Harris Stratex Networks, Inc.
Form 424B3
January 08, 2007

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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-137980
January 5, 2007

To Our Stockholders:

You are cordially invited to attend a special meeting of the stockholders of Stratex Networks, Inc., or Stratex, which will be held at our principal executive offices, located at 120 Rose Orchard Way, San Jose, California, at 10:00 a.m., local time, on January 25, 2007. Only stockholders who held shares of Stratex common stock at the close of business on December 8, 2006 will be entitled to vote at the special meeting.

At the special meeting, holders of Stratex common stock who are entitled to vote will be asked to adopt the Formation, Contribution and Merger Agreement, that we entered into with Harris Corporation, or Harris, on September 5, 2006, as amended and restated as of December 18, 2006, which we refer to in this proxy statement/prospectus as the combination agreement, and to approve the transactions contemplated by that agreement.

As contemplated by the combination agreement, Harris has organized Harris Stratex Networks, Inc., or Harris Stratex, solely for the purpose of combining the businesses currently conducted by Stratex and the Microwave Communications Division of Harris. To that end, Stratex Merger Corp., a wholly owned subsidiary of Harris Stratex, which we sometimes refer to in this proxy statement/prospectus as Merger Sub, will merge with and into Stratex with Stratex as the surviving corporation and each share of outstanding Stratex common stock will be converted into one-fourth of a share of Harris Stratex Class A common stock. Following this merger, it is expected that the former Stratex stockholders will hold approximately 24.6 million shares of Harris Stratex Class A common stock, based on the number of shares of Stratex Common Stock outstanding on December 27, 2006. Concurrently with the merger of Stratex and Merger Sub, Harris will contribute its Microwave Communications Division, including $32.1 million in cash, to Harris Stratex in exchange for approximately 32.8 million shares of Harris Stratex Class B common stock. The actual number of shares to be issued in the merger and combination will not be known until the effective time of the merger because it will be dependent upon the number of shares of Stratex common stock outstanding and underlying options and warrants, which may fluctuate prior to the effective time.

The shares that Harris and the former Stratex stockholders will receive in the transaction will represent 56% and 44%, respectively, of the shares of Harris Stratex common stock following the consummation of the transactions, determined using the treasury stock method assuming, solely for this purpose, a market price per share of Harris Stratex Class A common stock of $20.80, which is equivalent to $5.20 per share of Stratex common stock prior to the one-for-four exchange effected by the merger. The $20.80 price per share of Harris Stratex Class A common stock does not, and is not intended to, represent an expected trading range following the merger. Harris Stratex cannot provide you any assurance that the market value of a share of Harris Stratex Class A common stock will be equal to or greater than $20.80 after the merger. Based strictly on shares of Harris Stratex common stock outstanding, Harris and the former Stratex stockholders will own approximately 57% and 43% of the Harris Stratex common stock, respectively. After closing, shares of Harris Stratex Class A common stock are expected to trade on the NASDAQ Global Market under the symbol HSTX .

Your vote is important. The affirmative vote of a majority of the outstanding shares of Stratex common stock is required for the adoption of the combination agreement and approval of the merger. Whether or not you plan to attend the special meeting, please vote as soon as possible by following the instructions included in this proxy statement/prospectus to make sure that your shares are represented. **The board of directors of Stratex unanimously recommends that you vote FOR adoption of the combination agreement and approval of the merger and the other transactions contemplated thereby.** We urge all of our stockholders to read this proxy statement/prospectus in its entirety, including its Appendices, **including the section describing risk factors beginning on page 26 of this proxy statement/prospectus.**

Very truly yours,

Charles D. Kissner
Chairman
Stratex Networks, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this proxy statement/ prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated January 5, 2007, and is expected to first be mailed to the Stratex stockholders on or about January 8, 2007.

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ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about Stratex from other documents that are not included in this proxy statement/prospectus. However, these documents have been furnished to you with this proxy statement/prospectus. For a listing of the documents incorporated by reference into and accompanying this proxy statement/prospectus, see Where You Can Find More Information beginning on page 207 of this proxy statement/prospectus. Additional copies of these documents are available to you without charge upon your written or oral request. Please note that copies of the documents furnished with this proxy statement/prospectus or requested by you will not include exhibits, unless the exhibits are specifically incorporated by reference into the documents or this proxy statement/prospectus. You can obtain these documents through the Securities and Exchange Commission website at *www.sec.gov* or by requesting them in writing or by telephone at the address below:

By mail:	Stratex Networks, Inc. 120 Rose Orchard Way San Jose, California 95134 Attention: Office of the Secretary
By telephone:	(408) 943-0777

You should rely only on the information contained in this proxy statement/prospectus or any supplement. None of Harris Stratex, Harris or Stratex have authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should disregard anything included in an earlier document that is inconsistent with what is in, or incorporated by reference into, this proxy statement/prospectus or any supplement.

You should assume that the information in this proxy statement/prospectus or any supplement is accurate only as of the date on the front page of this proxy statement/ prospectus. The business, financial condition, results or operations and prospects described in this proxy statement/ prospectus may have changed since that date and may change again.

ABOUT THIS DOCUMENT

This document is a proxy statement/prospectus which forms part of a registration statement on Form S-4 (File No. 333-137980) filed by Harris Stratex with the Securities and Exchange Commission. It constitutes a prospectus of Harris Stratex under Section 5 of the Securities Act of 1933, as amended, which is referred to in this proxy statement/prospectus as the Securities Act, and the rules promulgated thereunder, with respect to the shares of Harris Stratex Class A common stock to be issued to Stratex stockholders in the merger. It also constitutes a proxy statement under Section 14(a) of the Securities Exchange Act of 1934, as amended, which is referred to in this proxy statement/prospectus as the Exchange Act, and the rules promulgated thereunder. In addition, this proxy statement/prospectus serves as a notice of meeting with respect to the Stratex special meeting of stockholders at which the Stratex stockholders will consider and vote on the adoption of the combination agreement and the approval of the merger and the other transactions contemplated by the combination agreement.

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STRATEX NETWORKS, INC.
120 Rose Orchard Way
San Jose, California 95134

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD JANUARY 25, 2007

To Stratex Networks, Inc. Stockholders:

A special meeting of stockholders of Stratex Networks, Inc., a Delaware corporation, will be held at our principal executive offices located at 120 Rose Orchard Way, San Jose, California 95134 on Thursday January 25, 2007 at 10:00 a.m., local time, for the following purposes, as more fully described in the proxy statement/prospectus accompanying this notice:

1. To consider and vote upon a proposal to adopt the Formation, Contribution and Merger Agreement, dated as of September 5, 2006, between Stratex Networks, Inc., a Delaware corporation, or Stratex, and Harris Corporation, a Delaware corporation, as amended and restated as of December 18, 2006, which is sometimes referred to as the combination agreement, and to approve the merger of Stratex Merger Corp., a Delaware corporation, with and into Stratex, with Stratex continuing as the surviving corporation, which is sometimes referred as the merger, and the other transactions provided for in the combination agreement;

2. To vote upon a proposal to adjourn the special meeting of the Stratex stockholders, including for the purpose of soliciting additional proxies, in the discretion of the proxies or either of them; and

3. To transact such other business as may properly come before the special meeting or any adjournment or postponement thereof.

The above matters are more fully described in the proxy statement/prospectus accompanying this notice which also includes, as Appendix A, the complete text of the combination agreement. We urge you to carefully read these materials for a description of the combination agreement and the other transactions contemplated by the combination agreement. Only stockholders of record at the close of business on December 8, 2006 are entitled to notice of, and to vote at, the special meeting and at any adjournment or postponement thereof. Our stock transfer books will remain open between the record date and the date of the special meeting. A list of stockholders entitled to vote at the special meeting will be available for inspection at our principal executive offices during normal business hours for the ten business days before the special meeting.

Your vote is very important. Your proxy is being solicited by the board of directors of Stratex. The combination agreement must be adopted by Stratex stockholders in order for the proposed transactions to be consummated. Your failure to vote will have the same effect as a vote **AGAINST** the adoption of the combination agreement and the approval of the merger and the other transactions provided for in the combination agreement. **Whether or not you attend the special meeting in person, to ensure your representation at the special meeting, please submit your proxy as described in the proxy statement/prospectus accompanying this notice.** You may submit your proxy (1) over the Internet, (2) by telephone or (3) by signing, dating and returning the enclosed proxy card promptly in the accompanying envelope. Should you receive more than one proxy because your shares are registered in different names and addresses, each proxy should be submitted to ensure that all your shares will be voted. If you submit

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your proxy and then decide to attend the special meeting to vote your shares in person, you may still do so. Your proxy is revocable in accordance with the procedures set forth in the attached proxy statement/prospectus. If you hold your shares in the name of a bank, broker or other nominee, you should follow the instructions provided by your bank, broker or other nominee when instructing them on how to vote your shares or when changing those instructions. The prompt return of your proxy card, or your prompt voting by telephone or over the Internet, will assist us in preparing for the special meeting.

By Order of the Board of Directors,

Charles D. Kissner
Chairman
Stratex Networks, Inc.

January 5, 2007

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Item

Current Reports on Form 8-K of Stratex Networks, Inc. filed with the Securities and Exchange Commission on the following dates:

May 18, 2006 (but only Item 5.02 and Exhibit 99.2)
May 19, 2006
August 18, 2006
September 6, 2006
September 7, 2006
September 11, 2006

Proxy Statement on Schedule 14A for the 2006 Annual Meeting of Stockholders of Stratex Networks, Inc. filed with the Securities and Exchange Commission on July 10, 2006

Description of Stratex common stock set forth in the Registration Statement on Form 8-A of Stratex Networks, Inc. filed with the Securities and Exchange Commission on November 1, 1991, as amended on December 27, 1996

Second Restated Certificate of Incorporation of Stratex Networks, Inc., filed with the Secretary of State of Delaware on May 7, 2004

Amended and Restated Bylaws of Stratex Networks, Inc. (Amended and Restated as of May 18, 2006)

Form of Registration Rights Agreement between Harris Stratex Networks, Inc. and Harris Corporation

Form of Intellectual Property Agreement between Harris Stratex Networks, Inc. and Harris Corporation

Form of Trademark and Trade Name License Agreement between Harris Stratex Networks, Inc. and Harris Corporation

Form of Lease Agreement between Harris Stratex Networks, Inc. and Harris Corporation (Real Property)

Form of Transition Services Agreement between Harris Stratex Networks, Inc. and Harris Corporation

Form of Warrant Assumption Agreement between Harris Stratex Networks, Inc. and Stratex Networks, Inc.

