

Table 1
HARRIS CORPORATION
FY '09 Fourth Quarter Summary
CONDENSED CONSOLIDATED STATEMENT OF INCOME
(Unaudited)

	<u>Quarter Ended</u>		<u>Fiscal Year Ended</u>	
	<u>July 3, 2009</u>	<u>June 27, 2008</u>	<u>July 3, 2009</u>	<u>June 27, 2008</u>
(In millions, except per share amounts)				
Revenue from product sales and services	\$ 1,294.1	\$ 1,246.9	\$ 5,005.0	\$ 4,596.1
Cost of product sales and services	(889.7)	(831.1)	(3,420.2)	(3,145.6)
Engineering, selling and administrative expenses	(221.5)	(206.9)	(791.3)	(746.5)
Impairment of goodwill and other long-lived assets	(255.5)	---	(255.5)	---
Non-operating income (loss)	(0.9)	2.7	(3.1)	11.4
Interest income	0.6	1.2	3.2	5.2
Interest expense	(14.0)	(12.4)	(52.8)	(53.1)
Income (loss) from continuing operations before income taxes	(86.9)	200.4	485.3	667.5
Income taxes	3.4	(65.9)	(172.9)	(214.0)
Income (loss) from continuing operations	(83.5)	134.5	312.4	453.5
Discontinued operations, net of income taxes	(72.9)	(12.8)	(274.5)	(9.3)
Net income (loss)	<u>\$ (156.4)</u>	<u>\$ 121.7</u>	<u>\$ 37.9</u>	<u>\$ 444.2</u>
Net income (loss) per common share				
Basic				
Continuing operations	\$ (.64)	\$ 1.01	\$ 2.36	\$ 3.39
Discontinued operations	(.55)	(.10)	(2.07)	(.07)
	<u>\$ (1.19)</u>	<u>\$.91</u>	<u>\$.29</u>	<u>\$ 3.32</u>
Diluted				
Continuing operations	\$ (.64)	\$.99	\$ 2.35	\$ 3.33
Discontinued operations	(.55)	(.09)	(2.07)	(.07)
	<u>\$ (1.19)</u>	<u>\$.90</u>	<u>\$.28</u>	<u>\$ 3.26</u>
Cash dividends paid per common share	\$.20	\$.15	\$.80	\$.60
Basic weighted average shares outstanding	131.4	133.7	132.3	133.9
Diluted weighted average shares outstanding	131.4	135.3	133.2	136.5

Table 2
HARRIS CORPORATION
FY '09 Fourth Quarter Summary
BUSINESS SEGMENT INFORMATION
(Unaudited)

	<u>Quarter Ended</u>		<u>Fiscal Year Ended</u>	
	<u>July 3,</u> <u>2009</u>	<u>June 27,</u> <u>2008</u>	<u>July 3,</u> <u>2009</u>	<u>June 27,</u> <u>2008</u>
	(In millions)			
Revenue				
RF Communications	\$ 468.1	\$ 441.3	\$ 1,760.6	\$ 1,506.8
Government Communications Systems	703.8	641.3	2,709.6	2,478.1
Broadcast Communications	130.2	174.2	583.6	643.1
Corporate eliminations	(8.0)	(9.9)	(48.8)	(31.9)
	<u>\$ 1,294.1</u>	<u>\$ 1,246.9</u>	<u>\$ 5,005.0</u>	<u>\$ 4,596.1</u>
Income (Loss) From Continuing Operations Before Income Taxes				
<i>Segment Operating Income (Loss):</i>				
RF Communications	\$ 134.0	\$ 149.1	\$ 571.5	\$ 525.5
Government Communications Systems	77.4	73.5	302.8	226.0
Broadcast Communications	(257.2)	8.1	(238.0)	33.8
Unallocated corporate expense	(24.6)	(18.8)	(81.4)	(74.0)
Corporate eliminations	(2.2)	(3.0)	(16.9)	(7.3)
Non-operating income (loss)	(0.9)	2.7	(3.1)	11.4
Net interest expense	(13.4)	(11.2)	(49.6)	(47.9)
	<u>\$ (86.9)</u>	<u>\$ 200.4</u>	<u>\$ 485.3</u>	<u>\$ 667.5</u>

