

STOCK TRADERS PRESS

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Short-Term Report April 22, 2003

HOLD

Silicon Graphics (NYSE) SGI \$1.19

Company Data

52-week range	\$0.56-\$3.30
Market Cap	\$299.0M
Shares Outstanding	202.1M
Book Value	-\$0.53
Price/Book	N/A
Average Daily Vol.	612.8K
Target Price	\$3.00
Target Percentage	152%



Yesterday, **Silicon Graphics** reported fiscal 3rd Quarter results which were disappointing. For the quarter the company reported a net loss of \$0.17 per share, which was worse than the expected range of breakeven to a \$0.10 per share loss.

The major reasons for these disappointing results were the following:

- Gross revenues were about \$18 million lower than expected as a result of booking revenues for a major contract shortly after the close of the quarter. To a lesser extent was the “stretching-out” of some contracts as a result of a slower economy.
- Overall business in Japan declined sharply during the quarter principally due to the desire of Japanese companies to close their corporate books for their fiscal year-end at March 31st.
- While Silicon Graphics has done a good job reducing expenses over the past year, current expenses were relatively high, given the lower level of gross revenues.

While we are disappointed in these quarterly results, there were a number of positive developments:

- The recently introduced **Altex System** was initially shipped and the company anticipates increased ramp-up and sales.
- The company’s backlog increased during the quarter, which is a decided plus.
- The digital broadcasting systems of Silicon Graphics, which has been sold successfully in Europe, are beginning to be sold in the U.S.

As a result of the disappointing quarterly results, the stock price of Silicon Graphics has dropped sharply to the \$1.18 per share level. We continue to view the company, which has the best visual technology within the industry, positively and would maintain current positions.

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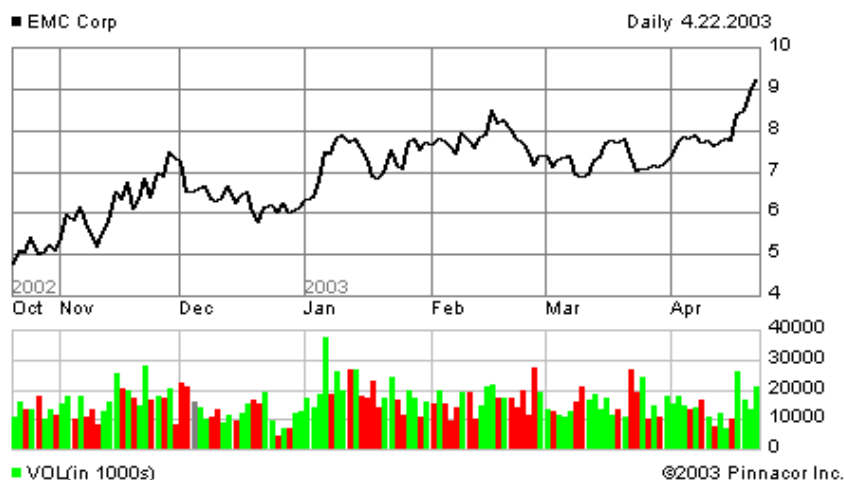
Fremont General, Inc.

We continue to view **Freemont General** very positively. The stock has risen over the past week to over \$8.00 and thus we are raising over target price to \$11.00 from our current target price level of \$8.50 per share. The company is expected to report first quarter earnings within the next two weeks. We are projecting earnings for the quarter of \$0.40-\$0.45 per share which is a 70% increase. We originally recommended **Fremont** at \$4.50 per share on February 18, 2003.



EMC Corp.

EMC recently reported first quarter earnings of \$0.01 per share, which was better than expected. The company has reduced operating expenses and has experienced good reception of its new software product introduction. The stock has risen over the past several weeks and we would expect continued good performance. We would maintain position in **EMC**. We originally recommended EMC at \$5.85 per share in early January.



Quote - "We must open the doors of opportunity. But we must also equip our people to walk through those doors."-- Lyndon B. Johnson