

CREE, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)

	<u>6/24/2007</u> <u>(Unaudited)</u>	<u>6/25/2006</u>
Assets:		
Current assets:		
Cash, cash equivalents and short term investments	\$ 242,655	\$ 256,218
Accounts receivable, net	79,668	68,363
Inventory, net	71,068	29,994
Income taxes receivable	7,947	200
Deferred income taxes	23,573	10,092
Prepaid expenses and other current assets	8,920	11,237
Assets of discontinued operations	301	394
Total current assets	<u>434,132</u>	<u>376,498</u>
Property and equipment, net	372,345	342,238
Long-term investments held to maturity	68,363	119,400
Long-term marketable securities	-	29,072
Intangible assets, net	96,138	30,286
Goodwill	141,777	-
Deferred income taxes	1,227	-
Other assets	2,248	2,706
Total assets	<u>\$ 1,116,230</u>	<u>\$ 900,200</u>
Liabilities and Shareholders' Equity:		
Current liabilities:		
Accounts payable, trade	\$ 32,942	\$ 23,214
Accrued salaries and wages	10,241	8,828
Income taxes payable	4,504	-
Deferred income taxes	844	-
Other current liabilities	5,415	4,256
Liabilities of discontinued operations	505	1,092
Total current liabilities	<u>54,451</u>	<u>37,390</u>
Long term liabilities:		
Deferred income taxes and contingent tax reserves	44,550	33,310
Other long-term liabilities	129	-
Long term liabilities of discontinued operations	1,103	1,887
Total long term liabilities	<u>45,782</u>	<u>35,197</u>
Shareholders' Equity:		
Common stock	106	96
Additional paid-in-capital	713,778	580,804
Comprehensive income	9,826	11,758
Retained earnings	292,287	234,955
Total shareholders' equity	<u>1,015,997</u>	<u>827,613</u>
Total liabilities and shareholders' equity	<u>\$ 1,116,230</u>	<u>\$ 900,200</u>