
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): February 3, 2016

Mercury Systems, Inc.

(Exact Name of Registrant as Specified in Charter)

Massachusetts
(State or Other Jurisdiction
of Incorporation)

000-23599
(Commission File Number)

04-2741391
(IRS Employer
Identification No.)

201 Riverneck Road, Chelmsford, Massachusetts 01824
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (978) 256-1300

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

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 (see General Instruction A.2. below):

- 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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Item 7.01 Regulation FD Disclosure.

The management of Mercury Systems, Inc. (“Mercury”) will present an overview of Mercury’s business on February 3, 2016 at the Cowen & Company 37th Annual Aerospace & Defense Conference. Attached as Exhibit 99.1 to this Current Report on Form 8-K (the “Report”) is a copy of the slide presentation to be made by Mercury at the conference.

This information is being furnished pursuant to Item 7.01 of this Report and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section and will not be incorporated by reference into any registration statement filed by Mercury under the Securities Act of 1933, as amended, unless specifically identified as being incorporated therein by reference. This Report will not be deemed an admission as to the materiality of any information in this Report that is being disclosed pursuant to Regulation FD.

Please refer to page 2 of Exhibit 99.1 for a discussion of certain forward-looking statements included therein and the risks and uncertainties related thereto, as well as the use of non-GAAP financial measures included therein.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits**

Exhibit No.	Description
99.1	Presentation materials dated February 3, 2016

SIGNATURES

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 thereunto duly authorized.

Dated: February 3, 2016

MERCURY SYSTEMS, INC.

By: /s/ Gerald M. Haines II

Gerald M. Haines II

Executive Vice President, Chief Financial Officer, and Treasurer

Exhibit Index

Exhibit No.	Description
99.1	Presentation materials dated February 3, 2016

Cowen 37th Annual A&D Conference

Mark Aslett
President and CEO

Gerry Haines
Executive Vice President and CFO

February 3, 2016



Forward-looking safe harbor statement

This presentation contains certain forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995, including those relating to the products and services described herein. You can identify these statements by the use of the words “may,” “will,” “could,” “should,” “would,” “plans,” “expects,” “anticipates,” “continue,” “estimate,” “project,” “intend,” “likely,” “forecast,” “probable,” “potential,” and similar expressions. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected or anticipated. Such risks and uncertainties include, but are not limited to, continued funding of defense programs, the timing and amounts of such funding, general economic and business conditions, including unforeseen weakness in the Company’s markets, effects of continued geopolitical unrest and regional conflicts, competition, changes in technology and methods of marketing, delays in completing engineering and manufacturing programs, changes in customer order patterns, changes in product mix, continued success in technological advances and delivering technological innovations, changes in, or in the U.S. Government’s interpretation of, federal export control or procurement rules and regulations, market acceptance of the Company’s products, shortages in components, production delays or unanticipated expenses due to performance quality issues with outsourced components, inability to fully realize the expected benefits from acquisitions and restructurings, or delays in realizing such benefits, challenges in integrating acquired businesses and achieving anticipated synergies, changes to export regulations, increases in tax rates, changes to generally accepted accounting principles, difficulties in retaining key employees and customers, unanticipated costs under fixed-price service and system integration engagements, and various other factors beyond our control. These risks and uncertainties also include such additional risk factors as are discussed in the Company’s filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended June 30, 2015. The Company cautions readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made.

Use of Non-GAAP (Generally Accepted Accounting Principles) Financial Measures

In addition to reporting financial results in accordance with generally accepted accounting principles, or GAAP, the Company provides adjusted EBITDA, adjusted income from continuing operations, and adjusted EPS which are non-GAAP financial measures. Adjusted EBITDA, adjusted income from continuing operations, and adjusted EPS exclude certain non-cash and other specified charges. The Company believes these non-GAAP financial measures are useful to help investors better understand its past financial performance and prospects for the future. However, the presentation of adjusted EBITDA, adjusted income from continuing operations and adjusted EPS is not meant to be considered in isolation or as a substitute for financial information provided in accordance with GAAP. Management believes the adjusted EBITDA, adjusted income from continuing operations, and adjusted EPS financial measures assist in providing a more complete understanding of the Company’s underlying operational results and trends, and management uses these measures along with the corresponding GAAP financial measures to manage the Company’s business, to evaluate its performance compared to prior periods and the marketplace, and to establish operational goals. A reconciliation of GAAP to non-GAAP financial results discussed in this presentation is contained in the Appendix hereto.

Pioneering a next generation defense electronics company...

- High-tech commercial business model
- Secure processing subsystems
- Serving defense Prime contractor outsourcing needs
- Deployed on 300+ programs with 25+ Prime contractors
- FY15 \$235M revenue
Growth YoY: 13% revenue, 89% Adj. EBITDA, 19% backlog
- FY16 guidance⁽¹⁾:
Growth YoY: 6%-8% revenue, 9%-13% Adj. EBITDA



...to address the industry's challenges and opportunities

Investor highlights

Proven Management Team	Successful business transformation, double-digit defense revenue growth with improved profitability
Leading Market Position	Pure play defense electronics company embedded on key growth programs aligned to DoD priorities
Aligned with Industry Growth Drivers	Pacific pivot, aging platform modernization, foreign and international military sales, SOF quick reaction capabilities
Next Generation Defense Electronics Business Model	Internally-funded R&D. Commercial sales. US development, manufacturing and support.
Innovative Technology Leader	Secure processing subsystems, software and services for critical Defense and Intelligence applications
Low Risk Organic Growth Strategy	Captive Prime outsourcing largest secular growth opportunity. RFM and secure processing content expansion on key DoD programs
Business Platform Built to Scale	Scalable business, engineering and manufacturing platform to facilitate future acquisitions

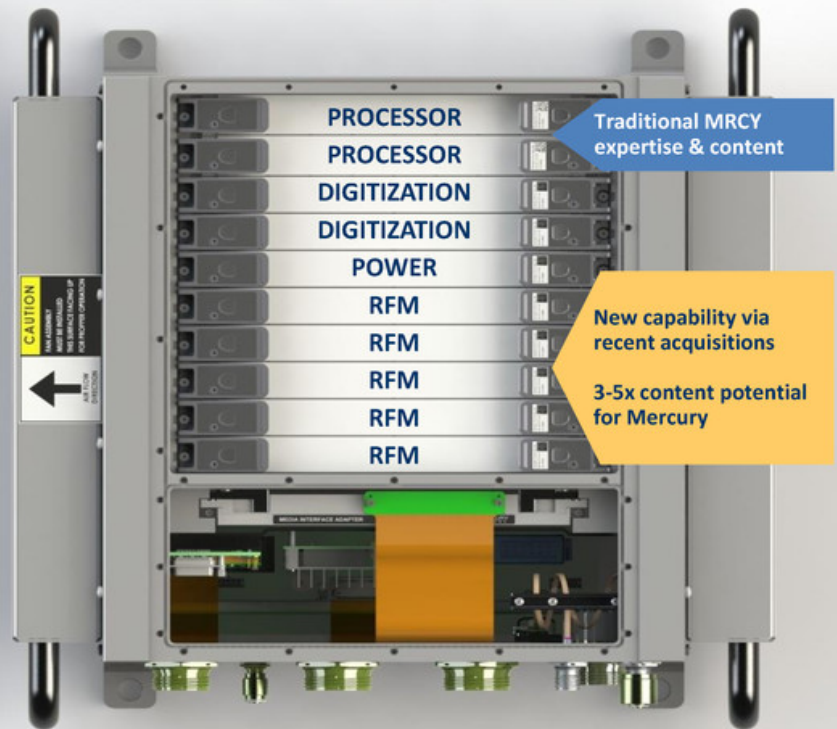
Mercury's vision is to be the...

