FEDERATED PREMIER MUNICIPAL INCOME FUND
Form N-CSR
February 03, 2012

United States

Securities and Exchange Commission

Washington, D.C. 20549

Form N-CSR

Certified Shareholder Report of Registered Management Investment Companies

811-21235

(Investment Company Act File Number)

Federated Premier Municipal Income Fund

(Exact Name of Registrant as Specified in Charter)

Federated Investors Funds

4000 Ericsson Drive

Warrendale, Pennsylvania 15086-7561

(Address of Principal Executive Offices)

John W. McGonigle, Esquire

Federated Investors Tower

1001 Liberty Avenue

Pittsburgh, Pennsylvania 15222-3779

(Name and Address of Agent for Service)

(412) 288-1900

(Registrant's Telephone Number)

Date of Fiscal Year End: 11/30

Date of Reporting Period: 11/30/2011

Item 1. Reports to Stockholders

Annual Shareholder Report
November 30, 2011

Federated Premier Municipal Income Fund

Federated Premier Intermediate Municipal Income Fund

Fund Established 2002

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Portfolio of Investments Summary Table (unaudited) – Federated Premier Municipal Income Fund

At November 30, 2011, the Fund's sector composition[1] was as follows:

Sector Composition	**Percentage of Total Investments[2]**
General Obligation – State	14.1%
Special Tax	14.1%
Hospital	12.1%
Transportation	11.6%
General Obligation – Local	10.3%
Water & Sewer	5.6%
Education	5.5%
Senior Care	5.3%
Pre-refunded	5.0%
Tobacco	4.4%
Other[3]	12.0%
TOTAL	**100.0%**

1 Sector classifications, and the assignment of holdings to such sectors, are based upon the economic sector and/or revenue source of the underlying borrower, as determined by the Fund's Adviser. For securities that have been enhanced by a third-party (other than a bond insurer), such as a guarantor, sector classifications are based upon the economic sector and/or revenue source of the third party, as determined by the Fund's Adviser. Securities that are insured by a bond insurer are assigned according to the economic sector and/or revenue source of the underlying obligor. Pre-refunded securities are those whose debt service is paid from escrowed funds, usually U.S. government securities.

2 Percentages reflect the fully consolidated asset of any inverse floater trust as presented in the Portfolio of Investments.

3 For purposes of this table, sector classifications constitute 88.0% of the Fund's investments. Remaining sectors have been aggregated under the designation “Other.”

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Portfolio of Investments – Federated Premier Municipal Income Fund

November 30, 2011

Principal Amount		Value
	MUNICIPAL BONDS 99.5%	
	Alabama 1.2%	
$1,145,000	Alabama State Port Authority, Docks Facilities Revenue Bonds (Series 2010), 6.00% (Original Issue Yield: 6.25%), 10/1/2040	1,207,483
415,000	Selma, AL IDB, Gulf Opportunity Zone Bonds (Series 2010A), 5.80% (International Paper Co.), 5/1/2034	423,474
	TOTAL	1,630,957
	Arizona 2.7%	
940,000	Maricopa County, AZ, IDA, Health Facility Revenue Bonds (Series 2004A), 5.375% (Catholic Healthcare West), 7/1/2023	985,562
2,000,000	Pima County, AZ IDA, Revenue Bonds (Series 2008B), 5.75% (Tucson Electric Power Co.), 9/1/2029	2,037,580
750,000	Verrado Community Facilities District No. 1, AZ, Revenue Bonds, 6.50%, 7/15/2027	718,747
	TOTAL	3,741,889
	California 8.1%	
2,000,000	Bay Area Toll Authority, CA, San Francisco Bay Area Toll Bridge Revenue Bonds (Series 2009F-1), 5.00%, 4/1/2028	2,149,640
1,280,000	California State, Refunding Economic Recovery Bonds (Series 2009A), 5.00% (California State Fiscal Recovery Fund), 7/1/2018	1,496,550
1,000,000	California State, Various Purpose UT GO Bonds, 5.00%, 9/1/2030	1,039,850
750,000	Golden State Tobacco Securitization Corp., CA, Tobacco Settlement Revenue Bonds (Series 2003A-2), 7.90% (United States Agency PRF 6/1/2013@100), 6/1/2042	831,787
1,500,000	M-S-R Energy Authority, CA, Gas Revenue Bonds (Series 2009A), 7.00% (Citigroup, Inc. GTD), 11/1/2034	1,737,210
2,000,000	San Francisco, CA City & County Airport Commission, Second Series Revenue Bonds (Series 2009E), 5.50%, 5/1/2025	2,224,800
1,500,000	San Jose, CA Airport, Airport Revenue Bonds (Series 2011A-2), 5.00% (Original Issue Yield: 5.05%), 3/1/2031	1,494,375
	TOTAL	10,974,212
	Colorado 4.2%	
713,000	Antelope Heights Metropolitan District, CO, LT GO Bonds, 8.00% (United States Treasury PRF 12/1/2013@101), 12/1/2023	823,415

500,000	Colorado Educational & Cultural Facilities Authority, Revenue Refunding Bonds (Series A), 7.00% (Denver Academy)/(Original Issue Yield: 7.25%), 11/1/2023	507,820
230,000	Colorado State Higher Education Capital Construction Lease Purchase Financing Program, COPs (Series 2008), 5.50% (Original Issue Yield: 5.60%), 11/1/2027	247,071

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Principal Amount		Value
$90,000	Colorado State Higher Education Capital Construction Lease Purchase Financing Program, COPs (Series 2008), 5.50% (United States Treasury and Agency PRF 11/1/2018@100)/(Original Issue Yield: 5.60%), 11/1/2027	111,295
241,000	Conservatory Metropolitan District, CO, LT GO Bonds, 6.75% (United States Treasury PRF 12/1/2013@102), 12/1/2034	272,952
500,000	Conservatory Metropolitan District, CO, LT GO Bonds, 7.55% (United States Treasury PRF 12/1/2013@102), 12/1/2032	578,090
665,000	Conservatory Metropolitan District, CO, Refunding & Improvement LT GO Bonds, 5.125% (Radian Asset Assurance, Inc. INS), 12/1/2037	503,811
1,000,000	Denver, CO Health & Hospital Authority, Revenue Bonds, 6.25% (United States Treasury & Agency PRF 12/1/2014@100)/(Original Issue Yield: 6.28%), 12/1/2033	1,165,930
1,480,000	Public Authority for Colorado Energy, Natural Gas Purchase Revenue Bonds (Series 2008), 6.25% (Merrill Lynch & Co., Inc. GTD)/(Original Issue Yield: 6.63%), 11/15/2028	1,551,321
	TOTAL	5,761,705
	Delaware 0.5%	
715,000	Delaware EDA, Gas Facilities Refunding Bonds, 5.40% (Delmarva Power and Light Co.), 2/1/2031	753,896
	District of Columbia 1.9%	
2,500,000	District of Columbia Tobacco Settlement Financing Corp., Asset-Backed Revenue Bonds, 6.50% (Original Issue Yield: 6.67%), 5/15/2033	2,600,350
	Florida 3.9%	
1,190,000	Harbor Bay, FL Community Development District, Special Assessment Revenue Bonds, 6.75%, 5/1/2034	1,037,097
400,000	Orlando, FL Urban Community Development District, Capital Improvement Revenue Bonds, 6.25%, 5/1/2034	353,564
1,000,000	South Lake County, FL Hospital District, Revenue Bonds (Series 2009A), 6.00% (South Lake Hospital, Inc.)/(Original Issue Yield: 6.05%), 4/1/2029	1,023,700
1,000,000	South Lake County, FL Hospital District, Revenue Bonds, 6.625% (South Lake Hospital, Inc.), 10/1/2023	1,027,470
1,000,000	Tolomato Community Development District, FL, Special Assessment Revenue Bonds (Series 2007), 6.65% (Original Issue Yield: 6.70%), 5/1/2040	519,590
940,000	Verandah West, FL Community Development District, Capital Improvement Revenue Bonds (Series 2003A), 6.625% (Original Issue Yield: 6.75%), 5/1/2033	919,442
470,000	Winter Garden Village at Fowler Groves Community Development District, FL, Special Assessment Bonds (Series 2006), 5.65%, 5/1/2037	447,482

TOTAL	5,328,345

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Principal Amount		Value
	Georgia 4.0%	
$1,000,000	Atlanta, GA Airport General Revenue, Airport General Revenue Refunding Bonds (Series 2010C), 6.00%, 1/1/2030	1,152,720
1,500,000	Atlanta, GA Water & Wastewater, Revenue Bonds (Series 2009A), 6.00% (Original Issue Yield: 6.14%), 11/1/2024	1,760,325
1,000,000	Atlanta, GA, Tax Allocation Bonds (Series 2005B), 5.60% (Eastside Tax Allocation District)/(Original Issue Yield: 5.65%), 1/1/2030	997,690
1,500,000	DeKalb Private Hospital Authority, GA, Revenue Anticipation Certificates (Series 2009), 5.00% (Children's Healthcare of Atlanta, Inc.), 11/15/2024	1,623,660
	TOTAL	5,534,395
	Guam 0.3%	
375,000	Guam Government LO (Section 30), Bonds (Series 2009A), 5.625% (Original Issue Yield: 5.875%), 12/1/2029	381,398
	Hawaii 1.7%	
750,000	Hawaii State Department of Budget & Finance, Special Purpose Revenue Bonds (Series 2009), 6.50% (Hawaiian Electric Co., Inc.), 7/1/2039	809,948
1,400,000	Hawaii State Department of Budget & Finance, Special Purpose Revenue Bonds (Series A), 8.00% (Kahala Nui)/(Original Issue Yield: 8.175%), 11/15/2033	1,454,558
	TOTAL	2,264,506
	Illinois 5.6%	
964,000	Antioch Village, IL Special Service Area No. 1, Special Tax Revenue Bonds, 6.625% (Deercrest Project), 3/1/2033	770,757
625,000	Chicago, IL O'Hare International Airport, General Airport Third Lien Revenue Bonds (Series 2011C), 6.50%, 1/1/2041	715,344
1,000,000	Chicago, IL Special Assessment, Improvement Revenue Bonds, 6.75% (Lakeshore East Project)/(Original Issue Yield: 6.769%), 12/1/2032	1,024,730
695,000	Chicago, IL, UT GO Bonds (Project Series 2011A), 5.25%, 1/1/2035	713,661
420,000	DuPage County, IL, Special Tax Bonds (Series 2006), 5.625% (Naperville Campus LLC), 3/1/2036	335,702
625,000	Illinois Finance Authority, Revenue Bonds (Series 2005A), 6.00% (Landing at Plymouth Place)/(Original Issue Yield: 6.04%), 5/15/2037	509,513
1,250,000	Illinois State Toll Highway Authority, Toll Highway Senior Refunding Revenue Bonds (Series 2010 A-1), 5.00%, 1/1/2031	1,303,975
1,475,000	Illinois State, UT GO Bonds (Series 2008), 5.00%, 4/1/2028	1,490,723
1,000,000		1,027,390

	Metropolitan Pier & Exposition Authority, IL, McCormick Place Expansion Project Bonds (Series 2010A), 5.50%, 6/15/2050	
	TOTAL	7,891,795
	Indiana 3.5%	
1,930,000	Indiana Health & Educational Facility Financing Authority, Revenue Bonds (Series 2005), 5.25% (Baptist Homes of Indiana), 11/15/2035	1,802,890

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Principal Amount		Value
$1,500,000	Indiana State Finance Authority, First Lien Wastewater Utility Revenue Bonds (Series 2011A), 5.25% (CWA Authority), 10/1/2031	1,621,980
1,200,000	Whiting, IN Environmental Facilities, Revenue Bonds (Series 2009), 5.25% (BP PLC), 1/1/2021	1,400,832
	TOTAL	4,825,702
	Maine 0.4%	
600,000	Maine Health & Higher Educational Facilities Authority, Revenue Bonds (Series 2011), 6.75% (Maine General Medical Center)/(Original Issue Yield: 7.00%), 7/1/2041	615,696
	Maryland 1.0%	
550,000	Baltimore, MD, Special Obligation Revenue Bonds (Series 2008A), 7.00% (East Baltimore Research Park), 9/1/2038	564,459
175,000	Maryland State Economic Development Corp., Port Facilities Refunding Revenue Bonds (Series 2010), 5.75% (CONSOL Energy, Inc.), 9/1/2025	178,197
690,000	Maryland State Economic Development Corp., Revenue Bonds (Series B), 5.75% (Ports America Chesapeake, Inc.)/(Original Issue Yield: 5.875%), 6/1/2035	690,869
	TOTAL	1,433,525
	Michigan 1.2%	
625,000	Michigan Finance Authority, State Aid Revenue Notes (Series 2011A-2), 6.65% (Detroit, MI City School District), 3/20/2012	633,913
1,000,000	Michigan State Hospital Finance Authority, Refunding Revenue Bonds, 5.75% (Henry Ford Health System, MI)/(Original Issue Yield: 6.00%), 11/15/2039	1,024,320
	TOTAL	1,658,233
	Minnesota 1.1%	
335,000	Tobacco Securitization Authority, MN, Minnesota Tobacco Settlement Revenue Bonds (Series 2011B), 5.25% (Original Issue Yield: 5.291%), 3/1/2031	338,414
1,000,000	University of Minnesota, GO Bonds (Series 2011A), 5.00%, 12/1/2019	1,226,230
	TOTAL	1,564,644
	Missouri 0.4%	
500,000	Missouri Development Finance Board, Infrastructure Facilities Revenue Bonds (Series 2003A), 5.50% (Branson, MO)/(Original Issue Yield: 5.56%), 12/1/2032	525,735
	New Jersey 1.3%	
1,115,000	New Jersey EDA, Revenue Bonds, Series 2004, 5.75% (NJ Dedicated Cigarette Excise Tax)/(Original Issue Yield: 5.89%), 6/15/2029	1,110,094
211,412	[1,2]	2

New Jersey Health Care Facilities Financing Authority, Revenue Bonds, 6.50% (Pascack Valley Hospital Association)/(Original Issue Yield: 6.72%), 7/1/2023

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Principal Amount			Value
$600,000		New Jersey State Transportation Trust Fund Authority, Transportation System Bonds (Series 2011A), 6.00% (New Jersey State), 6/15/2035	685,698
		TOTAL	1,795,794
		New Mexico 1.3%	
1,000,000		Farmington, NM, PCR Refunding Bonds (Series 2010E), 5.90% (Public Service Co., NM), 6/1/2040	1,021,700
750,000	[3,4]	Jicarilla, NM Apache Nation, Revenue Bonds, 5.50%, 9/1/2023	781,515
		TOTAL	1,803,215
		New York 8.2%	
1,000,000		Brooklyn Arena Local Development Corporation, NY, Pilot Revenue Bonds (Series 2009), 6.375% (Original Issue Yield: 6.476%), 7/15/2043	1,034,990
1,000,000		Erie County, NY IDA, School Facility Refunding Revenue Bonds (Series 2011B), 5.00% (Buffalo, NY City School District), 5/1/2020	1,164,300
1,000,000		Hudson Yards Infrastructure Corp. NY, Hudson Yards Senior Revenue Bonds (Series 2012A), 5.75%, 2/15/2047	1,057,750
800,000	[3]	New York City, NY IDA, Liberty Revenue Bonds (Series A), 6.50% (7 World Trade Center LLC), 3/1/2035	799,800
1,000,000		New York City, NY Municipal Water Finance Authority, Revenue Bonds, 5.50% (Original Issue Yield: 5.57%), 6/15/2026	1,127,910
1,500,000		New York City, NY TFA, Future Tax Secured Bonds (Series Fiscal 2011D), 5.00%, 2/1/2019	1,789,845
2,000,000		New York Liberty Development Corporation, Liberty Revenue Bonds (Series 2011), 5.75% (4 World Trade Center), 11/15/2051	2,122,940
2,000,000		New York State Thruway Authority, Revenue Bonds (Series 2011A), 5.00% (New York State Personal Income Tax Revenue Bond Fund), 3/15/2026	2,246,920
		TOTAL	11,344,455
		North Carolina 1.4%	
1,000,000		North Carolina Eastern Municipal Power Agency, Power System Refunding Revenue Bonds (Series 2003C), 5.375% (Original Issue Yield: 5.57%), 1/1/2017	1,043,130
800,000		North Carolina Medical Care Commission, Health Care Housing Revenue Bonds (Series 2004A), 5.80% (Arc of North Carolina Projects), 10/1/2034	802,104
		TOTAL	1,845,234
		Ohio 3.6%	
945,000		Lucas County, OH, Revenue Bonds (Series 2011A), 6.00% (ProMedica Healthcare Obligated Group)/(Original Issue Yield: 6.22%), 11/15/2041	1,033,915

