



FISCAL 2016 FOURTH QUARTER EARNINGS CALL PRESENTATION

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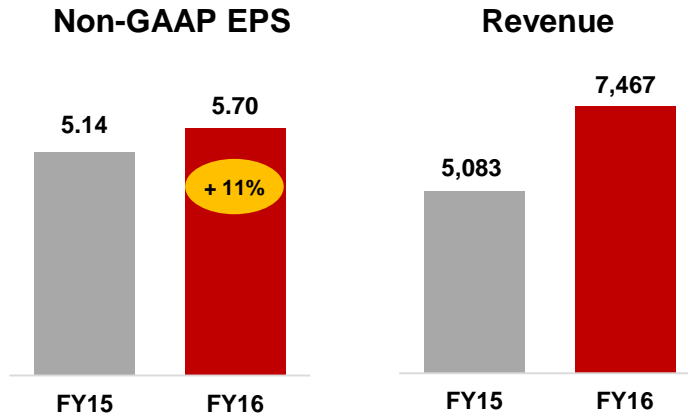
Forward-looking statements



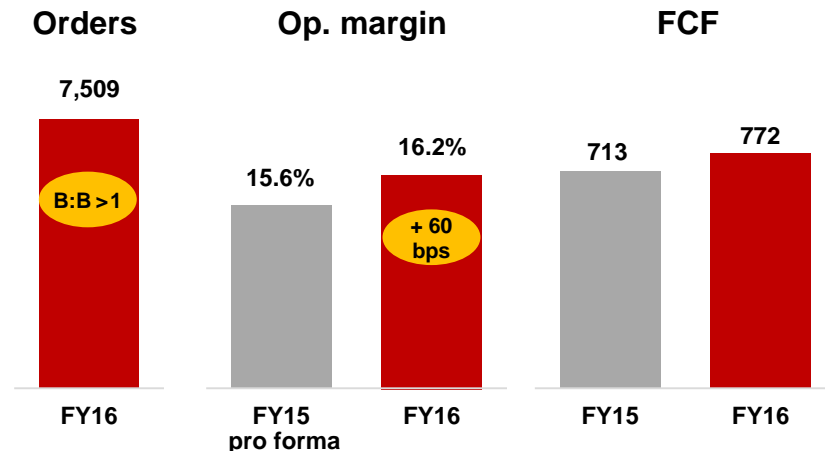
Statements in this presentation that are not historical facts are forward-looking statements that reflect management's current expectations, assumptions and estimates of future performance and economic conditions. Such statements are made in reliance on the safe harbor provisions of Section 27A of the 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, expected integration charges, intangible amortization, synergy savings, pension, free cash flow, tax rate, segment and other guidance for fiscal 2017; re-initiation of share repurchases for fiscal 2017; potential contract opportunities and awards; the potential value and timing of contract awards; and other statements regarding outlook or that are not historical facts. 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, future trends and forward-looking statements could be affected by many factors, risks and uncertainties, including but not limited to: the loss of the company's relationship with the U.S. Government or a change or reduction 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); a security breach, through cyber attack or otherwise, or other significant disruptions of the company's IT networks and systems or those the company operates for customers; the level of returns on defined benefit plan assets and changes in interest rates; risks inherent with large long-term fixed-price contracts, particularly the ability to contain cost overruns; changes in estimates used in accounting for the company's programs; financial and government and regulatory risks relating to international sales and operations; effects of any non-compliance with laws; the continued effects of the general weakness in the global economy and U.S. Government's budget deficits and national debt and sequestration; the company's ability to continue to develop new products that achieve market acceptance; the consequences of uncertain economic conditions and future geo-political events; strategic acquisitions and divestitures and the risks and uncertainties related thereto, including the company's ability to manage and integrate acquired businesses (including achieve estimated synergy savings and realize other expected benefits), the actual amount and timing of integration and other acquisition-related charges and potential disruption to relationships with employees, suppliers and customers, including the U.S. Government, and to the company's business generally; performance of the company's subcontractors and suppliers; potential claims related to infringement of intellectual property rights or environmental remediation or other contingencies, litigation and legal matters and the ultimate outcome thereof; risks inherent in developing new and complex technologies and/or that may not be covered adequately by insurance or indemnity; changes in the company's effective tax rate; increased indebtedness and significant unfunded pension liability and potential downgrades in the company's credit ratings; unforeseen environmental matters; natural disasters or other disruptions affecting the company's operations; sustained weakness or volatility in oil or natural gas prices or negative expectations about future prices or volatility; changes in the regulatory framework that applies to, or of satellite bandwidth constraints on, the company's managed satellite and terrestrial communications solutions; 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; the company's ability to attract and retain key employees, maintain reasonable relationships with unionized employees and manage escalating costs of providing employee health care; and potential tax, indemnification and other liabilities and exposures related to Exelis' spin-off of Vectrus, Inc. and Exelis' spin-off from ITT Corporation. Further information relating to these and other factors that may impact the company's results, future trends 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.

