FISCAL 2018 FIRST QUARTER EARNINGS CALL PRESENTATION
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1Q18: Good progress against strategic priorities

1. Grow revenue across all 3 segments
   - ~Flat revenue; grew in 2 of 3 segments
   - **Orders up 33% to record $2.3B**; 1.6 B:B
   - Built backlog across segments

2. Drive flawless execution while maintaining margins through operational excellence
   - Delivered **8%* EPS growth**
   - Expanded margin 70 bps* to 19.2%, despite ADS-B headwind
   - Executed on programs – significant margin expansion in CS, SIS

3. Maximize cash flow with balanced capital deployment
   - Improved FCF by $50M*
   - Increased dividend 8%
   - **Returned $144M to shareholders** in dividends and repurchases
   - Reduced debt by $33M

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FCF (free cash flow) = operating cash flow less capital expenditures.
*FY17 non-GAAP EPS and margin figures exclude acquisition-related charges. For non-GAAP reconciliations reference other quarterly earnings materials and the Harris investor relations website.
Key wins

Communication Systems
- $260M from Australia – moving from radio supplier to systems integrator
- Solid international wins
  - $52M Ukraine
  - $46M Kenya
  - $39M Iraq
- 101 test units ordered for Army HMS manpack modernization program
- > $100M focused on readiness
  - Air Force 117G upgrades
  - Marine Corps 117G and MUOS
- $765M Navy IDIQ for current, next-gen tactical radios in 2Q18

Electronic Systems
- Continued EW upgrades across legacy platforms
  - $133M, 3-year contract for U.S. Navy and Australian F/A-18 IDECM systems
  - $47M from Morocco for F-16 solutions
- Growth in Avionics carriage and release products
  - $63M for F-35
  - $26M from Singapore and $20M from Turkey for F-16 smart release racks
- Leveraging 20+ year classified robotics history to expand
  - Up to £55M from U.K. Ministry of Defence for explosive ordnance disposal robots

Space and Intelligence Systems
- Continued strength in Classified programs – leveraging investments in ground processing and small satellites
  - Expanded ground-based adjacency franchise with new win
  - Award for new technologies with potential to grow to $100M
- Strong support for key weather programs
  - $72M for GOES-R sustainment
  - $63M for Joint Polar Satellite System instruments
- Commercial satellite recapitalization
  - Largest single satellite order to-date – covering 4 reflectors
Solid 1Q18 financial results

($million, except per share amounts)

- Revenue about flat
  - Growth in ES and SIS offset by CS
  - Strong orders across all segments
- EPS increased 8%* to $1.38
  - Solid growth in Avionics, Battle Management Systems, Classified programs
  - Incremental pension income, synergy savings, operational efficiencies and share repurchases
  - ADS-B headwind
- Operating margin expanded 70 bps* to 19.2% despite ADS-B headwind
- FCF up $50M*

FCF (free cash flow) = operating cash flow less capital expenditures.
*FY17 non-GAAP EPS and margin figures exclude acquisition-related charges. For non-GAAP reconciliations reference other quarterly earnings materials and the Harris investor relations website.
1Q18 EPS bridge

For non-GAAP reconciliations reference other quarterly earnings materials and the Harris investor relations website.
• Revenue down 5%
  – Tactical Comms revenue down 5%
  – DoD down slightly due to lower Airborne radios
  – Int'l down mid-single digits, Middle East and Africa growth offset by lower Central Asia and CALA
  – Public Safety and Night Vision both down mid-single digits

• Operating income flat; margin expanded 140 bps
  – Lower costs and operational efficiencies

• B:B > 2
  – Driven by Australia, solid Europe and Middle East bookings and strong DoD base-business demand
Electronic Systems

- Revenue up 1%; despite $21M ADS-B impact
  - Solid Avionics growth – F-35, F-22, F/A-18
  - UAE battle management system ramp
  - EW remained strong

- Operating income down 2%; margin contracted 50 bps
  - $14M ADS-B headwind
  - Continued operational excellence and strong program performance