1,090,000	Ohio State Air Quality Development Authority, Revenue Bonds (Series 2009A), 5.70% (FirstEnergy Solutions Corp.), 8/1/2020	1,196,090
500,000	Ohio State University, General Receipts Bonds (Series 2008A), 5.00%, 12/1/2026	557,390

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Principal Amount			Value
$500,000		Ohio State University, General Receipts Bonds (Series 2008A), 5.00%, 12/1/2027	553,420
1,280,000		Ohio State Water Development Authority, Water Pollution Control Loan Fund Refunding Revenue Bonds (Series 2010C), 5.00%, 6/1/2020	1,546,074
		TOTAL	4,886,889
		Oregon 0.3%	
500,000	[3]	Cow Creek Band of Umpqua Tribe of Indians, Tax-Exempt Tax Revenue Bonds (Series 2006C), 5.625%, 10/1/2026	395,550
		Pennsylvania 3.1%	
1,500,000		Northampton County, PA General Purpose Authority, Hospital Revenue Bonds (Series 2008A), 5.50% (St. Lukes Hospital of Bethlehem)/(Original Issue Yield: 5.60%), 8/15/2035	1,490,040
1,000,000		Pennsylvania State Turnpike Commission, Turnpike Subordinate Revenue Bonds (Series 2009D), 5.50%, 12/1/2041	1,031,980
1,630,000		Philadelphia, PA Water & Wastewater System, Water and Wastewater Revenue Bonds (Series 2009A), 5.00% (Original Issue Yield: 5.13%), 1/1/2027	1,718,346
		TOTAL	4,240,366
		South Carolina 0.9%	
1,170,000		South Carolina Jobs-EDA, Health System Revenue Bonds (Series A), 5.625% (Bon Secours Health System)/(Original Issue Yield: 5.84%), 11/15/2030	1,169,286
		South Dakota 2.0%	
1,000,000		Educational Enhancement Funding Corp., SD, Tobacco Revenue Bonds (Series 2002B), 6.50%, 6/1/2032	1,017,860
1,750,000		South Dakota State Health & Educational Authority, Revenue Bonds, 5.65% (Westhills Village Retirement Community)/(Original Issue Yield: 5.75%, 9/1/2023	1,778,700
		TOTAL	2,796,560
		Tennessee 3.3%	
1,750,000		Johnson City, TN Health & Education Facilities Board, Hospital Revenue Bonds (Series 2010), 6.00% (Mountain States Health Alliance)/(Original Issue Yield: 6.07%), 7/1/2038	1,800,697
2,580,000		Tennessee State School Board Authority, Higher Educational Facilities Second Program Bonds (Series 2008B), 5.50%, 5/1/2038	2,812,355
		TOTAL	4,613,052
		Texas 14.2%	
1,000,000		Central Texas Regional Mobility Authority, Senior Lien Revenue Bonds (Series 2011), 6.25% (Original Issue Yield: 6.30%), 1/1/2046	1,018,650

700,000	Decatur, TX Hospital Authority, Hospital Revenue Bonds (Series 2004A), 7.125% (Wise Regional Health System), 9/1/2034	698,950

Principal Amount			Value
$2,000,000		Harris County, TX Cultural Education Facilities Finance Corp., Revenue Refunding Bonds (Series 2009), 5.625% (St. Luke's Episcopal Hospital), 2/15/2025	2,228,140
385,000		HFDC of Central Texas, Inc., Retirement Facility Revenue Bonds (Series 2006A), 5.50% (Village at Gleannloch Farms, Inc.), 2/15/2027	311,592
585,000		HFDC of Central Texas, Inc., Retirement Facility Revenue Bonds (Series 2006A), 5.50% (Village at Gleannloch Farms, Inc.), 2/15/2037	428,407
200,000		Houston, TX Higher Education Finance Corp., Education Revenue Bonds (Series 2011A), 6.875% (Cosmos Foundation, Inc.), 5/15/2041	215,326
1,000,000		North Texas Tollway Authority, Special Projects System Revenue Bonds (Series 2011), 5.50% (North Texas Toll Authority Special Projects System)/(Original Issue Yield: 5.70%), 9/1/2041	1,080,630
835,000		North Texas Tollway Authority, System First Tier Revenue Refunding Bonds (Series 2011B), 5.00% (Original Issue Yield: 5.12%), 1/1/2038	824,178
10,000,000	[5]	Spring Branch, TX ISD, LT GO Bonds, PSFG, 5.25%, 2/1/2034	10,756,800
500,000		Tarrant County, TX Cultural Education Facilities Finance Corp., Revenue Bonds, Series 2006A, 6.00% (Northwest Senior Housing Corp. Edgemere Project), 11/15/2036	481,845
1,390,000		Texas State Department of Housing & Community Affairs, Residential Mortgage Revenue Bonds (Series 2009A), 5.30%, 7/1/2034	1,481,406
		TOTAL	19,525,924
		Virginia 3.6%	
748,000		Broad Street CDA, VA, Revenue Bonds, 7.50% (United States Treasury PRF 6/1/2013@102)/(Original Issue Yield: 7.625%), 6/1/2033	834,476
1,400,000		Peninsula Port Authority, VA, Residential Care Facility Revenue Bonds (Series 2003A), 7.375% (Virginia Baptist Homes Obligated Group)/(United States Treasury PRF 12/1/2013@100)/(Original Issue Yield: 7.625%), 12/1/2032	1,570,058
1,500,000		University of Virginia, General Revenue Pledge Refunding Bonds (Series 2011), 5.00%, 9/1/2030	1,705,725
1,000,000		Virginia Peninsula Port Authority, Coal Terminal Revenue Refunding Bonds (Series 2003), 6.00% (Brinks Co. (The)), 4/1/2033	1,018,180
		TOTAL	5,128,439
		Washington 11.5%	
2,000,000		Tobacco Settlement Authority, WA, Tobacco Settlement Asset-Backed Revenue Bonds, 6.625% (Original Issue Yield: 6.875%), 6/1/2032	2,023,420
12,790,000	[5]	Washington State, UT GO Bonds, (Series 2008A), 5.00% 7/1/2030	13,712,803
		TOTAL	15,736,223

	Wisconsin 3.1%	
2,000,000	Wisconsin State General Fund Appropriation, Revenue Bonds (Series 2009A), 6.00% (Wisconsin State)/(Original Issue Yield: 6.10%), 5/1/2036	2,220,640

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Principal Amount		Value
$500,000	Wisconsin State HEFA, Revenue Bonds, 6.50% (Tomah Memorial Hospital, Inc.)/(Original Issue Yield: 6.75%), 7/1/2023	501,975
500,000	Wisconsin State HEFA, Revenue Bonds, 6.625% (Tomah Memorial Hospital, Inc.)/(Original Issue Yield: 6.875%), 7/1/2028	500,855
1,000,000	Wisconsin State HEFA, Revenue Bonds, 7.25% (Community Memorial Hospital)/(Original Issue Yield: 7.45%), 1/15/2033	947,310
	TOTAL	4,170,780
	TOTAL MUNICIPAL BONDS (IDENTIFIED COST $132,716,303)	136,938,750
	SHORT-TERM MUNICIPALS 0.5%[6]	
	Michigan 0.4%	
550,000	Michigan State Hospital Finance Authority, (Series 1999 A) Weekly VRDNs (Covenant Retirement Communities, Inc.)/(Bank of America N.A. LOC), 0.130%, 12/1/2011	550,000
	Pennsylvania 0.1%	
200,000	Luzerne County, PA, (Series A of 2006) Weekly VRDNs (Assured Guaranty Municipal Corp. INS)/(JPMorgan Chase Bank, N.A. LIQ), 0.150%, 12/1/2011	200,000
	TOTAL SHORT-TERM MUNICIPALS (AT AMORTIZED COST)	750,000
	TOTAL MUNICIPAL INVESTMENTS — 100.0% (IDENTIFIED COST $133,466,303)[7]	137,688,750
	OTHER ASSETS AND LIABILITIES — NET[8]	(15,554,125)
	LIQUIDATION VALUE OF AUCTION MARKET PREFERRED SHARES	(36,575,000)
	TOTAL NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	$85,559,625

At November 30, 2011, the Fund held no securities subject to the federal alternative minimum tax (AMT) (unaudited).

1 Non-income producing security.

2 Issuer in default.

3 Denotes a restricted security that either: (a) cannot be offered for public sale without first being registered, or being able to take advantage of an exemption from registration, under the Securities Act of 1933; or (b) is subject to a contractual restriction on public sales. At November 30, 2011, these restricted securities amounted to $1,976,865, which represented 2.3% of total market value.

4 Denotes a restricted security that may be resold without restriction to "qualified institutional buyers" as defined in Rule 144A under the Securities Act of 1933 and that the Fund has determined to be liquid under criteria established by the Fund's Board of Trustees (the "Trustees"). At November 30, 2011, these liquid restricted securities amounted to $781,515, which represented 0.9% of total market value.

5 Underlying security in inverse floater structure.

6 Current rate and next reset date shown for Variable Rate Demand Notes.

7 The cost of investments for federal tax purposes amounts to $116,280,354.

8 Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.

Note: The categories of investments are shown as a percentage of total market value at November 30, 2011.

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Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below:

Level 1 — prices in active markets for identical securities, including investment companies with daily net asset values, if applicable.

Level 2 — other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.). Also includes securities valued at amortized cost.

Level 3 — significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

As of November 30, 2011, all investments of the Fund utilized Level 2 inputs in valuing the Fund's assets carried at fair value.

The following acronyms are used throughout this portfolio:

CDA	— Community Development Authority
COPs	— Certificates of Participation
EDA	— Economic Development Authority
GO	— General Obligation
GTD	— Guaranteed
HEFA	— Health and Education Facilities Authority
HFDC	— Health Facility Development Corporation
IDA	— Industrial Development Authority
IDB	— Industrial Development Bond
INS	— Insured
ISD	— Independent School District
LIQ	— Liquidity Agreement
LO	— Limited Obligation
LOC	— Letter of Credit
LT	— Limited Tax
PCR	— Pollution Control Revenue
PRF	— Prerefunded
PSFG	— Public School Fund Guarantee
TFA	— Transitional Finance Authority
UT	— Unlimited Tax
VRDNs	— Variable Rate Demand Notes

See Notes which are an integral part of the Financial Statements

Annual Shareholder Report

Portfolio of Investments Summary Table (unaudited) – Federated Premier Intermediate Municipal Income Fund

At November 30, 2011, the Fund's sector composition[1] was as follows:

Sector Composition	**Percentage of Total Investments[2]**
General Obligation – State	22.4%
Special Tax	13.6%
Hospital	9.0%
Transportation	8.3%
Education	7.5%
Pre-refunded	7.2%
Public Power	5.9%
Water & Sewer	4.6%
Electric & Gas	4.6%
Senior Care	3.6%
Other[3]	13.3%
TOTAL	**100.0%**

1 Sector classifications, and the assignment of holdings to such sectors, are based upon the economic sector and/or revenue source of the underlying borrower, as determined by the Fund's Adviser. For securities that have been enhanced by a third-party (other than a bond insurer), such as a guarantor, sector classifications are based upon the economic sector and/or revenue source of the third party, as determined by the Fund's Adviser. Securities that are insured by a bond insurer are assigned according to the economic sector and/or revenue source of the underlying obligor. Pre-refunded securities are those whose debt service is paid from escrowed funds, usually U.S. government securities.

2 Percentages reflect the fully consolidated asset of any inverse floater trust as presented in the Portfolio of Investments.

3 For purposes of this table, sector classifications constitute 86.7% of the Fund's total investments. Remaining sectors have been aggregated under the designation “Other.”

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Portfolio of Investments – Federated Premier Intermediate Municipal Income Fund

November 30, 2011

Principal Amount		Value
	MUNICIPAL BONDS 100.0%	
	Arizona 3.9%	
$1,500,000	Arizona Transportation Board, Subordinated Highway Revenue Bonds (Series 2004B), 5.00% (United States Treasury PRF 7/1/2014@100), 7/1/2020	1,66
1,000,000	Maricopa County, AZ, IDA, Health Facility Revenue Bonds (Series 2004A), 5.375% (Catholic Healthcare West), 7/1/2023	1,04
1,690,000	Pima County, AZ IDA, PCRBs (Series 2009A), 4.95% (Tucson Electric Power Co.), 10/1/2020	1,73
1,500,000	Verrado Community Facilities District No. 1, AZ, Revenue Bonds, 6.15%, 7/15/2017	1,51
	TOTAL	5,96
	Arkansas 0.8%	
1,000,000	Independence County, AR, PCR	1,00

	Refunding Bonds (Series 2005), 5.00% (Entergy Arkansas, Inc.), 1/1/2021	
300,000	Jefferson County, AR, PCR Refunding Bonds (Series 2006), 4.60% (Entergy Arkansas, Inc.), 10/1/2017	30
	TOTAL	

The 2008 Credit Agreement contains certain covenants, including covenants limiting: certain liens on our assets; certain mergers, consolidations or sales of assets; certain sale ar leaseback transactions; certain vendor financing investments; and certain investments in unrestricted subsidiaries. The 2008 Credit Agreement also requires that we not permit our of consolidated total indebtedness to total capital, each as defined, to be greater than 0.60 t 1.00 and not permit our ratio of consolidated EBITDA to consolidated net interest expense each as defined, to be less than 3.00 to 1.00 (measured on the last day of each fiscal quarte the rolling four-quarter period then ending). The 2008 Credit Agreement contains certain e of default, including: failure to make payments; failure to perform or observe terms, coven and agreements; material inaccuracy of any representation or warranty; payment default ur other indebtedness with a principal amount in excess of $75 million or acceleration of such indebtedness; occurrence of one or more final judgments or orders for the payment of mon excess of $75 million that remain unsatisfied; incurrence of certain ERISA liability in exce $75 million; any bankruptcy or insolvency; or a change of control, including if a person or group becomes the beneficial owner of 25 percent or more of our voting stock. If an event default occurs the lenders may, among other things, terminate their commitments and decl all outstanding borrowings to be immediately due and payable together with accrued intere and fees. All amounts borrowed or outstanding under the 2008 Credit Agreement are due a mature on September 10, 2013, unless the commitments are terminated earlier either at our request or if certain events of default occur. At January 2, 2009, we had no borrowings outstanding under the 2008 Credit Agreement.

