

Exhibit Z

-----BEGIN PRIVACY-ENHANCED MESSAGE-----

Proc-Type: 2001,MIC-CLEAR

Originator-Name: keymaster@town.hall.org

Originator-Key-Asymmetric:

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MIC-Info: RSA-MD5,RSA,

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<IMS-DOCUMENT>0000912057-94-003243.txt : 19941020

<IMS-HEADER>0000912057-94-003243.hdr.sgml : 19941020

ACCESSION NUMBER: 0000912057-94-003243

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COMPANY DATA:

COMPANY CONFORMED NAME: SILICON GRAPHICS INC /CA/
CENTRAL INDEX KEY: 0000802301
STANDARD INDUSTRIAL CLASSIFICATION: 3571
IRS NUMBER: 942789662
STATE OF INCORPORATION: DE
FISCAL YEAR END: 0630

FILING VALUES:

FORM TYPE: 10-K
SEC ACT: 1934 Act
SEC FILE NUMBER: 001-10441
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BUSINESS ADDRESS:

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STREET 2: MS 6U-710
CITY: MOUNTAIN VIEW
STATE: CA
ZIP: 94039-7311
BUSINESS PHONE: 4159601980

MAIL ADDRESS:

STREET 1: 2011 N SHORELINE BLVD
STREET 2: POST OFFICE BOX 7311 MS 6U-710
CITY: MOUNTAIN VIEW
STATE: CA
ZIP: 94039-7311

</IMS-HEADER>

<DOCUMENT>

<TYPE>10-K

<SEQUENCE>1

<DESCRIPTION>FORM 10-K, EXHIBIT INDEX

<TEXT>

<PAGE>

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

- Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.
For the fiscal year ended June 30, 1994.
 Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 . For the transition period from to

Commission File Number 1-10441

SILICON GRAPHICS, INC.

(Exact name of registrant as specified in its charter)

DELAWARE 94-2789662
(State or Other Jurisdiction of (I.R.S. Employer
Incorporation or Organization) Identification Number)

2011 North Shoreline Boulevard, Mountain View, California 94043-1389
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (415) 960-1980

Securities registered pursuant to Section 12(b) of the Act:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED:
----- Common Stock, \$0.001 par value	----- New York Stock Exchange

Preferred Share Purchase Rights

New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of the registrant's voting stock held by non-affiliates of the registrant, based upon the closing sale price of the Common Stock on September 2, 1994 on the New York Stock Exchange as reported in The Wall Street Journal, was approximately \$3,098 million. Shares of voting stock held by each executive officer and director and by each person who owns 5% or more of any class of registrant's voting stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

AS OF SEPTEMBER 2, 1994, THE REGISTRANT HAD OUTSTANDING 141,104,197 SHARES OF COMMON STOCK.

DOCUMENTS INCORPORATED BY REFERENCE

Parts of the following documents are incorporated by reference to this Form 10-K Report: (1) Proxy Statement for registrant's Annual Meeting of Stockholders to be held November 1, 1994 (Part III), and (2) registrant's Annual Report to Stockholders for the fiscal year ended June 30, 1994 (Parts I, II and IV).

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PART I

ITEM 1. BUSINESS

GENERAL

Silicon Graphics, Inc. (the "Company") designs and supplies a family of workstation, server and supercomputer systems, incorporating interactive three-dimensional ("3D") graphics, digital media and multiprocessing supercomputing technologies. The workstation products are available in desktop and deskside configurations, and are used primarily by technical, scientific and creative professionals to simulate, analyze, develop and display complex 3D objects and phenomena. The Company has, over the last ten years, been a pioneer in the 3D graphics field, and continues to be a leader in workstation graphics technology. The Company's marketing and development efforts have, in the past, focused largely on the technical computing community, including engineers, scientists, designers, simulation specialists, animators and others who deal with complex visualization problems. In the last several years, the Company has evolved its product offering into a range of computer systems and associated software products designed to meet the broad scope of computing, visualization, networking and file management requirements of its targeted customers. In fiscal 1993, the Company introduced a comprehensive family of deskside, scalable, single and symmetric multi-processor network resource servers. These server products are targeted at the technical and commercial markets, for use as print and entry-level file servers in low-end configurations, and workgroup and enterprise transaction processing and compute servers in mid-range and high-end configurations. In July 1994, the Company introduced its supercomputing servers, targeted at compute-intensive technical and scientific applications. The Company's family of advanced graphics supercomputers, introduced in fiscal 1993, was also enhanced in July 1994 by the introduction of new high-end models. The Company also places considerable emphasis on two-dimensional graphics performance and digital media in its product offerings, including in its targeted markets the pre-press, publishing, documentation, and telecommunications industries.

