



Results of Operations, Including and Excluding Harris Stratex Networks ("HSTX")

(Segment View)

June 2009

Reconciliation of Non-GAAP Financial Measures and Regulation G Disclosures



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Regulation G Disclosures



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			
RF Communications	\$ 415.2	\$ 438.2	\$ 439.1
Government Communications Systems	609.1	748.0	648.7
Broadcast Communications	158.2	163.0	132.2
Corporate eliminations	(9.9)	(16.0)	(14.9)
	<u>\$ 1,172.6</u>	<u>\$ 1,333.2</u>	<u>\$ 1,205.1</u>
Income (Loss)			
<i>Segment Operating Income:</i>			
RF Communications	\$ 142.1	\$ 144.1	\$ 151.3
Government Communications Systems	66.3	85.2	73.9
Broadcast Communications	5.3	12.0	1.9
Unallocated Corporate expense	(18.9)	(19.1)	(18.8)
Corporate eliminations	(3.7)	(6.1)	(4.9)
Non-operating income (loss)	(8.1)	(0.7)	6.6
Net interest expense	(11.4)	(12.9)	(11.9)
Income before income taxes	171.6	202.5	198.1
Income Taxes	(52.2)	(61.9)	(62.2)
Net Income	<u>\$ 119.4</u>	<u>\$ 140.6</u>	<u>\$ 135.9</u>
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					
RF Communications	\$ 316.5	\$ 357.1	\$ 391.9	\$ 441.3	\$ 1,506.8
Government Communications Systems	603.9	624.7	608.2	641.3	2,478.1
Broadcast Communications	146.7	163.6	158.6	174.2	643.1
Corporate eliminations	(8.0)	(8.3)	(5.7)	(9.9)	(31.9)
	<u>\$ 1,059.1</u>	<u>\$ 1,137.1</u>	<u>\$ 1,153.0</u>	<u>\$ 1,246.9</u>	<u>\$ 4,596.1</u>
Income (Loss)					
<i>Segment Operating Income:</i>					
RF Communications	\$ 110.8	\$ 124.2	\$ 141.4	\$ 149.1	\$ 525.5
Government Communications Systems	64.4	67.6	21.8	73.9	227.7
Broadcast Communications	10.4	10.0	7.2	8.2	35.8
Unallocated Corporate expense	(18.6)	(18.4)	(18.2)	(18.8)	(74.0)
Corporate eliminations	(1.4)	(1.3)	(1.6)	(3.0)	(7.3)
Non-operating income	1.7	4.2	2.8	2.7	11.4
Net interest expense	(13.1)	(11.8)	(11.8)	(11.2)	(47.9)
Income before income taxes	<u>154.2</u>	<u>174.5</u>	<u>141.6</u>	<u>200.9</u>	<u>671.2</u>
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										
RF Communications	\$ 415.2	\$ -	\$ 415.2	\$ -	\$ 415.2	\$ 438.2	\$ -	\$ 438.2	\$ -	\$ 438.2
Government Communications Systems	609.1	-	609.1	-	609.1	748.0	-	748.0	-	748.0
Broadcast Communications	158.2	-	158.2	-	158.2	163.0	-	163.0	-	163.0
Harris Stratex Networks	195.8	-	195.8	(195.8)	-	190.9	-	190.9	(190.9)	-
Corporate eliminations	(10.6)	-	(10.6)	0.7	(9.9)	(16.7)	-	(16.7)	0.7	(16.0)
	<u>\$ 1,367.7</u>	<u>\$ -</u>	<u>\$ 1,367.7</u>	<u>\$ (195.1)</u>	<u>\$ 1,172.6</u>	<u>\$ 1,523.4</u>	<u>\$ -</u>	<u>\$ 1,523.4</u>	<u>\$ (190.2)</u>	<u>\$ 1,333.2</u>
Income (Loss)										
<i>Segment Operating Income (Loss):</i>										
RF Communications	\$ 142.1	\$ -	\$ 142.1	\$ -	\$ 142.1	\$ 144.1	\$ -	\$ 144.1	\$ -	\$ 144.1
Government Communications Systems	66.3	-	66.3	-	66.3	85.2	-	85.2	-	85.2
Broadcast Communications	5.3	-	5.3	-	5.3	12.0	-	12.0	-	12.0
Harris Stratex Networks	7.9	-	7.9	(7.9)	-	(291.5)	301.0	9.5	(9.5)	-
Unallocated Corporate expense	(18.9)	-	(18.9)	-	(18.9)	(19.1)	-	(19.1)	-	(19.1)
Corporate eliminations	(3.7)	-	(3.7)	-	(3.7)	(6.1)	-	(6.1)	-	(6.1)
Non-operating loss	(8.1)	-	(8.1)	-	(8.1)	(0.7)	-	(0.7)	-	(0.7)
Net interest expense	(11.4)	-	(11.4)	-	(11.4)	(13.3)	-	(13.3)	0.4	(12.9)
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	0.0
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					
RF Communications	\$ 439.1	\$ -	\$ 439.1	\$ -	\$ 439.1
Government Communications Systems	648.7	-	648.7	-	648.7
Broadcast Communications	132.2	-	132.2	-	132.2
Harris Stratex Networks	158.1	-	158.1	(158.1)	-
Corporate eliminations	(16.4)	-	(16.4)	1.5	(14.9)
	<u>\$ 1,361.7</u>	<u>\$ -</u>	<u>\$ 1,361.7</u>	<u>\$ (156.6)</u>	<u>\$ 1,205.1</u>