Prior to the combination with Stratex, Stratex was a party to a credit facility with Silico Valley Bank, and following the combination, Stratex (now named Harris Stratex Networl Operating Corporation and a wholly-owned subsidiary of Harris Stratex Networks), rema party to the credit facility with Silicon Valley Bank (the Harris Stratex Networks Credit Facility). As discussed below, the Harris Stratex Networks Credit Facility (the Termina Facility) was terminated and replaced in the first quarter of our fiscal 2009. Harris and its subsidiaries (other than Harris Stratex Networks Operating Corporation) are not and were parties to, obligated under or guarantors of the Terminated Facility. Indebtedness under the Terminated Facility is reflected as of June 27, 2008 in the accompanying Condensed Consolidated Balance Sheet as a result of the consolidation of Harris Stratex Networks. Th Terminated Facility allowed for revolving credit borrowings of up to $50 million. As of June 27, 2008, the balance of the term loan portion of the Terminated Facility was $8.7 mi (of which $5.0 million was recorded in the current portion of long-term debt at June 27, 20 and there was $8.6 million in outstanding standby letters of credit.

On June 30, 2008, in the first quarter of our fiscal 2009, the Terminated Facility was terminated and replaced with a new revolving credit facility as of that date with Silicon Va

Bank and Bank of America, N.A. (the New Harris Stratex Networks Credit Facility). Ha
its subsidiaries (other than Harris Stratex Networks and certain of its subsidiaries) are not
parties to, obligated under or guarantors of the New Harris Stratex Networks Credit Facilit
The balance of the term loan portion of the Terminated Facility of $8.7 million was repaid
full with the proceeds of a $10 million borrowing under the New Harris Stratex Networks
Credit Facility. The standby letters of credit outstanding under the Terminated Facility as o
termination date remained as an obligation to Silicon Valley Bank, and $6.7 million of suc
standby letters of credit were still outstanding as of January 2, 2009. The New Harris Strat
Networks Credit Facility provides for an initial committed amount of $70 million with an
uncommitted option for an additional $50 million available with the same or additional len
The New Harris Stratex Networks Credit Facility has an initial term of three years and pro
for (1) demand borrowings (with no stated maturity date) with an interest rate of the greate
Bank of America s prime rate and the federal funds rate plus 0.5 percent, (2) fixed term
Eurodollar loans up to six months or more as agreed with the lenders with an interest rate o
LIBOR plus a spread of between 1.25 percent to 2.00 percent based on the current leverag
ratio of Harris Stratex Networks and its consolidated subsidiaries, and (3) the issuance of
standby or commercial letters of credit. The New Harris Stratex Networks Credit Facility
contains a minimum liquidity ratio covenant and a maximum leverage ratio covenant and i
unsecured. At January 2, 2009, Harris Stratex Networks had $10.0 million of borrowings a
$7.6 million of standby letters of credit outstanding under the New Harris Stratex Network
Credit Facility.

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Note H Accrued Warranties

Changes in our warranty liability, which is included as a component of the Other accru items line item on the accompanying Condensed Consolidated Balance Sheet (Unaudited during the first two quarters of fiscal 2009, are as follows:

	(In millions)
Balance at June 27, 2008	$ 46.6
Warranty provision for sales made during the two quarters ended January 2, 2009	18.6
Settlements made during the two quarters ended January 2, 2009	(11.5)
Other adjustments to the warranty liability, including those for foreign currency translation, during the two quarters ended January 2, 2009	(1.0)
Balance at January 2, 2009	$ 52.7

Note I Net Income (Loss) Per Diluted Share

The computations of net income (loss) per diluted share are as follows:

	Quarter Ended		Two Quarters Ended	
	January 2, 2009	December 28, 2007	January 2, 2009	December 28, 2007
	(In millions, except per share amounts)			
Net income (loss)	$ (38.6)	$ 114.3	$ 80.1	$ 214.5
Impact of convertible debentures				0.5
Net income (loss) used in diluted share calculation (A)	$ (38.6)	$ 114.3	$ 80.1	$ 215.0
Basic weighted average shares outstanding	132.5	135.7	132.8	133.9
Impact of dilutive stock options		1.9	1.1	1.9
Impact of convertible debentures				1.9
Diluted weighted average shares outstanding (B)	132.5	137.6	133.9	137.7
Net income (loss) per diluted share (A)/(B)	$ (.29)	$ .83	$ .60	$ 1.56

In fiscal 2003, we issued $150 million in aggregate principal amount of 3.5% Convertib Debentures due August 2022. Holders of the debentures had the right to convert each of th

debentures into shares of our common stock prior to the stated maturity. During fiscal 2008
each holder received 44.2404 shares of our common stock for each $1,000 of debentures
surrendered for conversion. This represented a conversion price of $22.625 per share of ou
common stock. All outstanding debentures were either converted or redeemed during the f
quarter of fiscal 2008.

For purposes of calculating net income per diluted share, the numerator has not been
adjusted to consider the effect of potentially dilutive securities of Harris Stratex Networks
because the effect would be antidilutive. Additionally, due to the net loss in the second qua
of fiscal 2009, basic weighted average shares were used in calculating net loss per diluted s
because the use of diluted weighted average shares would be antidilutive.

Potential dilutive common shares primarily consist of employee stock options. Employe
stock options to purchase approximately 3,051,558 and 12,350 shares of Harris stock on
January 2, 2009 and December 28, 2007, respectively, were outstanding, but were not inclu
in the computation of net income per diluted share because the effect would be antidilutive
because the options exercise prices exceeded the average market price.

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Note J Non-Operating Income (Loss)

The components of non-operating income (loss) are as follows:

	Quarter Ended		Two Quarters Ended	
	January 2, 2009	December 28, 2007	January 2, 2009	December 28, 2007
	(In millions)			
Gain on AuthenTec, Inc. warrants	$	$ 5.6	$	$ 5.6
Gain on the sale of securities available-for-sale				2.1
Gain (loss) on the sale of investments	0.5	(0.2)	0.5	(0.2)
Impairment of investments		(0.5)		(0.5)
Impairment of securities available-for-sale			(7.6)	
Equity income (loss)	0.1	(0.1)	0.2	(0.1)
Net royalty expense	(1.3)	(0.6)	(1.9)	(1.0)
	$ (0.7)	$ 4.2	$ (8.8)	$ 5.9

Note K Income Taxes

Our effective tax rate (income taxes as a percentage of income (loss) before income tax and minority interest) was unfavorably impacted in the quarter and two quarters ending January 2, 2009 due to charges in our Harris Stratex Networks segment of $301.0 million f impairment of goodwill and other intangible assets, which is all nondeductible for tax purp and of $22.1 million for the increase in the valuation allowance for certain deferred tax ass Legislative action during the second quarter of fiscal 2009 has restored the U.S. Federal in tax credit for research and development expenses, and as a result we recorded a $5.0 millio benefit in the second quarter of fiscal 2009 relating to prior periods. We also recorded a $3.7 million state tax benefit in the second quarter of fiscal 2009 related to the filing of our fiscal 2007 tax returns.

Note L Impairment of Goodwill and Other Intangible Assets

We test our goodwill and other indefinite-lived intangible assets in accordance with Statement 142 as part of our fiscal year-end financial close process, when we change repor segments and when events or circumstances indicate there may be an impairment. On January 7, 2009, we announced that based on the current global economic environment and decline of the market capitalization of Harris Stratex Networks, it was probable that an impairment of goodwill existed for this segment. As a result, we performed an interim revi for impairment as of the end of the second quarter of fiscal 2009 of Harris Stratex Network goodwill and its other indefinite-lived intangible assets, consisting solely of the Stratex trad name.

To test for potential impairment of Harris Stratex Networks goodwill, we determined t value of Harris Stratex Networks based on projected discounted cash flows and market-bas multiples applied to sales and earnings. The results indicated an impairment to goodwill, because the current carrying value of the segment exceeded its fair value. We then allocate

this fair value to Harris Stratex Networks underlying assets and liabilities to determine th
implied fair value of goodwill, resulting in a $279.0 million charge to write down all of Ha
Stratex Networks goodwill. We determined the fair value of the Stratex trade name by
performing a projected discounted cash flow analysis based on the relief-from-royalty
approach, resulting in a $22.0 million charge to write down a majority of the carrying valu
the Stratex trade name. Substantially all of the goodwill and the Stratex trade name were
recorded in connection with the combination of Stratex and our Microwave Communicatio
Division in January 2007. We will not be required to make any current or future cash
expenditures as a result of these impairments, and these impairments do not impact our
covenant compliance under our credit arrangements or our ongoing financial performance.

For reasons similar to those stated above, we also conducted a review of Harris Stratex
Networks long-lived assets, including amortizable intangible assets, in accordance with F
Statement of Financial Accounting Standards No. 144, Accounting for the Impairment or
Disposal of Long-lived Assets. This review did not indicate that an impairment existed as
end of the second quarter of fiscal 2009.

As discussed in *Note N Business Segments* in these Notes to Condensed Consolidated
Financial Statements (Unaudited), effective upon the commencement of fiscal 2009, we m
certain changes to our organizational structure which resulted in changes to our business
segments, and the goodwill balances at June 27, 2008 by business segment for fiscal 2009
reflected in the table below. For those changes that resulted in reporting unit changes, we
applied the relative fair value method to determine the

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reallocation of goodwill to reporting units. During the first quarter of fiscal 2009, as a resu
the changes to our reporting structure, we completed an assessment of any potential goodw
impairment under this new reporting structure and determined that no impairment existed.

Changes in the carrying amount of goodwill during the first two quarters of fiscal 2009,
business segment, are as follows:

	RF Communications	Government Communications Systems	Broadcast Communications	Harris Stratex Networks	Total
			(In millions)		
Balance at June 27, 2008	$6.0	$ 414.5	$ 842.0	$ 284.8	$1,547.3
Goodwill acquired during the period					
Impairment of goodwill				(279.0)	(279.0)
Other (primarily currency translation adjustments)			(47.6)	(5.8)	(53.4)
Balance at January 2, 2009	$6.0	$ 414.5	$ 794.4	$	$1,214.9

Note M Fair Value Measurements

We adopted Statement 157 in the first quarter of fiscal 2009 and there was no impact to
financial position, results of operations or cash flows. In accordance with FSP FAS 157-2,
elected to defer until fiscal 2010 the adoption of Statement 157 for nonfinancial assets
(including items such as goodwill and other intangible assets) and nonfinancial liabilities,
except for items that are recognized or disclosed at fair value in the financial statements on
recurring basis (at least annually). Statement 157 defines fair value as the price that would
received to sell an asset or paid to transfer a liability in the principal market (or most
advantageous market, in the absence of a principal market) for the asset or liability in an or
transaction between market participants at the measurement date. Statement 157 requires
entities to maximize the use of observable inputs and minimize the use of unobservable inp
in measuring fair value and establishes a three-level fair value hierarchy that prioritizes the
inputs used to measure fair value. The three levels of inputs used to measure fair value are
follows:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than quoted prices included within Level 1, includ
quoted prices for similar assets or liabilities in active markets; quoted prices for ident
or similar assets or liabilities in markets that are not active; and inputs other than quo
prices that are observable or are derived principally from, or corroborated by, observ
market data by correlation or other means.

Level 3 Unobservable inputs that are supported by little or no market activity, are significant to the fair value of the assets or liabilities, and reflect our own assumption about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The following table represents the fair value hierarchy of our financial assets and financ liabilities measured at fair value on a recurring basis (at least annually) as of January 2, 20

	Level 1	**Level 2**	**Level 3**	**Total**
		(In millions)		
Financial Assets				
Short-term investments	$ 1.6	$	$	$ 1.6
Marketable equity securities	3.6			3.6
Deferred compensation plans (1)	58.8			58.8
Foreign exchange forward contracts		1.2		1.2
Financial Liabilities				
Deferred compensation plans (2)	58.2			58.2
Foreign exchange forward contracts		7.6		7.6

(1) Represents investments (primarily money market and mutual stock funds) held in a Ra Trust associated with our non-qualified deferred compensation plans. For reporting purposes, we net these assets against associated deferred compensation plan obligation which are included in the Compensation and benefits line item in the accompanyin Condensed Consolidated Balance Sheet (Unaudited).

(2) Represents obligations to pay benefits under certain non-qualified deferred compensati plans, which we include in the Compensation and benefits line item in the accompa Condensed Consolidated Balance Sheet (Unaudited).

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Note N   Business Segments

Our segment reporting structure for fiscal 2009 reflects that, effective upon the commencement of fiscal 2009, our RF Communications business (part of our Defense Communications and Electronics segment for fiscal 2008) is reported as its own separate segment, and that our Defense Programs business (the other part of our Defense Communications and Electronics segment for fiscal 2008) is reported as part of our Government Communications Systems segment. Our Broadcast Communications and Harr Stratex Networks segments did not change as a result of the adjustments to our segment reporting structure. The historical results, discussion and presentation of our business segm as set forth in this Quarterly Report on Form 10-Q reflect the impact of these changes for a periods presented. There is no impact on our previously reported consolidated statements o income, balance sheets or statements of cash flows resulting from this change.

We are structured primarily around the products and services we sell and the markets w serve. Our RF Communications segment is a global supplier of highly secure radio communications products and systems for defense and government operations and perform advanced research, primarily for the U.S. Department of Defense and for international customers in government, defense and peacekeeping organizations in more than 100 count Our Government Communications Systems segment designs, develops and supplies state-of-the-art communications and information networks and equipment; develops integr intelligence, surveillance and reconnaissance solutions; develops, designs and supports information systems for image and other data collection, processing, analysis, interpretatio display, storage and retrieval; offers enterprise IT and communications engineering, operat and support services; and conducts advanced research studies, primarily for the U.S. Department of Defense, a diversified group of other U.S. Government agencies, state government agencies and other aerospace and defense companies. Our Broadcast Communications segment serves the global digital and analog media markets, providing infrastructure and networking products and solutions, media and workflow solutions, and television and radio transmission equipment and systems. Our Harris Stratex Networks seg offers reliable, flexible, scalable and cost-efficient wireless transmission network solutions including microwave radio systems and network management software, which are backed comprehensive services and support, primarily to mobile and fixed telephone service provi private network operators, government agencies, transportation and utility companies, pub safety agencies and broadcast system operators. Within each of our business segments, the multiple program areas and product lines that aggregate into our four business segments described above.

The accounting policies of our operating segments are the same as those described in N 1:   Significant Accounting Policies   in our Fiscal 2008 Form 10-K. We evaluate each seg performance based on its   operating income (loss),   which we define as profit or loss from operations before income taxes and minority interest excluding interest income and expens royalties and related intellectual property expenses, equity income and gains or losses from securities and other investments. Intersegment sales among our RF Communications, Government Communications Systems and Broadcast Communications segments are transferred at cost to the buying segment and the sourcing segment recognizes a normal pr that is eliminated. Intersegment sales between our Harris Stratex Networks segment and an our RF Communications, Government Communications Systems and Broadcast Communications segments are recorded as arms length transactions. The   Corporate eliminations   line item in the tables below represents the elimination of intersegment sales their related profits, including transactions involving our Harris Stratex Networks segment Unallocated Corporate expense   line item in the tables below represents the portion of co

expenses not allocated to the business segments.

