



## Reconciliation of Non-GAAP Financial Measures and Regulation G Disclosures

To supplement our condensed consolidated financial statements presented in accordance with accounting principles generally accepted in the United States (GAAP), we provide additional measures of segments' operating income (loss), non-operating income (loss); cost of product sales and services; engineering, selling and administrative expenses; income before income taxes and minority interest; income taxes; minority interest; net income, and net income per diluted share adjusted to exclude certain costs, 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:

**Reconciliation of Non-GAAP Financial Measures  
Mr. Lance's Presentation – page 7 and Mr. McArthur's  
Presentation – pages 2 and 3**



**Revenue Growth**

(\$ in millions)

	<u>FY '05</u>	<u>FY '06</u>	<u>FY '07</u>	<u>FY '08</u>	<u>FY '09P</u>
Harris Revenue - current fiscal year as reported	\$ 3,000.6	\$ 3,474.8	\$ 4,243.0	\$ 5,311.0	
Less Harris Stratex Revenue, adjusted for eliminations	<u>(316.7)</u>	<u>(341.5)</u>	<u>(505.1)</u>	<u>(714.9)</u>	
Revenue, excluding Harris Stratex Networks	\$ 2,683.9	\$ 3,133.3	\$ 3,737.9	\$ 4,596.1	~\$4.9B
<i>growth</i>		16.7%	19.3%	23.0%	~7%
				<i>FY '05 - FY '08 CAGR:</i>	20%
				<i>FY '06 - FY '09 CAGR:</i>	16%
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Revenue, excluding Harris Stratex Networks		\$ 3,133.3			
Pro forma adjustments, excluding Harris Stratex Networks		<u>392.4</u>	(1)		
Prior year adjusted for impact of acquisitions		\$ 3,525.7			~\$4.9B
<i>organic growth</i>				<i>FY '06 - FY '09 CAGR:</i>	12%

(1) Adjustments to add revenue of Encoda, Leitch, OSi, Aastra, Multimax and Zandar, offset by our revenue from our Radio Resale business exited in Q4 of FY '07.

# Reconciliation of Non-GAAP Financial Measures

## Mr. McArthur's Presentation – pages 2, 3 and 9



### Operating Margin Expansion

(\$ in millions)

	FY '05	FY '06	FY '07	FY '08	LTM 4/3/09	FY '09P
Harris revenue - current fiscal year as reported	\$ 3,000.6	\$ 3,474.8	\$ 4,243.0	\$ 5,311.0	\$ 5,686.0	
Less Harris Stratex revenue, adjusted for eliminations	(316.7)	(341.5)	(505.1)	(714.9)	(728.2)	
Revenue, excluding Harris Stratex Networks	\$ 2,683.9	\$ 3,133.3	\$ 3,737.9	\$ 4,596.1	\$ 4,957.8	~\$4.9B
GAAP operating income - Harris	\$ 321.2	\$ 406.7	\$ 704.6	\$ 675.5	\$ 465.9	
Less GAAP operating income - Harris Stratex Networks	(1.6)	32.0	(143.2)	28.5	353.6	
GAAP operating income, excluding Harris Stratex Networks	\$ 319.6	\$ 438.7	\$ 561.4	\$ 704.0	\$ 819.5	~\$803M
Non-GAAP adjustments, excluding Harris Stratex Networks	8.6 (1)	36.9 (2)	26.4 (3)	3.7 (4)	0.5 (4)	~\$10M (5)
Non-GAAP operating income, excluding Harris Stratex Networks	\$ 328.2	\$ 475.6	\$ 587.8	\$ 707.7	\$ 820.0	~\$813M
Non-GAAP operating margin, excluding Harris Stratex Networks	12.2%	15.2%	15.7%	15.4%	16.5%	16.5%

(1) Adjustments relate to costs associated with our acquisition of Encoda.

(2) Adjustments relate to costs associated with our acquisition of Leitch and the impact of cost-reduction actions in our Broadcast Communications segment.

(3) Adjustments relate to the impact of cost-reduction actions in our Broadcast Communications segment and a charge resulting from a decision to discontinue a software development effort in our Broadcast Communications segment.

(4) Adjustments relate to costs associated with our acquisitions of Multimax and Zandar.

(5) Adjustments relate to estimated costs associated with our acquisition of Tyco Wireless Systems.

