

**FOR IMMEDIATE RELEASE
CR818**

Press Release

Media Contact:
Deb Lovig
Marketing Communications
Cree Inc.
deb_lovig@cree.com
(919) 287-7505

Patricia Staino
Senior Public Relations Executive
BtB Marketing
patricia@btbmarketing.com
(919) 872-8172

Cree Announces Agreement with NIEC for SiC Diodes in Japan

DURHAM, NC, JULY 19, 2007 — Cree, Inc. (NASDAQ: CREE), a market leader in silicon carbide (SiC) power semiconductors, today announced an agreement under which Nihon Inter Electronics Corporation (NIEC) will introduce a line of silicon carbide (SiC)-based Schottky power rectifier diodes in Japan with die manufactured by Cree, Inc. NIEC is a world leader in silicon-based Schottky diodes, and Cree is the leader in silicon carbide-based Schottky diodes.

“Silicon carbide offers numerous concrete benefits over silicon-based rectifiers. Our market is showing growing demand for the far greater efficiency and performance offered by silicon carbide-based diodes, which enables reduced energy consumption in applications for home appliances including air conditioner and automotive invertors,” said Masao Ishii, NIEC president. “Cree is the world’s leader in silicon carbide components and materials, and it only makes sense that we chose the leading products.”

“We are excited to see the growing interest in power components based on silicon carbide. Our agreement with NIEC will allow us access to their extensive marketing and sales channels in Japan, and is consistent with our current strategy to create a more global sales and marketing presence. We are excited about the potential impact our two companies can make on the Japanese market by combining our strengths,” said John Palmour, Cree executive vice president for advanced devices.

Compared with traditional silicon-based diodes, Cree’s SiC-based rectifiers can:

- Simplify power factor correction (PFC) boost design by eliminating the need for snubbers and reducing component count
- Reduce power losses, leading to cooler operating temperatures
- Produce significantly less electromagnetic interference (EMI)

Additional information about Cree's power products can be obtained by calling +1 919-313-5300 or visiting www.cree.com. Additional information about NIEC's SiC-based Schottky power rectifier diodes may be obtained by calling NIEC at +81 33343 3411 or by visiting NIEC at www.niec.co.jp/english/.

About Nihon Inter Electronics Corporation

NIEC was founded in 1957 and was the first company to manufacture power silicon rectifier diodes in Japan. NIEC is a global leader in power management. The company manufactures high-quality power semiconductor products, which include silicon-based Schottky diodes, FREDs and standard rectifiers, conventional thyristors, power modules, IGBTs and MOSFETs, hybrid ICs and stack assemblies for virtually every application. The company recently announced its first 200-mm silicon wafer fab, now in full operation in Japan, as well as an existing 125-mm silicon wafer fab. NIEC is a certified to TS/ISO16949 for special worldwide automotive requirements, ISO9001:2000 and ISO14001.

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 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 fixtures makers to defense-related federal agencies. Cree's product families include blue and green LED chips, lighting LEDs, LED backlighting solutions, power-switching devices and radio-frequency/wireless devices. For product specifications please refer to www.cree.com.

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 customer acceptance of Cree's products; variations in demand for Cree's products and its customers' products; rapid development of new technology and competing products that may impair demand or render Cree's products obsolete; and other factors discussed in Cree's filings with the Securities and Exchange Commission, including its report on Form 10-K for the year ended June 25, 2006, and subsequent filings.

###

Cree is a registered trademark of Cree, Inc.