Table 3
HARRIS CORPORATION
FY '09 Fourth Quarter Summary
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	Fiscal Year Ended	
	July 3, 2009	June 27, 2008
(In millions)		
Operating Activities		
Net income	\$ 37.9	\$ 444.2
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	177.7	172.2
Purchased in-process research and development write-off	7.0	1.4
Share-based compensation	41.9	38.2
Non-current deferred income taxes	(47.2)	(4.7)
Gain on AuthenTec, Inc. warrants	---	(5.6)
Gain on the sale of securities available-for-sale	---	(9.8)
Impairment of securities available-for-sale	7.6	---
Impairment of goodwill and other long-lived assets	556.5	---
Minority interest in discontinued operations, net of income taxes	(162.5)	(7.2)
Loss on disposal of discontinued operations	62.6	---
(Increase) decrease in:		
Accounts and notes receivable	32.7	(105.7)
Inventories	(68.3)	(51.3)
Increase (decrease) in:		
Accounts payable and accrued expenses	72.1	65.3
Advance payments and unearned income	(17.2)	17.9
Income taxes	(41.3)	(6.6)
Other	7.3	7.2
Net cash provided by operating activities	<u>666.8</u>	<u>555.5</u>
Investing Activities		
Cash paid for acquired businesses	(745.3)	(19.4)
Additions of property, plant and equipment	(98.7)	(112.9)
Additions of capitalized software	(23.1)	(33.3)
Cash paid for short-term investments available-for-sale	(1.2)	(9.3)
Proceeds from the sale of short-term investments available-for-sale	3.7	26.6
Proceeds from the sale of securities available-for-sale	---	13.7
Net cash used in investing activities	<u>(864.6)</u>	<u>(134.6)</u>
Financing Activities		
Proceeds from borrowings	531.8	460.5
Repayment of borrowings	(81.4)	(599.4)
Payment of treasury lock	---	(8.8)
Proceeds from exercise of employee stock options	5.6	45.2
Repurchases of common stock	(132.3)	(234.6)
Cash dividends	(106.6)	(81.5)
Cash decrease related to spin-off of Harris Stratex Networks, Inc.	(100.0)	---
Net cash provided by (used in) financing activities	<u>117.1</u>	<u>(418.6)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(8.1)</u>	<u>(0.6)</u>
Net increase (decrease) in cash and cash equivalents	(88.8)	1.7
Cash and cash equivalents, beginning of year	<u>370.0</u>	<u>368.3</u>
Cash and cash equivalents, end of year	<u>281.2</u>	<u>370.0</u>
Less cash and cash equivalents of discontinued operations	<u>---</u>	<u>(95.5)</u>
Cash and cash equivalents of continuing operations, end of year	<u>\$ 281.2</u>	<u>\$ 274.5</u>
Supplemental disclosure of noncash investing and financing activities:		
Common stock issued in exchange for 3.5% convertible debentures, due fiscal 2023	<u>\$ ---</u>	<u>\$ 163.5</u>
Distribution of Harris Stratex Networks, Inc. common stock owned by Harris Corporation to Harris Corporation shareholders	<u>\$ 173.1</u>	<u>\$ ---</u>

Table 4
HARRIS CORPORATION
FY '09 Fourth Quarter Summary
CONDENSED CONSOLIDATED BALANCE SHEET
(Unaudited)

	<u>July 3,</u> <u>2009</u>	<u>June 27,</u> <u>2008</u>
(In millions)		
Assets		
Cash and cash equivalents	\$ 281.2	\$ 274.5
Marketable equity securities	3.3	19.3
Receivables	770.8	679.9
Inventories	607.2	476.0
Income taxes receivable	21.0	---
Current deferred income taxes	117.2	103.9
Other current assets	58.7	56.7
Current assets of discontinued operations	---	442.2
Property, plant and equipment	543.2	407.2
Goodwill	1,507.1	1,262.5
Intangible assets	335.6	236.9
Non-current deferred income taxes	85.3	---
Other non-current assets	134.5	162.7
Non-current assets of discontinued operations	---	505.7
	<u>\$4,465.1</u>	<u>\$4,627.5</u>
Liabilities and Shareholders' Equity		
Short-term debt	\$ 105.7	\$ 0.3
Accounts payable	368.0	309.3
Compensation and benefits	224.9	170.6
Other accrued items	288.7	192.3
Advance payments and unearned income	121.7	100.2
Income taxes payable	---	22.4
Current portion of long-term debt	0.7	0.7
Current liabilities of discontinued operations	---	195.4
Non-current deferred income taxes	---	42.5
Long-term debt	1,177.3	828.0
Long-term contract liability	145.6	---
Other long-term liabilities	163.4	160.3
Non-current liabilities of discontinued operations	---	1.2
Minority interest in discontinued operations	---	330.3
Shareholders' equity	<u>1,869.1</u>	<u>2,274.0</u>
	<u>\$4,465.1</u>	<u>\$4,627.5</u>

