HARRIS CORP /DE/
Form 10-Q
April 30, 2014
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

þ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 28, 2014

or

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from ____________ to ____________

Commission File Number: 1-3863

HARRIS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**34-0276860** **(I.R.S. Employer Identification No.)**
1025 West NASA Boulevard	
Melbourne, Florida **(Address of principal executive offices)**	**32919** **(Zip Code)**

(321) 727-9100

(Registrant s telephone number, including area code)

No changes

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (l) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. þ Yes ¨ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). þ Yes ¨ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer þ Accelerated filer ¨

Non-accelerated filer ¨ (Do not check if a smaller reporting company) Smaller reporting company ¨
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ¨ Yes þ No

The number of shares outstanding of the registrant s common stock as of April 25, 2014 was 106,499,358 shares.

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FORM 10-Q

For the Quarter Ended March 28, 2014

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This Quarterly Report on Form 10-Q contains trademarks, service marks and registered marks of Harris Corporation and its subsidiaries.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

HARRIS CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF INCOME

(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	$ 1,267.5	$ 1,203.7	$ 3,682.6	$ 3,752.1
Cost of product sales and services	(841.0)	(803.5)	(2,410.9)	(2,497.2)
Engineering, selling and administrative expenses	(203.2)	(202.5)	(615.7)	(613.8)
Non-operating income (loss)	0.2	(0.5)	4.7	(1.6)
Interest income	0.7	0.8	2.0	1.8
Interest expense	(23.2)	(27.6)	(70.6)	(83.1)
Income from continuing operations before income taxes	201.0	170.4	592.1	558.2
Income taxes	(63.9)	(45.8)	(190.5)	(166.8)
Income from continuing operations	137.1	124.6	401.6	391.4
Discontinued operations, net of income taxes	4.1	(30.3)	1.4	(338.3)
Net income	141.2	94.3	403.0	53.1
Noncontrolling interests, net of income taxes	0.2	0.5	0.4	4.4
Net income attributable to Harris Corporation	$ 141.4	$ 94.8	$ 403.4	$ 57.5
Amounts attributable to Harris Corporation common shareholders				
Income from continuing operations	$ 137.3	$ 125.1	$ 402.0	$ 395.8
Discontinued operations, net of income taxes	4.1	(30.3)	1.4	(338.3)
Net income	$ 141.4	$ 94.8	$ 403.4	$ 57.5
Net income per common share attributable to Harris Corporation common shareholders				
Basic net income per common share attributable to Harris Corporation common shareholders				
Continuing operations	$ 1.28	$ 1.12	$ 3.75	$ 3.52
Discontinued operations	0.04	(0.27)	0.02	(3.01)
	$ 1.32	$ 0.85	$ 3.77	$ 0.51
Diluted net income per common share attributable to Harris Corporation common shareholders				
Continuing operations	$ 1.27	$ 1.12	$ 3.72	$ 3.50
Discontinued operations	0.04	(0.27)	0.01	(2.99)

	$	1.31	$	0.85	$	3.73	$	0.51
Cash dividends paid per common share	$	0.42	$	0.37	$	1.26	$	1.11
Basic weighted average common shares outstanding		106.2		110.6		106.3		111.5
Diluted weighted average common shares outstanding		107.4		111.2		107.4		112.1

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

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HARRIS CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited)

	Quarter Ended		Three Quarters Ended	
	March 28, 2014	March 29, 2013	March 28, 2014	March 29, 2013
	(In millions)			
Net income	$ 141.2	$ 94.3	$ 403.0	$ 53.1
Other comprehensive income (loss):				
Foreign currency translation	(3.7)	(55.5)	14.8	(21.8)
Net unrealized gain (loss) on hedging derivatives, net of income taxes	(0.1)	0.3	(0.5)	0.1
Net unrealized loss on securities available-for-sale, net of income taxes				(2.7)
Amortization of loss on treasury lock, net of income taxes	0.1	0.1	0.4	0.4
Net unrecognized post-retirement obligations, net of income taxes	10.5	1.7	11.8	3.3
Other comprehensive income (loss), net of income taxes	6.8	(53.4)	26.5	(20.7)
Total comprehensive income	148.0	40.9	429.5	32.4
Comprehensive loss attributable to noncontrolling interests	0.2	0.5	0.4	4.4
Total comprehensive income attributable to Harris Corporation	$ 148.2	$ 41.4	$ 429.9	$ 36.8

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

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HARRIS CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET

(Unaudited)

