

**OFFICIAL COMMITTEE OF UNSECURED CREDITORS  
OF SILICON GRAPHICS, Inc., et al., DEBTORS<sup>1</sup>**

Chapter 11 Case No. 06-10977 (BRL) (Jointly Administered)

TO: **UNSECURED CREDITORS OF SILICON GRAPHICS, INC.,  
AND ITS AFFILIATED DEBTORS**

The Official Committee of Unsecured Creditors (the “**Committee**”) in the above-referenced chapter 11 reorganization cases, writes to advise general unsecured creditors of the Committee’s support for the Debtors’ First Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code, which was filed by the Debtors on June 30, 2006, as amended from time to time, and in its final form dated July 27, 2006 (the “**Plan**”). Any capitalized terms used but not defined herein have the meanings ascribed to such terms in the Plan.

**THE COMMITTEE UNANIMOUSLY RECOMMENDS THAT HOLDERS OF ALL GENERAL UNSECURED CLAIMS, INCLUDING HOLDERS OF GENERAL UNSECURED SILICON GRAPHICS CLAIMS AND HOLDERS OF CRAY UNSECURED DEBENTURE CLAIMS (i.e., CLASS 6 and CLASS 7 CLAIMS), VOTE TO ACCEPT THE PLAN. *Each holder of a Class 6 or Class 7 Claim must, however, make its own independent decision as to whether or not the Plan is acceptable to that creditor before voting to accept or reject the Plan.* PLEASE NOTE THAT EACH CREDITOR MUST SUBMIT A COMPLETED BALLOT SO AS TO BE RECEIVED BY THE DEBTORS’ VOTING AGENT ON OR BEFORE SEPTEMBER 6, 2006 IN ACCORDANCE WITH THE INSTRUCTIONS ON THE BALLOT.**

**The Plan.** The Plan is the product of extensive negotiations with numerous parties, including the Debtors, their secured lenders, and the Committee and represents a resolution of all issues, as more fully described in the Debtors’ Disclosure Statement filed with the Court on June 30, 2006, as amended from time to time, and in its final form dated July 27, 2006 (the “Disclosure Statement”). We believe that the resolution embodied in the Plan will maximize recoveries for unsecured creditors of the Debtors and will reduce the expense and duration of these chapter 11 cases. We believe that, if the issues settled were litigated to conclusion, these chapter 11 cases may be prolonged. In addition, there is a significant risk of an adverse outcome for all creditors. The cost, delay and uncertainty that would result from such litigation would not, in the

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<sup>1</sup> The debtors and debtors in possession consist of the following entities: Silicon Graphics, Inc., Silicon Graphics Federal, Inc., Silicon Graphics World Trade Corporation, Silicon Graphics Real Estate, Inc., Silicon Studio, Inc., Cray Research, L.L.C., Cray Research America Latina Ltd., Cray Research Eastern Europe Ltd., Cray Research India Ltd., Cray Research International, Inc., Cray Financial Corporation, Cray Asia/Pacific, Inc., Paragraph International, Inc., and WTI Development, Inc. (collectively, the “**Debtors**” and with their non-Debtor affiliates “**SGI**”).

Committee's view, be in the best interests of unsecured creditors, especially given the recoveries available to unsecured creditors pursuant to the settlement embodied in the Plan.

**Distributions.** The Plan provides for the distribution of an estimated 26.5% for all holders of Allowed Class 6 General Unsecured Silicon Graphics Claims and for the distribution of 16% for all holders of Allowed Class 7 Cray Unsecured Debenture Claims who agree to participate in a rights offering. In addition, the Debtors are waiving distributions from Class 6 and Class 7 with respect to all Intercompany Claims, and the secured lenders are waiving distributions from Class 6 and Class 7 with respect to any deficiency claims.

*The foregoing description summarizes only certain aspects of the Plan and does not constitute any part of, and is not intended as a substitute for, the Disclosure Statement approved by the Court. Creditors should read the Plan and the accompanying Disclosure Statement (including, without limitation, all of the risk factors set forth therein) in their entirety before voting on the Plan.*

**Ballots.** CREDITORS MUST SUBMIT A TIMELY BALLOT. The Debtors have provided, among others, holders of Class 6 and Class 7 Claims entitled to vote with a Ballot to vote to accept or reject the Plan. In order to have a vote counted, creditors must complete and return the Ballot in accordance with the procedures set forth on the Ballot and in the Disclosure Statement so as to be received by the Debtors' voting agent on or before September 6, 2006. Please read the directions on the Ballot carefully and complete your Ballot in its entirety before returning it to the Debtors' voting agent.

**THE COMMITTEE UNANIMOUSLY RECOMMENDS THAT CREDITORS VOTE TO ACCEPT THE PLAN AND SUBMIT THEIR BALLOTS SO AS TO BE RECEIVED BY THE DEBTORS' VOTING AGENT ON OR BEFORE SEPTEMBER 6, 2006.**

**Additional Information.** Any questions concerning the procedures for voting on the Plan, please contact the Debtors' voting agent, Financial Balloting Group, LLC at (646) 282-1800. Any interested general unsecured creditor desiring further information about the chapter 11 cases may contact the Committee's attorneys:

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