Leading commercial provider
of secure processing
subsystems designed and
made in the USA



Acquisitions have transformed Mercury into a pure play...

- Acquired capabilities expand total addressable market
- Moved up the value chain
- Facilitates greater customer outsourcing
- Accelerates customer supply chain consolidation
- Disintermediate traditional competitors
- Low-risk content expansion organic growth strategy
- Integrated acquisitions. Ready for future M&A



...provider of outsourced defense electronics subsystems

Defense will likely remain a \$500B+ industry...



Political Dysfunction:

Sequestration-driven cuts and repeated Continuing Resolutions disrupting DoD budget process and spending



Crowding Out of Defense Spending and Investment:

Rising interest rates, healthcare and social spending; MilPer expense growth, aging military platforms' O&M costs rising



Defense Procurement Reform 3.0:

Firm-fixed-price contracts and less government-funded R&D changing economics and competitive dynamics of defense industry



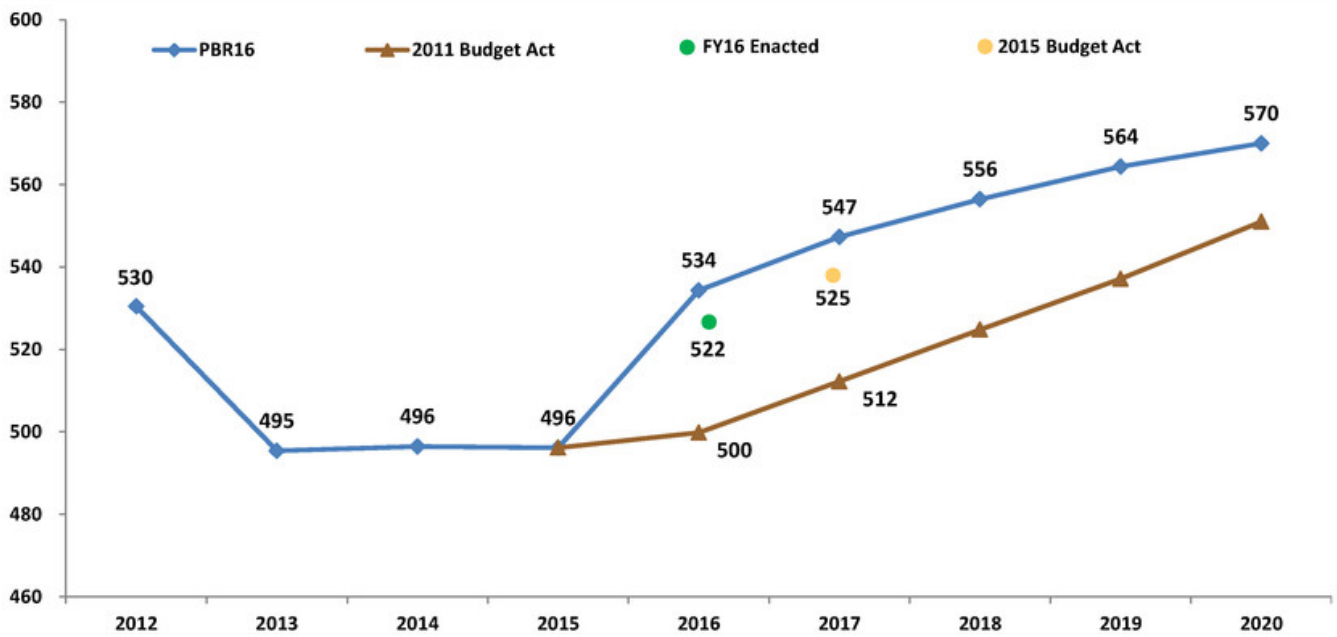
Industry Has Cut Capacity to Innovate:

Reduced headcount, fewer engineers and aging workforce; Less IR&D and growth investments, increased dividends and buybacks

...despite the ongoing political and budget uncertainty

Defense budgetary environment improving

Topline Base Authorization Budget vs. BCA Caps & Bipartisan Budget Act Agreement (\$B)

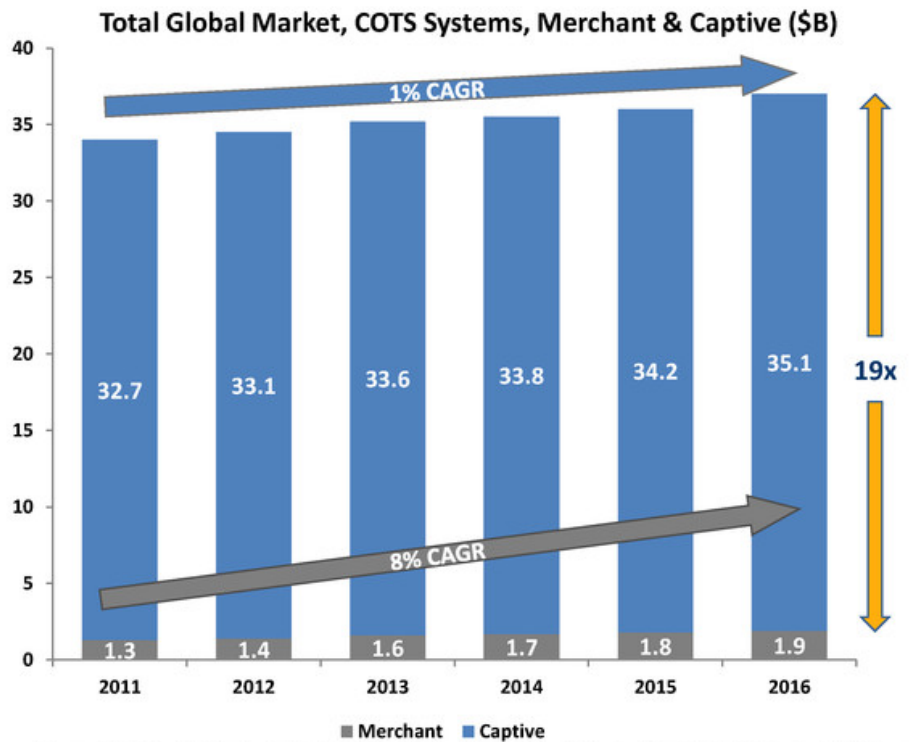


Sources: National Defense Authorization Act of 2016

Sequestration eliminated for GFY2016 & GFY2017

Prime outsourcing is our largest growth opportunity...

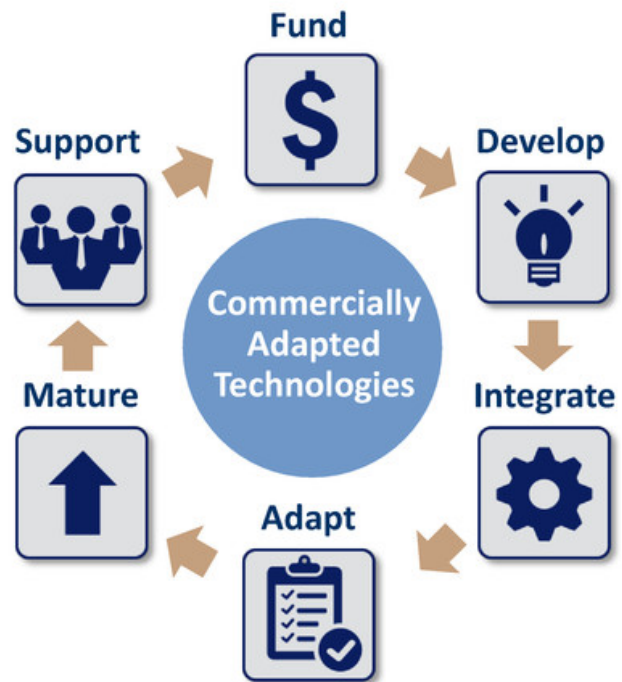
- Defense electronics is a \$35 billion dollar market
- Captive market is 19x COTS merchant supply
- Outsourcing growth not tied to increased defense spending
- Primes outsourcing to more capable suppliers willing to invest, share risk
- Industry needs new approach



...representing 19x addressable COTS merchant market

How we operate as a high-tech commercial company...

