

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

	Three Months Ended		Nine Months Ended	
	March 26, 2017	March 27, 2016	March 26, 2017	March 27, 2016
Revenue, net	\$341,505	\$366,919	\$1,114,064	\$1,228,214
Cost of revenue, net	255,429	257,886	777,490	854,163
Gross profit	86,076	109,033	336,574	374,051
Gross margin percentage	25.2 %	29.7 %	30.2 %	30.5 %
Operating expenses:				
Research and development	41,451	41,871	119,292	127,363
Sales, general and administrative	68,165	64,489	213,136	214,443
Amortization or impairment of acquisition-related intangibles	8,362	7,318	20,707	21,442
Loss (gain) on disposal or impairment of long-lived assets	500	(104)	1,541	16,483
Wolfspeed transaction termination fee	(12,500)	—	(12,500)	—
Total operating expenses	105,978	113,574	342,176	379,731
Operating loss	(19,902)	(4,541)	(5,602)	(5,680)
Operating loss percentage	(5.8)%	(1.2)%	(0.5)%	(0.5)%
Non-operating income (expense), net	9,865	717	4,946	(14,075)
Loss before income taxes	(10,037)	(3,824)	(656)	(19,755)
Income tax expense (benefit)	88,976	(3,976)	91,574	(8,860)
Net (loss) income	(\$99,013)	\$152	(\$92,230)	(\$10,895)
Diluted (loss) earnings per share	(\$1.02)	\$—	(\$0.93)	(\$0.11)
Shares used in diluted per share calculation	97,346	101,221	98,791	102,157