
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): May 6, 2014

AVIAT NETWORKS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33278
(Commission File
Number)

20-5961564
(I.R.S. Employer
Identification No.)

Address of principal executive offices: 5200 Great America Parkway, Santa Clara, CA 95054

Registrant's telephone number, including area code: 408-567-7000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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TABLE OF CONTENTS

Item 2.02 Results of Operations and Financial Condition

Item 7.01 Regulation FD Disclosure

Item 9.01 Financial Statements and Exhibits

SIGNATURE

EX-99.1

Item 2.02 Results of Operations and Financial Condition

Item 7.01 Regulation FD Disclosure

The information contained in this Current Report on Form 8-K, including the accompanying Exhibit 99.1, is being furnished pursuant to Item 2.02 and 7.01 of Form 8-K and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section. The information contained in this Current Report on Form 8-K that is furnished under Item 2.02 and 7.01, including the accompanying Exhibit 99.1, shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, except as shall be expressly set forth by specific reference in such a filing.

On May 6, 2014, Aviat Networks, Inc. (“Aviat Networks”) issued a press release announcing its results of operations and financial condition as of and for its third quarter of fiscal year 2014, which ended March 28, 2014. The full text of the press release and related financial tables is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

Use of Non-GAAP Measures and Comparative Financial Information

The press release and related financial tables include a discussion of non-GAAP financial measures, including non-GAAP income or loss from continuing operations, non-GAAP net income or loss from continuing operations per basic and diluted share, and adjusted earnings or loss before interest, tax, depreciation and amortization (“Adjusted EBITDA”) for the third quarter of fiscal 2014. A “non-GAAP financial measure” is generally defined as a numerical measure of a company's historical or future performance that excludes or includes amounts, or is subject to adjustments, so as to be different from the most directly comparable measure calculated and presented in accordance with generally accepted accounting principles (“GAAP”). The non-GAAP income or loss from continuing operations was determined by excluding share-based compensation, warehouse consolidation costs, amortization of purchased technology, transactional taxes assessments, amortization of intangible assets, restructuring charges and adjustment to reflect pro forma tax rate. Adjusted EBITDA was determined by excluding depreciation and amortization on property, plant and equipment, interest expense, provision for income taxes, and non-GAAP pre-tax adjustments as set forth above, from the GAAP income from continuing operations. Aviat Networks has included in its press release a reconciliation of non-GAAP financial measures disclosed in the press release to the most directly comparable GAAP financial measures.

Aviat Networks reports information in accordance with U.S. GAAP. Management of Aviat Networks monitors gross margin, operating income or loss, income or loss from continuing operations, income or loss from continuing operations per share and adjusted EBITDA on a non-GAAP basis for planning and forecasting results in future periods, and may use these measures for some management compensation purposes. As such, historical non-GAAP combined information has been included in this press release for comparative purposes. As a result, management is presenting these non-GAAP measures in addition to results reported in accordance with GAAP to better communicate underlying operational and financial performance in each period. Management believes these non-GAAP 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 disproportionate positive or negative impact on results in any given period. Management also believes that these non-GAAP measures enhance the ability of an investor to analyze trends in Aviat Networks' business and to better understand our performance.

Aviat Networks management does not, nor does it suggest that investors should consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Aviat Networks presents such non-GAAP financial measures in reporting its financial results to provide investors with an additional tool to evaluate the Company's financial performance.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibit is furnished herewith:

99.1 Press Release, issued by Aviat Networks, Inc. on May 6, 2014.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AVIAT NETWORKS, INC.

May 6, 2014

By: /s/ Edward J. Hayes, Jr.

Name: Edward J. Hayes, Jr.

Title: Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit No.
Under
Regulation S-K,
Item 601

Description

99.1

Press Release, issued by Aviat Networks, Inc. on May 6, 2014

Aviat Networks Announces Fiscal Third Quarter 2014 Financial Results

SANTA CLARA, Calif., May 6, 2014 -- Aviat Networks, Inc. (NASDAQ: AVNW), the leading expert in microwave networking solutions, today reported financial results for the third quarter of fiscal year 2014, which ended March 28, 2014.

