

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

For the Three Quarters Ended March 28, 2008

	<u>As Previously Reported</u>	<u>Adjustments</u>	<u>As Restated</u>
(In millions, except per share amounts)			
Net revenues from product sales and services	\$ 531.6	\$ -	\$ 531.6
Cost of product sales and services:			
Cost of external product sales	(306.3)	(4.7)	(311.0)
Cost of product sales with Harris Corporation	<u>(4.2)</u>	<u>-</u>	<u>(4.2)</u>
Total cost of product sales	(310.5)	(4.7)	(315.2)
Cost of services	(59.8)	(0.4)	(60.2)
Cost of sales billed from Harris Corporation	(4.6)	-	(4.6)
Amortization of purchased technology	<u>(5.3)</u>	<u>-</u>	<u>(5.3)</u>
Total cost of product sales and services	<u>(380.2)</u>	<u>(5.1)</u>	<u>(385.3)</u>
Gross margin	151.4	(5.1)	146.3
Research and development expenses	(34.8)	-	(34.8)
Selling and administrative expenses	(90.0)	(0.9)	(90.9)
Selling and administrative expenses with Harris Corporation	<u>(5.2)</u>	<u>-</u>	<u>(5.2)</u>
Total research, development, selling and administrative expenses	(130.0)	(0.9)	(130.9)
Acquired in-process research and development	-	-	-
Amortization of identifiable intangible assets	(5.6)	-	(5.6)
Restructuring charges	(8.4)	-	(8.4)
Corporate allocations expense from Harris Corporation	<u>-</u>	<u>-</u>	<u>-</u>
Operating income	7.4	(6.0)	1.4
Interest income	1.4	-	1.4
Interest expense	<u>(2.2)</u>	<u>-</u>	<u>(2.2)</u>
Income before provision for income taxes	6.6	(6.0)	0.6
Provision for income taxes	<u>(1.1)</u>	<u>2.3</u>	<u>1.2</u>
Net income	<u>\$ 5.5</u>	<u>\$ (3.7)</u>	<u>\$ 1.8</u>
Net income per common share of Class A and Class B common stock:			
Basic	<u>\$ 0.09</u>		<u>\$ 0.03</u>
Diluted	<u>\$ 0.05</u>		<u>\$ (0.02)</u>
Basic weighted average shares outstanding	58.4		58.4
Diluted weighted average shares outstanding	58.9		58.9

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

For the Fiscal Year Ended June 29, 2007

	<u>As Previously Reported</u>	<u>Adjustments</u>	<u>As Restated</u>
	(In millions, except per share amounts)		
Net revenues from product sales and services	\$ 507.9	\$ -	\$ 507.9
Cost of product sales and services:			
Cost of external product sales	(281.2)	(5.1)	(286.3)
Cost of product sales with Harris Corporation	<u>(1.3)</u>	<u>-</u>	<u>(1.3)</u>
Total cost of product sales	(282.5)	(5.1)	(287.6)
Cost of services	(64.3)	(0.9)	(65.2)
Cost of sales billed from Harris Corporation	(5.4)	-	(5.4)
Amortization of purchased technology	<u>(3.0)</u>	<u>-</u>	<u>(3.0)</u>
Total cost of product sales and services	<u>(355.2)</u>	<u>(6.0)</u>	<u>(361.2)</u>
Gross margin	152.7	(6.0)	146.7
Research and development expenses	(39.4)	-	(39.4)
Selling and administrative expenses	(92.1)	-	(92.1)
Selling and administrative expenses with Harris Corporation	<u>(6.8)</u>	<u>-</u>	<u>(6.8)</u>
Total research, development, selling and administrative expenses	(138.3)	-	(138.3)
Acquired in-process research and development	(15.3)	-	(15.3)
Amortization of identifiable intangible assets	(7.5)	-	(7.5)
Restructuring charges	(9.3)	-	(9.3)
Corporate allocations expense from Harris Corporation	<u>(3.7)</u>	<u>-</u>	<u>(3.7)</u>
Operating loss	(21.4)	(6.0)	(27.4)
Interest income	1.8	-	1.8
Interest expense	<u>(2.3)</u>	<u>-</u>	<u>(2.3)</u>
Loss before provision for income taxes	(21.9)	(6.0)	(27.9)
Benefit for income taxes	<u>4.0</u>	<u>2.1</u>	<u>6.1</u>
Net loss	<u>\$ (17.9)</u>	<u>\$ (3.9)</u>	<u>\$ (21.8)</u>
Basic and diluted net loss per common share	\$ (0.72)	\$ (0.16)	\$ (0.88)
Basic and diluted weighted average shares outstanding	24.7		24.7

