

**CREE, INC.**  
**UNAUDITED CONSOLIDATED CASH FLOWS**  
(in thousands)

	<b>Fiscal Years Ended</b>	
	<b>June 24, 2018</b>	<b>June 25, 2017</b>
	<b>(In thousands)</b>	
<b>Cash flows from operating activities:</b>		
Net loss	(\$279,923)	(\$98,118)
<b>Adjustments to reconcile net loss to net cash provided by operating activities:</b>		
Depreciation and amortization	153,937	150,508
Stock-based compensation	43,203	47,725
Excess tax benefit from share-based payment arrangements	—	2
Goodwill impairment charges	247,455	—
Loss on disposal or impairment of long-lived assets	10,692	2,521
Amortization of premium/discount on investments	4,809	5,427
Gain on equity method investment	(7,143)	(7,543)
Foreign exchange gain on equity method investment	(550)	(2,644)
Deferred income taxes	(40,038)	74,918
<b>Changes in operating assets and liabilities, net of effect of acquisition:</b>		
Accounts receivable, net	(4,764)	16,955
Inventories	10,998	17,918
Prepaid expenses and other assets	(5,358)	17,438
Accounts payable, trade	14,296	(4,818)
Accrued salaries and wages and other liabilities	19,744	(4,389)
Net cash provided by operating activities	<u>167,358</u>	<u>215,900</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(185,688)	(86,928)
Purchases of patent and licensing rights	(10,115)	(12,405)
Proceeds from sale of property and equipment	614	1,392
Purchases of short-term investments	(200,688)	(200,405)
Proceeds from maturities of short-term investments	224,171	125,922
Proceeds from sale of short-term investments	176,981	27,174
Purchase of acquired business, net of cash acquired	(429,162)	—
Net cash used in investing activities	<u>(423,887)</u>	<u>(145,250)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from issuing shares to noncontrolling interest	4,900	—
Payment of acquisition-related contingent consideration	(1,850)	(2,775)
Proceeds from long-term debt borrowings	670,000	468,000
Payments on long-term debt borrowings	(523,000)	(483,000)
Net proceeds from issuance of common stock	92,621	17,716
Excess tax benefit from share-based payment arrangements	—	(2)
Repurchases of common stock	—	(104,017)
Net cash provided by (used in) financing activities	<u>242,671</u>	<u>(104,078)</u>
Effects of foreign exchange changes on cash and cash equivalents	185	(129)
Net decrease in cash and cash equivalents	(13,673)	(33,557)
<b>Cash and cash equivalents:</b>		
Beginning of period	<u>132,597</u>	<u>166,154</u>
End of period	<u>\$118,924</u>	<u>\$132,597</u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest	\$6,093	\$3,588
Cash paid for income taxes	\$1,191	\$8,494
<b>Significant non-cash transactions:</b>		
Accrued property and equipment	\$15,028	\$10,173