

**Table 1**  
**HARRIS CORPORATION**  
**FY '10 Second Quarter Summary**  
**CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
**(Unaudited)**

|   | <u>Quarter Ended</u>       |                            | <u>Two Quarters Ended</u>  |                            |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
|   | <u>January 1,<br/>2010</u> | <u>January 2,<br/>2009</u> | <u>January 1,<br/>2010</u> | <u>January 2,<br/>2009</u> |
| (In millions, except per share amounts)               |                            |                            |                            |                            |
| Revenue from product sales and services               | \$ 1,217.7                 | \$ 1,333.2                 | \$ 2,420.7                 | \$ 2,505.8                 |
| Cost of product sales and services                    | (778.6)                    | (925.3)                    | (1,590.7)                  | (1,717.2)                  |
| Engineering, selling and administrative expenses      | (215.7)                    | (191.8)                    | (427.8)                    | (381.4)                    |
| Non-operating loss                                    | (0.3)                      | (0.7)                      | (0.5)                      | (8.8)                      |
| Interest income                                       | 0.3                        | 0.9                        | 0.7                        | 1.9                        |
| Interest expense                                      | <u>(18.2)</u>              | <u>(13.8)</u>              | <u>(36.4)</u>              | <u>(26.2)</u>              |
| Income from continuing operations before income taxes | 205.2                      | 202.5                      | 366.0                      | 374.1                      |
| Income taxes  | <u>(65.7)</u>              | <u>(61.9)</u>              | <u>(122.0)</u>             | <u>(114.1)</u>             |
| Income from continuing operations                     | 139.5                      | 140.6                      | 244.0                      | 260.0                      |
| Discontinued operations, net of income taxes          | ---                        | (179.2)                    | ---                        | (179.9)                    |
| Net income (loss)                                     | <u>\$ 139.5</u>            | <u>\$ (38.6)</u>           | <u>\$ 244.0</u>            | <u>\$ 80.1</u>             |
| <b>Net income (loss) per common share</b>             |                            |                            |                            |                            |
| <b>Basic</b>  |                            |                            |                            |                            |
| Continuing operations                                 | \$ 1.07                    | \$ 1.06                    | \$ 1.86                    | \$ 1.95                    |
| Discontinued operations                               | ---                        | (1.35)                     | ---                        | (1.35)                     |
|   | <u>\$ 1.07</u>             | <u>\$ (0.29)</u>           | <u>\$ 1.86</u>             | <u>\$ 0.60</u>             |
| <b>Diluted</b>  |                            |                            |                            |                            |
| Continuing operations                                 | \$ 1.06                    | \$ 1.06                    | \$ 1.85                    | \$ 1.94                    |
| Discontinued operations                               | ---                        | (1.35)                     | ---                        | (1.34)                     |
|   | <u>\$ 1.06</u>             | <u>\$ (0.29)</u>           | <u>\$ 1.85</u>             | <u>\$ 0.60</u>             |
| Cash dividends paid per common share                  | \$ .22                     | \$ .20                     | \$ .44                     | \$ .40                     |
| Basic weighted average shares outstanding             | 130.9                      | 133.3                      | 131.3                      | 133.6                      |
| Diluted weighted average shares outstanding           | 131.3                      | 133.3                      | 131.6                      | 134.2                      |

**Table 2**  
**HARRIS CORPORATION**  
**FY '10 Second Quarter Summary**  
**BUSINESS SEGMENT INFORMATION**  
**(Unaudited)**

