

CREE, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)

	<u>3/25/2007</u> <u>(Unaudited)</u>	<u>6/25/2006</u> <u>(Audited)</u>
Assets:		
Current assets:		
Cash, cash equivalents and short term investments	\$ 265,755	\$ 256,218
Accounts receivable, net	61,252	68,363
Inventory, net	50,302	29,994
Deferred income taxes	11,860	10,092
Prepaid expenses and other current assets	12,498	11,437
Assets of discontinued operations	307	394
Total current assets	<u>401,974</u>	<u>376,498</u>
Property and equipment, net	359,178	342,238
Long-term investments held to maturity	74,330	119,400
Long-term marketable securities	16,467	29,072
Intangible assets, net	40,382	30,286
Goodwill	36,676	-
Other assets	4,941	2,706
Total assets	<u>\$ 933,948</u>	<u>\$ 900,200</u>
Liabilities and Shareholders' Equity:		
Current liabilities:		
Accounts payable, trade	\$ 27,679	\$ 23,214
Current portion of capital lease obligations	762	-
Accrued salaries and wages	8,922	8,828
Other current liabilities	6,073	4,256
Liabilities of discontinued operations	668	1,092
Total current liabilities	<u>44,104</u>	<u>37,390</u>
Long term liabilities:		
Deferred income taxes and contingent tax reserves	17,489	33,310
Other long-term liabilities	291	-
Long term liabilities of discontinued operations	1,201	1,887
Total long term liabilities	<u>18,981</u>	<u>35,197</u>
Shareholders' Equity:		
Common stock	96	96
Additional paid-in-capital	577,758	580,804
Comprehensive income	7,155	11,758
Retained earnings	285,854	234,955
Total shareholders' equity	<u>870,863</u>	<u>827,613</u>
Total liabilities and shareholders' equity	<u>\$ 933,948</u>	<u>\$ 900,200</u>