

NARODICK SALLY G
 Form 4
 March 24, 2009

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 *
 NARODICK SALLY G

2. Issuer Name and Ticker or Trading Symbol
 CRAY INC [CRAY]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 901 FIFTH AVENUE,, SUITE 1000
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
 03/20/2009

Director 10% Owner
 Officer (give title below) Other (specify below)

SEATTLE, WA 98164

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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)
				(A) or (D)	Code V Amount (D) Price		

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
 (9-02)

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	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	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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Derivative Security			(A) or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares
			Code	V				
Stock Option (right to buy Common Stock)	\$ 14	03/20/2009	<u>D</u> (1)	5,000	10/12/2004	10/12/2014	Common Stock	5,000
Stock Option (right to buy Common Stock)	\$ 14	03/20/2009	<u>D</u> (1)	2,500	11/12/2004	10/12/2014	Common Stock	2,500
Stock Option (right to buy Common Stock)	\$ 14	03/20/2009	<u>D</u> (1)	1,250	12/31/2005	05/11/2015	Common Stock	1,250
Stock Option (right to buy Common Stock)	\$ 12	03/20/2009	<u>D</u> (1)	1,250	12/31/2005	05/11/2015	Common Stock	1,250
Stock Option (right to buy Common Stock)	\$ 10	03/20/2009	<u>D</u> (1)	1,250	12/31/2005	05/11/2015	Common Stock	1,250
Stock Option (right to buy Common Stock)	\$ 8	03/20/2009	<u>D</u> (1)	1,250	12/31/2005	05/11/2015	Common Stock	1,250

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
NARODICK SALLY G 901 FIFTH AVENUE, SUITE 1000 SEATTLE, WA 98164	X			

Signatures

Sally G. Narodick by Kenneth W. Johnson,
Attorney-in-Fact

03/24/2009

__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).

The options were tendered in exchange for a cash payment pursuant to an issuer tender offer described in the Tender Offer Statement on (1) Schedule TO filed with the Commission on February 20, 2009, as amended on March 10, 2009. This transaction is exempt from Section 16(b) of the Securities Exchange Act of 1934 pursuant to Rule 16b-3(e).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.