

MORREALE CHARLES A
 Form 4
 February 21, 2013

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2015
 Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 *
MORREALE CHARLES A

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

3. Date of Earliest Transaction (Month/Day/Year)
 02/21/2013

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 VP Field Operations

(Street)
 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	Price	
Common Stock	02/21/2013		M		10,000	A \$ 6.63	128,526 D
Common Stock	02/21/2013		M		10,390	A \$ 3.74	138,916 D
Common Stock	02/21/2013		M		6,874	A \$ 5.47	145,790 D
Common Stock	02/21/2013		S ⁽¹⁾		27,264	D \$ 18.9305	118,526 D
Common Stock							2,059 I
							By 401(k) plan

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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 Derivative Security	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 (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Stock Option (right to buy)	\$ 6.63	02/21/2013		M	10,000	<u>(3)</u> 05/16/2018	Common Stock	10,000
Stock Option (right to buy)	\$ 3.74	02/21/2013		M	10,390	<u>(4)</u> 05/13/2019	Common Stock	10,390
Stock Option (right to buy)	\$ 5.47	02/21/2013		M	6,874	<u>(5)</u> 05/12/2020	Common Stock	6,874

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MORREALE CHARLES A 901 FIFTH AVENUE, SUITE 1000 SEATTLE, WA 98164			VP Field Operations	

Signatures

By Michael C. Piraino, Attorney-in-Fact for Charles A. Morreale

02/21/2013

__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).

(1) The sales reported were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on May 27, 2011.

(2) The reported price in Column 4 is a weighted average exercise price. These shares were sold in multiple transactions at prices ranging from \$18.80 to \$19.06 per share, inclusive. The reporting person undertakes to provide to the issuer, any security holder of the issuer, or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the range set forth in this footnote (2).

(3) This option was fully exerciseable on May 16, 2012.

(4) 25% vested on May 13, 2010 and 1/48th vests monthly thereafter, with the result that 100% of the grant amount shall vest and be exercisable on May 13, 2013.

(5) 25% vested on May 12, 2011 and 1/48th vests monthly thereafter, with the result that 100% of the grant amount shall vest and be exercisable on May 12, 2014.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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