Joint)

I declare under penalty of perjury that the information provided in this petition is true and correct.

[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.

[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by § 342(b) of the Bankruptcy Code.

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X _____
Signature of Debtor

X _____
Signature of Joint Debtor

Telephone Number (If not represented by attorney)

Date

Signature of a Foreign Representative

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding and that I am authorized to file this petition.

(Check only one box.)

I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by § 1515 of title 11 are attached.

Pursuant to § 1511 of title 11, United States Code, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

X _____
Signature of Foreign Representative

Printed Name of Foreign Representative

Date

Signature of Attorney

X /s/ Gary Holtzer
Signature of Attorney for Debtor(s)

Gary T. Holtzer, Esq. (GH 7732)
Shai Y. Waisman, Esq. (SW 6854)
Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

May 8, 2006

Signature of Non-Attorney Bankruptcy Petition Preparer

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19B is attached.

Printed Name and title, if any, of Bankruptcy Petition Preparer

Social Security number (if the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

Address

x _____

Date

Signature of Bankruptcy Petition Preparer of officer, principal, responsible person, or partner whose social security number is provided above.

Name and Social Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment of both 11 U.S.C. § 110; 18 U.S.C. § 156.

Signature of Debtor (Corporation/Partnership)

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X /s/ Barry Weinert
Signature of Authorized Individual

Barry Weinert, Esq.
Printed Name of Authorized Individual

Vice President, Secretary & General Counsel
Title of Authorized Individual

May 8, 2006
Date

Schedule 1 to Chapter 11 Petition

On the date hereof, each of the affiliated entities listed below (including the debtor in this chapter 11 case) filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the "Court"). A motion has been filed or shortly will be filed with the Court requesting that the chapter 11 cases of these entities be consolidated for procedural purposes only and jointly administered.

<u>Debtor Name</u>	<u>Case No.</u>
Silicon Graphics, Inc.	06-_____ ()
Silicon Graphics Federal, Inc.	06-_____ ()
Cray Research, LLC	06-_____ ()
Silicon Graphics Real Estate, Inc.	06-_____ ()
Silicon Graphics World Trade Corporation	06-_____ ()
Silicon Studio, Inc.	06-_____ ()
Cray Research America Latina Ltd.	06-_____ ()
Cray Research Eastern Europe Ltd.	06-_____ ()
Cray Research India Ltd.	06-_____ ()
Cray Research International, Inc.	06-_____ ()
Cray Financial Corporation	06-_____ ()
Cray Asia/Pacific, Inc.	06-_____ ()
ParaGraph International, Inc.	06-_____ ()
WTI-Development, Inc.	06-_____ ()

CERTIFICATE OF RESOLUTIONS

I, Barry Weinert, a duly authorized officer of Silicon Graphics, Inc., a Delaware corporation (the "Company"), hereby certify that at a special meeting of the Board of Directors of the Company (the "Board") duly called and held on May 7, 2006, the following resolutions were adopted in accordance with the requirements of the Delaware General Corporation Law and that these resolutions have not been modified or rescinded and are still in full force and effect on the date hereof:

RESOLVED, that in the judgment of the Board, it is desirable and in the best interests of the Company, its creditors, and other interested parties that a petition be filed by the Company seeking relief under the provisions of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code");

RESOLVED, that the Chairman of the Board, President and Chief Executive Officer, Chief Financial Officer and Senior Vice President, Treasurer, Secretary, General Counsel and any other person designated and so authorized to act (each, an "Authorized Officer") of the Company be, and each hereby is, authorized, empowered and directed, in the name and on behalf of the Company, to execute and verify petitions under chapter 11 of the Bankruptcy Code and to cause the same to be filed in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") at such time as the Authorized Officer executing the petitions shall determine;

RESOLVED, that the law firm of Weil, Gotshal & Manges LLP be, and hereby is, employed as attorneys for the Company under a general retainer in the Company's chapter 11 case, subject to the approval of the Bankruptcy Court;

RESOLVED, that the firm of AlixPartners, LLC, be, and hereby is, employed as restructuring advisors for the Company in the Company's chapter 11 case, subject to the approval of the Bankruptcy Court;