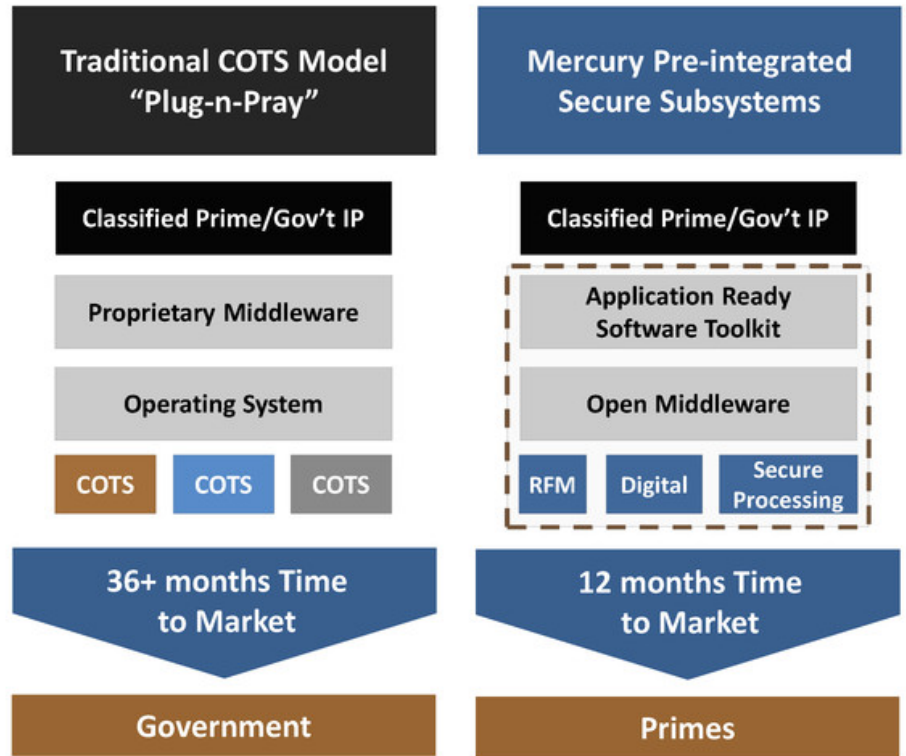
- Internal R&D funds the development of modular, reusable open innovations
- Pre-integration improves affordability, time to market
- Rapid customization and adaptation to platform
- Technology and manufacturing maturation lower cost and reduce risk
- Support rapidly changing commercial technology for a decade or more



...serving the US defense electronics industry

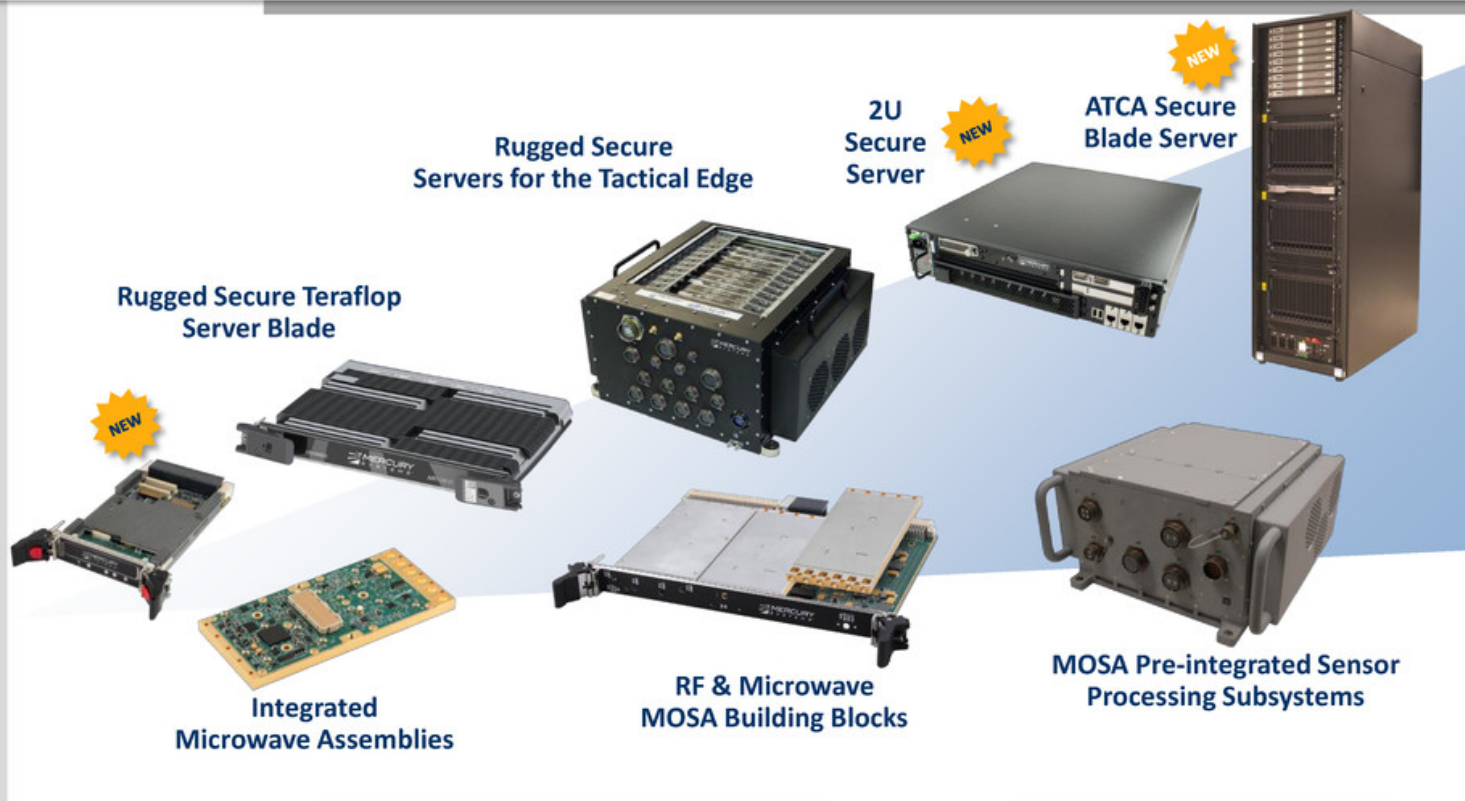
Business model built for speed, innovation and affordability...

- Traditional COTS board model broken (“Plug-n-Pray”)
 - Product procurement cost low
 - Large hidden integration costs
 - Lower Prime IR&D spending
 - COTS lifecycle support difficult
- Defense procurement reform
 - Less cost-plus Government-funded integration
 - Under firm fixed price, Prime bears risk and expense
- Acquired and pre-integrating sensor chain technologies
 - More affordable, lower risk, simplifies supply chain
 - Open architectures and open middleware speed adoption



