

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

	Three Months Ended	
	September 25, 2011	September 26, 2010
	(Thousands, except per share amounts)	
Revenue, net	\$ 268,980	\$ 268,437
Cost of revenue, net	170,952	137,908
Gross profit	98,028	130,529
Gross Margin Percentage	36.4%	48.6%
Operating expenses:		
Research and development	34,402	24,732
Sales, general and administrative	45,539	29,202
Amortization of acquisition related intangibles	3,925	2,706
Loss on disposal or impairment of long-lived assets	775	472
Total operating expenses	84,641	57,112
Operating income	13,387	73,417
Operating income percentage	5.0%	27.3%
Non-operating income:		
Interest and other non-operating income, net	2,943	1,954
Income from operations before income taxes	16,330	75,371
Income tax expense	3,511	17,335
Net income	\$ 12,819	\$ 58,036
Earnings per share:		
Diluted net income per share	\$ 0.11	\$ 0.53
Shares used in diluted per share calculation	112,543	109,617