CREE INC Form 4 September 04, 2008

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL

OMB 3235-0287 Number:

January 31, Expires: 2005

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Check this box if no longer subject to Section 16.

Form 4 or Form 5 obligations

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

COMMON

STOCK

09/02/2008

(Print or Type Responses)

1 Name and Address of Departing De

WAGNER HARVEY A			2. Issuer Name and Ticker or Trading Symbol CREE INC [CREE]			5. Relationship of Reporting Person(s) to Issuer			
(Last)	(First)	(Middle)	2 D-46E	l: 4 T	4:	(Check all applicable)			
(Last)	(PHSt)	(Middle)	3. Date of E		saction	W D'	100		
C/O CREE, II DRIVE	NC., 4600 SIL	ICON	(Month/Day 09/02/200	· · · · · · · · · · · · · · · · · · ·		X Director Officer (give below)		Owner or (specify	
	(Street)		4. If Amendment, Date Original			6. Individual or Joint/Group Filing(Check			
DURHAM, N	C 27703		Filed(Month/	Day/Year)		Applicable Line) _X_ Form filed by 0 Form filed by N Person	One Reporting Pe More than One Re		
(City)	(State)	(Zip)	Table I	- Non-Der	ivative Securities Acc	quired, Disposed of	f, or Beneficial	ly Owned	
1.Title of Security (Instr. 3)	2. Transaction I (Month/Day/Ye	ear) Execu any	Deemed ation Date, if th/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities on Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
					or				

or

(D)

Price

\$0

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

(Instr. 3 and 4)

D

20,000

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

Code V Amount

5,000

 $A^{(1)}$

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number proof Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	ive Expiration Date (Month/Day/Year)		7. Title and Underlying (Instr. 3 an
					Date Exercisable	Expiration Date	Title
			Code V	(A) (D)			
NONQUALIFIED STOCK OPTION (RIGHT TO BUY)	\$ 22.9	09/02/2008	A	5,000	12/31/2008(2)	09/02/2015	COMMO

Reporting Owners

Reporting Owner Name / Address	Relationships					
·r· · · · · · · · · · · · · · · · · · ·	Director	10% Owner	Officer	Other		
WAGNER HARVEY A C/O CREE, INC. 4600 SILICON DRIVE DURHAM, NC 27703	X					
	X					

Signatures

Harvey A.

Wagner 09/04/2008

**Signature of Date
Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- Shares of restricted stock awarded under the Cree, Inc. 2004 Long-Term Incentive Compensation Plan, as amended (the "Plan"). Shares (1) awarded will vest on September 2, 2009 provided the recipient continues service until that date as a member of the Board of Directors of Cree, Inc. or as an employee of Cree, Inc. or a related "Employer" as defined in the Plan.
- The option vests and becomes exercisable as to one-fourth of the shares on each of December 31, 2008, March 31, 2009, June 30, 2009 and September 30, 2009 or, if earlier, upon the election of directors at the 2009 Annual Meeting of Shareholders, provided the recipient continues service until such dates as a member of the Board of Directors of Cree, Inc. or as an employee of Cree, Inc. or a related "Employer" as defined in the Plan.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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