

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

	<u>Quarter Ended</u>		<u>Two Quarters Ended</u>	
	<u>January 2, 2009</u>	<u>December 28, 2007</u>	<u>January 2, 2009</u>	<u>December 28, 2007</u>
	(In millions, except per share amounts)			
Revenue from product sales and services	\$ 1,523.4	\$ 1,317.7	\$ 2,891.1	\$ 2,548.2
Cost of product sales and services	(1,061.2)	(908.2)	(1,989.6)	(1,757.8)
Engineering, selling and administrative expenses	(236.6)	(230.3)	(476.9)	(447.2)
Impairment of goodwill and other intangible assets	(301.0)	---	(301.0)	---
Non-operating income (loss)	(0.7)	4.2	(8.8)	5.9
Interest income	1.2	1.6	2.9	3.6
Interest expense	<u>(14.5)</u>	<u>(13.8)</u>	<u>(27.6)</u>	<u>(28.9)</u>
Income (loss) before income taxes and minority interest	(89.4)	171.2	90.1	323.8
Income taxes	(87.0)	(57.3)	(148.4)	(110.1)
Minority interest in Harris Stratex Networks, Inc., net of tax	137.8	0.4	138.4	0.8
Net income (loss)	<u>\$ (38.6)</u>	<u>\$ 114.3</u>	<u>\$ 80.1</u>	<u>\$ 214.5</u>
Net income (loss) per common share				
Basic	\$ (.29)	\$.84	\$.60	\$ 1.60
Diluted	\$ (.29)	\$.83	\$.60	\$ 1.56
Cash dividends paid per common share	\$.20	\$.15	\$.40	\$.30
Basic weighted average shares outstanding	132.5	135.7	132.8	133.9
Diluted weighted average shares outstanding	132.5	137.6	133.9	137.7

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

	<u>Quarter Ended</u>		<u>Two Quarters Ended</u>	
	<u>January 2, 2009</u>	<u>December 28, 2007</u>	<u>January 2, 2009</u>	<u>December 28, 2007</u>
	(In millions)			
Revenue				
RF Communications	\$ 438.2	\$ 357.1	\$ 853.4	\$ 673.6
Government Communications Systems	748.0	624.7	1,357.1	1,228.6
Broadcast Communications	163.0	163.6	321.2	310.3
Harris Stratex Networks	190.9	181.1	386.7	353.4
Corporate eliminations	(16.7)	(8.8)	(27.3)	(17.7)
	<u>\$ 1,523.4</u>	<u>\$ 1,317.7</u>	<u>\$ 2,891.1</u>	<u>\$ 2,548.2</u>
Income (Loss) Before Income Taxes and Minority Interest				
<i>Segment Operating Income (Loss):</i>				
RF Communications	\$ 144.1	\$ 124.2	\$ 286.2	\$ 235.0
Government Communications Systems	85.2	67.3	151.5	131.1
Broadcast Communications	12.0	8.2	17.3	18.6
Harris Stratex Networks	(291.5)	(0.8)	(283.6)	(1.8)
Unallocated Corporate expense	(19.1)	(18.4)	(38.0)	(37.0)
Corporate eliminations	(6.1)	(1.3)	(9.8)	(2.7)
Non-operating income (loss)	(0.7)	4.2	(8.8)	5.9
Net interest expense	(13.3)	(12.2)	(24.7)	(25.3)
	<u>\$ (89.4)</u>	<u>\$ 171.2</u>	<u>\$ 90.1</u>	<u>\$ 323.8</u>

