

CRAY INC  
Form 3  
May 15, 2008

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name <b>and</b> Ticker or Trading Symbol	
KUGEL WAYNE J		(Month/Day/Year)	CRAY INC [CRAY]	
(Last)	(First)	(Middle)	05/14/2008	
411 FIRST AVENUE			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
SOUTH, SUITE 600				
(Street)			(Check all applicable)	
SEATTLE, WA 98104			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner	6. Individual or Joint/Group Filing(Check Applicable Line)
(City)	(State)	(Zip)	<input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Form filed by One Reporting Person
			(give title below) (specify below)	<input type="checkbox"/> Form filed by More than One Reporting Person
			Vice President	

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common stock <sup>(1)</sup>	6,350	D	
Common stock	1,021	I	By 401(k) plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of	5. Ownership Form of Derivative	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Derivative Security	Security: Direct (D) or Indirect (I) (Instr. 5)	
Stock Option Grant <sup>(2)</sup>	02/05/2005	02/05/2014	Common	3,871	\$ 27.56	D	Â
Stock Option Grant <sup>(3)</sup>	02/05/2005	02/05/2014	Common	3,628	\$ 27.56	D	Â
Stock Option Grant <sup>(2)</sup>	05/11/2006	05/11/2015	Common	6,250	\$ 8	D	Â
Stock Option Grant <sup>(2)</sup>	05/11/2006	05/11/2015	Common	6,250	\$ 10	D	Â
Stock Option Grant <sup>(2)</sup>	05/11/2006	05/11/2015	Common	6,250	\$ 12	D	Â
Stock Option Grant <sup>(2)</sup>	05/11/2006	05/11/2015	Common	6,250	\$ 14	D	Â
Stock Option Grant <sup>(3)</sup>	12/19/2007	12/19/2016	Common	6,350	\$ 10.56	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KUGEL WAYNE J 411 FIRST AVENUE SOUTH SUITE 600 SEATTLE, WA 98104	Â	Â	Â Vice President	Â

## Signatures

Wayne J. Kugel by Kenneth W. Johnson,  
Attorney-in-Fact 05/15/2008

\_\_Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 5(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) Restricted stock award will vest 50% on November 15, 2008 and the remaining 50% will vest in full on November 15, 2010.
- (2) Non-qualified stock option.
- (3) Incentive stock option.

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.