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## Reconciliation of Non-GAAP Financial Measures and Regulation G Disclosures

# ***Regulation G Disclosures***

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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



## Government Communications Systems Segment - Organic Revenue Growth

(Dollars in millions)

	FY09-Q1	FY10-Q1	Percent Change
Fiscal quarter revenue as reported	\$ 609.1	\$ 667.7	9.6%
Impact of acquisitions (1)	10.7		
Organic revenue	\$ 619.8	\$ 667.7	7.7%
	FY09	Expected for FY10	Percent Change
Fiscal year revenue	\$ 2,709.6	\$ 2,725.0	0.6%
Impact of FDCA program	(357.0)	(123.0)	
Impact of acquisitions (1)	27.8		
Organic revenue	\$ 2,380.4	\$ 2,602.0	9.3%

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

## Free Cash Flow

(Dollars in millions)

	<u>FY10-Q1</u>
Operating cash flow	\$ 134.5
Less capital expenditures	<u>(20.6)</u>
Free cash flow	\$ 113.9