	March 28, 2014	June 28, 2013
	(In millions, except shares)	
Assets		
Current Assets		
Cash and cash equivalents	$ 349.6	$ 321.0
Receivables	772.7	696.8
Inventories	674.0	668.7
Income taxes receivable	53.8	36.2
Current deferred income taxes	113.4	121.2
Other current assets	89.8	77.2
Assets of discontinued operations		27.0
Total current assets	2,053.3	1,948.1
Non-current Assets		
Property, plant and equipment	685.5	653.2
Goodwill	1,703.6	1,692.0
Intangible assets	270.8	308.1
Non-current deferred income taxes	87.9	124.8
Other non-current assets	157.5	132.2
Total non-current assets	2,905.3	2,910.3
	$ 4,958.6	$ 4,858.4
Liabilities and Equity		
Current Liabilities		
Short-term debt	$ 81.3	$ 144.6
Accounts payable	355.5	339.5
Compensation and benefits	176.7	234.3
Other accrued items	261.9	255.8
Advance payments and unearned income	298.2	308.0
Current deferred income taxes	0.9	1.8
Current portion of long-term debt	1.4	13.4
Total current liabilities	1,175.9	1,297.4
Non-current Liabilities		
Long-term debt	1,575.8	1,577.1
Long-term contract liability	87.3	96.8
Other long-term liabilities	324.6	325.9
Total non-current liabilities	1,987.7	1,999.8
Equity		
Shareholders Equity:		
Preferred stock, without par value; 1,000,000 shares authorized; none issued		
Common stock, $1.00 par value; 500,000,000 shares authorized; issued and outstanding 106,471,958 shares at March 28, 2014 and 106,933,188 shares at June 28, 2013	106.5	106.9
Other capital	522.0	433.1

Retained earnings	1,199.0	1,079.9
Accumulated other comprehensive loss	(32.1)	(58.6)
Total shareholders equity	1,795.4	1,561.3
Noncontrolling interests	(0.4)	(0.1)
Total equity	1,795.0	1,561.2
	$ 4,958.6	$ 4,858.4

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

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HARRIS CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

	Three Quarters Ended March 28, 2014	March 29, 2013
	(In millions)	
Operating Activities		
Net income	$ 403.0	$ 53.1
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	148.6	164.3
Share-based compensation	28.5	25.6
Non-current deferred income taxes	29.8	2.9
Gain on sale of securities available-for-sale		(9.0)
(Gain) loss on sale of discontinued operations	(1.4)	23.6
Impairment of assets of discontinued operations		320.7
(Increase) decrease in:		
Accounts and notes receivable	(75.8)	88.0
Inventories	(5.3)	(31.7)
Increase (decrease) in:		
Accounts payable and accrued expenses	(46.2)	(145.3)
Advance payments and unearned income	(9.7)	78.6
Income taxes	(10.8)	(66.5)
Other	(6.7)	8.9
Net cash provided by operating activities	454.0	513.2
Investing Activities		
Cash paid for intangible assets	(3.3)	
Cash paid for cost-method investment		(0.8)
Additions of property, plant and equipment	(139.7)	(124.9)
Additions of capitalized software		(6.6)
Proceeds from sale of discontinued operations	27.0	147.4
Proceeds from sale of securities available-for-sale		11.9
Net cash provided by (used in) investing activities	(116.0)	27.0
Financing Activities		
Proceeds from borrowings	5.6	17.1
Repayments of borrowings	(82.4)	(140.9)
Proceeds from exercises of employee stock options	133.9	84.7
Repurchases of common stock	(222.1)	(274.6)
Cash dividends	(135.5)	(124.6)
Net cash used in financing activities	(300.5)	(438.3)
Effect of exchange rate changes on cash and cash equivalents	(8.9)	1.1
Net increase in cash and cash equivalents	28.6	103.0

Cash and cash equivalents, beginning of year	321.0	356.0
Cash and cash equivalents, end of quarter	$ 349.6	$ 459.0

