

CREE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

<i>(in millions of U.S. Dollars, except per share data)</i>	Three months ended		Six months ended	
	December 29, 2019	December 30, 2018	December 29, 2019	December 30, 2018
Revenue, net	\$239.9	\$280.5	\$482.7	\$554.7
Cost of revenue, net	178.0	177.0	346.6	352.9
Gross profit	61.9	103.5	136.1	201.8
Gross margin percentage	26 %	37 %	28 %	36 %
Operating expenses:				
Research and development	47.3	40.2	91.0	76.5
Sales, general and administrative	52.8	49.2	110.4	93.1
Amortization or impairment of acquisition-related intangibles	3.6	3.9	7.2	7.8
Loss on disposal or impairment of other assets	0.8	—	1.8	0.4
Other operating expense	13.8	0.2	21.0	3.2
Operating (loss) income	(56.4)	10.0	(95.3)	20.8
Operating (loss) income percentage	(24)%	4 %	(20)%	4 %
Non-operating (income) expense, net	(5.1)	5.6	(6.7)	15.3
(Loss) income before income taxes	(51.3)	4.4	(88.6)	5.5
Income tax expense	1.2	4.6	1.7	6.5
Net loss from continuing operations	(52.5)	(0.2)	(90.3)	(1.0)
Net loss from discontinued operations	—	(2.3)	—	(12.6)
Net loss	(52.5)	(2.5)	(90.3)	(13.6)
Net income attributable to noncontrolling interest	0.3	—	0.3	—
Net loss attributable to controlling interest	(52.8)	(2.5)	(90.6)	(13.6)
Basic and diluted loss per share				
Continuing operations attributable to controlling interest	(\$0.49)	\$—	(\$0.84)	(\$0.01)
Net loss attributable to controlling interest	(\$0.49)	(\$0.02)	(\$0.84)	(\$0.13)
Weighted average shares - basic and diluted (in thousands)	107,925	102,871	107,519	102,396