

JOHNSON KENNETH W  
Form 4  
December 22, 2005

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
JOHNSON KENNETH W

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)  
411 FIRST AVENUE  
SOUTH, SUITE 600  
  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
12/20/2005

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
SENIOR VP & GENERAL COUNSEL

SEATTLE, WA 98104-2860

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)
			Code	V	Amount	(A) or (D)	Price
Common Stock <sup>(1)</sup>	12/20/2005		A		100,000	A	\$ 0
Common Stock					186,912 <sup>(2)</sup>	D	
Common Stock					3,476	I	By 401(k) plan
Common Stock					100 <sup>(3)</sup>	I	By spouse
Common Stock					500 <sup>(3)</sup>	I	By daughter
Common Stock					2,600 <sup>(4)</sup>	I	By Trustee

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

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(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 Underlying Security (Instr. 3 and 4)
					V	(A)	(D)	Date Exercisable	
Employee Stock Option (Right to Buy) <sup>(5)</sup>	\$ 7.8438	12/20/2005		D		57,252	02/01/2001	02/01/2010	Common
Employee Stock Option (Right to Buy) <sup>(5)</sup>	\$ 1.49	12/20/2005		A		57,252	12/20/2005	02/01/2010	Common
Employee Stock Option (Right to Buy) <sup>(5)</sup>	\$ 7.8438	12/20/2005		D		12,748	02/01/2001	02/01/2010	Common
Employee Stock Option (Right to Buy) <sup>(5)</sup>	\$ 1.49	12/20/2005		A		12,748	12/20/2005	02/01/2010	Common
Employee Stock Option (Right to Buy) <sup>(5)</sup>	\$ 6.125	12/20/2005		D		23,675	02/03/2000	02/03/2009	Common
Employee Stock Option (Right to Buy) <sup>(5)</sup>	\$ 1.49	12/20/2005		A		23,675	12/20/2005	02/03/2009	Common
	\$ 6.125	12/20/2005		D		5,525	02/03/2000	02/03/2009	Common



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These options were repriced with no changes to the other option terms. For Form 4 purposes, the recipient is considered to have received a grant of a new non-qualified stock option upon the surrender of an existing option, as indicated.

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.