(\$million, except per share amounts)

Reported results



Other financial results



- EPS up 11%; B:B >1
- \$772M strong free cash flow (>\$750M target); 4-day working capital improvement; >\$100M cash integration/restructuring absorbed
- Exelis adding scale, broader portfolio, operating resiliency
 - Capturing higher synergy savings and faster than initially expected
 - Exited year \$120M run-rate, top end of original commitment; tracking towards \$140-150M
- Continued to re-shape portfolio, completing sale of Aerostructures
- Re-invest in R&D; ~4% of revenue
- Met \$650M deleveraging priority; re-initiating share repurchases for fiscal 17 – \$150M placeholder

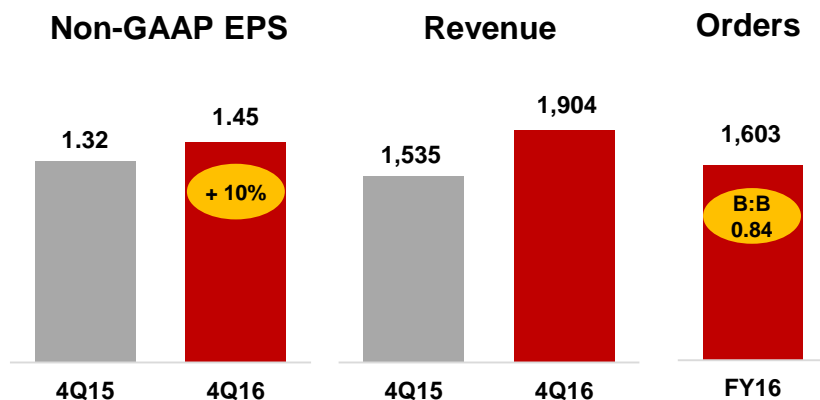
For non-GAAP reconciliations reference the Harris investor relations website.

4Q16 summary

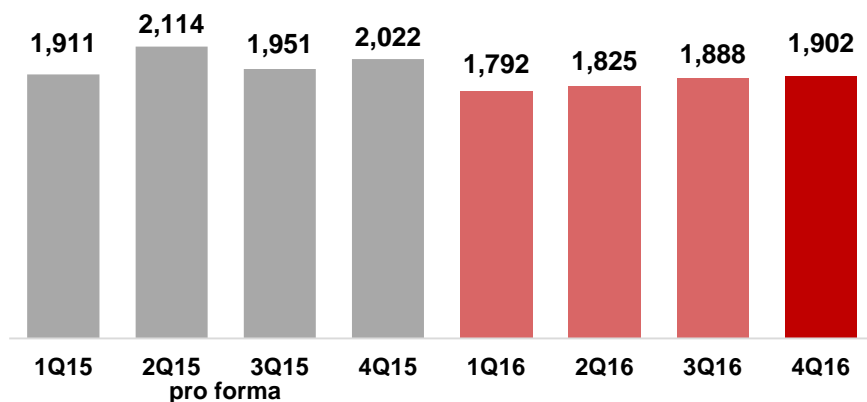


(\$million, except per share amounts)

