Exelis Inc.
Form 425
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Barclays Industrial
Select Conference
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Investor briefing
1Q15
Forward-looking statements
Statements in this presentation that are not historical facts are forward-looking statements that reflect management's current ex
assumptions and estimates of future performance and economic conditions. Such statements are made in reliance on the safe h
Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statemen

include but are not limited to: earnings, revenue, operating margin, free cash flow, tax rate and other guidance for fiscal 2015; opportunities and awards; the potential value and timing of contract awards; the value of opportunity pipelines; statements rega Government budget; statements regarding outlook, including expected revenue, orders, cash flow, share repurchases and divide growth and expansion; statements regarding the expected timing and completion of the proposed acquisition of Exelis Inc.; the the proposed acquisition of Exelis, including estimated synergies; the estimated financial results of Exelis for 2014; the effects acquisition of Exelis, including effects on future financial and operating results, and other statements that are not historical fact cautions investors that any forward-looking statements are subject to risks and uncertainties that may cause actual results and f materially from those matters expressed in or implied by such forward-looking statements. The company's consolidated results related to the proposed acquisition of Exelis and the forward-looking statements could be affected by many factors, risks and u but not limited to: the loss of the company s relationship with the U.S. Government or a reduction in U.S. Government fundin Government or customer priorities and requirements (including potential deferrals of awards, terminations, reductions of exper respond to the priorities of Congress and the Administration, budgetary constraints, debt ceiling implications, sequestration and the potential impact of a security breach, through cyber attack or otherwise, or other significant disruptions of the company s l or those the company operates for customers; risks inherent with large long-term fixed-price contracts, particularly the ability t financial and government and regulatory risks relating to international sales and operations; the continued effects of the genera economy and U.S. Government s budget deficits, national debt and sequestration; the company s ability to continue to develo achieve market acceptance; the consequences of future geo-political events; strategic acquisitions and the risks and uncertainti including the company s ability to manage and integrate acquired businesses; performance of the company s subcontractors a claims that the company is infringing the intellectual property rights of third parties; the successful resolution of patent infringe ultimate outcome of other contingencies, litigation and legal matters; risks inherent in developing new technologies; changes in tax rate; the potential impact of natural disasters or other disruptions on the company s operations; the potential impact of cha framework that applies to, or of satellite bandwidth constraints on, the company s managed satellite and terrestrial communica in future business or other market conditions that could cause business investments and/or recorded goodwill or other long-ter impaired; the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agre possibility that Exelis shareholders may not approve the merger agreement; the risk that the company and Exelis may not be ab necessary regulatory approvals or to satisfy any of the other conditions to the proposed acquisition in a timely manner or at all; for the proposed acquisition may not be obtained on anticipated terms or at all; risks related to disruption of management time operations due to the proposed acquisition; the risk that Harris may fail to realize the benefits expected from the proposed acqu announcements relating to the proposed acquisition could have adverse effects on the market price of the company s common the proposed acquisition and its announcement could have an adverse effect on the ability of the company and Exelis to retain and hire key personnel and maintain relationships with their suppliers and customers, including the U.S. Government, and on t and businesses generally. Further information relating to factors that may impact the company's and Exelis results and forwa are disclosed in their respective filings with the SEC. The forward-looking statements contained in this presentation are made presentation, and the company and Exelis disclaim any intention or obligation, other than imposed by law, to update or revise a statements, whether as a result of new information, future events, or otherwise. Investors are cautioned not to place undue relia looking statements.

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($million except EPS)
Based on guidance provided February 6, 2015.
EPS
Operating

income
margin
Revenue
$4.95
to
$5.05
Harris overview
3,956
4,431
4,725
5,418
5,451
5,112
5,012
Down
1 to 3%
$3.16
$3.78
$4.57
$4.98
$5.20
$4.90
$5.00
17%
18%
21%
19%
18%
18%
18%
FY08
FY09
FY10
FY11
FY12
FY13
FY14
FY15
Guid

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Investor briefing
1Q15
Recent highlights
Continued strength in Government
Communications and international tactical radios
International now 31% of total revenue, up from

24% in 2012
Robust operating margins
while raising R&D to
5.3% of revenue, up from 4.0% in 2012
U.S. budget bottoming
U.S. tactical radio procurement activity picking up

Strong core franchises

$770M NGA geospatial content management

$495M Air Force Hosted Payload Solutions

$300M to integrate various intelligence systems
Government Communications Systems
ongoing strength
Geospatial
Imagery
Air Traffic
Management
Space &
Intelligence
Weather
Avionics
Revenue
Operating margin
+1%
+11%
+2%
+12%
+5%
Based on guidance provided February 6, 2015.