During fiscal 1994, the Company has sought to extend the reach of its core technologies by forging alliances with entertainment industry leaders and other companies at the forefront of the developing market for interactive computing. Among the Company's partners in these alliances are Time Warner Cable, Nintendo Co., Ltd., Walt Disney Company, AT&T Corp. and NTT Corporation.

MIPS Technologies, Inc. ("MTI"), a wholly-owned subsidiary of the Company, designs, develops and licenses advanced reduced instruction set computing (RISC) processors and microprocessors. MTI was established in June 1992, following the merger into the Company of MIPS Computer Systems, Inc. The merger was the culmination of a long technology relationship between the two companies dating to 1986, when the Company selected the MIPS-R- RISC architecture and microprocessor design to be the focus for its systems development effort. The Company, through MTI, is a leading supplier of RISC microprocessor technology for the computer system and embedded control markets. MTI has the dual objectives of continuing the rapid development of innovative MIPS RISC-based microprocessor technologies and the propagation of the MIPS RISC architecture as an industry standard. The Company and MTI are working together to ensure that the MIPS RISC architecture remains open, accessible and competitive, and are exploring ways to combine the MIPS RISC architecture with the Company's digital media technology in multimedia architectures suitable for consumer electronics products.

PRINCIPAL PRODUCTS

The Company's graphics computer systems range from the Indigo-R- family of desktop workstations, including the Indy-TM- and Indigo(2)-TM-, to the Onyx-TM- and POWER Onyx-TM- systems, a family of advanced graphics supercomputers. In addition, the Company's Challenge-TM- and POWER Challenge-TM- family ranges from entry-level single processor servers to enterprise-wide symmetric

multiprocessing supercomputers. The Company's products all use the MIPS RISC microprocessors developed by MTI, and generally are binary-compatible, meaning that software applications run without modification across the entire product line. The Company's workstations include display, graphics and computational capabilities. Server models are general purpose computers with the same computational performance of their workstation counterparts, but without the graphics capabilities. Depending upon their application, servers may also have higher levels of data storage and/or communications capabilities than comparable workstations. The high-end multiprocessor supercomputer systems are meant to replace or augment aging mainframe computers in compute intensive engineering, animation and scientific environments.

All the Company's workstations, servers and supercomputer systems use the Company's IRIX-TM- operating system software. IRIX is the Company's enhanced version of the System V Release 4 (SVR4) UNIX-R- operating system. The Company's latest version, IRIX 5.2, includes the Indigo Magic-TM- user environment, a complete family of tools including desktop utilities, digital media applications and collaborative tools. Among the key benefits of Indigo Magic are an intuitive iconic interface supporting "drag and drop" interaction, a file manager that provides graphical navigation through the file system and directories, on-line help, sophisticated digital media tools that can be used to create anything from basic slides to interactive presentations with integrated audio, video and 3D graphics, and support for InPerson-TM-, the Company's low cost, desktop video conferencing software product.

The Company develops only a very limited set of applications software, and obtains licenses to and markets certain utility software packages, including database, computational, desktop publishing, modeling and rendering products. For other requirements, customers using the Company's workstations must either develop or license from a third party the software necessary to address their needs. The Company believes that there currently are approximately 1,900 registered application software programs offered for use on its systems.

THE INDIGO SERIES

The Indigo family of desktop workstations, comprised of the Indy, IRIS Indigo and Indigo(2) systems, combine key elements of workgroup collaboration, interactive media and computing at a range of prices and performance. The versatile desktop systems in this family can be used for tasks as diverse as manipulating 3D models for computer-aided design (CAD), crunching numbers for chemistry and geographic information systems applications, or functioning as a tool for video editing, animation rendering, technical publishing and software development.

