



September 17, 2009

## **Cree Announces Exercise of Underwriters' Overallotment Option**

DURHAM, N.C., September 17, 2009 – Cree, Inc. (Nasdaq: CREE), today announced that the underwriters of its recent public offering of common stock have fully exercised their overallotment option resulting in the issuance of an additional 1,650,000 shares. The option was granted in connection with the public offering of 11,000,000 shares of common stock at a public offering price of \$35.50 per share, which closed on September 16, 2009.

The exercise of the overallotment option brings the expected total net proceeds of the public offering to \$434.1 million, after deducting offering expenses and underwriting discounts and commissions payable by Cree. Cree intends to use the proceeds from the offering for anticipated capital expenditures of approximately \$150 million in fiscal year 2010 and additional future capital expenditure needs with the remainder being used for general corporate purposes, including working capital and potential strategic investments.

J.P. Morgan Securities Inc. was the sole book-running manager for the offering, BofA Merrill Lynch was the lead manager, and Piper Jaffray, Morgan Keegan, Oppenheimer and America's Growth Capital acted as co-managers.

This press release shall not constitute an offer to sell, or a solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. This offering has been conducted solely by means of a prospectus supplement and the accompanying base prospectus. A copy of the final prospectus supplement and accompanying prospectus relating to the offering of common stock can be obtained by contacting J.P. Morgan Securities Inc., National Statement Processing, Prospectus Library, 4 Chase Metrotech Center, CS Level, Brooklyn, NY 11245, (718) 242-8002. An effective registration statement relating to these securities has been filed with the Securities and Exchange Commission.

### **About Cree, Inc.**

Cree is leading the LED lighting revolution and setting the stage to obsolete the incandescent light bulb through the use of energy-efficient, environmentally friendly LED lighting. Cree is a market-leading innovator of lighting-class LEDs, LED lighting solutions, and semiconductor solutions for wireless and power applications.

Cree's product families include LED fixtures and bulbs, blue and green LED chips, high-brightness LEDs, lighting-class power LEDs, power-switching devices and radio-frequency/wireless devices. Cree solutions are driving improvements in applications such as general illumination, backlighting, electronic signs and signals, variable-speed motors, and wireless communications.

### **Forward Looking Statements:**

This press release contains forward-looking statements involving risks and uncertainties, both known and unknown, that may cause actual results to differ materially from those indicated. Actual results, including with respect to our targets and prospects, could differ materially due to a number of factors, including current uncertainty in global economic conditions that could negatively affect product demand, collectability of receivables and other related matters as consumers and businesses may defer purchases or payments, or default on payments, in response to tighter credit and negative financial news; our ability to complete development and commercialization of products under development, such as our pipeline of brighter LED chips, LED components and LED lighting retrofit solutions; our ability to lower costs; increasing price competition in key markets; the risk that, due to the complexity of our manufacturing processes and transition of production to larger wafers, we may experience production delays that preclude us from shipping sufficient quantities to meet customer orders or that result in higher production costs and lower margins; risks associated with the ramp-up of our production for our new products, as well as production at our Huizhou facility and subcontractors; risks resulting from the concentration of our business among few customers, including the risk that customers may reduce or cancel orders or fail to honor purchase commitments; the rapid development of new technology and competing products that may impair demand or render our products obsolete; the potential lack of customer acceptance for our products; risks associated with our recent acquisitions; risks associated with ongoing litigation; and other factors discussed in our filings with the Securities and Exchange Commission (SEC), including our report on Form 10-K for the fiscal year ended June 28, 2009, and subsequent reports filed with the SEC. Except as required under the U.S. federal securities laws and the rules and regulations of the SEC, Cree disclaims any obligation to update any forward-looking statements after the date of this release, whether as a result of new information, future events, developments, changes in assumptions or otherwise.

### **Contact:**

Raiford Garrabrant  
Cree, Inc.  
Director, Investor Relations  
Ph: 919-287-7895

Fax: 919-313-5615

Email: [investorrelations@cree.com](mailto:investorrelations@cree.com)