Financial Highlights for Q3FY14

- Revenue at \$81.4 million
- Book to bill was above 1
- GAAP Gross Margin at 25.7%; Non-GAAP Gross Margin at 25.8%
- GAAP Operating Expense at \$35.7 million; Non-GAAP Operating Expense at \$30.9 million
- GAAP Net Loss including discontinued operations at \$(14.8) million, or \$(0.24) per share
- Non-GAAP Loss from continuing operations at \$(10.2) million, or \$(0.16) per share

A reconciliation of GAAP to non-GAAP financial measures for the fiscal third quarter along with the accompanying notes is provided on Table 4.

“We are excited about the successful launches of our CTR platform and WTM 3300 product, both of which were accompanied by customer wins from around the world. We believe these portfolio enhancements will help us attract additional new customers, while also having a positive impact on Aviat’s top and bottom lines” said Michael Pangia, president and CEO, Aviat Networks. “Our fiscal third quarter results continue to reflect a slow investment cycle in Africa. To address our liquidity position, we are taking steps to further improve our cost structure and working capital management. Overall, we are encouraged by the signs of an improving pace of business we experienced this quarter, and believe our cost improvement initiatives will better position Aviat in the marketplace.”

GAAP Financial Results

For the third quarter of fiscal year 2014, revenue was \$81.4 million, compared with \$118.3 million in the year-ago quarter. Aviat Networks reported a net loss, including discontinued operations, of \$(14.8) million, or \$(0.24) per share, compared with a net loss of \$(1.7) million, or \$(0.03) per share, in the year-ago quarter. Loss from continuing operations for the quarter was \$(15.1) million, or \$(0.24) per share, compared with the loss from continuing operations of \$(1.6) million, or \$(0.03) per share, in the year-ago quarter. Revenue and results of operations from Aviat Networks’ WiMAX business are classified as discontinued operations for all periods presented.

Cash and cash equivalents were \$47.5 million as of March 28, 2014 compared with \$64.7 million as of the end of the prior quarter. The decrease in cash was primarily due to loss in operations, payment of restructuring liabilities and shifts in working capital.

Non-GAAP Financial Results

Non-GAAP loss from continuing operations for the quarter was \$(10.2) million, or \$(0.16) per share, compared with a non-GAAP income from continuing operations of \$1.2 million, or \$0.02 per diluted share, in the year-ago quarter.

The third quarter of fiscal year 2014 non-GAAP loss from continuing operations excluded \$4.9 million of pre-tax charges composed primarily of the following:

- \$0.6 million for share-based compensation expense;
- \$4.2 million of restructuring charges; and
- \$0.1 million for amortization of purchased intangibles.

Fiscal third quarter 2014 Adjusted EBITDA was \$(7.8) million, compared with \$3.3 million in the year-ago quarter. In addition to the \$4.9 million of pre-tax charges excluded from non-GAAP loss from continuing operations noted above, fiscal third quarter 2014 Adjusted EBITDA also excludes \$1.9 million of pre-tax charges comprised of the following:

- \$1.8 million of depreciation and amortization on property, plant and equipment; and
- \$0.1 million of interest expense.

A reconciliation of GAAP to non-GAAP financial measures for the fiscal third quarter along with accompanying notes is provided on Table 4.

Third Quarter Revenue by Region

Revenue in the North America region was \$37.4 million in the third quarter of fiscal 2014, compared with \$52.9 million in the year-ago quarter. International revenue was \$44.0 million, compared with \$65.4 million in the year-ago quarter.

Outlook

Aviat Networks presently expects to return to quarterly positive cash flow generation in the first half of fiscal 2015. Given limited near-term visibility and the impact that Aviat's ongoing restructuring is going to initially have on the results, Aviat Networks is not providing guidance for the fourth quarter of fiscal 2014.

Conference Call Details

Aviat Networks will host a conference call today at 4:30 p.m. Eastern Time to discuss the company's financial results. Those wishing to join the call should dial (480) 629-9856 or toll free at (888) 846-5003 access code

4680758 at approximately 4:20 p.m. Eastern Time. A live and archived webcast of the conference call will also be available via the company's Web site at <http://investors.aviatnetworks.com/events.cfm>.