Form of NetBoss Service Agreement between Harris Stratex Networks, Inc. and Harris Corporation

Form of Lease Agreement between Harris Stratex Networks, Inc. and Harris Corporation (Equipment and Machinery)

Form of Tax Sharing Agreement between Harris Stratex Networks, Inc. and Harris Corporation

Harris Stratex Networks, Inc. 2007 Stock Equity Plan

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QUESTIONS AND ANSWERS ABOUT THE PROPOSED TRANSACTIONS

The following are some of the questions you may have as a Stratex stockholder and answers to those questions. These questions and answers only highlight some of the information contained in this proxy statement/ prospectus. You should read carefully this entire document, including the Appendices, to fully understand the proposed transactions and the voting procedures for the special meeting of the Stratex stockholders.

Q1: What are the proposals on which I am being asked to vote?

A1: You are being asked to vote to adopt the Formation, Contribution and Merger Agreement, that Stratex entered into on September 5, 2006 with Harris, as amended and restated as of December 18, 2006, which we sometimes refer to in this proxy statement/ prospectus as the combination agreement, and to approve the transactions provided for in the combination agreement. You are also being asked to vote to adopt a proposal that would permit the proxies appointed by you, individually or together, to adjourn the special meeting of the Stratex stockholders, including for the purpose of soliciting additional proxies.

Q2: What are the transactions contemplated by the combination agreement?

A2: Pursuant to the combination agreement, Harris has organized Harris Stratex solely for the purpose of combining the businesses currently conducted by Stratex and the Harris Microwave Communications Division. More specifically, Stratex will be merged with a subsidiary of Harris Stratex and become a wholly owned subsidiary of Harris Stratex. This transaction is sometimes referred to in this proxy statement/ prospectus as the merger. Concurrently with the merger, Harris will contribute the Harris Microwave Communications Division, including $32.1 million in cash, to Harris Stratex. This transaction is sometimes referred to in this proxy statement/ prospectus as the contribution transaction.

Q3: What will the Stratex stockholders receive as consideration in the merger?

A3: If the proposed transactions go forward, each share of Stratex common stock outstanding immediately prior to the merger will be automatically converted into one-fourth of a share of Harris Stratex Class A common stock. The one-fourth conversion ratio is fixed, and, as a result, the number of shares of Harris Stratex common stock received by the Stratex stockholders in the merger will not fluctuate up or down based on the market price of a share of Stratex common stock prior to the merger. In addition, because each Stratex stockholder will receive one-fourth of a share of Harris Stratex Class A common stock, the merger will have the same effect as if Stratex had completed a one-for-four reverse split immediately prior to the merger. It is expected that the shares of Harris Stratex Class A common stock that you will receive in the merger will be publicly traded on the NASDAQ Global Market, which is sometimes referred to in the proxy statement/ prospectus as NASDAQ. Following the merger, Stratex common stock will be delisted from NASDAQ.

Q4: What percentage of the common stock of Harris Stratex will the Stratex stockholders own following the proposed transactions?

A4: The shares of Harris Stratex Class A common stock received by the former Stratex stockholders in the merger will represent approximately 44% of the shares of Harris Stratex common stock, determined using the treasury stock method assuming, solely for this purpose, a market price per share of Harris Stratex Class A common stock of $20.80, which is equivalent to $5.20 per share of Stratex common stock prior to the one-for-four exchange effected by the merger.

Q5: What is the treasury stock method?

A5: The treasury stock method is a way of determining the dilutive effect of outstanding warrants or options to purchase shares of a company by assuming that the proceeds that a company receives from an in-the-money option or warrant exercise are used to repurchase common shares in the market. In other words, the number of shares of a company deemed to be outstanding is increased

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by the number of in-the-money options or warrants, then reduced by the number of shares that the company could purchase from the market with the proceeds, if such options or warrants were to be exercised at that time.

Q6: What percentage of Harris Stratex will the former Stratex stockholders own following the proposed transactions based strictly on the number of shares of Stratex common stock outstanding as of the date of this proxy statement/ prospectus?

A6: Based strictly on the number of shares of Harris Stratex common stock outstanding, the former Stratex stockholders will own approximately 43% of the outstanding Harris Stratex common stock immediately following the proposed transactions.

Q7: How are Stratex stock options, warrants and other equity awards treated in the merger?

A7: At the time the merger takes effect, each outstanding Stratex stock option, warrant or other equity award will be automatically converted on the same terms and conditions (including as to exercisability and vesting, taking into account, in limited circumstances, any acceleration resulting from the merger) into a stock option or warrant to acquire or other equity interest with respect to, the number of shares of Harris Stratex Class A common stock equal to one-fourth of the number of shares of Stratex common stock subject to the stock option, warrant or other equity award immediately prior to the merger at an exercise price (if applicable) equal to four times the exercise price per such stock option, warrant or other equity award immediately prior to the merger. Stock options and other equity awards will be subject to rounding to comply with certain legal requirements.

Q8: What is the contribution transaction?

A8: Simultaneously with the merger of Stratex with Merger Sub, Harris will contribute the assets comprising its Microwave Communications Division, including $32.1 million in cash, to Harris Stratex (other than certain identified assets which will be leased from Harris by Harris Stratex for lease payments aggregating $7.1 million). In addition, Harris will allocate, as appropriate and reasonably practicable, its liabilities between its Microwave Communications Division and any other businesses or divisions of Harris and, following such allocation, Harris Stratex will assume those liabilities of Harris that primarily result from or primarily arise out of the Microwave Communications Division.

Q9: What will Harris receive as consideration in the contribution transaction?

A9: In consideration of the contribution of the Microwave Communications Division, including $32.1 million in cash, by Harris, Harris will receive shares of Harris Stratex Class B common stock equal to approximately 56% of the shares of Harris Stratex common stock, determined using the treasury stock method, assuming, solely for this purpose, a market price per share of Harris Stratex Class A common stock of $20.80, which is equivalent to $5.20 per share of Stratex common stock prior to the one-for-four exchange effected by the merger. Based strictly on the number of shares of Harris Stratex common stock outstanding, Harris will own approximately 57% of the outstanding Harris Stratex common stock immediately following the proposed transactions.

Q10: What percentage of the voting stock of Harris Stratex will Harris own following the proposed transactions?

A10: Immediately following the proposed transactions, Harris will hold that number of shares of Harris Stratex Class B common stock equal to 57% of the voting stock of Harris Stratex then outstanding.

Q11: Are there differences between Harris Stratex Class A common stock and Class B common stock?

A11: The Harris Stratex Class B common stock will be substantially similar to the Harris Stratex Class A common stock, except that the holders of shares of Class B common stock will have the right, among others, to elect separately as a class a number of Harris Stratex directors equal to Harris proportionate ownership of the total voting power of the outstanding Harris Stratex common stock so long as Harris total voting power is equal to or greater than 10%. In particular, Harris and vii

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Stratex have agreed that, at all times that Harris owns a majority of the total voting power of the outstanding Harris Stratex common stock, there will be nine members of the Harris Stratex board of directors of which Harris will elect five separately as a class.

It is expected that, following the merger and the contribution transaction, shares of Stratex common stock will be delisted from NASDAQ, and shares of Harris Stratex Class A common stock will be listed for trading on NASDAQ under the symbol HSTX . Shares of Harris Stratex Class B common stock are not expected to be listed for trading on any exchange or quotation system at any time in the foreseeable future. However, each share of Harris Stratex Class B common stock is convertible at any time at the option of the holder into one share of Harris Stratex Class A common stock. Following the proposed transactions, Harris will be subject to certain restrictions on the resale of shares of Harris Stratex common stock held by it during certain periods. For more information relating to these restrictions, see The Contribution Transaction and the Merger Harris Governance Rights and Contractual Relationships beginning on page 50 of this proxy statement/ prospectus and The Investor Agreement beginning on page 107 of this proxy statement/ prospectus.

Q12: What will be the relationship of Harris Stratex to Harris after the proposed transactions?

A12: After the proposed transactions, Harris Stratex will be a majority-owned subsidiary of Harris and its financial statements will be included in Harris consolidated financial statements. However, we expect that the Harris Stratex Class A common stock will be listed and traded on NASDAQ and Harris Stratex will report separate financial results and file required public company reports with the Securities and Exchange Commission. In addition, at the closing of the proposed transactions, Harris Stratex and Harris will enter into agreements regarding Harris and Harris Stratex s ongoing relationship, including but not limited to, the exercise of Harris rights with respect to its Class B common stock and its ability to compete with Harris Stratex with respect to the existing products of Stratex and the Microwave Communications Division and other products similar in form, fit, function and use. For more information relating to the agreements to be entered into by Harris and/or Harris Stratex at the closing of the proposed transactions, see The Investor Agreement , The Non-Competition Agreement and Other Agreements beginning on page 107, page 113 and page 114 of this proxy statement/ prospectus, respectively.

Q13: Who is entitled to vote?

A13: Stratex stockholders of record as of the close of business on Friday, December 8, 2006, are entitled to receive notice of and to vote at the Stratex special meeting.

Q14: How do I vote?

A14: If you are a Stratex stockholder of record, you may vote your shares at the Stratex special meeting in one of the following ways:

- by mailing your completed and signed proxy card in the enclosed return envelope;
- by voting by telephone or over the Internet as instructed on the enclosed proxy card; or
- by attending the Stratex special meeting and voting in person.