4Q16 reported results



Organic Revenue*

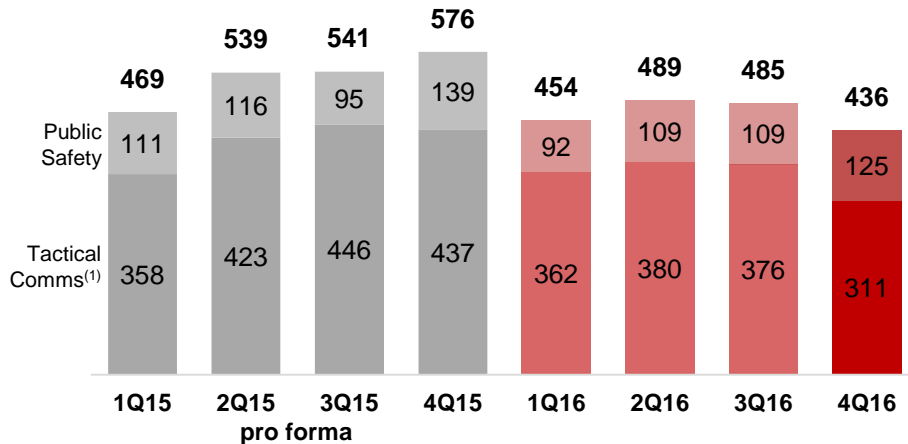


- EPS up 10%
- Operating income up 6% and margin up 190 bps to 16.2% on organic revenue down 6%
 - Capture of synergy savings, lower costs and solid execution
 - Space & Intel, Electronic Systems, Critical Networks – all contributing to earnings growth and margin expansion
 - Revenue challenges in tactical, IT services, CapRock energy

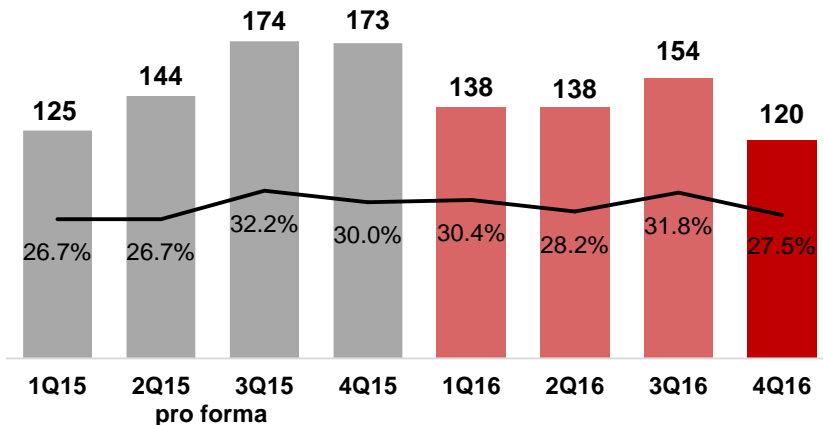
*Results adjusted for sale of Aerostructures. Reference slide 12.
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(\$million)

Organic revenue



Operating income and margin

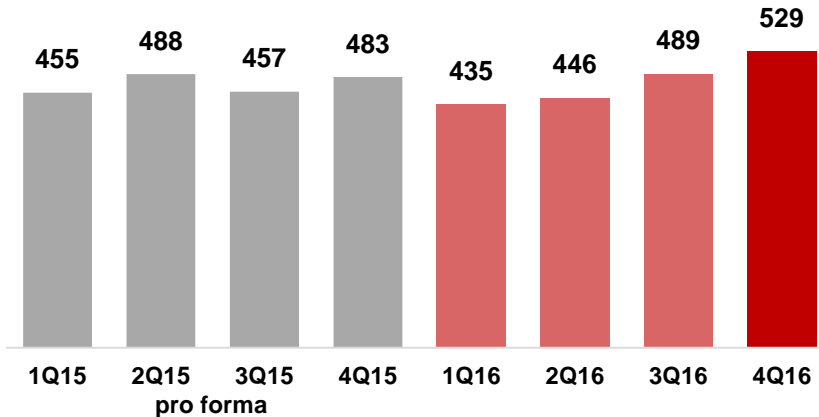


- **Segment revenue down 24%; margin down 250 bps**
- **Tactical Comm⁽¹⁾ down 29%**
 - Legacy down 40%; B:B .92; backlog \$402M
 - U.S. DoD cautious buying behavior
 - Higher Europe, Central Asia offset by lower Northern Africa and Middle East
 - Two 5-year, single-award IDIQs of \$1.77B and \$405M for FMS sales
 - MUOS progressing; interim NSA certification; ~\$10M backlog
 - MNVR completed customer test; expect September first delivery award
- **Public Safety down 10%; B:B of .95**

