

CREE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	June 29, 2014 (unaudited)	June 30, 2013
ASSETS		
Current assets:		
Cash, cash equivalents, and short-term investments	\$ 1,162,466	\$ 1,023,915
Accounts receivable, net	225,160	192,507
Inventories	284,780	197,001
Deferred income taxes	29,414	26,125
Prepaid expenses and other current assets	72,071	76,218
Total current assets	1,773,891	1,515,766
Property and equipment, net	605,713	542,833
Goodwill	616,345	616,345
Intangible assets, net	336,423	357,525
Other assets	11,997	19,941
Total assets	\$ 3,344,369	\$ 3,052,410
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable, trade	\$ 202,294	\$ 121,441
Accrued salaries and wages	50,527	41,407
Income taxes payable	14,848	1,315
Other current liabilities	38,986	43,248
Total current liabilities	306,655	207,411
Long-term liabilities:		
Deferred income taxes	12,173	25,504
Other long-term liabilities	35,395	12,843
Total long-term liabilities	47,568	38,347
Shareholders' equity:		
Common stock	149	148
Additional paid-in-capital	2,190,011	2,025,764
Accumulated other comprehensive income, net of taxes	11,405	8,244
Retained earnings	788,581	772,496
Total shareholders' equity	2,990,146	2,806,652
Total liabilities and shareholders' equity	\$ 3,344,369	\$ 3,052,410

CREE, INC.
FINANCIAL RESULTS BY OPERATING SEGMENT
(in thousands, except percentages)
(unaudited)

The following table reflects the results of the Company's reportable segments as reviewed by the Company's Chief Executive Officer, its Chief Operating Decision Maker or CODM, for the three months and year ended June 29, 2014 and the three months and year ended June 30, 2013. The CODM does not review inter-segment transactions when evaluating segment performance and allocating resources to each segment. As such, total segment revenue is equal to the Company's consolidated revenue.

	Three Months Ended			
	June 29, 2014	June 30, 2013	Change	
LED Products revenue	\$ 199,520	\$ 217,413	\$ (17,893)	(8)%
<i>LED Products percent of revenue</i>	46%	58%		
Lighting Products revenue	208,160	133,643	74,517	56%
<i>Lighting Products percent of revenue</i>	48%	36%		
Power and RF Products revenue	28,610	23,953	4,657	19%
<i>Power and RF Products percent of revenue</i>	6%	6%		
Total revenue	<u>\$ 436,290</u>	<u>\$ 375,009</u>	<u>\$ 61,281</u>	<u>16%</u>

	Year Ended			
	June 29, 2014	June 30, 2013	Change	
LED Products revenue	\$ 833,684	\$ 801,483	\$ 32,201	4%
<i>LED Products percent of revenue</i>	51%	58%		
Lighting Products revenue	706,425	495,089	211,336	43%
<i>Lighting Products percent of revenue</i>	43%	36%		
Power and RF Products revenue	107,532	89,410	18,122	20%
<i>Power and RF Products percent of revenue</i>	6%	6%		
Total revenue	<u>\$ 1,647,641</u>	<u>\$ 1,385,982</u>	<u>\$ 261,659</u>	<u>19%</u>

	Three Months Ended			
	June 29, 2014	June 30, 2013	Change	
LED Products gross profit	\$ 90,072	\$ 99,268	\$ (9,196)	(9)%
<i>LED Products gross margin</i>	45.1%	45.7%		
Lighting Products gross profit	60,573	33,498	27,075	81%
<i>Lighting Products gross margin</i>	29.1%	25.1%		
Power and RF Products gross profit	16,271	12,874	3,397	26%
<i>Power and RF Products gross margin</i>	56.9%	53.7%		
Unallocated costs	(4,650)	(4,915)	265	(5)%
Consolidated gross profit	<u>\$ 162,266</u>	<u>\$ 140,725</u>	<u>\$ 21,541</u>	<u>15%</u>
<i>Consolidated gross margin</i>	37.2%	37.5%		