Press Release

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Survey Shows Public Feels Safer in City Spaces Lit by LEDs

LED City Initiative Yields Benefits Beyond Energy Efficiency

DURHAM, N.C., MARCH 29, 2007 — When Raleigh, N.C., the first LED City, and Cree, Inc. turned on new light-emitting diodes (LEDs) in the municipal parking garage, people's opinion of the quality of the lighting improved threefold.

Raleigh exchanged the previous garage fixtures and their dull orange light for LED fixtures with bright white light, and people felt safer. The number of respondents who perceived the garage as "very safe" increased by 76 percent after the LED fixtures were installed, according to a survey by Mindwave Research of Austin, Texas.

Cree (Nasdaq: CREE) produces LEDs that provide a new source of energy-efficient light that can serve as the foundation for cost-effective lighting solutions. Lighting Science Group Corporation (OTCBB: LSGP) of Dallas, Texas, supplied the LED fixtures installed in the Raleigh garage.

"LED technology provides a clear benefit to municipal infrastructure, as well as to the citizens it serves," said Charles Meeker, mayor of Raleigh. "This survey shows that LEDs can do more than improve light quality. In addition to the proven environmental and energy efficiency benefits the city has already documented, the survey shows that LEDs' bright white light can help improve public feelings of safety in city spaces."

The survey results showed that the parking garage generated a more positive reaction from most of the respondents after the addition of LED fixtures:

- Both men and women felt significantly safer post-installation: 74 percent rated the garage as feeling "very safe," while only 2 percent did not feel safe. These figures contrast with the pre-installation numbers: Only 42 percent felt "very safe" with the original lighting, and 13 percent did not feel safe.

- The percentage of respondents who gave the garage an overall rating of "excellent" increased by 100 percent. The number of people who rated it as "poor" decreased from 8 to 1 percent.
- The lighting quality of the garage was "excellent" according to 86 percent of the respondents, a 258-percent increase from pre-installation respondents. The number of people who rated it as "poor" decreased from 18 to 2 percent.
- The cleanliness of the parking garage was perceived as "excellent" by 76 percent of the respondents, while only 58 percent rated it this way before the LEDs were installed, showing a 31-percent increase.

This announcement comes shortly after Raleigh agreed to become the nation's first LED City. The LED City initiative focuses on installing LED lighting, based on Cree's energy-efficient LEDs, throughout the city to save energy and money and boost the quality of life for its residents by using the best lighting technology commercially available. As a result, the city has improved the energy savings and lighting of its municipal city parking facility, the first of a series of projects aimed at delivering the environmental and economic benefits of LED lighting throughout Raleigh's "living laboratory."

Note to Editors
The two surveys of 200 people each were conducted on behalf of Cree, Inc. by Mindwave Research, Inc. The pre-installation survey was conducted November 11-13, 2006, and the post-installation survey was conducted February 5-8, 2007. For detailed survey results or more information concerning the survey methodology, contact Deb Lovig at (919) 287-7505 or deb_lovig@cree.com.

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, LED backlighting solutions, power-switching devices and radio-frequency/wireless devices. For additional 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, such as risks inherent in conducting opinion surveys; the possibility that actual energy 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 25, 2006, and subsequent filings.

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