HARSCO CORP
Form 10-Q
May 08, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 or 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarterly Period Ended March 31, 2008

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number 1-3970

HARSCO CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	23-1483991
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification number)
350 Poplar Church Road, Camp Hill, Pennsylvania	17011
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code 717-763-7064

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
YES x NO o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer x	Accelerated filer o
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
YES o NO x

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 30, 2008
Common stock, par value $1.25 per share	84,261,516

HARSCO CORPORATION

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

HARSCO CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In thousands, except per share amounts)	Three Months Ended March 31 2008	2007
Revenues from continuing operations:		
Service revenues	$ 852,628	$ 722,815
Product revenues	135,162	117,211
Total revenues	987,790	840,026
Costs and expenses from continuing operations:		
Cost of services sold	638,058	538,538
Cost of products sold	92,947	87,079
Selling, general and administrative expenses	156,632	127,754
Research and development expenses	1,053	993
Other income	(280)	(912)
Total costs and expenses	888,410	753,452
Operating income from continuing operations	99,380	86,574
Equity in income of unconsolidated entities, net	405	128
Interest income	914	1,039
Interest expense	(17,120)	(18,575)
Income from continuing operations before income taxes and minority interest	83,579	69,166
Income tax expense	(24,188)	(21,602)
Income from continuing operations before minority interest	59,391	47,564
Minority interest in net income	(2,500)	(2,124)
Income from continuing operations	56,891	45,440
Discontinued operations:		
Income from discontinued business	255	3,121
Income tax expense	(107)	(908)
Income from discontinued operations	148	2,213
Net Income	$ 57,039	$ 47,653
Average shares of common stock outstanding	84,374	84,048
Basic earnings per common share:		
Continuing operations	$ 0.67	$ 0.54

Discontinued operations		0.00		0.03
Basic earnings per common share	$	0.68(a)	$	0.57
Diluted average shares of common stock outstanding		84,851		84,578
Diluted earnings per common share:				
Continuing operations	$	0.67	$	0.54
Discontinued operations				

if we irrevocably deposit with the trustee as trust funds, cash or U.S. Government securities, which, through the payment of principal and interest in accordance with their terms, will provide money, in an amount sufficient to pay the principal of and the interest on the debt securities of that series and all other sums payable by us under the applicable indenture in connection with those debt securities. This type of a trust may be established only if, among other things, we have delivered to the trustee an opinion of counsel stating that holders of the debt securities of such series (i) will not recognize income, gain or loss for Federal income tax purposes as a result of the deposit and discharge, and (ii) will be subject to

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Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the deposit and discharge had not occurred. If we exercise our covenant defeasance option, payment of any series of debt securities may not be accelerated because of an event of default specified in the third bullet point under Events of Default with respect to the covenants described under Additional Terms Applicable to Senior Debt Securities Covenants in the Senior Indenture or any other covenant identified in the applicable prospectus supplement or our failure to comply with the requirements described under Limitation on Consolidation, Merger and Certain Sales or Transfers of Assets with respect to additional liens. (Article Four)

Meetings

The indentures contain provisions for convening meetings of the holders of debt securities of a series. (Article Ten)

A meeting may be called at any time by the trustee, upon request by us or upon request by the holders of at least 20% in principal amount of the outstanding debt securities of the series. In each case, notice will be given to the holders of debt securities of the series, but a meeting without notice will be valid if the holders of all debt securities of the series are present in person or by proxy and if we and the trustee are present or waive notice. (Sections 10.02 and 10.03)

Replacement of Securities

We will replace debt securities that have been mutilated, but you will have to pay for the replacement, and you will first have to surrender the mutilated debt security to the security registrar. Debt securities that become destroyed, stolen or lost will only be replaced by us, again at your expense, upon your providing evidence of destruction, loss or theft which we and the security registrar are willing to accept. In the case of a destroyed, lost or stolen debt security, we may also require you, as the holder of the debt security, to indemnify the security registrar and us before we issue any replacement debt security. (Section 2.09)

Governing Law

The indentures and the debt securities will be governed by, and construed under, the laws of the State of New York without regard to conflicts of laws principles thereof.

Regarding the Trustee

We may from time to time maintain lines of credit, and have other customary banking relationships, with the

trustee under the senior indenture or the trustee under the subordinated indenture. The Bank of New York is a lender under our existing credit facilities.

The indenture and provisions of the Trust Indenture Act of 1939, which we refer to in this prospectus as the Trust Indenture Act, that are incorporated by reference therein, contain limitations on the rights of the trustee, should it become one of our creditors, to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claim as security or otherwise. The trustee is permitted to engage in other transactions with us or any of our affiliates; *provided*, *however*, that if it acquires any conflicting interest (as defined under the Trust Indenture Act), it must eliminate such conflict or resign.

Additional Terms Applicable to Senior Debt Securities

The senior debt securities will be unsecured and will rank equally with all of our other unsecured and non-subordinated debt.

Covenants in the Senior Indenture

Limitation on Liens. Except as set forth below, so long as any debt securities are outstanding, we will not at any time, directly or indirectly, create, incur, assume or suffer to exist, and we will not suffer or permit any Restricted Subsidiary (as defined below) to create, incur, assume or suffer to exist, except in favor of us or another Restricted Subsidiary, any mortgage, pledge or other lien or encumbrance of or upon

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any Principal Property (as defined below) or any shares of capital stock or indebtedness of any Restricted Subsidiary, whether owned at the date of the senior indenture or thereafter acquired, or of or upon any income or profits therefrom, if after giving effect thereto (but not to any mortgages, pledges, liens or encumbrances described in clauses (1) through (10) below) the aggregate principal amount of indebtedness secured by mortgages, pledges, liens or other encumbrances upon our property and the property of our Restricted Subsidiaries shall be in excess of five percent of Consolidated Net Worth (as defined below), without making effective provision (and we agree that in any such case we will make or cause to be made effective provision) whereby all debt securities then outstanding will be secured by such mortgage, pledge, lien or encumbrance equally and ratably with (or prior to) any and all obligations, indebtedness or claims secured by such mortgage, pledge, lien or encumbrance, so long as any such other obligations, indebtedness or claims shall be so secured.

Nothing in the immediately preceding paragraph shall be construed to prevent us or any Restricted Subsidiary, without so securing the debt securities, from creating, assuming or suffering to exist the following mortgages, pledges, liens or encumbrances:

(1) the following mortgages and liens in connection with the acquisition of property after the date of the senior indenture: (A) (i) any purchase money mortgage or other purchase money lien on any Principal Property acquired after the date of the senior indenture, including conditional sales and other title retention agreements; (ii) any mortgage or other lien on property acquired, constructed or improved after the date of the senior indenture created as security for moneys borrowed (at the time of or within 120 days after the purchase, construction or improvement of such property) to provide funds for the purchase, construction or improvement of such property; or (iii) any mortgage or other lien on any property acquired after the date of the senior indenture that exists at the time of the acquisition thereof and that was not created in connection with or in contemplation of such acquisition; provided in each case that (x) such mortgage or other lien is limited to such acquired property (and accretions thereto) or, in the case of construction or improvements, any theretofore unimproved real property, and (y) the aggregate amount of the obligations, indebtedness or claims secured by such mortgage or other lien does not exceed the cost to us or such Restricted Subsidiary of such acquired property or the value thereof at the time of acquisition, as determined by our Board of Directors, whichever is lower; (B) any mortgage or other lien created in connection with the refunding, renewal or extension of any obligations, indebtedness or claims secured by a mortgage or lien described in clause (A) that is limited to the same property; provided that the

aggregate amount of the obligations, indebtedness or claims secured by such refunding, renewal or extended mortgage or other lien does not exceed the aggregate amount thereof secured by the mortgage or other lien so refunded, renewed or extended and outstanding at the time of such refunding, renewal or extension; or (C) any mortgage or other lien to which property acquired after the date of the senior indenture shall be subject at the time of acquisition, if the payment of the indebtedness secured thereby or interest thereon will not become, by assumption or otherwise, a personal obligation of us or a Restricted Subsidiary;

(2) mechanics , materialmen s, carriers or other similar liens, and pledges or deposits made in the ordinary course of business to obtain the release of any such liens or the release of property in the possession of a common carrier; good faith deposits in connection with tenders, leases of real estate or bids or contracts (other than contracts for the borrowing of money); pledges or deposits to secure public or statutory obligations; deposits to secure (or in lieu of) surety, stay, appeal or customs bonds; and deposits to secure the payment of taxes, assessments, customs duties or other similar charges;

(3) any lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation, which is required by law or governmental regulation as a condition to the transaction of any business, or the exercise of any privilege or license, or to enable us or a Restricted Subsidiary to maintain self-insurance or to participate in any arrangements established by law to cover any insurance risks or in connection with workers compensation, unemployment insurance, old age pensions, social security or similar matters;

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(4) the liens of taxes or assessments not at the time due, or the liens of taxes or assessments already due but the validity of which is being contested in good faith and against which adequate reserves have been established;

(5) judgment liens, so long as the finality of such judgment is being contested in good faith and execution thereon is stayed;

(6) easements or similar encumbrances, the existence of which does not impair the use of the property subject thereto for the purposes for which it is held or was acquired;

(7) leases and landlords liens on fixtures and movable property located on premises leased in the ordinary course of business, so long as the rent secured thereby is not in default;

