

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

| <i>(in millions of U.S. Dollars, except per share data)</i>                            | Three Months Ended |               | Year Ended    |               |
|--|--------------------|---------------|---------------|---------------|
|  | June 30, 2019      | June 24, 2018 | June 30, 2019 | June 24, 2018 |
| Revenue, net   | \$251.2            | \$265.8       | \$1,080.0     | \$924.9       |
| Cost of revenue, net   | 162.5              | 178.2         | 689.0         | 622.9         |
| Gross profit   | 88.7               | 87.6          | 391.0         | 302.0         |
| Gross margin percentage  | 35 %               | 33 %          | 36 %          | 33 %          |
| Operating expenses:  |                    |               |               |               |
| Research and development   | 40.7               | 32.9          | 157.9         | 127.3         |
| Sales, general and administrative  | 57.1               | 49.1          | 200.7         | 170.3         |
| Amortization or impairment of acquisition-related intangibles                          | 3.9                | 3.9           | 15.6          | 7.2           |
| Loss on disposal or impairment of other assets   | (1.1)              | 1.4           | 4.7           | 8.4           |
| Other operating expense  | 13.7               | 8.1           | 28.0          | 16.8          |
| Operating loss   | (25.6)             | (7.8)         | (15.9)        | (28.0)        |
| Operating loss percentage  | (10)%              | (3)%          | (1)%          | (3)%          |
| Non-operating expense (income), net  | 5.6                | 4.6           | 29.3          | (10.4)        |
| Loss before income taxes   | (31.2)             | (12.4)        | (45.2)        | (17.6)        |
| Income tax expense (benefit)   | 3.4                | 16.5          | 12.7          | (1.2)         |
| Net loss from continuing operations  | (34.6)             | (28.9)        | (57.9)        | (16.4)        |
| Net loss from discontinued operations  | (99.2)             | (4.4)         | (317.2)       | (263.5)       |
| Net loss   | (133.8)            | (33.3)        | (375.1)       | (279.9)       |
| Net (loss) income attributable to noncontrolling interest                              | (0.1)              | —             | —             | 0.1           |
| Net loss attributable to controlling interest  | (\$133.7)          | (\$33.3)      | (\$375.1)     | (\$280.0)     |
| Diluted loss per share from continuing operations attributable to controlling interest | (\$0.33)           | (\$0.29)      | (\$0.56)      | (\$0.17)      |
| Weighted average shares - diluted (in thousands)                                       | 105,922            | 100,981       | 103,576       | 99,530        |