Non-GAAP Measures and Comparative Financial Information

Aviat Networks, Inc. reports information in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). Management of Aviat Networks monitors gross margin, research and development expenses, selling and administrative expenses, operating income or loss, income tax provision or benefit, income or loss from continuing operations, basic and diluted income or loss per share from continuing operations, adjusted earnings (losses) before interest, tax, depreciation and amortization ("Adjusted EBITDA") adjusted to exclude certain costs, charges, gains and losses, on a non-GAAP basis for planning and forecasting results in future periods, and may use these measures for some management compensation purposes. These measures exclude certain costs, expenses, gains and losses as shown on the attached Reconciliation of Non-GAAP Financial Measures table. As a result, management is presenting these non-GAAP measures in addition to results reported in accordance with GAAP to better communicate underlying operational and financial performance in each period. Management believes these non-GAAP 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 disproportionate positive or negative impact on results in any given period. Management also believes that these non-GAAP measures enhance the ability of an investor to analyze trends in Aviat Networks' business and to better understand our performance.

Aviat Networks' management does not, nor does it suggest that investors should, consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Aviat Networks presents these non-GAAP financial measures in reporting its financial results to provide investors with an additional tool to evaluate its financial performance. Reconciliations of these non-GAAP financial measures with the most directly comparable financial measures calculated in accordance with GAAP are included in the tables below.

About Aviat Networks

Aviat Networks, Inc. (NASDAQ: AVNW) is a leading global provider of microwave networking solutions transforming communications networks to handle the exploding growth of IP-centric, multi-Gigabit data services. With more than 750,000 systems installed around the world, Aviat Networks provides LTE-proven microwave networking solutions to mobile operators, including some of the largest and most advanced 4G/LTE networks in the world. Public safety, utility, government and defense organizations also trust Aviat Networks' solutions for their mission-critical applications where reliability is paramount. In conjunction with its networking solutions, Aviat Networks provides a comprehensive suite of localized professional and support services enabling customers to effectively and seamlessly migrate to next generation Carrier Ethernet/IP networks. For more than 50 years, customers have relied on Aviat Networks' high performance and scalable solutions to help them maximize their investments and solve their most challenging network problems. Headquartered in Santa Clara, California, Aviat Networks operates in more than 100 countries around the world. For more information, visit www.aviatnetworks.com or connect with Aviat Networks on Twitter, Facebook and LinkedIn.

Forward-Looking Statements

The information contained in this document includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 21E of the Securities Exchange Act and Section 27A of the Securities Act, including the results of customer wins, product portfolio enhancements, RFP activity, pace of business, restructuring efforts, ongoing cost and expenses savings and expectations regarding fiscal year 2015. All statements, trend analyses and other information contained herein about the markets for the services and products of Aviat Networks, Inc. and trends in revenue, as well as other statements identified by the use of forward-looking terminology, including "anticipate," "believe," "plan," "estimate," "expect," "goal," "will," "see," "continue," "delivering," "view," and "intend," or the negative of these terms or other similar expressions, constitute forward-looking statements. These forward-looking statements are based on estimates reflecting the current beliefs of the senior management of Aviat Networks. These forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Forward-looking statements should therefore be considered in light of various important factors, including those set forth in this document. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include the following:

- continued price and margin erosion as a result of increased competition in the microwave transmission industry;
- the impact of the volume, timing and customer, product and geographic mix of our product orders;
- our ability to meet financial covenant requirements which could impact our liquidity;
- our ability to meet projected new product development dates or anticipated cost reductions of new products;
- our suppliers' inability to perform and deliver on time as a result of their financial condition, component shortages or other supply chain constraints;
- customer acceptance of new products;
- the ability of our subcontractors to timely perform;
- continued weakness in the global economy affecting customer spending;
- retention of our key personnel;
- our ability to manage and maintain key customer relationships;
- uncertain economic conditions in the telecommunications sector combined with operator and supplier consolidation;
- the timing of our receipt of payment for products or services from our customers;
- our failure to protect our intellectual property rights or defend against intellectual property infringement claims by others;
- the results of restructuring efforts;
- the effects of currency and interest rate risks; and
- the impact of political turmoil in countries where we have significant business.

