

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

	Three Months Ended	
	September 24, 2017	September 25, 2016
Revenue, net	\$360,398	\$371,231
Cost of revenue, net	260,066	261,302
Gross profit	100,332	109,929
Gross margin percentage	27.8 %	29.6 %
Operating expenses:		
Research and development	41,859	39,948
Sales, general and administrative	62,964	68,458
Amortization or impairment of acquisition-related intangibles	6,792	6,408
Loss on disposal or impairment of long-lived assets	2,825	324
Total operating expenses	114,440	115,138
Operating loss	(14,108)	(5,209)
Operating loss percentage	(3.9)%	(1.4)%
Non-operating expense, net	(1,068)	(158)
Loss before income taxes	(15,176)	(5,367)
Income tax expense (benefit)	4,697	(5,933)
Net (loss) income	(19,873)	566
Net loss attributable to noncontrolling interest	(16)	—
Net (loss) income attributable to controlling interest	\$(19,857)	\$566
Diluted (loss) earnings per share	(\$0.20)	\$0.01
Shares used in diluted per share calculation	97,811	100,559