FISCAL 2017 FOURTH QUARTER EARNINGS CALL PRESENTATION
Forward-looking statements

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Inflecting to top-line growth

4Q17
- EPS $1.49 – up 15% with margin expansion of 60bps
- **Revenue up 0.6%**; double-digit revenue growth for legacy HRS tactical; B:B of 1.02
- Strong FCF* of $440M
- Completed sale of IT services

FY17
- EPS $5.53 – up 8%; revenue of $5.90B – down 0.5% organically**; B:B of 1.02
- Completed Exelis integration – $145M in annual net run-rate savings
- Generated $1.9B cash – >$1B net divestitures proceeds and record **$850M FCF***
- Returned ~$900M to shareholders; repaid $575M debt; pre-funded pension $400M

Growth outlook
- Initiating FY18 guidance: EPS $5.85-$6.05; revenue up 2-4%; FCF of $850-900M
- FY18 **revenue growth in all segments**: CS up 3-5%; ES up 3-5%; SIS flat to up 1%
- Overall revenue growth accelerating to mid-single digits in medium term

Note: 4Q17, FY17 EPS and margin amounts are non-GAAP and exclude integration and other items. For non-GAAP reconciliations reference other quarterly earnings materials and the Harris investor relations website.
* FCF (free cash flow) = 4Q17 and FY17 operational cash flow less capital expenditures and excludes $400M voluntary pension contribution in 4Q17.
** FY16 results adjusted for $60M of revenue attributable to Aerostructures divested in 4Q16. Reference slide 7.
Solid 4Q and FY17 results…

($million, except per share amounts)

**EPS**

<table>
<thead>
<tr>
<th></th>
<th>GAAP</th>
<th>Non-GAAP</th>
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<tbody>
<tr>
<td>4Q16</td>
<td>1.13</td>
<td>1.30</td>
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<tr>
<td>4Q17</td>
<td>1.35</td>
<td>1.49</td>
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- Strong 4Q FCF of $440M*; record FY17 FCF of $850M*
- 4Q non-GAAP EPS up 15% to $1.49; up 8% to $5.53 for FY17

**Revenue**

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<tr>
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<th>Non-GAAP</th>
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<tr>
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<td>1,533</td>
<td>1,542</td>
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<tr>
<td>4Q17</td>
<td>1,542</td>
<td>1,542</td>
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- Return to growth in 4Q with revenue up 0.6%; FY17 organic revenue** down 0.5%
- 4Q non-GAAP margin expansion of 60bps; 50bps in FY17 despite lower revenue

**Operating income and margin**

<table>
<thead>
<tr>
<th></th>
<th>GAAP</th>
<th>Non-GAAP</th>
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</thead>
<tbody>
<tr>
<td>4Q16</td>
<td>250</td>
<td>284</td>
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<tr>
<td>4Q17</td>
<td>275</td>
<td>295</td>
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- Key FY17 contract wins: SOCOM manpack, UAE battle management system, classified space adjacencies, incremental F-35 content
- 4Q and FY17 B:B > 1 supporting future growth

* FCF (free cash flow) = operational cash flow less capital expenditures and excludes $400M voluntary pension contribution in 4Q17.

** FY16 results adjusted for $60M of revenue attributable to Aerostructures divested in 4Q16. Reference slide 7.
For non-GAAP reconciliations reference other quarterly earnings materials and the Harris investor relations website.
Rebalance, focus on high-margin portfolio

- Completed CapRock and IT services divestitures
- Simplified operating model to focus on technology-differentiated, high-margin businesses

Execute Exelis integration and continue driving strong operational excellence

- Completed integration
- Exited FY17 with $145M run-rate savings – higher and faster than expected

Invest in differentiated technology to position for growth

- Invested 5% of revenue in internal research and development
- Launched new radios, developed small form-factor EW platform, deployed advanced sensors and enabled key wins - SOCOM, F-35, classified space

Generate strong free cash flow with balanced capital deployment

- Generated record $850M FCF*
- Executed $700M share repurchase program and paid $260M in dividends; repaid $575M debt; pre-funded pension $400M - unfunded pension liability reduced by 40% to $1.3B