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

	Two Quarters Ended	
	January 2, 2009	December 28, 2007
	(In millions)	
Operating Activities		
Net income	\$ 80.1	\$ 214.5
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	85.7	84.2
Share-based compensation	18.4	19.3
Non-current deferred income tax	(2.0)	6.5
Gain on the sale of securities available-for-sale	---	(2.1)
Impairment of securities available-for-sale	7.6	---
Impairment of goodwill and other intangible assets	301.0	---
Minority interest in Harris Stratex Networks, Inc., net of tax	(138.4)	(0.8)
(Increase)decrease in:		
Accounts and notes receivable	(53.8)	(56.6)
Inventories	(90.7)	(54.1)
Increase (decrease) in:		
Accounts payable and accrued expenses	(5.6)	(18.0)
Advance payments and unearned income	6.8	11.0
Income taxes	(16.6)	(22.9)
Other	(3.2)	11.9
Net cash provided by operating activities	<u>189.3</u>	<u>192.9</u>
Investing Activities		
Cash paid for acquired businesses	---	(12.8)
Additions of property, plant and equipment	(53.2)	(49.1)
Additions of capitalized software	(13.5)	(19.0)
Cash paid for short-term investments available-for-sale	(1.2)	(4.3)
Proceeds from the sale of short-term investments available-for-sale	2.7	14.7
Proceeds from the sale of securities available-for-sale	---	3.1
Net cash used in investing activities	<u>(65.2)</u>	<u>(67.4)</u>
Financing Activities		
Proceeds from borrowings	78.7	397.0
Repayment of borrowings	(79.4)	(388.7)
Payment of treasury lock	---	(8.9)
Proceeds from exercise of employee stock options	7.3	29.0
Repurchases of common stock	(82.1)	(109.0)
Cash dividends	(53.9)	(41.1)
Net cash used in financing activities	<u>(129.4)</u>	<u>(121.7)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(12.0)</u>	<u>(0.5)</u>
Net increase (decrease) in cash and cash equivalents	(17.3)	3.3
Cash and cash equivalents, beginning of year	<u>370.0</u>	<u>368.3</u>
Cash and cash equivalents, end of quarter	<u>\$ 352.7</u>	<u>\$ 371.6</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>

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

	January 2, 2009	June 27, 2008
	(In millions)	
Assets		
Cash and cash equivalents	\$ 352.7	\$ 370.0
Short-term investments	1.6	3.1
Marketable equity securities	3.6	19.3
Receivables	914.3	859.0
Inventories	701.1	610.4
Current deferred income taxes	120.1	117.2
Other current assets	64.3	67.7
Property, plant and equipment	482.0	482.2
Goodwill	1,214.9	1,547.3
Identifiable intangible assets	309.2	367.0
Other non-current assets	106.1	115.4
	<u>\$4,269.9</u>	<u>\$4,558.6</u>
Liabilities and Shareholders' Equity		
Short-term debt	\$ 18.4	\$ 8.5
Accounts payable	386.3	390.8
Compensation and benefits	166.7	181.6
Other accrued items	263.5	239.1
Advance payments and unearned income	153.2	146.4
Income taxes payable	5.1	22.9
Current portion of long-term debt	0.7	5.7
Non-current deferred income taxes	29.6	29.8
Long-term debt	827.7	831.8
Other long-term liabilities	86.6	97.7
Minority interest in Harris Stratex Networks, Inc.	192.8	330.3
Shareholders' equity	<u>2,139.3</u>	<u>2,274.0</u>
	<u>\$4,269.9</u>	<u>\$4,558.6</u>

HARRIS CORPORATION
FY '09 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 (loss) 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:

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

	Quarter Ended January 2, 2009			Quarter Ended December 28, 2007		
	As Reported	Adjustment	Non-GAAP	As Reported	Adjustment	Non-GAAP
	(In millions, except per share amounts)					
Revenue from product sales and services	\$ 1,523.4	\$ ---	\$ 1,523.4	\$ 1,317.7	\$ ---	\$ 1,317.7
Cost of product sales and services (A)	(1,061.2)	---	(1,061.2)	(908.2)	5.2	(903.0)
Engineering, selling and administrative expenses (B)	(236.6)	---	(236.6)	(230.3)	9.0	(221.3)
Impairment of goodwill and other intangible assets (C)	(301.0)	301.0	---	---	---	---
Non-operating income (loss)	(0.7)	---	(0.7)	4.2	---	4.2
Interest income	1.2	---	1.2	1.6	---	1.6
Interest expense	(14.5)	---	(14.5)	(13.8)	---	(13.8)
Income (loss) before income taxes and minority interest	(89.4)	301.0	211.6	171.2	14.2	185.4
Income taxes (D)	(87.0)	22.1	(64.9)	(57.3)	(4.7)	(62.0)
Minority interest in Harris Stratex Networks, Inc., net of tax	137.8	(140.6)	(2.8)	0.4	(3.9)	(3.5)
Net income (loss)	\$ (38.6)	\$ 182.5	\$ 143.9	\$ 114.3	\$ 5.6	\$ 119.9
Net income (loss) per diluted common share	\$ (.29)	\$ 1.37	\$ 1.08	\$.83	\$.04	\$.87
	Two Quarters Ended January 2, 2009			Two Quarters Ended December 28, 2007		
	As Reported	Adjustment	Non-GAAP	As Reported	Adjustment	Non-GAAP
(In millions, except per share amounts)						
Revenue from product sales and services	\$ 2,891.1	\$ ---	\$ 2,891.1	\$ 2,548.2	\$ ---	\$ 2,548.2
Cost of product sales and services (A)	(1,989.6)	---	(1,989.6)	(1,757.8)	6.0	(1,751.8)
Engineering, selling and administrative expenses (B)	(476.9)	---	(476.9)	(447.2)	17.1	(430.1)
Impairment of goodwill and intangible assets (C)	(301.0)	301.0	---	---	---	---
Non-operating income (loss)	(8.8)	---	(8.8)	5.9	---	5.9
Interest income	2.9	---	2.9	3.6	---	3.6
Interest expense	(27.6)	---	(27.6)	(28.9)	---	(28.9)
Income before income taxes and minority interest	90.1	301.0	391.1	323.8	23.1	346.9
Income taxes (D)	(148.4)	22.1	(126.3)	(110.1)	(6.9)	(117.0)
Minority interest in Harris Stratex Networks, Inc., net of tax	138.4	(140.6)	(2.2)	0.8	(6.7)	(5.9)
Net income	\$ 80.1	\$ 182.5	\$ 262.6	\$ 214.5	\$ 9.5	\$ 224.0
Net income per diluted common share	\$.60	\$ 1.36	\$ 1.96	\$ 1.56	\$ 0.7	\$ 1.63

Table 6
HARRIS CORPORATION
FY '09 Second Quarter Summary
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
Business Segment Information
(Unaudited)