If you hold your shares through a bank, broker or other nominee, you should follow the instructions provided by your bank, broker or other nominee when instructing them on how to vote your shares.

Q15: What vote is required for approval of the proposed transactions?

A15: The adoption of the combination agreement and approval of the merger requires the affirmative vote of a majority of the outstanding shares of Stratex common stock. Consequently, a failure to vote, an abstention from voting or a broker non-vote will have the same effect as a vote against the proposal to adopt the combination agreement and approve the merger and the other transactions described in the combination agreement.

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Q16: When are the proposed transactions expected to be completed?

A16: It is currently anticipated that the transactions will be completed before March 31, 2007; however, we cannot assure you when or if the transactions will occur.

Q17: If my shares are held in street name by my bank, broker or other nominee, will my bank, broker or other nominee, vote my shares for me?

A17: Only if you provide your bank, broker or other nominee with instructions on how to vote your shares. Therefore, you should instruct your bank, broker or other nominee to vote your shares, following the directions your bank, broker or other nominee provides. If you do not instruct your bank, broker or other nominee, your bank, broker or other nominee will generally not have the discretion to vote your shares without your instructions. Broker non-votes are considered present at the special meeting but not entitled to vote on the proposals and will have the same effect as a vote **AGAINST** the proposals because the proposal to adopt the combination agreement and approve the merger and the other transactions provided for in the combination agreement must be adopted by the holders of a majority of the outstanding shares of Stratex common stock and the proposal to adjourn the special meeting of the Stratex stockholders, including for the purpose of soliciting additional proxies, must be adopted by a majority of the stockholders present in person or by proxy at the special meeting of Stratex stockholders.

Q18: Should I send in my stock certificates now?

A18: No. Stratex stockholders should keep their existing stock certificates at this time. After the combination is completed, you will receive written instructions for exchanging your Stratex stock certificates for Harris Stratex stock certificates.

Q19: What do I need to do now?

A19: After carefully reading and considering the information contained in this proxy statement/ prospectus, including its Appendices, please fill out and sign the proxy card, and then mail your completed and signed proxy card in the enclosed prepaid envelope as soon as possible so that your shares of Stratex common stock may be voted at the special meeting, or you may follow the instructions on the proxy card and vote your shares of Stratex common stock by telephone or over the Internet. Your proxy card or your telephone or Internet directions will instruct the persons identified as your proxy to vote your shares at the Stratex stockholders meeting as directed by you.

If you sign and send in your proxy card and do not indicate how you want to vote, your proxy will be voted **FOR** the proposals.

If you hold your shares of Stratex common stock through a bank, broker or other nominee, you should follow the instructions provided by your bank, broker or other nominee when instructing them on how to vote your shares of Stratex common stock. If you do not instruct your bank, broker or other nominee how to vote your shares of Stratex common stock, your bank, broker or other nominee will not vote your Stratex shares, such failure to vote being referred to as a broker non-vote , which will have the same effect as voting your shares **AGAINST** the proposal to adopt the combination agreement and approve the merger and the other transactions provided for in the combination agreement.

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Q20: May I change my vote after I have mailed my signed proxy card or voted by telephone or over the Internet?

A20: You may change your vote at any time before your proxy is voted at the special meeting. You can do this in one of four ways:

First, timely deliver a valid later-dated proxy by mail.

If you elect to deliver a later-dated proxy, please submit your new proxy to Stratex s transfer agent at the following address:

Mellon Investor Services
525 Market Street, Suite 3500
San Francisco, California 94105

Second, provide written notice to Stratex s inspector of elections before the meeting that you have revoked your proxy.

If you elect to revoke your proxy, please send your written notice to the inspector of elections at the following address:

Mellon Investor Services
Proxy Processing
P.O. Box 1680
Manchester, Connecticut 06045-1680

Third, you can submit revised voting instructions by telephone or over the Internet by following the instructions set forth on the proxy card.

Fourth, you can attend the special meeting and vote in person. Simply attending the meeting, however, will not revoke your proxy or change your voting instructions; you must vote at the meeting.

If you have instructed a bank, broker or other nominee to vote your shares, you must follow directions received from your bank, broker or other nominee to change your vote or revoke your proxy.

Q21: Will appraisal rights be available for dissenting stockholders?

A21: No. Stratex stockholders do not have appraisal or dissenters rights with respect to the merger or the other transactions described in this proxy statement/ prospectus.

Q22: Who can help answer my questions?

A22: If you have any questions about the proposed transactions or how to submit your proxy, or if you need additional copies of this proxy statement/ prospectus or the enclosed proxy card, you should contact:

Morrow and Co.
470 West Avenue
Stamford, Connecticut 06902
1-800-607-0088

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SUMMARY

This summary highlights selected information contained in this proxy statement/ prospectus and may not contain all of the information that is important to you. You should read carefully this entire document, including the Appendices, for a more complete understanding of the proposed transactions and voting procedures for the special meeting of the Stratex stockholders. Unless otherwise indicated in this proxy statement/ prospectus or the context otherwise requires, all references to Stratex mean Stratex Networks, Inc.; all references to Harris mean Harris Corporation; all references to the Microwave Communications Division mean the Microwave Communications Division of Harris Corporation; and all references to Harris Stratex or the combined company mean Harris Stratex Networks, Inc.

The Special Meeting (Page 45)

Date, Time & Place

The special meeting of the stockholders of Stratex will be held at 10:00 a.m., local time, on Thursday, January 25, 2007, at the principal executive offices of Stratex located at 120 Rose Orchard Way, San Jose, California 95134.

Who May Vote

You may vote at the Stratex special meeting if you were the record holder of Stratex common stock as of the close of business on December 8, 2006, the record date for the Stratex special meeting. As of the record date, an aggregate of 98,178,263 shares of Stratex common stock were outstanding and will be entitled to vote at the Stratex special meeting. You may cast one vote for each share of Stratex common stock that you owned on the record date of the Stratex special meeting.

Matters To Be Considered

At the special meeting you will be asked:

- to consider and vote upon a proposal to adopt the combination agreement, dated as of September 5, 2006, as amended and restated as of December 18, 2006, between Stratex and Harris and to approve the merger of Merger Sub with and into Stratex, with Stratex as the surviving corporation, and the other transactions provided for in the combination agreement;

- to agree to adjourn the special meeting, including for the purpose of soliciting additional proxies, in the discretion of the proxies or either of them; and

- to transact such other business as may properly come before the special meeting or any adjournment or postponement thereof.

What Vote Is Needed

Proposal to Adopt the Combination Agreement and Approve the Merger

The adoption of the combination agreement and approval of the merger and the other transactions provided for in the combination agreement require the approval of a majority of the shares of Stratex common stock outstanding as of the record date of the Stratex special meeting (either in person or by proxy).

Proposal to Adjourn the Special Meeting

The adoption of the proposal to permit the proxies to adjourn the special meeting, including for the purpose of soliciting additional proxies, requires the affirmative vote of the majority of shares of Stratex common stock in person or represented by proxy at the meeting and entitled to vote on the record date, regardless of whether a quorum is present.

Voting Agreements

As of the close of business on the record date for the Stratex special meeting, Stratex directors, senior officers and their affiliates were entitled to vote approximately 1.5% of the then-outstanding shares of Stratex common stock. You should be aware that the directors and senior officers of Stratex have each entered into a voting agreement with Harris. Pursuant to these voting agreements, the directors and those officers who are party to a voting agreement have agreed, among other things, to vote in favor of the adoption of the combination agreement and the approval of the merger and the other transactions provided for in the combination agreement, unless the voting agreement is terminated in accordance with its terms. In addition, they have agreed to vote against any other proposal by a third party to acquire Stratex, or any other matter which could reasonably be expected to impede, interfere with, delay or adversely affect the consummation of the transactions contemplated by the combination agreement, unless the voting agreement is terminated in accordance with its terms. As of the close of business on the record date for the Stratex special meeting, 1.5% of the then-outstanding shares of Stratex common stock were subject to these voting agreements.

The Companies (Page 43)

Harris Stratex Networks, Inc.

Harris Stratex Networks, Inc.
c/o Harris Corporation
1025 West NASA Blvd.
Melbourne, Florida 32919
Telephone: (321) 727-9100

Harris Stratex, which is currently a wholly owned subsidiary of Harris, is a Delaware corporation and was formed on October 5, 2006 solely for the purpose of effecting the merger and the contribution transaction. To date Harris Stratex has not conducted any activities other than those incident to its formation, the execution of the combination agreement and the preparation of the applicable filings under the U.S. securities laws and regulatory filings made in connection with the proposed transactions. Immediately upon completion of the merger and the contribution transaction, Harris will hold 56% of the capital stock of Harris Stratex determined using the treasury stock method assuming a market price per share of Harris Stratex Class A common stock of $20.80 (which represents $5.20 per share of Stratex common stock prior to the effective one-for-four reverse split pursuant to the merger), or approximately 57% of the outstanding shares of Harris Stratex immediately after the consummation of the transactions. As a result, Harris Stratex will be a majority-owned subsidiary of Harris, and its financial statements will be included in Harris consolidated financial statements. Harris Stratex expects to conduct the businesses of Stratex and the Microwave Communications Division following the merger and the contribution transaction substantially as currently conducted by Stratex and Harris, respectively; however, following the closing of the proposed transactions, Harris Stratex anticipates that it will integrate the businesses as its management team determines to be appropriate. Following the completion of the transactions described in this proxy statement/prospectus, it is expected that shares of Harris Stratex Class A common stock will trade on NASDAQ under the symbol HSTX .

The principal executive offices of Harris Stratex are currently located at 1025 West NASA Blvd., Melbourne, Florida 32919, and its telephone number is (321) 727-9100. Following the closing of the proposed transactions, it is expected that the headquarters of Harris Stratex will be located at Research Triangle Park, 637 Davis Drive, Morrisville, North Carolina 27560, which is the current headquarters of the Microwave Communications Division, and its telephone number is expected to be (919) 767-3250.