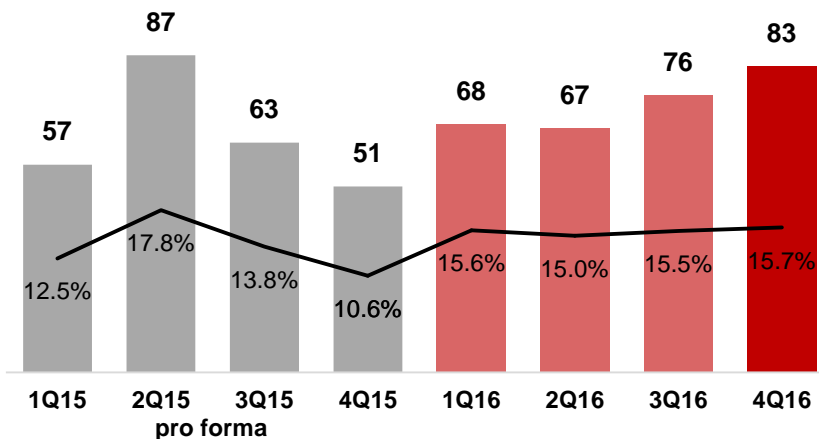
⁽¹⁾ Tactical Communications includes legacy Exelis night vision and communications products. For non-GAAP reconciliations reference the Harris investor relations website.

(\$million)

Organic revenue



Operating income and margin

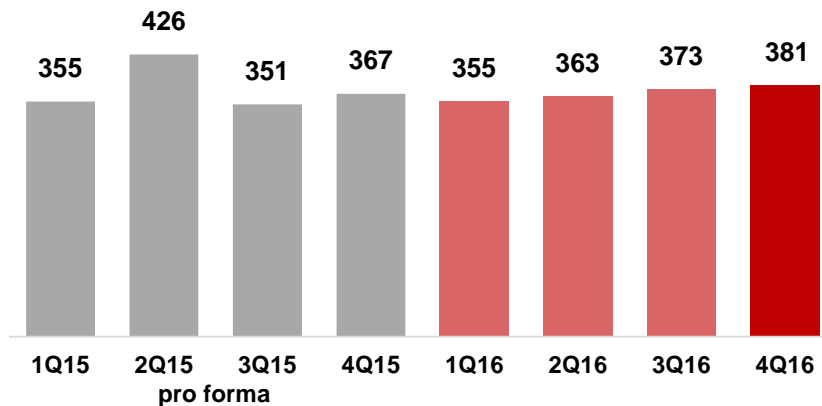


- **Segment revenue up 10%; margin up 510 bps**
 - Strength in classified, including space superiority and protection
- **\$104M contract as prime in new mission area – potentially develop key franchise**
- **Commercial space entering recapitalization and fleet expansion cycle:**
 - Award in 3Q for 18-meter reflector and in 4Q for 12-meter reflector for European Space Agency Biomass satellite
 - Completed 81st payload for Aireon’s space-based ADS-B for worldwide air traffic surveillance
- **\$38M contract for Advanced Baseline Imager spare modules for weather monitoring on NOAA’s GOES-R satellite program**

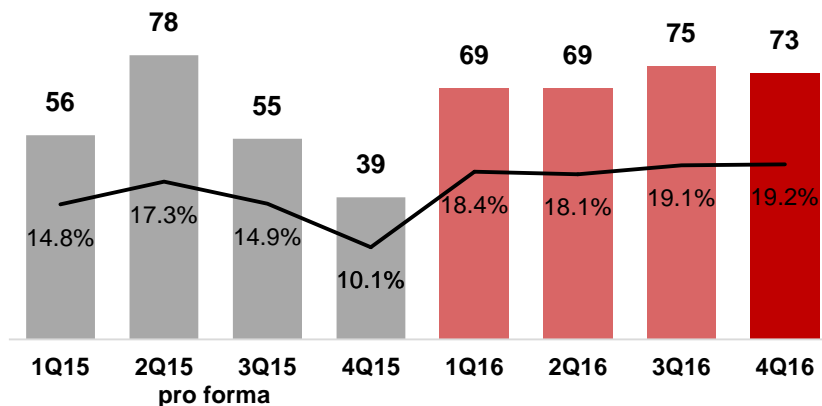
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(\$million)