RESOLVED, that the firm of Bear Stearns & Co., Inc. be, and hereby is, employed as financial advisors for the Company in the Company's chapter 11 case, subject to the approval of the Bankruptcy Court;

RESOLVED, that any Authorized Officer be, and hereby is, authorized, empowered and directed to execute and file all petitions, schedules, motions, lists, applications, pleadings, and other papers and, in connection therewith, to employ and retain all assistance by legal counsel, accountants, financial advisors, and other professionals and to take and perform any and all further acts and deeds that such Authorized Officer deems necessary, proper, or desirable in connection with

the Company's chapter 11 case, with a view to the successful prosecution of such case;

RESOLVED, that any Authorized Officer, and such other officers of the Company as the Authorized Officers shall from time to time designate, and any employees or agents (including counsel) designated by or directed by any such officers, be, and each hereby is, authorized, empowered and directed, in the name and on behalf of the Company, to cause the Company to enter into, execute, deliver, certify, file and/or record, and perform such agreements, instruments, motions, affidavits, applications for approvals or rulings of governmental or regulatory authorities, certificates or other documents, and to take such other actions, as in the judgment of any such officer shall be or become necessary, proper and desirable to a successful chapter 11 reorganization;

RESOLVED, that in connection with the commencement of the chapter 11 case by the Company, the Authorized Officers be and hereby are, authorized and empowered on behalf of, and in the name of, the Company, to negotiate, execute and deliver a debtor-in-possession loan facility (including, in connection therewith, such notes, security agreements and other agreements or instruments as such officers consider appropriate) on the terms and conditions such officer or officers executing the same may consider necessary, proper or desirable, such determination to be conclusively evidenced by such execution or the taking of such action, and to consummate the transactions contemplated by such agreements or instruments on behalf of the Company and any affiliates;

RESOLVED, that in connection with the commencement of the chapter 11 case by the Company, the Authorized Officers be and hereby are, authorized and empowered on behalf of, and in the name of, the Company, to adopt a plan of reorganization on terms and conditions substantially similar to those included in the proposed term sheet attached hereto as Exhibit A, as such officer or officers executing the same may consider necessary, proper or desirable, such determination to be conclusively evidenced by such execution or the taking of such action, and to consummate the transactions contemplated by such agreements or instruments on behalf of the Company and any affiliates; and

RESOLVED, that any and all past actions heretofore taken by any Authorized Officer or the Directors of the Company in the name and on behalf of the Company in furtherance of any or all of the preceding resolutions be, and the same hereby are, ratified, confirmed and approved.

IN WITNESS WHEREOF, I have hereunto set my hand this 7th day of May,
2006.

/s/ Barry Weinert

Signature

By: Barry Weinert, Esq.

Title: Vice President, Secretary & General Counsel

Exhibit A

SILICON GRAPHICS, INC.

Plan Term Sheet

May 5, 2006

This term sheet describes the material terms of a financial restructuring of Silicon Graphics, Inc. ("SGI" and, as reorganized, "Reorganized SGI") and certain of its subsidiaries (together with SGI, the "Company" and, as reorganized with Reorganized SGI, the "Reorganized Company"). The transactions contemplated by this term sheet are subject to conditions to be set forth in definitive documents. This term sheet is proffered in the nature of a settlement proposal in furtherance of settlement discussions and is entitled to protection from any use or disclosure to any party or person pursuant to Federal Rule of Evidence 408 and any other rule of similar import. Until publicly disclosed by SGI, with the prior written consent of the Ad Hoc Committee (as defined below), this term sheet and the information contained herein is strictly confidential and may not be shared with any person other than SGI and its professionals and other advisors. Capitalized terms not defined herein shall have the meaning ascribed to such terms in the Commitment Letter, dated as of May 5, 2006, regarding that certain debtor in possession facility described therein and in Appendix I and Annex I thereto (the "DIP Term Sheet").