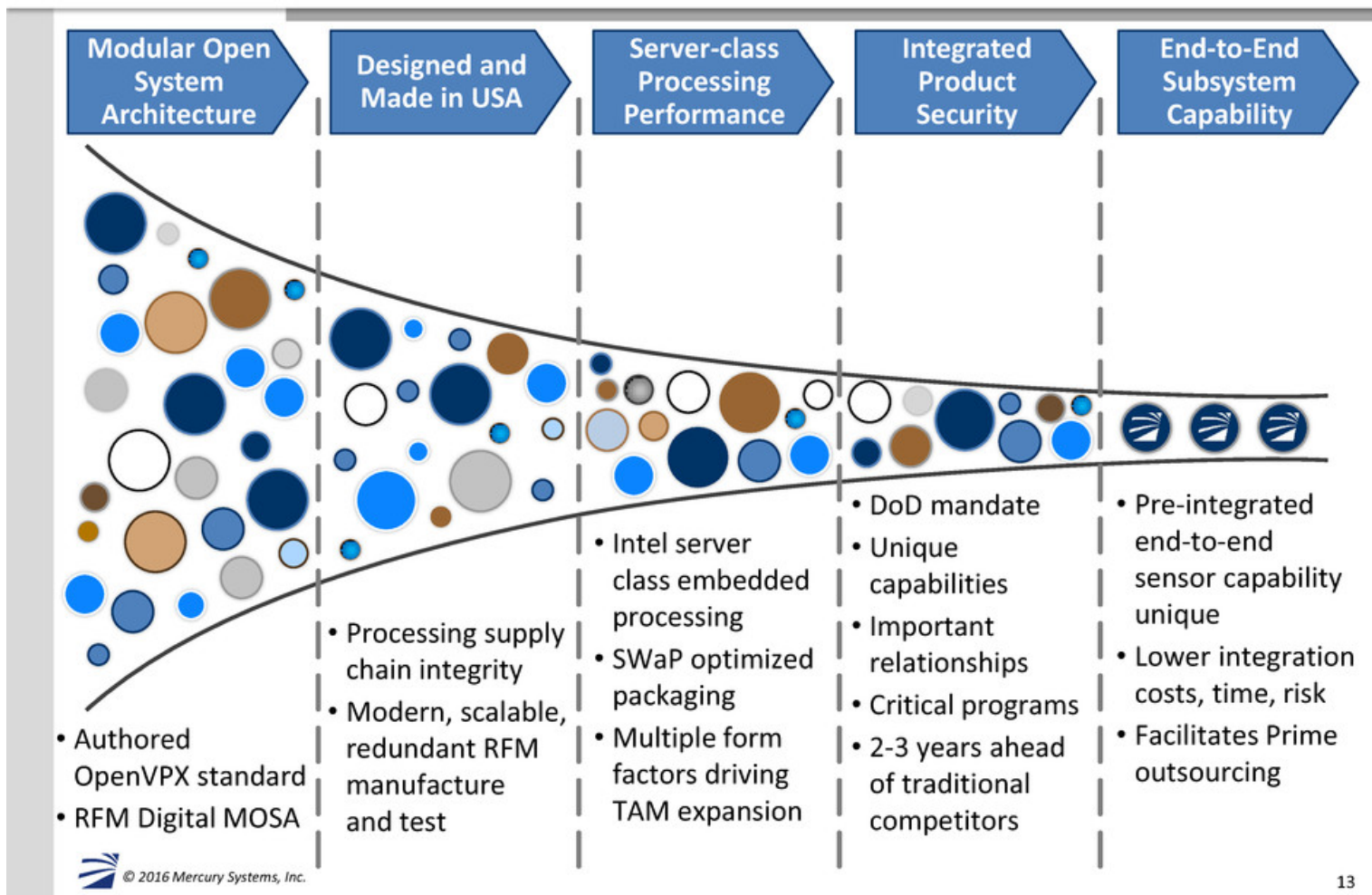
...as customers seek affordable outsourced pre-integrated subsystems

From highly leveraged Teraflop modules and RFM subassemblies...



...to secure servers and pre-integrated sensor processing subsystems

Factors leading to a unique market position for Mercury



Mercury's capabilities and opportunity for growth...



Pacific Pivot:

Platforms need improved sensors, autonomy, electronic protection and attack, on-board exploitation. Greater demand for onboard processing



Aging Platform Modernization:

Port customer software to available state-of-the-art open architectures to rapidly and affordably upgrade electronics on aging military platforms



International and Foreign Military Sales:

Upgrade subsystems with security for export to expand addressable market, grow revenues and access international customer R&D funding



Special Operations Forces Quick Reaction Capability:

Provide rapid reaction and affordable new capabilities to support anti-terror and other special forces missions globally

...are aligned to DoD investment priorities

Defense industry growth drivers translate into specific...



Outsourced Secure Processing Subsystems:

Grow blade-server processing applications. Expand into other mission-critical secure compute applications beyond the sensor



RF and Microwave Outsourcing:

Grow share in integrated RF and microwave assemblies and MOSA RF subsystems by providing customers a better alternative



Outsourced Pre-Integrated Sensor Processing Subsystems:

Provide more affordable pre-integrated MOSA sensor processing subsystems that preserves customer software value-add

...company growth drivers that we are pursuing

We are deployed on 300+ programs with 25+ Primes

RADAR	F-16	F-35	Triton; NATO AGS Global Hawk	Patriot	Aegis Aegis Ashore
	F-15	AH-64 Apache	Global Hawk	Badger/Buzzard	SEWIP
	F-16	Reaper/Gorgon Stare	F-35	P-8	Fury

LOCKHEED MARTIN

NORTHROP GRUMMAN

BAE SYSTEMS



BOEING

Raytheon

TELEPHONICS
A Griffon Company

argon ST

HARRIS

snc
SIERRA
NEVADA
CORPORATION



UTC Aerospace Systems



GENERAL ATOMICS

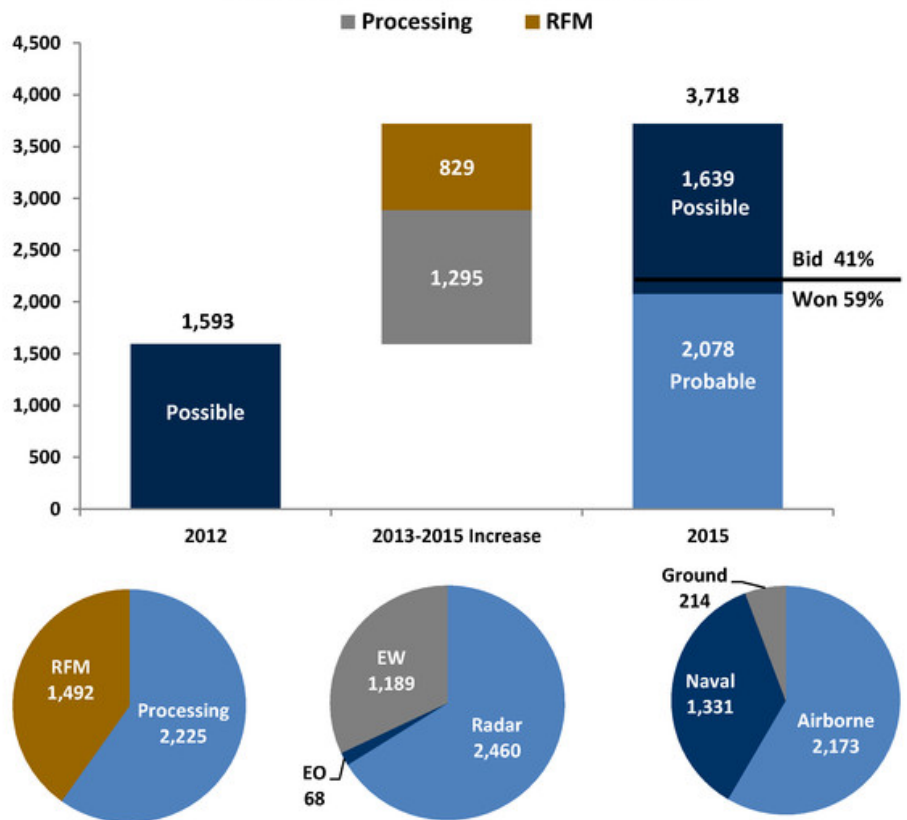


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Acquisitions and investments driving significant opportunity growth

- Low-risk content expansion growth strategy
- Key production programs
- Total potential value grew 2.3x to \$3.7B in 3 years
- Converted 1.3x of possible to probable value in 3 years
- After 3 years, RFM now represents ~40% of our opportunity pipeline
- Opportunities driven by Radar (66%) and EW (32%)

Key Programs Pipeline Value (\$M)



Note: Refer to Appendix for definitions of "Bid", "Won", "Probable" and "Possible". Probable and Possible values exclude FY15 and are as of December 2015. Numbers are rounded.