|  | Quarter Ended      |                    | Two Quarters Ended |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | January 1,<br>2010 | January 2,<br>2009 | January 1,<br>2010 | January 2,<br>2009 |
|  | (In millions)      |                    |                    |                    |
| <b>Revenue</b>                           |                    |                    |                    |                    |
| RF Communications                        | \$ 462.9           | \$ 438.2           | \$ 886.6           | \$ 853.4           |
| Government Communications Systems        | 647.3              | 748.0              | 1,315.0            | 1,357.1            |
| Broadcast Communications                 | 116.8              | 163.0              | 235.5              | 321.2              |
| Corporate eliminations                   | (9.3)              | (16.0)             | (16.4)             | (25.9)             |
|  | \$ 1,217.7         | \$ 1,333.2         | \$ 2,420.7         | \$ 2,505.8         |
| <b>Income From Continuing Operations</b> |                    |                    |                    |                    |
| <b>Before Income Taxes</b>               |                    |                    |                    |                    |
| <i>Segment Operating Income (Loss):</i>  |                    |                    |                    |                    |
| RF Communications                        | \$ 168.6           | \$ 144.1           | \$ 282.6           | \$ 286.2           |
| Government Communications Systems        | 87.0               | 85.2               | 172.7              | 151.5              |
| Broadcast Communications                 | (4.8)              | 12.0               | (4.5)              | 17.3               |
| Unallocated corporate expense            | (24.8)             | (19.1)             | (44.0)             | (38.0)             |
| Corporate eliminations                   | (2.6)              | (6.1)              | (4.6)              | (9.8)              |
| Non-operating loss                       | (0.3)              | (0.7)              | (0.5)              | (8.8)              |
| Net interest expense                     | (17.9)             | (12.9)             | (35.7)             | (24.3)             |
|  | \$ 205.2           | \$ 202.5           | \$ 366.0           | \$ 374.1           |

**Table 3**  
**HARRIS CORPORATION**  
**FY '10 Second Quarter Summary**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(Unaudited)**

|   | Two Quarters Ended |                    |
|---|--------------------|--------------------|
|   | January 1,<br>2010 | January 2,<br>2009 |
|   | (In millions)      |                    |
| <b>Operating Activities</b>   |                    |                    |
| Net income  | \$ 244.0           | \$ 80.1            |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: |                    |                    |
| Depreciation and amortization   | 80.8               | 85.7               |
| Share-based compensation  | 21.2               | 18.4               |
| Non-current deferred income taxes   | 1.1                | (2.0)              |
| Impairment of securities available-for-sale   | ---                | 7.6                |
| Impairment of goodwill and other long-lived assets  | ---                | 301.0              |
| Noncontrolling interest in discontinued operations, net of income taxes                     | ---                | (138.4)            |
| (Increase) decrease in:   |                    |                    |
| Accounts and notes receivable   | 97.6               | (53.8)             |
| Inventories   | (72.0)             | (90.7)             |
| Increase (decrease) in:   |                    |                    |
| Accounts payable and accrued expenses   | (130.1)            | (5.6)              |
| Advance payments and unearned income  | 73.7               | 6.8                |
| Income taxes  | 7.9                | (16.6)             |
| Other   | (2.8)              | (3.2)              |
| Net cash provided by operating activities   | <u>321.4</u>       | <u>189.3</u>       |
| <b>Investing Activities</b>   |                    |                    |
| Cash paid for acquired businesses   | (33.7)             | ---                |
| Additions of property, plant and equipment  | (38.5)             | (59.9)             |
| Additions of capitalized software   | (3.9)              | (6.8)              |
| Cash paid for short-term investments available-for-sale                                     | ---                | (1.2)              |
| Proceeds from the sale of short-term investments available-for-sale                         | ---                | 2.7                |
| Net cash used in investing activities   | <u>(76.1)</u>      | <u>(65.2)</u>      |
| <b>Financing Activities</b>   |                    |                    |
| Proceeds from borrowings  | ---                | 78.7               |
| Repayments of borrowings  | (61.4)             | (79.4)             |
| Proceeds from exercises of employee stock options   | 6.0                | 7.3                |
| Repurchases of common stock   | (105.5)            | (82.1)             |
| Cash dividends  | (57.8)             | (53.9)             |
| Net cash used in financing activities   | <u>(218.7)</u>     | <u>(129.4)</u>     |
| Effect of exchange rate changes on cash and cash equivalents                                | <u>2.4</u>         | <u>(12.0)</u>      |
| <b>Net increase (decrease) in cash and cash equivalents</b>                                 | 29.0               | (17.3)             |
| <b>Cash and cash equivalents, beginning of year</b>   | <u>281.2</u>       | <u>370.0</u>       |
| <b>Cash and cash equivalents, end of quarter</b>  | 310.2              | 352.7              |
| <b>Less cash and cash equivalents of discontinued operations</b>                            | <u>---</u>         | <u>(97.7)</u>      |
| <b>Cash and cash equivalents of continuing operations, end of quarter</b>                   | <u>\$ 310.2</u>    | <u>\$ 255.0</u>    |