HARRIS CORPORATION
FY '09 Fourth 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 (loss) from continuing operations before income taxes; income taxes; income (loss) from continuing operations; and income (loss) from continuing operations 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:

Table 5
HARRIS CORPORATION
FY '09 Fourth Quarter Summary
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
Condensed Consolidated Statement of Income
(Unaudited)

	Quarter Ended July 3, 2009			Quarter Ended June 27, 2008		
	As Reported	Adjustment	Non-GAAP	As Reported	Adjustment	Non-GAAP
	(In millions, except per share amounts)					
Revenue from product sales and services	\$ 1,294.1	\$ ---	\$ 1,294.1	\$ 1,246.9	\$ ---	\$ 1,246.9
Cost of product sales and services (A)	(889.7)	1.2	(888.5)	(831.1)	---	(831.1)
Engineering, selling and administrative expenses (B)	(221.5)	8.9	(212.6)	(206.9)	0.5	(206.4)
Impairment of goodwill and other long-lived assets (C)	(255.5)	255.5	---	---	---	---
Non-operating income (loss)	(0.9)	---	(0.9)	2.7	---	2.7
Interest income	0.6	---	0.6	1.2	---	1.2
Interest expense	(14.0)	---	(14.0)	(12.4)	---	(12.4)
Income (loss) from continuing operations before income taxes	(86.9)	265.6	178.7	200.4	0.5	200.9
Income taxes	3.4	(62.5)	(59.1)	(65.9)	(0.2)	(66.1)
Income (loss) from continuing operations	<u>\$ (83.5)</u>	<u>\$ 203.1</u>	<u>\$ 119.6</u>	<u>\$ 134.5</u>	<u>\$ 0.3</u>	<u>\$ 134.8</u>
Income (loss) from continuing operations per diluted common share	\$ (.64)	\$ 1.55	\$.91	\$.99	\$.01	\$ 1.00
	Fiscal Year Ended July 3, 2009			Fiscal Year Ended June 27, 2008		
	As Reported	Adjustment	Non-GAAP	As Reported	Adjustment	Non-GAAP
	(In millions, except per share amounts)					
Revenue from product sales and services	\$ 5,005.0	\$ ---	\$ 5,005.0	\$ 4,596.1	\$ ---	\$ 4,596.1
Cost of product sales and services (A)	(3,420.2)	1.2	(3,419.0)	(3,145.6)	0.4	(3,145.2)
Engineering, selling and administrative expenses (B)	(791.3)	8.9	(782.4)	(746.5)	3.3	(743.2)
Impairment of goodwill and other long-lived assets (C)	(255.5)	255.5	---	---	---	---
Non-operating income (loss)	(3.1)	---	(3.1)	11.4	---	11.4
Interest income	3.2	---	3.2	5.2	---	5.2
Interest expense	(52.8)	---	(52.8)	(53.1)	---	(53.1)
Income from continuing operations before income taxes	485.3	265.6	750.9	667.5	3.7	671.2
Income taxes	(172.9)	(62.5)	(235.4)	(214.0)	(0.7)	(214.7)
Income from continuing operations	<u>\$ 312.4</u>	<u>\$ 203.1</u>	<u>\$ 515.5</u>	<u>\$ 453.5</u>	<u>\$ 3.0</u>	<u>\$ 456.5</u>
Income from continuing operations per diluted common share	\$ 2.35	\$ 1.52	\$ 3.87	\$ 3.33	\$ 0.02	\$ 3.35

Table 7
HARRIS CORPORATION
FY '09 Fourth 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> <u>(Actual)</u>	<u>Fiscal Year 2010</u> <u>(Guidance)</u>	<u>Percent Change</u>
GAAP income from continuing operations per diluted share	\$2.35	\$3.25 to \$3.40	38% to 45%
Impairment of our Broadcast Communications segment goodwill and other long-lived assets (G)	\$1.48	\$---	
Charges associated with the acquisition of Tyco Electronics Wireless Systems (H)	\$0.04	\$0.14 - \$0.09	
Charges associated with the acquisitions of Crucial Security, Inc. and the ATC Business Unit of SolaCom Technologies Inc. (I)	\$---	\$0.01	
Non-GAAP income from continuing operations per diluted share	<u>\$3.87</u>	<u>\$3.40 to \$3.50</u>	(12)% to (10)%

