

**CREE, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands)

	June 28, 2009	June 29, 2008
	(Unaudited)	
<b>Assets:</b>		
<b>Current assets:</b>		
Cash, cash equivalents and short-term investments	\$ 417,653	\$ 312,428
Accounts receivable, net	103,035	110,376
Inventory, net	78,841	80,161
Income taxes receivable	1,526	9,825
Deferred income taxes	10,022	4,578
Prepaid expenses and other current assets	18,359	13,000
Assets of discontinued operations	-	2,600
<b>Total current assets</b>	<b>629,436</b>	<b>532,968</b>
Property and equipment, net	320,110	348,013
Long-term investments	29,557	58,604
Intangible assets, net	113,328	125,037
Goodwill	304,791	244,003
Other assets	7,345	4,782
<b>Total assets</b>	<b>\$ 1,404,567</b>	<b>\$ 1,313,407</b>
<b>Liabilities and Shareholders' Equity:</b>		
<b>Current liabilities:</b>		
Accounts payable, trade	\$ 38,770	\$ 37,402
Accrued salaries and wages	16,732	13,471
Income taxes payable	8,139	5,314
Deferred income taxes	122	-
Other current liabilities	7,868	7,938
Contingent payment due related to COTCO acquisition	57,050	60,000
Liabilities of discontinued operations	-	550
<b>Total current liabilities</b>	<b>128,681</b>	<b>124,675</b>
<b>Long-term liabilities:</b>		
Deferred income taxes	42,752	38,048
Other long-term liabilities	8,386	4,199
Long-term liabilities of discontinued operations	-	745
<b>Total long-term liabilities</b>	<b>51,138</b>	<b>42,992</b>
<b>Shareholders' Equity:</b>		
Common stock	112	110
Additional paid-in-capital	857,383	811,015
Accumulated other comprehensive income, net of taxes	11,236	8,923
Retained earnings	356,017	325,692
<b>Total shareholders' equity</b>	<b>1,224,748</b>	<b>1,145,740</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,404,567</b>	<b>\$ 1,313,407</b>