	Quarter Ended January 2, 2009			Quarter Ended December 28, 2007		
	As Reported	Adjustment	Non-GAAP	As Reported	Adjustment	Non-GAAP
	(In millions)					
Revenue						
RF Communications	\$ 438.2	\$ ---	\$ 438.2	\$ 357.1	\$ ---	\$ 357.1
Government Communications Systems	748.0	---	748.0	624.7	---	624.7
Broadcast Communications	163.0	---	163.0	163.6	---	163.6
Harris Stratex Networks	190.9	---	190.9	181.1	---	181.1
Corporate eliminations	(16.7)	---	(16.7)	(8.8)	---	(8.8)
	<u>\$ 1,523.4</u>	<u>\$ ---</u>	<u>\$ 1,523.4</u>	<u>\$ 1,317.7</u>	<u>\$ ---</u>	<u>\$ 1,317.7</u>
Income (Loss) Before Income Taxes and Minority Interest						
<i>Segment Operating Income (Loss):</i>						
RF Communications	\$ 144.1	\$ ---	\$ 144.1	\$ 124.2	\$ ---	\$ 124.2
Government Communications Systems (E)	85.2	---	85.2	67.3	0.3	67.6
Broadcast Communications (F)	12.0	---	12.0	8.2	1.8	10.0
Harris Stratex Networks (G)	(291.5)	301.0	9.5	(0.8)	12.1	11.3
Unallocated Corporate expense	(19.1)	---	(19.1)	(18.4)	---	(18.4)
Corporate eliminations	(6.1)	---	(6.1)	(1.3)	---	(1.3)
Non-operating income (loss)	(0.7)	---	(0.7)	4.2	---	4.2
Net interest expense	(13.3)	---	(13.3)	(12.2)	---	(12.2)
	<u>\$ (89.4)</u>	<u>\$ 301.0</u>	<u>\$ 211.6</u>	<u>\$ 171.2</u>	<u>\$ 14.2</u>	<u>\$ 185.4</u>
	Two Quarters Ended January 2, 2009			Two Quarters Ended December 28, 2007		
	As Reported	Adjustment	Non-GAAP	As Reported	Adjustment	Non-GAAP
	(In millions)					
Revenue						
RF Communications	\$ 853.4	\$ ---	\$ 853.4	\$ 673.6	\$ ---	\$ 673.6
Government Communications Systems	1,357.1	---	1,357.1	1,228.6	---	1,228.6
Broadcast Communications	321.2	---	321.2	310.3	---	310.3
Harris Stratex Networks	386.7	---	386.7	353.4	---	353.4
Corporate eliminations	(27.3)	---	(27.3)	(17.7)	---	(17.7)
	<u>\$ 2,891.1</u>	<u>\$ ---</u>	<u>\$ 2,891.1</u>	<u>\$ 2,548.2</u>	<u>\$ ---</u>	<u>\$ 2,548.2</u>
Income Before Income Taxes and Minority Interest						
<i>Segment Operating Income (Loss):</i>						
RF Communications	\$ 286.2	\$ ---	\$ 286.2	\$ 235.0	\$ ---	\$ 235.0
Government Communications Systems (E)	151.5	---	151.5	131.1	0.9	132.0
Broadcast Communications (F)	17.3	---	17.3	18.6	1.8	20.4
Harris Stratex Networks (G)	(283.6)	301.0	17.4	(1.8)	20.4	18.6
Unallocated Corporate expense	(38.0)	---	(38.0)	(37.0)	---	(37.0)
Corporate eliminations	(9.8)	---	(9.8)	(2.7)	---	(2.7)
Non-operating income (loss)	(8.8)	---	(8.8)	5.9	---	5.9
Net interest expense	(24.7)	---	(24.7)	(25.3)	---	(25.3)
	<u>\$ 90.1</u>	<u>\$ 301.0</u>	<u>\$ 391.1</u>	<u>\$ 323.8</u>	<u>\$ 23.1</u>	<u>\$ 346.9</u>

Table 7

HARRIS CORPORATION

Reconciliation of FY '08 GAAP Income from Continuing Operations Per Diluted Share to Non-GAAP Income from Continuing Operations Per Diluted Share and Reconciliation of FY '09 GAAP Income from Continuing Operations Per Diluted Share Guidance to FY '08 GAAP Income from Continuing Operations Per Diluted Share and Non-GAAP Income from Continuing Operations Per Diluted Share (Unaudited)

	<u>Fiscal Year 2008</u>	<u>Fiscal Year 2009</u>	<u>Percent Change</u>
GAAP income from continuing operations per diluted share (H)	\$3.34	\$3.93 to \$4.03	18% to 21%
Charges associated with the acquisition of Multimax Incorporated (I)	\$0.01		
Charges associated with the acquisition of Zandar Technologies plc (J)	\$0.01		
Non-GAAP income from continuing operations per diluted share	<u>\$3.36</u>	\$3.93 to \$4.03	17% to 20%

Table 8
HARRIS CORPORATION
FY '09 Second Quarter Summary
Comparison of Harris Stratex Networks Segment GAAP and Non-GAAP Operating
Income to that Reported by Harris Stratex Networks, Inc.
(Unaudited)

