

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

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>March 31, 2019</u>	<u>March 25, 2018</u>	<u>March 31, 2019</u>	<u>March 25, 2018</u>
Revenue, net	\$274,050	\$225,200	\$828,729	\$659,128
Cost of revenue, net	173,596	150,337	526,444	445,198
Gross profit	100,454	74,863	302,285	213,930
Gross margin percentage	36.7 %	33.2 %	36.5%	32.5 %
Operating expenses:				
Research and development	40,722	31,144	117,235	95,184
Sales, general and administrative	61,626	46,631	157,937	128,743
Amortization or impairment of acquisition-related intangibles	3,906	1,516	11,717	3,224
Loss on disposal and impairment of other assets	5,286	1,112	5,708	6,940
Total operating expenses	111,540	80,403	292,597	234,091
Operating (loss) income	(11,086)	(5,540)	9,688	(20,161)
Operating (loss) income percentage	(4.0)%	(2.5)%	1.2%	(3.1)%
Non-operating (expense) income, net	(8,440)	(10,000)	(23,695)	14,942
Loss before income taxes	(19,526)	(15,540)	(14,007)	(5,219)
Income tax expense (benefit)	2,785	(5,377)	9,252	(17,633)
Net (loss) income from continuing operations	(22,311)	(10,163)	(23,259)	12,414
Loss from discontinued operations, net of tax	(205,420)	(230,370)	(218,085)	(259,067)
Net loss	(227,731)	(240,533)	(241,344)	(246,653)
Net income attributable to non-controlling interest	121	44	23	59
Net loss attributable to controlling interest	(\$227,852)	(\$240,577)	(\$241,367)	(\$246,712)
Diluted (loss) income per share for continuing operations	(\$0.22)	(\$0.10)	(\$0.23)	\$0.12
Shares used in diluted per share calculation	103,659	100,140	102,807	100,672