THE INDY FAMILY The Indy desktop workstation, originally introduced in July 1993, features advanced 3D graphics and imaging and the Indy Cam-TM-, its own digital color video camera. The Indy was developed as a low-price, high-performance workstation with real-time video capability, interactive and professional quality graphics, audio and imaging capabilities. The Indy has significant appeal in markets such as mechanical CAD, chemistry, color publishing, film and video, software development, education and media authoring. The Indy systems are available with either the R4600-TM- or 150mhz R4400-TM- microprocessor and range in price from approximately \$6,000 to \$28,500. (*)

THE IRIS INDIGO FAMILY The IRIS Indigo-R- workstation, originally introduced in July 1991, was the first RISC PC with integrated digital media, combining the power of workstations with the ease-of-use, standards and affordability of personal computers. The IRIS Indigo workstations are expandable and upgradable and were enhanced in January 1992 by the addition of three models, including the high-end Indigo Elan-TM-, which provide higher levels of graphics performance. Among the primary markets addressed by the IRIS Indigo are the mechanical CAD and computer-aided engineering, electronic design

* These and all other prices quoted are September 1994 list prices, which are subject to discount based on volume and other factors.

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automation, computer-aided software engineering (CASE), geo-science, life science, management support and publishing markets. The IRIS Indigo systems incorporate either an R4000-R- or R4400 microprocessor at prices ranging from approximately \$14,500 to \$40,000.

THE INDIGO(2) FAMILY The Indigo(2) family of high-performance desktop workstations was originally introduced in January 1993 and is available with the XL, XZ or Extreme graphics subsystems. The entry-level Indigo(2) XL system is designed for use in a wide range of 2D graphics applications and supports 3D graphics through a software Z buffer and host-based geometry calculations. The mid-level Indigo(2) XZ system is designed for 3D solids modeling appropriate for professional engineers and scientists. The flagship Indigo(2) Extreme-TM-

system is optimized for applications in solids modeling, mechanical CAD, 3D visualization, animation and architectural design. The Indigo(2) XZ and Indigo(2) Extreme systems feature two and eight Geometry Engine-R- graphics coprocessors, respectively. In addition, the Galileo Video-TM- option board and Cosmo Compress-TM- enhance the performance of the Indigo(2) for professional audio and video production. Indigo(2) systems incorporate either an R4000 or R4400 microprocessor and range in price from approximately \$21,500 to \$44,000.

THE ONYX SERIES

ONYX The Onyx family of graphics supercomputers, originally introduced in January 1993, uses multiple microprocessors and sophisticated graphics subsystems to handle the most demanding visual computing tasks. Graphics subsystems available with the Onyx systems range from the Extreme through the VTX-TM- to the Reality Engine(2)-TM- graphics subsystems. The Onyx and POWER Onyx are well-suited for applications such as earth and environmental sciences, visual simulation, medical imaging and chemistry, advanced design, interactive entertainment, digital film and video production, scientific visualization, computational chemistry, oil and gas, and other image processing applications. The Onyx graphics supercomputers are based on the R4400 64-bit microprocessor and range from the two-processor Onyx Extreme workstations, priced from approximately \$94,000, to the 24-processor Reality Engine(2) rack-mounted systems, priced from approximately \$644,000.

POWER ONYX The POWER Onyx, introduced in July 1994, provides researchers and scientists with an affordable, integrated visual supercomputer. The POWER Onyx combines supercomputing performance and high-end graphics capabilities suited for customers in industries such as computational chemistry, oil & gas research, molecular modeling, global weather modeling, structural dynamics, fluid dynamics, image processing and animation. The POWER Onyx is based on the 64-bit MIPS R8000-TM- microprocessor, optimized for floating-point intensive applications, and is available with the Company's Extreme or Reality Engine(2) graphics subsystems. The POWER Onyx is available in configurations from one to twelve processors, ranging in price from the uniprocessor POWER Onyx Extreme deskside systems starting at approximately \$89,000 to the twelve processor Reality Engine(2) rack-mounted systems priced from approximately \$704,000.

THE CHALLENGE SERIES

CHALLENGE The Challenge series of network resource servers originally was introduced in January 1993 and was enhanced by the introduction of two new systems in July 1994. The Challenge product family currently includes four models that span a range of capabilities, each of which is optimized for a specific distributed computing environment. The entry-level Challenge S server is a single-processor system designed for use in small to mid-size workgroups and is ideal for CAD, storage management, digital distribution and backbone serving applications. The Challenge S is available at prices ranging from \$12,250 to \$16,600. The Challenge DM is focused on the needs of the database, digital media, real time and file serving markets. Challenge DM systems are scalable to up to four R4400 microprocessors at prices ranging from \$45,000 to \$75,000. At the midpoint is the Challenge L, an expandable deskside resource server designed to connect large departments of workstation users. The Challenge L can be configured with two to twelve R4400 microprocessors at prices ranging from

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\$79,000 to \$279,000. At the high end is the Challenge XL, designed to support enterprise-wide distributed computing environments. The Challenge XL is configurable with from two to thirty-six R4400 microprocessors and is available at prices ranging from \$129,000 to \$809,000.

