



Results of Operations, Including and Excluding Harris Stratex Networks (“HSTX”) (Consolidated View)

June 2009

Reconciliation of Non-GAAP Financial Measures and Regulation G Disclosures



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To supplement our condensed consolidated financial statements presented in accordance with U.S. generally accepted accounting principles (GAAP), we provide additional measures of segments' operating income (loss), non-operating income (loss); cost of product sales and services; engineering, selling and administrative expenses; income before income taxes and minority interest; income taxes; minority interest; net income (loss); and net income (loss) per diluted share adjusted to exclude certain costs, charges, expenses, gains and losses. Harris management believes that these non-GAAP financial measures, when considered together with the GAAP financial measures, provide information that is useful to investors in understanding period-over-period operating results separate and apart from items that may, or could, have a disproportionately positive or negative impact on results in any particular period. Harris management also believes that these non-GAAP financial measures enhance the ability of investors to analyze Harris' business trends and to understand Harris' performance. In addition, Harris may utilize non-GAAP financial measures as a guide in its forecasting, budgeting, and long-term planning process and to measure operating performance for some management compensation purposes. Any analysis of non-GAAP financial measures should be used only in conjunction with results presented in accordance with GAAP. A reconciliation of these non-GAAP financial measures with the most directly comparable financial measures calculated in accordance with GAAP follows:

Non-GAAP Financial Measures – Fiscal 2009 Summary Information



Table 1
HARRIS CORPORATION
Fiscal 2009 - Non-GAAP Summary
Results of Operations - Excluding Harris Stratex Networks
(Unaudited)

| | Quarter Ended | | |
|--|---|----------------------|--------------------|
| | September 26, 2008 * | January 2, 2009 * | April 3, 2009 * |
| | (In millions, except per share amounts) | | |
| Revenue from product sales and services | \$ 1,172.6 | \$ 1,333.2 | \$ 1,205.1 |
| Cost of product sales and services | (791.9) | (925.3) | (813.3) |
| Engineering, selling and administrative expenses | (189.6) | (191.8) | (188.4) |
| Non-operating income (loss) | (8.1) | (0.7) | 6.6 |
| Interest income | 1.0 | 0.9 | 0.7 |
| Interest expense | (12.4) | (13.8) | (12.6) |
| Income before income taxes | 171.6 | 202.5 | 198.1 |
| Income taxes | (52.2) | (61.9) | (62.2) |
| Net income | \$ 119.4 | \$ 140.6 | \$ 135.9 |
| Net income per diluted common share | \$ 0.89 | \$ 1.05 | \$ 1.02 |

* A reconciliation of GAAP to Non-GAAP financial measures is provided on Tables 3-6 along with accompanying notes.

Non-GAAP Financial Measures – Fiscal 2008 Summary Information



Table 2
HARRIS CORPORATION
Fiscal 2008 - Non-GAAP Summary
Results of Operations - Excluding Harris Stratex Networks
(Unaudited)

| | Quarter Ended | | | | Total Fiscal 2008 * |
|--|---|------------------------|---------------------|--------------------|------------------------|
| | September 28, 2007 * | December 28, 2007 * | March 28, 2008 * | June 27, 2008 * | |
| | (In millions, except per share amounts) | | | | |
| Revenue from product sales and services | \$ 1,059.1 | \$ 1,137.1 | \$ 1,153.0 | \$ 1,246.9 | \$ 4,596.1 |
| Cost of product sales and services | (727.3) | (776.5) | (810.3) | (831.1) | (3,145.2) |
| Engineering, selling and administrative expenses | (166.2) | (178.5) | (192.1) | (206.4) | (743.2) |
| Non-operating income | 1.7 | 4.2 | 2.8 | 2.7 | 11.4 |
| Interest income | 1.3 | 1.2 | 1.5 | 1.2 | 5.2 |
| Interest expense | (14.4) | (13.0) | (13.3) | (12.4) | (53.1) |
| Income before income taxes | 154.2 | 174.5 | 141.6 | 200.9 | 671.2 |
| Income taxes | (54.2) | (59.3) | (35.1) | (66.1) | (214.7) |
| Net income | <u>\$ 100.0</u> | <u>\$ 115.2</u> | <u>\$ 106.5</u> | <u>\$ 134.8</u> | <u>\$ 456.5</u> |
| Net income per diluted common share | \$ 0.73 | \$ 0.84 | \$ 0.78 | \$ 1.00 | \$ 3.35 |

* A reconciliation of GAAP to Non-GAAP financial measures is provided on Tables 3-6 along with accompanying notes.

