

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

	<b>Three Months Ended</b>	
	<b>September 23, 2018</b>	<b>September 24, 2017</b>
Revenue, net	\$408,267	\$360,398
Cost of revenue, net	280,099	260,066
Gross profit	128,168	100,332
Gross margin percentage	31.4%	27.8 %
Operating expenses:		
Research and development	45,965	41,859
Sales, general and administrative	72,690	62,964
Amortization or impairment of acquisition-related intangibles	8,495	6,792
Loss on disposal or impairment of long-lived assets	493	2,825
Total operating expenses	127,643	114,440
<b>Operating income (loss)</b>	525	(14,108)
Operating loss percentage	0.1%	(3.9)%
Non-operating expense, net	(9,505)	(1,068)
Loss before income taxes	(8,980)	(15,176)
Income tax expense	2,154	4,697
<b>Net loss</b>	(11,134)	(19,873)
Net loss attributable to non-controlling interest	(67)	(16)
Net loss attributable to controlling interest	(\$11,067)	(\$19,857)
Diluted loss per share	(\$0.11)	(\$0.20)
Shares used in diluted per share calculation	101,884	97,811