- B:B of 1.5
  - Driven by EW and Avionics B:B > 2
Space & Intelligence Systems

Revenue

- Revenue up 3%
  - Classified up 8%; continued strong demand, including Space Superiority
  - Environmental programs down double digits as expected

Operating income and margin

- Operating income up 10%; margin expanded 130 bps
  - Strong program performance
  - Higher pension income

- B:B of 1.4 with wins across the segment
## FY18 Guidance Summary – reiterated

### Total Harris

<table>
<thead>
<tr>
<th>Revenue</th>
<th>$6.02 - 6.14B</th>
</tr>
</thead>
<tbody>
<tr>
<td>up 2 - 4%</td>
<td></td>
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</table>

| Operating Margin | 19.0 - 19.5% |

<table>
<thead>
<tr>
<th>EPS</th>
<th>$5.85 - $6.05</th>
</tr>
</thead>
<tbody>
<tr>
<td>up 6 - 9%*</td>
<td></td>
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| FCF         | $850 - 900M    |

### By Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Revenue</th>
<th>Operating Margin</th>
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<tbody>
<tr>
<td>CS</td>
<td>$1.81 - 1.84B</td>
<td>29.5 - 30.5%</td>
</tr>
<tr>
<td></td>
<td>up 3 - 5%</td>
<td></td>
</tr>
</tbody>
</table>

| ES       | $2.32 - 2.36B | 19.0 - 20.0%     |
|          | up 3 - 5%     |                  |

| S&IS     | $1.90 - 1.92B | 16.5 - 17.5%     |
|          | flat to up 1% |                  |

*EPS growth based on FY17 non-GAAP EPS of $5.53. For non-GAAP reconciliations reference other quarterly earnings materials and the Harris investor relations website.
### Other information (with FY17 and 1Q18 results comparison)

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>1Q18</th>
<th>Reiterated FY18</th>
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<tbody>
<tr>
<td>Amortization of Exelis acquisition intangibles</td>
<td>$110</td>
<td>$25</td>
<td>~$103</td>
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<tr>
<td>CHQ costs</td>
<td>$56</td>
<td>$16</td>
<td>$55 - 60</td>
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<tr>
<td>FAS Pension expense/(income)*</td>
<td>($90)</td>
<td>($30)</td>
<td>~($120)</td>
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<tr>
<td>Net capital expenditures</td>
<td>$119</td>
<td>$23</td>
<td>~$130</td>
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<tr>
<td>Net interest expense</td>
<td>$170</td>
<td>$41</td>
<td>~$162</td>
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<tr>
<td>Effective tax rate</td>
<td>29.5%</td>
<td>27.7%</td>
<td>~28.5%</td>
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<tr>
<td>Average diluted shares outstanding (million shares)</td>
<td>124.3</td>
<td>121.2</td>
<td>~121</td>
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<tr>
<td>Share repurchases</td>
<td>$710</td>
<td>$75</td>
<td>~$150</td>
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<tr>
<td>Debt payments</td>
<td>$575</td>
<td>$33</td>
<td>~$550</td>
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* Amounts reflect FAS pension income adjusted for benefit harmonization costs

For non-GAAP reconciliations reference other quarterly earnings materials and the Harris investor relations website.
### Supplemental information - tactical communications history

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<tr>
<th>($)million</th>
<th>4Q15</th>
<th>1Q16</th>
<th>2Q16</th>
<th>3Q16</th>
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<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18 YTD</th>
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<tr>
<td>Orders</td>
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<td>238</td>
<td>290</td>
<td>237</td>
<td>369</td>
<td>301</td>
<td>279</td>
<td>293</td>
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<td>1,169</td>
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<td>Sales</td>
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<td>1,297</td>
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<td>Ending Backlog</td>
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<td>665</td>
<td>556</td>
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<td>472</td>
<td>530</td>
<td>555</td>
<td>507</td>
<td>494</td>
<td>879</td>
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<td>472</td>
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