For more information regarding the risks and uncertainties for our business, see "Risk Factors" in our Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on September 23, 2013 as well as other reports filed by Aviat Networks, Inc. with the SEC from time to time. Aviat Networks undertakes no obligation to update publicly any forward-looking statement for any reason, except as required by law, even as new information

becomes available or other events occur in the future.

Financial Tables to Follow:

Table 1
AVIAT NETWORKS, INC.
Fiscal Year 2014 Third Quarter Summary
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

| | Quarter Ended | | Three Quarters Ended | |
|--|----------------|----------------|----------------------|----------------|
| | March 28, 2014 | March 29, 2013 | March 28, 2014 | March 29, 2013 |
| (In millions, except per share amounts) | | | | |
| Revenue from product sales and services | \$ 81.4 | \$ 118.3 | \$ 260.6 | \$ 362.3 |
| Cost of product sales and services | 60.5 | 84.2 | 195.3 | 255.8 |
| Gross margin | 20.9 | 34.1 | 65.3 | 106.5 |
| Research and development expenses | 8.4 | 9.9 | 27.5 | 29.0 |
| Selling and administrative expenses | 23.0 | 24.7 | 67.4 | 71.7 |
| Amortization of intangible assets | 0.1 | 0.1 | 0.3 | 0.3 |
| Restructuring charges | 4.2 | 0.4 | 9.0 | 0.9 |
| Operating income (loss) | (14.8) | (1.0) | (38.9) | 4.6 |
| Interest income | 0.3 | 0.2 | 0.4 | 0.7 |
| Interest expense | (0.1) | (0.2) | (0.3) | (0.7) |
| Income (loss) from continuing operations before income taxes | (14.6) | (1.0) | (38.8) | 4.6 |
| Provision for income taxes | 0.5 | 0.6 | 0.2 | 12.0 |
| Loss from continuing operations | (15.1) | (1.6) | (39.0) | (7.4) |
| Income (loss) from discontinued operations, net of tax | 0.3 | (0.1) | 0.7 | (1.8) |
| Net loss | \$ (14.8) | \$ (1.7) | \$ (38.3) | \$ (9.2) |
| Income (loss) per common share, basic and diluted: | | | | |
| Continuing operations | \$ (0.24) | \$ (0.03) | \$ (0.63) | \$ (0.12) |
| Discontinued operations | \$ 0.00 | \$ (0.00) | \$ 0.01 | \$ (0.03) |
| Net loss | \$ (0.24) | \$ (0.03) | \$ (0.62) | \$ (0.15) |
| Weighted average shares outstanding, basic and diluted | 61.9 | 60.3 | 61.5 | 59.9 |

Table 2
AVIAT NETWORKS, INC.
Fiscal Year 2014 Third Quarter Summary
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

| | March 28, 2014 | June 28, 2013 |
|--|----------------|---------------|
| | (In millions) | |
| Assets | | |
| Cash and cash equivalents | \$ 47.5 | \$ 90.0 |
| Receivables, net | 80.1 | 86.3 |
| Unbilled costs | 26.8 | 28.9 |
| Inventories | 35.1 | 35.0 |
| Customer service inventories | 13.2 | 16.2 |
| Other current assets | 19.7 | 17.9 |
| Property, plant and equipment, net | 29.8 | 28.8 |
| Identifiable intangible assets, net | 0.5 | 0.8 |
| Other assets | 2.5 | 1.9 |
| | \$ 255.2 | \$ 305.8 |
| Liabilities and Stockholders' Equity | | |
| Short-term debt | \$ 6.0 | \$ 8.8 |
| Accounts payable | 39.6 | 50.6 |
| Advanced payments and unearned income, current | 30.0 | 18.6 |
| Accrued expenses and other current liabilities | 50.4 | 53.1 |
| Long-term liabilities | 13.9 | 24.8 |
| Stockholders' equity | 115.3 | 149.9 |
| | \$ 255.2 | \$ 305.8 |