Strategy and investments have positioned Mercury well

- Pioneering a next-generation defense electronics business model
- Unique technology and capabilities on key production programs
- Low-risk content expansion growth strategy with demonstrable progress
- Largest secular growth opportunity captive Prime outsourcing
- Above industry-average growth; dramatic improvement in profitability
- Business platform built to grow and scale through future acquisitions



Financial Overview

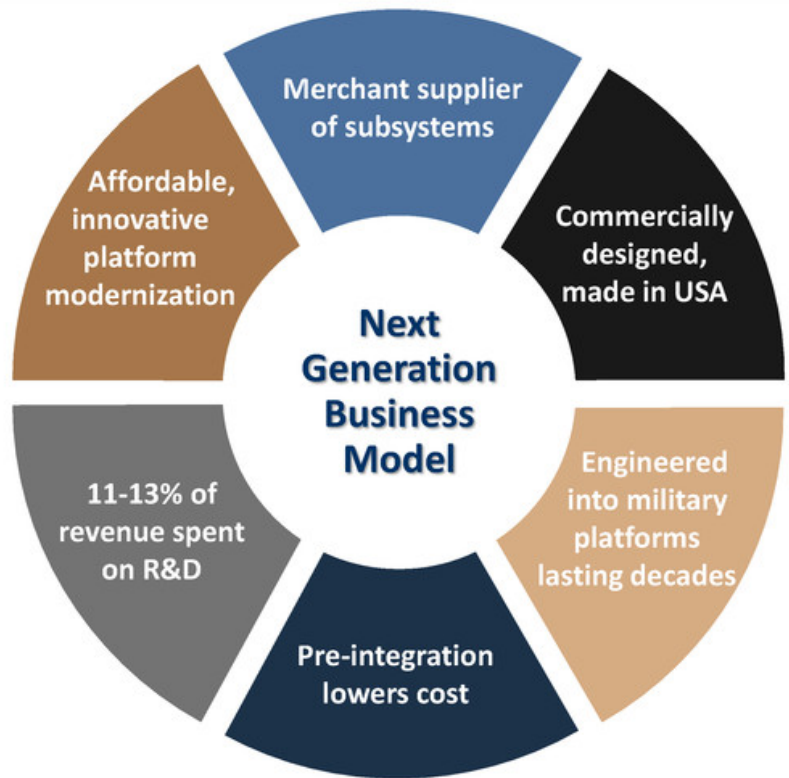
Gerry Haines

Executive Vice President & CFO



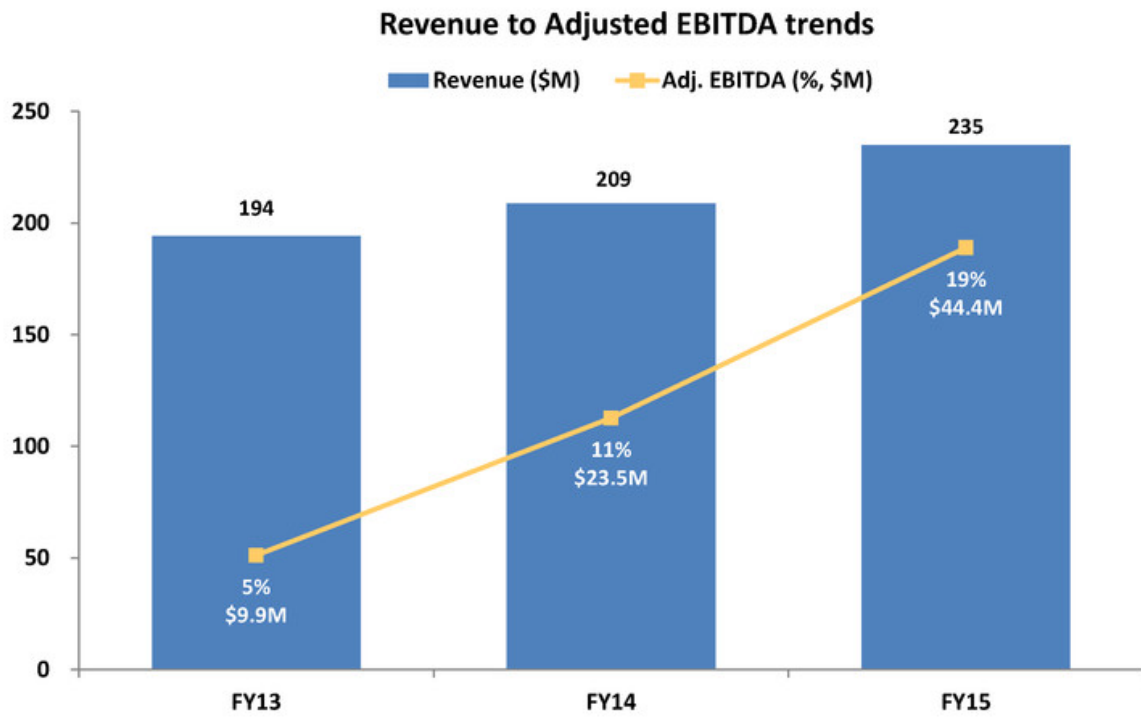
Pioneering a next-generation business model...

- Few subsystem competitors
- High barriers to entry
- Annuity revenue streams
- Primes outsource to lower cost & risk
- Value-based innovation, modular design for re-use
- Rapid adaptation and implementation
- Simplifies Primes' supply chain



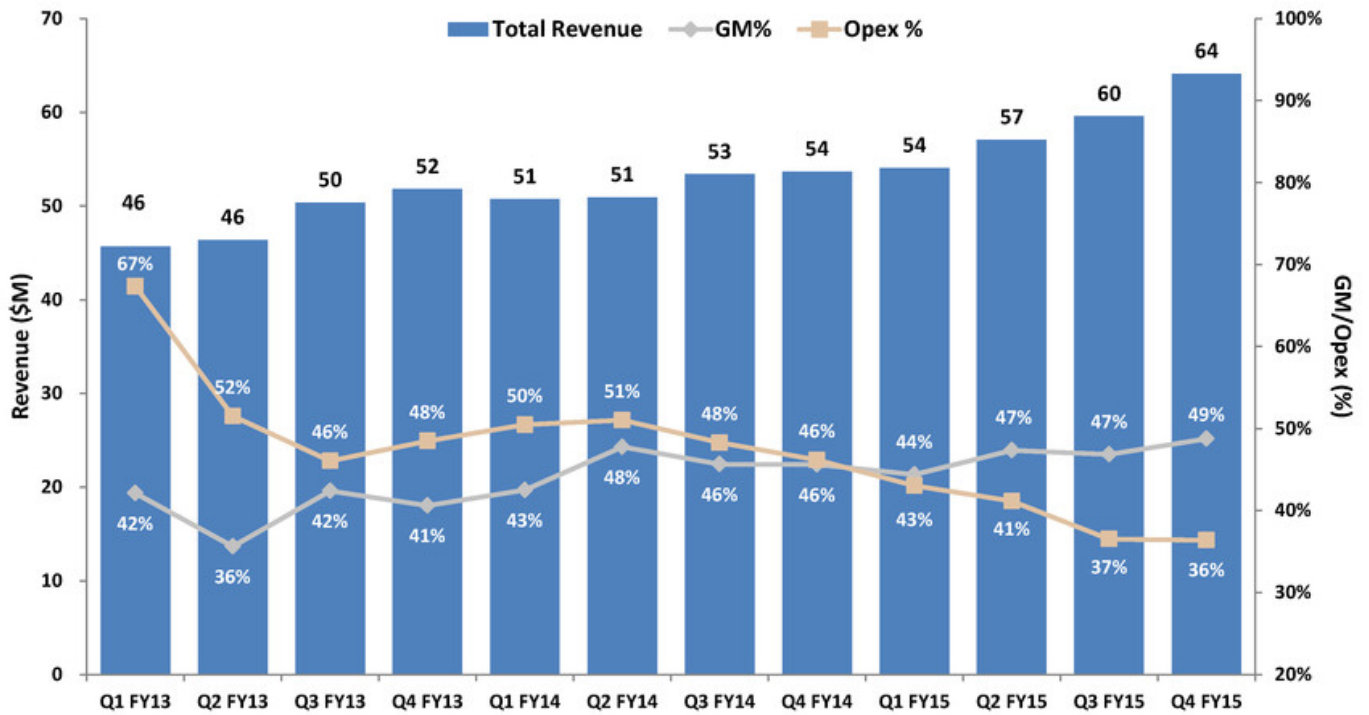
...creating a unique opportunity for growth and strong returns

