

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

	Three Months Ended		Year Ended	
	June 28, 2015	June 29, 2014	June 28, 2015	June 29, 2014
Revenue, net	\$ 382,157	\$ 436,290	\$ 1,632,505	\$ 1,647,641
Cost of revenue, net	305,208	274,024	1,157,549	1,028,846
Gross profit	76,949	162,266	474,956	618,795
Gross margin percentage	20.1 %	37.2%	29.1 %	37.6%
Operating expenses:				
Research and development	45,260	48,577	182,797	181,382
Sales, general and administrative	76,803	70,871	290,730	268,460
Amortization or impairment of acquisition-related intangibles	6,477	10,188	26,220	31,988
Loss on disposal or impairment of long-lived assets	44,081	909	47,722	2,690
Total operating expenses	172,621	130,545	547,469	484,520
Operating (loss) income	(95,672)	31,721	(72,513)	134,275
Operating (loss) income percentage	(25.0)%	7.3%	(4.4)%	8.1%
Non-operating (loss) income, net	(14,155)	3,922	(10,389)	13,295
Income from operations before income taxes	(109,827)	35,643	(82,902)	147,570
Income tax (benefit) expense	(21,844)	5,794	(18,851)	23,379
Net (loss) income	\$ (87,983)	\$ 29,849	\$ (64,051)	\$ 124,191
Diluted (loss) earnings per share	\$ (0.83)	\$ 0.24	\$ (0.57)	\$ 1.01
Shares used in diluted per share calculation	106,558	122,043	113,022	122,914