

# 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 or Section 30(h) of the Investment Company Act of 1940

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

(Print or Type Responses)

1. Name and Address of Reporting Person* <b>LINES JAMES R</b>			2. Issuer Name and Ticker or Trading Symbol <b>GRAHAM CORP [GHM]</b>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) <b>President and CEO</b>		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) <b>12/12/2011</b>			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person		
C/O GRAHAM CORPORATION, 20 FLORENCE AVENUE			4. If Amendment, Date Original Filed (Month/Day/Year)					
(Street) <b>BATAVIA, NY 14020</b>			(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	(A) or (D)	Price			
Common Stock	12/12/2011		M		7,500	A	\$ 7.976	41,426 (1) (2)	D	
Common Stock	12/12/2011		M		3,750	A	\$ 6.84	45,176	D	
Common Stock	12/12/2011		M		9,894	A	\$ 6.9	55,070	D	
Common Stock	12/12/2011		M		3,948	A	\$ 15.22	59,018	D	
Common Stock	12/12/2011		M		1,546	A	\$ 15.25	60,564	D	
Common Stock	12/12/2011		S		638	D	\$ 22.92	59,926	D	
Common Stock	12/12/2011		S		2,700	D	\$ 22.89	57,226	D	
Common Stock	12/12/2011		S		4,300	D	\$ 22.88	52,926	D	
Common Stock	12/12/2011		S		2,300	D	\$ 22.87	50,626	D	
Common Stock	12/12/2011		S		6,500	D	\$ 22.86	44,126	D	
Common Stock	12/12/2011		S		10,200	D	\$ 22.85	33,926	D	
Common Stock								5,570	I	See footnote (3)

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

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**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. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V		(A)	(D)					

Stock Option (Right to Buy)	\$ 7.976	12/12/2011		M		7,500	06/01/2010	06/01/2016	Common Stock	7,500 (4)	\$ 0	0	D
Stock Option (Right to Buy)	\$ 6.84	12/12/2011		M		3,750	07/27/2010	07/27/2016	Common Stock	3,750 (4)	\$ 0	0	D
Stock Option (Right to Buy)	\$ 6.9	12/12/2011		M		9,894	05/31/2011	05/31/2017	Common Stock	9,894 (4)	\$ 0	0	D
Stock Option (Right to Buy)	\$ 30.875						(5)	05/29/2018	Common Stock	2,532 (5)		2,532 (5)	D
Stock Option (Right to Buy)	\$ 15.22	12/12/2011		M		3,948	(6)	05/28/2019	Common Stock	3,948 (6)	\$ 0	1,974 (6)	D
Stock Option (Right to Buy)	\$ 15.25	12/12/2011		M		1,546	(7)	05/20/2020	Common Stock	1,546 (7)	\$ 0	3,092 (7)	D

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LINES JAMES R C/O GRAHAM CORPORATION 20 FLORENCE AVENUE BATAVIA, NY 14020	X		President and CEO	

## Signatures

/s/James R. Lines	12/14/2011
<small>**Signature of Reporting Person</small>	<small>Date</small>

## 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).

- Mr. Lines previously reported his 5/26/2011 performance-vested restricted stock award assuming target achievement of the performance criteria (2,612 shares). The award provides if
- (1) maximum achievement is realized, the number of shares would double. The number of shares reported by Mr. Lines as beneficially owned has been adjusted to assume maximum achievement of the performance criteria.
  - (2) Includes an additional 1,250 shares acquired under the Graham Corporation Employee Stock Purchase Plan.
  - (3) Shares held by the trustee of the Graham Corporation Employee Stock Ownership Plan and allocated to Mr. Lines's account, as to which Mr. Lines has sole voting power but no dispositive power, except in limited circumstances.
  - (4) This option was previously reported by Mr. Lines.
  - (5) This option was previously reported by Mr. Lines and is exercisable pro rata on the first, second, third and fourth anniversaries of the 5/29/08 grant date.
  - (6) This option was previously reported by Mr. Lines and is exercisable 33 1/3% per year over three years beginning on the first anniversary of the 5/28/09 grant date.
  - (7) This option was previously reported by Mr. Lines and is exercisable 33 1/3% per year over three years beginning on the first anniversary of the 5/20/10 grant date.

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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