Strong revenue growth and operating leverage...



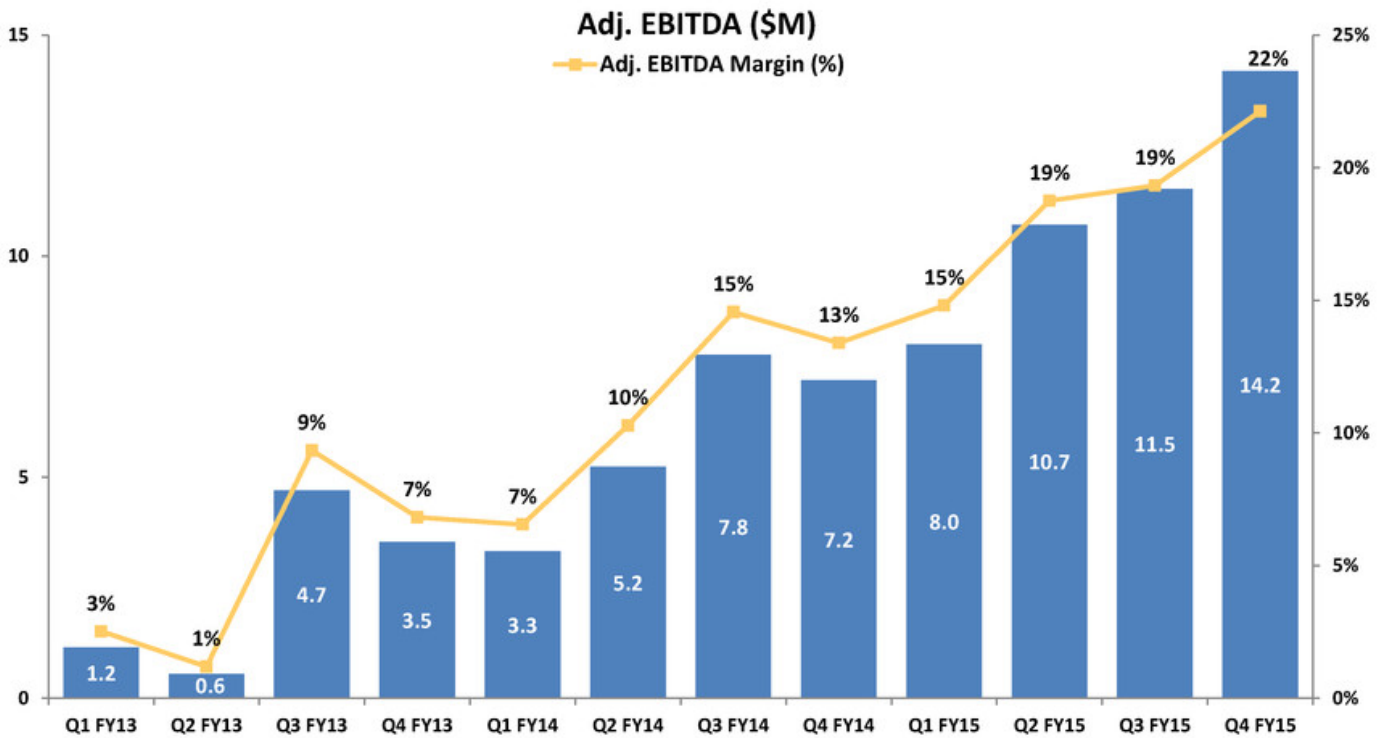
...yielded dramatic growth in adjusted EBITDA

FY13-FY15 revenue CAGR of 10%...



...with steady gross margin expansion, expense reduction

FY13-FY15 Adjusted EBITDA CAGR of 111%

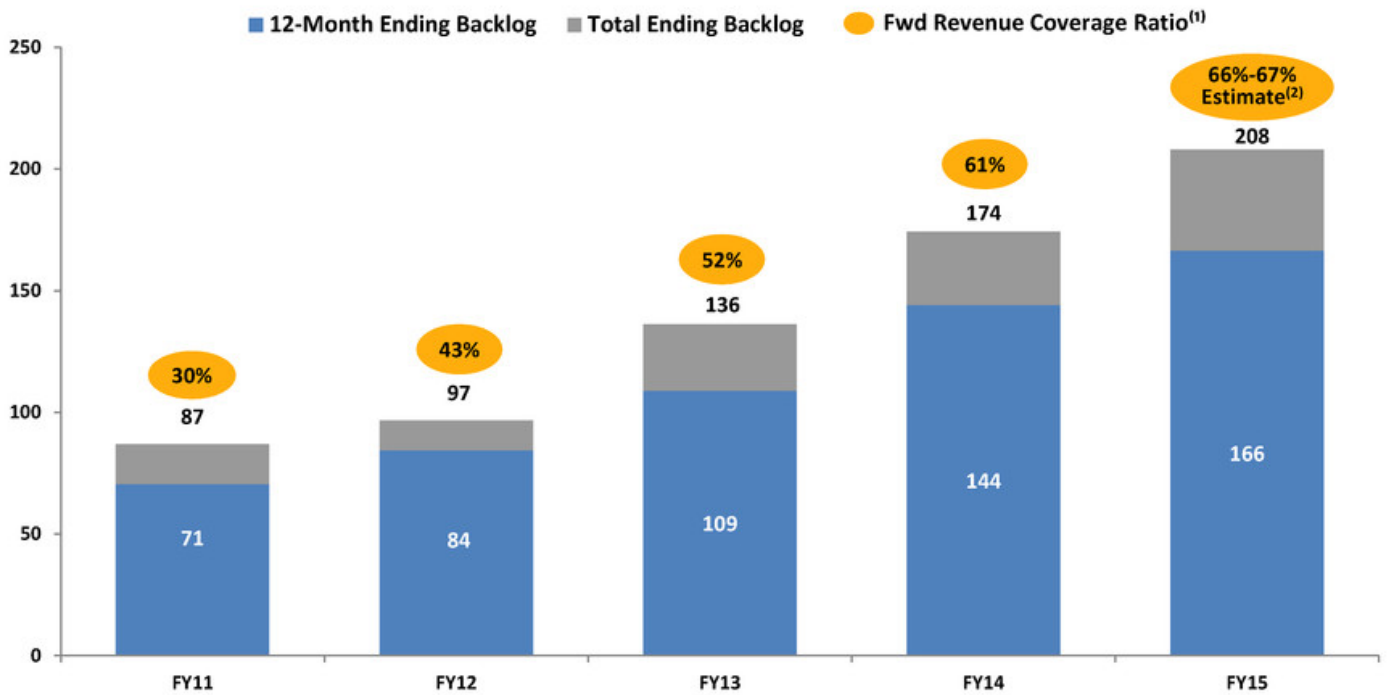


Notes:

- FY13-15 figures are reported in the Company's fiscal 2015 Form 10-K.
- Adjusted EBITDA is income from continuing operations, less interest income and expense, income taxes, depreciation, amortization of acquired intangible assets, restructuring and other charges, impairment of long-lived assets, acquisition and financing costs, fair value adjustments from purchase accounting, litigation and settlement expenses and stock-based compensation costs.