Reference is hereby made to the following agreements:

- (i) Third Amended and Restated Credit Agreement, dated as of October 24, 2005 among SGI, Silicon Graphics Federal, Inc., Silicon Graphics World Trade Corporation, Wells Fargo Foothill, Inc., as Agent and Lender, and Ableco Finance LLC, as Lender (the "Loan Agreement");
- (ii) Indenture, dated as of December 24, 2003 among SGI and U.S. Bank National Association, as Trustee, regarding 6.50% Senior Secured Convertible Notes due 2009 (the "6.50% Secured Notes");
- (iii) Indenture, dated as of December 24, 2003 among SGI and U.S. Bank National Association, as Trustee, regarding 11.75% Senior Secured Notes due 2009 (the "11.75% Secured Notes"); and
- (iv) First Supplemental Indenture, dated as of June 30, 1996 among SGI, Cray Research, Inc. and JPMorgan Chase (formerly known as Manufacturers Hanover Trust Company), as Trustee, regarding 6-1/8% Convertible Subordinated Debentures due 2011 (the "Cray Unsecured Debentures") (which supplements the Indenture dated as of February 1, 1986 between Cray Research, Inc. and Manufacturers Hanover Trust Company, as Trustee).

SGI shall restructure its capital structure through a joint chapter 11 plan of reorganization agreed to by the ad hoc committee (the "Ad Hoc Committee") of certain holders of the 6.50% Secured Notes (as amended, modified or supplemented from time to time with the prior consent of the Ad Hoc Committee, the "Plan") filed with the United States Bankruptcy Court (the "Bankruptcy

Court") in cases (the "Chapter 11 Cases") to be commenced by the Company on or before May 8, 2006 (the date the Chapter 11 Cases are commenced, the "Petition Date"), under chapter 11 of Title 11 of the United States Code (11 U.S.C. §§ 101 et seq. (as amended, the "Bankruptcy Code")) which Plan and the disclosure statement (as amended, modified or supplemented from time to time with the prior consent of the Ad Hoc Committee, the "Disclosure Statement") in connection with the Plan shall be consistent with this non-binding term sheet.

Treatment of Claims and Interests under the Plan

DIP Financing	The terms of the DIP Financing are fully set forth in the DIP Term Sheet. \$50 million of DIP Financing provided by the holders of the 6.50% Secured Notes (the " <u>Senior Note Lenders</u> ") shall be repaid on the effective date of a Plan by the Rights Offering (as defined below).
Loan Agreement Claims	Subject to review of the validity and perfection of liens and security interests of the lenders under the Loan Agreement (the " <u>Senior Credit Lenders</u> ") by the Creditors' Committee, the claims arising from the Loan Agreement shall, to the extent not repaid during the pendency of the Chapter 11 Cases shall be paid in full in cash on the effective date of a Plan.
6.50% Secured Notes and 11.75% Secured Notes Claims	<p>Holders of claims on account of the 6.50% Secured Notes and the 11.75% Secured Notes shall receive (a) 2,500,000 shares of newly issued common stock of Reorganized SGI (the "<u>Distribution Common Stock</u>") constituting 25% of the New Common Stock (as defined below) and (b) 7,500,000 Rights (as defined below) to purchase one share of New Common Stock (as defined below).</p> <p>The aggregate shares (the "<u>New Common Stock</u>") of the Distribution Common Stock and the Rights Offering Common Stock (as defined below) shall constitute 100% of the outstanding equity of Reorganized SGI, subject to dilution for the Overallotment Shares (as defined below) and the Management Incentive Plan (as defined below). The aggregate number of shares of New Common Stock of Reorganized SGI shall initially be 10,000,000 without dilution for the Overallotment Shares (as defined below) and 11,125,000 shares assuming exercise of 100% of the Overallotment Shares (as defined below).</p>
General Unsecured Claims	"General Unsecured Claims" means allowed general unsecured claims of the Company, but excluding (i) claims in connection with the Cray Unsecured Debentures and (ii) any deficiency claims on account of the 6.50% Secured

	Notes and the 11.75% Secured Notes. Holders of General Unsecured Claims shall receive their pro rata share of \$1.5 million.
Cray Unsecured Debentures	The subordination of the Cray Unsecured Debentures shall be enforced and holders of Cray Unsecured Debentures shall receive no recovery.
Equity Interests	Holders of equity interests in SGI shall receive no recovery and all equity interests in SGI shall be cancelled.