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Stratex Networks, Inc.

Stratex Networks, Inc.
120 Rose Orchard Way
San Jose, California 95134
Telephone: (408) 943-0777

Stratex provides wireless transmission solutions to mobile wireless carriers and data access providers globally. Stratex also provides high-speed wireless transmission solutions. In fiscal year 2006, Stratex s operations resulted in revenues of approximately $230,892,000, total assets of approximately $180,830,000 and a net loss of approximately $2,297,000.

Stratex was incorporated in California in 1984 and reorganized in 1987 as a Delaware corporation. Stratex s principal executive offices are located at 120 Rose Orchard Way, San Jose, California 95134, and its telephone number is (408) 943-0777. Stratex s website is *www.stratexnet.com.* All of Stratex s periodic reports filed with the Securities and Exchange Commission are available free of charge on its website. Information included on Stratex s website is not incorporated by reference into this proxy statement/prospectus.

Stratex Merger Corp.

Stratex Merger Corp.
c/o Harris Corporation
1025 West NASA Blvd.
Melbourne, Florida 32919
Telephone: (321) 727-9100

Stratex Merger Corp., a wholly owned subsidiary of Harris Stratex, is a Delaware corporation formed solely for the purpose of effecting the merger with Stratex. Stratex Merger Corp. is often referred to in this proxy statement/ prospectus as Merger Sub.

Upon the terms and conditions set forth in the combination agreement, Merger Sub will be merged with and into Stratex and the separate existence of Merger Sub will cease. Stratex will be the surviving corporation.

Merger Sub has not conducted any activities other than those incidental to its formation and the matters contemplated by the combination agreement.

Microwave Communications Division of Harris Corporation

Microwave Communications Division of Harris Corporation
Research Triangle Park
637 Davis Drive
Morrisville, North Carolina 27560
Telephone: (919) 767-3250

The Microwave Communications Division is one of four divisions within Harris and is a global provider of products and services in point-to-point microwave radio communications. The Microwave Communications Division designs, manufactures and sells a broad range of microwave radios for use in worldwide wireless communications networks. Applications include wireless/mobile infrastructure connectivity; secure data networks; public safety transport for state, local and federal government users; and right-of-way connectivity for utilities, pipelines, railroads and industrial companies. The Microwave Communications Division also offers a comprehensive network management systems known as NetBoss®. NetBoss® is an end-to-end turnkey solution for managing multi-vendor, multi-service, multi-protocol communications networks. NetBoss® provides turnkey element and network management solutions for fault management, performance management, configuration management, as well as operational support systems. In fiscal year 2006, the operations of the Microwave Communications Division resulted in revenues of approximately $357,500,000, total assets of approximately $352,649,000 and a net loss of approximately $35,848,000. The fiscal year 2006 results include an approximately $39,600,000 after-tax charge related to inventory write-downs and other charges associated with product discontinuances, as well as the planned shutdown of manufacturing activities at the Microwave Communications Division plant in Montreal, Canada.

The principal executive offices of the Microwave Communications Division are located at Research Triangle Park, 637 Davis Drive, Morrisville, North Carolina 27560, and its telephone number is (919) 767-3250.

The Contribution Transaction and the Merger (Page 49)

Under the terms of the combination agreement, Harris and Stratex agreed to create Harris Stratex, a newly formed Delaware corporation, for the purpose of combining the Microwave Communications Division with Stratex. To that end, Stratex will merge with Merger Sub, a wholly owned subsidiary of Harris Stratex and newly formed Delaware corporation, and, as the surviving entity in that merger, will become a wholly owned subsidiary of Harris Stratex. Each share of Stratex common stock outstanding immediately prior to the time the merger takes effect will be converted into one-fourth of a share of Class A common stock of Harris Stratex. This conversion ratio will have the same effect on the number of shares of Harris Stratex Class A common stock received by the former Stratex stockholders as if Stratex had effected a one-for-four reverse split of its outstanding common stock immediately prior to the merger.

Simultaneously with the merger of Stratex and Merger Sub, Harris will contribute the assets comprising its Microwave Communications Division, including $32.1 million in cash, to Harris Stratex (other than certain identified assets which will be leased from Harris by Harris Stratex for lease payments aggregating $7.1 million). In addition, Harris will allocate, as appropriate and reasonably practicable, its liabilities between its Microwave Communications Division and any other businesses or divisions of Harris and, following such allocation, Harris Stratex will assume those liabilities of Harris that primarily result from or primarily arise out of the Microwave Communications Division. The liabilities of the Microwave Communications Division that will be assumed by Harris Stratex in the contribution transaction include the approximately $90,705,000 of liabilities at September 29, 2006 identified on the Condensed Combined Balance Sheets of the Microwave Communications Division beginning on page F-27 of this proxy statement/prospectus. The approximately $3,074,000 of liabilities at September 29, 2006 due to Harris identified on the Condensed Combined Balance Sheets of the Microwave Communications Division beginning on page F-27 of this proxy statement/ prospectus will be canceled in connection with the contribution transaction. In addition, Harris Stratex will also assume any contingent liabilities of the Microwave Communications Division, which by their nature are not quantifiable and may not be identifiable, in accordance with the second sentence of this paragraph.

In exchange for Harris contribution to Harris Stratex, Harris Stratex will issue to Harris a number of shares of Class B common stock of Harris Stratex equal to 56% of the capital stock of Harris Stratex immediately following the merger and contribution transaction using the treasury stock method assuming a market price per share of Class A common stock of $20.80 (which represents $5.20 per share of Stratex common stock prior to the effective one-for-four reverse split pursuant to the merger). Upon closing, the shares Harris and the former shareholders of Stratex will receive in the transaction will represent approximately 57% and 43%, respectively, of the outstanding shares of Harris Stratex immediately after the consummation of the transactions (or approximately 56.1% and 43.9% of the outstanding shares determined on a fully diluted basis using the treasury stock method and the closing price for the shares on December 27, 2006).

Structure of the Transactions (Page 88)

Upon the consummation of the proposed transactions, the Microwave Communications Division and Stratex will be combined into Harris Stratex. The effect of the proposed transactions is illustrated below.

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Before the Combination Transactions

* Harris Corporation currently holds one share of Class B common stock of Harris Stratex Networks, Inc. which will be the only outstanding share of capital stock of Harris Stratex Networks, Inc. at such time.

The Combination Transactions

** Certain identified assets will be leased from Harris by Harris Stratex for lease payments aggregating $7.1 million.

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After the Combination Transactions

** Equity split determined on a fully diluted basis using the treasury stock method assuming a fair market value of $20.80 per share of Class A common stock of Harris Stratex Networks, Inc. (which represents $5.20 per share of Stratex common stock prior to the effective one-for-four reverse split pursuant to the merger).

*** Following the closing of the proposed transactions, Harris Stratex expects to integrate the businesses as the management of Harris Stratex determines to be appropriate.

**** Certain identified assets will be leased from Harris by Harris Stratex for lease payments agregating $7.1 million.

Recommendation of the Stratex Board of Directors (Page 62)

The board of directors of Stratex has determined that the combination agreement and the transactions provided for by the combination agreement are fair to and in the best interests of the Stratex stockholders and has approved, adopted and declared advisable the combination agreement and the transactions provided for by the combination agreement. The board of directors of Stratex unanimously recommends that the Stratex stockholders vote **FOR** the proposal to adopt the combination agreement and approve the merger and the other transactions provided for by the combination agreement and **FOR** the proposal to adjourn the special meeting of the Stratex stockholders, including for the purpose of soliciting additional proxies, in the discretion of the proxies or either of them.

Reasons for the Recommendation of the Board of Directors of Stratex (Page 59)

In making their determination, the board of directors of Stratex considered a number of factors in reviewing the proposed transactions. Among other factors, the board of directors of Stratex focused on its belief that the merger and the contribution transaction are likely to:

increase the scale of Stratex s business;

deliver complementary global distribution channels with minimal customer overlap and significantly expand the customer footprint of the combined company through the combination of Stratex s focus

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on the international market for wireless transmission networks with the strong, historical presence in the U.S. market of the Microwave Communications Division;

serve a large market with expected growth over the next five years;

offer customers a better end-to-end product portfolio;

offer expected annual savings through product cost and operating expense synergies; and

create a larger and more competitive company with stronger financial performance, greater financial capacity, product leadership and the ability to serve adjacent markets.

Among the risks considered were:

the combination of the businesses currently conducted by the Microwave Communications Division and Stratex will create numerous risks and uncertainties which could adversely affect Harris Stratex s operating results;

some of Stratex s directors and officers have interests in the merger in addition to those of the Stratex stockholders;

Harris Stratex will be controlled by Harris, whose interests may conflict with those of the Stratex stockholders; and

the termination fee to and expenses of Harris that Stratex would be required to pay under specified circumstances.

Opinion of Stratex s Financial Advisor (Page 63)

On September 5, 2006, the board of directors of Stratex received the written opinion of Bear, Stearns & Co. Inc., or Bear Stearns, to the effect that, as of the date of the opinion, based upon and subject to the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, the conversion of each share of Stratex common stock into one-fourth of a share of Harris Stratex Class A common stock pursuant to the combination agreement is fair from a financial point of view to the holders of shares of Stratex common stock. Bear Stearns will be entitled to receive approximately $4,870,000, assuming a $4.95 average closing price of Stratex common stock prior to consummation of the combination. Of this amount, $300,000 was earned upon delivery of its opinion and the balance will be payable and contingent upon completion of the proposed transactions.

Interests of Stratex Directors and Officers in the Transactions (Page 70)

In considering the recommendation of the board of directors of Stratex, you should be aware that certain directors and officers of Stratex may have interests in the merger and the other transactions provided for in the combination agreement that are different from, or in addition to, your interests as a stockholder of Stratex generally and may create potential conflicts of interest. The board of directors of Stratex was aware of these interests and considered them when they approved and adopted the combination agreement, the merger and the other transactions provided for in the combination agreement.

