



Source: Cree, Inc.

Austin Joins Growing Network of LED Cities to Promote and Deploy Energy-Efficient Lighting Technology

Austin Energy, the Nation's 10th Largest Community-Owned Electric Utility, Expands Rebate Program to Include LED Lighting

AUSTIN, Texas, Jan. 30, 2008 (PRIME NEWSWIRE) -- Cree, Inc. (Nasdaq:CREE), a leader in LED solid-state lighting components, announced that the City of Austin today joined the LED City(tm) program. The LED City program is an international initiative to deploy and promote energy-efficient LED (light-emitting diode) lighting. Austin joins Toronto, Raleigh, NC, and Ann Arbor, MI, in evaluating and deploying state-of-the-art LED lighting technology across their municipal infrastructures.

In December 2007, the City of Austin and Austin Energy retrofitted a floor of the One Texas Center Parking Garage with 47-watt LED fixtures from Beta LED(tm). LED fixtures have also been installed in a hallway at Austin Energy headquarters, in streetlights on Barton Springs, in the Palmer Events Center marquee sign and in the water fountain at the new Palmer Events Center Park. Additional test installations are planned throughout the City, including a portion of the lights surrounding the Lady Bird Lake Hike and Bike Trail. These installations demonstrate Austin Energy's significant commitment to installing high-quality, energy-efficient LED lighting throughout the City.

"One of the workhorses in the City's lighting inventory is the 250-watt High Pressure Sodium Cobra-head roadway fixture. We plan to evaluate LED solutions that have the potential to reduce energy consumption by 47 to 90 percent over traditional lighting solutions," notes Austin Mayor Will Wynn. "Just by retrofitting 5,000 streetlights -- a mere portion of all of the streetlights within the City -- the City could realize savings of up to \$500,000 a year. And that doesn't include additional maintenance and labor cost savings if we won't be sending out a worker in a boom truck an additional 6-7 times just to change a light bulb.

"The total wattage of the LED garage light installation is about 30 percent below the allowable wattage as required by the Energy Code Allowance," notes Wynn. "This represents a savings of \$6,795 a year in utility costs compared to the Code Allowance.

Recent Quote for CREE	
Last Trade:	\$ 23.35
Trade Time:	13:24 ET
Change:	+0.09 (+0.386932%)
Prev Close:	23.26
52-Wk Range:	20.48 - 35.50

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[Cree Announces Extension and Increase of Stock Repurchase Program](#) - May 15, 2008

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Because LEDs typically last 5-7 times longer than the prior fixture bulbs, the City anticipates it could achieve an additional savings of \$27,000 in replacement lamp costs over the life of the LEDs. The combined annualized savings to the City could be \$10,178 per year with a simple payback of 6.5 years. This lighting strategy is part of our efforts to achieve Energy Star and LEED Accreditation for City of Austin buildings. LEDs represent a new, exciting technology that can help us achieve the ambitious goals we have established through our Climate Protection Plan.”

“Austin Energy has a \$17-million-per-year rebate program that encourages commercial and home energy customers to purchase and use products that provide significant energy savings,” said Roger Duncan, Austin Energy’s interim general manager. “Our LED lighting rebate of \$300 per-kilowatt-of-capacity-reduced aims to cover about 30 percent of the upfront cost of LEDs to help businesses explore the benefits of this new technology.”

In 2003, the City of Austin retrofitted over 5,200 traffic signals and 3,700 pedestrian signals with LEDs. The wattage of the traffic signals was reduced from 135 watts to 11-15 watts each -- a 90-percent reduction. The award-winning retrofit has realized a savings of 7.25 million kilowatt-hours per year, removed 830 kilowatts of demand load from the City grid, and the City estimates it has saved taxpayers \$1.4 million per year plus additional maintenance and labor savings.

About LED City

The LED City is an expanding community of government and industry parties working to evaluate, deploy and promote LED lighting technology across the full range of municipal infrastructure to:

- * Save energy
- * Protect the environment
- * Reduce maintenance costs
- * Provide better light quality for improved visibility and safety

According to the U.S. Department of Energy, 22 percent of electricity used in the U.S. powers lighting. In a world with soaring energy prices based on the availability and control of fossil fuels, and with growing concern about sustainability of the environment, a revolution in lighting is long overdue.

About Austin, Texas

Austin is the capital of the U.S. state of Texas, the county seat of Travis County, and home to the University of Texas at Austin. Situated in Central Texas, Austin is the fourth-largest city in Texas and the 16th largest in the United States. The City is the cultural and economic center of the Austin-Round Rock Metropolitan Area that has a population of more than 1.5 million and is among the fastest growing cities in the United States.

About Austin Energy

Austin Energy is the nation’s 10th largest community-owned electric utility, serving 360,000 customers and a population of more than 800,000 in the City of Austin, Travis County and a small portion of Williamson County. As a publicly owned power company and a city department, Austin Energy returns profits to the community annually. The utility has provided \$1.3 billion in profits to the community since 1976.

Austin Energy's portfolio includes nuclear, coal, natural gas and renewable energy sources, generating just over 2,600 megawatts (MW) of total power. Austin Energy created the top-performing renewable energy program in the nation and the nation's first and largest green building program.

About Beta LED

Beta LED, a brand of Beta Lighting, was established to dedicate resources to the emerging use of LED for general illumination. Beta Lighting provides the lighting market with high-quality, specification-grade luminaires for both interior and exterior lighting applications. Headquartered in Sturtevant, Wis., Beta Lighting operates a 450,000 square-foot manufacturing facility and is ISO9001:2000 registered. For additional information, visit <http://www.primenewswire.com/newsroom/ctr?d=135303&u=http://www.betaled.com>.

About Cree, Inc.

Cree is a market-leading innovator and manufacturer of semiconductors and devices that enhance the value of solid-state lighting, power and communications products by significantly increasing their energy performance and efficiency. Key to Cree's market advantage is its world-class materials expertise in silicon carbide (SiC) and gallium nitride (GaN) for chips and packaged devices that can handle more power in a smaller space while producing less heat than other available technologies, materials and products.

Cree's product families include blue and green LED chips, lighting LEDs, LEDs for backlighting, power-switching devices and radio-frequency/wireless devices. For additional product specifications please refer to <http://www.primenewswire.com/newsroom/ctr?d=135303&u=http://www.cree.com>.

The Cree, Inc. logo is available at <http://www.primenewswire.com/newsroom/ctr?d=135303&u=http%3A%2F%2Fwww.primenewswire.com%2Fnewsroom%2Fprs%2F%3Fpkgid%3D3529>

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. Actual results may differ materially due to a number of factors, including the possibility that actual energy savings may vary from expectations; customer acceptance of LED products; the rapid development of new technology and competing products that may impair demand or render Cree's products obsolete; and other factors discussed in Cree's filings with the Securities and Exchange Commission, including its report on Form 10-K for the year ended June 24, 2007, and subsequent filings.

LED City is a trademark and Cree is a registered trademark of Cree, Inc

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