Table 3
AVIAT NETWORKS, INC.
Fiscal Year 2014 Third Quarter Summary
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

| | Three Quarters Ended | |
|---|----------------------|----------------|
| | March 28, 2014 | March 29, 2013 |
| | (In millions) | |
| Operating Activities | | |
| Net loss | \$ (38.3) | \$ (9.2) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Amortization of identifiable intangible assets | 0.3 | 0.8 |
| Depreciation and amortization of property, plant and equipment | 5.3 | 4.2 |
| Bad debt expense | 0.7 | 2.3 |
| Share-based compensation expense | 2.8 | 4.7 |
| Charges for inventory and customer service inventory write-downs | 3.3 | 4.8 |
| Gain on disposition of the WiMAX business | — | (0.1) |
| Other non-cash items | — | (0.1) |
| Changes in operating assets and liabilities: | | |
| Receivables | 5.5 | 8.5 |
| Unbilled costs | 2.1 | (1.6) |
| Inventories | (1.4) | 12.1 |
| Customer service inventories | 1.0 | 1.1 |
| Accounts payable | (9.5) | (16.5) |
| Accrued expenses | (5.6) | (4.8) |
| Advance payments and unearned income | 10.4 | (6.7) |
| Income taxes payable or receivable | 2.2 | (3.2) |
| Reserve for uncertain tax positions and deferred taxes | (14.8) | 11.9 |
| Other assets and liabilities | 3.9 | (2.7) |
| Net cash provided by (used in) operating activities | (32.1) | 5.5 |
| Investing Activities | | |
| Cash disbursed related to sale of WiMAX business, net | — | (0.1) |
| Additions of property, plant and equipment | (7.8) | (5.9) |
| Net cash used in investing activities | (7.8) | (6.0) |
| Financing Activities | | |
| Payments on long-term debt | (2.8) | (3.1) |
| Proceeds from share-based compensation awards | 0.1 | 0.2 |
| Payments on capital lease obligations | (0.1) | (0.1) |
| Net cash used in financing activities | (2.8) | (3.0) |
| Effect of exchange rate changes on cash and cash equivalents | 0.2 | 0.4 |
| Net Decrease in Cash and Cash Equivalents | (42.5) | (3.1) |
| Cash and Cash Equivalents, Beginning of Period | 90.0 | 96.0 |
| Cash and Cash Equivalents, End of Period | \$ 47.5 | \$ 92.9 |

AVIAT NETWORKS, INC.

Quarter Ended March 28, 2014 Summaries

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES AND REGULATION G DISCLOSURE

To supplement the consolidated financial statements presented in accordance with accounting principles generally accepted in the United States ("GAAP"), we provide additional measures of gross margin, research and development expenses, selling and administrative expenses, operating income or loss, income tax provision or benefit, income or loss from continuing operations, basic and diluted income or loss per share from continuing operations, and adjusted earnings before interest, tax, depreciation and amortization ("Adjusted EBITDA"), adjusted to exclude certain costs, charges, gains and losses, as set forth below. We believe 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 disproportionate positive or negative impact on results in any particular period. We also believe these non-GAAP measures enhance the ability of investors to analyze trends in our business and to understand our performance. In addition, we may utilize non-GAAP financial measures as a guide in our 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. Reconciliations of these non-GAAP financial measures with the most directly comparable financial measures calculated in accordance with GAAP follow.

Table 4
AVIAT NETWORKS, INC.
Fiscal Year 2014 Third Quarter Summary
RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES ⁽¹⁾
Condensed Consolidated Statements of Operations
(Unaudited)

