



***Fiscal 2013 First Quarter  
Earnings Call Presentation***

# Forward-looking statements



Statements in this presentation that are not historical facts are forward-looking statements that reflect management's current expectations, assumptions, and estimates of future performance and economic conditions. Such statements are made in reliance upon the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements in this presentation include but are not limited to: earnings, revenue, operating margin, and other guidance for fiscal 2013; potential contract opportunities and awards; the potential value of contract awards; statements regarding outlook, including expected revenue, orders, cash flow, and cost reductions; and plans to divest Broadcast Communications. The company cautions investors that any forward-looking statements are subject to risks and uncertainties that may cause actual results and future trends to differ materially from those matters expressed in or implied by such forward-looking statements. The company's consolidated results and the forward-looking statements could be affected by many factors, including but not limited to: the loss of our relationship with the U.S. government or a shift in U.S. government funding; potential changes in U.S. government or customer priorities and requirements (including potential deferrals of awards, terminations, reductions of expenditures, changes to respond to the priorities of Congress and the Administration, budgetary constraints, debt ceiling implications, sequestration, and cost-cutting initiatives); risks inherent with large long-term fixed-price contracts, particularly the ability to contain cost overruns; the potential impact of a security breach, through cyber attack or otherwise, or other significant disruptions of our IT networks and systems or those we operate for customers; financial and government and regulatory risks relating to international sales and operations; the continued effects of the general downturn and weakness in the global economy and U.S. government's budget deficits and national debt and potential sequestration; our ability to continue to develop new products that achieve market acceptance; the consequences of future geo-political events; strategic acquisitions and the risks and uncertainties related thereto, including our ability to manage and integrate acquired businesses; performance of our subcontractors and suppliers; potential claims that we are infringing the intellectual property rights of third parties; the successful resolution of patent infringement claims and the ultimate outcome of other contingencies, litigation and legal matters; risks inherent in developing new technologies; changes in our effective tax rate; the potential impact of natural disasters or other disruptions on our operations; the potential impact of changes in the regulatory framework that applies to, or of satellite bandwidth constraints on, our managed satellite and terrestrial communications solutions; the timing and impact of anticipated dispositions of the company's Cyber Integrated Solutions operation and Broadcast Communications business; the timing and amount of anticipated gains, losses, impairments and charges related to such dispositions; and changes in future business or other market conditions that could cause business investments and/or recorded goodwill or other long-term assets to become impaired. Further information relating to factors that may impact the company's results and forward-looking statements are disclosed in the company's filings with the SEC. The forward-looking statements contained in this presentation are made as of the date of this presentation, and the company disclaims any intention or obligation, other than imposed by law, to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

- Revenue down 6 % ... EPS flat at \$1.14
- Operating margin essentially flat with prior year ... on track to achieve productivity target of \$75M in fiscal 2013
- Investing for the future – company funded R&D up 4%, RF Communications up 6%
- Significant improvement in Healthcare Solutions – loss of \$6M in prior year reduced to \$3M
- Significant multi-year contract wins ... orders exceeded revenue
- Increased dividend 12% – second increase this calendar year
- JTRS HMS manpack program officially open to competition in GFY 13

Reference non-GAAP reconciliation on the Harris investor relations website.

# 1Q fiscal 2013 financial results



(\$million) except per share amounts	<u>1Q 2012</u>	<u>1Q 2013</u>
<b>Orders</b>	\$ 1,477	\$ 1,380
<i>% increase</i>		(7)%
<b>Revenue</b>	1,336	1,262
<i>% increase</i>		(6)%
<b>Income from continuing operations</b>	131	129
<b>Non-GAAP income from continuing operations</b>	138	129
<i>% increase</i>		(7)%
<b>Operating margin</b>	16.4%	17.0%
<b>Non-GAAP operating margin</b>	17.1%	17.0%
<b>Earnings per share from continuing operations</b>	1.09	1.14
<b>Non-GAAP earnings per share from continuing operations</b>	1.14	1.14
<i>% increase</i>		0%

Reference non-GAAP reconciliation on the Harris investor relations website.

(\$million)	1Q 2012	1Q 2013
<b>Orders</b>	\$ 514	\$ 363
Tactical Communications	398	254
Public Safety and Professional Communications	116	109
<b>Revenue</b>	497	445
Tactical Communications	373	307
Public Safety and Professional Communications	124	138
<b>Operating income</b>	154	134
<i>Operating margin</i>	31.0%	30.2%

- **Segment revenue down 11% – Tactical down 18% and Public Safety up 12%**
- **U.S. market transitioning to multi-billion dollar modernization**
- **Cost reductions preserving margins in face of steep revenue decline**
- **Slight operating margin decline due to shift in business mix related to strong Public Safety revenue growth – margin at Tactical held at prior year level while Public Safety increased**

(\$million)	1Q 2012		1Q 2013	
<b>Revenue</b>	\$	419	\$	376
<i>% increase</i>				<i>(10)%</i>
<b>Operating income</b>		22		32
<b>Non-GAAP operating income</b>		31		32
<i>Non-GAAP operating margin</i>		7.5%		8.6%

Reference non-GAAP reconciliation on the Harris investor relations website.

- **Revenue down 10%**
- **Improved operating performance in CapRock and Healthcare**
- **Operating margin up overall and in each business**
- **Key contract awards in Healthcare Solutions ... expanding presence with the VA**

(\$million)	1Q 2012	1Q 2013
<b>Revenue</b>	\$ 444	\$ 465
<i>% increase</i>		5%
<b>Operating income</b>	63	67
<i>Operating margin</i>	14.2%	14.4%

- **Revenue up 5% ... continued excellent operating performance resulting from strong execution**
- **Significant contract wins in tough government spending environment**
- **3 significant wins making Harris major player in FAA's NextGen initiative**
- **Outstanding 87% win-rate in the quarter**

# 1Q fiscal 2013 financial highlights



(\$million)	<u>1Q 2012 *</u>	<u>1Q 2013</u>
Cash and cash equivalents	\$ 305	\$ 327
Depreciation and amortization	63	55
Capital expenditures	82	44
Cash flow from operations	79	121
Free cash flow	(3)	77
Effective tax rate	31.8%	31.6%

\* Non-GAAP (reference non-GAAP reconciliation on the Harris investor relations website)



Segment guidance	Revenue		EPS and op margin	
	FY12	FY13	FY12*	FY13
Harris Corporation	\$ 5.45B	0 – 2% growth	\$ 5.20	\$ 5.10 – 5.30
RF Communications	2.14B	3 – 4% lower	32.8%	30% – 31%
Integrated Network Solutions	1.57B	4 – 5% growth	8.2%	8% – 11%
Government Communications Systems	1.83B	2 – 3% growth	14.0%	~14%
<b>Other guidance</b> (\$million)			<b>FY12*</b>	<b>FY13</b>
Cash flow from operations			\$ 853	\$ 825 – 875
Depreciation and amortization			260	255 – 265
Capital expenditures			234	210 – 230
Free cash flow			619	595 – 665
Tax rate			33%	~33%

\* non-GAAP (reference non-GAAP reconciliation on the Harris investor relations website)