

**Table 1**  
**HARRIS CORPORATION**  
**FY '14 Fourth Quarter Summary**  
**CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
**(Unaudited)**

	<u>Quarter Ended</u>		<u>Fiscal Year Ended</u>	
	<u>June 27, 2014</u>	<u>June 28, 2013</u>	<u>June 27, 2014</u>	<u>June 28, 2013</u>
	(In millions, except per share amounts)			
Revenue from product sales and services	\$ 1,329.4	\$ 1,359.6	\$ 5,012.0	\$ 5,111.7
Cost of product sales and services	(899.6)	(887.8)	(3,310.5)	(3,385.0)
Engineering, selling and administrative expenses	(203.9)	(300.7)	(819.6)	(914.5)
Non-operating income (loss)	(0.4)	(39.1)	4.3	(40.7)
Interest income	0.8	0.4	2.8	2.2
Interest expense	<u>(23.0)</u>	<u>(26.0)</u>	<u>(93.6)</u>	<u>(109.1)</u>
Income from continuing operations before income taxes	203.3	106.4	795.4	664.6
Income taxes	<u>(65.7)</u>	<u>(35.9)</u>	<u>(256.2)</u>	<u>(202.7)</u>
Income from continuing operations	137.6	70.5	539.2	461.9
Discontinued operations, net of income taxes	<u>(6.4)</u>	<u>(15.1)</u>	<u>(5.0)</u>	<u>(353.4)</u>
Net income	131.2	55.4	534.2	108.5
Noncontrolling interests, net of income taxes	0.2	0.1	0.6	4.5
Net income attributable to Harris Corporation	<u>\$ 131.4</u>	<u>\$ 55.5</u>	<u>\$ 534.8</u>	<u>\$ 113.0</u>
<b>Net income per common share attributable to</b>				
<b>Harris Corporation common shareholders</b>				
Basic				
Continuing operations	\$ 1.30	\$ 0.65	\$ 5.05	\$ 4.19
Discontinued operations	<u>(0.07)</u>	<u>(0.14)</u>	<u>(0.05)</u>	<u>(3.18)</u>
	<u>\$ 1.23</u>	<u>\$ 0.51</u>	<u>\$ 5.00</u>	<u>\$ 1.01</u>
Diluted				
Continuing operations	\$ 1.28	\$ 0.65	\$ 5.00	\$ 4.16
Discontinued operations	<u>(0.06)</u>	<u>(0.14)</u>	<u>(0.05)</u>	<u>(3.15)</u>
	<u>\$ 1.22</u>	<u>\$ 0.51</u>	<u>\$ 4.95</u>	<u>\$ 1.01</u>
Cash dividends paid per common share	\$ 0.42	\$ 0.37	\$ 1.68	\$ 1.48
Basic weighted average common shares outstanding	105.7	107.8	106.1	110.5
Diluted weighted average common shares outstanding	107.0	108.6	107.3	111.2

**Table 2**  
**HARRIS CORPORATION**  
**FY '14 Fourth Quarter Summary**  
**BUSINESS SEGMENT INFORMATION**  
**(Unaudited)**

	Quarter Ended		Fiscal Year Ended	
	June 27, 2014	June 28, 2013	June 27, 2014	June 28, 2013
	(In millions)			
<b>Revenue</b>				
RF Communications	\$ 493.2	\$ 500.6	\$ 1,828.0	\$ 1,849.0
Integrated Network Solutions	373.4	412.2	1,462.9	1,575.8
Government Communications Systems	480.0	470.5	1,801.2	1,783.8
Corporate eliminations	(17.2)	(23.7)	(80.1)	(96.9)
	\$ 1,329.4	\$ 1,359.6	\$ 5,012.0	\$ 5,111.7
<b>Income From Continuing Operations Before Income Taxes</b>				
<i>Segment Operating Income (Loss):</i>				
RF Communications	\$ 140.5	\$ 175.7	\$ 561.5	\$ 576.9
Integrated Network Solutions	32.6	(16.9)	116.4	79.8
Government Communications Systems	69.0	54.3	276.9	252.0
Unallocated corporate expense	(12.8)	(40.1)	(60.2)	(88.5)
Corporate eliminations	(3.4)	(1.9)	(12.7)	(8.0)
Non-operating income (loss)	(0.4)	(39.1)	4.3	(40.7)
Net interest expense	(22.2)	(25.6)	(90.8)	(106.9)
	\$ 203.3	\$ 106.4	\$ 795.4	\$ 664.6