**Table 4**  
**HARRIS CORPORATION**  
**FY '10 Second Quarter Summary**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
**(Unaudited)**

|   | January 1,<br>2010 | July 3,<br>2009  |
|---|--------------------|------------------|
|   | (In millions)      |                  |
| <b>Assets</b>                               |                    |                  |
| Cash and cash equivalents                   | \$ 310.2           | \$ 281.2         |
| Receivables                                 | 679.5              | 770.8            |
| Inventories                                 | 672.2              | 607.2            |
| Income taxes receivable                     | 3.9                | 21.0             |
| Current deferred income taxes               | 142.7              | 117.2            |
| Other current assets                        | 66.1               | 62.0             |
| Property, plant and equipment               | 521.5              | 543.2            |
| Goodwill                                    | 1,576.8            | 1,507.1          |
| Intangible assets                           | 315.4              | 335.6            |
| Non-current deferred income taxes           | 92.7               | 85.3             |
| Other non-current assets                    | 148.7              | 134.5            |
|   | <u>\$4,529.7</u>   | <u>\$4,465.1</u> |
| <b>Liabilities and Shareholders' Equity</b> |                    |                  |
| Short-term debt                             | \$ 45.0            | \$ 105.7         |
| Accounts payable                            | 284.4              | 368.0            |
| Compensation and benefits                   | 172.6              | 224.9            |
| Other accrued items                         | 312.5              | 288.7            |
| Advance payments and unearned income        | 195.5              | 121.7            |
| Current portion of long-term debt           | 0.7                | 0.7              |
| Long-term debt                              | 1,176.9            | 1,177.3          |
| Long-term contract liability                | 139.0              | 145.6            |
| Other long-term liabilities                 | 189.6              | 163.4            |
| Shareholders' equity                        | 2,013.5            | 1,869.1          |
|   | <u>\$4,529.7</u>   | <u>\$4,465.1</u> |

**HARRIS CORPORATION**  
**FY '10 Second Quarter Summary**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES AND REGULATION G DISCLOSURE**

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); cost of product sales and services; engineering, selling and administrative expenses; income from continuing operations before income taxes; income taxes; income from continuing operations; and income from continuing operations per diluted common share adjusted to exclude certain costs, charges, expenses 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:

**Table 5**  
**HARRIS CORPORATION**  
**FY '10 Second Quarter Summary**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**Condensed Consolidated Statement of Income**  
**(Unaudited)**