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

For the Fiscal Year Ended June 30, 2006

	<u>As Previously Reported</u>	<u>Adjustments</u>	<u>As Restated</u>
	(In millions, except per share amounts)		
Net revenues from product sales and services	\$ 357.5	\$ -	\$ 357.5
Cost of product sales and services:			
Cost of external product sales	(222.7)	(2.4)	(225.1)
Cost of product sales with Harris Corporation	(7.4)	-	(7.4)
Total cost of product sales	(230.1)	(2.4)	(232.5)
Cost of services	(37.1)	(0.3)	(37.4)
Cost of sales billed from Harris Corporation	(5.3)	-	(5.3)
Amortization of purchased technology	-	-	-
Total cost of product sales and services	(272.5)	(2.7)	(275.2)
Gross margin	85.0	(2.7)	82.3
Research and development expenses	(28.8)	-	(28.8)
Selling and administrative expenses	(62.9)	(0.1)	(63.0)
Selling and administrative expenses with Harris Corporation	(5.6)	-	(5.6)
Total research, development, selling and administrative expenses	(97.3)	(0.1)	(97.4)
Acquired in-process research and development	-	-	-
Amortization of identifiable intangible assets	-	-	-
Restructuring charges	(3.8)	-	(3.8)
Corporate allocations expense from Harris Corporation	(12.4)	-	(12.4)
Operating loss	(28.5)	(2.8)	(31.3)
Interest income	0.5	-	0.5
Interest expense	(1.0)	-	(1.0)
Loss before provision for income taxes	(29.0)	(2.8)	(31.8)
Provision for income taxes	(6.8)	-	(6.8)
Net loss	<u>\$ (35.8)</u>	<u>\$ (2.8)</u>	<u>\$ (38.6)</u>
Basic and diluted net loss per common share	N/A		N/A
Basic and diluted weighted average shares outstanding	N/A		N/A

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

For the Fiscal Year Ended July 1, 2005

	<u>As Previously</u>		<u>Adjustment</u>		<u>As Restated</u>
	<u>Reported</u>				
	(In millions, except per share amounts)				
Net revenues from product sales and services	\$ 310.4		\$ -		\$ 310.4
Cost of product sales and services:					
Cost of external product sales	(181.5)		(1.7)		(183.2)
Cost of product sales with Harris Corporation	<u>(3.7)</u>		<u>-</u>		<u>(3.7)</u>
Total cost of product sales	(185.2)		(1.7)		(186.9)
Cost of services	(31.3)		(1.0)		(32.3)
Cost of sales billed from Harris Corporation	(4.3)		-		(4.3)
Amortization of purchased technology	<u>-</u>		<u>-</u>		<u>-</u>
Total cost of product sales and services	<u>(220.8)</u>		<u>(2.7)</u>		<u>(223.5)</u>
Gross margin	89.6		(2.7)		86.9
Research and development expenses	(28.0)		-		(28.0)
Selling and administrative expenses	(52.8)		(0.3)		(53.1)
Selling and administrative expenses with Harris Corporation	<u>(6.0)</u>		<u>-</u>		<u>(6.0)</u>
Total research, development, selling and administrative expenses	(86.8)		(0.3)		(87.1)
Acquired in-process research and development	-		-		-
Amortization of identifiable intangible assets	-		-		-
Restructuring charges	-		-		-
Corporate allocations expense from Harris Corporation	<u>(6.2)</u>		<u>-</u>		<u>(6.2)</u>
Operating loss	(3.4)		(3.0)		(6.4)
Interest income	0.9		-		0.9
Interest expense	<u>(1.0)</u>		<u>-</u>		<u>(1.0)</u>
Loss before provision for income taxes	(3.5)		(3.0)		(6.5)
Provision for income taxes	<u>(0.3)</u>		<u>-</u>		<u>(0.3)</u>
Net loss	<u>\$ (3.8)</u>		<u>\$ (3.0)</u>		<u>\$ (6.8)</u>
Basic and diluted net loss per common share	N/A				N/A
Basic and diluted weighted average shares outstanding	N/A				N/A

