CREE INC Form 4 May 26, 2005

#### FORM 4

# OMB APPROVAL COMMISSION OMB

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

OMB Number:

3235-0287

0.5

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Expires: January 31, 2005
Estimated average

Form 4 or Form 5 obligations may continue.

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 30(h) of the Investment Company Act of 1940

burden hours per response...

See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * SWOBODA CHARLES M			2. Issuer Name and Ticker or Trading Symbol CREE INC [CREE]	5. Relationship of Reporting Person(s) to Issuer  (Check all applicable)
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(Check an applicable)
709 WALCOTT WAY			(Month/Day/Year) 05/26/2005	_X_ Director 10% Owner _X_ Officer (give title Other (specify below) Chairman, President and CEO
	(Street)		4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person
CARY, NC 27519				Form filed by More than One Reporting Person

(City)	(State)	(Zip) Tab	le I - Non-l	Derivative	Secur	ities Acqui	red, Disposed of,	or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactic Code (Instr. 8)	4. Securit ord Dispos (Instr. 3, 4	ed of (	` ′	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	05/26/2005		M	15,000	A	\$ 3.8125	80,145	D	
Common Stock	05/26/2005		S <u>(1)</u>	15,000	D	\$ 30.01	65,145	D	

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474

(9-02)

#### Edgar Filing: CREE INC - Form 4

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisab Expiration Date (Month/Day/Year		7. Title and A Underlying S (Instr. 3 and 4	ecu
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	An or No of
Nonqualified Stock Option (Right to Buy)	\$ 3.8125	05/26/2005		M	15,000	07/01/1999(2)	07/01/2008	Common Stock	1.

### **Reporting Owners**

Reporting Owner Name / Address	Relationships					
Reporting Owner Plante, Plantess	Director	10% Owner	Officer	Other		
SWOBODA CHARLES M 709 WALCOTT WAY CARY, NC 27519	X		Chairman, President and CEO			

## **Signatures**

Charles M.
Swoboda

\*\*Signature of Reporting Person

O5/26/2005

#### **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).
- (1) The sale reported on this Form 4 was effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on August 4, 2004.
- Option vested and became exercisable as to 20,000 shares on July 1, 1999 and as to 80,000 shares on each of July 1, 2000 and July 1, 2001.

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.

Reporting Owners 2