Total assets by business segment are summarized below:

	January 2, 2009	June 27, 2008
	(In millions)	
Total Assets		
RF Communications	$ 483.5	$ 412.3
Government Communications Systems	1,426.5	1,302.3
Broadcast Communications	1,311.8	1,404.4
Harris Stratex Networks	553.9	875.2
Corporate	494.2	564.4
	$4,269.9	$4,558.6

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Segment revenue, segment operating income (loss) and a reconciliation of segment operating income (loss) to total income (loss) before income taxes and minority interest follows:

	Quarter Ended		Two Quarters Ended	
	January 2, 2009	December 28, 2007	January 2, 2009	December 28, 2007
	(In millions)			
Revenue				
RF Communications	$ 438.2	$ 357.1	$ 853.4	$ 673.6
Government Communications Systems	748.0	624.7	1,357.1	1,228.6
Broadcast Communications	163.0	163.6	321.2	310.3
Harris Stratex Networks	190.9	181.1	386.7	353.4
Corporate eliminations	(16.7)	(8.8)	(27.3)	(17.7)
	$1,523.4	$ 1,317.7	$2,891.1	$ 2,548.2
Income (Loss) Before Income Taxes and Minority Interest				
Segment Operating Income (Loss):				
RF Communications	$ 144.1	$ 124.2	$ 286.2	$ 235.0
Government Communications Systems (1)	85.2	67.3	151.5	131.1
Broadcast Communications (2)	12.0	8.2	17.3	18.6
Harris Stratex Networks (3)	(291.5)	(0.8)	(283.6)	(1.8)
Unallocated Corporate expense	(19.1)	(18.4)	(38.0)	(37.0)
Corporate eliminations	(6.1)	(1.3)	(9.8)	(2.7)
Non-operating income (loss) (4)	(0.7)	4.2	(8.8)	5.9
Net interest expense	(13.3)	(12.2)	(24.7)	(25.3)
	$ (89.4)	$ 171.2	$ 90.1	$ 323.8

(1) The operating income in our Government Communications Systems segment in the qu and two quarters ended January 2, 2009 included $10.8 million ($6.7 million after-tax, $.05 per diluted share) and $17.6 million ($10.9 million after-tax, or $.08 per diluted sl respectively, of charges for schedule and cost overruns on commercial satellite reflecto programs. The operating income in our Government Communications Systems segmer

the two quarters ended December 28, 2007 included $23.6 million ($14.6 million after
or $.11 per diluted share) of charges for schedule and cost overruns on commercial sat
reflector programs.

(2) The operating income in our Broadcast Communications segment in the two quarters e
January 2, 2009 included charges of $4.0 million associated with cost-reduction action
The operating income in our Broadcast Communications segment in the quarter and tw
quarters ended December 28, 2007 included $1.8 million of acquisition-related costs
associated with the acquisition of Zandar Technologies plc (Zandar) including the w
of in-process research and development and the impact of a step up in inventory.

(3) The operating loss in our Harris Stratex Networks segment in the quarter and two quar
ended January 2, 2009 included a $301.0 million ($182.5 million after tax and minority
interest, or $1.37 per diluted share) charge for impairment of goodwill and other
indefinite-lived intangible assets, as well as charges of $1.1 million and $4.4 million,
respectively, associated with cost-reduction actions. The operating loss in our Harris
Stratex Networks segment in the quarter and two quarters ended December 28, 2007
included $12.1 million and $20.4 million, respectively, of integration costs and the imp
of a step up in fixed assets related to the combination with Stratex.

(4) Non-operating income (loss) includes equity investment income (loss), royalties and
intellectual property expenses, gains and losses on sales of investments and securities
available-for-sale, impairments of investments and securities available-for-sale, and
mark-to-market adjustments of derivatives. The non-operating loss in the two quarters
ended January 2, 2009 included a $7.6 million write-down of our investment in Authen
Inc. (AuthenTec), recorded in the quarter ended September 26, 2008, to reflect an
other-than-temporary impairment. The non-operating income in the two quarters ended
December 28, 2007 included a $2.1 million gain on the sale of a portion of our investm
in AuthenTec, recorded in the quarter ended September 28, 2007, and a $5.6 million ga
recorded in the quarter ended December 28, 2007, related to a mark-to-market adjustm
of warrants we held to acquire shares of AuthenTec, which were classified as derivativ
Additional information regarding non-operating income (loss) is set forth in *Note J
Non-Operating Income (Loss)* in these Notes to Condensed Consolidated Financial
Statements (Unaudited).

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Harris Corporation

We have reviewed the condensed consolidated balance sheet of Harris Corporation and subsidiaries as of January 2, 2009, and the related condensed consolidated statements of in for the quarter and two quarters ended January 2, 2009 and December 28, 2007, and the condensed consolidated statements of cash flows for the two quarters ended January 2, 200 and December 28, 2007. These financial statements are the responsibility of the Company management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information co principally of applying analytical procedures and making inquiries of persons responsible f financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the financial statements taken whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be ma the condensed consolidated financial statements referred to above for them to be in confor with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Harris Corporation and subsidiaries as of June 27, 2008, and the related consolidated statements o income, cash flows, and comprehensive income and shareholders equity for the year then ended, not presented herein, and in our report dated August 22, 2008, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the informa set forth in the accompanying condensed consolidated balance sheet as of June 27, 2008, is fairly stated, in all material respects, in relation to the consolidated balance sheet from whi has been derived.

/s/ Ernst & Young LLP
Certified Public Accountants

West Palm Beach, Florida
February 6, 2009

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Item 2. Management s Discussion and Analysis of Financial Condition and Results o Operations.

OVERVIEW

The following Management s Discussion and Analysis of Financial Condition and Res Operations (MD&A) is intended to assist in an understanding of Harris. MD&A is prov a supplement to, should be read in conjunction with, and is qualified in its entirety by refer to, our Condensed Consolidated Financial Statements (Unaudited) and accompanying Note Condensed Consolidated Financial Statements (Unaudited) (Notes) appearing elsewher Quarterly Report on Form 10-Q. In addition, reference should be made to our audited Consolidated Financial Statements and accompanying Notes to Consolidated Financial Statements and MD&A included in our Fiscal 2008 Form 10-K. Except for the historical information contained herein, the discussions in MD&A contain forward-looking statemen that involve risks and uncertainties. Our future results could differ materially from those discussed herein. Factors that could cause or contribute to such differences include, but are limited to, those discussed below in MD&A under Forward-Looking Statements and Fac that May Affect Future Results.

The following is a list of the sections of MD&A, together with our perspective on the contents of these sections of MD&A, which we hope will make reading these pages more productive:

Results of Operations an analysis of our consolidated results of operations and of results in each of our four operating segments, to the extent the operating segment re are helpful to an understanding of our business as a whole, for the periods presented our Condensed Consolidated Financial Statements (Unaudited).

Liquidity and Capital Resources an analysis of cash flows, common stock repurc dividend policy, capital structure and resources, off-balance sheet arrangements and commercial commitments and contractual obligations.

Critical Accounting Policies and Estimates information about accounting policie require critical judgments and estimates and about accounting pronouncements that h been issued but not yet implemented by us and their potential impact.

Forward-Looking Statements and Factors that May Affect Future Results cautionary information about forward-looking statements and a description of certain risks and uncertainties that could cause our actual results to differ materially from ou historical results or our current expectations or projections.

RESULTS OF OPERATIONS

Highlights

Operations results for the second quarter of fiscal 2009 include:

Net income decreased from $114.3 million, or $.83 per diluted share, in the second quarter of fiscal 2008 to a net loss of $38.6 million, or $.29 per diluted share, in the second quarter of fiscal 2009. Net loss in the second quarter of fiscal 2009 includes charges in our Harris Stratex Networks segment of $182.5 million (after tax and min interest, or $1.37 per diluted share) for impairment of goodwill and other intangible a and for the increase in the valuation allowance for certain deferred tax assets;

Revenue increased 15.6 percent from $1,317.7 million in the second quarter of fiscal to $1,523.4 million in the second quarter of fiscal 2009;

Our RF Communications segment revenue increased 22.7 percent to $438.2 million a
operating income increased 16.0 percent to $144.1 million in the second quarter of fi
2009 compared with the second quarter of fiscal 2008;

Our Government Communications Systems segment revenue increased 19.7 percent
$748.0 million and operating income increased 26.6 percent to $85.2 million in the
second quarter of fiscal 2009 compared with the second quarter of fiscal 2008;

Our Broadcast Communications segment revenue, at $163.0 million, was essentially
compared with the second quarter of fiscal 2008, and operating income increased
46.3 percent to $12.0 million in the second quarter of fiscal 2009 compared with the
second quarter of fiscal 2008. The second quarter of fiscal 2008 included $1.8 millio
transaction-related costs associated with the acquisition of Zandar;

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Our Harris Stratex Networks segment revenue increased 5.4 percent to $190.9 millio the second quarter of fiscal 2009 compared with the second quarter of fiscal 2008, w there was an operating loss of $291.5 million in the second quarter of fiscal 2009 compared with an operating loss of $0.8 million in the second quarter of fiscal 2008. operating loss in the second quarter of fiscal 2009 includes a $301.0 million charge f impairment of goodwill and other intangible assets. The operating loss in the second quarter of fiscal 2008 included $12.1 million of costs associated with the combinatio with Stratex;

On December 8, 2008 we announced that we are evaluating strategic alternatives rela to our Harris Stratex Networks segment. We expect to provide further details regardi our ownership in Harris Stratex Networks during the third quarter of fiscal 2009; and

Net cash provided by operating activities was $189.3 million in the first two quarters fiscal 2009 compared with $192.9 million in the first two quarters of fiscal 2008.

Consolidated Results of Operations

Revenue and Net Income (Loss)

	Quarter Ended			Two Quarte	
	January 2, 2009	December 28, 2007	% Inc/(Dec)	January 2, 2009	Decer 28 20
	(In millions, except per share amounts and pe				
Revenue	$1,523.4	$1,317.7	15.6%	$2,891.1	$2,54
Net income (loss)	$ (38.6)	$ 114.3	*	$ 80.1	$ 21
% of revenue	*(2.5)%*	*8.7%*		*2.8%*	
Net income (loss) per diluted common share	$ (.29)	$ .83	*	$ .60	$ 1

* Not meaningful

Second Quarter 2009 Compared With Second Quarter 2008: Revenue in the second qu of fiscal 2009 was $1,523.4 million, an increase of 15.6 percent compared with the second quarter of fiscal 2008. The increase in revenue was led by 22.7 percent and 19.7 percent revenue increases in our RF Communications and Government Communications Systems segments, respectively. Our RF Communications segment revenue benefited from significa growth in international markets, while our Government Communications Systems segment revenue benefited from the Field Data Collection Automation (FDCA) program for the Census Bureau for the 2010 census.

The net loss in the second quarter of fiscal 2009 was $38.6 million, or $.29 per diluted s compared with net income of $114.3 million, or $.83 per diluted share, in the second quart fiscal 2008. The decrease in net income was due to charges in our Harris Stratex Network segment of $182.5 million (after tax and minority interest) for impairment of goodwill and other intangible assets and for the increase in the valuation allowance for certain deferred t assets. Our RF Communications segment operating income increased by 16.0 percent in th second quarter of fiscal 2009 compared with the second quarter of fiscal 2008, primarily fr strong international sales of our Falcon® tactical radio systems. Our Government Communications Systems segment operating income increased by 26.6 percent in the seco quarter of fiscal 2009 compared with the second quarter of fiscal 2008, primarily benefitin from the FDCA program for the U.S. Census Bureau for the 2010 census. Operating incom

our Broadcast Communications segment increased by 46.3 percent in the second quarter of fiscal 2009 compared with the second quarter of fiscal 2008, primarily benefiting from the over-the-air digital TV transition in the U.S. and Brazil and cost-reduction actions taken in previous quarters. Our Broadcast Communications segment operating income in the second quarter of fiscal 2008 was negatively impacted by $1.8 million of transaction-related costs associated with the acquisition of Zandar. We had a non-operating loss of $0.7 million in the second quarter of fiscal 2009 compared with non-operating income of $4.2 million in the second quarter of fiscal 2008, which non-operating income included a $5.6 million gain rel to a mark-to-market adjustment of warrants we held to acquire shares of AuthenTec, which were classified as derivatives.

First Two Quarters 2009 Compared With First Two Quarters 2008: Our revenue for the two quarters of fiscal 2009 was $2,891.1 million, an increase of 13.5 percent compared wit first two quarters of fiscal 2008. The reasons for the increase in revenue are primarily the s as those noted above regarding the second quarter of fiscal 2009.

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Net income for the first two quarters of fiscal 2009 was $80.1 million, or $.60 per dilute
share, compared with $214.5 million, or $1.56 per diluted share, for the first two quarters o
fiscal 2008. The decrease in net income and net income per diluted share primarily resulted
from the same causes as noted above regarding the second quarter of fiscal 2009.

See the *Discussion of Business Segment Results of Operations* section of this MD&A
further information.

Gross Margin

	Quarter Ended			Two Quarters Ended		
	January 2, 2009	December 28, 2007	% Inc/(Dec)	January 2, 2009	December 28, 2007	Inc/
	(In millions, except percentages)					
Revenue	$ 1,523.4	$ 1,317.7	15.6%	$ 2,891.1	$ 2,548.2	1
Cost of product sales and services	(1,061.2)	(908.2)	16.8%	(1,989.6)	(1,757.8)	1
Gross margin	$ 462.2	$ 409.5	12.9%	$ 901.5	$ 790.4	1
% of revenue	*30.3%*	*31.1%*		*31.2%*	*31.0%*	

Second Quarter 2009 Compared With Second Quarter 2008: Our gross margin (revenu
cost of product sales and services) as a percentage of revenue was 30.3 percent in the secon
quarter of fiscal 2009 compared with 31.1 percent in the second quarter of fiscal 2008. The
decrease in gross margin as a percentage of revenue was primarily due to a decline in the g
margin percentage in our RF Communications segment and a 19.7 percent increase in reve
in our Government Communications Systems segment at lower margins.

First Two Quarters 2009 Compared With First Two Quarters 2008: Our gross margin a
percentage of revenue was 31.2 percent in the first two quarters of fiscal 2009 compared w
31.0 percent in the first two quarters of fiscal 2008. The reason for the slight increase in gr
margin as a percentage of revenue is primarily due to revenue growth in our higher-margin
Communications segment, partially offset by the causes for the decreases in gross margin a
percentage of revenue as noted above.

See the *Discussion of Business Segment Results of Operations* section of this MD&A
further information.

Engineering, Selling and Administrative Expenses

	Quarter Ended			Two Quarters Ended		
	January 2, 2009	December 28, 2007	% Inc/(Dec)	January 2, 2009	December 28, 2007	Inc
	(In millions, except percentages)					
Engineering, selling and administrative expenses	$236.6	$ 230.3	2.7%	$476.9	$ 447.2	(
% of revenue	*15.5%*	*17.5%*		*16.5%*	*17.5%*	

Second Quarter 2009 Compared With Second Quarter 2008: Our engineering, selling a
administrative expenses increased to $236.6 million in the second quarter of fiscal 2009 fro
$230.3 million in the second quarter of fiscal 2008. As a percentage of revenue, these expe
were 15.5 percent in the second quarter of fiscal 2009 compared with 17.5 percent in the se

quarter of fiscal 2008. The decrease in engineering, selling and administrative expenses as percentage of revenue was a result of 19.7 percent revenue growth in our Government Communications Systems segment and lower engineering, selling and administrative expe as a result of cost-reduction actions taken in prior quarters. The increase in engineering, se and administrative expenses was primarily from increased selling expenses in our RF Communications segment. We incurred $9.0 million of integration and transaction-related during the second quarter of fiscal 2008 associated with the Multimax Incorporated (Mul and Zandar acquisitions and the combination with Stratex.

First Two Quarters 2009 Compared With First Two Quarters 2008: Our engineering, s and administrative expenses increased to $476.9 million in the first two quarters of fiscal 2 from $447.2 million in the first two quarters of fiscal 2008. As a percentage of revenue, th expenses decreased to 16.5 percent in the first two quarters of fiscal 2009 from 17.5 percen the first two quarters of fiscal 2008. The reasons for the increase in engineering, selling an administrative expenses and the decrease in engineering, selling and administrative expens a percentage of revenue are primarily the same as those noted above regarding the

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second quarter of 2009, as well as $17.1 million of integration and transaction-related costs
incurred during the first two quarters of fiscal 2008 associated with the Multimax and Zanc
acquisitions and the combination with Stratex.

See the *Discussion of Business Segment Results of Operations* section of this MD&A
further information.

