



May 15, 2008

Cree Announces Extension and Increase of Stock Repurchase Program

DURHAM, N.C., MAY 15, 2008 – Cree, Inc. (Nasdaq: CREE), a market-leading innovator of lighting-class LEDs, LED lighting retrofit solutions, and semiconductor solutions for backlighting, wireless and power applications, today announced that its board of directors approved the extension of the company's stock repurchase program through the fiscal year ending June 28, 2009. The board also approved an increase in the number of shares the company is authorized to repurchase under the program. As of May 15, 2008, the company is authorized to repurchase up to 5,000,000 shares. The company has repurchased 1,567,500 shares during the current quarter.

Cree expects to use available cash to finance purchases under the program. The program can be implemented through open market or privately negotiated transactions at the discretion of the company's management. The company will continue to determine the time and extent of any repurchases based on its evaluation of market conditions and other factors.

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 retrofit solutions, and semiconductor solutions for backlighting, wireless and power applications.

Cree's product families include LED recessed down lights, lighting-class power LEDs, high brightness LEDs, blue and green LED chips, 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. For additional product specifications please refer to www.cree.com.

Cree and the Cree logo are registered trademarks of Cree, Inc.

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 may differ materially due to a number of factors, including fluctuations in the market price of Cree's common stock and other market conditions, the difficulty of predicting Cree's future cash needs which may turn out to be different from what Cree expects, the nature of other investment opportunities available to Cree from time to time, Cree's cash flow from operations, and other factors discussed in Cree's filings with the Securities and Exchange Commission, including its report on Form 10-K for the fiscal year ended June 24, 2007, and subsequent filings.

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