

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

	Three Months Ended		Nine Months Ended	
	March 25, 2012	March 27, 2011	March 25, 2012	March 27, 2011
(Thousands, except per share amounts)				
Revenue, net	\$ 284,801	\$ 219,168	\$ 857,899	\$ 744,588
Cost of revenue, net	185,388	127,773	555,340	401,518
Gross profit	99,413	91,395	302,559	343,070
Gross margin percentage	34.9%	41.7%	35.3%	46.1%
Operating expenses:				
Research and development	36,148	31,016	106,436	84,981
Sales, general and administrative	50,074	37,603	144,789	100,171
Amortization of acquisition-related intangibles	7,368	2,693	18,660	8,105
Loss on disposal or impairment of long-lived assets	816	405	2,088	1,306
Total operating expenses	94,406	71,717	271,973	194,563
Operating income	5,007	19,678	30,586	148,507
Operating income percentage	1.8%	9.0%	3.6%	19.9%
Non-operating income:				
Interest and other non-operating income, net	2,183	2,276	6,815	6,463
Income from operations before income taxes	7,190	21,954	37,401	154,970
Income tax (benefit) expense	(2,299)	3,073	3,015	28,278
Net income	<u>\$ 9,489</u>	<u>\$ 18,881</u>	<u>\$ 34,386</u>	<u>\$ 126,692</u>
Earnings per share:				
Diluted net income per share	<u>\$ 0.08</u>	<u>\$ 0.17</u>	<u>\$ 0.30</u>	<u>\$ 1.15</u>
Shares used in diluted per share calculation	116,074	110,323	114,879	110,007