Income (Loss)					
<i>Segment Operating Income (Loss):</i>					
RF Communications	\$ 151.3	\$ -	\$ 151.3	\$ -	\$ 151.3
Government Communications Systems	73.9	-	73.9	-	73.9
Broadcast Communications	1.9	-	1.9	-	1.9
Harris Stratex Networks	(34.1)	-	(34.1)	34.1	-
Unallocated Corporate expense	(18.8)	-	(18.8)	-	(18.8)
Corporate eliminations	(4.9)	-	(4.9)	-	(4.9)
Non-operating income	6.6	-	6.6	-	6.6
Net interest expense	(12.6)	-	(12.6)	0.7	(11.9)
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)					(In millions, except per share amounts)				
Revenue										
RF Communications	\$ 316.5	\$ -	\$ 316.5	\$ -	\$ 316.5	\$ 357.1	\$ -	\$ 357.1	\$ -	\$ 357.1
Government Communications Systems	603.9	-	603.9	-	603.9	624.7	-	624.7	-	624.7
Broadcast Communications	146.7	-	146.7	-	146.7	163.6	-	163.6	-	163.6
Harris Stratex Networks	172.3	-	172.3	(172.3)	-	181.1	-	181.1	(181.1)	-
Corporate eliminations	(8.9)	-	(8.9)	0.9	(8.0)	(8.8)	-	(8.8)	0.5	(8.3)
	<u>\$ 1,230.5</u>	<u>\$ -</u>	<u>\$ 1,230.5</u>	<u>\$ (171.4)</u>	<u>\$ 1,059.1</u>	<u>\$ 1,317.7</u>	<u>\$ -</u>	<u>\$ 1,317.7</u>	<u>\$ (180.6)</u>	<u>\$ 1,137.1</u>
Income (Loss)										
<i>Segment Operating Income (Loss):</i>										
RF Communications	\$ 110.8	\$ -	\$ 110.8	\$ -	\$ 110.8	\$ 124.2	\$ -	\$ 124.2	\$ -	\$ 124.2
Government Communications Systems	63.8	0.6	64.4	-	64.4	67.3	0.3	67.6	-	67.6
Broadcast Communications	10.4	-	10.4	-	10.4	8.2	1.8	10.0	-	10.0
Harris Stratex Networks	(1.0)	8.3	7.3	(7.3)	-	(0.8)	12.1	11.3	(11.3)	-
Unallocated Corporate expense	(18.6)	-	(18.6)	-	(18.6)	(18.4)	-	(18.4)	-	(18.4)
Corporate eliminations	(1.4)	-	(1.4)	-	(1.4)	(1.3)	-	(1.3)	-	(1.3)
Non-operating income	1.7	-	1.7	-	1.7	4.2	-	4.2	-	4.2
Net interest expense	(13.1)	-	(13.1)	-	(13.1)	(12.2)	-	(12.2)	0.4	(11.8)
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)					(In millions, except per share amounts)				
Revenue										
RF Communications	\$ 391.9	\$ -	\$ 391.9	\$ -	\$ 391.9	\$ 441.3	\$ -	\$ 441.3	\$ -	\$ 441.3
Government Communications Systems	608.2	-	608.2	-	608.2	641.3	-	641.3	-	641.3
Broadcast Communications	158.6	-	158.6	-	158.6	174.2	-	174.2	-	174.2
Harris Stratex Networks	178.2	-	178.2	(178.2)	-	186.8	-	186.8	(186.8)	-
Corporate eliminations	(7.3)	-	(7.3)	1.6	(5.7)	(10.4)	-	(10.4)	0.5	(9.9)
	<u>\$ 1,329.6</u>	<u>\$ -</u>	<u>\$ 1,329.6</u>	<u>\$ (176.6)</u>	<u>\$ 1,153.0</u>	<u>\$ 1,433.2</u>	<u>\$ -</u>	<u>\$ 1,433.2</u>	<u>\$ (186.3)</u>	<u>\$ 1,246.9</u>
Income (Loss)										
<i>Segment Operating Income (Loss):</i>										
RF Communications	\$ 141.4	\$ -	\$ 141.4	\$ -	\$ 141.4	\$ 149.1	\$ -	\$ 149.1	\$ -	\$ 149.1
Government Communications Systems	21.4	0.4	21.8	-	21.8	73.5	0.4	73.9	-	73.9
Broadcast Communications	7.1	0.1	7.2	-	7.2	8.1	0.1	8.2	-	8.2
Harris Stratex Networks	9.2	1.5	10.7	(10.7)	-	(35.9)	16.8	(19.1)	19.1	-
Unallocated Corporate expense	(18.2)	-	(18.2)	-	(18.2)	(18.8)	-	(18.8)	-	(18.8)
Corporate eliminations	(1.6)	-	(1.6)	-	(1.6)	(3.0)	-	(3.0)	-	(3.0)
Non-operating income	2.8	-	2.8	-	2.8	2.7	-	2.7	-	2.7
Net interest expense	(12.0)	-	(12.0)	0.2	(11.8)	(11.1)	-	(11.1)	(0.1)	(11.2)
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 are to reflect the expected 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 to our Harris Stratex Networks segment operating income for the quarter ended January 2, 2009 are due to recording an impairment of goodwill and intangible assets based on an interim review conducted as of the end of the quarter ended January 2, 2009 (\$301.0 million) and due to an increase in the valuation allowance for certain deferred tax assets in our Harris Stratex Networks segment (\$22.1 million).

