

HUNTER F NEAL
 Form 4
 December 01, 2004

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
 HUNTER F NEAL

(Last) (First) (Middle)

89 CROOKED CREEK LANE

(Street)

DURHAM, NC 27713

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 CREE INC [CREE]

3. Date of Earliest Transaction
 (Month/Day/Year)
 11/29/2004

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
 Chairman

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	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)
			Code	V	Amount (A) or (D) Price		
Common Stock	11/29/2004		M		57,500 A \$ 25.3	90,425	D
Common Stock	11/29/2004		S		57,500 D \$ 37.2266	32,925	D
Common Stock	11/30/2004		M		42,500 A \$ 25.3	75,425	D
Common Stock	11/30/2004		M		24,000 A \$ 13.11	99,425	D
Common Stock	11/30/2004		M		24,000 A \$ 19.88	123,425	D

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Common Stock 11/30/2004 S 90,500 D \$ 36.3636 32,925 D

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

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(9-02)

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 Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)	Amount or Number of Shares
Nonqualified Stock Option (Right to Buy)	\$ 25.3	11/29/2004		M	57,500	07/02/2002 07/02/2009	Common Stock	57,500
Nonqualified Stock Option (Right to Buy)	\$ 25.3	11/30/2004		M	42,500	07/02/2002 07/02/2009	Common Stock	42,500
Nonqualified Stock Option (Right to Buy)	\$ 13.11	11/30/2004		M	24,000	09/03/2003 10/02/2009	Common Stock	24,000
Nonqualified Stock Option (Right to Buy)	\$ 19.88	11/30/2004		M	24,000	10/13/2003 10/13/2010	Common Stock	24,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HUNTER F NEAL 89 CROOKED CREEK LANE DURHAM, NC 27713	X		Chairman	

Signatures

Tamara Cappelson,
Attorney-In-Fact

12/01/2004

__Signature of Reporting Person

Date

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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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