FY11-FY15 backlog CAGR of 24%...

Mercury Ending Backlog (\$M)



...yielded record backlog and revenue coverage exiting FY15

Program focus driving substantial growth potential

Mercury's perspective on phase, timing and potential value

EMD LRIP FRP FMS

	FY15	FY16	FY17	Production Years	Probable Bid vs. Won	Expansion		Probable Total (\$M)	Possible Total (\$M)
						Process	RFM		
Aegis	Sensor Processing			FRP: FY14-25	Won	✓		302	504
	Processing Expansion			FRP: FY19-25	Won/Bid	✓		47	95
	RFM			FRP: FY16-25	Won/Bid		✓	46	168
SEWIP	Block 2			FRP: FY16-26	Won		✓	231	326
	Small Ship			FRP: FY18-26	Won		✓	67	94
	Block 3			LRIP: FY18-20	Won		✓	58	144
F-35	Existing			LRIP: Up to FY21	Won	✓		49	51
	Processing			LRIP: FY19-21	Bid	✓		460	840
	RFM			LRIP: FY19-21	Bid		✓	45	121
Buzzard/Badger	FRP: FY14-25			Won		✓	119	188	
Patriot	FRP: FY14-25			Won	✓		70	117	
Gorgon Stare	FRP: FY14-20			Won	✓		45	68	
Others	(Predator/Reaper, F-15 EW, E-2D Hawkeye, F-16 SABR, P-8, SIRFC/AIDEWS, BAMS/Triton, AWACS, LRDR, Classified)							540	1002

Note: Refer to Appendix for definitions of "Bid", "Won", "Probable" and "Possible". Probable and Possible values exclude FY15 and are as of December 2015. Numbers are rounded.

Total:	\$2,078	\$3,718
vs. Nov. 2012	1,138	1,593
% Growth:	83%	133%

Q2 FY16 vs. Q2 FY15

GAAP (\$M)	Q2FY15	Q2FY16	Change
Backlog	\$192	\$205	7%
Revenue	\$57	\$60	6%
Gross Margin (%)	47%	47%	0 pt
Operating Expenses	\$23.5 ⁽¹⁾	\$22.2	(5.5%)
Adjusted EPS	\$0.20	\$0.23	\$0.03
Adj. EBITDA	\$10.7	\$12.6	18%

Notes:

(1) Includes \$1.2M and \$0.3M of impairment, acquisition and restructuring and other costs in Q2 of fiscal 2015 and fiscal 2016, respectively.

Q3 FY16 vs. Q3 FY15

GAAP (\$M)	Q3FY15	Q3FY16 ⁽¹⁾	Change
Revenue	\$60	\$63-\$67	5%-12%
Gross Margin (%)	47%	45%	(2)pts
Operating Expenses	\$21.8	\$23-\$24	6%-10%
Adjusted EPS	\$0.22	\$0.19-\$0.22	(\$0.03)-\$0.00
Adj. EBITDA	\$11.5	\$11.3-\$12.6	(2%)-10%

Notes:

(1) The guidance included herein is from the Company's most recent earnings release and is as of the date of that release. The Company is neither reconfirming such guidance as of the date of this presentation nor assuming any obligations to update or revise such guidance.

FY16 vs. FY15

GAAP (\$M)	FY15	FY16 ⁽¹⁾	Change
Revenue	\$235	\$249-\$254	6%-8%
Gross Margin (%)	47%	46%-47%	(1)pt-0pt
Operating Expenses	\$91.9	\$94-\$96	2%-4%
Adjusted EPS	\$0.82	\$0.81-\$0.84	(\$0.01)-\$0.02
Adj. EBITDA	\$44.4	\$48.5-\$50.0	9%-13%

Notes:

(1) The guidance included herein is from the Company's most recent earnings release and is as of the date of that release. The Company is neither reconfirming such guidance as of the date of this presentation nor assuming any obligations to update or revise such guidance.

Achievement of target business model for FY16

GAAP	FY15	FY16E ⁽¹⁾	Current Target Business Model
Revenue	100%	100%	100%
Gross Margin	47%	~46%-47%	45%-50%
SG&A	21%	~21%	Low 20's
R&D	14%	~13%	11%-13%
Amortization	3%	~3%	2%-3%
Adjusted EBITDA	19%	~19%-20%	18%-22%

Notes:

(1) The guidance included herein is from the Company's most recent earnings release and is as of the date of that release. The Company is neither reconfirming such guidance as of the date of this presentation nor assuming any obligations to update or revise such guidance.

Solid balance sheet with zero debt

Ample liquidity, unused \$200M credit facility, \$500M Universal Shelf

(In millions)	FYE14 Actual	FYE15 Actual	Q2 FY16 Actual
ASSETS			
Cash & cash equivalents	47.3	77.6	81.6
Accounts receivable, net	59.7	53.8	60.1
Inventory, net	31.7	32.0	36.7
PP&E, net	14.1	13.2	13.3
Goodwill and intangibles, net	193.1	186.1	192.4
Other	21.6	27.3	24.0
Assets of discontinued operations ⁽¹⁾	6.2	0.0	0.0
TOTAL ASSETS	373.7	390.0	408.1
LIABILITIES AND S/E			
AP and other liabilities	44.2	39.9	46.6
Debt	0.0	0.0	0.0
Liabilities of discontinued operations ⁽¹⁾	2.4	0.0	0.0
Total liabilities	46.6	39.9	46.6
Stockholders' equity	327.1	350.1	361.5
TOTAL LIABILITIES AND S/E	373.7	390.0	408.1

Notes:

(1) Discontinued operations numbers are Mercury Intelligence Systems, which was divested in January 2015.

Poised for continued, profitable growth

- Strategy, operational discipline, integration, yielded significant operating leverage
- Growth and profitability above industry averages
- Record backlog enhances forward visibility, facilitates operational execution
- Strong, established, well-funded programs drive growth potential
- Improving defense environment enhances opportunity set
- Very strong balance sheet with zero debt supports future M&A



Appendix



Q3 FY16 guidance (as of January 26th)

	Q3 FY15	Quarter Ending March 31, 2016 ⁽¹⁾	YoY Change
	Actual	Range	
Revenue	\$60	\$63-\$67	5% - 12%
Adjusted EPS	\$0.22	\$0.19-\$0.22	(\$0.03) to \$0.00
Adjusted EBITDA	\$11.5	\$11.3-\$12.6	(2%) - 10%
Adj EBITDA Adjustments:			
Income (loss) from continuing operations	4.7		
Interest expense, net	-		
Tax provision (benefit)	1.5	ETR ~36%	
Depreciation	1.5		
Amortization of intangible assets	1.7	~1.7	
Restructuring and other charges	-		
Impairment of long-lived assets	-		
Acquisition and financing costs	0.2		
Fair value adjustments from purchase accounting	-		
Litigation and settlement expenses	-		
Stock-based compensation expense	1.9	~2.3	
Adjusted EBITDA	\$11.5	\$11.3-\$12.6	(2%) - 10%

Notes:

(1) The guidance included herein is from the Company's most recent earnings release and is as of the date of that release. The Company is neither reconfirming such guidance as of the date of this presentation nor assuming any obligations to update or revise such guidance.



