

In the fourth quarter of fiscal 2017, in conjunction with our efforts to generate more available liquid funds in the near-term, we made the decision to sell a portion of our interest in our Residential Lease Portfolio. As a result, in the fourth quarter of fiscal 2017, we determined it was necessary to evaluate the potential for impairment in our ability to recover the carrying amount of our Residential Lease Portfolio. As a result of our evaluation, we recognized noncash impairment charges of \$624.3 million. In fiscal 2018, we continued recording additional non-cash impairment charges through the sale of a portion of our equity interests in SunStrong, our previously wholly-owned subsidiary, to Hannon Armstrong in November 2018. During the year ended December 30, 2018, we recognized, in aggregate, loss on sale and impairment of residential lease assets of \$252.0 million on the consolidated statements of operations for fiscal 2018. See Note 4. *Business Divestitures and Sale of Assets* for further details.

Gain on business divestiture

(In thousands, except percentages)	Fiscal Year		
	2019	2018	2017
Gain on business divestiture	\$(143,400)	\$(59,347)	\$—
As a percentage of revenue	(8)%	(3)%	—%

Gain on business divestiture increased by \$84.1 million during the fiscal 2019 as compared to fiscal 2018, primarily due to the gain on the sale of our commercial sale-leaseback portfolio of \$143.4 million, compared to the gain on sale of \$59.3 million for the sale of our microinverter business recorded during fiscal 2018.

Gain on business divestiture increased by \$59.3 million during the fiscal 2018 as compared to fiscal 2017, primarily due to the gain on sale of \$59.3 million for sale of our microinverter business recorded in fiscal 2018.

Other Income (Expense), Net

(In thousands, except percentages)	Fiscal Year		
	2019	2018	2017
Interest income	\$ 2,702	\$ 3,057	\$ 2,100
Interest expense	(53,353)	(108,011)	(90,288)
Other Income (expense):			
Other, net	174,734	55,314	(87,645)
Other income (expense), net	<u>\$124,083</u>	<u>\$ (49,640)</u>	<u>\$(175,833)</u>
As a percentage of revenue	7%	(3)%	(10)%

Interest expense decreased \$54.7 million during fiscal 2019 as compared to fiscal 2018, primarily due to elimination of the non-recourse residential financing obligations in connection with the sale of the Residential Lease Portfolio in November 2018, as well as the elimination of the sales-leaseback financing obligations in connection with the sale of the commercial sale-leaseback portfolio during the first and second quarters of fiscal 2019.

Interest expense increased \$17.7 million in fiscal 2018 as compared to fiscal 2017 primarily due to new debt and new commercial sale-leaseback arrangements.

Other income increased by \$119.4 million during fiscal 2019 as compared to fiscal 2018, primarily due to a \$158.3 million gain on an equity investment with readily determinable fair value in fiscal 2019, as compared to a loss of \$6.4 million in fiscal 2018. Additionally, gain on sale of equity investments during fiscal 2019 was \$17.7 million, compared to \$54.2 million in fiscal 2018.

Other income increased by \$143.0 million in fiscal 2018 as compared to fiscal 2017. The change is primarily due to a \$54.2 million gain on the sale of our equity method investments in fiscal 2018, a \$73.0 million impairment charge in fiscal 2017 in our 8point3 Energy Partners LP equity investment balance due to the adoption of ASC 606 which materially increased the investment balance and consequently, led to the recognition of an other-than-temporary impairment in the first quarter of fiscal 2017.

Income Taxes

(In thousands, except percentages)	Fiscal Year		
	2019	2018	2017
Benefit from (provision for) income taxes	(26,631)	(1,010)	3,944
As a percentage of revenue	(1)%	—%	—%