Reconciliation of Non-GAAP Financial Measures – Fiscal 2009 First and Second Quarter Reconciliations



Table 3
HARRIS CORPORATION
FY09 - First and Second Quarter Reconciliations
Results of Operations - Including and Excluding Harris Stratex Networks
(Unaudited)

| | Quarter Ended September 26, 2008 | | | | | Quarter Ended January 2, 2009 | | | | |
|--|---|-------------|--------------------------|----------------|--------------------------|---|-----------------|--------------------------|-----------------|--------------------------|
| | As Reported | Adjustment | Non-GAAP, including HSTX | (A) Adjustment | Non-GAAP, excluding HSTX | As Reported | (B) Adjustment | Non-GAAP, including HSTX | (A) Adjustment | Non-GAAP, excluding HSTX |
| | (In millions, except per share amounts) | | | | | (In millions, except per share amounts) | | | | |
| Revenue from product sales and services | \$ 1,367.7 | \$ - | \$ 1,367.7 | \$ (195.1) | \$ 1,172.6 | \$ 1,523.4 | \$ - | \$ 1,523.4 | \$ (190.2) | \$ 1,333.2 |
| Cost of product sales and services | (928.4) | - | (928.4) | 136.5 | (791.9) | (1,061.2) | - | (1,061.2) | 135.9 | (925.3) |
| Engineering, selling and administrative expenses | (240.3) | - | (240.3) | 50.7 | (189.6) | (236.6) | - | (236.6) | 44.8 | (191.8) |
| Impairment of goodwill and other intangible assets | - | - | - | - | - | (301.0) | 301.0 | - | - | - |
| Non-operating loss | (8.1) | - | (8.1) | - | (8.1) | (0.7) | - | (0.7) | - | (0.7) |
| Interest income | 1.7 | - | 1.7 | (0.7) | 1.0 | 1.2 | - | 1.2 | (0.3) | 0.9 |
| Interest expense | (13.1) | - | (13.1) | 0.7 | (12.4) | (14.5) | - | (14.5) | 0.7 | (13.8) |
| Income (loss) before income taxes and minority interest | 179.5 | - | 179.5 | (7.9) | 171.6 | (89.4) | 301.0 | 211.6 | (9.1) | 202.5 |
| Income taxes | (61.4) | - | (61.4) | 9.2 | (52.2) | (87.0) | 22.1 | (64.9) | 3.0 | (61.9) |
| Minority interest in Harris Stratex Networks, Inc., net of tax | 0.6 | - | 0.6 | (0.6) | - | 137.8 | (140.6) | (2.8) | 2.8 | - |
| Net income (loss) | <u>\$ 118.7</u> | <u>\$ -</u> | <u>\$ 118.7</u> | <u>\$ 0.7</u> | <u>\$ 119.4</u> | <u>\$ (38.6)</u> | <u>\$ 182.5</u> | <u>\$ 143.9</u> | <u>\$ (3.3)</u> | <u>\$ 140.6</u> |
| Net income (loss) per diluted common share | \$ 0.88 | \$ - | \$ 0.88 | \$ 0.01 | \$ 0.89 | \$ (0.29) | \$ 1.37 | \$ 1.08 | \$ (0.03) | \$ 1.05 |

Reconciliation of Non-GAAP Financial Measures – Fiscal 2009 Third Quarter Reconciliation



Table 4
HARRIS CORPORATION
FY09 - Third Quarter Reconciliation
Results of Operations - Including and Excluding Harris Stratex Networks
(Unaudited)

| | Quarter Ended April 3, 2009 | | | | |
|---|---|-------------|--------------------------------|-------------------|--------------------------------|
| | As Reported | Adjustment | Non-GAAP, including HSTX | (A) Adjustment | Non-GAAP, excluding HSTX |
| | (In millions, except per share amounts) | | | | |
| Revenue from product sales and services | \$ 1,361.7 | \$ - | \$ 1,361.7 | \$ (156.6) | \$ 1,205.1 |
| Cost of product sales and services | (952.3) | - | (952.3) | 139.0 | (813.3) |
| Engineering, selling and administrative expenses | (240.1) | - | (240.1) | 51.7 | (188.4) |
| Non-operating income | 6.6 | - | 6.6 | - | 6.6 |
| Interest income | 0.8 | - | 0.8 | (0.1) | 0.7 |
| Interest expense | (13.4) | - | (13.4) | 0.8 | (12.6) |
| Income before income taxes and minority interest | 163.3 | - | 163.3 | 34.8 | 198.1 |
| Income taxes | (65.8) | - | (65.8) | 3.6 | (62.2) |
| Minority interest in Harris Stratex Networks, Inc., net of tax | 16.7 | - | 16.7 | (16.7) | - |
| Net income | <u>\$ 114.2</u> | <u>\$ -</u> | <u>\$ 114.2</u> | <u>\$ 21.7</u> | <u>\$ 135.9</u> |
| Net income per diluted common share | \$ 0.86 | \$ - | \$ 0.86 | \$ 0.16 | \$ 1.02 |