# Reconciliation of Non-GAAP Financial Measures

## Mr. McArthur's Presentation – pages 2 and 7



### Cash, cash equivalents and marketable equity securities - excluding Harris Stratex Networks

(\$ in millions)

	April 3, 2009
Cash, cash equivalents and marketable equity securities	<u>\$ 455.4</u>
Less Harris Stratex Networks	115.6
Cash, cash equivalents and marketable equity securities - excluding Harris Stratex Networks	<u>\$ 339.8</u>

## Total Debt to Total Capital

(\$ in millions)

	FY '06	LTM 4/3/09	(1) FY '09P
Short-term debt	\$ 0.2	\$ 18.4	\$ 0.1
Current portion of long-term debt	1.4	0.8	0.7
Long-term debt	699.5	827.5	1,327.5 (2)
Harris total debt	701.1	846.7	1,328.3
Less Harris Stratex Networks debt	0.2	18.3	
Total debt - excluding Harris Stratex Networks (A)	700.9	828.4	1,328.3
Shareholders' equity	1,662.1	2,179.3	2,034.7
Debt plus shareholders' equity (total capital) (B)	\$ 2,363.0	\$ 3,007.7	\$ 3,363.0
Total debt to total capital (A)/(B)	29.7%	27.5%	39.5%

(1) Amounts at end of FY '09 exclude Harris Stratex Networks.

(2) Assumes the Tyco Wireless Systems and Crucial Security acquisitions are financed with \$500 million of debt and ~ \$200 million of cash on hand.

# Reconciliation of Non-GAAP Financial Measures

## Mr. McArthur's Presentation – pages 7, 8, 9 and 11



### Cash Flow

(\$ in millions)

	<u>FY '06</u>	<u>FY '07</u>	<u>FY '08</u>	<u>FY '09P</u>	<u>Guidance FY '10</u>
Operating cash flow	\$ 334.2	\$ 438.6	\$ 556.0	\$575 - \$625	\$525 - \$575
Less capital expenditures	<u>(146.4)</u>	<u>(129.1)</u>	<u>(146.2)</u>	<u>\$140 - \$150</u>	<u>\$150 - \$160</u>
Free cash flow (A)	\$ 187.8	\$ 309.5	\$ 409.8	\$425 - \$485	\$365 - \$425
GAAP net income	\$ 237.9	\$ 480.4	\$ 444.2		\$404 - \$443
Less Harris Stratex Networks GAAP net income (loss)	<u>(32.7)</u>	<u>133.2</u>	<u>(9.3)</u>		
GAAP net income - excluding Harris Stratex Networks	\$ 270.6	\$ 347.2	\$ 453.5	\$ 516.4	
Non-GAAP adjustments - excluding Harris Stratex Networks	<u>30.2</u> (1)	<u>31.1</u> (2)	<u>3.0</u> (3)	<u>6.7</u> (4)	
Non-GAAP net income (B)	\$ 300.8	\$ 378.3	\$ 456.5	\$ 523.1	\$404 - \$443
Debt at end of period - excluding Harris Stratex Networks (C)				\$ 1,328.3	
Free cash flow / net income (A) / (B)	62%	82%	90%	81% - 93%	82% - 105%
Free cash flow / debt (A) / (C)				34.3% (5)	

(1) Adjustments relate to costs associated with our acquisition of Leitch and the impact of cost-reduction actions in our Broadcast Communications segment.

(2) Adjustments relate to the impact of cost-reduction actions in our Broadcast Communications segment, a charge resulting from a decision to discontinue a software development effort in our Broadcast Communications segment, and impairment to our investment in Terion.

(3) Adjustments relate to costs associated with our acquisitions of Multimax and Zandar.

(4) Adjustments relate to costs associated with our acquisition of Tyco Electronics Wireless Systems.

(5) Using mid-point of free cash flow range.

## Return on Average Assets

(\$ in millions)

	FY '06	LTM 4/3/09	FY '09P
GAAP net income (1)	\$ 237.9	\$ 316.0	
Harris Stratex Networks GAAP net loss	32.7	214.4	
GAAP net income - excluding Harris Stratex Networks (2)	270.6	530.4	\$ 516.4
Non-GAAP adjustments after taxes (2)	30.2 (3)	0.3 (4)	6.7 (5)
Non-GAAP net income (2) (A)	300.8	\$ 530.7	\$ 523.1
Beginning total assets	\$ 2,457.4	\$ 4,525.3	\$ 4,627.5
Ending total assets	3,142.3	4,332.0	4,566.9
Average total assets (B)	\$ 2,799.9	\$ 4,428.7	\$ 4,597.2
Return on average assets (A)/(B)	10.7%	12.0%	11.4%

- (1) Revenue less Cost of product sales and services and less Engineering, sales and administrative expenses.
- (2) Excluding Harris Stratex Networks.
- (3) Adjustments relate to costs associated with our acquisition of Leitch and the impact of cost-reduction actions in our Broadcast Communications segment.
- (4) Adjustments relate to costs associated with our acquisitions of Multimax and Zandar.
- (5) Adjustments relate to estimated costs associated with our acquisition of Tyco Wireless Systems.