Table 8
HARRIS CORPORATION
FY '09 Fourth Quarter Summary
FY '09 and FY '09 Fourth Quarter Operating Margins, Excluding Cost-Reduction
Actions

	Quarter Ended July 3, 2009		
	Revenue	Operating Income	Operating Margin
	(In millions)		
RF Communications Segment			
GAAP	\$ 468.1	\$ 134.0	28.6%
Acquisition related charges	---	9.5	
Non-GAAP	468.1	143.5	30.7%
Impact of acquisitions (J)	(47.3)	(4.0)	
Cost-reduction actions	---	8.1	
Non-GAAP organic, excluding cost-reduction actions	<u>\$ 420.8</u>	<u>\$ 147.6</u>	35.1%

	Quarter Ended July 3, 2009		
	Revenue	Operating Income	Operating Margin
	(In millions)		
Government Communications Systems Segment			
GAAP	\$ 703.8	\$ 77.4	11.0%
Cost-reduction actions	---	3.4	
Excluding cost-reduction actions	<u>\$ 703.8</u>	<u>\$ 80.8</u>	11.5%

HARRIS CORPORATION
FY '09 Fourth 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 and fiscal year ended July 3, 2009 are due to the impact of a step up in inventory associated with our acquisition of the Tyco Electronics Wireless Systems business (“Wireless Systems”) from Tyco Electronics Ltd. (\$1.2 million). Adjustments to cost of product sales and services for the fiscal year ended June 27, 2008 are due to a step up in inventory associated with our acquisition of Zandar Technologies plc (“Zandar”) (\$0.4 million).

Note B – Adjustments to engineering, selling and administrative expenses for the quarter and fiscal year ended July 3, 2009 are due to integration costs and a write-off of in-process research and development associated with our acquisition of Wireless Systems (\$8.3 million) and integration costs associated with our acquisition of Crucial Security, Inc. (“CSI”) (\$0.6 million). Adjustments to engineering, selling and administrative expenses for the quarter ended June 27, 2008 are due to integration costs associated with our acquisitions of Multimax Incorporated (“Multimax”) (\$0.4 million) and Zandar (\$0.1 million). Adjustments to engineering, selling and administrative expenses for the fiscal year ended June 27, 2008 are due to integration costs associated with our acquisition of Multimax (\$1.7 million) and integration costs and a write-off of in-process research and development associated with our acquisition of Zandar (\$1.6 million).

Note C – Adjustment for impairment of goodwill and other long-lived assets in our Broadcast Communications segment (\$255.5 million).

Note D – Adjustments to our RF Communications segment operating income for the quarter and fiscal year ended July 3, 2009 are due to the impact of a step up in inventory, integration costs and a write-off of in-process research and development associated with our acquisition of Wireless Systems (\$9.5 million).

Note E – Adjustments to our Government Communications Systems segment operating income for the quarter and fiscal year ended July 3, 2009 are due to integration costs associated with our acquisition of CSI (\$0.6 million). Adjustments to our Government Communications Systems segment operating income for the quarter and fiscal year ended June 27, 2008 are due to integration costs associated with our acquisition of Multimax (\$0.4 million and \$1.7 million, respectively).

Note F – Adjustments to our Broadcast Communications segment operating income for the quarter and fiscal year ended July 3, 2009 are due to impairment of goodwill and other long-lived assets (\$255.5 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 Broadcast Communications segment operating income for the fiscal year ended June 27, 2008 are due to the impact of a step up in inventory, integration costs and a write-off of in-process research and development associated with our acquisition of Zandar (\$2.0 million).

Note G – 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 H – Adjustment for pre-tax charges of \$9.5 million (\$.04 per diluted share) for fiscal 2009 and estimated pre-tax charges in a range of \$18.0 million to \$28.0 million (\$.09 to \$.14 per diluted share) for fiscal 2010, related to integration and other costs associated with our acquisition of Wireless Systems.

Note I – Adjustment for estimated pre-tax charges of \$2.5 million (\$.01 per diluted share) for fiscal 2010 related to integration and other costs associated with our acquisitions of CSI and the ATC Business Unit of SolaCom Technologies Inc.

Note J – Adjustment related to the revenue and operating income of Wireless Systems for the quarter ended July 3, 2009.