FY16 guidance (as of January 26th)

	FY15	Year Ending June 30, 2016 ⁽¹⁾	YoY Change
	Actual	Range	
Revenue	\$235	\$249-\$254	6% - 8%
Adjusted EPS	\$0.82	\$0.81-\$0.84	(\$0.01) to \$0.02
Adjusted EBITDA	\$44.4	\$48.5-\$50.0	9% - 13%
<u>Adj EBITDA Adjustments:</u>			
Income (loss) from continuing operations	14.4		
Interest expense, net	-		
Tax provision (benefit)	4.4		
Depreciation	6.3		
Amortization of intangible assets	7.0		
Restructuring and other charges	3.2		
Impairment of long-lived assets	-		
Acquisition and financing costs	0.5		
Fair value adjustments from purchase accounting	-		
Litigation and settlement expenses	-		
Stock-based compensation expense	8.6		
Adjusted EBITDA	\$44.4	\$48.5-\$50.0	9% - 13%

Notes:

(1) The guidance included herein is from the Company's most recent earnings release and is as of the date of that release. The Company is neither reconfirming such guidance as of the date of this presentation nor assuming any obligations to update or revise such guidance.



Adjusted EPS reconciliation

(000's)	FY13	FY14	Q1 FY15	Q2 FY15	Q3 FY15	Q4 FY15	FY15	Q1 FY16	Q2 FY16
Diluted net earnings (loss) per share ⁽¹⁾	\$ (0.46)	\$ (0.13)	\$ 0.02	\$ 0.09	\$ 0.14	\$ 0.18	\$ 0.44	\$ 0.06	\$ 0.14
Income (loss) from continuing operations	\$ (13,782)	\$ (4,072)	\$ 717	\$ 2,886	\$ 4,694	\$ 6,132	\$ 14,429	\$ 1,960	\$ 4,793
Amortization of intangible assets	8,222	7,328	1,762	1,762	1,744	1,740	7,008	1,713	1,638
Restructuring and other charges	7,060	5,443	1,268	1,162	27	718	3,175	338	221
Impairment of long-lived assets	-	-	-	-	-	-	-	-	231
Acquisition and financing costs	318	-	-	-	200	251	451	2,298	25
Fair value adjustments from purchase accounting	2,293	-	-	-	-	-	-	-	-
Litigation and settlement expenses	-	-	-	-	-	-	-	-	-
Stock-based compensation expense	7,854	8,999	2,551	2,256	1,870	1,963	8,640	2,702	2,392
Impact to income taxes	(8,776)	(5,772)	(1,956)	(1,658)	(1,088)	(2,031)	(6,733)	(2,570)	(1,475)
Adjusted income from continuing operations	\$ 3,189	\$ 11,926	\$ 4,342	\$ 6,408	\$ 7,447	\$ 8,773	\$ 26,970	\$ 6,441	\$ 7,825
Diluted adjusted net earnings per share ⁽¹⁾	\$ 0.10	\$ 0.38	\$ 0.13	\$ 0.20	\$ 0.22	\$ 0.26	\$ 0.82	\$ 0.19	\$ 0.23
Weighted-average shares outstanding:									
Basic	30,128	31,000	31,635	32,052	32,298	32,436	32,114	32,778	33,120
Diluted	30,492	31,729	32,481	32,686	33,233	33,330	32,939	33,616	33,831

Notes:

(1) Numbers shown are in cents.

Adjusted EBITDA reconciliation

(000'S)	FY13	FY14	Q1 FY15	Q2 FY15	Q3 FY15	Q4 FY15	FY15	Q1 FY16	Q2 FY16
Income (loss) from continuing operations	\$(13,782)	\$ (4,072)	\$ 717	\$ 2,886	\$ 4,694	\$ 6,132	\$ 14,429	\$ 1,960	\$ 4,793
Interest expense (income), net	31	40	5	4	1	3	13	(22)	(21)
Tax provision (benefit)	(10,501)	(1,841)	-	1,047	1,469	1,850	4,366	1,264	1,680
Depreciation	8,445	7,625	1,700	1,590	1,510	1,532	6,332	1,588	1,620
Amortization of intangible assets	8,222	7,328	1,762	1,762	1,744	1,740	7,008	1,713	1,638
Restructuring and other charges	7,060	5,443	1,268	1,162	27	718	3,175	338	221
Impairment of long-lived assets	-	-	-	-	-	-	-	-	231
Acquisition and financing costs	318	-	-	-	200	251	451	2,298	25
Fair value adjustments from purchase accounting	2,293	-	-	-	-	-	-	-	-
Litigation and settlement expenses	-	-	-	-	-	-	-	-	-
Stock-based compensation expense	7,854	8,999	2,551	2,256	1,870	1,963	8,640	2,702	2,392
Adjusted EBITDA	\$ 9,940	\$ 23,522	\$ 8,003	\$ 10,707	\$ 11,515	\$ 14,189	\$ 44,414	\$ 11,841	\$ 12,579

Sales-related definitions

Design Win	A design win means that the customer has selected us to provide services, products, or intellectual property for a program of record or equivalent. In addition, the customer has won the program and we have an initial purchase order from the customer.
Bid	We have a Design Win with a prime contractor who is bidding to win a program of record, or we are bidding to win content on a program of record that has been awarded to a prime contractor.
Won	We have a Design Win with a prime contractor for a program of record, and the prime contractor has won the program and received its contractual award.
Possible	Possible value is a projection based upon our current information and assumptions regarding the system configuration, systems or units utilized per platform or installation, current and potential future Design Wins, our average sales price for current and/or future content, the number of platforms, spares, and potential retrofits, as well as the potential for foreign military sales - all of which could change materially as and when new information becomes available or assumptions are revised. Possible value is the highest outcome we believe to be reasonable given a range of potential outcomes based upon available information and our current set of assumptions.
Probable	Probable value is a projection based upon our current information and assumptions regarding the system configuration, systems or units utilized per platform or installation, current and potential future Design Wins, our average sales price for current and/or future content, the number of platforms, spares, and potential retrofits, as well as the potential for foreign military sales - all of which could change materially as and when new information becomes available or assumptions are revised. Probable value is the outcome we believe to be most likely given a range of potential outcomes based upon available information and our current set of assumptions.

Glossary

AEGIS	Aegis Ballistic Missile Defense System	EDM	Engineering Development Model	MOSA	Modular Open Systems Architecture
AESA	Active Electronically Scanned Array	EMD	Engineering and Manufacturing Development	O&M	Operations & Maintenance
AGS	Alliance Ground Surveillance	EO/IR	Electro-optical / Infrared	OpenVPX	System-level specification for VPX, initiated by Mercury
AIDEWS	Advanced Integrated Defensive Electronic Warfare Suite	EW	Electronic Warfare	PoR	Program of Record
AMC	Advanced Microelectronics Center	FAR	Federal Acquisition Regulation	RFM	Radio Frequency / Microwave
AS9100	Widely adopted and standardized quality management system for aerospace industry	FMS	Foreign Military Sales	SABR	Scalable Agile Beam Radar
ATCA	Advanced Telecommunications Architecture	FRP	Full Rate Production	SEWIP	Surface Electronic Warfare Improvement Program
AWACS	Airborne Warning and Control System	IDIQ	Indefinite Quantity / Indefinite Delivery	SIGINT	Signals Intelligence
BAMS	Broad Area Maritime Surveillance	IMA	Integrated Microwave Assembly	SIRFC	Suite of Integrated RF Countermeasures
BCA	Budget Control Act	LRIP	Low-Rate Initial Production	SOF	Special Operations Forces
C4ISR	Command, Control, Communications, Computers, Intelligence, Surveillance, Reconnaissance	MCE	Mercury Commercial Electronics	SWaP	Size Weight and Power
COTS	Commercial off-the Shelf	MDS	Mercury Defense Systems	TAM	Total Addressable Market
DRFM	Digital Radio Frequency Memory	MILPER	Military Personnel		