Reconciliation of Non-GAAP Financial Measures – Fiscal 2008 First and Second Quarter Reconciliations



Table 5
HARRIS CORPORATION
FY08 - First and Second Quarter Reconciliations
Results of Operations - Including and Excluding Harris Stratex Networks
(Unaudited)

| | Quarter Ended September 28, 2007 | | | | | Quarter Ended December 28, 2007 | | | | |
|--|---|----------------|--------------------------|-----------------|--------------------------|---------------------------------|----------------|--------------------------|-----------------|--------------------------|
| | As Reported | (C) Adjustment | Non-GAAP, including HSTX | (A) Adjustment | Non-GAAP, excluding HSTX | As Reported | (D) Adjustment | Non-GAAP, including HSTX | (A) Adjustment | Non-GAAP, excluding HSTX |
| | (In millions, except per share amounts) | | | | | | | | | |
| Revenue from product sales and services | \$ 1,230.5 | \$ - | \$ 1,230.5 | \$ (171.4) | \$ 1,059.1 | \$ 1,317.7 | \$ - | \$ 1,317.7 | \$ (180.6) | \$ 1,137.1 |
| Cost of product sales and services | (849.6) | 0.8 | (848.8) | 121.5 | (727.3) | (908.2) | 5.2 | (903.0) | 126.5 | (776.5) |
| Engineering, selling and administrative expenses | (216.9) | 8.1 | (208.8) | 42.6 | (166.2) | (230.3) | 9.0 | (221.3) | 42.8 | (178.5) |
| Non-operating income | 1.7 | - | 1.7 | - | 1.7 | 4.2 | - | 4.2 | - | 4.2 |
| Interest income | 2.0 | - | 2.0 | (0.7) | 1.3 | 1.6 | - | 1.6 | (0.4) | 1.2 |
| Interest expense | (15.1) | - | (15.1) | 0.7 | (14.4) | (13.8) | - | (13.8) | 0.8 | (13.0) |
| Income before income taxes and minority interest | 152.6 | 8.9 | 161.5 | (7.3) | 154.2 | 171.2 | 14.2 | 185.4 | (10.9) | 174.5 |
| Income taxes | (52.8) | (2.2) | (55.0) | 0.8 | (54.2) | (57.3) | (4.7) | (62.0) | 2.7 | (59.3) |
| Minority interest in Harris Stratex Networks, Inc., net of tax | 0.4 | (2.8) | (2.4) | 2.4 | - | 0.4 | (3.9) | (3.5) | 3.5 | - |
| Net income | <u>\$ 100.2</u> | <u>\$ 3.9</u> | <u>\$ 104.1</u> | <u>\$ (4.1)</u> | <u>\$ 100.0</u> | <u>\$ 114.3</u> | <u>\$ 5.6</u> | <u>\$ 119.9</u> | <u>\$ (4.7)</u> | <u>\$ 115.2</u> |
| Net income per diluted common share | \$ 0.73 | \$ 0.03 | \$ 0.76 | \$ (0.03) | \$ 0.73 | \$ 0.83 | \$ 0.04 | \$ 0.87 | \$ (0.03) | \$ 0.84 |

Reconciliation of Non-GAAP Financial Measures – Fiscal 2008 Third and Fourth Quarter Reconciliations



Table 6
HARRIS CORPORATION
FY08 - Third and Fourth Quarter Reconciliations
Results of Operations - Including and Excluding Harris Stratex Networks
(Unaudited)