Additional Provisions of Plan

Rights Offering	<p><u>Rights Offering.</u> Pursuant to an election to be made in conjunction with voting on the Plan (the "<u>Rights Offering</u>"), the holders of the 6.50% Secured Notes and the 11.75% Secured Notes shall have the right to purchase (each, a "<u>Right</u>" and, together, the "<u>Rights</u>") on the effective date of a Plan, on a ratable basis, 7,500,000 shares of New Common Stock (the "<u>Rights Offering Common Stock</u>") in consideration for \$6.67 per share (the "<u>Rights Offering Price</u>").</p> <p><u>Rights Offering Commitment.</u> In accordance with the terms and subject to the conditions of a purchase agreement in form and substance acceptable to the Senior Note Lenders in their sole discretion (the "<u>Rights Offering Common Stock Purchase Agreement</u>"), the Senior Note Lenders shall commit (the "<u>Rights Offering Commitment</u>") to purchase at the Rights Offering Price, the aggregate shares of the Rights Offering Common Stock not otherwise purchased in the Rights Offering, the allocation of which shall be agreed upon among the Senior Note Lenders.</p> <p><u>Commitment Fee.</u> In exchange for the Rights Offering Commitment, the Senior Note Lenders shall receive a commitment fee equal to \$1,000,000.</p> <p><u>Over-Allotment Rights.</u> In exchange for the Rights Offering Commitment, the Senior Note Lenders shall receive the right (but shall have no obligation) to purchase at the Rights Offering Price 1,125,000 shares comprising 15% of the Rights Offering Common Stock (the "<u>Overallotment Shares</u>"), the allocation of which shall be agreed upon among the Senior Note Lenders.</p>
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Public/Private	To be agreed in the sole discretion of the Senior Note Lenders.
Trading/Registration Rights	<ul style="list-style-type: none"> • Newly-issued common stock of Reorganized SGI to be freely-tradable pursuant to section 1145 of the Bankruptcy Code. • <u>Registration Rights</u>. On the effective date of the Plan, Reorganized SGI shall enter into a registration rights agreement (the "<u>Registration Rights Agreement</u>") with any holders that will own greater than 9% of the outstanding New Common Stock upon the effective date of the Plan pursuant to which Reorganized SGI shall agree to register the resale of the shares of New Common Stock issued to any such holders in accordance with the requirements of the Securities Act of 1933, as amended. The Registration Rights Agreement shall provide that any holder owning greater than 9% of the outstanding New Common Stock upon the effective date of the Plan shall be entitled to two (2) demand rights and unlimited piggyback registration rights.
Exit Facility	A term loan facility and a revolving loan/letter of credit facility (the " <u>Exit Facility</u> "), the total of which shall not exceed \$100 million or such other amount as the Company and the Ad Hoc Committee deem appropriate and necessary, shall be made available to the Reorganized Company by one or more lenders on terms and conditions acceptable to the Reorganized Company and the Ad Hoc Committee.
Management Incentive Plan	On or as soon as reasonably practicable after the effective date of the Plan, a management incentive plan (the " <u>Management Incentive Plan</u> ") shall be implemented to reserve for designated members of senior management of the Reorganized Company equity interests (including restricted common stock and/or options) in Reorganized SGI. The Management Incentive Plan shall be in form and substance acceptable to both the Company and the Ad Hoc Committee.
Corporate Governance	On the effective date of the Plan, the Board of Directors of Reorganized SGI shall be comprised of five (5) members which shall be selected by the Ad Hoc Committee.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re :
: **Chapter 11 Case No.**
: **SILICON GRAPHICS, INC.,** : **06- ____ ()**
: **Debtor.** :
-----X

**LIST OF CREDITORS HOLDING
THIRTY LARGEST UNSECURED CLAIMS**

Following is the list of the Debtor’s creditors holding the thirty (30) largest unsecured claims.¹ The list has been prepared on a consolidated basis, based upon the consolidated books and records of the Debtor and its affiliates that also commenced cases under chapter 11 of title 11 of the United States Code on the date hereof (collectively, the “Debtors”).