(8) liens, pledges or deposits made in connection with contracts with or made at the request of any government or any department or agency thereof or made with any prime contractor or subcontractor of any tier in connection with the furnishing of services or property to any government or any department or agency thereof (Government Contracts) insofar as such liens, pledges or deposits relate to property manufactured, installed, constructed, acquired or to be supplied by, or property furnished to, us or a Restricted Subsidiary pursuant to, or to enable the performance of, such Government Contracts, or property the manufacture, installation, construction or acquisition of which any government or any department or agency thereof finances or guarantees the financing of, pursuant to, or to enable the performance of, such Government Contracts; or deposits or liens, made pursuant to such Government Contracts, of or upon moneys advanced or paid pursuant to, or in accordance with the provisions of, such Government Contracts, or of or upon any materials or supplies acquired for the purpose of the performance of such Government Contracts; or the assignment or pledge to any person, firm or corporation, to the extent permitted by law, of the right, title and interest of us or a Restricted Subsidiary in and to any Government Contract, or in and to any payments due or to become due thereunder, to secure indebtedness incurred and owing to such person, firm or corporation for funds or other property supplied, constructed or installed for or in connection with the performance by us or such Restricted Subsidiary of our or its obligations under such Government Contract;

(9) any mortgage or other lien securing indebtedness of a corporation that is our successor to the extent permitted by the covenant described under Limitation on Consolidation, Merger, and Certain Sales

or Transfers of Assets, or securing indebtedness of a Restricted Subsidiary outstanding at the time it became a subsidiary (provided that such mortgage or other lien was not created in connection with or in contemplation of the acquisition of such Restricted Subsidiary), and any mortgage or other lien created in connection with the refunding, renewal or extension of such indebtedness that is limited to the same property, provided that the amount of the indebtedness secured by such refunding, renewal or extended mortgage or other lien does not exceed the amount of indebtedness secured by the mortgage or other lien to be refunded, renewed or extended and outstanding at the time of such refunding, renewal or extension; and

(10) any mortgage or other lien in favor of the U.S. or any state thereof, or political subdivision of the U.S. or any state thereof, or any department, agency or instrumentality of the U.S. or any state thereof or any such political subdivision, to secure indebtedness incurred for the purpose of financing the acquisition, construction or improvement of all or any part of the property subject to such mortgage or other lien, and any mortgage or other lien created in connection with the refunding, renewal or extension of such indebtedness that is limited to the same property, provided that the amount of the indebtedness secured by such refunding, renewal or extended mortgage or other lien does not exceed the amount of indebtedness secured by the mortgage or other lien to be refunded, renewed or extended and outstanding at the time of such refunding, renewal or extension.

(Section 5.11)

Limitation on Sale and Leaseback Transactions. So long as debt securities of any series are outstanding, we will not, and we will not permit any Restricted Subsidiary to, sell or transfer (other than to us or a wholly-owned Restricted Subsidiary) any Principal Property, whether owned at the date of the

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senior indenture or thereafter acquired, which has been in full operation for more than 120 days prior to such sale or transfer, with the intention of entering into a lease of such Principal Property (except for a lease for a term, including any renewal thereof, of not more than three years), if after giving effect thereto the Attributable Debt (as defined below) in respect of all such sale and leaseback transactions involving Principal Properties shall be in excess of five percent of Consolidated Net Worth.

Notwithstanding the foregoing, we or any Restricted Subsidiary may sell any Principal Property and lease it back if the net proceeds of such sale are at least equal to the fair value of such property as determined by our Board of Directors and, within 120 days of such sale,

- we redeem (if permitted by the terms of the outstanding senior debt securities), at the principal amount thereof together with accrued interest to the date fixed for redemption, such outstanding senior debt securities in an aggregate principal amount equal to such net proceeds;
- we repay or a Restricted Subsidiary repays other Funded Debt (as defined below) in an aggregate principal amount equal to such net proceeds;
- we deliver to the trustee, for cancellation, outstanding senior debt securities uncancelled and in transferable form, in an aggregate principal amount equal to such net proceeds; or
- we apply such net proceeds to the purchase of properties, facilities or equipment to be used for general operating purposes.

(Section 5.10)

We think it is also important for you to note that the holders of a majority in principal amount of each series of outstanding senior debt securities may waive compliance with each of the above covenants with respect to that series.

Certain Defined Terms

The following terms are defined in the senior indenture:

Attributable Debt means, when used with respect to any sale and leaseback transaction, at the time of determination, the present value (discounted at the rate of interest implicit in the term of the lease) of the lessee s obligation for net rental payments during the remaining term of the lease (including any period the lease has been, or may, at the option of the lessor, be extended). The term net rental payments under any

lease for any period means the sum of the rental and other payments required to be paid during such period by the lessee under such lease, not including, however, any amounts required to be paid by such lessee (whether or not designated as rental or additional rental) on account of maintenance and repairs, insurance, taxes, assessments, water rates or similar charges or any amounts required to be paid by such lessee contingent upon the amount of sales, maintenance and repairs, insurance, taxes, assessments, water rates or similar charges.

Consolidated Net Worth means our stockholders equity and that of our consolidated subsidiaries, as shown on our audited consolidated balance sheet in our latest annual report to our stockholders.

Funded Debt means all indebtedness issued, incurred, assumed or guaranteed by us or one of our Restricted Subsidiaries, or for the payment of which we or one of our Restricted Subsidiaries is otherwise primarily or secondarily liable, maturing by its terms more than one year from its date of creation or renewable or refundable at the option of the obligor to a date more than one year from its date of creation.

Principal Property means any manufacturing plant located within the U.S. (other than its territories or possessions) and owned or leased by us or any subsidiary, except any such plant that, in the opinion of our Board of Directors, is not of material importance to the business conducted by us and our subsidiaries, taken as a whole.

Restricted Subsidiary means any of our subsidiaries that owns or leases a Principal Property. As noted above, the definition of Principal Property does not include foreign facilities.

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Subsidiary means any corporation of which we, or we and one or more subsidiaries, directly or indirectly own at the time (1) more than 50 percent of the outstanding capital stock having under ordinary circumstances (not dependent upon the happening of a contingency) voting power in the election of members of the board of directors, managers or trustees of such corporation, and (2) securities having at such time voting power to elect at least a majority of the members of the board of directors, managers or trustees of such corporation.

Additional Terms Applicable to Subordinated Debt Securities

The subordinated debt securities will be unsecured. The subordinated debt securities will be subordinate to the prior payment in full in cash of all senior indebtedness. (Section 14.01 of Subordinated Indenture)

The term senior indebtedness is defined as:

- any of our indebtedness, whether outstanding on the issue date of the subordinated debt securities of a series or incurred later, and
- accrued and unpaid interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to us to the extent post-filing interest is allowed in such proceeding) in respect of (a) our indebtedness for money borrowed and (b) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which we are responsible or liable;

unless the instrument creating or evidencing these obligations provides that these obligations are not senior or prior in right of payment to the subordinated debt securities; provided, however, that senior indebtedness will not include:

- any of our obligations to our subsidiaries;
- any liability for Federal, state, local or other taxes owed or owing by us;
- any accounts payable or other liability to trade creditors arising in the ordinary course of business (including guarantees of these obligations or instruments evidencing such liabilities);
- any of our indebtedness (and any accrued and unpaid interest in respect thereof) which is subordinate or junior in any respect to any other of our indebtedness or other obligations; or
- the subordinated debt securities.

There is no limitation on our ability to issue additional senior indebtedness. The senior debt securities

constitute senior indebtedness under the subordinated indenture.

Under the subordinated indenture, no payment may be made on the subordinated debt securities and no purchase, redemption or retirement of any subordinated debt securities may be made in the event:

- any senior indebtedness is not paid in full in cash when due; or
- the maturity of any senior indebtedness is accelerated as a result of a default, unless the default has been cured or waived and the acceleration has been rescinded or that senior indebtedness has been paid in full in cash.

We may, however, pay the subordinated debt securities without regard to the above restriction if the representatives of the holders of the applicable senior indebtedness approve the payment in writing to us and the trustee. (Section 14.03 of Subordinated Indenture)

The representatives of the holders of senior indebtedness may notify us and the trustee in writing (a payment blockage notice) of a default which can result in the acceleration of that senior indebtedness maturity without further notice (except such notice as may be required to effect such acceleration) or the expiration of any grace periods. In this event, we may not pay the subordinated debt securities for 179 days after receipt of that notice (a payment blockage period). The payment blockage period will end earlier if such payment blockage period is terminated: (1) by written notice to the trustee and us from the person or persons who gave such payment blockage notice; (2) because the default giving rise to such payment blockage notice is cured, waived or otherwise no longer continuing; or (3) because such senior

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debt has been discharged or repaid in full in cash. Notwithstanding the foregoing, if the holders of senior indebtedness or their representatives have not accelerated the maturity of the senior indebtedness at the end of the 179-day period, we may resume payments on the subordinated debt securities. Not more than one payment blockage notice may be given in any consecutive 360-day period, irrespective of the number of defaults with respect to senior indebtedness during that period. No default existing on the beginning date of any payment blockage period initiated by a person or persons may be the basis of a subsequent payment blockage period with respect to the senior indebtedness held by that person unless that default has been cured or waived for a period of not fewer than 90 consecutive days. (Section 14.03 of Subordinated Indenture)

In the event we pay or distribute our assets to creditors upon a total or partial liquidation, dissolution or reorganization of or similar proceeding relating to us or our property:

- the holders of senior indebtedness will be entitled to receive payment in full in cash of the senior indebtedness before the holders of subordinated debt securities are entitled to receive any payment; and

