

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

	Three Months Ended		Six Months Ended	
	December 25, 2011	December 26, 2010	December 25, 2011	December 26, 2010
(Thousands, except per share amounts)				
Revenue, net	\$ 304,118	\$ 256,983	\$ 573,098	\$ 525,420
Cost of revenue, net	199,000	135,837	369,952	273,745
Gross profit	105,118	121,146	203,146	251,675
Gross margin percentage	34.6%	47.1%	35.4%	47.9%
Operating expenses:				
Research and development	35,886	29,233	70,288	53,965
Sales, general and administrative	49,176	33,366	94,715	62,568
Amortization of acquisition related intangibles	7,367	2,706	11,292	5,412
Loss on disposal or impairment of long-lived assets	497	429	1,272	901
Total operating expenses	92,926	65,734	177,567	122,846
Operating income	12,192	55,412	25,579	128,829
Operating income percentage	4.0%	21.6%	4.5%	24.5%
Non-operating income:				
Interest and other non-operating income, net	1,689	2,233	4,632	4,187
Income from operations before income taxes	13,881	57,645	30,211	133,016
Income tax expense	1,803	7,870	5,314	25,205
Net income	\$ 12,078	\$ 49,775	\$ 24,897	\$ 107,811
Earnings per share:				
Diluted net income per share	\$ 0.10	\$ 0.45	\$ 0.22	\$ 0.98
Shares used in diluted per share calculation	115,883	109,976	114,239	109,817