|  | Quarter Ended<br>January 1, 2010        |               |                 | Quarter Ended<br>January 2, 2009      |               |                 |
|--|---|---------------|-----------------|---------------------------------------|---------------|-----------------|
|  | As Reported                             | Adjustment    | Non-GAAP        | As Reported                           | Adjustment    | Non-GAAP        |
|  | (In millions, except per share amounts) |               |                 |                                       |               |                 |
| Revenue from product sales and services                        | \$ 1,217.7                              | \$ ---        | \$ 1,217.7      | \$ 1,333.2                            | \$ ---        | \$ 1,333.2      |
| Cost of product sales and services (A)                         | (778.6)                                 | 0.4           | (778.2)         | (925.3)                               | ---           | (925.3)         |
| Engineering, selling and administrative expenses (B)           | (215.7)                                 | 3.1           | (212.6)         | (191.8)                               | ---           | (191.8)         |
| Non-operating loss   | (0.3)                                   | ---           | (0.3)           | (0.7)                                 | ---           | (0.7)           |
| Interest income  | 0.3                                     | ---           | 0.3             | 0.9                                   | ---           | 0.9             |
| Interest expense   | (18.2)                                  | ---           | (18.2)          | (13.8)                                | ---           | (13.8)          |
| Income from continuing operations before income taxes          | 205.2                                   | 3.5           | 208.7           | 202.5                                 | ---           | 202.5           |
| Income taxes   | (65.7)                                  | (1.2)         | (66.9)          | (61.9)                                | ---           | (61.9)          |
| Income from continuing operations                              | <u>\$ 139.5</u>                         | <u>\$ 2.3</u> | <u>\$ 141.8</u> | <u>\$ 140.6</u>                       | <u>\$ ---</u> | <u>\$ 140.6</u> |
| Income from continuing operations per diluted common share (C) | \$ 1.06                                 | \$ .02        | \$ 1.08         | \$ 1.06                               | \$ (.01)      | \$ 1.05         |
|  | Two Quarters Ended<br>January 1, 2010   |               |                 | Two Quarters Ended<br>January 2, 2009 |               |                 |
|  | As Reported                             | Adjustment    | Non-GAAP        | As Reported                           | Adjustment    | Non-GAAP        |
|  | (In millions, except per share amounts) |               |                 |                                       |               |                 |
| Revenue from product sales and services                        | \$ 2,420.7                              | \$ ---        | \$ 2,420.7      | \$ 2,505.8                            | \$ ---        | \$ 2,505.8      |
| Cost of product sales and services (A)                         | (1,590.7)                               | 4.0           | (1,586.7)       | (1,717.2)                             | ---           | (1,717.2)       |
| Engineering, selling and administrative expenses (B)           | (427.8)                                 | 6.7           | (421.1)         | (381.4)                               | ---           | (381.4)         |
| Non-operating loss   | (0.5)                                   | ---           | (0.5)           | (8.8)                                 | ---           | (8.8)           |
| Interest income  | 0.7                                     | ---           | 0.7             | 1.9                                   | ---           | 1.9             |
| Interest expense   | (36.4)                                  | ---           | (36.4)          | (26.2)                                | ---           | (26.2)          |
| Income from continuing operations before income taxes          | 366.0                                   | 10.7          | 376.7           | 374.1                                 | ---           | 374.1           |
| Income taxes   | (122.0)                                 | (3.9)         | (125.9)         | (114.1)                               | ---           | (114.1)         |
| Income from continuing operations                              | <u>\$ 244.0</u>                         | <u>\$ 6.8</u> | <u>\$ 250.8</u> | <u>\$ 260.0</u>                       | <u>\$ ---</u> | <u>\$ 260.0</u> |
| Income from continuing operations per diluted common share     | \$ 1.85                                 | \$ .06        | \$ 1.91         | \$ 1.94                               | \$ ---        | \$ 1.94         |



**Table 7**  
**HARRIS CORPORATION**  
**FY '10 Second Quarter Summary**  
**Reconciliation of FY '10 GAAP Income from Continuing Operations per Diluted**  
**Share Guidance to FY '09 GAAP Income from Continuing Operations per Diluted**  
**Share and FY '10 Non-GAAP Income from Continuing Operations per Diluted**  
**Share Guidance**  
**(Unaudited)**

|   | <u>Fiscal Year 2009</u><br><u>(Actual)</u> | <u>Fiscal Year 2010</u><br><u>(Guidance)</u> | <u>Percent Change</u> |
|---|--|--|-----------------------|
| GAAP income from continuing operations per diluted share  | \$2.34                                     | \$4.13 to \$4.23                             | 76% to 81%            |
| Impairment of our Broadcast Communications segment goodwill and other long-lived assets (F)   | \$1.48                                     | \$---  |                       |
| Charges associated with the acquisition of Tyco Electronics Wireless Systems (G)  | \$0.04                                     | \$0.10                                       |                       |
| Charges associated with the acquisitions of Crucial Security, Inc., the ATC Business Unit of SolaCom Technologies Inc. and Patriot Technologies, LLC(H) | <u>\$---</u>                               | <u>\$0.02</u>                                |                       |
| Non-GAAP income from continuing operations per diluted share  | <u>\$3.86</u>                              | <u>\$4.25 to \$4.35</u>                      | 10% to 13%            |

