

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

	<u>Three Months Ended</u>		<u>Year Ended</u>	
	<u>June 26, 2016</u>	<u>June 28, 2015</u>	<u>June 26, 2016</u>	<u>June 28, 2015</u>
Revenue, net	\$ 388,413	\$ 382,157	\$ 1,616,627	\$ 1,632,505
Cost of revenue, net	275,390	305,467	1,129,553	1,158,586
Gross profit	113,023	76,690	487,074	473,919
Gross margin percentage	29.1 %	20.1 %	30.1 %	29.0 %
Operating expenses:				
Research and development	41,485	45,260	168,848	182,797
Sales, general and administrative	68,609	76,803	283,052	290,730
Amortization or impairment of acquisition-related intangibles	7,290	6,477	28,732	26,220
Loss on disposal or impairment of long-lived assets	430	44,081	16,913	47,722
Total operating expenses	117,814	172,621	497,545	547,469
Operating loss	(4,791)	(95,931)	(10,471)	(73,550)
Operating loss percentage	(1.2)%	(25.1)%	(0.6)%	(4.5)%
Non-operating income (expense), net	1,040	(14,155)	(13,035)	(10,389)
Loss from operations before income taxes	(3,751)	(110,086)	(23,506)	(83,939)
Income tax expense (benefit)	6,890	(21,986)	(1,970)	(19,247)
Net loss	<u>\$ (10,641)</u>	<u>\$ (88,100)</u>	<u>\$ (21,536)</u>	<u>\$ (64,692)</u>
Diluted loss per share	\$ (0.11)	\$ (0.83)	\$ (0.21)	\$ (0.57)
Shares used in diluted per share calculation	100,663	106,558	101,783	113,022