| | Quarter Ended | | | | Three Quarters Ended | | | |
|--|-------------------|-----------------|-------------------|-----------------|----------------------|-----------------|-------------------|-----------------|
| | March 28, 2014 | % of Revenue | March 29, 2013 | % of Revenue | March 28, 2014 | % of Revenue | March 29, 2013 | % of Revenue |
| (In millions, except percentages and per share amounts) | | | | | | | | |
| GAAP gross margin | \$ 20.9 | 25.7 % | \$ 34.1 | 28.8 % | \$ 65.3 | 25.1 % | \$ 106.5 | 29.4 % |
| Share-based compensation | 0.1 | | 0.1 | | 0.2 | | 0.4 | |
| Warehouse consolidation costs | — | | — | | 0.2 | | — | |
| Amortization of purchased technology | — | | 0.2 | | — | | 0.5 | |
| Non-GAAP gross margin | 21.0 | 25.8 % | 34.4 | 29.1 % | 65.7 | 25.2 % | 107.4 | 29.6 % |
| GAAP research and development expenses | \$ 8.4 | 10.3 % | \$ 9.9 | 8.4 % | \$ 27.5 | 10.6 % | \$ 29.0 | 8.0 % |
| Share-based compensation | — | | — | | (0.2) | | (0.7) | |
| Non-GAAP research and development expenses | 8.4 | 10.3 % | 9.9 | 8.4 % | 27.3 | 10.5 % | 28.3 | 7.8 % |
| GAAP selling and administrative expenses | \$ 23.0 | 28.3 % | \$ 24.7 | 20.9 % | \$ 67.4 | 25.9 % | \$ 71.7 | 19.8 % |
| Share-based compensation | (0.5) | | (1.3) | | (2.4) | | (3.6) | |
| Transactional taxes assessments | — | | (0.7) | | (0.6) | | (1.3) | |
| Non-GAAP selling and administrative expenses | 22.5 | 27.6 % | 22.7 | 19.2 % | 64.4 | 24.7 % | 66.8 | 18.4 % |
| GAAP operating income (loss) | \$ (14.8) | (18.2)% | \$ (1.0) | (0.8)% | \$ (38.9) | (14.9)% | \$ 4.6 | 1.3 % |
| Share-based compensation | 0.6 | | 1.4 | | 2.8 | | 4.7 | |
| Warehouse consolidation costs | — | | — | | 0.2 | | — | |
| Amortization of purchased technology | — | | 0.2 | | — | | 0.5 | |
| Transactional taxes assessments | — | | 0.7 | | 0.6 | | 1.3 | |
| Amortization of intangible assets | 0.1 | | 0.1 | | 0.3 | | 0.3 | |
| Restructuring charges | 4.2 | | 0.4 | | 9.0 | | 0.9 | |
| Non-GAAP operating income (loss) | (9.9) | (12.2)% | 1.8 | 1.5 % | (26.0) | (10.0)% | 12.3 | 3.4 % |
| GAAP income tax provision | \$ 0.5 | 0.6 % | \$ 0.6 | 0.5 % | \$ 0.2 | 0.1 % | \$ 12.0 | 3.3 % |
| Adjustment to reflect pro forma tax rate | — | | — | | 1.3 | | (10.1) | |
| Non-GAAP income tax provision | 0.5 | 0.6 % | 0.6 | 0.5 % | 1.5 | 0.6 % | 1.9 | 0.5 % |
| GAAP loss from continuing operations | \$ (15.1) | (18.6)% | \$ (1.6) | (1.4)% | \$ (39.0) | (15.0)% | \$ (7.4) | (2.0)% |
| Share-based compensation | 0.6 | | 1.4 | | 2.8 | | 4.7 | |
| Warehouse consolidation costs | — | | — | | 0.2 | | — | |
| Amortization of purchased technology | — | | 0.2 | | — | | 0.5 | |
| Transactional taxes assessments | — | | 0.7 | | 0.6 | | 1.3 | |
| Amortization of intangible assets | 0.1 | | 0.1 | | 0.3 | | 0.3 | |
| Restructuring charges | 4.2 | | 0.4 | | 9.0 | | 0.9 | |
| Adjustment to reflect pro forma tax rate | — | | — | | (1.3) | | 10.1 | |
| Non-GAAP income (loss) from continuing operations | \$ (10.2) | (12.5)% | \$ 1.2 | 1.0 % | \$ (27.4) | (10.5)% | \$ 10.4 | 2.9 % |
| Income (loss) per share from continuing operations | | | | | | | | |
| Basic: | | | | | | | | |
| GAAP | \$ (0.24) | | \$ (0.03) | | \$ (0.63) | | \$ (0.12) | |
| Non-GAAP | \$ (0.16) | | \$ 0.02 | | \$ (0.45) | | \$ 0.17 | |
| Diluted: | | | | | | | | |
| GAAP | \$ (0.24) | | \$ (0.03) | | \$ (0.63) | | \$ (0.12) | |
| Non-GAAP | \$ (0.16) | | \$ 0.02 | | \$ (0.45) | | \$ 0.17 | |
| Shares used in computing income (loss) per share from continuing operations | | | | | | | | |
| Basic: | | | | | | | | |
| GAAP | 61.9 | | 60.3 | | 61.5 | | 59.9 | |
| Non-GAAP | 61.9 | | 61.3 | | 61.5 | | 61.3 | |
| Diluted: | | | | | | | | |
| GAAP | 61.9 | | 60.3 | | 61.5 | | 59.9 | |
| Non-GAAP | 61.9 | | 62.7 | | 61.5 | | 61.8 | |