Non-Operating Income (Loss)

	Quarter Ended			Two Quarters Ended		
	January 2, 2009	December 28, 2007	% Inc/(Dec)	January 2, 2009	December 28, 2007	Inc
	(In millions, except percentages)					
Non-operating income (loss)	$(0.7)	$ 4.2	*	$(8.8)	$ 5.9	

* Not meaningful

Second Quarter 2009 Compared With Second Quarter 2008: We had a non-operating lo
$0.7 million in the second quarter of fiscal 2009 compared with non-operating income of
$4.2 million in the second quarter of fiscal 2008. The non-operating income in the second
quarter of fiscal 2008 was primarily due to a $5.6 million gain related to a mark-to-market
adjustment of warrants we held to acquire shares of AuthenTec, which were classified as
derivatives. See *Note J Non-Operating Income (Loss)* and footnote 4 of *Note N Busine
Segments* in the Notes for further information.

First Two Quarters 2009 Compared With First Two Quarters 2008: We had a non-oper
loss of $8.8 million for the first two quarters of fiscal 2009 compared with non-operating
income of $5.9 million for the first two quarters of fiscal 2008. The non-operating loss for
first two quarters of fiscal 2009 was primarily due to a $7.6 million write-down of our
investment in AuthenTec, recorded in the quarter ended September 26, 2008, to reflect an
other-than-temporary impairment. In the first quarter of fiscal 2008, we recorded a gain of
$2.1 million on the sale of a portion of our investment in AuthenTec, and in the second qua
of fiscal 2008, we recorded a $5.6 million gain related to a mark-to-market adjustment of
warrants we held to acquire shares of AuthenTec, which were classified as derivatives. See
Note J Non-Operating Income (Loss) and footnote 4 of *Note N Business Segments* in th
Notes for further information.

Interest Income and Interest Expense

	Quarter Ended			Two Quarters Ended		
	January 2, 2009	December 28, 2007	% Inc/(Dec)	January 2, 2009	December 28, 2007	% Inc/(
	(In millions, except percentages)					
Interest income	$ 1.2	$ 1.6	(25.0)%	$ 2.9	$ 3.6	(19
Interest expense	(14.5)	(13.8)	5.1%	(27.6)	(28.9)	(4

Second Quarter 2009 Compared With Second Quarter 2008: Our interest income decre
to $1.2 million in the second quarter of fiscal 2009 from $1.6 million in the second quarter
fiscal 2008. Our interest expense increased to $14.5 million in the second quarter of fiscal
from $13.8 million in the second quarter of fiscal 2008. The decrease in our interest incom
was due to slightly lower average balances of cash, cash equivalents and short-term investr

and lower interest rates earned on those balances. The increase in our interest expense was primarily due to the issuance, in December 2007, of $400 million in aggregate principal an of 5.95% Notes due December 1, 2017, which replaced lower interest rate commercial pap

First Two Quarters 2009 Compared With First Two Quarters 2008: Our interest incom decreased to $2.9 million in the first two quarters of fiscal 2009 from $3.6 million in the fi two quarters of fiscal 2008. Our interest expense decreased to $27.6 million in the first two quarters of fiscal 2009 from $28.9 million in the first two quarters of fiscal 2008. Our inter income decreased for the same causes as noted above regarding the second quarter of fisca 2009. Our interest expense decreased due to the conversion or redemption, during the first quarter of fiscal 2008, of $150 million in aggregate principal amount of 3.5% Convertible Debentures, partially offset by the increased interest expense associated with the issuance, December 2007, of $400 million in aggregate principal amount of 5.95% Notes due December 1, 2017, which replaced lower interest rate commercial paper.

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Income Taxes

	Quarter Ended			Two Quarters Ended		
	January 2, 2009	December 28, 2007	% Inc/(Dec)	January 2, 2009	December 28, 2007	Inc/
	(In millions, except percentages)					
Income taxes	$ 87.0	$ 57.3	51.8%	$148.4	$ 110.1	3
Effective tax rate	*(97.3)%*	*33.5%*		*164.7%*	*34.0%*	

Second Quarter 2009 Compared With Second Quarter 2008: Our effective tax rate (inc taxes as a percentage of income (loss) before income taxes and minority interest) was unfavorably impacted by charges in our Harris Stratex Networks segment of $301.0 millio impairment of goodwill and other intangible assets, which is all nondeductible for tax purp and of $22.1 million for the increase in the valuation allowance for certain deferred tax ass Legislative action during the second quarter of fiscal 2009 has restored the U.S. Federal in tax credit for research and development expenses, and as a result we recorded a $5.0 millio benefit in the second quarter of fiscal 2009 relating to prior periods. We also recorded a $3.7 million state tax benefit in the second quarter of fiscal 2009 related to the filing of our fiscal 2007 tax returns.

First Two Quarters 2009 Compared With First Two Quarters 2008: Our effective tax ra for the first two quarters of fiscal 2009 was much higher than the U.S. statutory income tax primarily due to the same causes as noted above regarding the second quarter of fiscal 200

Discussion of Business Segment Results of Operations

As discussed in *Note N Business Segments* in the Notes, effective upon the commencement of fiscal 2009, we changed our segment reporting. Our RF Communicatio business (part of our Defense Communications and Electronics segment for fiscal 2008) is reported as its own separate segment, and our Defense Programs business (the other part o Defense Communications and Electronics segment for fiscal 2008) is reported as part of ou Government Communications Systems segment. Our Broadcast Communications and Harr Stratex Networks segments did not change as a result of the adjustments to our segment reporting structure. The historical results, discussion and presentation of our business segm as set forth in this Quarterly Report on Form 10-Q reflect the impact of these changes for a periods presented. There is no impact on our previously reported consolidated statements o income, balance sheets or statements of cash flows resulting from this change.

RF Communications Segment

	Quarter Ended			Two Quarters Ended		
	January 2, 2009	December 28, 2007	% Inc/(Dec)	January 2, 2009	December 28, 2007	Inc/
	(In millions, except percentages)					
Revenue	$438.2	$ 357.1	22.7%	$853.4	$ 673.6	2
Segment operating income	144.1	124.2	16.0%	286.2	235.0	2
% of revenue	*32.9%*	*34.8%*		*33.5%*	*34.9%*	

Second Quarter 2009 Compared With Second Quarter 2008: RF Communications segm revenue increased 22.7 percent and operating income increased 16.0 percent in the second quarter of fiscal 2009 from the second quarter of fiscal 2008. Operating margins in the sec

quarter of fiscal 2009 were 32.9 percent of revenue compared with 34.8 percent of revenue the second quarter of fiscal 2008.

Revenue in the second quarter of fiscal 2009 compared with the second quarter of fiscal 2008 was modestly higher in the U.S. market and significantly higher in international mark International revenue comprised 40 percent of total segment revenue in the second quarter fiscal 2009 compared with 27 percent of total segment revenue for fiscal 2008. Internation revenue growth in the second quarter of fiscal 2009 was driven by major deliveries of tacti radio systems to the Philippines, Mexico, Iraq, Algeria and Afghanistan. We expect multi- tactical communications modernization programs in international markets to continue.

Total orders in the second quarter of fiscal 2009 were lower than expected due to the de of several large orders, which we now expect to receive later in fiscal 2009 or early fiscal 2 In the U.S. Department of Defense (DoD) market, we believe the transition to the new presidential administration has created some delays as positions are filled and budgets are reviewed. In addition, we believe DoD customers are in the process of establishing new contract vehicles necessary to procure the Joint Tactical Radio System (JTRS)-approved III® 117G manpack radios.

We received significant new orders in the second quarter of fiscal 2009 from the U.S. A and U.S. Marine Corps, as well as Norway, Algeria and Singapore. Following the end of th second quarter of fiscal 2009, we were awarded a contract from the government of the Uni Arab Emirates, potentially worth $45 million. The award is a follow-on contract to a multi- series of procurements for Falcon® radio products and systems and includes Falcon II® rad Falcon III® high-capacity data radios (HCDRs) and tactical broadband global area netw (BGAN) satellite communications terminals.

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Adoption of our new Falcon III multiband radios both handheld and manpack conti gain traction in the marketplace. More than 65,000 JTRS-approved Falcon III radios have l delivered for U.S. combat operations worldwide.

Growing demand for Falcon III radios both handheld and manpack was also reflect new U.S. orders totaling $85 million, which we received in the second quarter of fiscal 20(and early in the third quarter of fiscal 2009. We received Falcon III handheld orders (AN/PRC-152 and the vehicular-configured AN/VRC-110 radios and accessories) from th U.S. Army and U.S. Marine Corps, which are using the radios in multiple applications including Mine Resistant Ambush Protected (MRAP) vehicles. We received new orders second quarter of fiscal 2009 for the latest Falcon III radio the multiband manpack radio (AN/PRC-117G) from the U.S. Special Operations Command, U.S. Air Force and U.S. M Corps. The 117G is the first and only JTRS-approved wideband/narrowband networking tactical radio to be deployed by the DoD. The radio enables data-intensive applications, bringing streaming video and situational awareness information to the battlefield.

First Two Quarters 2009 Compared With First Two Quarters 2008: RF Communicatio segment revenue increased 26.7 percent and operating income increased 21.8 percent in th two quarters of fiscal 2009 from the first two quarters of fiscal 2008. The reasons for these revenue and operating income increases are primarily the same as those noted above regar the second quarter of fiscal 2009.

Government Communications Systems Segment

	Quarter Ended			**Two Quarters Ended**		
	January 2, 2009	**December 28, 2007**	**% Inc/(Dec)**	**January 2, 2009**	**December 28, 2007**	**Inc**
	(In millions, except percentages)					
Revenue	$748.0	$ 624.7	19.7%	$1,357.1	$ 1,228.6	1
Segment operating income	85.2	67.3	26.6%	151.5	131.1	1
% of revenue	*11.4%*	*10.8%*		*11.2%*	*10.7%*	

Second Quarter 2009 Compared With Second Quarter 2008: Government Communicat Systems segment revenue increased 19.7 percent and operating income increased 26.6 perc in the second quarter of fiscal 2009 from the second quarter of fiscal 2008. Operating marg was 11.4 percent of revenue in the second quarter of fiscal 2009 compared with 10.8 perce revenue in the second quarter of fiscal 2008. The increase in revenue was primarily from th FDCA program for the U.S. Census Bureau for the 2010 census. The increase in operating income was also primarily from the FDCA program, partially offset by $10.8 million of ch for schedule and cost overruns on commercial satellite reflector programs.

The FDCA program for the U.S. Census Bureau contributed significantly higher revenu the second quarter of fiscal 2009 compared with the second quarter of fiscal 2008, as a resu the delivery of computers and communications equipment, as well as additional program requirements. During the second quarter of fiscal 2009, the FDCA contract was modified t include additional program requirements, bringing the expected total value of the program approximately $800 million through December 2011.

Other revenue drivers in the second quarter of fiscal 2009 included multiband satellite communications terminals for the U.S. Navy s Commercial Broadband Satellite Program, avionics shipments for the F-35 Joint Strike Fighter program, an IT services program for th

Air Force Weather Agency and several classified programs. Revenue decreases in the seco
quarter of fiscal 2009 compared with the second quarter of fiscal 2008 resulted from the
successful completion of the Federal Aviation Administration (FAA) Voice Switching a
Control Systems (VSCS) refurbishment phase, completion of the MAF/TIGER databas
program for the U.S. Census Bureau, and a decline in commercial satellite reflectors reven

During the second quarter of fiscal 2009 we were awarded new National Intelligence
programs with a combined potential contract value of approximately $300 million, includi
$100 million order under a new five-year Indefinite Delivery Indefinite Quantity (IDIQ)
contract to provide systems integration and IT services. Other key program wins in the sec
quarter of fiscal 2009 included a contract modification by the U.S. Navy Space and Naval
Warfare Systems Command, potentially worth $37 million, to supply multiband shipboard
satellite communications terminals for the Arleigh Burke class of guided missile destroyer

Also in the second quarter of fiscal 2009, we completed the first phase for the U.S.
Department of Health and Human Services Nationwide Health Information Network (N
CONNECT Gateway project. The customized software is designed to enable seamless hea
information sharing among multiple federal agencies and regional healthcare providers.
Healthcare enterprise information solutions is a new growth initiative for our Government
Communications Systems segment.

First Two Quarters 2009 Compared With First Two Quarters 2008: Government
Communications Systems segment revenue increased 10.5 percent and operating income
increased 15.6 percent in the first two quarters of fiscal 2009 from the first two quarters

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of fiscal 2008. The reasons for the increases in revenue and operating income are primarily
same as those noted above regarding the second quarter of fiscal 2009. Additionally, opera
income included $17.6 million and $23.6 million of charges for schedule and cost overruns
commercial satellite reflector programs incurred in the first two quarters of fiscal 2009 and
fiscal 2008, respectively.

Broadcast Communications Segment

	Quarter Ended			Two Quarters Ended		
	January 2, 2009	December 28, 2007	% Inc/(Dec)	January 2, 2009	December 28, 2007	Inc/
	(In millions, except percentages)					
Revenue	$163.0	$ 163.6	(0.4)%	$321.2	$ 310.3	3
Segment operating income	12.0	8.2	46.3%	17.3	18.6	(7
% of revenue	*7.4%*	*5.0%*		*5.4%*	*6.0%*	

Second Quarter 2009 Compared With Second Quarter 2008: Broadcast Communicatio
segment revenue decreased 0.4 percent in the second quarter of fiscal 2009 from the secon
quarter of fiscal 2008. Segment operating income increased 46.3 percent in the second qua
of fiscal 2009 from the second quarter of fiscal 2008, benefiting from cost-reduction actio
taken over the past several quarters. The second quarter of fiscal 2008 included $1.8 millio
transaction-related costs associated with the acquisition of Zandar.

Sales of Transmission Systems increased in the second quarter of fiscal 2009 compared
the second quarter of fiscal 2008 driven by the over-the-air digital TV transition in the U.S
Brazil. Strong sales in the second quarter of fiscal 2009 of Infrastructure and Networking
Solutions and Media and Workflow software in international markets were more than offse
weak market demand in the North America market. We believe weak economic conditions
the U.S. have prompted many broadcast and media customers to delay capital spending.

Orders momentum slowed significantly in the U.S. market during the first half of fiscal
and is expected to remain weak during the next several quarters. We believe the outlook fo
international business is more positive, aided by several large project opportunities. We
benefited from our recent investments to expand sales and marketing resources in internati
markets. During the second quarter of fiscal 2009, we received significant international or
for Harris ONE solutions from Qatar, Iraq, India, Australia, Lebanon, Turkey, Nigeria, R
Bulgaria, Slovenia, Italy, Germany, Belgium, Switzerland and Mexico.

First Two Quarters 2009 Compared With First Two Quarters 2008: Broadcast
Communications segment revenue increased 3.5 percent during the first two quarters of fis
2009 from the first two quarters of fiscal 2008. Segment operating income decreased
7.0 percent in the first two quarters of fiscal 2009 from the first two quarters of fiscal 2008
reasons for these variances are primarily the same as those noted above for the second qua
of fiscal 2009. Segment operating income also included $4.0 million of charges associated
cost-reduction actions incurred in the first quarter of fiscal 2009.

Harris Stratex Networks Segment

Quarter Ended			Two Quarters	
January 2, 2009	December 28, 2007	% Inc/(Dec)	January 2, 2009	Decem 28, 200

	(In millions, except percentages)				
Revenue	$ 190.9	$181.1	5.4%	$ 386.7	$353.4
Segment operating loss	(291.5)	(0.8)	*	(283.6)	(1.8
% of revenue	*(152.7)%*	*(0.4)%*		*(73.3)%*	*(0.5*
Minority interest in Harris Stratex Networks	$ 137.8	$ 0.4	*	$ 138.4	$ 0.8

* Not meaningful

Second Quarter 2009 Compared With Second Quarter 2008: Harris Stratex Networks segment revenue increased 5.4 percent in the second quarter of fiscal 2009 from the second quarter of fiscal 2008. The segment had an operating loss of $291.5 million in the second quarter of fiscal 2009 compared with an operating loss of $0.8 million in the second quarter fiscal 2008. Operating income in the second quarter of fiscal 2009 included a $301.0 million charge for impairment of goodwill and other indefinite-lived intangible assets, as discussed below. Operating income in the second quarter of fiscal 2008 included $12.1 million of integration costs and the impact of a step up in fixed assets associated with the combination with Stratex.