- until the senior indebtedness is paid in full in cash, any payment or distribution to which holders of subordinated debt securities would be entitled but for the subordination provisions of the subordinated indenture will be made to holders of the senior indebtedness (except that holders of subordinated debt securities may receive certain capital stock and subordinated debt). (Section 4.02 of Subordinated Indenture)

If a distribution is made to holders of subordinated debt securities that, due to the subordination provisions, should not have been made to them, those holders of subordinated debt securities are required to hold it in trust for the holders of senior indebtedness, and pay it over to them as their interests may appear. (Section 14.05 of Subordinated Indenture)

After all senior indebtedness is paid in full and until the subordinated debt securities are paid in full, holders of subordinated debt securities will be subrogated to the rights of holders of senior indebtedness to receive distributions applicable to such senior indebtedness. (Section 14.06 of Subordinated Indenture)

As a result of the subordination provisions contained in the subordinated indenture, in the event of insolvency, our creditors who are holders of senior indebtedness may recover more, ratably, than the holders of subordinated debt securities. In addition, our creditors who are not holders of senior indebtedness may recover less, ratably, than holders of senior indebtedness and may recover

more, ratably, than the holders of subordinated indebtedness. Furthermore, claims of our subsidiaries creditors generally will have priority with respect to the assets and earnings of the subsidiaries over the claims of our creditors, including holders of the subordinated debt securities, even though those obligations may not constitute senior indebtedness. The subordinated debt securities, therefore, will be effectively subordinated to creditors, including trade creditors, of our subsidiaries. It is important to keep this in mind if you decide to hold our subordinated debt securities.

The terms of the subordination provisions described above will not apply to payments from money or the proceeds of government securities held in trust by the trustee for any series of subordinated debt securities for the payment of principal and interest on such subordinated debt securities pursuant to the defeasance procedures described under Satisfaction and Discharge; Defeasance .

Conversion and Exchange Rights

The debt securities of any series may be convertible into or exchangeable for other securities of Harris or another issuer or property or cash on the terms and subject to the conditions set forth in the applicable prospectus supplement.

DESCRIPTION OF CAPITAL STOCK

We have summarized some of the terms and provisions of our capital stock in this section. The summary is not complete and is qualified in its entirety by reference to each of the items identified below. You should read our Restated Certificate of Incorporation, our By-laws, the Rights Agreement (as defined

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below) described below and the certificate of designation relating to any particular series of preferred stock before you purchase any of our capital stock or securities convertible into shares of our capital stock because those documents and not this description set forth the terms of our capital stock.

Authorized Capital Stock

Under our Restated Certificate of Incorporation, the total number of shares of all classes of stock that we have authority to issue is 251,000,000, of which 1,000,000 are shares of preferred stock, without par value, and 250,000,000 are shares of common stock, par value $1.00 per share. As of August 22, 2003, there were 66,412,649 shares of common stock issued and outstanding. As of June 27, 2003, 7,613,616 shares of common stock have been reserved for issuance under our option plans and 3,314,917 shares have been reserved for issuance upon the conversion of our $150 million 3.5% Convertible Debentures due 2022. No shares of preferred stock have been issued, although shares of preferred stock have been reserved for issuance under the Rights Agreement. We describe the preferred stock under the heading Preferred Stock below.

Common Stock

Voting. The holders of shares of our common stock are entitled to one vote for each share on all matters voted on by our stockholders, and the holders of such shares possess all voting power, except as described below under the headings Certain Anti-Takeover Provisions of Our Restated Certificate of Incorporation, By-laws, Rights Agreement and Delaware General Corporation Law Provisions of Our Restated Certificate of Incorporation Related to Business Combinations and Anti-Greenmail Provisions of Our Restated Certificate of Incorporation, and except as otherwise required by law or provided in any resolution adopted by our Board of Directors with respect to any series of preferred stock. There are no cumulative voting rights, except as described below under the heading Certain Anti-Takeover Provisions of Our Restated Certificate of Incorporation, By-laws, Rights Agreement and Delaware General Corporation Law Provisions of Our Restated Certificate of Incorporation While There is a 40% Shareholder. Accordingly, the holders of a majority of the shares of our common stock voting for the election of directors can elect all of the directors, if they choose to do so, subject to any rights of the holders of preferred stock to elect directors.

Dividends and Distributions. Subject to any preferential or other rights of any outstanding series of preferred stock that may be designated by our Board of Directors, the holders of shares of our common stock will be entitled to such dividends as may be declared from

time to time by our Board of Directors from funds available therefor, and upon liquidation will be entitled to receive on a pro rata basis all of our assets available for distribution to such holders.

Preferred Stock

Our Board of Directors is authorized without further stockholder approval (except as may be required by applicable law or New York Stock Exchange regulations) to provide for the issuance of shares of preferred stock, in one or more series, and to fix for each such series such voting powers, designations, preferences and relative, participating, optional and other special rights, and such qualifications, limitations or restrictions, as are stated in the resolution adopted by our Board of Directors providing for the issuance of such series and as are permitted by the Delaware General Corporation Law. See Certain Anti-Takeover Provisions of Our Restated Certificate of Incorporation, By-laws, Rights Agreement and Delaware General Corporation Law Preferred Stock. If our Board of Directors elects to exercise this authority, the rights and privileges of holders of shares of our common stock could be made subject to the rights and privileges of any such series of preferred stock. The Rights Agreement provides for the issuance of shares of participating preferred stock under the circumstances specified in the Rights Agreement, upon the exercise or exchange of the rights issued thereunder. See Certain Anti-Takeover Provisions of Our Restated Certificate of Incorporation, By-laws, Rights Agreement and Delaware General Corporation Law Stockholder Protection Rights Agreement.

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You should refer to the prospectus supplement relating to the series of preferred stock being offered for the specific terms of that series, including:

- the title of the series and the number of shares in the series;
- the price at which the preferred stock will be offered;
- the dividend rate or rates or method of calculating the rates, the dates on which the dividends will be payable, whether or not dividends will be cumulative or non-cumulative and, if cumulative, the dates from which dividends on the preferred stock being offered will cumulate;
- the voting rights, if any, of the holders of shares of the preferred stock being offered;
- the provisions for a sinking fund, if any, and the provisions for redemption, if applicable, of the preferred stock being offered;
- the liquidation preference per share;
- the terms and conditions, if applicable, upon which the preferred stock being offered will be convertible into our common stock, including the conversion price, or the manner of calculating the conversion price, and the conversion period;
- the terms and conditions, if applicable, upon which the preferred stock being offered will be exchangeable for debt securities, including the exchange price, or the manner of calculating the exchange price, and the exchange period;
- any listing of the preferred stock being offered on any securities exchange;
- whether interests in the shares of the series will be represented by depositary shares;
- a discussion of any material Federal income tax considerations applicable to the preferred stock being offered;
- the relative ranking and preferences of the preferred stock being offered as to dividend rights and rights upon liquidation, dissolution or winding up of our affairs;
- any limitations on the issuance of any class or series of preferred stock ranking senior or equal to the series of preferred stock being offered as to dividend rights and rights upon liquidation, dissolution or winding up of

our affairs; and

any additional rights, preferences, qualifications, limitations and restrictions of the series.

The preferred stock of each series will rank senior to the common stock in priority of payment of dividends, and in the distribution of assets in the event of any liquidation, dissolution or winding up of Harris, to the extent of the preferential amounts to which the preferred stock of the respective series will be entitled.

Upon issuance, the shares of preferred stock will be fully paid and non-assessable, which means that their holders will have paid their purchase price in full and we may not require them to pay additional funds. Holders of preferred stock will not have any preemptive rights.

The transfer agent and registrar for the preferred stock will be identified in the applicable prospectus supplement.

No Preemptive Rights

No holder of any of our stock of any class authorized has any preemptive right to subscribe for any of our securities of any kind or class.

Transfer Agent and Registrar

The Transfer Agent and Registrar for our common stock is Mellon Investor Services LLC.

Certain Anti-Takeover Provisions of Our Restated Certificate of Incorporation, By-laws, Rights Agreement and Delaware General Corporation Law

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General

Our Restated Certificate of Incorporation, our By-laws, the Rights Agreement and the Delaware General Corporation Law contain certain provisions that could delay or make more difficult an acquisition of control of us that is not approved by our Board of Directors, whether by means of a tender offer, open-market purchases, a proxy contest or otherwise. These provisions have been implemented to enable us to conduct our business in a manner that will foster our long-term growth without disruption caused by the threat of a takeover not deemed by our Board of Directors to be in the best interests of us and our stockholders. See also Stockholder Protection Rights Agreement. These provisions could have the effect of discouraging third parties from making proposals involving an acquisition or change of control of us, although such a proposal, if made, might be considered desirable by a majority of our stockholders. These provisions also may have the effect of making it more difficult for third parties to cause the replacement of our current management without the concurrence of our Board of Directors. Set forth below is a description of the provisions contained in our Restated Certificate of Incorporation, our By-laws, the Rights Agreement and the Delaware General Corporation Law that could impede or delay an acquisition of control of us that our Board of Directors has not approved. This description is intended as a summary only and is qualified in its entirety by reference to our Restated Certificate of Incorporation, our By-laws and the Rights Agreement, as well as the Delaware General Corporation Law.

Classified Board of Directors

Our Restated Certificate of Incorporation provides for our Board of Directors to be divided into three classes of directors serving staggered three-year terms. As a result, approximately one-third of our Board of Directors will be elected each year. This provision could prevent a party who acquires control of a majority of our outstanding voting stock from obtaining control of our Board of Directors until the second annual stockholders meeting following the date on which the acquiror obtains the controlling stock interest and it could have the effect of discouraging a potential acquiror from making a tender offer or otherwise attempting to obtain control of us, in both cases increasing the likelihood that incumbent directors will retain their positions.