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

March 28, 2014

Note A Significant Accounting Policies and Recent Accounting Standards

Basis of Presentation

The accompanying condensed consolidated financial statements include the accounts of Harris Corporation and its consolidated subsidiaries. As used in these Notes to Condensed Consolidated Financial Statements (Unaudited) (these Notes), the terms Harris, Company, we, our and u to Harris Corporation and its consolidated subsidiaries. Intracompany transactions and accounts have been eliminated. The accompanying condensed consolidated financial statements have been prepared by Harris, without an audit, in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial information and with the rules and regulations of the Securities and Exchange Commission (SEC). Accordingly, such interim financial statements do not include all information and footnotes necessary for a complete presentation of financial position, results of operations and cash flows in conformity with U.S. GAAP for annual financial statements. In the opinion of management, such interim financial statements reflect all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation of financial position, results of operations and cash flows for the periods presented therein. The results for the quarter and three quarters ended March 28, 2014 are not necessarily indicative of the results that may be expected for the full fiscal year or any subsequent period. The balance sheet at June 28, 2013 has been derived from our audited financial statements but does not include all of the information and footnotes required by U.S. GAAP for annual financial statements. We provide complete, audited financial statements in our Annual Report on Form 10-K, which includes information and footnotes required by the rules and regulations of the SEC. The information included in this Quarterly Report on Form 10-Q (this Report) should be read in conjunction with the Management s Discussion and Analysis of Financial Condition and Results of Operations and the Consolidated Financial Statements and accompanying Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended June 28, 2013 (our Fiscal 2013 Form 10-K).

See *Note B Discontinued Operations* for information regarding discontinued operations. Except for disclosures related to our cash flows, or unless otherwise specified, disclosures in this Report relate solely to our continuing operations.

At the beginning of the first quarter of fiscal 2014, to leverage the breadth of our information technology (IT) enterprise network and information assurance capabilities for the IT Services market, we began managing our cyber security network testing operation as part of our Integrated Network Solutions segment rather than our Government Communications Systems segment. As a result, we reassigned $2.4 million of goodwill (determined on a relative fair value basis) from our Government Communications Systems segment to our Integrated Network Solutions segment. The historical results, discussion and presentation of our business segments as set forth in this Report have been adjusted to reflect the impact of this change to our business segment reporting structure for all periods presented in this Report.

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions that affect the amounts reported in the accompanying condensed consolidated financial statements and these Notes. These estimates and assumptions are based on experience and other information available prior to issuance of the accompanying condensed consolidated financial statements and these Notes. Materially different results can occur as circumstances change and additional information becomes known.

Adoption of New Accounting Standards

In the first quarter of fiscal 2014, we adopted an accounting standard issued by the Financial Accounting Standards Board (FASB) that requires entities to provide details of reclassifications in the disclosure of changes in accumulated other comprehensive income (AOCI) balances. In addition, for significant items reclassified out of AOCI in the fiscal quarter, entities must provide information about the effects on net income together, in one location, on the face of the statement where net income is presented, or as a separate disclosure in the notes. For items not reclassified to net income in their entirety in the fiscal quarter, entities must cross-reference to the note where additional details about the effects of the reclassifications are disclosed. The adoption of this update did not impact our financial position, results of operations or cash flows.

Accounting Standards Issued But Not Yet Effective

In March 2013, the FASB issued an accounting standards update that clarifies previous U.S. GAAP regarding the release of cumulative translation adjustment (CTA) into earnings in certain situations. When an entity ceases to have a controlling financial interest in a subsidiary or group of assets within a consolidated foreign entity and the sale or transfer of such subsidiary or group of assets results in the complete or substantially complete liquidation of such foreign entity, any related CTA should be reclassified from AOCI and included in the calculation of the gain or loss on the sale or transfer. Upon a sale or complete or substantially complete

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liquidation of an investment in a consolidated foreign entity that results in either (1) a loss of a controlling financial interest in the foreign entity or (2) an acquirer obtaining control of an acquiree in which the acquirer held an equity interest immediately before the acquisition date in a business combination achieved in stages, any related CTA should be reclassified from AOCI and included in the calculation of the gain or loss on the sale or liquidation. For a sale of part of an ownership interest in a foreign investment that is accounted for as an equity method investment, a pro rata portion of CTA attributable to that investment should be reclassified from AOCI and included in the calculation of the gain or loss on the sale. This standard is to be applied prospectively and is effective for fiscal years, and interim reporting periods within those years, beginning after December 15, 2013, which for us is our fiscal 2015. The adoption of this standard will not have a material impact on our financial position, results of operations or cash flows.

In July 2013, the FASB issued an accounting standards update that requires unrecognized tax benefits to be presented as a decrease in a net operating loss, similar tax loss or tax credit carryforward if certain criteria are met. This standard is to be applied prospectively and is effective for fiscal years, and interim reporting periods within those years, beginning after December 15, 2013, which for us is our fiscal 2015. Retrospective application is permitted. The adoption of this standard is not expected to have a material impact on our financial position, results of operations or cash flows.

