



Harris Stratex Networks Reports Q1 Fiscal 2009 Financial Results

Company Reports Record Quarterly Revenues and Earnings

Research Triangle Park, NC – October 29, 2008 – Harris Stratex Networks, Inc. (NASDAQ: HSTX), a leading specialist in backhaul solutions for mobility and broadband networks, today reported financial results for the first quarter of fiscal 2009, which ended September 26, 2008.

Revenue for the first quarter of fiscal 2009 was \$195.8 million, an increase of 14 percent compared to \$172.3 million in the year ago period. GAAP net income was \$5.6 million or \$0.09 per diluted share, compared to a loss of \$200,000 in the year ago quarter. The GAAP results for the first quarter of 2009 include \$8.2 million in pre-tax charges associated primarily with amortization of purchase related assets, restructuring, and stock compensation expense.

Non-GAAP Financial Results

Non-GAAP net income was \$11.2 million, or \$0.19 per share. In the year ago period, Non-GAAP net income was \$10.6 million or \$0.18 per share.

A reconciliation of GAAP to non-GAAP financial measures is provided on Table 4 along with the accompanying notes.

First Quarter Revenue by Business Segment

Revenue in the North America segment was \$61.5 million in the first quarter of fiscal 2009, compared with \$56.6 million in the year ago period. International revenue was \$130.9 million, compared with \$109.2 million in the year ago period. Strong sequential and year-over-year revenue growth was achieved in Africa as existing operators continued the expansion of their network infrastructures, and in Asia Pacific where our Eclipse™ Nodal solution is gaining broad acceptance in the 3G network rollouts of multiple customers. Network Operations revenue was \$3.4 million compared with \$6.5 million in the year ago period.

“We are pleased to report a solid start to the new fiscal year with our highest quarterly revenue since the merger and a turnaround in net income,” said Harald Braun, president and chief executive officer of Harris Stratex Networks. “Sales were driven in large part by our Eclipse™ product platform, and its ability to offer full migration for future IP based network’s.

Outlook and Guidance

“Following an all-time record for new orders in the fourth quarter of fiscal 2008, we are pleased that orders for the first quarter of fiscal 2009 remained robust at a book-to-bill ratio of greater than 90 percent, and were higher than the year-ago period. Our revenue expectations in the range of \$185 million to \$195 million for the second quarter of fiscal 2009 reflect both the strength of our backlog and our current view of worldwide economic conditions,” noted Braun.

Conference Call

Harris Stratex Networks will host a conference call today to discuss the company’s financial results at 5:30 p.m. Eastern Time. Those wishing to join the call should dial 303-262-2125 (no pass code required) at approximately 5:20 p.m. A replay of the call will be available starting one hour after the call’s completion until November 5. To access the replay, dial 303-590-3000 (pass code: 11120862 #). A live and archived webcast of the conference call will also be available via the company’s Web site at www.HarrisStratex.com/investors/conference-call.

Non-GAAP Measures and Comparative Financial Information

Harris Stratex Networks, Inc. reports information in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”). Management of Harris Stratex Networks monitors revenues, cost of product sales and services, research and development expenses, selling and administrative expenses, operating income or loss, tax expense or benefit, net income or loss, and net income or loss per share for the new combined entity on a non-GAAP basis for planning and forecasting results in future periods, and may use these measures for some management compensation purposes. As such, historical non-GAAP combined information has been included in this press release for comparative purposes. These measures exclude certain costs and expenses as shown on the attached GAAP reconciliation table. As a result, management is presenting these non-GAAP measures in addition to results reported in accordance with GAAP to better communicate underlying operational and financial performance in each period. Management believes these non-GAAP 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 disproportionate positive or negative impact on results in any given period. Management also believes that these non-GAAP measures enhance the ability of an investor to analyze trends in Harris Stratex Networks’ business and to better understand our performance.

Harris Stratex Networks management does not, nor does it suggest that investors should, consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Harris Stratex Networks presents such non-GAAP financial measures in reporting its financial results to provide investors with an additional tool to evaluate the Company's financial performance. Reconciliations of these non-GAAP financial measures with the most directly comparable financial measures calculated in accordance with GAAP are included in the tables below.

About Harris Stratex Networks

Harris Stratex Networks, Inc. (NASDAQ: HSTX) is a leading specialist in backhaul solutions for mobility and broadband networks. The company offers reliable, flexible and scalable wireless network solutions, backed by comprehensive professional services and support. Harris Stratex Networks serves all global markets, including mobile network operators, public safety agencies, private network operators, utility and transportation companies, government agencies and broadcasters. Customers in more than 135 countries depend on Harris Stratex Networks to build, expand and upgrade their voice, data and video solutions. Harris Stratex Networks is recognized around the world for innovative, best-in-class wireless networking solutions and services. For more information, visit www.HarrisStratex.com.

Forward-Looking Statements

The information contained in this document includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 21E of the Securities Exchange Act and Section 27A of the Securities Act. All statements, trend analyses and other information contained herein about the markets for the services and products of Harris Stratex Networks and trends in revenue, as well as other statements identified by the use of forward-looking terminology, including "anticipated", "believe", "plan", "estimate", "expect", "goal", "will", "see", "continues", "delivering", "view", and "intend", or the negative of these terms or other similar expressions, constitute forward-looking statements. These forward-looking statements are based on estimates reflecting the current beliefs of the senior management of Harris Stratex Networks. These forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Forward-looking statements should therefore be considered in light of various important factors, including those set forth in this document. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include the following:

- the volume, timing and customer, product and geographic mix of our product orders may have an impact on our operating results;
- downturn in the global economy affecting customer spend;
- continued price erosion as a result of increased competition in the microwave transmission industry;
- the ability to achieve business plans for Harris Stratex Networks;
- the ability to manage and maintain key customer relationships;
- the ability to maintain projected product rollouts, product functionality, anticipated cost reductions or market acceptance of planned products;
- future costs or expenses related to litigation;
- the ability of our subcontractors to perform or our key suppliers to manufacture or deliver material;
- customers may not pay for products or services in a timely manner, or at all;
- the failure of Harris Stratex Networks to protect its intellectual property rights and its ability to defend itself against intellectual property infringement claims by others;
- currency and interest rate risks;
- the impact of political, economic and geographic risks on international sales;
- the impact of slowing growth in the wireless telecommunications market combined with supplier and operator consolidations.
- our ability to remediate our material weaknesses in internal control.

For more information regarding the risks and uncertainties for our business, see "Risk Factors" in our form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on September 25, 2008 as well as other reports filed by Harris Stratex Networks with the SEC from time to time. Harris Stratex Networks undertakes no obligation to update publicly any forward-looking statement for any reason, except as required by law, even as new information becomes available or other events occur in the future.

[Financial Tables Attached](#)

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CONTACTS:

Investors: Mary McGowan, Summit IR Group Inc., 408-404-5401, mary@summitirgroup.com

Media: Shaun McFall, Harris Stratex Networks, Inc. 408-944-1608, shaun.mcfall@hstx.com