Number of Directors; Removal; Filling of Vacancies

Our Restated Certificate of Incorporation and By-laws provide that the number of directors shall not be fewer than eight or more than 13, the exact number to be fixed by resolution of our Board of Directors from time to time. Directors may be removed by stockholders only for cause.

Our Restated Certificate of Incorporation and By-laws provide that vacancies on the Board of Directors may be filled only by a majority vote of the remaining directors or by the sole remaining director.

Stockholder Action

Our Restated Certificate of Incorporation provides that stockholder action may be taken only at an annual or special meeting of stockholders. Therefore, stockholders may not act by written consent. Our By-laws provide that special meetings of stockholders may be called only by our Board of Directors, Chairman of the Board or Chief Executive Officer.

Advance Notice for Stockholder Proposals or Nominations at Meetings

Our By-laws establish an advance notice procedure for stockholder proposals to be brought before any annual or special meeting of stockholders and for nominations by stockholders of candidates for election as directors at an annual meeting or a special meeting at which directors are to be elected. Subject to any other applicable requirements, including Rule 14a-8 under the Exchange Act, only such business may be conducted at an annual meeting of stockholders as has been:

specified in the notice of annual meeting given by, or at the direction of, our Board of Directors;

brought before the meeting by, or at the direction of, our Board of Directors; or

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brought by a stockholder who has given our Secretary timely written notice, in proper form, of the stockholder s intention to bring that business before the meeting.

With respect to a special meeting of the stockholders, only such business may be conducted at the meeting as has been specified in the notice of special meeting. The person presiding at such annual or special meeting has the authority to make such determinations. Only persons who are nominated by, or at the direction of, our Board of Directors, or who are nominated by a stockholder who has given timely written notice, in proper form, to our Secretary prior to a meeting at which directors are to be elected will be eligible for election as a director.

To be timely, notice of nominations or other business to be brought before any annual meeting must be delivered to our Secretary not fewer than 90 days nor more than 120 days prior to the first anniversary date of the annual meeting for the preceding year; *provided*, *however*, that if the annual meeting is not scheduled to be held within a period that commences 30 days before and ends 30 days after such anniversary date, such advance notice shall be given by the later of:

the close of business on the date 90 days prior to the date of the annual meeting; or

the close of business on the tenth day following the date that the annual meeting date is first publicly announced or disclosed.

If we call a special meeting of stockholders for the purpose of electing directors, notice of nominations must be delivered to our Secretary not later than the close of business on the tenth day following the date that the special meeting date and either the names of nominees or the number of directors to be elected is first publicly announced or disclosed.

Any stockholder who gives notice of a proposal must provide:

the text of the proposal to be presented;

a brief written statement of the reasons why he or she favors the proposal;

the stockholder s name and address;

the number and class of all shares of each class of our stock owned of record and beneficially by such stockholder; and

information as to any material interest the stockholder may have in the proposal (other than as one of our stockholders).

The notice of any nomination for election as a director must set forth:

- the name of the nominee;
- the number and class of all shares of each class of our capital stock owned of record and beneficially by the nominee and the information regarding the nominee required by paragraphs (a), (e) and (f) of Item 401 of Regulation S-K adopted by the SEC;
- the signed consent of each nominee to serve as a director if elected;
- the nominating stockholder s name and address; and
- the number and class of shares of our stock owned of record and beneficially by such nominating stockholder.

Amendments to By-laws

Our By-laws provide that our Board of Directors or the holders of a majority of the shares of our capital stock entitled to vote at an annual or special meeting of stockholders have the power to amend, alter, change or repeal our By-laws.

Amendment of the Restated Certificate of Incorporation

Any proposal to amend, alter, change or repeal any provision of our Restated Certificate of Incorporation requires approval by the affirmative vote of a majority of the voting power of all of the

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shares of our capital stock entitled to vote on such matters, with the exception of certain provisions of our Restated Certificate of Incorporation that require a vote of 80 percent or more of such voting power.

Provisions of Our Restated Certificate of Incorporation Related to Business Combinations

Our Restated Certificate of Incorporation provides that, in addition to any affirmative vote required by law or any other provision of our Restated Certificate of Incorporation, business combinations (generally defined as mergers, consolidations, sales of substantially all assets, issuances or transfers of securities with a fair market value of more than $1.0 million, and other significant transactions) involving us or any of our subsidiaries and involving or proposed by an interested stockholder (generally defined for purposes of these provisions as a person who beneficially owns more than 10 percent of our outstanding voting capital stock, or is an affiliate of ours and who within the prior two years was such a 10 percent beneficial owner or who has succeeded to any shares of our voting capital stock that were owned by an interested stockholder within the prior two years) or an affiliate of an interested stockholder require the approval of at least 80 percent of our then outstanding capital stock, voting as a class, provided that business combinations approved by our continuing directors (as defined in our Restated Certificate of Incorporation) or satisfying certain fair price and procedure provisions (generally requiring that stockholders receive consideration at least equal to the highest price paid by the interested stockholder for shares of our common stock within the prior two years) are not subject to this 80 percent vote requirement. Our Restated Certificate of Incorporation provides that these provisions cannot be amended or repealed, and that any inconsistent provision may not be adopted, without the affirmative vote of at least 80 percent of our then outstanding capital stock, voting as a single class.

Anti-Greenmail Provisions of Our Restated Certificate of Incorporation

Our Restated Certificate of Incorporation provides that any purchase by us of shares of our voting capital stock from an interested shareholder (generally defined for purposes of these provisions as a person who beneficially owns more than five percent of our outstanding voting capital stock, or a person who is an affiliate of ours and who within the prior two years was such a five percent beneficial owner or who has succeeded to any shares of our voting capital stock that were owned by an interested shareholder within the prior two years) at a price higher than the market price at the time, other than pursuant to an offer to the holders of all outstanding shares of the class, requires the approval of the percentage of our then outstanding voting capital stock at least equal to the sum of the percentage held by

the interested shareholder plus a majority of the remaining shares, voting as a single class. Our Restated Certificate of Incorporation provides that these provisions cannot be amended or repealed, and that any inconsistent provision may not be adopted, without the affirmative vote of at least 80 percent of our then outstanding capital stock, voting as a single class.

Provisions of Our Restated Certificate of Incorporation While There is a 40% Shareholder

Our Restated Certificate of Incorporation provides that in any election of directors on or after the date on which any 40% shareholder (generally defined for purposes of these provisions as a person who beneficially owns more than 40 percent of our outstanding voting capital stock, or a person who is an affiliate of ours and who within the prior two years was such a 40 percent beneficial owner or who has succeeded to any shares of our voting capital stock that were owned by an interested shareholder within the prior two years) becomes a 40% shareholder, and until such time as no 40 percent shareholder any longer exists, there shall be cumulative voting for the election of directors so that any holder of our voting capital stock will be entitled to as many votes as shall equal the number of directors to be elected multiplied by the number of votes to which the holder would otherwise be entitled and such holder may cast all of such votes for a single director, or distribute such votes among as many candidates as such holder sees fit. In any such election of directors, one or more candidates may be nominated by a majority of our disinterested directors. With respect to any person so nominated, or nominated by a holder of our voting capital stock holding shares of our voting capital stock with a market price of at least $100,000, we are required to include certain information with respect to such nominees (generally on equal terms with other nominees of our Board of Directors and management) in our proxy statement or other materials with respect to the election of directors. Our Restated Certificate of Incorporation provides that these provisions

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cannot be amended or repealed, and that any inconsistent provision may not be adopted, without the affirmative vote of at least 80 percent of our then outstanding capital stock, voting as a single class.

Preferred Stock

Our Restated Certificate of Incorporation authorizes our Board of Directors to issue one or more series of preferred stock by resolution and to determine, with respect to any series of preferred stock, the terms and rights of such series. We believe that the availability of preferred stock provides us with increased flexibility in structuring possible future financing and acquisitions and in meeting other corporate needs that might arise. Having such authorized shares available for issuance allows us to issue shares of preferred stock without the expense and delay of a special stockholders meeting. The authorized shares of preferred stock, as well as the authorized shares of our common stock, are available for issuance without further action by our stockholders, unless such action is required by applicable law or the rules of the New York Stock Exchange or any other stock exchange on which our securities may be listed. Although our Board of Directors has no intention at the present time of doing so, it does have the power (subject to applicable law) to issue a series of preferred stock that, depending on the terms of such series, could impede the completion of a merger, tender offer or other takeover attempt. For instance, subject to applicable law, such series of preferred stock might impede a business combination by including class voting rights that would enable the holder to block such a transaction. See Stockholder Protection Rights Agreement.

Stockholder Protection Rights Agreement

On December 6, 1996, our Board of Directors declared a dividend of one right (a Right) for each outstanding share of our common stock held of record at the close of business on December 6, 1996 (the Record Time), or issued thereafter and prior to the Separation Time (as defined below), or issued thereafter pursuant to options and convertible securities outstanding at the Separation Time. The Rights were issued pursuant to a Stockholder Protection Rights Agreement, dated as of December 6, 1996 (as it may be amended from time to time, the Rights Agreement), between us and Mellon Investor Services LLC (formerly known as ChaseMellon Shareholder Services, L.L.C.), a New Jersey limited liability company, as rights agent (the Rights Agent). Each Right entitles its registered holder to purchase from us, after the Separation Time, one two-hundredth of a share of Participating Preferred Stock, without par value (the Participating Preferred Stock), for $125.00 (the Exercise Price), subject to adjustment.

