

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

	<u>June 29, 2008</u>	<u>March 30,</u> <u>2008</u>	<u>June 24, 2007</u>
	(Unaudited)	(Unaudited)	
<b>Assets:</b>			
<b>Current assets:</b>			
Cash, cash equivalents and short-term investments	\$ 312,428	\$ 336,965	\$ 242,655
Accounts receivable, net	110,376	111,604	79,668
Inventory, net	80,161	83,328	71,068
Income taxes receivable	9,825	2,000	7,947
Deferred income taxes	4,578	20,886	23,573
Prepaid expenses and other current assets	12,900	11,918	8,920
Assets of discontinued operations	2,600	133	301
<b>Total current assets</b>	<u>532,868</u>	<u>566,834</u>	<u>434,132</u>
Property and equipment, net	348,013	351,222	372,345
Long-term investments	58,604	61,369	68,363
Intangible assets, net	126,037	129,644	96,138
Goodwill	244,003	187,873	141,777
Deferred income taxes	-	7,053	1,227
Other assets	3,882	2,296	2,248
<b>Total assets</b>	<u>\$ 1,313,407</u>	<u>\$ 1,306,291</u>	<u>\$ 1,116,230</u>
<b>Liabilities and Shareholders' Equity:</b>			
<b>Current liabilities:</b>			
Accounts payable, trade	\$ 37,402	\$ 44,797	\$ 32,940
Accrued salaries and wages	13,471	14,337	10,241
Income taxes payable	5,314	-	4,504
Deferred income taxes	-	3,343	844
Other current liabilities	7,938	4,758	5,415
Contingent payment due related to COTCO acquisition	60,000	-	-
Liabilities of discontinued operations	550	541	505
<b>Total current liabilities</b>	<u>124,675</u>	<u>67,776</u>	<u>54,449</u>
<b>Long-term liabilities:</b>			
Deferred income taxes	38,048	55,937	38,758
Other long-term liabilities	4,199	5,014	5,921
Long-term liabilities of discontinued operations	745	835	1,103
<b>Total long-term liabilities</b>	<u>42,992</u>	<u>61,786</u>	<u>45,782</u>
<b>Shareholders' Equity:</b>			
Common stock	110	112	106
Additional paid-in-capital	811,015	851,362	713,778
Accumulated other comprehensive income	8,923	8,008	9,826
Retained earnings	325,692	317,247	292,289
<b>Total shareholders' equity</b>	<u>1,145,740</u>	<u>1,176,729</u>	<u>1,015,999</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 1,313,407</u>	<u>\$ 1,306,291</u>	<u>\$ 1,116,230</u>