Except as set forth above, the list of creditors has been prepared in accordance with Rule 1007(d) of the Federal Rules of Bankruptcy Procedure. This list does not include (i) persons who come within the definition of “insider” set forth in section 101(31) of title 11 of the United States Code or (ii) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the thirty (30) largest unsecured claims.

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address, including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff²</i>	<i>Amount of claim (if secured also state value of security)</i>
JPMorgan Chase Bank, f/k/a, Chemical Bank, f/k/a Manufacturers Hanover Trust Company, as trustee for holder of 6.125% Convertible Subordinated Debentures due 2011 2001 Bryan St., 10th Fl. Dallas, TX 75201 and	JPMorgan Chase Bank, f/k/a, Chemical Bank, f/k/a Manufacturers Hanover Trust Company, as trustee for holder of 6.125% Convertible Subordinated Debentures due 2011 Attn: Institutional Trust Services: Maria Perez Tel: (214) 468-6184 Fax: (214) 468-6429	Bond Debt		\$56,776,000.00

¹ This information herein shall not constitute an admission of liability by, nor is it binding on, the Debtor.

² All claims may be subject to offsets, discounts, reconciliations, credits, and adjustments, which are not reflected on this list.

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address, including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff²</i>	<i>Amount of claim (if secured also state value of security)</i>
JPMorgan Institutional Trust Services P.O. Box 2320 Dallas, TX 75221	and JPMorgan Institutional Trust Services P.O. Box 2320 Dallas, TX 75221 Attention: Frank Grippo Fax: (214) 468-6122			
Solectron 847 Gibraltar Drive Milpitas, CA 95035	Solectron 847 Gibraltar Drive Milpitas, CA 95035 Attn: Mike Cannon, CEO Tel.: (408) 957-8500 Fax: (408) 957-6056	Trade Debt		\$10,088,792.66
Engenio Information Technologies 1621 Barber Lane Milpitas, CA 95035	Engenio Information Technologies LSI Logic Corporation 1621 Barber Lane Milpitas, CA 95035 Attn: Abhi Talwalkar, CEO Tel.: (408) 433-8000 Fax: (408) 433-7770	Trade Debt		\$4,623,372.49
IBM 1133 Westchester Avenue White Plains, New York 10604	IBM 1133 Westchester Avenue White Plains, New York 10604 Attn: Hal Lasky, Director Strategic Clients Tel.: (877) 426-6006 Fax: (866) 722-9226	Trade Debt		\$2,262,177.36
United Properties 3500 West American Blvd. Suite 200 Bloomington, MN 55431	United Properties 3500 West American Blvd. Suite 200 Bloomington, MN 55431 Attn: Brent Baskfield, Director Tel.: (952) 831-1000 Fax: (952) 893-8813	Trade Debt		\$2,058,802.65
Datadirect Networks 9320 Lurline Ave. Chatsworth, CA 91311-6041	Datadirect Networks 9320 Lurline Ave. Chatsworth, CA 91311-6041 Attn: Paul Bloch, President Tel.: (818) 700-7600 Fax: (818) 700-7601	Trade Debt		\$1,724,719.80

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address, including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff²</i>	<i>Amount of claim (if secured also state value of security)</i>
Celestica 1150 Eglinton Avenue East Toronto, Ontario M3C 1H7 Canada	Celestica 1150 Eglinton Avenue East Toronto, Ontario M3C 1H7 Canada Attn: Robert Ellis, General Counsel Tel.: (416) 448-5800 Fax: (416) 448-4699	Trade Debt	Disputed	\$1,349,152.11
Xyratex 2031 Concourse Dr. San Jose, CA 95131	Xyratex 2031 Concourse Dr. San Jose, CA 95131 Attn: Hanish Vaghela, Director, Acct. Mgmt. Tel.: (408) 894-0800 Fax: (408) 894-0880	Trade Debt		\$919,897.48
Storage Technology 1 Storage Tek Dr. Louisville, CO 80028-0001	Storage Technology 1 Storage Tek Dr. Louisville, CO 80028-0001 Attn: Tim Weir, Account Manager Tel.: (303) 673-5151 Fax: (303) 661-7637	Trade Debt		\$711,340.06
SPL Integrated Solutions 9180 Rumsey Rd. Ste. D4 Columbia, MD 21045	SPL Integrated Solutions 9180 Rumsey Rd. Ste. D4 Columbia, MD 21045 Attn: Jeff Fink, Vice President of Sales Tel.: (410) 992-0998 Fax: (410) 992-0758	Trade Debt		\$696,575.61
Smart Modular Technologies 4211 Starboard Drive Fremont, CA 94538	Smart Modular Technologies 4211 Starboard Drive Fremont, CA 94538 Attn: Iain MacKenzie, CEO Tel.: (510) 623-1231 Fax: (510) 623-1434	Trade Debt		\$695,781.00
Avago Technologies U.S., Inc. 350 West Trimble Road, Bldg. 90 San Jose, CA 95131	Avago Technologies U.S., Inc. 350 West Trimble Road, Bldg. 90 San Jose, CA 95131 Attn: Ken Delgrande Tel.: (800) 235-0312 Fax: (877) 673-9442	Trade Debt		\$687,500.00