The Rights will be evidenced by common stock certificates until the close of business on the earlier of (in either case, the Separation Time):

- the tenth business day (or such later date as our Board of Directors may from time to time fix by resolution adopted prior to the Separation Time that otherwise would have occurred) after the date on which any Person (as defined in the Rights Agreement) commences a tender or exchange offer that, if consummated, would result in such Person becoming an Acquiring Person (as defined below); and

- the first date (the Stock Acquisition Date) of public announcement by us (by any means) that a Person has become an Acquiring Person; provided that if the foregoing results in the Separation Time being prior to the Record Time, the Separation Time shall be the Record Time; and provided further that if a tender or exchange offer referred to in the immediately preceding subparagraph is cancelled, terminated or otherwise withdrawn prior to the Separation Time without the purchase of any shares of our common stock pursuant thereto, such offer shall be deemed never to have been made.

An Acquiring Person is defined in the Rights Agreement as any Person having Beneficial Ownership (as defined in the Rights Agreement) of 15 percent or more of the outstanding shares of our common stock, which term shall not include:

- us, any of our wholly-owned subsidiaries, or any employee stock ownership or other employee benefit plan of ours or any of our wholly-owned subsidiaries;

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any person who was the Beneficial Owner of 15 percent or more of our outstanding common stock on the date of the Rights Agreement or who shall become the Beneficial Owner of 15 percent or more of our outstanding common stock solely as a result of an acquisition of our common stock by us, until such time hereafter as such Person acquires additional shares of our common stock, other than through a stock dividend or stock split;

any Person who becomes an Acquiring Person without any plan or intent to seek or effect control of us if such Person promptly divests sufficient securities such that such 15 percent or greater Beneficial Ownership ceases; or

any Person who Beneficially Owns shares of our common stock consisting solely of (A) shares acquired pursuant to the grant or exercise of an option granted by us in connection with an agreement to merge with, or acquire, us at a time at which there is no Acquiring Person, (B) shares owned by such Person or its Affiliates or Associates (as such terms are defined in the Rights Agreement) at the time of such grant or (C) shares, amounting to less than one percent of our outstanding common stock, acquired by Affiliates or Associates of such Person after the time of such grant.

The Rights Agreement provides that, until the Separation Time, the Rights will be transferred with and only with shares of our common stock. Common stock certificates issued after the Record Time but prior to the Separation Time shall evidence one Right for each share of our common stock represented thereby and shall contain a legend incorporating by reference the terms of the Rights Agreement. Notwithstanding the absence of the aforementioned legend, certificates evidencing shares of our common stock outstanding at the Record Time also shall evidence one Right for each share of our common stock evidenced thereby. Promptly following the Separation Time, separate certificates evidencing the Rights will be mailed to holders of record of our common stock at the Separation Time.

The Rights will not be exercisable until the Separation Time. The Rights will expire on the earliest of (in any such case, the Expiration Time):

the Exchange Time (as defined below),

December 6, 2006, the close of business on the tenth anniversary of the Record Time,

the date on which the Rights are redeemed as described below, and

immediately prior to the effective time of a consolidation, merger or share exchange of us (A) into another corporation or (B) with another corporation in

which we are the surviving corporation but shares of our common stock are converted into cash and/or securities of another corporation, in either case pursuant to an agreement entered into by us prior to a Stock Acquisition Date.

The Exercise Price and the number of Rights outstanding, or in certain circumstances the securities purchasable upon exercise of the Rights, are subject to adjustment from time to time to prevent dilution in the event of a common stock dividend on, or a subdivision or a combination into a smaller number of shares of our common stock or the issuance or distribution of any securities or assets in respect of, in lieu of or in exchange for shares of our common stock.

If a Flip-in Date (as defined below) occurs prior to the Expiration Time, each Right (other than Rights Beneficially Owned by the Acquiring Person or any Affiliate or Associate thereof, which Rights shall become void) shall constitute the right to purchase from us, upon the exercise thereof in accordance with the terms of the Rights Agreement, that number of shares of our common stock having an aggregate Market Price (as defined in the Rights Agreement) equal to twice the Exercise Price for an amount in cash equal to the then current Exercise Price. In addition, our Board of Directors, at its option, at any time after a Flip-in Date and prior to the time that an Acquiring Person becomes the Beneficial Owner of more than 50 percent of the outstanding shares of our common stock, may elect to exchange all (but not less than all) of the then outstanding Rights (other than Rights Beneficially Owned by the Acquiring Person or any Affiliate or Associate thereof, which Rights shall become void) for shares of our common stock at an exchange ratio of one share of our common stock per Right, appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after the date of the Separation Time (the

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Exchange Ratio). Immediately upon such action by our Board of Directors (the Exchange Time), the right to exercise the Rights will terminate and each Right thereafter will represent only the right to receive a number of shares of our common stock equal to the Exchange Ratio. A Flip-in Date is defined in the Rights Agreement as any Stock Acquisition Date or such later date as our Board of Directors from time to time may fix by resolution adopted prior to the Flip-in Date that otherwise would have occurred.

Whenever we become obligated under the Rights Agreement to issue shares of our common stock upon the exercise of or in exchange for the Rights, we, at our option, may substitute therefor shares of Participating Preferred Stock, at a ratio of one two-hundredth of a share of Participating Preferred Stock for each share of our common stock so issuable.

If, prior to the Expiration Time, we enter into, consummate or permit to occur a transaction or series of transactions after the time an Acquiring Person has become such in which, directly or indirectly:

- we consolidate or merge or participate in a share exchange with any other Person if, at the time of the consolidation, merger or share exchange or at the time we enter into any agreement with respect to any such consolidation, merger or share exchange, the Acquiring Person controls our Board of Directors and either (A) any term of or arrangement concerning the treatment of shares of our capital stock in such consolidation, merger or share exchange relating to the Acquiring Person is not identical to the terms and arrangements relating to other holders of our common stock or (B) the Person with whom the transaction or series of transactions occurs is the Acquiring Person or an Affiliate or Associate of the Acquiring Person; or

- we sell or otherwise transfer (or one or more of our subsidiaries sell or otherwise transfer) assets (A) aggregating more than 50 percent of the assets (measured by either book value or fair market value) or (B) generating more than 50 percent of the operating income or cash flow, of us and our subsidiaries (taken as a whole) to any other Person (other than us or one or more of our wholly-owned subsidiaries) or to two or more such Persons that are affiliated or otherwise acting in concert, if, at the time of such sale or transfer of assets or at the time we (or any such subsidiary) enter into an agreement with respect to such sale or transfer, the Acquiring Person controls our Board of Directors (a Flip-over Transaction or Event),

we shall take such action as shall be necessary to ensure, and shall not enter into, consummate or permit to occur such Flip-over Transaction or Event until we shall have entered into a supplemental agreement with the Person engaging in such Flip-over Transaction or Event or the parent corporation thereof (the Flip-over Entity), for the

benefit of the holders of the Rights, providing that upon consummation or occurrence of the Flip-over Transaction or Event (1) each Right thereafter shall constitute the right to purchase from the Flip-over Entity, upon exercise thereof in accordance with the terms of the Rights Agreement, that number of shares of common stock of the Flip-over Entity having an aggregate Market Price on the date of consummation or occurrence of such Flip-over Transaction or Event equal to twice the Exercise Price for an amount in cash equal to the then current Exercise Price and (2) the Flip-over Entity thereafter shall be liable for, and shall assume, by virtue of such Flip-over Transaction or Event and such supplemental agreement, all of our obligations and duties pursuant to the Rights Agreement.

Our Board of Directors, at its option, at any time prior to the Flip-in Date, may redeem all (but not less than all) the then outstanding Rights at a price of $.01 per Right (the Redemption Price), as provided in the Rights Agreement. Immediately upon the action of our Board of Directors electing to redeem the Rights, without any further action and without any notice, the right to exercise the Rights will terminate and each Right thereafter will represent only the right to receive the Redemption Price in cash or our securities.

The holders of Rights, solely by reason of their ownership of the Rights, will have no rights as our stockholders, including the right to vote or to receive dividends.

The Rights Agent and we from time to time may supplement or amend the Rights Agreement without the approval of any holders of the Rights (1) prior to the Flip-in Date, in any respect, and (2) on or after the Flip-in Date, to make any changes that we may deem necessary or desirable and that shall not

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affect materially and adversely the interests of the holders of the Rights generally or to cure any ambiguity or to correct or supplement any inconsistent or defective provision contained therein.

The Rights will not prevent a takeover of us. However, the Rights may cause substantial dilution to a person or group that acquires 15 percent or more of our common stock unless the Rights first are redeemed by our Board of Directors. Nevertheless, the Rights should not interfere with a transaction that is in the best interests of us and our stockholders because the Rights can be redeemed on or prior to the Flip-in Date, before the consummation of such transaction.

