

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

	Three Months Ended		Year Ended	
	June 24, 2012	June 26, 2011	June 24, 2012	June 26, 2011
	(Thousands, except per share amounts)			
Revenue, net	\$ 306,759	\$ 243,027	\$ 1,164,658	\$ 987,615
Cost of revenue, net	199,856	150,324	755,196	551,842
Gross profit	106,903	92,703	409,462	435,773
Gross margin percentage	34.8%	38.1%	35.2%	44.1%
Operating expenses:				
Research and development	36,921	30,054	143,357	115,035
Sales, general and administrative	52,303	39,133	197,092	139,304
Amortization of acquisition-related intangibles	7,614	2,670	26,274	10,776
Loss on disposal or impairment of long-lived assets	1,393	646	3,481	1,952
Total operating expenses	98,231	72,503	370,204	267,067
Operating income	8,672	20,200	39,258	168,706
Operating income percentage	2.8%	8.3%	3.4%	17.1%
Non-operating income:				
Interest and other non-operating income, net	1,574	3,057	8,389	9,521
Income from operations before income taxes	10,246	23,257	47,647	178,227
Income tax (benefit) expense	220	3,449	3,235	31,727
Net income	<u>\$ 10,026</u>	<u>\$ 19,808</u>	<u>\$ 44,412</u>	<u>\$ 146,500</u>
Earnings per share:				
Diluted net income per share	<u>\$ 0.09</u>	<u>\$ 0.18</u>	<u>\$ 0.39</u>	<u>\$ 1.33</u>
Shares used in diluted per share calculation	116,243	109,990	115,225	110,035