CONDENSED CONSOLIDATED BALANCE SHEET

	<u>As of March 28, 2008</u>		
	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
ASSETS			
<i>Current Assets</i>			
Cash and cash equivalents	\$ 97.0	\$ -	\$ 97.0
Short-term investments and available for sale securities	3.4	-	3.4
Receivables	199.0	(3.1)	195.9
Unbilled costs	35.7	-	35.7
Inventories	125.3	(16.6)	108.7
Deferred income taxes	6.5	-	6.5
Other current assets	<u>17.5</u>	<u>-</u>	<u>17.5</u>
Total current assets	484.4	(19.7)	464.7
<i>Long-Term Assets</i>			
Property, plant and equipment	74.4	-	74.4
Goodwill	315.4	1.1	316.5
Identifiable intangible assets	133.2	-	133.2
Other long-term assets	<u>16.0</u>	<u>-</u>	<u>16.0</u>
	<u>539.0</u>	<u>1.1</u>	<u>540.1</u>
Total assets	<u>\$ 1,023.4</u>	<u>\$ (18.6)</u>	<u>\$ 1,004.8</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
<i>Current Liabilities</i>			
Short-term debt	\$ -	\$ -	\$ -
Current portion of long-term debt	6.0	-	6.0
Accounts payable	81.8	-	81.8
Compensation and benefits	12.5	-	12.5
Other accrued items	44.8	1.1	45.9
Advance payments and unearned income	26.7	-	26.7
Income taxes payable	3.6	-	3.6
Restructuring liabilities	6.7	-	6.7
Current portion of long-term capital lease obligation to Harris Corporation	1.6	-	1.6
Due to Harris Corporation	<u>20.5</u>	<u>-</u>	<u>20.5</u>
Total current liabilities	204.2	1.1	205.3
Long-term liabilities	<u>42.9</u>	<u>(4.4)</u>	<u>38.5</u>
Total liabilities	247.1	(3.3)	243.8
Total shareholders' equity	<u>776.3</u>	<u>(15.3)</u>	<u>761.0</u>
Total liabilities and shareholders' equity	<u>\$ 1,023.4</u>	<u>\$ (18.6)</u>	<u>\$ 1,004.8</u>