Delaware General Corporation Law

Under Section 203 of the Delaware General Corporation Law (Section 203), certain business combinations (generally defined to include mergers or consolidations between a Delaware corporation and an interested stockholder, transactions with an interested stockholder involving the assets or stock of the corporation or its majority-owned subsidiaries and transactions that increase the interested stockholder s percentage ownership of stock) between a publicly held Delaware corporation and an interested stockholder (generally defined as those stockholders who become beneficial owners of 15 percent or more of a Delaware corporation s voting stock or their affiliates) are prohibited for a three-year period following the date that such stockholder became an interested stockholder. This three-year waiting period does not apply when:

- the corporation has elected in its certificate of incorporation not to be so governed;
- either the business combination or the proposed acquisition of stock resulting in the person becoming an interested stockholder was approved by the corporation s board of directors before the other party to the business combination became an interested stockholder;
- upon consummation of the transaction that made such person an interested stockholder, the interested stockholder owned at least 85 percent of the voting stock of the corporation outstanding at the commencement of the transaction (excluding voting stock owned by officers who are also directors or held in employee benefit plans in which the employees do not have a confidential right to tender or vote stock held by the plan); or
- the business combination was approved by the corporation s board of directors and also was ratified by two-thirds of the voting stock that the interested stockholder did not own.

Under certain circumstances, Section 203 makes it more difficult for a person who would be an interested stockholder to effect various business combinations with a corporation for a three-year period, although the stockholders may elect to exclude a corporation from the restrictions imposed thereunder. Our Restated Certificate of Incorporation does not exclude us from the restrictions imposed under Section 203. The provisions of Section 203 may encourage companies interested in acquiring us to negotiate in advance with our Board of Directors because the stockholder approval requirement would be avoided if a majority of the directors then in office approved either the business combination or the transaction that results in the stockholder becoming an interested stockholder. Such provisions also may have the effect of preventing changes in our management. It is possible that such provisions could make it more difficult to accomplish transactions that stockholders otherwise may deem to be in their best interests.

DESCRIPTION OF DEPOSITARY SHARES

We may, at our option, elect to offer fractional shares of preferred stock, rather than full shares of preferred stock. If we do, we will issue to the public receipts for depositary shares, and each of these depositary shares will represent a fraction of a share of a particular series of preferred stock. Each owner of a depositary share will be entitled, in proportion to the applicable fractional interest in shares of preferred stock underlying that depositary share, to all rights and preferences of the preferred stock underlying that depositary share. Those rights include dividend, voting, redemption and liquidation rights.

The shares of preferred stock underlying the depositary shares will be deposited with a depositary under a deposit agreement between us, the depositary and the holders of the depositary receipts evidencing

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the depositary shares. The depositary will be a bank or trust company selected by us, having its principal office in the United States of America and must have a combined capital and surplus of at least $50,000,000. The depositary will also act as the transfer agent, registrar and dividend disbursing agent for the depositary shares.

Holders of depositary receipts agree to be bound by the deposit agreement, which requires holders to take certain actions such as filing proof of residence and paying certain charges.

The following is a summary of the most important terms of the depositary shares. The deposit agreement, our Restated Certificate of Incorporation and the certificate of designation for the applicable series of preferred stock that are, or will be, filed with the SEC will set forth all of the terms relating to the depositary shares.

Dividends and Other Distributions

The depositary will distribute all cash dividends or other cash distributions received relating to the series of preferred stock underlying the depositary shares, to the record holders of depositary receipts in proportion to the number of depositary shares owned by those holders on the relevant record date. The record date for the depositary shares will be the same date as the record date for the preferred stock.

In the event of a distribution other than in cash, the depositary will distribute property received by it to the record holders of depositary receipts that are entitled to receive the distribution. However, if the depositary determines that it is not feasible to make the distribution, the depositary may, with our approval, adopt another method for the distribution. The method may include selling the property and distributing the net proceeds to the holders.

Liquidation Preference

In the event of our voluntary or involuntary liquidation, dissolution or winding up, the holders of each depositary share will be entitled to receive the fraction of the liquidation preference accorded each share of the applicable series of preferred stock, as set forth in the applicable prospectus supplement.

Redemption of Depositary Shares

If a series of preferred stock underlying the depositary shares is subject to redemption, the depositary shares will be redeemed from the proceeds received by the depositary resulting from the redemption, in whole or in part, of the preferred stock held by the depositary.

Whenever we redeem any preferred stock held by the depositary, the depositary will redeem, as of the same redemption date, the number of depositary shares representing the preferred stock so redeemed. The depositary will mail the notice of redemption to the record holders of the depositary receipts promptly upon receiving notice from us and not fewer than 35 nor more than 60 days prior to the date fixed for redemption of the preferred stock and the depositary shares.

Voting the Preferred Stock

Upon receipt of notice of any meeting at which the holders of preferred stock are entitled to vote, the depositary will mail the information contained in the notice of meeting to the record holders of the depositary receipts underlying the preferred stock. Each record holder of those depositary receipts on the record date will be entitled to instruct the depositary as to the exercise of the voting rights pertaining to the amount of preferred stock underlying that holder s depositary shares. The record date for the depositary shares will be the same date as the record date for the preferred stock. The depositary will try, as far as practicable, to vote the preferred stock underlying the depositary shares in a manner consistent with the instructions of the holders of the depositary receipts. We will agree to take all action which may be deemed necessary by the depositary in order to enable the depositary to do so. The depositary will not vote the preferred stock to the extent that it does not receive specific instructions from the holders of depositary receipts.

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Withdrawal of Preferred Stock

Except as may be provided otherwise in the applicable prospectus supplement, owners of depositary shares are entitled, upon surrender of depositary receipts at the principal office of the depositary and payment of any unpaid amount due the depositary, to receive the number of whole shares of preferred stock underlying the depositary shares. Partial shares of preferred stock will not be issued. After any such withdrawal, these holders of preferred stock will not be entitled to deposit the shares of preferred stock under the deposit agreement or to receive depositary receipts evidencing depositary shares for the preferred stock.

Conversion or Exchange of Preferred Stock

If the prospectus supplement relating to depositary shares says that the deposited preferred stock is convertible into or exchangeable for our capital stock or other securities, the following will apply. The depositary shares, as such, will not be convertible into or exchangeable for any of our securities. Rather, any holder of the depositary shares may surrender the related depositary receipts to the depositary with written instructions to instruct us to cause conversion or exchange of the preferred stock represented by the depositary shares into or for whole shares of our capital stock or other securities, as applicable. Upon receipt of those instructions and any amounts payable by the holder in connection with the conversion or exchange, we will cause the conversion or exchange using the same procedures as those provided for conversion or exchange of the deposited preferred stock. If only some of the depositary shares are to be converted or exchanged, a new depositary receipt or receipts will be issued for any depositary shares not to be converted or exchanged.

Amendment and Termination of Deposit Agreement

The form of depositary receipt evidencing the depositary shares and any provision of the deposit agreement may be amended at any time and from time to time by agreement between us and the depositary. However, any amendment which materially and adversely alters the rights of the holders of depositary shares, other than any change in fees, will not be effective unless the amendment has been approved by at least a majority of the depositary shares then outstanding.

The deposit agreement may be terminated by us or the depositary only if:

all outstanding depositary shares have been redeemed; or

there has been a final distribution relating to the preferred stock in connection with our dissolution, and that distribution has been made to all the holders of depositary shares.

Charges of Depositary

We will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. We will also pay charges of the depositary in connection with the initial deposit of the preferred stock and the initial issuance of the depositary shares, any redemption of the preferred stock and all withdrawals of preferred stock by owners of depositary shares. Holders of depositary receipts will pay transfer, income and other taxes and governmental charges and certain other charges as provided in the deposit agreement. In certain circumstances, the depositary may refuse to transfer depositary shares, withhold dividends and distributions, and sell the depositary shares evidenced by the depositary receipt, if the charges are not paid.

Reports to Holders

The depositary will forward to the holders of depositary receipts all reports and communications we deliver to the depositary that we are required to furnish to the holders of the preferred stock. In addition, the depositary will make available for inspection by holders of depositary receipts at the principal office of the depositary any reports and communications we deliver to the depositary as the holder of preferred stock.

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Liability and Legal Proceedings

Neither we nor the depositary will be liable if either of us is prevented or delayed by law or any circumstance beyond our control in performing our obligations under the deposit agreement. Our obligations and those of the depositary will be limited to performance in good faith of our duties under the deposit agreement. Neither we nor the depositary will be obligated to prosecute or defend any legal proceeding in respect of any depositary shares or preferred stock unless satisfactory indemnity is furnished. We and the depositary may rely on written advice of counsel or accountants, on information provided by holders of depositary receipts or other persons believed in good faith to be competent to give such information and on documents believed to be genuine and to have been signed or presented by the proper persons.

Resignation and Removal of Depositary

The depositary may resign at any time by delivering a notice to us of its election to do so. We may also remove the depositary at any time. Any such resignation or removal will take effect upon the appointment of a successor depositary and its acceptance of such appointment. The successor depositary must be appointed within 60 days after delivery of the notice for resignation or removal. In addition, the successor depositary must be a bank or trust company having its principal office in the United States of America and must have a combined capital and surplus of at least $50,000,000.

Federal Income Tax Consequences

Owners of the depositary shares will be treated for Federal income tax purposes as if they were owners of the preferred stock underlying the depositary shares. Accordingly, the owners will be entitled to take into account for Federal income tax purposes income and deductions to which they would be entitled if they were holders of the preferred stock. In addition:

- no gain or loss will be recognized for Federal income tax purposes upon the withdrawal of preferred stock in exchange for depositary shares;
- the tax basis of each share of preferred stock to an exchanging owner of depositary shares will, upon the exchange, be the same as the aggregate tax basis of the depositary shares exchanged; and
- the holding period for preferred stock in the hands of an exchanging owner of depositary shares will include the period during which the person owned the depositary shares.

