Oberdank Terry Form 4 December 05, 2006

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL

OMB 3235-0287 Number: January 31,

Expires: 2005 Estimated average

Other (specify

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if no longer subject to Section 16. Form 4 or Form 5

Check this box

obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * Oberdank Terry

2. Issuer Name and Ticker or Trading Symbol

SILICON GRAPHICS INC [SGIC]

5. Relationship of Reporting Person(s) to

Issuer

below)

(Last)

(First)

(Middle)

3. Date of Earliest Transaction

(Month/Day/Year) 12/01/2006

Director 10% Owner

(Check all applicable)

below)

C/O SILICON GRAPHICS, INC., 1200 CRITTENDEN LANE

(Street)

4. If Amendment, Date Original

Code

VP, Technology Solutions 6. Individual or Joint/Group Filing(Check

X_ Officer (give title

Filed(Month/Day/Year) Applicable Line)

X 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

MOUNTAIN VIEW, CA 94043

(City) (State) (Zip) 1.Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year)

3. 4. Securities Execution Date, if TransactionAcquired (A) or

Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of 6. Ownership 7. Nature of Securities Form: Direct Indirect Beneficially (D) or Beneficial Indirect (I) Ownership Owned Following (Instr. 4) (Instr. 4)

Reported Transaction(s) (Instr. 3 and 4)

Code V Amount (D) Price

Restricted Stock Units

(1)

(Instr. 3)

12/01/2006

(2)

9,206 A (3)

\$0

(A)

D

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

(Month/Day/Year)

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.

9,206

SEC 1474 (9-02)

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

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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. Transactic Code (Instr. 8)	5. Number of orDerivative 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)	\$ 18.03 (4)	12/01/2006	<u>(2)</u>	A	27,619	<u>(5)</u>	11/30/2013	Common Stock, par value \$0.01 per share	27,619

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Oberdank Terry C/O SILICON GRAPHICS, INC. 1200 CRITTENDEN LANE MOUNTAIN VIEW, CA 94043

VP, Technology Solutions

Signatures

Reporting Person

/s/ Terry Oberdank **Signature of 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 the award of restricted stock units. Each unit will entitle the Reporting Person to one share of the Issuer's Common Stock upon vesting.
- (2) Not applicable.
- (3) 33% of the restricted stock units vest on the first anniversary of the grant date with an additional 8.325% vesting following the completion of each three-month period thereafter until fully vested so that this award shall be fully vested 36 months after the date of grant.
- (4) Fair Market Value equals the average of the high and low prices of the Common Stock on the date of grant.
- (5) 25% of the option vests 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 so that this option shall be fully vested 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.

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