



# 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 accounting principles generally accepted in the United States (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 before income taxes and minority interest; income taxes; minority interest; net income, and net income per diluted share adjusted to exclude certain costs, 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



(\$ in millions)

| <b>Return on Invested Capital</b>   | <b>FY08</b>    |                |
|---|----------------|----------------|
| Income from continuing operations before<br>income taxes and minority interest, as reported | \$ 638.5       |                |
| Non-GAAP adjustments  | 42.4           | (1)            |
| Add back net interest   | 48.4           |                |
| Add back non-operating loss (income)  | <u>(11.4)</u>  |                |
| Non-GAAP operating income   | \$ 717.9       |                |
| Taxes (32%)   | <u>(229.7)</u> |                |
| Non-GAAP operating income after-tax (A)   | \$ 488.2       |                |
|   | <u>6/29/07</u> | <u>6/27/08</u> |
| Total assets as reported  | \$ 4,406.0     | \$ 4,558.6     |
| Less cash and short-term investments  | (388.7)        | (373.1)        |
| Less non-interest bearing liabilities:  |                |                |
| Payables and accrued expenses   | (792.1)        | (909.2)        |
| Advance payments and unearned income  | (128.5)        | (146.4)        |
| Taxes   | <u>(126.0)</u> | <u>(52.7)</u>  |
| Invested capital  | \$ 2,970.7     | \$ 3,077.2     |
| Average invested capital (B)  |                | \$ 3,024.0     |
| Return on invested capital (A)/(B)  |                | 16.1%          |

(1) Adjustments relate to charges associated with the combination with Stratex, and with our acquisitions of Multimax and Zandar.