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address, including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff²</i>	<i>Amount of claim (if secured also state value of security)</i>
Christie Digital Systems 10550 Camden Dr. Cypress, CA 90630	Christie Digital Systems 10550 Camden Dr. Cypress, CA 90630 Attn: David Fluegeman, Vice President of Immersive Tel: (714) 236-8610 Fax: (714) 503-3375	Trade Debt		\$678,700.00
Micron Semiconductor Products 8000 South Federal Way Boise, ID 83707-0006	Micron Semiconductor Products 8000 South Federal Way Post Office Box 6 Boise, ID 83707-0006 Attn: Michael W. Sadler, VP WW Sales Tel.: (208) 368-3900 Fax: (208) 368-4617	Trade Debt		\$625,053.00
Act 1 1999 W. 190th Street Torrance, CA 90504-6202	Act 1 1999 W. 190th Street Torrance, CA 90504-6202 Attn: Meredith Brasiel, On-Site Account Mgr. Tel.: (310) 750-3400 Fax: (310) 750-1104	Trade Debt		\$591,973.64
Electronic Data Systems 5400 Legacy Dr. Plano, TX 75024-3199	Electronic Data Systems 5400 Legacy Dr. Plano, TX 75024-3199 Attn: Thomas Harpenau Tel.: (972) 604-6000 Fax: (972) 605-6033	Trade Debt		\$588,109.11
PDSI 664 SE Bayberry Lane, Suite 105 Lee's Summit, MO 64063	PDSI 664 SE Bayberry Lane, Suite 105 Lee's Summit, MO 64063 Attn: Mike Sayre, EVP & CFO Tel.: (800) 711-7374 Fax: (816) 554-3150	Trade Debt		\$581,536.86
Trident Computer Resources, Inc. 151 Industrial Way East Building A Eatontown, NJ 07724	Trident Computer Resources, Inc. 151 Industrial Way East Building A Eatontown, NJ 07724 Attn: Legal Department Tel.: (732) 544-9333 Fax: (732) 544-1511	Trade Debt		\$528,382.38