* FCF (free cash flow) = operational cash flow less capital expenditures and excludes $400M voluntary pension contribution in 4Q17. For non-GAAP reconciliations reference other quarterly earnings materials and the Harris investor relations website.
- 4Q revenue up 3%; FY17 down 6% vs. prior expectation of down ~7%  
  - Tactical Comms 4Q revenue up 8%; HRS legacy up 28%  
    - Int’l up 37% with continued strength in Europe, positive signs in Asia/ME  
    - DoD up 8%; increased procurement post GFY17 budget approval  
    - Public Safety 4Q revenue down 8%  
- 4Q operating income up 22% on higher volume and lower costs; FY17 margins up 80bps  
  - 6-year, $255M IDIQ from Special Operations Command to provide next-gen 2-channel manpack radios  
  - 5-year, $75M public safety contract to upgrade legacy analog system to P25 digital network for a major utility  
- Continued momentum in early 1Q18  
  - Received letter of intent for ~$260M order for Australian Phase 3 modernization  
  - $461M IDIQ from U.S. Army to upgrade LMR networks  

For non-GAAP reconciliations reference other quarterly earnings materials and the Harris investor relations website.
• 4Q revenue up 4%; FY17 up 4% driven by EW, avionics, integrated battle management system

• 4Q operating income down 15% reflecting ADS-B transition; FY17 up 5% with margins up 30bps

• FY17 B:B > 1; strong 4Q wins in avionics
  - Selected to upgrade avionics on F-35
  - 3-year, $30M for ejector racks on U.S. Navy F/A-18s
  - 2-year, $10M for release systems development on Korean Next-Gen Indigenous Fighter with future production potential

• Other notable 4Q wins
  - Selected to provide phased array antennas for C-130J EW systems
  - 3-year, $64M for production and engineering services on Army’s MET program
  - 8-year, $36M air traffic management contract to implement surveillance & broadcast at 7 airports

* FY16 results adjusted to exclude $60M of revenue (quarterly revenue of $19M, $18M, $21M, $2M, respectively) attributable to Aerostructures divested in 4Q16. For non-GAAP reconciliations reference other quarterly earnings materials and the Harris investor relations website.
• 4Q revenue down 4%; FY17 ~flat as expected with higher classified revenue offset by lower revenue from environmental programs

• 4Q operating margin up 70bps; FY17 operating income up 8% with margins expanding 120bps – reflecting solid program execution, operational excellence and higher pension income

• 4Q and FY17 B:B slightly less than 1; >1 for classified programs

• 4Q orders and contracts
  - Continued classified orders strength including $63M under SENSOR program
  - Additional $32M GOES-R contract to support instrument modification and enhancements
  - $51M production order for navigation payloads for GPS III space vehicles 9/10

• Delivered advanced digital weather satellite instrument to Korea Aerospace Research Institute
FY18 strategic focus

1. Grow revenue…all 3 segments
2. Drive flawless execution while maintaining margins through operational excellence
3. Maximize cash flow with balanced capital deployment
### FY18 guidance summary

#### Total Harris

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Operating Margin</th>
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<tr>
<td>$6.02 - 6.14B</td>
<td>19.0 - 19.5%</td>
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<tr>
<td>up 2 - 4%</td>
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#### By Segment

<table>
<thead>
<tr>
<th>CS</th>
<th>Revenue</th>
<th>Operating margin</th>
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<tbody>
<tr>
<td></td>
<td>$1.81 - 1.84B</td>
<td>29.5 - 30.5%</td>
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<td>up 3 - 5%</td>
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<table>
<thead>
<tr>
<th>ES</th>
<th>Revenue</th>
<th>Operating margin</th>
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<tbody>
<tr>
<td></td>
<td>$2.32 - 2.36B</td>
<td>19.0 - 20.0%</td>
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<td></td>
<td>up 3 - 5%</td>
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<table>
<thead>
<tr>
<th>S&amp;IS</th>
<th>Revenue</th>
<th>Operating margin</th>
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<tr>
<td></td>
<td>$1.90 - 1.92B</td>
<td>16.5 - 17.5%</td>
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<tr>
<td></td>
<td>flat to up 1%</td>
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- 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.
### FY18 EPS Bridge

