

Table 1
AVIAT NETWORKS, INC.
Fiscal Year 2012 First Quarter Summary
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (2)
Condensed Consolidated Statements of Operations
(Unaudited)

	Quarter Ended			
	September 30, 2011	% of Revenue	October 1, 2010(1)	% of Revenue
	(In millions, except per share amounts)			
GAAP gross margin	\$ 32.7	29.4%	\$ 26.3	26.2%
Share-based compensation	0.1		0.1	
Excess and obsolete inventory associated with legacy products.....	0.1		-	
Amortization of purchased technology.....	0.2		0.2	
Non-GAAP gross margin	33.1	29.7%	26.6	26.5%
GAAP research and development expenses	\$ 9.0	8.1%	\$ 9.7	9.7%
Share-based compensation	(0.2)		(0.2)	
Non-GAAP research and development expenses	8.8	7.9%	9.5	9.5%
GAAP selling and administrative expenses	\$ 24.6	22.1%	\$ 28.4	28.3%
Share-based compensation	(0.6)		(0.5)	
Rebranding and transitional costs.....	-		(0.2)	
Non-GAAP selling and administrative expenses	24.0	21.5%	27.7	27.6%
GAAP operating loss	\$ (2.5)	-2.2%	\$ (18.1)	-18.0%
Share-based compensation	0.9		0.8	
Excess and obsolete inventory associated with legacy products.....	0.1		-	
Amortization of purchased technology.....	0.2		0.2	
Rebranding and transitional costs.....	-		0.2	
Amortization of intangible assets	0.7		0.7	
Restructuring charges	0.9		5.6	
Non-GAAP operating income (loss)	0.3	0.3%	(10.6)	-10.6%
GAAP other income (expense), net	\$ (0.2)	-0.2%	\$ (4.4)	-4.4%
Loss on sale of NetBoss assets	-		3.9	
Non-GAAP other expense, net	(0.2)	-0.2%	(0.5)	-0.5%
GAAP income tax provision (benefit)	\$ 1.0	1.1%	\$ (5.5)	-5.5%
Adjustment to reflect zero percent pro forma tax rate	(1.0)		5.5	
Non-GAAP income tax provision	-	0.0%	-	0.0%
GAAP loss from continuing operations	\$ (3.7)	-3.3%	\$ (17.0)	-16.9%
Share-based compensation	0.9	0.8%	0.8	0.8%
Excess and obsolete inventory associated with legacy products.....	0.1	0.1%	-	0.0%
Amortization of purchased technology.....	0.2	0.2%	0.2	0.2%
Rebranding and transitional costs.....	-	0.0%	0.2	0.2%
Amortization of intangible assets	0.7	0.6%	0.7	0.7%
Restructuring charges	0.9	0.8%	5.6	5.6%
Loss on sale of NetBoss assets	-	0.0%	3.9	3.9%
Adjustment to reflect zero percent pro forma tax rate	1.0	0.9%	(5.5)	-5.5%
Non-GAAP income (loss) from continuing operations	\$ 0.1	0.1%	\$ (11.1)	-11.1%
Basic and diluted income (loss) per share from continuing operations				
GAAP.....	\$ (0.06)		\$ (0.29)	
Non-GAAP.....	\$ 0.00		\$ (0.19)	
Shares used in computing income (loss) from continuing operations				
GAAP.....	58.8		59.3	
Non-GAAP.....	60.4		59.3	

Notes to Table 1:

- (1) In the third quarter of fiscal 2011, the WiMAX business met the criteria to be considered held for sale. Beginning in the third quarter of fiscal 2011, the results of the WiMAX business are presented as a discontinued operation in our consolidated financial statements. Prior year period results have been reclassified to conform to current period presentation.
- (2) The adjustments above reconcile our GAAP financial results to the non-GAAP financial measures used by us. Our non-GAAP financial measures exclude share-based compensation, excess and obsolete inventory associated with legacy products, amortization of purchased technology, amortization of intangible assets, restructuring charges, loss on sale of NetBoss assets, and adjustment to reflect zero percent pro forma tax rate. 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 2
AVIAT NETWORKS, INC.
Fiscal Year 2012 First Quarter Summary
SUPPLEMENTAL SCHEDULE OF REVENUE BY GEOGRAPHICAL AREA
(Unaudited)

	Quarter Ended	
	September 30, 2011	October 1, 2010
	(in millions)	
North America	\$ 37.1	\$ 35.3
International:		
Africa and Middle East	42.7	30.5
Europe and Russia.....	12.4	17.7
Latin America and AsiaPac.....	19.2	16.9
Total International	74.3	65.1
	\$ 111.4	\$ 100.4