| Quarter Ended | | | | Three Quarters Ended | | | |
|-------------------|-----------------|-------------------|-----------------|----------------------|-----------------|-------------------|-----------------|
| March 28, 2014 | % of Revenue | March 29, 2013 | % of Revenue | March 28, 2014 | % of Revenue | March 29, 2013 | % of Revenue |

(In millions, except percentages and per share amounts)

ADJUSTED EBITDA:

| | | | | | | | |
|--|------------------|----------------|-----------------|---------------|------------------|----------------|------------------------|
| | | | | | | | |
| GAAP loss from continuing operations | \$ (15.1) | (18.6)% | \$ (1.6) | (1.4)% | \$ (39.0) | (15.0)% | \$ (7.4) (2.0)% |
| Depreciation and amortization of property, plant and equipment | 1.8 | | 1.3 | | 5.3 | | 4.2 |
| Interest expense | 0.1 | | 0.2 | | 0.3 | | 0.7 |
| Share-based compensation | 0.6 | | 1.4 | | 2.8 | | 4.7 |
| Warehouse consolidation costs | — | | — | | 0.2 | | — |
| Amortization of purchased technology | — | | 0.2 | | — | | 0.5 |
| Transactional taxes assessments | — | | 0.7 | | 0.6 | | 1.3 |
| Amortization of intangible assets | 0.1 | | 0.1 | | 0.3 | | 0.3 |
| Restructuring charges | 4.2 | | 0.4 | | 9.0 | | 0.9 |
| Provision for income taxes | 0.5 | | 0.6 | | 0.2 | | 12.0 |
| Adjusted EBITDA | \$ (7.8) | (9.6)% | \$ 3.3 | 2.8 % | \$ (20.3) | (7.8)% | \$ 17.2 4.7 % |

- (1) The adjustments above reconcile our GAAP financial results to the non-GAAP financial measures used by us. Our non-GAAP income or loss from continuing operations excluded share-based compensation, warehouse consolidation costs, amortization of purchased technology, transactional taxes assessments, amortization of intangible assets, restructuring charges, and adjustment to reflect pro forma tax rate. Adjusted EBITDA was determined by excluding depreciation and amortization on property, plant and equipment, interest expense, provision for income taxes, and non-GAAP pre-tax adjustments, as set forth above, from the GAAP income (loss) from continuing operations. We believe that the presentation of these non-GAAP items provides meaningful supplemental information to investors, when viewed in conjunction with, and not in lieu of, our GAAP results. However, the non-GAAP financial measures have not been prepared under a comprehensive set of accounting rules or principles. Non-GAAP information should not be considered in isolation from, or as a substitute for, information prepared in accordance with GAAP. Moreover, there are material limitations associated with the use of non-GAAP financial measures.

Table 5
AVIAT NETWORKS, INC.
Fiscal Year 2014 Third Quarter Summary
SUPPLEMENTAL SCHEDULE OF REVENUE BY GEOGRAPHICAL AREA
(Unaudited)

| | Quarter Ended | | Three Quarters Ended | |
|--------------------------------|----------------|-----------------|----------------------|-----------------|
| | March 28, 2014 | March 29, 2013 | March 28, 2014 | March 29, 2013 |
| | (in millions) | | | |
| North America | \$ 37.4 | \$ 52.9 | \$ 104.9 | \$ 133.0 |
| International: | | | | |
| Africa and Middle East | 21.7 | 37.7 | 84.7 | 150.6 |
| Europe and Russia | 9.5 | 9.4 | 28.1 | 31.0 |
| Latin America and Asia Pacific | 12.8 | 18.3 | 42.9 | 47.7 |
| | 44.0 | 65.4 | 155.7 | 229.3 |
| Total Revenue | \$ 81.4 | \$ 118.3 | \$ 260.6 | \$ 362.3 |

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