



Reconciliation of Non-GAAP Financial Measures and Regulation G Disclosures

Regulation G Disclosures



To supplement our condensed consolidated financial statements presented in accordance with U.S. generally accepted accounting principles (GAAP), we provide additional measures of segments' operating income (loss), non-operating income (loss); cost of product sales and services; engineering, selling and administrative expenses; income (loss) from continuing operations before income taxes; income taxes; income (loss) from continuing operations; and income (loss) from continuing operations per diluted share adjusted to exclude certain costs, charges, expenses, gains and losses. Harris management believes that these non-GAAP financial measures, when considered together with the GAAP financial measures, provide information that is useful to investors in understanding period-over-period operating results separate and apart from items that may, or could, have a disproportionately positive or negative impact on results in any particular period. Harris management also believes that these non-GAAP financial measures enhance the ability of investors to analyze Harris' business trends and to understand Harris' performance. In addition, Harris may utilize non-GAAP financial measures as a guide in its forecasting, budgeting, and long-term planning process and to measure operating performance for some management compensation purposes. Any analysis of non-GAAP financial measures should be used only in conjunction with results presented in accordance with GAAP. A reconciliation of these non-GAAP financial measures with the most directly comparable financial measures calculated in accordance with GAAP follows:

Reconciliation of Non-GAAP Financial Measures – Earnings Release Information



Public Safety and Professional Communications Business - Pro Forma Revenue

(Dollars in millions)

	<u>FY09-Q2</u>	<u>FY10-Q2</u>	<u>Percent Change</u>
Pro forma revenue	\$ 101.7	\$ 107.7	5.9%

Reconciliation of Non-GAAP Financial Measures – Earnings Release Information



Government Communications Systems Segment - Organic Revenue Growth

(Dollars in millions)

	<u>FY09</u>	<u>Expected for FY10</u>	<u>Percent Change</u>
Fiscal year revenue	\$ 2,709.6	\$ 2,736.7 (2)	1.0%
Impact of FDCA program	(356.8)	(124.0)	
Impact of acquisitions (1)	<u>50.9</u>		
Organic revenue	\$ 2,403.7	\$ 2,612.7	8.7%

(1) Revenue related to the acquisitions of Crucial Security, SolaCom ATC and Patriot.

(2) Based on midpoint of fiscal 2010 guidance provided on 1/27/10.

Reconciliation of Non-GAAP Financial Measures – Earnings Release Information



Free Cash Flow

(Dollars in millions)

	<u>FY10-Q2</u>
Operating cash flow	\$ 186.9
Less capital expenditures	<u>(21.8)</u>
Free cash flow	\$ 165.1