In April 2014, the FASB issued an accounting standards update that raises the threshold for disposals to qualify as discontinued operations and allows companies to have significant continuing involvement and continuing cash flows with discontinued operations. This standard also requires additional disclosures for discontinued operations and new disclosures for individually material disposal transactions that do not meet the definition of a discontinued operation. This standard is to be applied prospectively and is effective for fiscal years, and interim reporting periods within those years, beginning after December 15, 2014, which for us is our fiscal 2016. The adoption of this standard is not expected to have a material impact on our financial position, results of operations or cash flows.

Note B Discontinued Operations

In the third quarter of fiscal 2012, our Board of Directors approved a plan to exit our cyber integrated solutions operation (CIS), which provided remote cloud hosting, and to dispose of the related assets, and we reported CIS as discontinued operations beginning with our financial results presented in our Quarterly Report on Form 10-Q for the third quarter of fiscal 2012. On August 27, 2013, we completed the sale of the remaining assets of CIS for $35 million, including $28 million in cash and a $7 million subordinated promissory note. In the fourth quarter of fiscal 2012, our Board of Directors approved a plan to divest our broadcast communications operation (Broadcast Communications), which provided digital media management solutions in support of broadcast customers, and we reported Broadcast Communications as discontinued operations beginning with our financial results presented in our Annual Report on Form 10-K for fiscal 2012. On February 4, 2013, we completed the sale of Broadcast Communications to an affiliate of The Gores Group, LLC pursuant to a definitive Asset Sale Agreement entered into December 5, 2012 for $225 million, including $160 million in cash, subject to customary adjustments (including a post-closing working capital adjustment, which is currently in litigation), a $15 million subordinated promissory note and an earnout of up to $50 million based on future performance. Should the litigation related to the post-closing working capital adjustment to the purchase price be resolved unfavorably to us, we believe such an outcome would not have a material adverse effect on our financial condition, results of operations or cash flows. Both CIS and Broadcast Communications were formerly part of our Integrated Network Solutions segment.

In the third quarter of fiscal 2014, discontinued operations reflected a $4.8 million tax benefit (primarily related to the realization of additional tax deductions in respect of Broadcast Communications on various fiscal 2013 tax returns compared with our recorded estimates at the end of fiscal 2013), partially offset by a $1.0 million ($0.7 million after-tax) increase in the loss on sale of Broadcast Communications from miscellaneous adjustments for contingencies related to the disposition. In the third quarter of fiscal 2013, discontinued operations reflected the results of operations for Broadcast Communications and CIS, including a loss of $23.4 million ($23.6 million after-tax) on the sale of Broadcast Communications during the third quarter of fiscal 2013.

In the first three quarters of fiscal 2014, discontinued operations reflected a $4.8 million tax benefit (primarily related to the realization of additional tax deductions in respect of Broadcast Communications on various fiscal 2013 tax returns compared with our recorded estimates at the end of fiscal 2013) and a $3.1 million ($1.9 million after-tax) gain on the sale of the remaining assets of CIS, partially offset by a $7.6 million ($5.3 million after-tax) increase in the loss on sale of Broadcast Communications from miscellaneous adjustments for contingencies related to the disposition. In the first three quarters of fiscal 2013, the results of operations for Broadcast Communications and CIS included non-cash impairment charges of $314.4 million ($297.3 million after-tax) and $6.3 million ($3.9 million after-tax), respectively.

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Summarized financial information for our discontinued operations related to CIS and Broadcast Communications is as follows:

	Quarter Ended		Three Quarters Ended	
	March 28, 2014	March 29, 2013	March 28, 2014	March 29, 2013
	(In millions)			
Revenue from product sales and services	$	$ 38.0	$	$ 270.9
Loss before income taxes	$	$ (5.0)	$	$ (331.6)
Income taxes		(1.7)		16.9
Loss from discontinued operations		(6.7)		(314.7)
Gain (loss) on sale of discontinued operations, net of income tax benefit of $5.1 million and $5.9 million for the quarter and three quarters ended March 28, 2014, respectively	4.1	(23.6)	1.4	(23.6)
Discontinued operations, net of income taxes	$ 4.1	$ (30.3)	$ 1.4	$ (338.3)

	March 28, 2014	June 28, 2013
	(In millions)	
Property, plant and equipment	$	$ 27.0

Unless otherwise specified, the information set forth in these Notes, other than this *Note B Discontinued Operations*, relates solely to our continuing operations.