**Table 8**  
**HARRIS CORPORATION**  
**FY '10 Second Quarter Summary**  
**Government Communications Systems Segment Revenue Growth Calculation,**  
**Adjusted for the Impact of Acquisitions and the FDCA program, for the First**  
**Two Quarters of FY '10**

|  | <u>First Two Quarters Ended</u> |                        | <u>Percent Change</u> |
|--|---------------------------------|------------------------|-----------------------|
|  | <u>January 2, 2009</u>          | <u>January 1, 2010</u> |                       |
| GAAP Revenue   | \$1,357.1                       | \$1,315.0              | (3.1%)                |
| Impact of Field Data Collection<br>Automation ("FDCA") program | (228.9)                         | (64.3)                 |                       |
| Impact of acquisitions (I)                                     | 22.9                            | ---                    |                       |
| Organic Revenue  | <u>\$1,151.1</u>                | <u>\$1,250.7</u>       | 8.7%                  |

**HARRIS CORPORATION**  
**FY '10 Second Quarter Summary**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**  
**(Unaudited)**

**Notes to tables 5 through 8:**

**Note A** – Adjustments to cost of product sales and services for the quarter ended January 1, 2010 are due to integration costs associated with our acquisition of the Tyco Electronics Wireless Systems business (“Wireless Systems”) from Tyco Electronics Ltd. (\$0.4 million). Adjustments to cost of product sales and services for the two quarters ended January 1, 2010 are due to integration costs and the impact of a step up in inventory associated with our acquisition of Wireless Systems (\$4.0 million).

**Note B** – Adjustments to engineering, selling and administrative expenses for the quarter ended January 1, 2010 are due to integration costs associated with our acquisitions of Wireless Systems (\$2.3 million), Crucial Security, Inc. (“Crucial”) (\$0.4 million), the ATC Business Unit of SolaCom Technologies Inc. (“SolaCom ATC”) (\$0.3 million) and Patriot Technologies, LLC (“Patriot”) (\$0.1 million). Adjustments to engineering, selling and administrative expenses for the two quarters ended January 1, 2010 are due to integration costs associated with our acquisitions of Wireless Systems (\$5.2 million), Crucial (\$0.8 million), SolaCom ATC (\$0.6 million) and Patriot (\$0.1 million).

**Note C** – Due to the as-reported net loss, including discontinued operations, for the quarter ended January 2, 2009, basic weighted average shares were used in calculating as-reported income from continuing operations per diluted share because the use of diluted weighted average shares would have been anti-dilutive. However, on a non-GAAP basis, we reported net income for the quarter ended January 2, 2009; therefore, diluted weighted average shares were used in calculating non-GAAP income from continuing operations per diluted share.

**Note D** – Adjustments to our RF Communications segment operating income for the quarter ended January 1, 2010 are due to integration costs associated with our acquisition of Wireless Systems (\$2.7 million). Adjustments to our RF Communications segment operating income for the two quarters ended January 1, 2010 are due to integration costs and the impact of a step up in inventory associated with our acquisition of Wireless Systems (\$9.2 million).

**Note E** – Adjustments to our Government Communications Systems segment operating income for the quarter ended January 1, 2010 are due to integration costs associated with our acquisitions of Crucial (\$0.4 million), SolaCom ATC (\$0.3 million) and Patriot (\$0.1 million). Adjustments to our Government Communications Systems segment operating income for the two quarters ended January 1, 2010 are due to integration costs associated with our acquisitions of Crucial (\$0.8 million), SolaCom ATC (\$0.6 million) and Patriot (\$0.1 million).

**Note F** – Adjustment for pre-tax charges of \$255.5 million (\$1.48 per diluted share) for impairment of goodwill and other long-lived assets in our Broadcast Communications segment.

**Note G** – Adjustment for pre-tax charges of \$9.5 million (\$.04 per diluted share) for fiscal 2009 and estimated pre-tax charges of \$20.0 million (\$.10 per diluted share) for fiscal 2010, related to integration and other costs associated with our acquisition of Wireless Systems.

**Note H** – Adjustment for estimated pre-tax charges of \$4.3 million (\$.02 per diluted share) for fiscal 2010 related to integration and other costs associated with our acquisitions of Crucial, SolaCom ATC and Patriot.

**Note I** – Adjustment related to the revenue of Crucial, SolaCom ATC and Patriot for the first two quarters ended January 2, 2009.