

CREE, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended	
	September 23, 2018	September 24, 2017
	(In thousands)	
Cash flows from operating activities:		
Net loss	(\$11,134)	(\$19,873)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	39,812	37,400
Amortization of debt issuance costs and discount	1,786	—
Stock-based compensation	12,053	10,135
Loss on disposal or impairment of long-lived assets	494	2,824
Amortization of premium/discount on investments	787	1,310
Loss on equity investment	6,664	3,267
Foreign exchange loss (gain) on equity investment	597	(199)
Deferred income taxes	(2)	3,133
Changes in operating assets and liabilities:		
Accounts receivable, net	(53,559)	(5,996)
Inventories	(10,144)	6,960
Prepaid expenses and other assets	96	9,323
Accounts payable, trade	(3,703)	6,442
Accrued salaries and wages and other liabilities	50,245	(603)
Net cash provided by operating activities	<u>33,992</u>	<u>54,123</u>
Cash flows from investing activities:		
Purchases of property and equipment	(36,589)	(36,450)
Purchases of patent and licensing rights	(3,153)	(2,476)
Proceeds from sale of property and equipment	230	327
Purchases of short-term investments	(145,843)	(117,607)
Proceeds from maturities of short-term investments	58,300	119,928
Proceeds from sale of short-term investments	24,790	1,974
Net cash used in investing activities	<u>(102,265)</u>	<u>(34,304)</u>
Cash flows from financing activities:		
Proceeds from issuing shares to non-controlling interest	—	4,900
Payment of acquisition-related contingent consideration	—	(1,850)
Proceeds from long-term debt borrowings	95,000	95,000
Payments on long-term debt borrowings	(387,000)	(99,000)
Proceeds from convertible notes	575,000	—
Payments of debt issuance costs	(12,938)	—
Net proceeds from issuance of common stock	15,491	119
Net cash provided by (used in) financing activities	<u>285,553</u>	<u>(831)</u>
Effects of foreign exchange changes on cash and cash equivalents	113	473
Net increase in cash and cash equivalents	217,393	19,461
Cash and cash equivalents:		
Beginning of period	118,924	132,597
End of period	<u>\$336,317</u>	<u>\$152,058</u>
Supplemental disclosure of cash flow information:		
Significant non-cash transactions:		
Accrued property and equipment	\$15,445	\$18,909