Organic revenue*



Operating income and margin

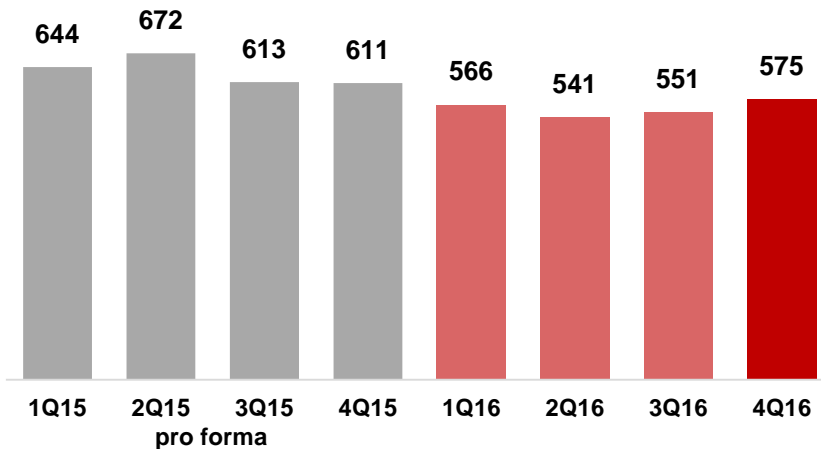


- **Segment revenue up 4%; margin up 910 bps**
 - Higher electronic warfare and counter IED
- **Electronic warfare doubling orders for the year – modernizations on legacy platforms**
- **Electronic warfare 4Q wins: \$27M NRL Advanced Decoy Architecture Project; \$22M Air Force B-1B EW subsystems; \$24M upgrade long-range 3-D defense radar; \$96M precision approach radars**
- **April sale of Aerostructures**
- **Following close, 2-year, \$189M from country in Middle East to provide an integrated battle management system**

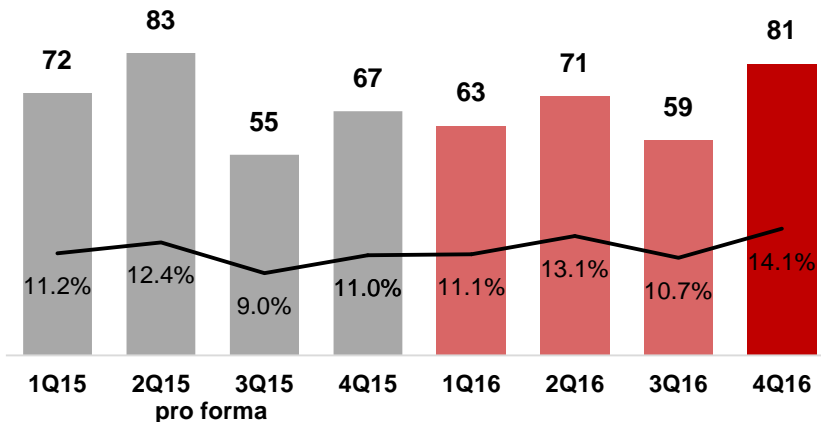
*Results adjusted for sale of Aerostructures. Reference slide 12.
For non-GAAP reconciliations reference the Harris investor relations website.

(\$million)

Organic revenue



Operating income and margin



- **Segment revenue down 6%; margin up 310 bps**
 - Higher FAA NextGen more than offset by IT services program wind-downs and CapRock energy
 - CapRock cost reductions returning energy to 4Q profitability
- **Contract awards:**
 - \$54M Homeland Security for radar surveillance of U.S. border under Tethered Aerostat Radar System
 - \$245M NRL for engineering and technical services
 - \$137M DISA for electromagnetic spectrum capabilities and services
 - Norwegian-based Hurtigruten AS for end-to-end satellite communications for global fleet

For non-GAAP reconciliations reference the Harris investor relations website.