Management

Harris and Stratex have agreed that, immediately prior to the effective time of the merger, Thomas H. Waechter, who currently serves as the Chief Executive Officer of Stratex, will be appointed Chief Operating Officer of Harris Stratex and Charles D. Kissner, Chairman of Stratex, will become non-executive Chairman of Harris Stratex. Other current Stratex officers may be employed by Harris Stratex. Their positions at Harris Stratex will entitle these individuals to compensation and equity awards from Harris Stratex. Following the completion of the merger and the contribution transaction, options to purchase Stratex common stock currently owned by Stratex s executive officers will be assumed by Harris Stratex and converted into options to purchase shares of Harris Stratex common stock. Furthermore, Stratex has estimated the total value of change of control benefits potentially realizable by Stratex s

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executive officers in connection with the merger to be approximately $7.2 million from the receipt of severance pay and other benefits and approximately $1.1 million from acceleration of option vesting in connection with the combination transactions. The actual value received by them could be greater or less than these estimated amounts, however.

Directors

As many as four of the current directors of Stratex could become directors of Harris Stratex. If appointed directors of Harris Stratex, these individuals will be entitled to compensation and equity awards from Harris Stratex. At this time, Stratex expects that William A. Hasler, Charles D. Kissner, Clifford H. Higgerson and Edward F. Thompson, each currently a director of Stratex, will be appointed directors of Harris Stratex in connection with the proposed transactions.

Board of Directors and Management of Harris Stratex Following the Transactions (Page 123)

Board of Directors of Harris Stratex

Immediately following the combination transaction, the board of directors of Harris Stratex will have nine members. Five of these directors will be appointed by Harris as the sole holder of Harris Stratex Class B common stock and will include Howard L. Lance, Chairman, President and Chief Executive Officer of Harris, and Guy M. Campbell, President of the Microwave Communications Division, each of whom are currently directors of Harris Stratex, and also are expected to include Eric C. Evans, Dr. Mohsen Sohi and Dr. James C. Stoffel.

Harris has agreed that at least one of the directors it appoints must meet the independence requirements for directors serving on an audit committee as prescribed by the NASDAQ rules and one must not be an employee of Harris or any of its subsidiaries (without regard to Harris Stratex or any of its subsidiaries). Assuming the appointment of the people identified above as directors, Harris will have satisfied these requirements.

The four remaining directors of Harris Stratex will be appointed by Stratex and are expected to include Charles D. Kissner, Chairman of Stratex, as well as the following current Stratex directors: William A. Hasler, Clifford H. Higgerson and Edward F. Thompson.

Stratex has agreed that at least two of the directors it appoints must meet the independence requirements for directors serving on an audit committee as prescribed by the NASDAQ rules. Assuming the appointment of the people identified above as directors, Stratex will have satisfied these requirements.

Management of Harris Stratex

Immediately following the proposed transactions, the management team of Harris Stratex will include Guy M. Campbell as Chief Executive Officer of Harris Stratex, currently the President of the Microwave Communications Division, Thomas H. Waechter as Chief Operating Officer of Harris Stratex, currently Chief Executive Officer of Stratex, and Sarah A. Dudash as Chief Financial Officer of Harris Stratex, currently Vice President and Controller of the Microwave Communications Division.

Other officers of Harris Stratex will be appointed in accordance with its certificate of incorporation and bylaws by its board of directors and management team on or prior to the completion of the proposed transactions.

Regulatory Approvals (Page 83)

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which is sometimes referred to in this proxy statement/prospectus as the HSR Act, and the rules and regulations promulgated thereunder by the U.S. Federal Trade Commission, or FTC, certain transactions, including the proposed transactions, cannot be consummated until notifications have been given and certain information has been furnished to the FTC and the Antitrust Division of the U.S. Department of Justice, or the Antitrust

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Division, and specified waiting period requirements have been satisfied. On September 29, 2006, each of Harris and Stratex filed a Pre-Merger Notification and Report Form pursuant to the HSR Act with the Antitrust Division and the FTC. The waiting period under the HSR Act expired on October 30, 2006. Although the waiting period has expired, at any time before the effective time of the proposed transactions, the FTC, the Antitrust Division or others could take action under the antitrust laws with respect to the proposed transactions, including seeking to enjoin the proposed transactions or to require the divestiture of certain assets of Stratex or the Microwave Communications Division. There can be no assurance that a challenge to the proposed transactions on antitrust grounds will not be made or, if such a challenge is made, that it would not be successful.

Certain Material U.S. Federal Income Tax Consequences (Page 83)

The obligation of Harris and Stratex to complete the transactions are subject to the receipt by Stratex of the opinion of its counsel, Bingham McCutchen LLP, that the merger will constitute a reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended, which is referred to in this proxy statement/ prospectus as the code, and the receipt by Harris of the opinion of its counsel, Sullivan & Cromwell LLP, that the contribution of the Microwave Communication Division, together with the merger, will qualify as a transaction governed by Section 351 of the code. To this end, Bingham McCutchen LLP has opined, in an opinion filed as an exhibit to the registration statement of which this proxy statement/ prospectus forms a part, that the U.S. holders of Stratex common stock will not recognize gain or loss for federal income tax purposes on the exchange of their Stratex common stock for Harris Stratex Class A common stock, except that such holders may recognize gain on any cash that they receive in lieu of fractional shares of Harris Stratex Class A common stock. In addition, Sullivan & Cromwell LLP has opined, in an opinion filed as an exhibit to the registration statement of which this proxy statement/ prospectus forms a part, that for U.S. federal income tax purposes the contribution transaction, together with the merger, will qualify as a transaction covered by Section 351 of the code and that no gain or loss will be recognized on any transfer of property from Harris to Harris Stratex as contemplated by the contribution transaction, in exchange solely for the stock of Harris Stratex.

Tax matters are very complicated and the tax consequences of the merger to each Stratex stockholder will depend on that stockholder s particular facts and circumstances. **Stratex stockholders are urged to consult their tax advisors to understand fully the tax consequences of the merger to them.**

Risk Factors (Page 26)

In evaluating the proposed transactions, the issuance of Harris Stratex common stock or your rights under or in connection with the proposed transactions, you should carefully read this proxy statement/prospectus, including its Appendices, in its entirety and give special consideration to the factors discussed in the section entitled Risk Factors beginning on page 26 of this proxy statement/prospectus.

No Appraisal Rights (Page 86)

Stratex stockholders are not entitled to appraisal or dissenters rights in connection with the proposed transactions.

The Agreements (Page 87)

Formation, Contribution and Merger Agreement

Harris and Stratex entered into the combination agreement on September 5, 2006. Harris, Stratex, Harris Stratex and Merger Sub amended and restated the combination agreement as of December 18, 2006 to, among other things, make Harris Stratex and Merger Sub parties to the combination agreement. This agreement, as amended and restated, is sometimes referred to in this proxy statement/prospectus as the combination agreement.

In accordance with the terms of the combination agreement, Harris created a new Delaware corporation named Harris Stratex Networks, Inc. for the purpose of combining the Microwave

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Communications Division with Stratex. Upon the satisfaction or waiver of all conditions to the completion of the merger and the contribution transaction, Merger Sub, a wholly owned subsidiary of Harris Stratex, will merge with and into Stratex, with Stratex continuing as the surviving corporation.

Simultaneously with the merger of Stratex and Merger Sub, Harris will contribute the assets comprising its Microwave Communications Division, including $32.1 million in cash, to Harris Stratex (other than certain identified assets which will be leased from Harris by Harris Stratex for $7.1 million). In addition, Harris will allocate, as appropriate and reasonably practicable, its liabilities between its Microwave Communications Division and any other businesses or divisions of Harris and, following such allocation, Harris Stratex will assume those liabilities of Harris that primarily result from or primarily arise out of the Microwave Communications Division.

A conformed copy of the combination agreement is attached as Appendix A to this proxy statement/prospectus. Please read the combination agreement carefully and fully as it is the legal document that governs the merger and the contribution transaction.

Transaction Consideration; Treatment of Stratex Stock Options, Warrants and Other Equity Awards

If the merger and the contribution transaction occur:

- at the effective time of the merger, each issued and outstanding share of Stratex common stock will be automatically converted into one-fourth of a share of Class A common stock of Harris Stratex, together with cash in lieu of fractional shares of Harris Stratex Class A common stock. This conversion ratio will have the same effect on the number of shares of Harris Stratex Class A common stock received by the former Stratex stockholders as if Stratex had effected a one-for-four reverse split of its outstanding common stock immediately prior to the merger;

- at the effective time of the merger, each outstanding stock option, warrant or other equity award will be automatically converted on the same terms and conditions (including as to exercisability and vesting, taking into account, in limited circumstances, any acceleration resulting from the merger) into a stock option or warrant to acquire or other equity interest with respect to, the number of shares of Harris Stratex Class A common stock equal to one-fourth of the number of shares of Stratex common stock subject to the stock option, warrant or other equity award immediately prior to the merger at an exercise price (if applicable) equal to four times the exercise price per such stock option, warrant or other equity award immediately prior to the merger; and

- at the time of the contribution and concurrently with the effective time of the merger, Harris Stratex will issue to Harris a number of shares of Class B common stock equal to 56% of the capital stock of Harris Stratex immediately following the merger and the contribution transaction using the treasury stock method assuming a market price per share of Class A common stock of $20.80 (which represents $5.20 per share of Stratex common stock prior to the effective one-for-four reverse split pursuant to the merger).