# Reconciliation of Non-GAAP Financial Measures

## Mr. McArthur's Presentation – pages 9 and 11



### Return on Invested Capital

(\$ in millions)

	FY '05	FY '06	3/28/08	LTM 4/3/09	FY '08	FY '09P
GAAP operating Income (1)		\$ 406.7		\$ 465.9		
Harris Stratex Networks GAAP operating loss		32.0		353.6		
GAAP operating income - excluding Harris Stratex Networks		438.7		819.5		\$ 803.0
Non-GAAP adjustments (2)		36.9 (3)		0.5 (4)		10.0 (5)
Non-GAAP operating income (2)		475.6		820.0		813.0
Taxes (33.2% for FY06; 31.4% for LTM 4/3/09 and FY '09P)		(157.9)		(257.1)		(255.3)
Non-GAAP operating income after-tax (2) (A)		\$ 317.7		\$ 562.9		\$ 557.7
Shareholders' equity	\$ 1,439.1	\$ 1,662.1	2,182.4	\$ 2,179.3	2,274.0	\$ 2,034.7
Debt (2)	404.6	700.9	874.5	828.4	828.9	1,328.3
Cash, cash equivalents and short-term investments (2)	(369.8)	(280.1)	(194.9)	(336.4)	(274.5)	(173.6)
Ending invested capital	1,473.9	2,082.9	2,862.0	2,671.3	2,828.4	3,189.4
Beginning invested capital		1,473.9		2,862.0		2,828.4
Average Invested Capital (B)		\$ 1,778.4		\$ 2,766.7		\$ 3,008.9
Return on invested capital (A)/(B)		17.9%		20.3%		18.5%

(1) Revenue less Cost of product sales and services and less Engineering, sales and administrative expenses.

(2) Excluding Harris Stratex Networks.

(3) Adjustments relate to costs associated with our acquisition of Leitch and the impact of cost-reduction actions in our Broadcast Communications segment.

(4) Adjustments relate to costs associated with our acquisitions of Multimax and Zandar.

(5) Adjustments relate to estimated costs associated with our acquisition of Tyco Wireless Systems.

### Return on Equity

(\$ in millions)	FY '06	LTM 4/3/09	FY '09P
GAAP net income (1)	\$ 237.9	\$ 316.0	
Harris Stratex Networks GAAP net loss	32.7	214.4	
GAAP net income - excluding Harris Stratex Networks (2)	270.6	530.4	\$ 516.4
Non-GAAP adjustments after taxes (2)	30.2 (3)	0.3 (4)	6.7 (5)
Non-GAAP net income (2) (A)	300.8	\$ 530.7	\$ 523.1
Beginning shareholders' equity	\$ 1,439.1	\$ 2,182.4	\$ 2,274.0
Ending shareholders' equity	1,662.1	2,179.3	2,034.7
Average shareholders' equity (B)	\$ 1,550.6	\$ 2,180.9	\$ 2,154.4
Return on invested capital (A)/(B)	19.4%	24.3%	24.3%

(1) Revenue less Cost of product sales and services and less Engineering, sales and administrative expenses.

(2) Excluding Harris Stratex Networks.

(3) Adjustments relate to costs associated with our acquisition of Leitch and the impact of cost-reduction actions in our Broadcast Communications segment.

(4) Adjustments relate to costs associated with our acquisitions of Multimax and Zandar.

(5) Adjustments relate to estimated costs associated with our acquisition of Tyco Wireless Systems.

**Net Working Capital as a Percentage of Sales**

(\$ in millions)	FY '06	LTM 4/3/09	(1) FY '09P
Receivables	\$ 560.6	\$ 886.3	\$ 762.4
Inventories	468.9	660.7	686.6
Current other assets	67.3	72.8	55.8
Payables and accrued expenses	(548.9)	(794.4)	(783.1)
Advance payments	(129.3)	(170.5)	(130.0)
Net working capital - Harris	418.6	654.9	591.7
Less Harris Stratex Networks net working capital, adjusted for eliminations	127.6	132.2	
Ending net working capital - excluding Harris Stratex Networks	\$ 291.0	\$ 522.7	\$ 591.7
Harris Revenue - current fiscal year as reported	\$ 3,474.8	\$ 5,686.0	
Less Harris Stratex revenue, adjusted for eliminations	(341.5)	(728.2)	
Revenue - excluding Harris Stratex Networks (B)	\$ 3,133.3	\$ 4,957.8	~\$4.9B
Net working capital as a percentage of sales (A)/(B)	9.3%	10.5%	12.1%

(1) Amounts at end of FY '09 exclude Harris Stratex Networks.