POWER CHALLENGE The POWER Challenge family of supercomputing servers, introduced in July 1994, combines low-cost, high-performance CMOS RISC technology, advanced parallel system architecture and a simple shared-memory programming model. The POWER Challenge can be configured with one to eighteen R8000 microprocessors. Depending on configuration and memory requirements, prices range from approximately \$69,000 for a single processor to \$309,000 for a six-processor POWER Challenge L deskside server and from approximately \$179,000 for a two-processor to \$899,000 for an eighteen-processor POWER Challenge XL rack-mounted system.

MICROPROCESSORS

All of the Company's system products incorporate the MIPS RISC microprocessor architecture. The designs of the Company's MIPS RISC microprocessors incorporate a general purpose architecture and instruction set designed for high performance over a wide range of computer applications. The MIPS RISC microprocessor designs make efficient use of instruction "pipelining" techniques and proprietary compilers, allowing significant performance gains to be realized by optimizing the tradeoff between compiler and microprocessor functions.

The Company's MIPS RISC microprocessor family currently consists of several independent but binary-compatible chipsets, including the R3000A complementary metal oxide semiconductor ("CMOS") chipset, comprised of the R3000A central processing unit ("CPU") and R3010A floating point unit ("FPU"); and the R4000 CMOS single chip microprocessor, which incorporates the CPU, FPU and primary cache RAM into a single high-density chip. The R4400 microprocessor, introduced in November 1992, is a 64-bit, single chip microprocessor that incorporates enhancements to, and greater speed than, the R4000. The R4200 microprocessor, designed for the portable computer and consumer markets, and the R8000

Exhibit AA

FYI... press release

Michael D. Doyle (mddoyle@netcom.com)
Tue, 30 Aug 1994 23:15:10 -0700

- **Messages sorted by:** [\[date \]](#) [\[thread \]](#) [\[subject \]](#) [\[author \]](#)
- **Next message:** [Dave Raggett: "Re: Results of the VRML Survey"](#)
- **Previous message:** [Joe Andrieu: "Re: Office Space ;\) and coordinate systems"](#)
- **Next in thread:** [Gavin Nicol: "Re: FYI... press release"](#)

The technology described below may present an alternative strategy for delivering certain types of VR applications through the Web.

>PRESS RELEASE - PRESS RELEASE - PRESS RELEASE - PRESS RELEASE - PRESS RELEASE

>

> *EMBEDDED PROGRAM OBJECTS IN DISTRIBUTED HYPERMEDIA SYSTEMS*

>

> *Researchers at the U. of California have created software for embedding interactive program objects within hypermedia documents. Previously, object linking and embedding (OLE) has been employed on single machines or local area networks using MS Windows -TM-. This UC software is the first instance where program objects have been embedded in documents over an open and distributed hypermedia environment such as the World Wide Web on the Internet.*

> *The researchers' first application, already ported to an X Window environment, enhances NCSA Mosaic -TM- -a client program for the WWW- so that the user can interactively control the display of a 3D medical image -generated from a gigabyte-sized data set- on a window within a Mosaic document. The user can rotate the object at will, zoom in or out, do oblique sectioning, highlight hidden parts, alter the color mapping and image contrast, all under real-time control. These capabilities represent a substantial improvement over current image display applications in Mosaic, which are limited to display of static images and non-interactive playback modes.*

> *It is anticipated that many additional applications which require advanced real-time large-scale data processing could be developed from this technology. Numerous commercial opportunities for software sales -to both clients and servers- and database subscription services could arise from products based on the UC embedded program objects. A small sampling of appropriate applications might include:*

>

> *- internet accesible on-line databases, software libraries, and software demos which involve large-scale data processing*

> *- 'smart' documents for personal forms, financial or consumer transactions, credit reports, confidential communications, etc.*

> *- real-time high-level information exchanges, such as multiuser CAD*

> *- virtual reality applications*

> *- multi-users 'groupware' programs*

>

> | *Inquiries to.. Martha Luehrmann*
> | *UC Office of Technology Transfer*
> | *510-748-6611*
> | *martha@ott.ucop.edu*
> | *Reference: UC Case 94-108*

