

SILICON GRAPHICS INC
 Form 4
 April 18, 2007

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
EWALD ROBERT H

(Last) (First) (Middle)

**C/O SILICON GRAPHICS,
 INC., 1140 E. ARQUES AVENUE**

(Street)

SUNNYVALE, CA 94085

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
SILICON GRAPHICS INC [SGIC]

3. Date of Earliest Transaction
 (Month/Day/Year)
04/16/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

Chief Executive Officer

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|--|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Common Stock (Restricted Stock Units) <u>(1)</u> | 04/17/2007 | | A | 46,358 <u>(1)</u> | A \$ 0 46,358 <u>(1)</u> | D | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | | | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|------------------|-----------------|--------------|----------------------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Stock Option (right to buy) | \$ 30.26 (2) | 04/16/2007 | | A | 241,142 | (3) | | 04/15/2014 | | Common Stock | 241,142 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| EWALD ROBERT H C/O SILICON GRAPHICS, INC. 1140 E. ARQUES AVENUE SUNNYVALE, CA 94085 | X | | Chief Executive Officer | |

Signatures

/s/ Kathy Lanterman as Attorney-in-fact For Robert H. Ewald 04/17/2007

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Represents Restricted Stock Units. Each unit will entitle the Reporting Person to one share of the Issuer's common stock at a designated issue date following the vesting of that unit. The units will vest in 48 equal monthly installments upon the Reporting Person's completion of each month of service with the Issuer over the 48-month period measured from April 9, 2007. Such vesting may be accelerated upon the occurrence of certain change-in-control events.

(2) The exercise price of the stock option equals the average of the high and low per-share price of the Common Stock of the Issuer on the date of grant.

(3) The shares under the stock option will vest in 48 equal monthly installments upon the Reporting Person's completion of each month of service with the Issuer over the 48-month period measured from April 9, 2007, and such vesting may be accelerated upon the occurrence of certain change-in-control events. However, the exercisability of the options as to 147,500 shares is subject stockholder approval of an amendment to the Issuer's Management Incentive Plan increasing the available share reserve to cover these options shares.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.