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On January 7, 2009, we determined that based on the current global economic environm
and the decline of the market capitalization of Harris Stratex Networks, it was probable tha
impairment of goodwill existed for this segment. As a result, we performed an interim revi
for impairment as of the end of the second quarter of fiscal 2009 of Harris Stratex Network
goodwill and its other indefinite-lived intangible assets, consisting solely of the Stratex tra
name.

To test for potential impairment of Harris Stratex Networks goodwill, we determined
value of Harris Stratex Networks based on projected discounted cash flows and market-bas
multiples applied to sales and earnings. The results indicated an impairment to goodwill,
because the current carrying value of the segment exceeded its fair value. We then allocate
this fair value to Harris Stratex Networks underlying assets and liabilities to determine th
implied fair value of goodwill, resulting in a $279.0 million charge to write down all of Ha
Stratex Networks goodwill. We determined the fair value of the Stratex trade name by
performing a projected discounted cash flow analysis based on the relief-from-royalty
approach, resulting in a $22.0 million charge to write down a majority of the carrying valu
the Stratex trade name. Substantially all of the goodwill and the Stratex trade name were
recorded in connection with the combination of Stratex and our Microwave Communicatio
Division in January 2007. We will not be required to make any current or future cash
expenditures as a result of these impairments, and these impairments do not impact our
covenant compliance under our credit arrangements or our ongoing financial performance.

On December 8, 2008 we announced that we are evaluating strategic alternatives relate
our Harris Stratex Networks segment. We expect to provide further details regarding our
ownership in Harris Stratex Networks during the third quarter of fiscal 2009.

First Two Quarters 2009 Compared With First Two Quarters 2008: Harris Stratex
Networks segment revenue increased 9.4 percent during the first two quarters of fiscal 200
compared with the first two quarters of fiscal 2008. The segment had an operating loss of
$283.6 million during the first two quarters of fiscal 2009 compared with an operating loss
$1.8 million during the first two quarters of fiscal 2008. The reasons for these variances ar
primarily the same as those noted above regarding the second quarter of fiscal 2009.
Additionally, operating income included $8.3 million of charges for integration costs and t
impact of a step up in fixed assets in the first quarter of fiscal 2008 associated with the
combination with Stratex.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

	Two Quarters Ended	
	January 2, 2009	December 28, 2007
	(In millions)	
Net cash provided by operating activities	$ 189.3	$ 192.9
Net cash used in investing activities	(65.2)	(67.4)
Net cash used in financing activities	(129.4)	(121.7)
Effect of exchange rate changes on cash and cash equivalents	(12.0)	(0.5)
Net increase (decrease) in cash and cash equivalents	$ (17.3)	$ 3.3

Cash and Cash Equivalents: Our cash and cash equivalents decreased $17.3 million fr
$370.0 million at the end of fiscal 2008 to $352.7 million at the end of the second quarter o
fiscal 2009. The decrease was primarily due to $129.4 million of net cash used in financing
activities and $65.2 million of net cash used in investing activities, partially offset by
$189.3 million of net cash provided by operating activities. We own approximately 56 perc
of Harris Stratex Networks, which had a cash balance of $97.7 million included in our
consolidated cash and cash equivalents balance of $352.7 million at January 2, 2009. The
$97.7 million balance is available only for Harris Stratex Networks general corporate pur

Our financial position remained strong at January 2, 2009. We ended the second quarter
cash and cash equivalents and short-term investments of $354.3 million in aggregate; we h
no long-term debt maturing until fiscal 2016; we have a five-year, senior unsecured
$750 million revolving credit facility that expires in September 2013; and we do not have a
material defined benefit pension plan obligations.

We currently believe that existing cash, funds generated from operations, sales of
marketable equity securities, our credit facilities and access to the public and private debt a
equity markets will be sufficient to provide for our anticipated working capital requiremen
capital expenditures and share repurchases under the current repurchase program for the ne
12 months and the foreseeable future. We anticipate tax payments over the next three years
be approximately equal to our tax expense during the same

period. We anticipate that our fiscal 2009 cash outlays may include strategic acquisitions. O
than those cash outlays noted in the Commercial Commitments and Contractual Obligatio
discussion below in this MD&A, capital expenditures, potential acquisitions and repurchas
under our share repurchase program, no other significant cash outlays are anticipated durin
remainder of fiscal 2009 and thereafter.

There can be no assurance, however, that our business will continue to generate cash flo
current levels, that ongoing operational improvements will be achieved, or that the cost or
availability of future borrowings, if any, under our commercial paper program or our credi
facilities or in the debt markets will not be impacted by the ongoing credit and capital mark
disruptions. If we are unable to maintain cash balances or generate sufficient cash flow fro
operations to service our obligations, we may be required to sell assets, reduce capital
expenditures, reduce or terminate our share repurchase program, reduce or eliminate divide
refinance all or a portion of our existing debt or obtain additional financing. Our ability to
principal payments or pay interest on or refinance our indebtedness depends on our future
performance and financial results, which, to a certain extent, are subject to general conditio
or affecting the defense, government, broadcast communications and wireless transmission
markets and to general economic, political, financial, competitive, legislative and regulator
factors beyond our control.

Net cash provided by operating activities: Our net cash provided by operating activities
$189.3 million in the first two quarters of fiscal 2009 compared with $192.9 million in the
two quarters of fiscal 2008. All of our segments had positive cash flow in the first two quar
of fiscal 2009.

Net cash used in investing activities: Our net cash used in investing activities was $65.
million in the first two quarters of fiscal 2009 compared with net cash used in investing
activities of $67.4 million in the first two quarters of fiscal 2008. Net cash used in investin
activities in the first two quarters of fiscal 2009 was primarily due to $53.2 million of prop
plant and equipment additions and $13.5 million of capitalized software additions. This wa
partially offset by net proceeds of $1.5 million from the sale of short-term investments
available-for-sale. Net cash used in investing activities in the first two quarters of fiscal 20
was primarily due to $49.1 million of property, plant and equipment additions, $19.0 millio
capitalized software additions and $12.8 million cash paid for acquisitions. This was partia
offset by net proceeds of $13.5 million from the sale of securities and short-term investmen
available-for-sale. Our total capital expenditures, including capitalized software, in fiscal 2
are expected to be between $140 million and $150 million.

Net cash used in financing activities: Our net cash used in financing activities was $12
million in the first two quarters of fiscal 2009 compared with net cash used in financing
activities of $121.7 million in the first two quarters of fiscal 2008. Net cash used in financi
activities in the first two quarters of fiscal 2009 was primarily due to $82.1 million used fo
repurchase of shares of our common stock and $53.9 million used to pay cash dividends,
partially offset by proceeds of $7.3 million from the exercise of employee stock options. N
cash used in financing activities in the first two quarters of fiscal 2008 was primarily due to
$109.0 million used for the repurchase of shares of our common stock and $41.1 million us
to pay cash dividends, partially offset by proceeds of $29.0 million from the exercise of
employee stock options.

Common Stock Repurchases

During the second quarter of fiscal 2009, there were no repurchases of shares of our
common stock under our repurchase program. During the second quarter of fiscal 2008, we
used $50 million to repurchase 785,000 shares of our common stock under our repurchase

program at an average price per share of $63.64, including commissions. During the first t quarters of fiscal 2009, we used $75 million to repurchase 1,470,929 shares of our commo stock under our repurchase program at an average price per share of $50.98, including commissions. During the first two quarters of fiscal 2008, we used $100 million to repurch 1,667,358 shares of our common stock under our repurchase program at an average price p share of $59.95, including commissions. In the second quarter of fiscal 2009 and second q of fiscal 2008, $0.5 million and $1.6 million, respectively, in shares of our common stock delivered to us or withheld by us to satisfy withholding taxes on employee share-based aw In the first two quarters of fiscal 2009 and first two quarters of fiscal 2008, $7.1 million an $9.0 million, respectively, in shares of our common stock were delivered to us or withheld us to satisfy withholding taxes on employee share-based awards. Shares repurchased by us cancelled and retired.

As of January 2, 2009, we have a remaining authorization to repurchase approximately million in shares of our common stock under our repurchase program. This program does have a stated expiration date. Additional information regarding share repurchases during th second quarter of fiscal 2009 and our repurchase program is set forth in this Quarterly Rep on Form 10-Q under Part II. Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

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Dividend Policy

On August 23, 2008, our Board of Directors increased the quarterly cash dividend rate o
our common stock from $.15 per share to $.20 per share, for an annualized rate of $.80 per
share. Our annual cash dividend rate on our common stock was $.60 per share in fiscal 200
The declaration of dividends and the amount thereof will depend on a number of factors,
including our financial position, capital requirements, results of operations, future business
prospects and other factors that our Board may deem relevant. There can be no assurances
our quarterly dividend will continue to increase or that dividends will be paid at all in the
future.

Capital Structure and Resources

On September 10, 2008, we entered into a five-year, senior unsecured revolving credit
agreement (the 2008 Credit Agreement) with a syndicate of lenders. The 2008 Credit
Agreement provides for the extension of credit to us in the form of revolving loans, includi
swingline loans, and letters of credit at any time and from time to time during the term of t
2008 Credit Agreement, in an aggregate principal amount at any time outstanding not to ex
$750 million for both revolving loans and letters of credit, with a sub-limit of $50 million f
swingline loans and $125 million for letters of credit. This $750 million credit facility repla
our prior $500 million credit facility established pursuant to the five-year, senior unsecured
revolving credit agreement we entered into on March 31, 2005 with a syndicate of lenders.
2008 Credit Agreement includes a provision pursuant to which, from time to time, we may
request that the lenders in their discretion increase the maximum amount of commitments u
the 2008 Credit Agreement by an amount not to exceed $500 million. Only consenting len
(including new lenders reasonably acceptable to the administrative agent) will participate i
such increase. In no event will the maximum amount of credit extensions available under t
2008 Credit Agreement exceed $1.25 billion. The 2008 Credit Agreement may be used for
working capital and other general corporate purposes (excluding hostile acquisitions) and t
support any commercial paper that we may issue. Borrowings under the 2008 Credit Agree
may be denominated in U.S. Dollars, Euros, Sterling and any other currency acceptable to
administrative agent and the lenders, with a non-U.S. currency sub-limit of $150 million. W
may designate certain wholly-owned subsidiaries as borrowers under the 2008 Credit
Agreement, and the obligations of any such subsidiary borrower must be guaranteed by Ha
Corporation. We also may designate certain subsidiaries as unrestricted subsidiaries, which
means certain of the covenants and representations in the 2008 Credit Agreement do not ap
to such subsidiaries. Harris Stratex Networks and its subsidiaries are unrestricted subsidiar
under the 2008 Credit Agreement.

At our election, borrowings under the 2008 Credit Agreement denominated in U.S. Dol
will bear interest either at LIBOR plus an applicable margin or at the base rate plus an
applicable margin. The interest rate margin over LIBOR, initially set at 0.50 percent, may
increase (to a maximum amount of 1.725 percent) or decrease (to a minimum of 0.385 perc
based on changes in the ratings of our senior, unsecured long-term debt securities (Senior
Ratings) and on the degree of utilization under the 2008 Credit Agreement (Utilization
base rate is a fluctuating rate equal to the higher of the federal funds rate plus 0.50 percent
SunTrust Bank s publicly announced prime lending rate for U.S. Dollars. The interest rate
margin over the base rate is 0.00 percent, but if our Senior Debt Ratings fall to BB+/Ba1
below, then the interest rate margin over the base rate will increase to either 0.225 percent
0.725 percent based on Utilization. Borrowings under the 2008 Credit Agreement denomin
in a currency other than U.S. Dollars will bear interest at LIBOR plus the applicable intere
rate margin over LIBOR described above. Letter of credit fees are also determined based o

Senior Debt Ratings and Utilization.

The 2008 Credit Agreement contains certain covenants, including covenants limiting: certain liens on our assets; certain mergers, consolidations or sales of assets; certain sale ar leaseback transactions; certain vendor financing investments; and certain investments in unrestricted subsidiaries. The 2008 Credit Agreement also requires that we not permit our of consolidated total indebtedness to total capital, each as defined, to be greater than 0.60 t 1.00 and not permit our ratio of consolidated EBITDA to consolidated net interest expense each as defined, to be less than 3.00 to 1.00 (measured on the last day of each fiscal quarte the rolling four-quarter period then ending). The 2008 Credit Agreement contains certain e of default, including: failure to make payments; failure to perform or observe terms, coven and agreements; material inaccuracy of any representation or warranty; payment default ur other indebtedness with a principal amount in excess of $75 million or acceleration of such indebtedness; occurrence of one or more final judgments or orders for the payment of mon excess of $75 million that remain unsatisfied; incurrence of certain ERISA liability in exce $75 million; any bankruptcy or insolvency; or a change of control, including if a person or group becomes the beneficial owner of 25 percent or more of our voting stock. If an event default occurs the lenders may, among other things, terminate their commitments and decl all outstanding borrowings to be immediately due and payable together with accrued intere and fees. All amounts borrowed or outstanding under the 2008 Credit Agreement are due a mature on September 10, 2013, unless the commitments are terminated earlier either at our request or if certain events of default occur. At January 2, 2009, we had no borrowings outstanding under the 2008 Credit Agreement.

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On December 5, 2007, we completed the issuance of $400 million in aggregate principa
amount of 5.95% Notes due December 1, 2017. Interest on the notes is payable on June 1 a
December 1 of each year. We may redeem the notes at any time in whole or, from time to t
in part at the make-whole redemption price. The make-whole redemption price is equ
greater of 100 percent of the principal amount of the notes being redeemed or the sum of th
present values of the remaining scheduled payments of the principal and interest (other tha
interest accruing to the date of redemption) on the notes being redeemed, discounted to the
redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-
months) at the Treasury Rate, as defined, plus 30 basis points. In each case, we will pay ac
interest on the principal amount of the notes being redeemed to the redemption date. In
addition, upon a change of control combined with a below-investment-grade rating event, w
may be required to make an offer to repurchase the notes at a price equal to 101 percent of
aggregate principal amount of the notes repurchased, plus accrued interest on the notes
repurchased to the date of repurchase. In conjunction with the issuance of the notes, we ent
into treasury lock agreements to protect against fluctuations in forecasted interest payment
resulting from the issuance of ten-year, fixed rate debt due to changes in the benchmark U.
Treasury rate. In accordance with Statement 133, these agreements were determined to be
highly effective in offsetting changes in forecasted interest payments as a result of changes
the benchmark U.S. Treasury rate. Upon termination of these agreements on December 6, 2
we recorded a loss of $5.5 million, net of income tax, in shareholders equity as a compon
accumulated other comprehensive income. This loss, along with $5.0 million in debt issuan
costs, will be amortized over the life of the notes on a straight-line basis, which approxima
the effective interest rate method, and is reflected as a portion of interest expense in the
accompanying Condensed Consolidated Statement of Income (Unaudited).