**Debt / EBITDA**

(\$ in millions)	(1) FY '09P
Short-term debt	\$ 0.1
Current portion of long-term debt	0.7
Long-term debt	1,327.5 (2)
Total debt - excluding Harris Stratex Networks (A)	1,328.3
Earnings before income taxes	\$ 761.4
Net interest expense	48.6
Depreciation and amortization	144.7
EBITDA (B)	\$ 954.7
EBITDA / net interest expense (A)/(B)	1.4 times

(1) Forecast excludes Harris Stratex Networks.

(2) Assumes the Tyco Wireless Systems and Crucial Security acquisitions are financed with \$500 million of debt and ~ \$200 million of cash on hand.

**EBITDA / Net Interest Expense**

(\$ in millions)	(1) FY '09P
Earnings before income taxes	\$ 761.4
Net interest expense	48.6
Depreciation and amortization	144.7
EBITDA - excluding Harris Stratex Networks (A)	\$ 954.7
Net interest expense (B)	\$ 48.6
EBITDA / net interest expense (A)/(B)	19.6 times

(1) Forecast excludes Harris Stratex Networks.

# Reconciliation of Non-GAAP Financial Measures Mr. Lance's Presentation – pages 5 and 6



## Revenue - Latest 12 Months on a Pro forma Basis

(\$ in millions)

		LTM ended 4/3/09
GAAP revenue by segment as reported	(1)	\$ 4,957.8
Impact of Wireless Systems acquisition	(2)	467.0
Impact of Crucial Security acquisition	(3)	21.0
Pro forma revenue		<u>\$ 5,445.8</u>

(1) Excluding Harris Stratex Networks.

(2) Shown as RF Communications Public Safety in revenue mix.

(3) Included in Government Communications Systems National Programs in revenue mix.

# Reconciliation of Non-GAAP Financial Measures Mr. Lance's Presentation – pages 7, 21 and 24



## Earnings Per Share Trends Fiscal '06 to Fiscal '09

	<u>FY '06</u>	<u>FY '07</u>	<u>FY '08</u>	<u>FY '09P</u>
Income from continuing operations per diluted share:				
GAAP EPS - Harris	\$ 1.71	\$ 3.43	\$ 3.26	\$ 1.50
Less GAAP EPS - Harris Stratex Networks	<u>0.23</u>	<u>(0.94)</u>	<u>0.07</u>	<u>2.38</u>
GAAP EPS, excluding Harris Stratex Networks	\$ 1.94	\$ 2.49	\$ 3.33	\$ 3.88
Non-GAAP Adjustments, excluding Harris Stratex Networks	0.21 (1)	0.22 (2)	0.02 (3)	0.05 (4)
Non-GAAP EPS, excluding Harris Stratex Networks	<u>\$ 2.15</u>	<u>\$ 2.71</u>	<u>\$ 3.35</u>	<u>\$ 3.93</u>
Non-GAAP EPS Growth, excluding Harris Stratex Networks		26%	24%	17%
		<i>FY '06 - FY '09 CAGR:</i>		22%

- (1) Adjustments relate to costs associated with our acquisition of Leitch and the impact of cost-reduction actions in our Broadcast Communications segment.
- (2) Adjustments relate to the impact of cost-reduction actions in our Broadcast Communications segment, a charge resulting from a decision to discontinue a software development effort in our Broadcast Communications segment, and impairment to our investment in Terion.
- (3) Adjustments relate to costs associated with our acquisitions of Multimax and Zandar.
- (4) Adjustments relate to costs associated with our acquisition of Tyco Electronics Wireless Systems.

### International Revenue Growth

(\$ in millions)

	<u>FY '06</u>	<u>FY '07</u>	<u>FY '08</u>	<u>LTM 4/3/09</u>
International revenue	\$ 746.5	\$ 964.4	\$ 1,283.7	1,509.9
Less Harris Stratex Networks international revenue	<u>197.1</u>	<u>330.4</u>	<u>524.0</u>	<u>524.0</u>
International revenue - excluding Harris Stratex Networks	\$ 549.4	\$ 634.0	\$ 759.7	\$ 985.9
			<i>FY '06 - FY '09 CAGR:</i>	22%

## Engineering R&D Investments

(\$ in millions)

	<u>FY '04</u>	<u>FY '05</u>	<u>FY '06</u>	<u>FY '07</u>	<u>FY '08</u>
Internally funded R&D	\$ 111	\$ 146	\$ 198	\$ 235	\$ 275
Less Harris Stratex Networks portion	21	28	29	39	27
Internally funded R&D - excluding Harris Stratex Networks	\$ 90	\$ 118	\$ 169	\$ 196	\$ 248