

CREE, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)

	<u>3/26/2006</u> (Unaudited)	<u>6/26/2005</u> (Audited)
Assets:		
Current assets:		
Cash and equivalents and short term investments	\$ 251,016	\$ 173,468
Accounts receivable, net	58,335	34,476
Inventory	28,759	30,045
Deferred income taxes	10,420	23,531
Income tax receivable	-	9,900
Prepaid insurance	3,334	2,199
Other current assets and prepaid expenses	7,688	5,593
Assets of discontinued operations	274	3,149
Total current assets	<u>359,826</u>	<u>282,361</u>
Property, plant and equipment, net	337,564	340,689
Long-term investments held to maturity	115,845	103,791
Patents and license rights, net	29,834	28,667
Marketable securities available for sale	32,699	20,937
Other assets	3,402	963
Total assets	<u>\$ 879,170</u>	<u>\$ 777,408</u>
Liabilities and Shareholders' Equity:		
Current liabilities:		
Accounts payable trade	\$ 23,531	\$ 23,153
Accrued salaries and wages	8,663	8,934
Other accrued expenses	5,621	3,312
Deferred revenue	1,410	-
Liabilities of discontinued operations	938	637
Total current liabilities	<u>40,163</u>	<u>36,036</u>
Long term liabilities:		
Deferred income taxes	32,747	28,454
Long term liabilities of discontinued operations	2,120	-
Total long term liabilities	<u>34,867</u>	<u>28,454</u>
Shareholders' Equity:		
Common stock	96	94
Additional paid in capital	568,296	548,342
Comprehensive income	14,036	6,200
Retained earnings	221,712	158,282
Total shareholders' equity	<u>804,140</u>	<u>712,918</u>
Total liabilities and shareholders' equity	<u>\$ 879,170</u>	<u>\$ 777,408</u>