Ownership of Harris Stratex Following the Proposed Transactions

It is expected that, immediately following the completion of the proposed transactions:

- the combined company would have approximately 58.4 million shares of Harris Stratex Class A common stock on a fully diluted basis (including outstanding shares of Harris Stratex Class B common stock which are convertible at any time into shares of Harris Stratex Class A common stock) using the treasury stock method assuming a market price per share of Harris Stratex Class A common stock of $20.80 (which includes approximately 1.1 million shares issuable upon exercise of stock options, warrants and other equity awards with an exercise price (if applicable) equal to or less than $20.80 per share of Harris Stratex Class A common stock). Based on the foregoing assumptions, there would be approximately 32.8 million shares of Class B common stock outstanding;

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Harris will own 56% of the Harris Stratex common stock on a fully diluted basis using the treasury stock method assuming a market price per share of Harris Stratex Class A common stock of $20.80 (which represents $5.20 per share of Stratex common stock prior to the effective one-for-four reverse split pursuant to the merger); and

the former holders of Stratex common stock will own 44% of the Harris Stratex common stock on a fully diluted basis using the treasury stock method assuming a market price per share of Harris Stratex Class A common stock of $20.80 (which represents $5.20 per share of Stratex common stock prior to the effective one-for-four reverse split pursuant to the merger), or approximately 43% of the outstanding shares of Harris Stratex immediately after the consummation of the transactions (or approximately 43.9% of the outstanding shares determined on a fully diluted basis using the treasury stock method and the closing price for the shares on December 27, 2006).

No Solicitation of Acquisition Proposals by Stratex

Stratex has agreed that neither it nor any of its subsidiaries, nor any of their officers, directors, employees, agents and representatives (including any investment banker, attorney or accountant), or a representative, will, directly or indirectly, initiate, solicit, encourage or facilitate any acquisition proposal (as defined in the combination agreement). Stratex has further agreed that neither it nor any of its representatives will, directly or indirectly:

provide any confidential or non-public information or data to, or engage or participate in any discussions or negotiations with, any person relating to an acquisition proposal, or otherwise encourage or facilitate any effort or attempt by any person to make or implement an acquisition proposal;

waive any provision of any confidentiality or standstill agreement that Stratex is a party to without the prior written consent of Harris; or

make any change in the recommendation of the board of directors of Stratex to the Stratex stockholders to adopt the proposal relating to the adoption of the combination agreement and the approval of the merger and the other transactions contemplated by the combination agreement.

Notwithstanding the foregoing, at any time prior to, but not after, the adoption of the combination agreement by the Stratex stockholders, Stratex is permitted to:

(A) provide confidential or non-public information in response to a request by a person who has made an unsolicited *bona fide* written qualifying acquisition proposal (as defined in the combination agreement);

(B) engage or participate in discussions or negotiations with any person who has made a qualifying acquisition proposal; or

(C) approve or recommend to the Stratex stockholders a qualifying acquisition proposal (or agree to take such action),

but Stratex may take the above actions, if and only if:

with respect to the actions described in clauses (A), (B) or (C) above, after consulting with outside legal counsel, the board of directors of Stratex determines in good faith that failing to take such action would constitute a breach by the Stratex directors of their fiduciary duties;

with respect to the actions described in clauses (A) or (B) above, Stratex enters into a confidentiality agreement with such person on terms substantially similar to those contained in the confidentiality agreement between Stratex and Harris;

with respect to the actions described in clauses (B) or (C) above, (x) the board of directors of Stratex determines in good faith and after consulting with its financial advisors and outside counsel that the qualifying acquisition proposal is a superior proposal (as defined in the combination

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agreement) or, in the case of clause (B) only, is reasonably likely to lead to a superior proposal and (y) Stratex has provided five business days written notice in the case of the first qualifying acquisition proposal made by a person (or one business day s written notice in the case of a subsequent qualifying acquisition proposal made by the same person) to Harris of Stratex s or its board of directors intention to take the actions described in (B) or (C) and has complied with other notice provisions.

Conditions to the Completion of the Merger and the Contribution Transaction

The completion of the merger and the contribution transaction depend upon the satisfaction or waiver of a number of conditions, including the following, all of which may be waived by Harris and/or Stratex, as applicable:

the adoption of the combination agreement by the Stratex stockholders;

the authorization for listing on NASDAQ the Harris Stratex Class A common stock to be issued in the merger and reserved for issuance upon the exercise of stock options and awards and the conversion of the shares of Class B common stock, subject to official notice of issuance;

the expiration or termination of the waiting period applicable to the merger and the contribution transaction under the HSR Act and the filing or receipt of all other governmental authorizations required to be made or obtained by Harris or Stratex, other than those the failure of which to make or obtain would not, individually or in the aggregate, be reasonably likely to have a material adverse effect on the results of operations, financial condition, cash flows, assets, liabilities or business of Harris Stratex and its subsidiaries, taken as a whole, following the closing or result in criminal liability or other material sanctions for any director or officer of Harris, Stratex or Harris Stratex;

the effectiveness of the registration statement of which this proxy statement/ prospectus is a part, the absence of a stop order issued by the Securities and Exchange Commission suspending the effectiveness of that registration statement and the absence of any proceedings initiated for that purpose by the Securities and Exchange Commission;

the absence of any law, order or injunction enacted, issued or promulgated by any court or government entity that is in effect and restrains or enjoins or otherwise prohibits consummation of the merger or the contribution transaction;

the material accuracy of the representations and warranties made by Harris and Stratex and material compliance by Harris and Stratex with their respective obligations under the combination agreement;

the execution and delivery by Harris and/or Harris Stratex of the additional agreements agreed as part of the combination agreement;

that neither the Microwave Communications Division nor Stratex shall have suffered any change that would reasonably be expected to have a material adverse effect on that party, as described further in this proxy statement/ prospectus; and

the receipt of an opinion by Harris from Sullivan & Cromwell LLP and by Stratex from Bingham McCutchen LLP on the completion date with respect to the tax treatment of the merger and the contribution transaction, as further described in this proxy statement/ prospectus.

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Termination of the Combination Agreement

The combination agreement may be terminated at any time prior to the completion of the transaction in any of the following ways:

- by mutual written consent of Harris and Stratex;
- by either Harris or Stratex if:
  - the contribution transaction and the merger have not been consummated by March 31, 2007;
  - the vote of the Stratex stockholders on the adoption of the combination agreement has been held but the required vote was not obtained; or
  - any law, order or injunction that prohibits the merger or the contribution transaction shall have become final or nonappealable;

  but the rights to terminate the combination agreement described above are not available to any party that has breached its obligations under the combination agreement in a manner that has proximately contributed to the occurrence giving rise to the termination right;
- by Harris if:
  - the board of directors of Stratex withdraws, modifies or qualifies its recommendation to the Stratex stockholders to adopt the combination agreement in any manner adverse to Harris or recommends or approves another acquisition proposal or fails to reconfirm its recommendation within five business days after a written request by Harris (but only prior to the Stratex stockholder vote);
  - Stratex breaches its representations and warranties, covenants or agreements such that the closing condition relating thereto would not be satisfied and the breach cannot be cured or, if curable, is not cured within 30 days after written notice is given by Harris to Stratex;
  - a vote on the adoption of the combination agreement by the Stratex stockholders has not been taken and completed by February 28, 2007; or
  - Stratex materially breaches the provisions relating to its non-solicitation obligations under the combination agreement (but only prior to the Stratex stockholder vote);
- by Stratex if:
  - Harris breaches its representations and warranties, covenants or agreements such that the closing condition relating thereto would not be satisfied and the breach cannot be cured or, if curable, is not cured within 30 days after written notice is given by Stratex to Harris; or
  - at any time prior to the adoption of the combination agreement by the Stratex stockholders, in order for Stratex to enter into a definitive agreement with respect to a superior proposal but only if Stratex has not materially breached any of the terms of the combination agreement, the board of directors of Stratex has authorized Stratex to enter into the definitive agreement, Stratex has complied with the non-solicitation obligations under the combination agreement and, prior to the termination, Stratex has paid to Harris any termination fee payable under the combination agreement.

Termination Fee

Stratex has agreed to pay Harris a termination fee of $14.5 million under certain specified circumstances. Stratex may also be required to pay up to $2 million of Harris expenses under specified circumstances, but such amount would be credited against any termination fee subsequently paid by Stratex.

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Voting Agreements

The directors and the senior officers of Stratex each have entered into a voting agreement with Harris. Pursuant to these voting agreements, the directors and those officers who are party to a voting agreement have agreed, among other things, to vote all of the shares of Stratex common stock beneficially owned by them in favor of the adoption of the combination agreement and the approval of the merger and the other transactions provided for in the combination agreement, unless the combination agreement is terminated in accordance with its terms. In addition, they have agreed to vote against any other proposal by a third party to acquire Stratex, or any other matter which could reasonably be expected to impede, interfere with, delay or adversely affect the consummation of the transactions contemplated by the combination agreement, unless the combination agreement is terminated in accordance with its terms. A form of the voting agreement entered into by each director and the senior officers of Stratex is attached as Appendix B to this proxy statement/prospectus.

Non-Competition Agreement

Pursuant to the terms of the non-competition agreement to be entered into upon completion of the combination, Harris has agreed in general terms that, for five years following the completion of the proposed transactions, it will not engage in, and will not permit any of its subsidiaries (other than Harris Stratex and its subsidiaries) to engage in, the development, manufacture, distribution and sale of microwave radio systems that are competitive with the current products of Stratex and the Microwave Communications Division or substantially similar to those products in form, fit and function when used in terrestrial microwave point-to-point communications networks that provide access and trunking of voice and data for telecommunications networks. Notwithstanding this restriction, Harris is permitted to purchase and resell products produced by and branded by persons unaffiliated with Harris and to develop, manufacture, distribute and sell microwave radios and related components for use by government entities. A form of the non-competition agreement is attached as Appendix F to this proxy statement/ prospectus.

