

SILICON GRAPHICS INC
 Form 4
 June 18, 2008

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 *
 Pebworth Timothy Lee

(Last) (First) (Middle)
 SILICON GRAPHICS, INC., 1140
 EAST 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)
 06/16/2008

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)
 VP, Corporate Controller & CAO

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> | 06/16/2008 | | A | 4,286 <u>(2)</u> | A \$ 0 4,286 | D | |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
 (9-02)

Edgar Filing: SILICON GRAPHICS INC - Form 4

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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Stock Options (Right to Buy) | \$ 6.875 (3) | 06/16/2008 | | A | 10,714 | 06/16/2009 ⁽⁴⁾ 06/15/2015 | Common Stock Par Value \$0.01 Per Share 10,714 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Pebworth Timothy Lee SILICON GRAPHICS, INC. 1140 EAST ARQUES AVENUE SUNNYVALE, CA 94085 | | | VP, Corporate Controller & CAO | |

Signatures

/s/ Cynthia K. Holbrook as Attorney - in - Fact for Timothy L. Pebworth
Date: 06/18/2008

**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) This represents an award of restricted stock units. Each unit will entitle the Reporting Person to one share of the Issuer's Common Stock upon vesting.
- (2) 25% of the restricted stock units vest on the first anniversary of the grant date with an additional 6.25% vesting following the completion of each three-month period thereafter until fully vested in 48 months after the date of grant.
- (3) Fair Market Value equals the average of the high and low prices of the Issuer's Common Stock on the date of grant.
- (4) 25% of the options vest on the first anniversary of the grant date with an additional 6.25% vesting following the completion of each three-month period thereafter until fully vested in 48 months after the date of grant.

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.