**Table 3**  
**HARRIS CORPORATION**  
**FY '14 Fourth Quarter Summary**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(Unaudited)**

	<b>Fiscal Year Ended</b>	
	<b>June 27, 2014</b>	<b>June 28, 2013</b>
	(In millions)	
<b>Operating Activities</b>		
Net income	\$ 534.2	\$ 108.5
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	204.3	220.6
Share-based compensation	35.4	32.9
Non-current deferred income taxes	31.7	(49.6)
Gain on sale of securities available-for-sale	—	(9.0)
Loss on sale of discontinued operations	5.0	32.2
Impairment of assets of discontinued operations	—	330.9
Impairment of assets	—	47.9
Write-off of capitalized software	—	17.8
Loss on prepayment of long-term debt	—	33.2
(Increase) decrease in:		
Accounts and notes receivable	115.8	78.3
Inventories	50.1	(54.1)
Increase (decrease) in:		
Accounts payable and accrued expenses	(50.0)	(46.0)
Advance payments and unearned income	(42.0)	82.5
Income taxes	17.1	(3.1)
Other	(52.4)	10.0
Net cash provided by operating activities	<u>849.2</u>	<u>833.0</u>
<b>Investing Activities</b>		
Cash paid for intangible assets	(3.3)	—
Cash paid for cost-method investment	—	(0.8)
Additions of property, plant and equipment	(209.3)	(164.8)
Additions of capitalized software	—	(13.4)
Proceeds from sale of property, plant and equipment	8.0	—
Proceeds from sale of discontinued operations	42.0	147.4
Proceeds from sale of securities available-for-sale	—	11.9
Net cash used in investing activities	<u>(162.6)</u>	<u>(19.7)</u>
<b>Financing Activities</b>		
Proceeds from borrowings	34.2	18.2
Repayments of borrowings	(133.9)	(364.6)
Payment of contingent consideration	—	(11.6)
Proceeds from exercises of employee stock options	141.3	97.9
Repurchases of common stock	(309.4)	(414.9)
Cash dividends	(180.3)	(164.7)
Net cash used in financing activities	<u>(448.1)</u>	<u>(839.7)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>1.5</u>	<u>(8.6)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>240.0</b>	<b>(35.0)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>321.0</b>	<b>356.0</b>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 561.0</u></b>	<b><u>\$ 321.0</u></b>

**Table 4**  
**HARRIS CORPORATION**  
**FY '14 Fourth Quarter Summary**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
**(Unaudited)**

	<u>June 27,</u> <u>2014</u>	<u>June 28,</u> <u>2013</u>
(In millions)		
<b>Assets</b>		
Cash and cash equivalents	\$ 561.0	\$ 321.0
Receivables	566.1	696.8
Inventories	618.7	668.7
Income taxes receivable	28.1	36.2
Current deferred income taxes	112.2	121.2
Other current assets	105.2	77.2
Current assets of discontinued operations	—	27.0
Property, plant and equipment	728.1	653.2
Goodwill	1,711.2	1,692.0
Intangible assets	257.5	308.1
Non-current deferred income taxes	87.3	124.8
Other non-current assets	155.8	132.2
	<u>\$ 4,931.2</u>	<u>\$ 4,858.4</u>
<b>Liabilities and Equity</b>		
Short-term debt	\$ 58.3	\$ 144.6
Accounts payable	324.3	339.5
Compensation and benefits	212.8	234.3
Other accrued items	249.8	255.8
Advance payments and unearned income	265.9	308.0
Current deferred income taxes	2.1	1.8
Current portion of long-term debt	1.4	13.4
Long-term debt	1,575.8	1,577.1
Long-term contract liability	83.8	96.8
Other long-term liabilities	331.6	325.9
Equity	1,825.4	1,561.2
	<u>\$ 4,931.2</u>	<u>\$ 4,858.4</u>