Note C Stock Options and Other Share-Based Compensation

During the first three quarters ended March 28, 2014, we had two shareholder-approved employee stock incentive plans (SIPs) under which options or other share-based compensation was outstanding, and we had the following types of share-based awards outstanding under our SIPs: stock options, performance share awards, performance share unit awards, restricted stock awards and restricted stock unit awards. We believe that such awards more closely align the interests of employees with those of shareholders. Certain share-based awards provide for accelerated vesting if there is a change in control (as defined under our SIPs). The compensation cost related to our share-based awards that was charged against income for the quarter and three quarters ended March 28, 2014 was $10.1 million and $28.5 million, respectively. The compensation cost related to our share-based awards that was charged against income for the quarter and three quarters ended March 29, 2013 was $10.6 million and $25.6 million, respectively.

Grants to employees under our SIPs during the quarter ended March 28, 2014 consisted of 1,850 stock options, 400 performance share unit awards and 37,800 restricted stock unit awards. Grants to employees under our SIPs during the three quarters ended March 28, 2014 consisted of 1,398,050 stock options, 310,950 performance share unit awards and 268,150 restricted stock unit awards. The fair value as of the grant date of each option award was determined using the Black-Scholes-Merton option-pricing model which used the following assumptions: expected dividend yield of 2.80 percent; expected volatility of 30.65 percent; risk-free interest rates averaging 1.66 percent; and expected term in years of 5.10. The fair value as of the grant date of each performance share unit award was determined based on a fair value from a multifactor Monte Carlo valuation model that simulates our stock price and total shareholder return (TSR) relative to other companies in our TSR peer group, less a discount to reflect the delay in payment of cash dividend-equivalents that are made only upon vesting. The fair value as of the grant date of each restricted stock unit award was determined based on our stock price at the close of business on the grant date.

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Note D Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss at March 28, 2014 and June 28, 2013 were as follows:

	March 28, 2014 (1)	June 28, 2013
	(In millions)	
Foreign currency translation	$ (12.4)	$ (27.2)
Net unrealized gain on hedging derivatives, net of income taxes	0.3	0.8
Unamortized loss on treasury lock, net of income taxes	(2.0)	(2.4)
Unrecognized post-retirement obligations, net of income taxes of $8.4 million and $15.8 million at March 28, 2014 and June 28, 2013, respectively	(18.0)	(29.8)
	$ (32.1)	$ (58.6)

(1) Reclassifications out of accumulated other comprehensive loss to earnings were not material for the three quarters ended March 28, 2014 or for the three quarters ended March 29, 2013.

Note E Receivables

Receivables are summarized below:

	March 28, 2014	June 28, 2013
	(In millions)	
Accounts receivable	$ 620.0	$ 569.3
Unbilled costs and accrued earnings on cost-plus contracts	145.1	120.8
Notes receivable due within one year, net	15.1	15.2
	780.2	705.3
Less allowances for collection losses	(7.5)	(8.5)
	$ 772.7	$ 696.8

Note F Inventories

Inventories are summarized below:

	March 28, 2014	June 28, 2013
	(In millions)	
Unbilled costs and accrued earnings on fixed-price contracts	$ 358.3	$ 386.3
Finished products	122.0	123.9
Work in process	63.4	35.0
Raw materials and supplies	130.3	123.5
	$ 674.0	$ 668.7

Unbilled costs and accrued earnings on fixed-price contracts were net of progress payments of $121.9 million at March 28, 2014 and $145.3 million at June 28, 2013.

Note G Property, Plant and Equipment

Property, plant and equipment are summarized below:

	March 28, 2014	June 28, 2013
	(In millions)	
Land	$ 12.6	$ 13.0
Software capitalized for internal use	129.4	110.5
Buildings	473.9	420.4
Machinery and equipment	1,063.8	1,022.0
	1,679.7	1,565.9
Less allowances for depreciation and amortization	(994.2)	(912.7)
	$ 685.5	$ 653.2

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Depreciation and amortization expense related to property, plant and equipment for the quarter and three quarters ended March 28, 2014 was $32.6 million and $102.2 million, respectively. Depreciation and amortization expense related to property, plant and equipment for the quarter and three quarters ended March 29, 2013 was $33.9 million and $103.6 million, respectively.

Note H   Accrued Warranties

Changes in our liability for standard product warranties, which is included as a component of the Other accrued items and Other long-term liabilities line items in the accompanying Condensed Consolidated Balance Sheet (Unaudited), during the three quarters ended March 28, 2014 were as follows:

	(In millions)
Balance at June 28, 2013	$ 39.9
Warranty provision for sales made during the three quarters ended March 28, 2014	10.2
Settlements made during the three quarters ended March 28, 2014	(11.8)
Other adjustments to warranty liability, including those for foreign currency translation, during the three quarters ended March 28, 2014	(3.0)
Balance at March 28, 2014	$ 35.3