



## Harris Stratex Networks Announces Q1 Fiscal 2010 Financial Results

### Reports Q1 revenue of \$120 million and continued strong cash management

**Research Triangle Park, NC – November 5, 2009** –Harris Stratex Networks, Inc. (NASDAQ: HSTX), a leading provider of wireless solutions that enable the evolution of next-generation fixed and mobile broadband networks, today reported financial results for the first quarter of fiscal year 2010, which ended October 2, 2009.

Revenue for the first quarter of fiscal 2010 was \$120.0 million, compared with \$195.8 million in the year ago period. GAAP net loss was \$7.8 million or \$0.13 per share, compared with a GAAP net income of \$6.5 million or \$0.10 per diluted share in the year ago quarter.

### Non-GAAP Financial Results

Non-GAAP net loss for the quarter was \$800,000, or \$0.01 per share, compared with non-GAAP net income of \$11.9 million, or \$0.20 per share, in the year ago quarter. The non-GAAP gross margin of 33 percent was partially driven by lower logistics expenses and improved supplier pricing on select projects. Non-GAAP results exclude \$6.1 million of pre-tax charges comprised primarily of \$3.8 million for amortization of purchased intangibles, and \$2.2 million of restructuring and stock compensation expense.

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

As of the quarter end on October 2, 2009 cash, cash equivalents and short-term investments were \$133.0 million, compared with \$137.1 million as of the quarter ended July 3, 2009. While the overall cash balance was down, due partly to a \$4.2 million investment payment, our operating cash flow for the quarter was a positive \$4.4 million.

### First Quarter Revenue by Business Segment

Revenue in the North America segment was \$48.0 million in the first quarter of fiscal 2010, compared with \$63.0 million in the year ago period. International revenue was \$72.0 million, compared with \$132.8 million in the year ago period. Network Operations revenue, which represented 2 percent of revenue in FY2009, is now reported within the North America and International segments.

“The macroeconomic environment remains challenging and continues to constrain our revenue growth potential. However, we are seeing stabilization in North America, continued strength in Asia Pacific and even early indications of potential growth in countries hardest hit by this downturn,” said Harald Braun, president and chief executive officer of Harris Stratex Networks. “Our strategy remains one of driving innovation and functionality at cost-effective prices for our global customer base, offering high-speed IP wireless backhaul and 4G-ready solutions. As a testament to our innovation leadership, Harris Stratex was awarded the 2009 Wireless Backhaul Distinction Award for our Eclipse IP wireless backhaul platform. This award recognized the Eclipse platform’s global reputation as the most comprehensive wireless backhaul solution currently available.

“Our continued focus on cash management has strengthened our balance sheet and enabled us to post our ninth consecutive quarter of positive operating cash flow. In these challenging times, we believe these accomplishments position us well to fund our R&D and improve our top line growth as the economy recovers,” added Braun.

### Outlook and Guidance

Due to the current macro-economic situation, it is difficult to provide financial guidance, and it is likely that Harris Stratex Networks’ actual results could differ materially from current expectations.

The Company’s current revenue expectations for the second quarter of fiscal year 2010 are in the range of \$120 million to \$130 million.

### Conference Call

Harris Stratex Networks will host a conference call today at 4:30 p.m. Eastern Time to discuss the company’s financial results.

Those wishing to join the call should dial 480-629-9820 (Conference ID: 4167871) at approximately 4:20 p.m. A replay of the call will be available starting approximately one hour after the call's completion until November 12. To access the replay, dial 303-590-3030 (Conference ID: 4167871). 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](http://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 on a non-GAAP basis for planning and forecasting results in future periods, and may use these measures for some management compensation 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, Inc.**

Harris Stratex Networks, Inc. is a leading provider of wireless solutions that enable the evolution of next-generation fixed and mobile 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, wireless networking solutions and services. For more information, visit [www.harrisstratex.com](http://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:*

- *continued weakness in the global economy affecting customer spending;*
- *continued price erosion as a result of increased competition in the microwave transmission industry;*
- *the volume, timing and customer, product and geographic mix of our product orders may have an impact on our operating results;*
- *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;*
- *uncertain economic conditions in the telecommunications sector combined with operator and supplier consolidation which makes it difficult to estimate growth.*

*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 4, 2009 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](#)

###

**Contacts:**

**Investors:** Mary McGowan, Summit IR Group Inc., 408-404-5401, [Mary@summitirgroup.com](mailto:Mary@summitirgroup.com)

**Media:** Cynthia Johnson, Harris Stratex Networks, Inc., 919-767-3323, [Cynthia.johnson@hstx.com](mailto:Cynthia.johnson@hstx.com)