Investor Agreement

The investor agreement provides, among other things, that so long as Harris has the right to vote a majority of the votes then entitled to be cast generally in the election of the directors of Harris Stratex (other than the directors elected by the holders of Harris Stratex Class B common stock separately as a class), the number of directors of Harris Stratex will be nine, five of which will be elected separately as a class by Harris as the sole holder of Harris Stratex Class B common stock. The directors so elected separately by Harris are sometimes referred to in this proxy statement/ prospectus as Class B directors. As an initial matter, Harris has agreed to appoint immediately prior to the effective time of the merger Howard L. Lance, Chairman, President and Chief Executive Officer of Harris, and Guy M. Campbell, President of the Microwave Communications Division, as two of its Class B directors. Of the remaining three Class B directors, Harris has agreed that for two years following the completion of the transactions, one must meet the independence requirements for directors serving on an audit committee as prescribed by the NASDAQ rules and one must not be an employee of Harris or any of its subsidiaries (without regard to Harris Stratex or any of its subsidiaries). The remaining four directors of Harris Stratex will be appointed by Stratex immediately prior to the effective time of the merger and will include Charles D. Kissner, Chairman of Stratex, and two persons meeting the independence requirements for directors serving on an audit committee as prescribed by the NASDAQ rules.

In addition, the investor agreement includes agreements between Harris and Harris Stratex addressing Harris ability to purchase or dispose of shares of Harris Stratex common stock, related party transactions, duties relating to corporate opportunities and preemptive rights provided to Harris.

Other Agreements

In addition to the agreements listed above, Harris and/or Harris Stratex have also agreed to enter into the following agreements concurrently with the closing of the merger and the contribution transaction:

a registration rights agreement providing Harris with rights to cause Harris Stratex to register shares of Harris Stratex held by it for resale under the Securities Act;

an intellectual property cross-license agreement providing Harris rights to continued nonexclusive use of intellectual property contributed by Harris in the contribution transaction and providing Harris Stratex rights to the nonexclusive use of intellectual property used in the Microwave Communication Division immediately prior to the closing of the transactions;

a trademark and trade name license agreement providing Harris Stratex with certain rights to use Harris as a trademark and in its trade name;

a lease relating to certain real property to be leased by Harris Stratex following the closing of the transactions;

a transition services agreement relating to certain services to be provided by Harris to Harris Stratex following the closing of the transactions;

a warrant assumption agreement relating to the assumption by Harris Stratex of certain obligations under the outstanding warrants to purchase shares of Stratex common stock;

a NetBoss® service agreement relating to the assumption by Harris Stratex of certain obligations under existing NetBoss® service arrangements with other divisions of Harris;

a lease relating to certain equipment and machinery to be leased by Harris Stratex following the closing of the transactions for aggregate lease payments of $7.1 million; and

a tax sharing agreement to address certain post-closing tax matters between Harris Stratex and Harris.

Accounting Treatment (Page 83)

For accounting and financial reporting purposes, the merger and the contribution transaction will be accounted for as a purchase business combination of Stratex by the Microwave Communications Division, as that term is used under accounting principles generally accepted in the U.S. In identifying the Microwave Communications Division as the acquiring entity, Harris and Stratex took into account the relative outstanding share ownership, the composition of the governing body of the combined entity and the designation of certain senior management positions. As a result, the historical financial statements of the Microwave Communications Division will become the historical financial statements of Harris Stratex.

NASDAQ Listing Requirements (Page 52)

Following the completion of the proposed transactions, Harris will hold more than 50% of the outstanding voting power of Harris Stratex. As a result, Harris Stratex will be eligible for the controlled company exemption under the NASDAQ rules which provides that if more than 50% of the voting power of a company listed on NASDAQ is held by another company, the NASDAQ listed company is not required to comply with certain director independence requirements to which it would otherwise be subject. This means that Harris Stratex will be exempt from certain director independence requirements, including the requirement that a majority of its board of directors be comprised of independent directors as defined by the NASDAQ rules, so long as Harris Stratex elects to avail itself of this exemption by appropriately disclosing in its filings with the Securities and Exchange Commission that it is a controlled company and its basis for that determination.

Under the terms of the investor agreement to be entered into by Harris Stratex and Harris in connection with the completion of the transactions, Harris and Harris Stratex have agreed that, at all

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times when Harris holds a majority of the outstanding voting power of Harris Stratex, Harris Stratex will rely on the controlled company exemption contained in the NASDAQ rules.

Harris Stratex Certificate of Incorporation and Bylaws (Page 86)

Stratex stockholders who receive Harris Stratex Class A common stock in the merger will become Harris Stratex stockholders and their rights as stockholders will be governed by the amended and restated certificate of incorporation and amended and restated bylaws of Harris Stratex and the laws of the State of Delaware. The current certificate of incorporation and bylaws of Harris Stratex will be amended and restated prior to the completion of the merger and the contribution transaction as set forth in Appendix C and Appendix D to this proxy statement/ prospectus, respectively. For a description of the capital stock of Harris Stratex and information on certain differences between the amended and restated certificate of incorporation and amended and restated bylaws of Harris Stratex and the certificate of incorporation and bylaws of Stratex, see Description of Harris Stratex Capital Stock beginning on page 191 of this proxy statement/prospectus and Comparison of Stockholder Rights beginning on page 196 of this proxy statement/prospectus, respectively.

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SELECTED HISTORICAL AND PRO FORMA FINANCIAL DATA

The financial information below is presented to assist in your analysis of the financial aspects of the proposed transactions. The following tables present (1) selected historical financial data of Stratex, (2) selected historical financial data of the Microwave Communications Division and (3) selected unaudited pro forma condensed consolidated financial data of Harris Stratex. The historical financial data shows the financial results actually achieved by Stratex and the Microwave Communications Division, while the unaudited pro forma condensed consolidated financial data shows the combined financial results of Stratex and the Microwave Communications Division as if the proposed transactions had occurred on (a) July 1, 2005 in the case of the results for the twelve months ended June 30, 2006 and (b) on July 1, 2006 in the case of the results for the three months ended September 30, 2006, except that the financial position data assumes the proposed transactions had occurred on September 30, 2006.

Selected Historical Financial Data of Stratex

The selected historical financial data presented below at September 30, 2006 and 2005 and for each of the six-month periods then ended was derived from Stratex s unaudited financial statements included in Stratex s Quarterly Reports on Form 10-Q for the periods ended September 30, 2006 and 2005 which include, in Stratex management s opinion, all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the results of operations and financial position of Stratex for the periods and dates presented. Interim unaudited data for the six-month period ended September 30, 2006 do not necessarily indicate results that may be obtained for any other interim period or for the year as a whole. The selected financial data presented below at March 31, 2006 and 2005 and for each of the three years in the period ended March 31, 2006 was derived from Stratex s audited consolidated financial statements included in Stratex s Annual Report on Form 10-K for the year ended March 31, 2006, as amended. The selected financial data presented below for the years ended March 31, 2003 and 2002 and at March 31, 2004, 2003 and 2002 was derived from Stratex s audited consolidated financial statements for those periods. The information in the following table should be read together with Stratex s audited consolidated financial statements for the years ended March 31, 2006, 2005 and 2004 and the related notes included in Stratex s Annual Report for the year ended March 31, 2006 and Management s Discussion and Analysis of Financial Condition and Results of Operations of Stratex included in Stratex s Annual Report on Form 10-K for the year ended March 31, 2006, as amended, and also beginning on page 139 of this proxy statement/prospectus. For a listing of the documents filed by Stratex with the Securities and Exchange Commission and incorporated into this proxy statement/prospectus by reference, see Where You Can Find More Information beginning on page 207 of this proxy statement/prospectus.

	Six Months Ended September 30,		Year Ended March 31,				
	2006	2005	2006	2005(3)	2004	2003(2)	2002(1)
	(in thousands, except per share amounts)						
Consolidated Statements of Operations Data:							
Net sales	$ 133,516	$ 111,426	$ 230,892	$ 180,302	$ 157,348	$ 197,704	$ 228,844
Net income (loss)	3,375	(6,427)	(2,297)	(45,946)	(37,068)	(51,555)	(168,873)
Basic and diluted net income (loss) per share	0.03	(0.07)	(0.02)	(0.51)	(0.44)	(0.62)	(2.13)
Basic weighted average shares outstanding	97,405	95,059	95,600	89,634	83,364	82,548	79,166
Diluted weighted average shares	100,537	95,059	95,600	89,634	83,364	82,548	79,166

outstanding

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	At September 30,		At March 31,				
	2006	2005	2006	2005(3)	2004	2003(2)	2002(1)
	(in thousands, except employee head count)						
Balance Sheet and other Data:							
Total assets	$ 184,154	$ 153,965	$ 180,830	$ 160,631	$ 163,244	$ 184,785	$ 214,117
Long-term liabilities	29,892	27,333	37,376	32,185	20,311	19,145	6,675
Stockholders equity	72,990	55,092	62,343	60,023	81,182	112,800	167,457
Total employees	471	446	453	456	617	587	760

(1) Fiscal 2002 results for Stratex include inventory valuation charges of $102.7 million and restructuring and receivable valuation charges of $24.6 million related to the shutdown of its Seattle operations and outsourcing of manufacturing operations to an Asian supplier.

(2) Fiscal 2003 results for Stratex include restructuring charges of $28.2 million related to outsourcing of manufacturing operations to an Asian supplier, as well as a recovery of $2.1 million of the inventory valuation recorded the prior year through sales of component inventory to suppliers.

(3) Fiscal 2005 results for Stratex include inventory valuation charges of $2.6 million and $7.4 million of restructuring charges related to the shut down of operations in Cape Town, South Africa, outsourcing of manufacturing operations at the New Zealand and Cape Town, South Africa locations to an Asian supplier and exiting the sales and service offices in Argentina, Colombia and Brazil to independent distributors.

