

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

	Three Months Ended		Six Months Ended	
	December 30, 2018	December 24, 2017	December 30, 2018	December 24, 2017
Revenue, net	\$413,036	\$367,870	\$821,303	\$728,268
Cost of revenue, net	277,806	275,267	557,905	535,333
Gross profit	135,230	92,603	263,398	192,935
Gross margin percentage	32.7%	25.2 %	32.1%	26.5 %
Operating expenses:				
Research and development	49,181	39,776	95,146	81,635
Sales, general and administrative	72,120	68,076	144,810	131,040
Amortization or impairment of acquisition-related intangibles	6,345	6,792	14,840	13,584
Loss on disposal or impairment of long-lived assets	178	4,262	671	7,087
Total operating expenses	127,824	118,906	255,467	233,346
Operating income (loss)	7,406	(26,303)	7,931	(40,411)
Operating loss percentage	1.8%	(7.2)%	1.0%	(5.5)%
Non-operating (expense) income, net	(5,464)	26,729	(14,968)	25,662
Income (loss) before income taxes	1,942	426	(7,037)	(14,749)
Income tax expense (benefit)	4,423	(13,326)	6,577	(8,629)
Net (loss) income	(2,481)	13,752	(13,614)	(6,120)
Net (loss) income attributable to non-controlling interest	(31)	31	(97)	16
Net (loss) income attributable to controlling interest	(\$2,450)	\$13,721	(\$13,517)	(\$6,136)
Diluted loss per share	(\$0.02)	\$0.14	(\$0.13)	(\$0.06)
Shares used in diluted per share calculation	102,871	100,763	102,396	98,499