Note C – Adjustments to our Government Communications Systems segment operating income for the quarter ended September 28, 2007 are due to integration costs associated with our acquisition of Multimax (\$0.6 million). Adjustments to our Harris Stratex Networks segment operating loss for the quarter ended September 28, 2007 are due to the impact of a step up in fixed assets and integration costs associated with the Stratex combination (\$8.3 million).

Note D – Adjustments to our Government Communications Systems segment operating income for the quarter ended December 28, 2007 are due to integration costs associated with our acquisition of Multimax (\$0.3 million). Adjustments to our Broadcast Communications segment operating income for the quarter ended December 28, 2007 are due to the impact of a step up in inventory (\$0.4 million) and the write-off of in-process research and development (\$1.4 million) associated with our acquisition of Zandar. Adjustments to our Harris Stratex Networks segment operating income 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 (\$12.1 million).

Note E – Adjustments to our Government Communications Systems segment operating income for the quarter ended March 28, 2008 are due to integration costs associated with our acquisition of Multimax (\$0.4 million). Adjustments to our Broadcast Communications segment operating income for the quarter ended March 28, 2008 are due to integration costs associated with our acquisition of Zandar (\$0.1 million). Adjustments to our Harris Stratex Networks segment operating income 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 (\$1.5 million).

Note F – Adjustments to our Government Communications Systems segment operating income for the quarter ended June 27, 2008 are due to integration costs associated with our acquisition of Multimax (\$0.4 million). Adjustments to our Broadcast Communications segment operating income for the quarter ended June 27, 2008 are due to integration costs associated with our acquisition of Zandar (\$0.1 million). Adjustments to our Harris Stratex Networks segment operating income for the quarter ended June 27, 2008 are due to the impact of integration-related activities associated with the Stratex combination including a step up in fixed assets, an inventory write-down related to an accelerated technology transition to IP-based products and other integration-related costs (\$16.8 million).