Outstanding operating performance

Strategic recent wins
and $18.5B
pipeline, up 36% y/y

5 consecutive quarters of revenue growth
15
15.5%
2QFY14
3QFY14
4QFY14
1QFY15
2QFY15
Prior Yr
Current Yr
12.9%
14.2%
14.7%
15.4%
FY11
FY12
FY13
FY14
FY15
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Recently announced acquisition of Exelis
A transformational acquisition
Powerful combination of two culturally-
aligned, technology-focused, highly

complementary companies
Revenue
EBITDA
Notes:
(1)
Trailing 12 months as of quarter ending January 2, 2015
(2)
Represents 2014 Exelis guidance as of February 6, 2015
(1)
(2)
(1)
(2)
$ Billions
$ Billions
4.96
3.25
8.21
Harris
Exelis
Harris
Pro forma
1.07
0.51
1.58
Harris
Exelis
Creates an industry innovator with
much greater scale providing a broad
spectrum of technology-based
advanced communication systems
~23,000 employees including ~9,000
engineers/scientists
~$8.2 billion revenue
~$1.6 billion EBITDA
Harris
Pro forma

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Exelis overview

Spun out of ITT in 2011

Headquartered in McLean, VA

~10,000 employees, 3,000 engineers
and scientists

2014 revenue of ~$3.25 billion /
EBITDA of ~$511 million
(1)
Prime: 71%; Sub: 29%
Fixed price: 53%; Cost plus: 47%

Funded backlog of ~$2.8 billion as of
12/31/14
(1)
Electronic
Systems
Segment revenue
Geospatial
Night Vision
& Comms
Information
Systems
Aerostructures
Air Force
Customer revenue
Army
Other DoD
& Intel
Civil U.S.
International &
Commercial
Navy &
Marines
Night Vision
and Communications
Geospatial
Systems
Electronic
Systems
Information
Systems
Aerostructures
Note:
(1)
Represents 2014 Exelis guidance as of February 6, 2015
29%
21%
13%
34%
3%

21%
17%
6%
17%
16%
23%

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Transaction overview
Consideration
Financing
Valuation and

accretion

Total purchase price of $23.75 per share or $4.75 billion enterprise value

70% cash / 30% equity

Exelis
shareholders will receive $16.625 in cash and 0.1025 Harris shares

Fully committed bridge financing in place

Historically low rate financing environment

Strong
balance
sheet
providing
flexibility
and
ability
to
invest
for
growth

Pro-forma
leverage
of
~2.9x
net
debt
to
adjusted
EBITDA
(1)
at
closing

Rapid de-leveraging with net leverage of ~1.5x in year 3

9.3x 2014 EBITDA
(2)

8.0x 2014 adjusted EBITDA
(1)(2)

GAAP EPS accretive in 1 full year and a significant contributor thereafter

Expected pro forma FCF approaching $1 billion in year 4
Notes:

(1)
(2)
Based on 2014 Exelis guidance as of February 6, 2015
Exelis standalone EBITDA adjusted for the purchase accounting reset of its net actuarial pension losses to zero
st

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Highly strategic acquisition
Strengthens core franchises and provides optionality for portfolio shaping
Builds stronger platform for growth
Creates scale and more balanced earnings

Generates meaningful cost synergies
Creates significant value for all stakeholders
Timing perfect, internally and externally
Combination creates a significantly stronger, more diversified and more competitive company that is better positioned with its key customers to compete for and win new contracts

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Strengthens core franchises and provides optionality for portfolio shaping
Highly complementary core franchises
Enhanced scale across platforms to drive

efficiency and better address customer needs
Optimized R&D portfolio to drive innovation
Deep customer relationships
Similar cultures and shared values
Space &
Intelligence
Weather
Air Traffic
Management
Tactical
Communications

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Generates meaningful cost synergies

Significant work done to fully diligence
synergy opportunity

Sources of cost synergies
HQ consolidation and public company costs
Manufacturing / supply chain / program efficiencies
Functional efficiencies / overhead reductions

Run-rate synergies net of flow-through savings to customers

No revenue synergies included but opportunities exist
$ Millions
Cash Investment
Cost
130
150
100
120
Run-Rate
Savings
A focused and highly experienced management team to drive the integration
Note:
(1)
Excludes deal related costs

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Additional Information and Where to Find It
This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. This communication may be deemed to be solicitation material in respect of the proposed transaction between Harris Corporation and Exelis. In connection with the proposed transaction, Harris Corporation intends to file a

registration statement on Form S-4, that will include a proxy statement of Exelis and a prospectus of Harris with the Securities and Exchange Commission ( SEC ). This communication is not a substitute for the registration statement, definitive proxy statement/prospectus or any other documents that Exelis or Harris Corporation may file with the SEC or send to shareholders in connection with the proposed transaction. INVESTORS AND SHAREHOLDERS OF EXELIS ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING THE PROXY STATEMENT/PROSPECTUS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPO TRANSACTION.

Investors and security holders will be able to obtain copies of the proxy statement/prospectus and other documents filed with the SEC (when available) free of charge at the SEC s website, http://www.sec.gov. Copies of documents filed with the SEC by Harris Corporation will be made available free of charge on Harris Corporation s website at http://harris.com/investors/. Copies of documents filed with the SEC by Exelis will be made available free of charge on Exelis s website at http://investors.exelisinc.com/.

Participants in Solicitation

Harris Corporation and its directors and executive officers, and Exelis and its directors and executive officers, may be deemed to be participants in the solicitation of proxies from the holders of Exelis common stock in respect of the proposed transaction. Information about the directors and executive officers of Harris Corporation is set forth in the proxy statement for Harris Corporation s 2014 Annual Meeting of Shareholders, which was filed with the SEC on September 9, 2014. Information about the directors and executive officers of Exelis is set forth in the proxy statement

for Exelis s 2014 Annual Meeting of Shareholders, which was filed with the SEC on March 26, 2014. Investors may obtain additional information regarding the interest of such participants by reading the proxy statement/prospectus regarding the proposed transaction when it becomes available. You may obtain free copies of these documents as described in the preceding paragraph.