

**CREE, INC.**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Nine Months Ended</b>	
	<b>March 31, 2019</b>	<b>March 25, 2018</b>
<b>(In thousands)</b>		
<b>Cash flows from operating activities:</b>		
Net loss	(\$241,344)	(\$246,653)
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Depreciation and amortization	116,256	113,244
Amortization of debt issuance costs and discount	12,687	—
Stock-based compensation	40,497	33,319
Impairment charges	197,580	247,455
Loss on disposal or impairment of long-lived assets	2,842	8,803
Amortization of premium/discount on investments	2,113	3,943
Loss (gain) on equity investment	12,443	(7,510)
Foreign exchange loss (gain) on equity investment	936	(2,543)
Deferred income taxes	(1,655)	(49,875)
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable, net	(56,339)	5,728
Inventories	(19,237)	(4,640)
Prepaid expenses and other assets	3,517	2,041
Accounts payable, trade	6,590	15,328
Accrued salaries and wages and other liabilities	110,083	6,783
Net cash provided by operating activities	<u>186,969</u>	<u>125,423</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(106,522)	(128,433)
Purchases of patent and licensing rights	(9,148)	(7,913)
Proceeds from sale of property and equipment	286	538
Purchases of short-term investments	(251,676)	(174,623)
Proceeds from maturities of short-term investments	146,368	166,771
Proceeds from sale of short-term investments	28,185	176,981
Purchase of acquired business, net of cash acquired	—	(427,120)
Net cash used in investing activities	<u>(192,507)</u>	<u>(393,799)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from issuing shares to non-controlling interest	—	4,900
Payment of acquisition-related contingent consideration	—	(1,850)
Proceeds from long-term debt borrowings	95,000	555,000
Payments on long-term debt borrowings	(387,000)	(384,000)
Proceeds from convertible notes	575,000	—
Payments of debt issuance costs	(12,938)	—
Net proceeds from issuance of common stock	72,948	62,240
Net cash provided by financing activities	<u>343,010</u>	<u>236,290</u>
Effects of foreign exchange changes on cash and cash equivalents	(239)	715
Net increase (decrease) in cash and cash equivalents	337,233	(31,371)
<b>Cash and cash equivalents:</b>		
Beginning of period	<u>118,924</u>	<u>132,597</u>
End of period	<u>\$456,157</u>	<u>\$101,226</u>
<b>Supplemental disclosure of cash flow information:</b>		
<b>Significant non-cash transactions:</b>		
Accrued property and equipment	\$15,247	\$19,275