

Yi Chun Won
Form 4
August 29, 2008

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 *
Yi Chun Won

(Last) (First) (Middle)

C/O MONARCH ALTERNATIVE
CAPITAL GROUP LP, 535
MADISON AVENUE

(Street)

NEW YORK, NY 10022

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

SILICON GRAPHICS INC [SGIC]

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

08/27/2008

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)

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) |
|---------------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock (Restricted Stock Units) | 08/27/2008 | | D(1) | | 1,429 (1) | D | \$ 0 0 |

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) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Stock Option (right to buy) | \$ 18.03 | 08/27/2008 | | S | 12,500 | 12/01/2007 11/30/2011 | Common Stock | 12,500 |
| Stock Option (right to buy) | \$ 17.99 | 08/27/2008 | | D ⁽³⁾ | 3,571 | 12/06/2008 12/05/2012 | Common Stock | 3,571 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Yi Chun Won C/O MONARCH ALTERNATIVE CAPITAL GROUP LP 535 MADISON AVENUE NEW YORK, NY 10022 | X | | | |

Signatures

/s/ Chun Won
Yi

08/29/2008

**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) These restricted stock units were granted to Chun Won Yi, an employee of MAC, on December 6, 2007 as compensation for his service on the board of directors (the "Board") of the issuer. The units will not vest, as a result of Mr. Yi's resignation from the Board prior to the first anniversary of the date of grant.

(2) These stock options were granted to Mr. Yi on December 1, 2006 as compensation for his service on the Board. The options vested on December 1, 2007. Mr. Yi ceased to be a director of the issuer on August 26, 2008, and the options were subsequently transferred to funds advised by Monarch Alternative Capital LP.

(3) These stock options were granted to Mr. Yi on December 6, 2007 as compensation for his service on the Board. As a result of Mr. Yi's resignation from the Board prior to the first anniversary of the date of grant, such options will not vest.

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