

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

	Three Months Ended		Nine Months Ended	
	March 29, 2015	March 30, 2014	March 29, 2015	March 30, 2014
Revenue, net	\$ 409,519	\$ 405,259	\$ 1,250,348	\$ 1,211,351
Cost of revenue, net	284,111	255,265	852,341	754,822
Gross profit	125,408	149,994	398,007	456,529
Gross margin percentage	30.6%	37.0%	31.8%	37.7%
Operating expenses:				
Research and development	43,823	46,626	137,537	132,805
Sales, general and administrative	71,860	65,368	213,927	197,589
Amortization or impairment of acquisition-related intangibles	6,749	7,257	19,743	21,800
Loss on disposal or impairment of long-lived assets	1,459	364	3,641	1,781
Total operating expenses	123,891	119,615	374,848	353,975
Operating income	1,517	30,379	23,159	102,554
Operating income percentage	0.4%	7.5%	1.9%	8.5%
Non-operating (expense) income, net	(866)	3,152	3,766	9,373
Income before income taxes	651	33,531	26,925	111,927
Income tax expense	—	5,367	2,993	17,585
Net income	\$ 651	\$ 28,164	\$ 23,932	\$ 94,342
Diluted earnings per share	\$ 0.01	\$ 0.23	\$ 0.21	\$ 0.77
Shares used in diluted per share calculation:	111,590	123,695	116,304	123,140