DESCRIPTION OF WARRANTS

We may issue warrants, in one or more series, for the purchase of debt securities, preferred stock or common stock. Warrants may be issued independently or together with our debt securities, preferred stock or common stock and may be attached to or separate from any offered securities. Each series of warrants will be issued under a separate warrant agreement to be entered into between us and a bank or trust company, having its principal office in the United States of America and having a combined capital and surplus of at least $50,000,000, as warrant agent. The warrant agent will act solely as our agent in connection with the warrants and will not have any obligation or relationship of agency or trust for or with any holders or beneficial owners of warrants. A copy of the warrant agreement will be filed with the SEC in connection with the offering of warrants.

Debt Warrants

The prospectus supplement relating to a particular issue of warrants to purchase debt securities will describe the terms of those warrants, including the following:

- the title of the warrants;
- the offering price for the warrants, if any;
- the aggregate number of the warrants;
- the aggregate number of warrants outstanding;

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- the designation and terms of the debt securities purchasable upon exercise of the warrants;
- if applicable, the designation and terms of the debt securities that the warrants are issued with and the number of warrants issued with each debt security;
- if applicable, the date from and after which the warrants and any debt securities issued with them will be separately transferable;
- the principal amount of debt securities that may be purchased upon exercise of a warrant and the price at which the debt securities may be purchased upon exercise;
- the dates on which the right to exercise the warrants will commence and expire;
- if applicable, the minimum or maximum amount of the warrants that may be exercised at any one time;
- whether the warrants represented by the warrant certificates or debt securities that may be issued upon exercise of the warrants will be issued in registered or bearer form;
- information relating to book-entry procedures, if any;
- the currency or currency units in which the offering price, if any, and the exercise price are payable;
- if applicable, a discussion of material U.S. Federal income tax considerations;
- anti-dilution provisions of the warrants, if any;
- redemption or call provisions, if any, applicable to the warrants;
- the identity of the warrant agent;
- any additional terms of the warrants, including terms, procedures and limitations relating to the exchange and exercise of the warrants; and
- any other information we think is important about the warrants.

Common Stock or Preferred Stock Warrants

The prospectus supplement relating to a particular issue of warrants to purchase shares of common stock or preferred stock will describe the terms of the warrants, including the following:

the title of the warrants;

the offering price for the warrants, if any;

the aggregate number of the warrants;

the shares of common stock or the designation and terms of the preferred stock that may be purchased upon exercise of the warrants;

if applicable, the designation and terms of the securities that the warrants are issued with and the number of warrants issued with each security;

if applicable, the date from and after which the warrants and any securities issued with the warrants will be separately transferable;

the number of shares of common stock or preferred stock that may be purchased upon exercise of a warrant and the price at which the shares may be purchased upon exercise;

the dates on which the right to exercise the warrants commence and expire;

if applicable, the minimum or maximum amount of the warrants that may be exercised at any one time;

the currency or currency units in which the offering price, if any, and the exercise price are payable;

if applicable, a discussion of material U.S. Federal income tax considerations;

anti-dilution provisions of the warrants, if any;

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redemption or call provisions, if any, applicable to the warrants;

any additional terms of the warrants, including terms, procedures and limitations relating to the exchange and exercise of the warrants; and

any other information we think is important about the warrants.

Exercise of Warrants

Each warrant will entitle the holder of the warrant to purchase at the exercise price set forth in the applicable prospectus supplement the principal amount of debt securities or the number of shares of common stock or preferred stock being offered. Holders may exercise warrants at any time up to the close of business on the expiration date set forth in the applicable prospectus supplement. After the close of business on the expiration date, unexercised warrants will be void. Holders may exercise warrants as set forth in the prospectus supplement relating to the warrants being offered.

Until a holder exercises the warrants to purchase our debt securities or shares of our common stock or preferred stock, the holder will not have any rights as a holder of our debt securities or shares of our common stock or preferred stock, as the case may be, by virtue of ownership of warrants.

PLAN OF DISTRIBUTION

We may offer and sell these securities in any one or more of the following ways:

to or through underwriters, brokers or dealers;

directly to one or more other purchasers;

through a block trade in which the broker or dealer engaged to handle the block trade will attempt to sell the securities as agent, but may position and resell a portion of the block as principal to facilitate the transaction;

through agents on a best-efforts basis; or

otherwise through a combination of any such methods of sale.

Each time we sell securities, we will provide a prospectus supplement that will name any underwriter, dealer or agent involved in the offer and sale of the securities. The prospectus supplement will also set forth the terms of the offering, including:

the purchase price of the securities and the proceeds we will receive from the sale of the securities;

any underwriting discounts and other items constituting underwriters compensation;

any public offering or purchase price and any discounts or commissions allowed or re-allowed or paid to dealers;

any commissions allowed or paid to agents;

any securities exchanges on which the securities may be listed;

the method of distribution of the securities;

the terms of any agreement, arrangement or understanding entered into with brokers or dealers; and

any other information we think is important.

If underwriters or dealers are used in the sale, the securities will be acquired by the underwriters or dealers for their own account. The securities may be sold from time to time in one or more transactions:

at a fixed price or prices, which may be changed;

at market prices prevailing at the time of sale;

at prices related to such prevailing market prices;

at varying prices determined at the time of sale; or

at negotiated prices.

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Such sales may be effected:

- in transactions on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale;
- in transactions in the over-the-counter market;
- in block transactions in which the broker or dealer so engaged will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction, or in crosses, in which the same broker acts as an agent on both sides of the trade;
- in transactions otherwise than on such exchanges or services or the over-the-counter market;
- through the writing of options; or
- through other types of transactions.

The securities may be offered to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more of such firms. Unless otherwise set forth in the prospectus supplement, the obligations of underwriters or dealers to purchase the securities offered will be subject to certain conditions precedent and the underwriters or dealers will be obligated to purchase all the offered securities if any are purchased. Any public offering price and any discounts or concessions allowed or reallowed or paid by underwriters or dealers to other dealers may be changed from time to time.

The securities may be sold directly by us or through agents designated by us from time to time. Any agent involved in the offer or sale of the securities in respect of which this prospectus is delivered will be named, and any commissions payable by us to such agent will be set forth in, the prospectus supplement. Unless otherwise indicated in the prospectus supplement, any such agent will be acting on a best efforts basis for the period of its appointment.

Offers to purchase the securities offered by this prospectus may be solicited, and sales of the securities may be made, by us directly to institutional investors or others, who may be deemed to be underwriters within the meaning of the Securities Act with respect to any resale of the securities. The terms of any offer made in this manner will be included in the prospectus supplement relating to the offer.

If indicated in the applicable prospectus supplement, we will authorize underwriters, dealers or agents to solicit offers by certain institutional investors to purchase

securities from us pursuant to contracts providing for payment and delivery at a future date. Institutional investors with which these contracts may be made include, among others:

- commercial and savings banks;
- insurance companies;
- pension funds;
- investment companies; and
- educational and charitable institutions.

In all cases, these purchasers must be approved by us. Unless otherwise set forth in the applicable prospectus supplement, the obligations of any purchasers under any of these contracts will not be subject to any conditions except that (a) the purchase of the securities must not at the time of delivery be prohibited under the laws of any jurisdiction to which that purchaser is subject, and (b) if the securities are also being sold to underwriters, we must have sold to these underwriters the securities not subject to delayed delivery. Underwriters and other agents will not have any responsibility in respect of the validity or performance of these contracts.

Some of the underwriters, dealers or agents used by us in any offering of securities under this prospectus may be customers of, engage in transactions with, and perform services for us in the ordinary course of business. Underwriters, dealers, agents and other persons may be entitled under agreements which may be entered into with us to indemnification against and contribution toward certain civil liabilities, including liabilities under the Securities Act and to be reimbursed by us for certain expenses.

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Subject to any restrictions relating to debt securities in bearer form, any securities initially sold outside the United States may be resold in the United States through underwriters, dealers or otherwise.

Each series of securities other than common stock will be a new issue of securities with no established trading market. Any underwriters to which offered securities are sold by us for public offering and sale may make a market in such securities, but those underwriters will not be obligated to do so and may discontinue any market making at any time.

The anticipated date of delivery of the securities offered by this prospectus will be described in the applicable prospectus supplement relating to the offering.

If more than 10 percent of the net proceeds of any offering of securities made under this prospectus will be received by members of the National Association of Securities Dealers, Inc., which we refer to in this prospectus as the NASD , participating in the offering or by affiliates or associated persons of such NASD members, the offering will be conducted in accordance with NASD Conduct Rule 2710(c)(8). Pursuant to the rules of the NASD, underwriting compensation, as defined in the NASD rules, will not exceed 8 percent of the gross proceeds of any offering pursuant to this prospectus.

To comply with the securities laws of some states, if applicable, the securities may be sold in these jurisdictions only through registered or licensed brokers or dealers. In addition, in some states the securities may not be sold unless they have been registered or qualified for sale or an exemption from registration or qualification requirements is available and is complied with.

Our common stock is quoted on the New York Stock Exchange under the symbol HRS. The other securities are not listed on any securities exchange or other stock market and, unless we state otherwise in the applicable prospectus supplement, we do not intend to apply for listing of the other securities on any securities exchange or other stock market. Accordingly, we give you no assurance as to the development or liquidity or any trading market for the securities.

LEGAL MATTERS

Unless otherwise disclosed in a prospectus supplement, the validity of these securities will be passed upon for us by our outside counsel, Holland & Knight LLP, Jacksonville, Florida. Unless otherwise disclosed in a prospectus supplement, certain matters will be passed upon for any underwriters, dealers or agents, if any, by

Cravath, Swaine & Moore LLP, New York, New York.

