SWOBODA CHARLES M

Form 4 May 17, 2005

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

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Check this box if no longer subject to Section 16. Form 4 or

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES** Form 5

obligations may continue. See Instruction

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

Washington, D.C. 20549

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	()		
709 WALCOTT WAY			(Month/Day/Year) 05/13/2005	X Director 10% OwnerX 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(Chec Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		
CARY, NC 27519						

(City)	(State)	(Zip) Tabl	e I - Non-E	Derivative	Secur	ities Acqui	red, Disposed of,	or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date, if any (Month/Day/Year)		3. Transactio Code (Instr. 8)	4. Securities Acquired (A) oner Disposed of (D) (Instr. 3, 4 and 5)			Securities Ownership Indirect Beneficially Form: Benefici Owned Direct (D) Ownersl	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code V	Amount	(A) or (D)	Price	Transaction(s) (Instr. 3 and 4)	(Instr. 4)	
Common Stock	05/13/2005		M	10,000	A	\$	75,145 <u>(1)</u>	D	
Common Stock	05/13/2005		S(2)	10,000	D	\$ 26.01	65,145	D	

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

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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. Transactio 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	Secu
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	An or Nu of
Nonqualified Stock Option (Right to Buy)	\$ 3.8125	05/13/2005		M	10,000	07/01/1999(3)	07/01/2008	Common Stock	1

Reporting Owners

Reporting Owner Name / Address	Relationships						
FB	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

O5/17/2005

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) Includes 724 shares purchased by Mr. Swoboda in the Cree, Inc. 1999 Employee Stock Purchase Plan on April 30, 2005.
- (2) 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.

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