



NEWS RELEASE

## Cree, Inc. Announces Mid-Power LED Joint Venture with San'an Optoelectronics Co., Ltd.

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DURHAM, N.C. -- Cree, Inc. (Nasdaq: CREE) announces it is forming a joint venture with San'an Optoelectronics Co., Ltd. (SHA: 600703) to produce and deliver to market high-performing, mid-power lighting class LED packaged products in an exclusive arrangement to serve the expanding markets of North and South America, Europe and Japan, and serve China and the rest of the world on a non-exclusive basis.

The new joint venture, Cree Venture LED Company, Ltd., will bring together the technology and brand leader in lighting class LEDs with a world class LED supplier. Leveraging Cree's superior portfolio of patents and global sales channels, this joint venture will bring to market a broad portfolio of high-performance mid-power products to serve the fast growing, \$4 billion global mid-power LED market. With this agreement, Cree's LED business is now able to serve the broader needs of the general illumination (indoor and outdoor lighting), horticultural and other evolving LED markets.

"This joint venture builds on both companies' leading product and channel capabilities to give Cree the ability to provide our LED customers a complete range of high-power and mid-power LED products to serve a broad range of markets and applications," said Chuck Swoboda, Cree president and CEO.

"The addition of the mid-power LED products in this new joint venture to Cree's industry-leading high-power products gives us an unparalleled LED portfolio," stated Dave Emerson, Cree LEDs senior vice president and general manager. "With our LED systems expertise, customers are able to work with our existing channels to find the best LEDs for their applications."

Located in Hong Kong, Cree Venture LED Company, Ltd. will be led by TK Ong, General Manager, who brings to the joint venture extensive experience in the LED market, and will be governed by a board of directors with members

from both companies. Cree will own 51 percent of the joint venture, and San'an will own 49 percent of the joint venture.

Cree and San'an will be working in the coming months to incorporate, fund and commence operations of the joint venture, and are targeting initial product sales by the joint venture in the third calendar quarter of 2017. Cree will receive royalties from the joint venture on its patent portfolio.

Visit [www.cree.com](http://www.cree.com) for more information.

About Cree, Inc.:

Cree is a leading innovator of lighting-class LEDs, lighting products and wide bandgap semiconductor products for power and radio frequency (RF) applications. Cree's product families include LED lighting systems and bulbs, blue and green LED chips, high-brightness LEDs, lighting-class power LEDs, SiC materials, power devices and RF devices. Cree's products are driving improvements in applications such as commercial and consumer general illumination, video screens, electronic signs and signals, motor drives, power supplies, EV charging, solar, traction, transportation, radar, communications, telecom, data link and broadband amplifiers.

Please refer to [www.cree.com](http://www.cree.com) for additional product and Company information.

Forward Looking Statements:

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 in the forward-looking statements. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about the potential timing or consummation of the proposed joint venture or the anticipated benefits thereof, including future financial and operating results. Actual results, including with respect to our targets and prospects, could differ materially due to a number of factors, including the risk that the completion of the joint venture may be delayed or may not occur; the ability to obtain required governmental approvals, if any; the risk that one or more of the conditions to closing of the transaction may not be satisfied; the possibility that anticipated benefits of the proposed transaction will not be realized; potential business uncertainty, including changes to existing business relationships that could affect Cree's financial performance; price competition in key markets; the risk that the joint venture will not be able to develop its customer base and accurately anticipate demand from customers, which can result in increased inventory and reduced orders; the risk that the joint venture is unable to achieve the targeted lower production costs, and therefore the joint venture experiences lower margins; product mix; risks associated with the ramp-up of operations and sourcing of products for the joint venture, and Cree's entry into new business channels different from those in which we have historically operated; the risk that

customers do not maintain their favorable perception of our brand and products, resulting in lower demand for our products; the risk that the joint venture's products fail to perform or fail to meet customer requirements or expectations, resulting in significant additional costs, including costs associated with the potential recall of such products; the risk that our equity method investments such as the joint venture may experience periods of significant stock price volatility causing us to recognize fair value losses on our investment; the risk that Cree will have an increasingly complex supply chain and its ability to scale to enable maintaining a sufficient supply of products; ongoing uncertainty in global economic conditions, infrastructure development or customer demand that could negatively affect product demand, collectability of receivables and other related matters as customers may defer purchases or payments, or default on payments; risks associated with acquisitions, divestitures or investments generally; the rapid development of new technology and competing products that may impair demand or render the joint venture's products obsolete; the potential lack of customer acceptance for the joint venture's products; and other factors discussed in our filings with the Securities and Exchange Commission (SEC), including our report on Form 10-K for the fiscal year ended June 26, 2016, and subsequent reports filed with the SEC. These forward-looking statements represent Cree's judgment as of the date of this release. Except as required under the U.S. federal securities laws and the rules and regulations of the SEC, Cree disclaims any intent or obligation to update any forward-looking statements after the date of this release, whether as a result of new information, future events, developments, changes in assumptions or otherwise.

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