On September 20, 2005, we completed the issuance of $300 million in aggregate princi
amount of 5% Notes due October 1, 2015. Interest on the notes is payable on April 1 and
October 1 of each year. We may redeem the notes in whole, or in part, at any time at the
make-whole redemption price. The make-whole redemption price is equal to the grea
100 percent of the principal amount of the notes being redeemed or the sum of the present
values of the remaining scheduled payments of the principal and interest (other than interes
accruing to the date of redemption) on the notes being redeemed, discounted to the redemp
date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months)
the Treasury Rate, as defined, plus 15 basis points. In each case, we will pay accrued intere
the principal amount of the notes being redeemed to the redemption date. We incurred
$4.1 million in debt issuance costs and discounts related to the issuance of the notes, which
being amortized on a straight-line basis over a ten-year period and reflected as a portion of
interest expense in the accompanying Condensed Consolidated Statement of Income
(Unaudited).

In February 1998, we completed the issuance of $150 million in aggregate principal am
of 6.35% Debentures due February 1, 2028. On December 5, 2007, we repurchased and ret
$25.0 million in aggregate principal amount of the debentures. On February 1, 2008, we
redeemed $99.2 million in aggregate principal amount of the debentures pursuant to the
procedures for redemption at the option of the holders of the debentures. We may redeem t
remaining $25.8 million in aggregate principal amount of the debentures in whole, or in pa
any time at a pre-determined redemption price.

In January 1996, we completed the issuance of $100 million in aggregate principal amo
of 7% Debentures due January 15, 2026. The debentures are not redeemable prior to matur

We have a universal shelf registration statement related to the potential future issuance indeterminate amount of securities, including debt securities, preferred stock, common stoc fractional interests in preferred stock represented by depositary shares and warrants to purc debt securities, preferred stock or common stock.

Prior to the combination with Stratex, Stratex was a party to a credit facility with Silico Valley Bank, and following the combination, Stratex (now named Harris Stratex Networ Operating Corporation and a wholly-owned subsidiary of Harris Stratex Networks), rema party to the credit facility with Silicon Valley Bank (the Harris Stratex Networks Credit Facility). As discussed below, the Harris Stratex Networks Credit Facility (the Termina Facility) was terminated and replaced in the first quarter of our fiscal 2009. Harris and its subsidiaries (other than Harris Stratex Networks Operating Corporation) are not and were parties to, obligated under or guarantors of the Terminated Facility. Indebtedness under the Terminated Facility is reflected as of June 27, 2008 in our Condensed Consolidated Balanc Sheet as a result of the consolidation of Harris Stratex Networks. The Terminated Facility allowed for revolving credit borrowings of up to $50 million. As of June 27, 2008, the bala of the term loan portion of the Terminated Facility was $8.7 million (of which $5.0 million recorded in the current portion of long-term debt at June 27, 2008) and there was $8.6 mill in outstanding standby letters of credit.

On June 30, 2008, in the first quarter of our fiscal 2009, the Terminated Facility was terminated and replaced with a new revolving credit facility as of that date with Silicon Va Bank and Bank of America, N.A. (the New Harris Stratex Networks Credit Facility). Ha its subsidiaries (other than Harris Stratex Networks and certain of its subsidiaries) are not parties to, obligated

under or guarantors of the New Harris Stratex Networks Credit Facility. The balance of the term loan portion of the Terminated Facility of $8.7 million was repaid in full with the pro of a $10 million borrowing under the New Harris Stratex Networks Credit Facility. The sta letters of credit outstanding under the Terminated Facility as of the termination date remai as an obligation to Silicon Valley Bank, and $6.7 million of such standby letters of credit v still outstanding as of January 2, 2009. The New Harris Stratex Networks Credit Facility provides for an initial committed amount of $70 million with an uncommitted option for an additional $50 million available with the same or additional lenders. The New Harris Strat Networks Credit Facility has an initial term of three years and provides for (1) demand borrowings (with no stated maturity date) with an interest rate of the greater of Bank of America s prime rate and the federal funds rate plus 0.5 percent, (2) fixed term Eurodollar up to six months or more as agreed with the lenders with an interest rate of LIBOR plus a spread of between 1.25 percent to 2.00 percent based on the current leverage ratio of Harri Stratex Networks and its consolidated subsidiaries, and (3) the issuance of standby or commercial letters of credit. The New Harris Stratex Networks Credit Facility contains a minimum liquidity ratio covenant and a maximum leverage ratio covenant and is unsecure January 2, 2009, Harris Stratex Networks had $10.0 million of borrowings and $7.6 millio standby letters of credit outstanding under the New Harris Stratex Networks Credit Facility

We have uncommitted short-term lines of credit from various international banks. Thes lines provide for borrowings at various interest rates, typically may be terminated upon not may be used on such terms as mutually agreed to by the banks and us, and are reviewed annually for renewal or modification. These lines do not require compensating balances. W also have a short-term commercial paper program in place, which we may utilize to satisfy short-term cash requirements and which is supported by our 2008 Credit Agreement. Ther were no borrowings outstanding under the commercial paper program at January 2, 2009.

Our debt is currently rated BBB+ by Standard and Poor s Rating Group and Baa1 Investors Service. We expect to maintain operating ratios, fixed-charge coverage ratios and balance sheet ratios sufficient for retention of, or improvement to, these debt ratings. There no assurances that our debt ratings will not be reduced in the future. If our debt ratings are lowered below investment grade, then we may not be able to issue short-term commerc paper, but may instead need to borrow under our credit facilities or pursue other options. W not currently foresee losing our investment-grade debt ratings, but no assurances can be gi If our debt ratings were downgraded, however, it could adversely impact, among other thi our future borrowing costs and access to capital markets.

Off-Balance Sheet Arrangements

In accordance with the definition under SEC rules, any of the following qualify as off-balance sheet arrangements:

Any obligation under certain guarantee contracts;

A retained or contingent interest in assets transferred to an unconsolidated entity or similar entity or similar arrangement that serves as credit, liquidity or market risk su to that entity for such assets;

Any obligation, including a contingent obligation, under certain derivative instrume and

Any obligation, including a contingent obligation, under a material variable interest by the registrant in an unconsolidated entity that provides financing, liquidity, marke

or credit risk support to the registrant, or engages in leasing, hedging or research and development services with the registrant.

Currently we are not participating in transactions that generate relationships with unconsolidated entities or financial partnerships, including variable interest entities, and w not have any material retained or contingent interest in assets as defined above. As of January 2, 2009, we did not have material financial guarantees or other contractual commitments that are reasonably likely to adversely affect our results of operations, cash f or financial position. In addition, we are not currently a party to any related party transacti that materially affect our results of operations, cash flows or financial position.

We have, from time to time, divested certain of our businesses and assets. In connectio with these divestitures, we often provide representations, warranties and/or indemnities to various risks and unknown liabilities, such as environmental liabilities and tax liabilities. W cannot estimate the potential liability from such representations, warranties and indemniti because they relate to unknown conditions. We do not believe, however, that the liabilities relating to these representations, warranties and indemnities will have a material adverse e on our financial position, results of operations or cash flows.

Due to our downsizing of certain operations pursuant to acquisitions, restructuring plan otherwise, certain properties leased by us have been sublet to third parties. In the event an these third parties vacates any of these premises, we would be legally obligated

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under master lease arrangements. We believe that the financial risk of default by such sublessees is individually and in the aggregate not material to our financial position, results operations or cash flows.

Commercial Commitments and Contractual Obligations

The amounts disclosed in our Fiscal 2008 Form 10-K include our commercial commitm and contractual obligations. During the quarter ended January 2, 2009, no material changes occurred in our contractual cash obligations to repay debt, to purchase goods and services a to make payments under operating leases or our commercial commitments and contingent liabilities on outstanding letters of credit, guarantees and other arrangements as disclosed i Fiscal 2008 Form 10-K.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our Condensed Consolidated Financial Statements (Unaudited) and accompanying Not are prepared in accordance with U.S. generally accepted accounting principles. Preparing financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. These estimates and assumptions are affected by the application of our accounting policies. Our significant accounting policies a described in Note 1: Significant Accounting Policies in our Notes to Consolidated Finan Statements included in our Fiscal 2008 Form 10-K. Critical accounting policies and estima are those that require application of management s most difficult, subjective or complex judgments, often as a result of matters that are inherently uncertain and may change in subsequent periods. Critical accounting policies and estimates for us include: (i) revenue recognition on development and production contracts and contract estimates, (ii) provision excess and obsolete inventory losses, (iii) impairment testing of goodwill and other intangi assets, (iv) income taxes and tax valuation allowances, and (v) assumptions used to record option and share-based compensation. For additional discussion of our critical accounting policies and estimates, see our Management s Discussion and Analysis of Financial Con and Results of Operations in our Fiscal 2008 Form 10-K.

Impact Of Recently Issued Accounting Pronouncements

As described in *Note A Significant Accounting Policies and Recent Accounting Pronouncements* in the Notes, there are accounting pronouncements that have recently bee issued but not yet implemented by us. *Note A* includes a description of the potential impact these pronouncements are expected to have on our financial position, results of operations cash flows.

FORWARD-LOOKING STATEMENTS AND FACTORS THAT MAY AFFECT FUTURE RESULTS

This Quarterly Report on Form 10-Q contains forward-looking statements that involve r and uncertainties, as well as assumptions that, if they do not materialize or prove correct, c cause our results to differ materially from those expressed or implied by such forward-look statements. All statements other than statements of historical fact are statements that could deemed forward-looking statements, including, but not limited to, statements concerning: o plans, strategies and objectives for future operations; new products, services or developme future economic conditions, performance or outlook; the outcome of contingencies; the potential level of share repurchases; the value of our contract awards and programs; expect cash flows or capital expenditures; our beliefs or expectations; activities, events or developments that we intend, expect, project, believe or anticipate will or may occur in the future; and assumptions underlying any of the foregoing. Forward-looking statements may identified by their use of forward-looking terminology, such as believes, expects, m would, will, intends, plans, estimates, anticipates, projects and similar

You should not place undue reliance on these forward-looking statements, which reflect ou
management s opinions only as of the date of the filing of this Quarterly Report on Form
and are not guarantees of future performance or actual results. Forward-looking statements
made in reliance upon the safe harbor provisions of Section 27A of the Securities Act of 19
as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the
Exchange Act). The following are some factors we believe could cause our actual result
differ materially from expected or historical results:

We participate in markets that are often subject to uncertain economic conditions, wh
makes it difficult to estimate growth in our markets and, as a result, future income an
expenditures.

We depend on the U.S. Government for a significant portion of our revenue, and the
of this relationship or a shift in U.S. Government funding could have adverse
consequences on our future business.

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We depend significantly on our U.S. Government contracts, which often are only par
funded, subject to immediate termination, and heavily regulated and audited. The
termination or failure to fund one or more of these contracts could have an adverse i
on our business.

We enter into fixed-price contracts that could subject us to losses in the event of cost
overruns or a significant increase in inflation.

We derive a substantial portion of our revenue from international operations and are
subject to the risks of doing business internationally, including fluctuations in curren
exchange rates.

We may not be successful in obtaining the necessary export licenses to conduct certa
operations abroad, and Congress or the Administration may prevent proposed sales t
certain foreign governments.

Our future success will depend on our ability to develop new products and technolog
that achieve market acceptance in our current and future markets.

We cannot predict the consequences of future geo-political events, but they may affe
adversely the markets in which we operate, our ability to insure against risks, our
operations or our profitability.

We have made, and may continue to make, strategic acquisitions that involve signific
risks and uncertainties.

The inability of our subcontractors to perform, or our key suppliers to timely deliver
components or parts, could cause our products to be produced in an untimely or
unsatisfactory manner.

Third parties have claimed in the past and may claim in the future that we are infring
directly or indirectly upon their intellectual property rights, and third parties may infr
upon our intellectual property rights.

The outcome of litigation or arbitration in which we are involved is unpredictable an
adverse decision in any such matter could have a material adverse effect on our finan
position and results of operations.

We are subject to customer credit risk.

We face certain significant risk exposures and potential liabilities that may not be co
adequately by insurance or indemnity.

Changes in our effective tax rate may have an adverse effect on our results of operati

Our consolidated financial results may be impacted by Harris Stratex Networks fina
results, which may vary significantly and be difficult to forecast.

We have significant operations in Florida, California and other locations that could b materially and adversely impacted in the event of a natural disaster or other significa disruption.

Changes in future business conditions could cause business investments and/or recor goodwill to become impaired, resulting in substantial losses and write-downs that wo reduce our results of operations.

In order to be successful, we must attract and retain key employees, and failure to do could seriously harm us.

The effects of the recession in the United States and general downturn in the global economy, including financial market disruptions, could have an adverse impact on ou business, operating results or financial position.

Additional details and discussions concerning some of the factors that could affect our forward-looking statements or future results are set forth in our Fiscal 2008 Form 10-K un Item 1A. Risk Factors. The foregoing list of factors and the factors set forth in Item 1A. Factors included in our Fiscal 2008 Form 10-K and in Part II. Item 1A. Risk Factors in Quarterly Report on Form 10-Q are not exhaustive. Additional risks and uncertainties not known to us or that we currently believe not to be material also may adversely impact our operations and financial position. Should any risks or uncertainties develop into actual eve these

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developments could have a material adverse effect on our business, financial position, cash flows and results of operations. The forward-looking statements contained in this Quarterly Report on Form 10-Q are made as of the date hereof and we disclaim any intention or obligation, other than imposed by law, to update or revise any forward-looking statements or update the reasons actual results could differ materially from those projected in the forward-looking statements, whether as a result of new information, future events or other For further information concerning risk factors, see Part II. Item 1A. Risk Factors in thi Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

In the normal course of doing business, we are exposed to the risks associated with fore currency exchange rates and changes in interest rates. We employ established policies and procedures governing the use of financial instruments to manage our exposure to such risk

Foreign Exchange and Currency: We use foreign exchange contracts and options to h both balance sheet and off-balance sheet future foreign currency commitments. Generally, foreign exchange contracts offset foreign currency denominated inventory and purchase commitments from suppliers, accounts receivable from and future committed sales to customers, and intercompany loans. We believe the use of foreign currency financial instruments should reduce the risks that arise from doing business in international markets. January 2, 2009, we had open foreign exchange contracts with a notional amount of $149.3 million, of which $71.4 million were classified as cash flow hedges, $16.9 million classified as fair value hedges and $61.0 million were not designated hedges under the provisions of Statement 133. This compares with total foreign exchange contracts with a notional amount of $127.8 million at June 27, 2008, of which $49.9 million were classified cash flow hedges, $16.7 million were classified as fair value hedges and $61.2 million wer designated hedges under the provisions of Statement 133. At January 2, 2009, contract expiration dates ranged from less than one month to 16 months with a weighted average contract life of 2 months.

More specifically, the foreign exchange contracts classified as cash flow hedges are primarily being used to hedge currency exposures from cash flows anticipated in our Harri Stratex Networks segment related to customer orders denominated in non-functional curre that are currently in backlog and in our RF Communications segment related to programs i U.K., Canada and the Netherlands. We also have hedged U.S. dollar payments to suppliers maintain our anticipated profit margins in our international operations. As of January 2, 20 we estimated that a pre-tax loss of $5.8 million would be reclassified into net income from comprehensive income within the next 12 months related to these cash flow hedges.

The net gain included in our net income in the first two quarters of fiscal 2009 and in th first two quarters of fiscal 2008, representing the amount of fair value and cash flow hedge ineffectiveness were not material. Amounts recognized in our net income in the first two quarters of fiscal 2009 and in the first two quarters of fiscal 2008 related to the component the derivative instruments gain or loss excluded from the assessment of hedge effectivene were also not material. In addition, no amounts were recognized in our net income in the fi two quarters of fiscal 2009 or the first two quarters of fiscal 2008 related to hedged firm commitments that no longer qualify as fair value hedges. All of these derivatives were reco at their fair value on our Condensed Consolidated Balance Sheet (Unaudited) in accordanc with Statement 133.