CONDENSED CONSOLIDATED BALANCE SHEET

	<u>As of June 29, 2007</u>		
	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
ASSETS			
<i>Current Assets</i>			
Cash and cash equivalents	\$ 69.2	\$ -	\$ 69.2
Short-term investments and available for sale securities	20.4	-	20.4
Receivables	185.3	(2.2)	183.1
Unbilled costs	36.9	-	36.9
Inventories	135.7	(11.5)	124.2
Deferred income taxes	4.1	-	4.1
Other current assets	<u>21.7</u>	<u>-</u>	<u>21.7</u>
Total current assets	473.3	(13.7)	459.6
<i>Long-Term Assets</i>			
Property, plant and equipment	80.0	-	80.0
Goodwill	323.6	1.1	324.7
Identifiable intangible assets	144.5	-	144.5
Other long-term assets	<u>16.7</u>	<u>-</u>	<u>16.7</u>
	<u>564.8</u>	<u>1.1</u>	<u>565.9</u>
Total assets	<u>\$ 1,038.1</u>	<u>\$ (12.6)</u>	<u>\$ 1,025.5</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
<i>Current Liabilities</i>			
Short-term debt	\$ 1.2	\$ -	\$ 1.2
Current portion of long-term debt	10.7	-	10.7
Accounts payable	84.7	-	84.7
Compensation and benefits	11.5	-	11.5
Other accrued items	44.7	1.1	45.8
Advance payments and unearned income	22.3	-	22.3
Income taxes payable	6.8	-	6.8
Restructuring liabilities	10.8	-	10.8
Current portion of long-term capital lease obligation to Harris Corporation	3.1	-	3.1
Due to Harris Corporation	<u>17.2</u>	<u>-</u>	<u>17.2</u>
Total current liabilities	213.0	1.1	214.1
Long-term liabilities	<u>67.1</u>	<u>(2.1)</u>	<u>65.0</u>
Total liabilities	280.1	(1.0)	279.1
Total shareholders' equity	<u>758.0</u>	<u>(11.6)</u>	<u>746.4</u>
Total liabilities and shareholders' equity	<u>\$ 1,038.1</u>	<u>\$ (12.6)</u>	<u>\$ 1,025.5</u>

CONDENSED CONSOLIDATED BALANCE SHEET

	<u>As of June 30, 2006</u>		
	<u>As Previously</u>	<u>Adjustment</u>	<u>As Restated</u>
	<u>Reported</u>	<u>(In millions)</u>	
ASSETS			
<i>Current Assets</i>			
Cash and cash equivalents	\$ 13.8	\$ -	\$ 13.8
Short-term investments and available for sale securities	-	-	-
Receivables	123.9	(2.2)	121.7
Unbilled costs	25.5	-	25.5
Inventories	71.9	(5.5)	66.4
Deferred income taxes	-	-	-
Other current assets	<u>6.7</u>	<u>-</u>	<u>6.7</u>
Total current assets	241.8	(7.7)	234.1
<i>Long-Term Assets</i>			
Property, plant and equipment	52.2	-	52.2
Goodwill	28.3	-	28.3
Identifiable intangible assets	6.4	-	6.4
Other long-term assets	<u>23.9</u>	<u>-</u>	<u>23.9</u>
	<u>110.8</u>	<u>-</u>	<u>110.8</u>
Total assets	<u>\$ 352.6</u>	<u>\$ (7.7)</u>	<u>\$ 344.9</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
<i>Current Liabilities</i>			
Short-term debt	\$ 0.2	\$ -	\$ 0.2
Current portion of long-term debt	-	-	-
Accounts payable	42.1	-	42.1
Compensation and benefits	17.4	-	17.4
Other accrued items	16.9	-	16.9
Advance payments and unearned income	9.2	-	9.2
Income taxes payable	-	-	-
Restructuring liabilities	2.2	-	2.2
Current portion of long-term capital lease obligation to Harris Corporation	-	-	-
Due to Harris Corporation	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	88.0	-	88.0
Long-term liabilities	<u>12.6</u>	<u>-</u>	<u>12.6</u>
Total liabilities	100.6	-	100.6
Total shareholders' equity	<u>252.0</u>	<u>(7.7)</u>	<u>244.3</u>
Total liabilities and shareholders' equity	<u>\$ 352.6</u>	<u>\$ (7.7)</u>	<u>\$ 344.9</u>

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibit is furnished herewith:

99.1 Press Release, issued by Harris Stratex Networks, Inc. on September 18, 2008 (furnished pursuant to Item 2.02).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HARRIS STRATEX NETWORKS, INC.

By: _____
Name: Sarah A. Dudash

Title: Vice President and Chief Financial Officer

Date: September 18, 2008

EXHIBIT INDEX

Exhibit No.
Under
Regulation S-K,
Item 601

Description

99.1	Press Release, issued by Harris Stratex Networks, Inc. on September 18, 2008 (furnished pursuant to Item 2.02).
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