**HARRIS CORPORATION**  
**FY '14 Fourth 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 segment operating income (loss); income from continuing operations attributable to Harris Corporation; income from continuing operations per diluted common share attributable to Harris Corporation common shareholders; and net cash provided by operating activities, adjusted to exclude or deduct certain costs, charges, expenses 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 '14 Fourth Quarter Summary**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**Income from Continuing Operations Attributable to Harris Corporation and**  
**Income from Continuing Operations per Diluted Common Share Attributable to Harris Corporation Common Shareholders**  
**(Unaudited)**

	Quarter Ended June 28, 2013		
	As Reported	Adjustment	Non-GAAP
	(In millions, except per share amounts)		
Income from continuing operations attributable to Harris Corporation (A)	\$ 70.6	\$ 83.0	\$ 153.6
Income from continuing operations per diluted common share attributable to Harris Corporation common shareholders (A)	\$ 0.65	\$ 0.76	\$ 1.41
	Fiscal Year Ended June 28, 2013		
	As Reported	Adjustment	Non-GAAP
	(In millions, except per share amounts)		
Income from continuing operations attributable to Harris Corporation (B)	\$ 466.4	\$ 83.0	\$ 549.4
Income from continuing operations per diluted common share attributable to Harris Corporation common shareholders (B)	\$ 4.16	\$ 0.74	\$ 4.90

**Table 6**  
**HARRIS CORPORATION**  
**FY '14 Fourth Quarter Summary**  
**Free Cash Flow Calculations**  
**(Unaudited)**

	Quarter Ended		Fiscal Year Ended	
	June 27, 2014	June 28, 2013	June 27, 2014	June 28, 2013
	(In millions)			
Net cash provided by operating activities	\$ 395.2	\$ 319.8	\$ 849.2	\$ 833.0
Less net capital expenditures (C)	(61.6)	(46.7)	(201.3)	(178.2)
Free cash flow (1)	\$ 333.6	\$ 273.1	\$ 647.9	\$ 654.8
GAAP income from continuing operations (2)			\$ 539.8	
Free cash flow / Income from continuing operations (1) / (2)				120.0%

**Table 7**  
**HARRIS CORPORATION**  
**FY '14 Fourth Quarter Summary**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**Segment Operating Income**  
**(Unaudited)**

	Quarter Ended June 28, 2013		
	As Reported	Adjustment (In millions)	Non-GAAP
<b>Segment Operating Income (Loss)</b>			
RF Communications (D)	\$ 175.7	\$ 9.2	\$ 184.9
Integrated Network Solutions (E)	(16.9)	52.5	35.6
Government Communications Systems (F)	54.3	10.5	64.8



**HARRIS CORPORATION**  
**FY '14 Fourth Quarter Summary**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**  
**(Unaudited)**

**Notes to tables 5 through 7:**

**Note A** – Adjustments for pre-tax charges of \$126.7 million (\$83.0 million after-tax or \$.76 per diluted share) for the quarter ended June 28, 2013 associated with company-wide restructuring and other actions, including prepayment of debt, asset impairments, a write-off of capitalized software, facility consolidation, workforce reductions, an exit of a product line and other associated costs.

**Note B** – Adjustments for pre-tax charges of \$126.7 million (\$83.0 million after-tax or \$.74 per diluted share) for the fiscal year ended June 28, 2013 associated with company-wide restructuring and other actions, including prepayment of debt, asset impairments, a write-off of capitalized software, facility consolidation, workforce reductions, an exit of a product line and other associated costs.

**Note C** – Net capital expenditures reflects additions of property, plant and equipment, net of proceeds from the sale of property, plant and equipment.

**Note D** – Adjustments to our RF Communications segment operating income for the quarter ended June 28, 2013 are due to charges associated with company-wide restructuring and other actions, including workforce reductions (\$7.1 million) and facility consolidation (\$2.1 million).

**Note E** – Adjustments to our Integrated Network Solutions segment operating income for the quarter ended June 28, 2013 are due to charges associated with company-wide restructuring and other actions, including asset impairments (\$31.4 million), a write-off of capitalized software (\$17.8 million), facility consolidation (\$0.2 million), workforce reductions (\$0.2 million) and other associated costs (\$2.9 million).

**Note F** – Adjustments to our Government Communications Systems segment operating income for the quarter ended June 28, 2013 are due to charges associated with company-wide restructuring and other actions, including workforce reductions (\$6.1 million), an exit of a product line (\$4.0 million) and facility consolidation (\$0.4 million).