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address, including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff²</i>	<i>Amount of claim (if secured also state value of security)</i>
GyroGroup 30 Maiden Lane Suite 500 San Francisco, CA 94108	GyroGroup 30 Maiden Lane Suite 500 San Francisco, CA 94108 Attn: Hanna Alexandersson, Account Director Tel.: (415) 445-9111 Fax: (415) 445-9311	Trade Debt	Disputed	\$510,442.82
EBM-Papst 100 Hyde Rd., Farmington, CT 06032-2835	EBM-Papst 100 Hyde Rd., Farmington, CT 06032-2835 Attn: Rick Dirnberger, Mfg's. Rep. Tel.: (860) 674-1515 Fax: (860) 678-0251	Trade Debt		\$474,264.20
Trilogy Computer Industry Solutions 6011 West Courtyard Drive, Austin, TX 78730	Trilogy Computer Industry Solutions 6011 West Courtyard Drive, Austin, TX 78730 Attn: Douglas Gray, Account Executive Tel.: (512) 874-3100 Fax: (512) 874-8900	Trade Debt		\$450,000.00
Harwood International Corp. 2828 North Harwood, 16th Floor Dallas, TX 75201	Harwood International Corp. 2828 North Harwood, 16th Floor Dallas, TX 75201 Attn: Legal Department Tel: (214) 871-0871 Fax: (214) 468-0207	Trade Debt		\$438,850.00
Meritec c/o Ohio Associated Enterprises LLC 1382 W. Jackson St. Painesville, OH 44077-1306	Meritec c/o Ohio Associated Enterprises LLC 1382 W. Jackson St. Painesville, OH 44077-1306 Attn: John T. Venaleck, President Tel.: (440) 354-3148 Fax: (440) 354-0687	Trade Debt		\$385,423.70
Synopsys 700 E. Middlefield Rd. Mountain View, CA 94043- 4024	Synopsys 700 E. Middlefield Rd. Mountain View, CA 94043- 4024 Attn: John Kapinos Tel: (650) 584-5000 Fax: (650) 584-4249	Trade Debt		\$375,000.00

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address, including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff²</i>	<i>Amount of claim (if secured also state value of security)</i>
Interactive Supercomputing LLC 135 Beaver Street Waltham, MA 02452	Interactive Supercomputing LLC 135 Beaver Street Floor 2 Waltham, MA 02452 Attn: Cornelius Peterson, CEO Tel.: (781) 398-0010 Fax: (781) 398-0040	Trade Debt		\$362,500.00
Q-Logic 26650 Aliso Viejo Parkway Aliso Viejo, CA 92656	Q-Logic 26650 Aliso Viejo Parkway Aliso Viejo, CA 92656 Attn: Rich Norris, Oem Sales Manager Tel: (949) 389-6000 Fax: (949) 389-6009	Trade Debt		\$314,940.00
Crenlo LLC 1600 4th Avenue, NW Rochester, MN 55091	Crenlo LLC 1600 4th Avenue, NW Rochester, MN 55091 Attn: Peggy Elliott, Sr. Regional Sales Mgr. Tel.: (507) 289-3371 Fax: (507) 280-2350	Trade Debt		\$308,640.16
Davis Polk & Wardwell 1600 El Camino Real Menlo Park, CA 94025	Davis Polk & Wardwell 1600 El Camino Real Menlo Park, CA 94025 Attn: William A. Kelly Tel.: (650) 752-2000 Fax: (650) 752-2111	Trade Debt		\$294,086.57
Atlas Manufacturing 81 Somerset Pl. Clifton, NJ 07012-1197	Atlas Manufacturing 81 Somerset Pl. Clifton, NJ 07012-1197 Attn: Mark Jackels Tel: (973) 779-3970 Fax: (973) 779-7783	Trade Debt		\$247,576.15
Securitas Security Services USA Inc. 2 Campus Dr. Parsippany, NJ 07054	Securitas Security Services USA Inc. 2 Campus Dr. Parsippany, NJ 07054 Attn: Pat Harvey Tel: (973) 267-5300 Fax: (973) 397-2681	Trade Debt		\$243,285.24

DECLARATION UNDER PENALTY OF PERJURY:

I, the undersigned authorized officer of Silicon Graphics, Inc., named as the debtor in this case (the “Debtor”), declare under penalty of perjury that I have read the foregoing list of creditors holding the thirty (30) largest unsecured claims against the Debtor and its debtor affiliates and that it is true and correct to the best of my information and belief.

Dated: May 7, 2006

/s/ Barry Weinert

Signature

By: Barry Weinert, Esq.

Title: Vice President, Secretary &
General Counsel

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re :
 : Chapter 11 Case No.
 :
SILICON GRAPHICS, INC., :
 : 06- ____ ()
 :
Debtor. :
 :
 :
-----X

LIST OF CREDITORS¹

Contemporaneously herewith, the Debtor and its affiliated debtors (the “Debtors”) have filed a motion requesting a waiver of the requirement for filing a list of creditors pursuant to sections 105(a), 342(a), and 521(a)(1) of title 11 of the United States Code, Rules 1007(a)(1) and 2002(a), (f), and (l) of the Federal Rules of Bankruptcy Procedure, and Rule 1007-1 of the Local Bankruptcy Rules for the Southern District of New York, and General Orders M-133, M-137, M-138 and M-192 of the United States Bankruptcy Court for the Southern District of New York. The Debtors propose to furnish their list of creditors to the proposed claims and noticing agent. The Debtors have consulted with and received the approval of the Clerk of this Court to implement the foregoing procedures.

