

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

	Three Months Ended		Year Ended	
	June 25, 2017	June 26, 2016	June 25, 2017	June 26, 2016
Revenue, net	\$358,939	\$388,413	\$1,473,000	\$1,616,627
Cost of revenue, net	260,938	275,390	1,038,428	1,129,553
Gross profit	98,001	113,023	434,572	487,074
Gross margin percentage	27.3 %	29.1 %	29.5 %	30.1 %
Operating expenses:				
Research and development	39,257	41,485	158,549	168,848
Sales, general and administrative	64,039	68,609	277,175	283,052
Amortization or impairment of acquisition-related intangibles	6,792	7,290	27,499	28,732
Loss on disposal or impairment of long-lived assets	980	430	2,521	16,913
Wolfspeed transaction termination fee	—	—	(12,500)	—
Total operating expenses	111,068	117,814	453,244	497,545
Operating loss	(13,067)	(4,791)	(18,672)	(10,471)
Operating loss percentage	(3.6)%	(1.2)%	(1.3)%	(0.6)%
Non-operating income (expense), net	9,057	1,040	14,008	(13,035)
Loss from operations before income taxes	(4,010)	(3,751)	(4,664)	(23,506)
Income tax expense (benefit)	1,880	6,890	93,454	(1,970)
Net loss	(\$5,890)	(\$10,641)	(\$98,118)	(\$21,536)
Diluted loss per share	(\$0.06)	(\$0.11)	(\$1.00)	(\$0.21)
Shares used in diluted per share calculation	97,548	100,663	98,487	101,783