

**Media Contact:**

Michelle Murray
Corporate Communications
(919) 313-5505
michelle_murray@cree.com

Cree Brings LED Lighting to Largest Commercial Lighting Market

Announces Volume Availability of Cree LR24

DURHAM, N.C., DECEMBER 16, 2008 — Cree, Inc. (Nasdaq: CREE), a market leader in LED lighting, announces the volume availability of the LR24, a 24-inch square, recessed LED luminaire. The LR24 delivers high-quality, energy-efficient light for suspended-ceiling applications traditionally addressed by linear fluorescents, also known as lay-ins or troffers.

The LR24 is the newest addition to the Cree family of recessed LED fixtures and delivers the uniform, high light levels required for offices, schools, hospitals and retail environments while consuming less electricity than most linear fluorescents.

The LR24 features superior color rendering, with a color-rendering index (CRI) of 92—compared to a CRI of 70 to 80 for fluorescents. It is also dimmable to 5 percent with standard protocols—providing additional design flexibility and further energy-saving potential.

“With the addition of the LR24, we can light an entire office using Cree LED fixtures,” said Neal Hunter, Cree president of LED lighting. “You can have it all—superior energy efficiency, natural-looking light, no toxic mercury and an ultra-low maintenance system, designed for 50,000 hours. The volume availability of the LR24 builds on Cree’s success to-date, as we’ve already installed more than 1,000 early-production LR24s in various national-account projects.”

“We have installed LR24s on one floor at the U.S. Federal Reserve in Washington, D.C. as part of our ongoing energy-efficiency program,” said Chris Jennings, U.S. Federal Reserve, plant manager. “The graphic designers in the department love the uniformity and the color rendering of the new lights. We are impressed with the amount of light delivered by the LR24, and we look forward to evaluating additional Cree LED lighting products in other applications within the Federal Reserve.”

The use of LED lighting can be a great advantage in gaining LEED (Leadership in Energy and Environmental Design) certification. “LED lighting is becoming an exciting design element in sustainable design projects,” said Tom Liebel, AIA, LEED AP, Associate Principal at Marks, Thomas Architects. “Furthermore, the use of LED lighting for general illumination can dramatically lower a building’s energy-density, allowing an architect to re-introduce accent or decorative lighting—something that is sometimes sacrificed in buildings pursuing LEED certification today.” The LR24 delivers high light levels at only 0.5 to 0.75 watts per square foot.

With an elegant 24-inch square form, the LR24 offers architects and designers a modern lighting aesthetic, freeing them from the design constraints of linear-fluorescent technology. The innovative lens is recessed above the ceiling—reducing glare and creating an attractive and comfortable environment.

The LR24 has already been recognized for its superior efficacy in the 2008 Lighting for Tomorrow solid-state lighting competition, organized by the American Lighting Association, the U.S. Department of Energy (represented by Pacific Northwest National Laboratory) and the Consortium of Energy Efficiency.

For additional information about the LR24, other Cree LED lighting products, or to find a sales representative, please refer to www.CreeLighting.com.

About Cree

Cree is leading the LED lighting revolution and setting the stage to obsolete the incandescent light bulb

through the use of energy-efficient, environmentally friendly LED lighting. Cree is a market-leading innovator of lighting-class LEDs, LED lighting solutions, and semiconductor solutions for backlighting, wireless and power applications.

Cree's product families include recessed LED down lights, blue and green LED chips, high-brightness LEDs, lighting-class power LEDs, power-switching devices and radio-frequency/wireless devices. Cree solutions are driving improvements in applications such as general illumination, electronic signs and signals, variable-speed motors, and wireless communications.

For additional product and company information, 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 global economic conditions that could affect customer orders; the risk we may encounter delays or other difficulties in ramping up production of our new products; the risk we may be unable to manufacture these products with sufficiently low cost to offer them at competitive prices or with acceptable margins; the risk that actual cost savings may vary from expectations; customer acceptance of LED products; the 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 29, 2008, and subsequent filings.

###

###