

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

	Three Months Ended		Nine Months Ended	
	March 25, 2018	March 26, 2017	March 25, 2018	March 26, 2017
Revenue, net	\$355,958	\$341,505	\$1,084,226	\$1,114,064
Cost of revenue, net	256,902	255,429	792,235	777,490
Gross profit	99,056	86,076	291,991	336,574
Gross margin percentage	27.8 %	25.2 %	26.9 %	30.2 %
Operating expenses:				
Research and development	40,239	41,451	121,874	119,292
Sales, general and administrative	70,256	68,165	201,296	213,136
Amortization or impairment of acquisition-related intangibles	7,453	8,362	21,037	20,707
Loss on disposal or impairment of long-lived assets	1,716	500	8,803	1,541
Goodwill impairment charges	247,455	—	247,455	—
Wolfspeed transaction termination fee	—	(12,500)	—	(12,500)
Total operating expenses	367,119	105,978	600,465	342,176
Operating loss	(268,063)	(19,902)	(308,474)	(5,602)
Operating loss percentage	(75.3)%	(5.8)%	(28.5)%	(0.5)%
Non-operating (expense) income, net	(9,651)	9,865	16,011	4,946
Loss before income taxes	(277,714)	(10,037)	(292,463)	(656)
Income tax (benefit) expense	(37,181)	88,976	(45,810)	91,574
Net loss	(240,533)	(99,013)	(246,653)	(92,230)
Net income attributable to noncontrolling interest	44	—	59	—
Net loss attributable to controlling interest	(\$240,577)	(\$99,013)	(\$246,712)	(\$92,230)
Diluted loss per share	(\$2.40)	(\$1.02)	(\$2.49)	(\$0.93)
Shares used in diluted per share calculation	100,140	97,346	99,046	98,791