>
>

* Michael D. Doyle, Ph.D. email: miked@visembryo.ucsf.edu *
* Director, Health Informatics Lab phone: (510)522-5275 *
* Department of Anatomy, School of Medicine fax: (510)522-4439 *
* University of California, San Francisco pager: (415)719-4557 *
* 5 Rimmel Court <http://visembryo.ucsf.edu/> *
* Alameda, CA 94502 alternate email: mddoyle@netcom.com *

-
- **Next message:** [Dave Raggett: "Re: Results of the VRML Survey"](#)
 - **Previous message:** [Joe Andrieu: "Re: Office Space ;\) and coordinate systems"](#)
 - **Next in thread:** [Gavin Nicol: "Re: FYI... press release"](#)

Exhibit BB

Re: FYL... press release

Kenneth C. Jenks (kjenks@sd-www.jsc.nasa.gov)
Wed, 31 Aug 94 08:15:43 -0600

- **Messages sorted by:** [[date](#)] [[thread](#)] [[subject](#)] [[author](#)]
- **Next message:** [Michael D. Doyle: "Re: Embedded Program Objects"](#)
- **Previous message:** [Gavin Nicol: "Re: FYL... press release"](#)
- **Maybe in reply to:** [Michael D. Doyle: "FYL... press release"](#)
- **Next in thread:** [Michael D. Doyle: "Re: FYL... press release"](#)

>|| *EMBEDDED PROGRAM OBJECTS IN DISTRIBUTED HYPERMEDIA SYSTEMS*

That's just screaming out to virus makers, "Yo! A new, sexy infection vector!" This technique will have to be treated with EXTREME caution.

-- Ken Jenks, NASA/JSC/SD5, Space Biomedical Research Institute
kjenks@gothamcity.jsc.nasa.gov (713) 483-4368

"Good ideas are not adopted automatically. They must be driven
into practice with courageous impatience."

-- Admiral Hyman G. Rickover

- **Next message:** [Michael D. Doyle: "Re: Embedded Program Objects"](#)
- **Previous message:** [Gavin Nicol: "Re: FYL... press release"](#)
- **Maybe in reply to:** [Michael D. Doyle: "FYL... press release"](#)
- **Next in thread:** [Michael D. Doyle: "Re: FYL... press release"](#)

Exhibit CC

Re: FYI... press release

Kenneth C. Jenks (kjenks@sd-www.jsc.nasa.gov)
 Wed, 31 Aug 94 13:04:56 -0600

- **Messages sorted by:** [[date](#)] [[thread](#)] [[subject](#)] [[author](#)]
- **Next message:** [Pei Y. Wei: "Re: FYI... press release"](#)
- **Previous message:** [Michael D. Doyle: "Re: FYI... press release"](#)
- **Maybe in reply to:** [Michael D. Doyle: "FYI... press release"](#)
- **Next in thread:** [Pei Y. Wei: "Re: FYI... press release"](#)

In response to:

>>| *EMBEDDED PROGRAM OBJECTS IN DISTRIBUTED HYPERMEDIA SYSTEMS*

I wrote:

>>*That's just screaming out to virus makers, "Yo! A new, sexy
 >>infection vector!" This technique will have to be treated with
 >>EXTREME caution.*

Mike replied:

>*How so? This system uses a remote process server that maps its output
 >into the local Web client's document space. A single local module
 >handles all remote "program objects." There is no way that a virus
 >could enter the system, since no new code is being run on the local
 >system.*

I misunderstood. I thought the embedded program objects were being run on the local system.

-- Ken Jenks, NASA/JSC/SD5, Space Biomedical Research Institute
kjenks@gothamcity.jsc.nasa.gov (713) 483-4368

"There's no sensation to compare with this
 Suspended animation, A state of bliss
 Can't keep my eyes from the circling skies
 Tongue-tied and twisted just an earth-bound misfit, I"
 -- Pink Floyd, "Learning to Fly"

from album "Momentary Lapse of Reason"

- **Next message:** [Pei Y. Wei: "Re: FYI... press release"](#)
- **Previous message:** [Michael D. Doyle: "Re: FYI... press release"](#)
- **Maybe in reply to:** [Michael D. Doyle: "FYI... press release"](#)
- **Next in thread:** [Pei Y. Wei: "Re: FYI... press release"](#)