

CREE, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended	
	December 30, 2018	December 24, 2017
	(In thousands)	
Cash flows from operating activities:		
Net (loss) income	(\$13,614)	(\$6,120)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	79,438	74,634
Amortization of debt issuance costs and discount	7,197	—
Stock-based compensation	25,062	22,162
Loss on disposal or impairment of long-lived assets	671	7,087
Amortization of premium/discount on investments	1,545	2,631
Loss (gain) on equity investment	8,544	(21,479)
Foreign exchange loss (gain) on equity investment	526	(672)
Deferred income taxes	(1,969)	(11,801)
Changes in operating assets and liabilities:		
Accounts receivable, net	(38,104)	(4,203)
Inventories	(16,782)	11,339
Prepaid expenses and other assets	3,054	5,014
Accounts payable, trade	(9,195)	17,925
Accrued salaries and wages and other liabilities	79,893	9,295
Net cash provided by operating activities	<u>126,266</u>	<u>105,812</u>
Cash flows from investing activities:		
Purchases of property and equipment	(73,305)	(85,222)
Purchases of patent and licensing rights	(5,461)	(4,932)
Proceeds from sale of property and equipment	234	380
Purchases of short-term investments	(210,669)	(158,327)
Proceeds from maturities of short-term investments	83,754	138,435
Proceeds from sale of short-term investments	26,692	11,938
Net cash used in investing activities	<u>(178,755)</u>	<u>(97,728)</u>
Cash flows from financing activities:		
Proceeds from issuing shares to non-controlling interest	—	4,900
Payment of acquisition-related contingent consideration	—	(1,850)
Proceeds from long-term debt borrowings	95,000	160,000
Payments on long-term debt borrowings	(387,000)	(181,000)
Proceeds from convertible notes	575,000	—
Payments of debt issuance costs	(12,938)	—
Net proceeds from issuance of common stock	19,672	46,550
Net cash provided by financing activities	<u>289,734</u>	<u>28,600</u>
Effects of foreign exchange changes on cash and cash equivalents	(136)	407
Net increase in cash and cash equivalents	237,109	37,091
Cash and cash equivalents:		
Beginning of period	118,924	132,597
End of period	<u>\$356,033</u>	<u>\$169,688</u>
Supplemental disclosure of cash flow information:		
Significant non-cash transactions:		
Accrued property and equipment	\$16,348	\$19,039