

**SILICON GRAPHICS, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands)

	<b>Successor Company</b>	<b>Predecessor Company</b>
	September 29, 2006 (1)	June 30, 2006 (2)
	(unaudited)	
<b><u>ASSETS</u></b>		
Current assets:		
Cash and cash equivalents (3) .....	\$ 82,698	\$ 54,673
Short-term marketable investments .....	266	203
Short-term restricted investments .....	34,044	32,539
Accounts receivable, net .....	50,230	58,417
Inventories .....	83,100	49,997
Prepaid expenses and other current assets .....	35,147	65,180
Total current assets .....	285,485	261,009
Restricted investments .....	16,188	15,959
Net property and equipment .....	40,651	27,873
Goodwill .....	11,517	4,515
Other intangibles .....	88,300	-
Other assets .....	75,972	70,702
	\$ 518,113	\$ 380,058
<b><u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u></b>		
Liabilities not subject to compromise:		
Current liabilities:		
Accounts payable .....	\$ 59,123	\$ 8,951
Accrued compensation .....	31,840	29,224
Income taxes payable .....	806	1,596
Other current liabilities .....	53,266	49,392
Current portion of long-term debt .....	716	103,124
Current portion of deferred revenue .....	55,230	124,379
Total current liabilities .....	200,981	316,666
Long-term debt .....	85,000	397
Long-term deferred revenue .....	21,170	45,538
Other liabilities .....	25,074	27,681
Total liabilities not subject to compromise .....	332,225	390,282
Liabilities subject to compromise .....	-	320,230
Total liabilities .....	332,225	710,512
Total stockholders' deficit .....	185,888	(330,454)
	\$ 518,113	\$ 380,058

(1) The condensed consolidated balance sheet at September 29, 2006 include the effects of the Plan of reorganization.

The balances will not be comparable to historical periods. For a full understanding of the Fresh Start accounting effect on the Company's financials please refer to the full Form 10Q for the first quarter of fiscal 2007.

(2) The condensed consolidated balance sheet at June 30, 2006 has been derived from the audited consolidated financial statements at that date.

(3) The cash and cash equivalents balance as of the September 29, 2006 Fresh Start date includes the financing and equity Plan effects which resulted in net cash inflows of \$29 million. The payment of approximately \$48 million in Plan related obligations that were paid beginning on Oct. 17, 2006, and will continue on negotiated payment terms through the third quarter of fiscal 2007, have not been deducted from this cash balance. In addition, at emergence we had \$30 million of capacity available under the exit financing revolver. We plan to utilize up to the full availability under the revolver to fund intraquarter cash needs starting in the second quarter of fiscal 2007.