

CREE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

<i>(in millions of U.S. Dollars, except per share data)</i>	Three months ended	
	September 29, 2019	September 23, 2018
Revenue, net	\$242.8	\$274.2
Cost of revenue, net	168.6	175.9
Gross profit	74.2	98.3
Gross margin percentage	31 %	36%
Operating expenses:		
Research and development	43.7	36.3
Sales, general and administrative	57.6	43.9
Amortization or impairment of acquisition-related intangibles	3.6	3.9
Loss on disposal or impairment of other assets	1.0	0.4
Other operating expense	7.2	3.0
Operating (loss) income	(38.9)	10.8
Operating (loss) income percentage	(16)%	4%
Non-operating (income) expense, net	(1.6)	9.7
(Loss) income before income taxes	(37.3)	1.1
Income tax expense	0.5	1.9
Net loss from continuing operations	(37.8)	(0.8)
Net loss from discontinued operations	—	(10.3)
Net loss	(37.8)	(11.1)
Net income attributable to noncontrolling interest	—	—
Net loss attributable to controlling interest	(\$37.8)	(\$11.1)
Basic and diluted loss per share		
Continuing operations attributable to controlling interest	(\$0.35)	(\$0.01)
Net loss attributable to controlling interest	(\$0.35)	(\$0.11)
Weighted average shares - basic and diluted (in thousands)	107,113	101,884