

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

	Three Months Ended		Nine Months Ended	
	March 31, 2013	March 25, 2012	March 31, 2013	March 25, 2012
Revenue, net	\$ 348,934	\$ 284,801	\$ 1,010,973	\$ 857,899
Cost of revenue, net	215,924	185,388	628,438	555,340
Gross profit	133,010	99,413	382,535	302,559
Gross margin percentage	38.1%	34.9%	37.8%	35.3%
Operating expenses:				
Research and development	39,036	36,148	116,524	106,436
Sales, general and administrative	62,140	50,074	174,885	144,789
Amortization of acquisition-related intangibles	7,719	7,368	23,108	18,660
Loss on disposal or impairment of long-lived assets	863	816	2,385	2,088
Total operating expenses	109,758	94,406	316,902	271,973
Operating income	23,252	5,007	65,633	30,586
Operating income percentage	6.7%	1.8%	6.5%	3.6%
Non-operating income:				
Interest and other non-operating income, net	2,512	2,183	8,378	6,815
Income before income taxes	25,764	7,190	74,011	37,401
Income tax expense (benefit)	3,607	(2,299)	15,328	3,015
Net income	\$ 22,157	\$ 9,489	\$ 58,683	\$ 34,386
Earnings per share:				
Diluted	\$ 0.19	\$ 0.08	\$ 0.50	\$ 0.30
Shares used in diluted per share calculation	118,608	116,074	116,768	114,879