EXPERTS

Our consolidated financial statements as of June 27, 2003 and June 28, 2002, and for each of the three years in the period ended June 27, 2003, incorporated by reference in this prospectus and registration statement, have been audited by Ernst & Young LLP, independent certified public accountants, as set forth in their report thereon incorporated by reference herein. Such consolidated financial statements are incorporated herein by reference in reliance on such report given upon the authority of such firm as experts in accounting and auditing.

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$500,000,000

Debt Securities, Preferred Stock, Common Stock,

Depositary Shares and Warrants

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the securities it describes, and only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

[1] , 2003

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. ***Other Expenses of Issuance and Distribution.***

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, payable by the Registrant in connection with the issuance and distribution of the securities being registered. All of the amounts shown are estimates, except the Securities and Exchange Commission registration fee.

Securities and Exchange Commission registration fee	$ 40,450*
Accounting fees and expenses	20,000
Legal fees and expenses	50,000
Indenture Trustees fees and expenses	20,000
Printing fees and expenses	50,000
Rating Agency fees	217,000
Miscellaneous	10,000
TOTAL	$407,450

* Includes the offset pursuant to Rule 457(p) of an aggregate registration fee of $40,450, which the Registrant paid in connection with $500,000,000 of unsold securities under Registration Statement No. 333-66241.

Item 15. ***Indemnification of Directors and Officers.***

Section 145 of the Delaware General Corporation Law (DGCL) permits a corporation to indemnify any person who was, or is threatened to be made, a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise. The indemnity may include expenses (including attorneys fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and with respect to any criminal action or proceeding, had no reasonable cause to

believe his or her conduct was unlawful.

A Delaware corporation may indemnify any person in an action by or in the right of the corporation under the same conditions, except that no indemnification is permitted without judicial approval if the person is adjudged to be liable to the corporation in the performance of his or her duty. Where a present or former director or officer has been successful on the merits or otherwise in the defense of any action, suit or proceeding referred to in the prior paragraph or in this paragraph, the corporation must indemnify him or her against the expenses (including attorneys fees) which he or she actually and reasonably incurred in connection therewith.

The Registrant s By-Laws provide for indemnification of (among others) the Registrant s current and former directors and officers to the full extent permitted by law. The Registrant s By-Laws also provide that expenses (including attorneys fees) incurred by any such person in defending actions, suits or proceedings shall be paid or reimbursed by the Registrant promptly upon demand.

As permitted by Section 102(b)(7) of the DGCL, the Registrant s Restated Certificate of Incorporation provides that its directors will not be personally liable to the Registrant or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (a) for any breach of the director s duty of loyalty to the Registrant or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under Section 174 of the DGCL, which concerns unlawful payment of dividends, stock purchases or redemptions, or (d) for any transaction from which the director derived an improper personal benefit.

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While the Restated Certificate of Incorporation provides directors with protection from awards for monetary damages for breaches of their duty of care, it does not eliminate that duty. Accordingly, the Restated Certificate of Incorporation will have no effect on the availability of equitable remedies such as an injunction or rescission based on a director s breach of his or her duty of care. The provisions described in the preceding paragraph apply to an officer of the Registrant only if he or she is a director of the Registrant and is acting in his or her capacity as a director, and do not apply to officers of the Registrant who are not directors.

As permitted by the DGCL, the Registrant maintains officers and directors liability insurance that insures against claims and liabilities (with stated exceptions) that officers and directors of the Registrant may incur in such capacities. In addition, the Registrant has entered into indemnification agreements with each of the directors and executive officers pursuant to which each director and executive officer is entitled to be indemnified to the fullest extent allowable under Delaware law.

Item 16. ***Exhibits.***

The following exhibits are filed herewith or incorporated by reference as part of this Registration Statement:

1(a)	Form of Agency Agreement (to be filed, if necessary, by a Form 8-K or by amendment).
1(b)	Form of Underwriting Agreement (Debt Securities) (to be filed, if necessary, by a Form 8-K or by amendment).
1(c)	Form of Underwriting Agreement (Equity Securities) (to be filed, if necessary, by a Form 8-K or by amendment).
3(a)	Restated Certificate of Incorporation of Harris Corporation (December 1995), incorporated herein by reference to Exhibit 3(i) to the Registrant s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1996.
3(b)	By-Laws of Harris Corporation as in effect December 3, 1999, incorporated herein by reference to Exhibit 3.1 to the Registrant s Current Report on Form 8-K filed with the Commission on December 6, 1999.
3(c)	Amendment to By-Laws of Harris Corporation, adopted on June 23, 2000, incorporated herein by reference to Exhibit 3(iii) to the Registrant s Annual Report on Form 10-K for the fiscal year ended June 30, 2000.
4(a)	Stockholder Protection Rights Agreement, between the Registrant and Mellon Investor Services LLC (formerly ChaseMellon Shareholder Services, L.L.C.), as Rights Agent, dated as of December 6, 1996, incorporated

	herein by reference to Exhibit 1 to the Registrant s Registration Statement on Form 8-A filed with the Commission on December 6, 1996.
4(b)	Indenture, dated as of September 3, 2003, between the Registrant and The Bank of New York.
4(c)	Subordinated Indenture, dated as of September 3, 2003, between the Registrant and The Bank of New York.
4(d)	Form of Senior Debt Security (to be filed, if necessary, by a Form 8-K or by amendment).
4(e)	Form of Subordinated Debt Security (to be filed, if necessary, by a Form 8-K or by amendment).
4(f)	Form of Convertible Debt Security (to be filed, if necessary, by a Form 8-K or by amendment).
4(g)	Form of Preferred Stock Certificate of Designation (to be filed, if necessary, by a Form 8-K or by amendment).
4(h)	Form of Deposit Agreement (to be filed, if necessary, by a Form 8-K or by amendment).
4(i)	Form of Depositary Receipt (contained in Exhibit 4(h)).
4(j)	Form of Debt Securities Warrant Agreement (including form of Warrant Certificate) (to be filed, if necessary, by a Form 8-K or by amendment).
4(k)	Form of Preferred Stock Warrant Agreement (including form of Warrant Certificate) (to be filed, if necessary, by a Form 8-K or by amendment).

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4(l)	Form of Common Stock Warrant Agreement (including form of Warrant Certificate) (to be filed, if necessary, by a Form 8-K or by amendment).
5	Opinion of Holland & Knight LLP, as to the validity of the securities registered hereby.
12	Statement Regarding Computation of Ratios of Earnings to Fixed Charges.
23(a)	Consent of Holland & Knight LLP (included in Opinion in Exhibit 5).
23(b)	Consent of Ernst & Young LLP.
24	Powers of Attorney (included on the signature pages of this Registration Statement).
25(a)	Form T-1 Statement of Eligibility of Trustee for Senior Indenture under the Trust Indenture Act of 1939.
25(b)	Form T-1 Statement of Eligibility of Trustee for Subordinated Indenture under the Trust Indenture Act of 1939.

Item 17. ***Undertakings.***

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) under the Securities Act if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in this Registration Statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Securities and Exchange Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered that remain unsold at the termination of the offering.

(4) That, for purposes of determining any liability under the Securities Act, each filing of the Registrant s annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan s annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(5) To file an application, if necessary, for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act in accordance with the

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rules and regulations prescribed by the Commission under Section 305(b)(2) of the Trust Indenture Act of 1939.

(6) That, for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(7) That, for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Melbourne, State of Florida, on this 3rd day of September, 2003.

HARRIS CORPORATION
(Registrant)

By: /s/ BRYAN R. ROUB

Bryan R. Roub
Senior Vice President and Chief Financial Officer

POWER OF ATTORNEY

KNOW TO ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints RICHARD L. BALLANTYNE and SCOTT T. MIKUEN, each and individually, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution, for and in the name, place and stead of the undersigned, for him or her in any and all capacities, to sign any and all amendments including post-effective amendments, to this Registration Statement (and to sign any and all additional registration statements relating to the same offering of securities as this Registration Statement that are filed pursuant to Rule 462(b) of the Securities Act of 1933) and to file the same, with all exhibits thereto and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto each of such attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary in connection with such matters and hereby ratifying and confirming all that each such attorneys-in-fact or agents or their substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed below by the following persons in the capacities and on the date indicated.

Signature	Title	Date
/s/ HOWARD L. LANCE	Chairman of the Board, President and Chief Executive Officer	September 3, 2003

Howard L. Lance	(Principal Executive Officer)	
/s/ BRYAN R. ROUB Bryan R. Roub	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	September 3, 2003
/s/ JAMES L. CHRISTIE James L. Christie	Vice President-Controller (Principal Accounting Officer)	September 3, 2003
/s/ THOMAS A. DATTILO Thomas A. Dattilo	Director	September 3, 2003
/s/ RALPH D. DENUNZIO Ralph D. Denunzio	Director	September 3, 2003
/s/ JOSEPH L. DIONNE Joseph L. Dionne	Director	September 3, 2003

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Signature	Title	Date
/s/ LEWIS HAY III	Director	September 3, 2003
Lewis Hay III		
/s/ KAREN KATEN	Director	September 3, 2003
Karen Katen		
/s/ STEPHEN P. KAUFMAN	Director	September 3, 2003
Stephen P. Kaufman		
/s/ DAVID B. RICKARD	Director	September 3, 2003
David B. Rickard		
/s/ GREGORY T. SWIENTON	Director	September 3, 2003
Gregory T. Swienton		

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