| | Quarter Ended March 28, 2008 | | | | | Quarter Ended June 27, 2008 | | | | |
|--|---|----------------|--------------------------|-----------------|--------------------------|-----------------------------|----------------|--------------------------|----------------|--------------------------|
| | As Reported | (E) Adjustment | Non-GAAP, including HSTX | (A) Adjustment | Non-GAAP, excluding HSTX | As Reported | (F) Adjustment | Non-GAAP, including HSTX | (A) Adjustment | Non-GAAP, excluding HSTX |
| | (In millions, except per share amounts) | | | | | | | | | |
| Revenue from product sales and services | \$ 1,329.6 | \$ - | \$ 1,329.6 | \$ (176.6) | \$ 1,153.0 | \$ 1,433.2 | \$ - | \$ 1,433.2 | \$ (186.3) | \$ 1,246.9 |
| Cost of product sales and services | (933.9) | 0.2 | (933.7) | 123.4 | (810.3) | (990.0) | 11.1 | (978.9) | 147.8 | (831.1) |
| Engineering, selling and administrative expenses | (236.4) | 1.8 | (234.6) | 42.5 | (192.1) | (270.2) | 6.2 | (264.0) | 57.6 | (206.4) |
| Non-operating income | 2.8 | - | 2.8 | - | 2.8 | 2.7 | - | 2.7 | - | 2.7 |
| Interest income | 1.9 | - | 1.9 | (0.4) | 1.5 | 1.8 | - | 1.8 | (0.6) | 1.2 |
| Interest expense | (13.9) | - | (13.9) | 0.6 | (13.3) | (12.9) | - | (12.9) | 0.5 | (12.4) |
| Income before income taxes and minority interest | 150.1 | 2.0 | 152.1 | (10.5) | 141.6 | 164.6 | 17.3 | 181.9 | 19.0 | 200.9 |
| Income taxes | (38.9) | 0.3 | (38.6) | 3.5 | (35.1) | (52.5) | (7.4) | (59.9) | (6.2) | (66.1) |
| Minority interest in Harris Stratex Networks, Inc., net of tax | (3.2) | (0.1) | (3.3) | 3.3 | - | 9.6 | (3.5) | 6.1 | (6.1) | - |
| Net income | <u>\$ 108.0</u> | <u>\$ 2.2</u> | <u>\$ 110.2</u> | <u>\$ (3.7)</u> | <u>\$ 106.5</u> | <u>\$ 121.7</u> | <u>\$ 6.4</u> | <u>\$ 128.1</u> | <u>\$ 6.7</u> | <u>\$ 134.8</u> |
| Net income per diluted common share | \$ 0.78 | \$ 0.03 | \$ 0.81 | \$ (0.03) | \$ 0.78 | \$ 0.90 | \$ 0.05 | \$ 0.95 | \$ 0.05 | \$ 1.00 |

Reconciliation of Non-GAAP Financial Measures – Notes to Tables 3 through 6



Note A – Adjustments reflect the disposition of Harris Stratex Networks prior to the end of fiscal 2009 and exclusion of the business from consolidated non-GAAP results of operations.

Note B – Adjustments for impairment of goodwill and other intangible assets (\$301.0 million) and increase in the valuation allowance for certain deferred tax assets (\$22.1 million) in our Harris Stratex Networks segment.

Note C – Adjustments to cost of product sales and services for the quarter ended September 28, 2007 are due to the step up in fixed assets and integration costs associated with the combination between Stratex Networks, Inc. (“Stratex”) and our former Microwave Communications Division (\$0.8 million). Adjustments to engineering, selling and administrative expenses for the quarter ended September 28, 2007 are due to the step up in fixed assets and integration costs associated with the Stratex combination (\$7.5 million); and integration costs associated with our acquisition of Multimax Incorporated (“Multimax”) (\$0.6 million).

Note D – Adjustments to cost of product sales and services for the quarter ended December 28, 2007 are due to the impact of a step up in fixed assets and integration costs associated with the Stratex combination (\$4.8 million) and due to the impact of a step up in inventory associated with our acquisition of Zandar Technologies plc (“Zandar”) (\$0.4 million). Adjustments to engineering, selling and administrative expenses for the quarter ended December 28, 2007 are due to the impact of a step up in fixed assets and integration costs associated with the Stratex combination (\$7.3 million), integration costs associated with our acquisition of Multimax (\$0.3 million) and the write-off of in-process research and development associated with our acquisition of Zandar (\$1.4 million).

Note E – Adjustments to cost of product sales and services for the quarter ended March 28, 2008 are due to the impact of a step up in fixed assets associated with the Stratex combination (\$0.2 million). Adjustments to engineering, selling and administrative expenses for the quarter ended March 28, 2008 are due to the impact of a step up in fixed assets and integration costs associated with the Stratex combination (\$1.3 million), integration costs associated with our acquisition of Multimax (\$0.4 million) and integration costs associated with our acquisition of Zandar (\$0.1 million).

Note F – Adjustments to cost of product sales and services for the quarter ended June 27, 2008 are due to an inventory write-down related to an accelerated technology transition to IP-based products associated with the Stratex combination (\$11.1 million). Adjustments to engineering, selling and administrative expenses for the quarter ended June 27, 2008 are due to the impact of a step up in fixed assets and integration costs associated with the Stratex combination (\$5.7 million), integration costs associated with our acquisition of Multimax (\$0.4 million) and integration costs associated with our acquisition of Zandar (\$0.1 million).