



September 17, 2007

Cree Announces Expanded Patent Cross License with Nichia

DURHAM, NC, SEPTEMBER 17, 2007 – Cree, Inc. (Nasdaq: CREE) today announced that Cree and Nichia Corporation have entered into an agreement that expands their cross license arrangements announced in 2002 and 2005 to include additional patents relating to white LED technology and certain Cree patents relating to nitride lasers. The agreement also resolves infringement claims Nichia had asserted against LED products sold by COTCO International Limited, a subsidiary of COTCO Luminant Device Limited, prior to Cree's acquisition of COTCO Luminant Device Limited and its subsidiaries in March 2007.

Additionally, Cree announced that Cree and Nichia have agreed to resolve any future patent disputes involving products of either company, or any affiliate in which it owns a controlling interest, through a process that eliminates any potential impact on customers. Customers may therefore purchase either Nichia or Cree products free of any concern that Nichia or Cree will make a claim of patent infringement against the customer based on the purchased product.

Other terms of the expanded cross license arrangements were not disclosed but are not expected to have any material financial effect on either party.

About Cree, Inc.

Cree is a market-leading innovator and manufacturer of semiconductors and devices that enhance the value of solid-state lighting, power and communications products by significantly increasing their energy performance and efficiency. Key to Cree's market advantage is its world-class materials expertise in silicon carbide (SiC) and gallium nitride (GaN) for chips and packaged devices that can handle more power in a smaller space while producing less heat than other available technologies, materials and products.

Cree drives its increased performance technology into multiple applications, including exciting alternatives in brighter and more-tunable light for general illumination, backlighting for more-vivid displays, optimized power management for high-current, switch-mode power supplies and variable-speed motors, and more-effective wireless infrastructure for data and voice communications. Cree customers range from innovative lighting-fixture makers to defense-related federal agencies.

Cree's product families include blue and green LED chips, lighting LEDs, LEDs for backlighting, power-switching devices and radio-frequency/wireless devices. For additional product specifications please refer to www.cree.com.

Forward-Looking Statements

This press release contains forward-looking statements about our business 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 risks of uncertain product demand; our ability to complete development and commercialization of products under development; the rapid development of new technology and competing products that may impair demand or render products obsolete; and other factors discussed in our filings with the Securities and Exchange Commission, including our report on Form 10-K for the year ended June 24, 2007, and subsequent filings.

Cree is a registered trademark of Cree, Inc., and the COTCO logo is a registered trademark of COTCO Luminant Device Limited.

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