

CREE, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)

	<u>12/24/2006</u> (Unaudited)	<u>6/25/2006</u> (Audited)
Assets:		
Current assets:		
Cash, cash equivalents and short term investments	\$ 232,214	\$ 256,218
Accounts receivable, net	64,493	68,363
Inventory, net	48,709	29,994
Deferred income taxes	13,712	10,092
Prepaid expenses and other current assets	7,059	11,437
Assets of discontinued operations	299	394
Total current assets	<u>366,486</u>	<u>376,498</u>
Property and equipment, net	369,201	342,238
Long-term investments held to maturity	98,782	119,400
Long-term marketable securities	18,109	29,072
Intangible assets, net	39,687	30,286
Goodwill	33,506	-
Other assets	2,722	2,706
Total assets	<u>\$ 928,493</u>	<u>\$ 900,200</u>
Liabilities and Shareholders' Equity:		
Current liabilities:		
Accounts payable, trade	\$ 34,289	\$ 23,214
Current portion of capital lease obligations	281	-
Accrued salaries and wages	8,907	8,828
Income tax payable	488	-
Other current liabilities	2,729	4,256
Liabilities of discontinued operations	553	1,092
Total current liabilities	<u>47,247</u>	<u>37,390</u>
Long term liabilities:		
Deferred income taxes and contingent tax reserves	31,219	33,310
Capital lease obligations, net of current portion	791	-
Other long-term liabilities	71	-
Long term liabilities of discontinued operations	1,298	1,887
Total long term liabilities	<u>33,379</u>	<u>35,197</u>
Shareholders' Equity:		
Common stock	96	96
Additional paid-in-capital	574,837	580,804
Comprehensive income	8,210	11,758
Retained earnings	264,724	234,955
Total shareholders' equity	<u>847,867</u>	<u>827,613</u>
Total liabilities and shareholders' equity	<u>\$ 928,493</u>	<u>\$ 900,200</u>