<table>
<thead>
<tr>
<th>FY18</th>
<th>FY17</th>
<th>ADS-B Transition (build-out to sustainment)</th>
<th>Shares</th>
<th>Interest/Amort.</th>
<th>Segments</th>
<th>$5.85 - $6.05</th>
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<tbody>
<tr>
<td><em>$5.53</em></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>$0.22</td>
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<td>$0.17</td>
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<tr>
<td>$0.07</td>
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</table>
| DoD tactical, Avionics, EW, Battlefield mgmt., Classified space
  - Environmental
  - Mix
  - Pension income
  - Integration savings | | | | | | |
| FY17 repurchases | FY18 expected repurchases ($150M) | Net interest | Exelis amortization | | | |

Range: $0.30 - $0.50

For non-GAAP reconciliations reference other quarterly earnings materials and the Harris investor relations website.
Path to accelerating growth

### Communication Systems
- **FY18**: up 3 - 5%
- **Medium term**
- **FY18 and medium term drivers**
  - Near term stability, ME recovery, modernizations (Australia, U.K.)
  - Army and SOCOM modernization programs continue to ramp
  - Product launches; new customers
  - Regain DoD share; new products; leverage int’l tactical channel

- **Tactical Comm.**
  - International
  - DoD

- **Public Safety**
- **Night Vision**

### Electronic Systems
- **FY18**: up 3 - 5%
- **Medium term**
- **FY18 and medium term drivers**
  - Stable FAA budget; international air traffic management demand
  - International and domestic upgrades on legacy platforms
  - UAE battlefield management system, future regional expansion
  - F-35 ramp and new content wins; new platforms, upgrade legacy

- **Mission Networks**
  - (incl. air traffic mgmt.)
- **Electronic Warfare**
- **C4ISR/Battle Mgmt.**
  - (incl. Wireless products)
- **Avionics**

### Space & Intelligence Systems
- **FY18**: flat - up 1%
- **Medium term**
- **FY18 and medium term drivers**
  - Continued classified budget support; expansion into adjacencies, strong space superiority budget priority
  - Short term budget pressures and program transitions
  - Space recapitalization

- **Classified**
- **Civil**
  - (incl. Environmental, GPS)
- **Commercial**

### Financial Figures
- **Communication Systems**: $1.75B
- **Electronic Systems**: $2.25B
- **Space & Intelligence Systems**: $1.90B
## Supplemental information

<table>
<thead>
<tr>
<th>($million except noted)</th>
<th>FY17</th>
<th>FY18</th>
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<tbody>
<tr>
<td>Exelis synergy savings</td>
<td>$136</td>
<td>$145</td>
</tr>
<tr>
<td>Amortization of Exelis acquisition intangibles</td>
<td>$110</td>
<td>~$103</td>
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<tr>
<td>Non-GAAP CHQ costs</td>
<td>$56</td>
<td>$55 - 60</td>
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<tr>
<td>Pension FAS expense/(income)**</td>
<td>($90)</td>
<td>~($120)</td>
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<tr>
<td>Net capital expenditures</td>
<td>$119</td>
<td>~$130</td>
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<tr>
<td>Net interest expense</td>
<td>$170</td>
<td>~$162</td>
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<tr>
<td>Effective GAAP tax rate</td>
<td>29.5%</td>
<td>~28.5%</td>
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<tr>
<td>Effective non-GAAP tax rate</td>
<td>28.5%</td>
<td>~28.5%</td>
</tr>
<tr>
<td>Average diluted shares outstanding (million shares)</td>
<td>124.3</td>
<td>~121</td>
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<tr>
<td>Pension cash contribution</td>
<td>$189*</td>
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For non-GAAP reconciliations reference other quarterly earnings materials and the Harris investor relations website.

* Excludes $400M voluntary pension contribution made in 4Q17.

** Amounts reflect FAS pension income adjusted for benefit harmonization costs.
### Supplemental information – tactical history

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