

**CREE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF LOSS**  
(in thousands, except per share amounts and percentages)  
(unaudited)

	<b>Three Months Ended</b>		<b>Year Ended</b>	
	<b>June 24, 2018</b>	<b>June 25, 2017</b>	<b>June 24, 2018</b>	<b>June 25, 2017</b>
Revenue, net	\$409,454	\$358,939	\$1,493,680	\$1,473,000
Cost of revenue, net	293,803	260,938	1,086,038	1,038,428
Gross profit	115,651	98,001	407,642	434,572
Gross margin percentage	28.2 %	27.3 %	27.3 %	29.5 %
Operating expenses:				
Research and development	42,447	39,257	164,321	158,549
Sales, general and administrative	82,194	64,039	283,489	277,175
Amortization or impairment of acquisition-related intangibles	9,735	6,792	30,772	27,499
Loss on disposal or impairment of long-lived assets	1,889	980	10,692	2,521
Goodwill impairment charges	—	—	247,455	—
Wolfspeed transaction termination fee	—	—	—	(12,500)
Total operating expenses	136,265	111,068	736,729	453,244
Operating loss	(20,614)	(13,067)	(329,087)	(18,672)
Operating loss percentage	(5.0)%	(3.6)%	(22.0)%	(1.3)%
Non-operating (expense) income, net	(4,369)	9,057	11,642	14,008
Loss from operations before income taxes	(24,983)	(4,010)	(317,445)	(4,664)
Income tax expense (benefit)	8,288	1,880	(37,522)	93,454
Net loss	(33,271)	(5,890)	(279,923)	(98,118)
Net (loss) income attributable to noncontrolling interest	(15)	—	45	—
Net loss attributable to controlling interest	(\$33,256)	(\$5,890)	(\$279,968)	(\$98,118)
Diluted loss per share	(\$0.33)	(\$0.06)	(\$2.81)	(\$1.00)
Shares used in diluted per share calculation	100,981	97,548	99,530	98,487