

Cree will triple size of plant capacity in China

From Staff Reports

DURHAM - Cree is upping its ante on China.

The Durham-based company said Thursday it plans to triple manufacturing capacity for its XLamp lighting products at a factory in Huizhou, China.

The company makes tiny chips known as LEDs that are used to illuminate cell phones, car dashboards and other products. But Cree sees a much bigger potential using the LEDs, and more sophisticated packaging, to replace traditional lights, especially in the fast-growing Chinese market.

In March, Cree announced it would pay at least \$200 million to buy a Chinese company to expand in that country, which represents a quarter of the world's demand for high-brightness LEDs.

"China is a critical growth market for LEDs in general illumination applications," said Chris James, Cree's vice president of marketing.

Cree also has added to its manufacturing operations in the Triangle, after winning up to \$5.1 million in state incentives in 2004 to build a \$300 million factory in Durham and create 300 jobs. The factory has been operating since 2005. A year ago, the company opened a separate office in Durham to house its wireless and power-component businesses.

Cree shares closed down 35 cents to \$24.95 on Thursday. The stock is up 47 percent this year.

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