Fiscal 2017 outlook



(\$million, except per share amounts)

Guidance	Fiscal 16		Fiscal 17	
	\$ pre-tax	EPS	\$ pre-tax	EPS
Revenue	\$ 7,407 ⁽¹⁾		\$ 7,110 – 7,330	
GAAP EPS from continuing operations		\$ 2.75		\$ 5.53 – 5.73 ⁽²⁾
Non-cash write-down of goodwill and other assets	367			
Acquisition-related				
Net liability reduction for certain post-employment benefit plans	(101)			
Gain on sale of Aerostructures, net	(10)			
Integration costs	104		30 – 35	~\$ 0.17 ⁽²⁾
Inventory step-up costs	11			
Restructuring and other charges	48			
Non-GAAP EPS from continuing operations		\$ 5.70		\$ 5.70 – 5.90
Other information				
Synergy savings		\$ 85		\$ 130 – 135
Amortization of Exelis acquisition intangibles		132		~132
Pension - FAS expense/(income)		(26)		~(90) ⁽³⁾
Pension - cash contribution		174		~188
Net interest expense		181		~170
Effective tax rate - GAAP		43.5%		~31%
Effective tax rate - non-GAAP		30.6%		~31%
Net capital expenditures		152		~175
Free cash flow		772		~800

⁽¹⁾ Results adjusted for sale of Aerostructures. Reference Slide 12

⁽²⁾ Amounts could change as a result of any further restructuring or integration actions

⁽³⁾ Amounts reflect change in FAS pension accounting methodology adjusted for benefit harmonization costs

For non-GAAP reconciliations reference the Harris investor relations website.

Fiscal 2017 segment outlook



(\$million)

Other information	Revenue		Non-GAAP segment operating margin	
	FY16	FY17	FY16	FY17
Harris Corporation*	\$ 7,407 *	down 1 to 4%		
Communication Systems	\$ 1,864	down 7 to 9%	29.5%	29.5% – 30.5%
Space & Intelligence Systems	\$ 1,899	up 1 to 3%	15.5%	16.0% – 17.0%
Electronic Systems*	\$ 1,470 *	up 1 to 3%	18.7%	20.0% – 21.0%
Critical Networks	\$ 2,233	down 3 to 6%	12.3%	12.0% – 13.0%

*Results adjusted for sale of Aerostructures. See slide 12.
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(\$million)

Harris legacy tactical history

	<u>1Q14</u>	<u>2Q14</u>	<u>3Q14</u>	<u>4Q14</u>	<u>1Q15</u>	<u>2Q15</u>	<u>3Q15</u>	<u>4Q15</u>	<u>1Q16</u>	<u>2Q16</u>	<u>3Q16</u>	<u>4Q16</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Orders	225	387	285	232	288	263	286	402	378	215	251	199	1,336	1,129	1,238	1,044
Revenue	305	319	335	348	276	317	356	366	296	314	302	217	1,256	1,307	1,315	1,129
DoD	146	112	73	131	77	99	89	122	98	75	81	68	577	461	387	322
International	159	208	262	217	200	218	267	243	199	238	221	149	678	847	928	808
Ending backlog	663	730	680	564	575	521	451	487	569	470	419	402	742	564	487	402

Supplemental information – Aerostructures



(\$million)

Aerostructures financials

	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Orders	20	64	9	3	8	23	17	0
Sales	23	24	19	20	19	18	21	2
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Pro forma Harris revenue	1,934	2,139	1,970	2,042	1,811	1,843	1,909	1,904
Aerostructures	23	24	19	20	19	18	21	2
Organic revenue	1,911	2,114	1,951	2,022	1,792	1,825	1,888	1,902
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Pro forma Electronic Systems revenue	378	450	370	387	374	381	394	383
Aerostructures	23	24	19	20	19	18	21	2
Organic revenue	355	426	351	367	355	363	373	381

Amounts may not always add to totals due to rounding.