Factors that could impact the effectiveness of our hedging programs for foreign currenc include accuracy of sales estimates, volatility of currency markets and the cost and availab of hedging instruments. A 10 percent adverse change in currency exchange rates for our fo

currency derivatives held at January 2, 2009 would have an impact of approximately $8.1 million on the fair value of such instruments. This quantification of exposure to the m risk associated with foreign exchange financial instruments does not take into account the offsetting impact of changes in the fair value of our foreign denominated assets, liabilities firm commitments.

Interest Rates: As of January 2, 2009, we have short-term investments and debt obligat subject to interest rate risk. The interest rate risk associated with our short-term investment not material as the maturities of these investments are less than one year. Because the inter rates on our long-term debt obligations are fixed, and because our long-term debt is not pu (redeemable at the option of the holders of the debt prior to maturity), the interest rate risk associated with this debt on our results of operations is not material. We have a short-term variable-rate commercial paper program in place, which we may utilize to satisfy short-ter cash requirements. The interest rate risk associated with our commercial paper is not mater these borrowings are only for short periods until refinanced by fixed-rate long-term debt or off using operating cash flows. There can be no assurances that interest rates will not chan significantly or have a material effect on our income or cash flows in fiscal 2009.

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Item 4. Controls and Procedures.

(a) *Evaluation of disclosure controls and procedures:* We maintain disclosure controls a procedures that are designed to ensure that information required to be disclosed in our repo filed or submitted under the Exchange Act is recorded, processed, summarized and reporte within the time periods specified in SEC rules and forms. Our disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumu and communicated to management, including our Chief Executive Officer and Chief Finan Officer, as appropriate to allow timely decisions regarding required disclosures. There are inherent limitations to the effectiveness of any system of disclosure controls and procedure including the possibility of human error and the circumvention or overriding of the control procedures. Accordingly, even effective disclosure controls and procedures can provide on reasonable assurance of achieving their control objectives, and management necessarily is required to use its judgment in evaluating the cost-benefit relationship of possible controls procedures. Also, we have investments in certain unconsolidated entities. As we do not con or manage those entities, our controls and procedures with respect to those entities are necessarily substantially more limited than those we maintain with respect to our consolida subsidiaries. As required by Rule 13a-15 under the Exchange Act, as of the end of the fisca quarter ended January 2, 2009, we carried out an evaluation of the effectiveness of the desi and operation of our disclosure controls and procedures. This evaluation was carried out un the supervision and with the participation of our senior management, including our Chief Executive Officer and our Chief Financial Officer. Based upon that evaluation, our management, including our Chief Executive Officer and our Chief Financial Officer, has concluded that as of the end of the fiscal quarter ended January 2, 2009 our disclosure cont and procedures were effective.

(b) *Changes in internal control:* We periodically review our system of internal control o financial reporting as part of our efforts to ensure compliance with the requirements of Sec 404 of the Sarbanes-Oxley Act of 2002. In addition, we periodically review our system of internal control over financial reporting to identify potential changes to our processes and systems that may improve controls and increase efficiency, while ensuring that we maintai effective internal control environment. Changes may include such activities as implementi new, more efficient systems, consolidating the activities of acquired business units, migrat certain processes to our shared services organizations, formalizing policies and procedures improving segregation of duties, and adding additional monitoring controls. In addition, w we acquire new businesses, we incorporate our controls and procedures into the acquired business as part of our integration activities. There have been no changes in our internal co over financial reporting that occurred during the fiscal quarter ended January 2, 2009 that h materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

(c) *Events Relating to Harris Stratex Networks:* During the first quarter of fiscal 2009, o majority-owned publicly-traded subsidiary, Harris Stratex Networks, restated its financial statements for the first three fiscal quarters of its fiscal 2008 (the quarters ended March 28, 2008, December 28, 2007 and September 28, 2007) and for its fiscal years ended June 29, June 30, 2006 and July 1, 2005 due to accounting errors. Harris Stratex Networks reported as a result of such accounting errors, as of June 27, 2008, there were material weaknesses i disclosure controls and procedures and in its system of internal control over financial repor that led to the need to restate its financial statements. These events relating to Harris Strate Networks were considered in our evaluation of our internal control over financial reporting

our management concluded that we maintained effective disclosure controls and procedure of the end of the second quarter of fiscal 2009 and effective internal control over financial reporting as of the end of the second quarter of fiscal 2009. We have been advised by Harr Stratex Networks management that they anticipate that all material weaknesses that were identified in Harris Stratex Networks system of internal control over financial reporting v remediated by the end of fiscal 2009. We will continue to evaluate whether the above even relating to Harris Stratex Networks will require any change in fiscal 2009 to our disclosure controls and procedures or our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Harris Stratex Networks and certain of its current and former officers and directors, including certain current Harris officers, were named as defendants in a federal securities c action complaint filed on September 15, 2008 in the United States District Court for the Di of Delaware by plaintiff Norfolk County Retirement System on behalf of an alleged class c purchasers of Harris Stratex Networks securities from January 29, 2007 to July 30, 2008, including shareholders of Stratex who exchanged shares of Stratex for shares of Harris Str Networks as part of the combination between Stratex and our former Microwave Communications Division. This action relates to the restatement of Harris Stratex Network financial statements as discussed in Part I. Item 4. Controls and

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Procedures in this Quarterly Report on Form 10-Q. Similar complaints were filed in the U
States District Court for the District of Delaware on October 6, 2008 and October 30, 2008
Each such complaint alleges violations of Section 10(b) and Section 20(a) of the Exchange
and of Rule 10b-5 promulgated thereunder, as well as violations of Section 11 and Section
of the Securities Act of 1933, as amended, and seeks, among other relief, determinations th
the action is a proper class action, unspecified compensatory damages and reasonable attor
fees and costs. Harris Stratex Networks has entered into stipulations with plaintiffs couns
these actions under which Harris Stratex Networks and the other named defendants will no
have to respond to these claims until a lead plaintiff is selected by the Court and that lead
plaintiff has filed a consolidated class action complaint. Harris and Harris Stratex Network
believe that the defendants have meritorious defenses to these actions and the defendants i
to defend the litigation vigorously.

Item 1A. Risk Factors.

Investors should carefully review and consider the information regarding certain factors
which could materially affect our business, operating results, cash flows and financial posi
set forth under Item 1A. Risk Factors in our Fiscal 2008 Form 10-K. Other than the new
factor below relating to the effects of the recession in the United States and general downtu
the global economy, we do not believe that there have been any material changes to the ris
factors previously disclosed in our Fiscal 2008 Form 10-K. We may disclose changes to su
factors or disclose additional factors from time to time in our future filings with the SEC.
Additional risks and uncertainties not presently known to us or that we currently deem not
material may also impair our business operations.

The effects of the recession in the United States and general downturn in the global economy, including financial market disruptions, could have an adverse impact on our business, operating results or financial position.

The United States economy is in recession and there has been a general downturn in the
global economy. A continuation or worsening of these conditions, including the ongoing c
and capital markets disruptions, could have an adverse impact on our business, operating r
or financial position in a number of ways. For example:

- The U.S. Government could reprioritize its spending away from the government contracts in which we participate.

- We may experience declines in revenues, profitability and cash flows as a result of reduced orders, payment delays or other factors caused by the economic problems of our customers and prospective customers.

- We may experience supply chain delays, disruptions or other problems associated with financial constraints faced by our suppliers and subcontractors.

- We may incur increased costs or experience difficulty with future borrowings under our commercial paper program or credit facilities or in the debt markets, or otherwise with financing our operating, investing (including any future acquisitions) or financing activities.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Issuer Purchases of Equity Securities

During the second quarter of fiscal 2009, there were no repurchases of shares of our
common stock under our repurchase program. During the second quarter of fiscal 2008, we

repurchased 785,000 shares of our common stock under our repurchase program at an aver
price per share of $63.62, excluding commissions. The level of our repurchases depends or
number of factors, including our financial position, capital requirements, results of operatio
future business prospects and other factors our Board of Directors may deem relevant. The
timing, volume and nature of share repurchases are subject to market conditions, applicabl
securities laws and other factors and are at the discretion of management and may be suspe
or discontinued at any time. Shares repurchased by us are cancelled and retired.

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The following table sets forth information with respect to repurchases by us of our com
stock during the fiscal quarter ended January 2, 2009:

Period*	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs (1)	Maximun approxima dollar value shares tha may yet b purchased ur the plans c programs (
Month No. 1 (September 27, 2008-October 24, 2008)				
Repurchase Programs (1)	None	n/a	None	$ 100,311,8
Employee Transactions (2)	2,052	$ 41.51	n/a	ı
Month No. 2 (October 25, 2008-November 28, 2008)				
Repurchase Programs (1)	None	n/a	None	$ 100,311,8
Employee Transactions (2)	22,362	$ 34.95	n/a	ı
Month No. 3 (November 29, 2008-January 2, 2009)				
Repurchase Programs (1)	None	n/a	None	$ 100,311,8
Employee Transactions (2)	5,476	$ 34.77	n/a	ı
Total	29,890	$ 35.37	None	$ 100,311,8

* Periods represent our fiscal months.

(1) On April 27, 2007, our Board of Directors approved a share repurchase program authorizing us to repurchase up to $600 million of our stock

through open-market transactions, private transactions, transactions structured through investment banking institutions or any combination thereof. This share repurchase program does not have a stated expiration date. The approximate dollar amount of our stock that may yet be purchased under this share repurchase program as of January 2, 2009 is $100,311,802 (as reflected in the table above). This share repurchase program has resulted, and is expected to continue to result, in repurchases in excess of offsetting the dilutive effect of shares issued under our share-based incentive plans. However, the level of our repurchases depends on a number of

factors, including our financial position, capital requirements, results of operations, future business prospects and other factors our Board of Directors may deem relevant. As a matter of policy, we do not repurchase shares during the period beginning on the 15th day of the third month of a fiscal quarter and ending two days following the public release of earnings and financial results for such fiscal quarter.

(2) Represents a combination of (a) shares of our common stock delivered to us in satisfaction of the exercise price and/or tax withholding obligation by holders of employee stock options who exercised stock options, (b) shares of our common stock delivered to us in satisfaction of

the tax withholding obligation of holders of performance shares or restricted shares which vested during the quarter, (c) performance or restricted shares returned to us upon retirement or employment termination of employees or (d) shares of our common stock purchased by the trustee of the Harris Corporation Master Rabbi Trust at our direction to fund obligations under our deferred compensation plans. Our equity incentive plans provide that the value of shares delivered to us to pay the exercise price of options or to cover tax withholding obligations shall be the closing price of our common stock on the date the relevant transaction occurs.

Sales of Unregistered Securities

During the second quarter of fiscal 2009, we did not issue or sell any unregistered equit securities.

Item 3. Defaults Upon Senior Securities.

Not Applicable.

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Item 4. Submission of Matters to a Vote of Security Holders.

Our 2008 Annual Meeting of Shareholders was held on October 24, 2008. A total of 119,446,415 of our outstanding shares were represented in person or by proxy at the meeti This represented approximately 89% of our shares issued, outstanding and entitled to be vo at the 2008 Annual Meeting of Shareholders.

(1) Proposal 1: Shareholders elected four nominees to our Board of Directors for a three-year term expiring at the Annual Meeting of Shareholders in 2011, or until their successors are elected and qualified. The vote tabulation for individual directors was:

	Number of Shares		
Nominee	For	Against	Abstain
Lewis Hay III	110,176,362	6,422,068	2,847,985
Karen Katen	113,926,214	5,217,805	302,396
Stephen P. Kaufman	117,678,168	1,469,594	298,653
Hansel E. Tookes II	116,172,563	2,820,143	453,709

The terms of the following directors also continued after the 2008 Annual Meeting of Shareholders:

Thomas A. Dattilo
Terry D. Growcock
Howard L. Lance
Leslie F. Kenne
David B. Rickard
Dr. James C. Stoffel
Gregory T. Swienton

(2) Proposal 2: To ratify our Audit Committee s appointment of Ernst & Young LLP a independent registered public accounting firm for the fiscal year ending July 3, 2009:

For	Against	Abstain
115,755,365	3,548,331	142,719

Proposal 2 was approved by our shareholders.

(3) Proposal 3: To approve an amendment to our Restated Certificate of Incorporation t increase the number of authorized shares of our common stock from 250,000,000 shares to 500,000,000 shares:

For	Against	Abstain
99,626,642	19,552,495	267,278

Proposal 3 was approved by our shareholders.

(4) Proposal 4: To approve an amendment to our Restated Certificate of Incorporation t declassify our Board of Directors:

For	Against	Abstain
118,026,159	972,928	447,328

Proposal 4 was approved by our shareholders.

Item 5. Other Information.

Not Applicable.

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Item 6. Exhibits.

The following exhibits are filed herewith or incorporated by reference to exhibits previously filed with the SEC:

(3) (a) Restated Certificate of Incorporation of Harris Corporation (1995), as amended incorporated herein by reference to Exhibit 3(a) to the Company s Quarterly Rep Form 10-Q for the fiscal quarter ended September 26, 2008. (Commission File Nu 1-3863)

(b) By-Laws of Harris Corporation, as amended and restated effective October 24 2008, incorporated herein by reference to Exhibit 3(ii) to the Company s Current Report on Form 8-K filed with the SEC on October 29, 2008. (Commission File Number 1-3863)

(10) *(a) Form of Executive Change in Control Severance Agreement.

*(b) Amendment No. 1 to Harris Corporation 2005 Annual Incentive Plan, effecti January 1, 2009.

*(c) Amendment No. 2 to Harris Corporation 2000 Stock Incentive Plan, effective January 1, 2009.

*(d) Amendment No. 1 to Harris Corporation 2005 Equity Incentive Plan, effectiv January 1, 2009.

*(e) Amendment Number Four to the Harris Corporation Retirement Plan, dated November 7, 2008 and effective November 6, 2008.

*(f) Harris Corporation 2005 Supplemental Executive Retirement Plan, effective January 1, 2009.

*(g) Amendment Number One to the Harris Corporation 1997 Directors Deferre Compensation and Annual Stock Unit Award Plan (Amended and Restated Effect January 1, 2006), effective January 1, 2009.

*(h) Harris Corporation 2005 Directors Deferred Compensation Plan (as Amend Restated Effective January 1, 2009).

*(i) Third Amendment to the Harris Corporation Master Rabbi Trust Agreement, January 15, 2009 and effective January 1, 2009.

*(j) Letter Agreement, dated as of December 19, 2008 and effective January 1, 20 by and between Harris Corporation and Howard L. Lance, incorporated herein by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K filed wi SEC on December 24, 2008. (Commission File Number 1-3863)

*(k) Supplemental Pension Plan for Howard L. Lance (Amended and Restated effective January 1, 2009), dated as of December 19, 2008, by and between Harris

Corporation and Howard L. Lance, incorporated herein by reference to Exhibit 10
the Company s Current Report on Form 8-K filed with the SEC on December 24,
(Commission File Number 1-3863)

*(l) Addendum, dated December 12, 2008, to the Offer Letter, dated July 5, 2005,
and between Harris Corporation and Jeffrey S. Shuman.

*(m) Third Addendum, dated December 12, 2008, to the Letter Agreement, dated
January 23, 2007, by and between Harris Corporation and Timothy E. Thorsteinso

(12) Computation of Ratio of Earnings to Fixed Charges.

(15) Letter Regarding Unaudited Interim Financial Information.

(31.1) Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.

(31.2) Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.

(32.1) Section 1350 Certification of Chief Executive Officer.

(32.2) Section 1350 Certification of Chief Financial Officer.

* Management contract or compensatory plan or arrangement.

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SIGNATURE

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

HARRIS CORPORATION
(Registrant)

Date: February 10, 2009

By: /s/ Gary L. McArthur
Gary L. McArthur
Senior Vice President and Chief Financial Officer
(principal financial officer and duly authorized officer)

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EXHIBIT INDEX

Exhibit No. Under Reg. S-K, Item 601	Description
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