The list of creditors will contain only those creditors whose names and addresses were maintained in the Debtors’ consolidated database or were otherwise ascertainable by the Debtors prior to the commencement of these cases. The schedules of liabilities to be subsequently filed should be consulted for a list of the Debtors’ creditors that is comprehensive and current as of the date of the commencement of these cases.

¹ The information herein shall not constitute an admission of liability by, nor is it binding on, the Debtor.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re :
: **Chapter 11 Case No.**
: **SILICON GRAPHICS, INC.,** : **06- _____ ()**
: **Debtor.** :
: :
: :
-----X

EXHIBIT "A" TO VOLUNTARY PETITION

1. The Debtor has securities registered under Section 12 of the Securities and Exchange Act of 1934. The Debtor's SEC file number is 1-10441.

2. The following consolidated financial data is the latest available information and refers to the Debtor's condition as of March 31, 2006.

a. Total assets	\$ <u>369,416,815</u>
b. Total debts (including debts listed in 2.c., below)	\$ <u>664,268,602</u>

c. Debt securities held by more than 500 holders.		Approximate number of holders ¹
secured <input checked="" type="checkbox"/> unsecured <input type="checkbox"/> subordinated <input type="checkbox"/>	\$188,578,000 ²	<u>550</u>
secured <input type="checkbox"/> unsecured <input checked="" type="checkbox"/> subordinated <input checked="" type="checkbox"/>	\$56,776,000 ³	<u>650</u>
secured <input type="checkbox"/> unsecured <input type="checkbox"/> subordinated <input type="checkbox"/>	\$ _____	_____
secured <input type="checkbox"/> unsecured <input type="checkbox"/> subordinated <input type="checkbox"/>	\$ _____	_____

d. Number of shares of preferred stock	<u>None</u>
e. Number of shares of common stock	<u>274,247,196⁴</u>

3. Brief description of Debtor's business: The Debtor, together with its direct and indirect subsidiaries, is a leading provider of high performance computing, visualization solutions, and storage products and services.

4. List the names of any person who directly or indirectly owns, controls, or holds, with power to vote, 5% or more of the voting securities of Debtor:

1. Deutsche Bank AG (6.5%)
2. Morgan Stanley (6.5%)
3. Credit Suisse First Boston (5.6%)
4. Capital Research & Management Co. (5.2%)

¹ The approximate number of holders is comprised of holders registered with the Depository Trust Company and non-objecting beneficial owners.

² 6.5 % Senior Secured Notes due 2009.

³ 6.125 % Convertible Subordinated Debentures due 2011.

⁴ As of March 31, 2006.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re :
 : **Chapter 11 Case No.**
 :
SILICON GRAPHICS, INC., : **06- ____ ()**
 :
 Debtor. :
 :
-----X

EXHIBIT "C" TO VOLUNTARY PETITION

1. Identify and briefly describe all real or personal property owned by or in possession of the debtor that, to the best of the debtor's knowledge, poses or is alleged to pose a threat of imminent and identifiable harm to the public health or safety (attach additional sheets if necessary):

The Debtor does not believe it owns or possesses any real or personal property that poses or is alleged to pose a threat of imminent and identifiable harm to the public health or safety. To the extent the Debtor has an interest in such property, to the best of the Debtor's knowledge, the Debtor is in compliance with all applicable laws, including, without limitation, all environmental laws and regulations.

2. With respect to each parcel of real property or item of personal property identified in question 1, describe the nature and location of the dangerous condition, whether environmental or otherwise, that poses or is alleged to pose a threat of imminent and identifiable harm to the public health or safety (attach additional sheets if necessary):

The Debtor is not aware of any real or alleged dangerous conditions existing on or related to any real or personal property owned or possessed by the Debtor.