	<u>Quarter Ended</u> <u>January 2, 2009</u>		<u>Quarter Ended</u> <u>December 28, 2007</u>	
	As Reported by		As Reported by	
	<u>Harris</u>	<u>Harris Stratex Networks</u>	<u>Harris</u>	<u>Harris Stratex Networks</u>
	(In millions)			
Operating Income(Loss) - As Reported	\$ (291.5)	\$ (291.5)	\$ (0.8)	\$ (0.8)
<i>Adjustments:</i>				
Stratex combination-related costs	---	0.6	12.1	12.1
FAS 123R expense	---	0.4	---	1.9
Restructuring costs	---	1.1	---	---
Other identifiable intangible amortization	---	3.2	---	3.6
Impairment of goodwill and intangible assets	301.0	301.0	---	---
Operating Income - Non-GAAP	<u>\$ 9.5</u>	<u>\$ 14.8</u>	<u>\$ 11.3</u>	<u>\$ 16.8</u>

HARRIS CORPORATION
FY '09 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 December 28, 2007 are due to the impact of a step up in fixed assets and integration costs associated with the combination between Stratex Networks, Inc. (“Stratex”) and our former Microwave Communications Division (\$4.8 million) and a step up in inventory associated with our acquisition of Zandar Technologies plc (“Zandar”) (\$0.4 million). Adjustments to cost of product sales and services for the two quarters ended December 28, 2007 are due to the impact of a step up in fixed assets and integration costs associated with the Stratex combination (\$5.6 million) and a step up in inventory associated with our acquisition of Zandar (\$0.4 million).

Note B – 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 Incorporated (“Multimax”) (\$0.3 million) and the write-off of in-process research and development associated with our acquisition of Zandar (\$1.4 million). Adjustments to engineering, selling and administrative expenses for the two quarters ended December 28, 2007 are due to the impact of a step up in fixed assets and integration costs associated with the Stratex combination (\$14.8 million), integration costs associated with our acquisition of Multimax (\$0.9 million) and the write-off of in-process research and development associated with our acquisition of Zandar (\$1.4 million).

Note C – Adjustment for impairment of goodwill and other intangible assets in our Harris Stratex Networks segment (\$301.0 million).

Note D – Adjustment for increase in the valuation allowance for certain deferred tax assets in our Harris Stratex Networks segment (\$22.1 million).

Note E – Adjustments to our Government Communications Systems segment operating income for the quarter and two quarters ended December 28, 2007 are due to integration costs associated with our acquisition of Multimax (\$0.3 million and \$0.9 million, respectively).

Note F – Adjustments to our Broadcast Communications segment operating income for the quarter and two quarters 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.

Note G – Adjustments to our Harris Stratex Networks segment operating income for the quarter and two quarters ended January 2, 2009 are due to recording an impairment of goodwill and intangible assets based on an interim review conducted during the quarter ended January 2, 2009 (\$301.0 million). 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). Adjustments to our Harris Stratex Networks segment operating income for the two quarters ended December 28, 2007 are due to the impact of a step up in fixed assets and integration costs associated with the Stratex combination (\$20.4 million).

Note H – Assumes Harris Stratex Networks will become a discontinued operation prior to the end of fiscal 2009. As a result, guidance on a continuing operations basis excludes the results of Harris Stratex Networks for prior and future periods. Amount shown is derived based on total GAAP income per diluted share as reported for fiscal 2008 (\$3.26) adjusted to exclude the GAAP loss per diluted share for fiscal 2008 for Harris Stratex Networks (\$.08). Fiscal 2009 guidance on a continuing basis excludes our Harris Stratex Networks segment non-cash charge of \$182.5 million (after tax and minority interest) for the impairment of goodwill and other intangible assets and for the increase in valuation allowance for certain deferred tax assets.

Note I – Adjustment for the \$.01 per diluted share impact of integration and other charges associated with our acquisition of Multimax.

Note J – Adjustment for the \$.01 per diluted share impact of integration and other charges associated with our acquisition of Zandar.