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Selected Historical Financial Data of the Microwave Communications Division

The selected historical financial data presented below is on a carve-out basis and represents the financial data of the Microwave Communications Division of Harris Corporation and its subsidiaries, which is sometimes referred to in this proxy statement/ prospectus as MCD, as it was operated within Harris and, in MCD management s opinion, includes all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the results of operations and financial position of MCD for the periods and dates presented. The selected financial data for the interim unaudited data as of the three months ended September 29, 2006 and September 30, 2005, and for each of the three month periods then ended do not necessarily indicate results that may be obtained for any other interim periods or for the fiscal year as a whole. The selected historical financial data as of the fiscal years ended June 30, 2006 and July 1, 2005 and for the fiscal years ended June 30, 2006, July 1, 2005 and July 2, 2004, has been derived from MCD s audited financial statements and related notes. This information is only a summary and should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations of MCD beginning on page 166 of this proxy statement/ prospectus, and the historical combined financial statements and related notes of MCD beginning on page F-3 of this proxy statement/ prospectus.

	Three Months Ended		Fiscal Years Ended				
	September 29, 2006 (unaudited)	September 30, 2005 (unaudited)	June 30, 2006(1)	July 1, 2005	July 2, 2004(2)	June 27, 2003(3) (unaudited)	June 28, 2002(4) (unaudited)
	(in thousands)						
Results of Operations:							
Revenue from product sales and services	$ 93,555	$ 75,324	$ 357,500	$ 310,427	$ 329,816	$ 297,470	$ 302,915
Cost of product sales and services	(62,011)	(52,596)	(271,340)	(219,946)	(245,933)	(221,701)	(217,237)
Net income (loss)	5,131	1,397	(35,848)	(3,778)	(20,233)	(35,248)	(29,752)

	As of		As of				
	September 29, 2006 (unaudited)	September 30, 2005 (unaudited)	June 30, 2006(1)	July 1, 2005	July 2, 2004(2) (unaudited)	June 27, 2003(3) (unaudited)	June 28, 2002(4) (unaudited)
	(in thousands)						
Balance Sheet Data:							
Total assets	$ 353,913	$ 367,318	$ 352,649	$ 362,969	$ 344,183	$ 398,271	$ 422,985
Long-term liabilities	3,074	6,749	12,642	14,180	14,978	11,900	12,466
Total net assets	260,134	290,378	252,020	280,313	246,517	272,350	296,770

(1) Fiscal 2006 results for MCD include a $39.6 million after-tax charge related to inventory write-downs and other charges associated with product discontinuances, as well as the planned shutdown of manufacturing activities at the MCD plant in Montreal, Canada.

(2) Fiscal 2004 results for MCD include a $7.3 million charge related to cost-reduction measures and fixed asset write downs.

(3) Fiscal 2003 results for MCD include an $8.6 million write-down of inventory related to the exit from unprofitable products and the shut-down of the MCD manufacturing plant in Brazil, as well as an $8.3 million charge related to cost-reduction measures.

(4) Fiscal 2002 results for MCD include a $15.8 million charge related to cost-reduction actions taken in the MCD international operations and collection losses related to the bankruptcy of a customer.

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Selected Unaudited Pro Forma Condensed Consolidated Financial Data of Harris Stratex

The following table shows certain unaudited information about the pro forma financial condition and results of operations, including per share data, of Harris Stratex after giving effect to the merger and the contribution transaction. The table sets forth selected unaudited pro forma condensed consolidated balance sheet data as of September 30, 2006 and assumes that the merger and the contribution transaction took place on that date with MCD as the accounting acquirer of Stratex in accordance with the provisions of Statement of Financial Accounting Standard No. 141 Business Combinations , or SFAS 141. The table also sets forth selected unaudited pro forma condensed consolidated statements of operations for the three months ended September 30, 2006 and the fiscal year ended June 30, 2006 and assumes that the merger and the contribution transaction took place on July 1, 2006 and July 1, 2005, respectively. The Harris Stratex fiscal year ends on the closest Friday to June 30th. The accompanying unaudited pro forma condensed consolidated statement of operations for the three months ended September 30, 2006 and the year ended June 30, 2006 combines the three months ended September 30, 2006 and twelve months ended June 30, 2006, respectively, for both MCD and Stratex. However, the following pro forma presentation does not include any impact of synergies anticipated from the proposed transactions. The information presented below should be read together with the historical consolidated financial statements of Stratex and MCD, including the related notes, filed with the Securities and Exchange Commission, in the case of Stratex, and beginning on page F-3 of this proxy statement/prospectus, in the case of MCD, and together with the historical consolidated financial data for Stratex and MCD and the other unaudited pro forma financial information, including the related notes, appearing elsewhere in this proxy statement/prospectus as well as with Management s Discussion and Analysis of Financial Condition and Results of Operations of MCD beginning on page 166 of this proxy statement/prospectus and Management s Discussion and Analysis of Financial Condition and Results of Operations of Stratex included in Stratex s Annual Report on Form 10-K for the year ended March 31, 2006, as amended, and also beginning on page 139 of this proxy statement/prospectus. In addition, you should also read them together with the financial statements and Management s Discussion and Analysis of Financial Condition and Results of Operations included in Stratex s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2006 because the selected unaudited pro forma condensed consolidated financial data adjusts Stratex s fiscal year end from March 31, 2006 to June 30, 2006, as well as the financial statements and Management s Discussion and Analysis of Financial Condition and Results of Operations included in Stratex s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006, in each case incorporated by reference into this proxy statement/prospectus. For a listing of the documents filed by Stratex with the Securities and Exchange Commission that are incorporated into this proxy statement/prospectus by reference, see Where You Can Find More Information beginning on page 207 of this proxy statement/prospectus. For unaudited pro forma condensed consolidated financial information of Harris Stratex, see Harris Stratex Networks, Inc. Unaudited Pro Forma Condensed Consolidated Financial Data beginning on page 183 of this proxy statement/prospectus. The unaudited pro forma financial data are not necessarily indicative of results that actually would have occurred had the merger and the contribution transaction been completed on the dates indicated or that may be obtained in the future. See also Risk Factors beginning on page 26 and Information Relating to Forward-Looking Statements beginning on page 41 of this proxy statement/prospectus.

	Three Months Ended September 30, 2006 (unaudited) (in thousands)	Year Ended June 30, 2006 (unaudited) (in thousands)
Microwave Communications Division of Harris Corporation		
Results of Operations		
Revenue from product sales and services	$ 93,555	$ 357,500
Cost of product sales and services(1)	(62,011)	(271,340)
Net income (loss)	5,131	(35,848)

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	Three Months Ended September 30, 2006 (unaudited) (in thousands)	Year Ended June 30, 2006 (unaudited) (in thousands)
Financial Position at End of Period		
Total assets	$ 353,913	$
Long-term liabilities	3,074	
Total net assets	260,134	
Stratex Networks, Inc.		
Results of Operations		
Revenue from product sales and services	$ 67,279	$ 242,257
Cost of product sales and services	(46,512)	(171,397)
Net income	1,552	3,691
Financial Position at End of Period		
Total assets	$ 184,154	$
Long-term liabilities	29,892	
Total net assets	72,990	
Pro Forma Adjustments		
Results of Operations		
Revenue from product sales and services	$	$
Cost of product sales and services(2)	(2,175)	(8,700)
Net loss(3)	(2,769)	(15,815)
Financial Position at End of Period		
Total assets(4)	$ 385,111	$
Long-term liabilities(5)	41,666	
Total net assets(6)	340,230	
Pro Forma Combined Financial Data of Harris Stratex Networks, Inc.		
Results of Operations		
Revenue from product sales and services	$ 160,834	$ 599,757
Cost of product sales and services	(110,698)	(451,437)
Net income (loss)	3,914	(47,972)
Financial Position at End of Period		
Total assets	$ 923,178	$
Long-term liabilities	74,632	
Total net assets	673,354	

(1) Fiscal 2006 results for MCD include a $39.6 million after-tax charge related to inventory write-downs and other charges associated with product discontinuances, as well as the planned shutdown of manufacturing activities at the MCD plant in Montreal, Canada.

(2) Fiscal 2006 adjustment made to reflect $8.7 million amortization of developed technology identifiable assets. Three months ended September 30, 2006 adjustment made to reflect $2.2 million amortization of developed technology identifiable assets.

(3) Fiscal 2006 adjustments made to reflect $12.0 million amortization of identifiable intangible assets and $3.8 million of stock-based compensation expense, which represents the expense that would have been recognized by Stratex had it implemented the provisions of Statement of Financial Accounting Standard No. 123R Share-Based Payment , or FAS 123R, as of July 1, 2005, which is when MCD was required to implement FAS 123R. Three months ended September 30, 2006 adjustment made to reflect $2.8 million amortization of identifiable intangible assets.

(4) Three months ended September 30, 2006 adjustment made to reflect (a) $17.7 million made to increase balance of cash in MCD to $32.1 million as of the closing date of the transaction; (b) $11.1 million to step up Stratex s finished goods inventory to fair market value at the closing date

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of the proposed transactions; (c) $235.7 million and $130.2 million allocation of the purchase price to goodwill and identifiable intangible assets, respectively, which was determined as follows:

Allocation of the purchase price of Stratex determined as follows (amounts in thousands):

Market price of Stratex stock(A)	$ 400,148
Estimated acquisition costs	9,000
Total purchase price to be allocated	$ 409,148

Allocation of purchase price based on fair market value		**Estimated Useful Life**
Identifiable intangible assets:		
Developed technology non-legacy products	$ 77,500	10 years
Developed technology legacy products	1,900	2 years
Customer relationships	5,400	8 years
Backlog	900	1 year
Tradename Eclipse	16,000	10 years
Tradename Legacy Products	200	2 years
Tradename Stratex	28,300	Indefinite
Total identifiable intangible assets	130,200	
Net tangible assets(B)	43,272	
Goodwill	235,676	
Total purchase price allocation	$ 409,148	

This purchase price allocation is preliminary for all assets and liabilities being acquired by Harris Stratex.

and (d) $(9.6) million to eliminate deferred tax assets on MCD s historical Combined Balance Sheet as of September 30, 2006.

(5) Three months ended September 30, 2006 adjustments made to reflect (a) $39.1 million for the establishment of a deferred tax liability related to the future amortization of identifiable intangible assets in accordance with FAS 109; (b) $(3.1) million for the elimination of MCD s payable to Harris against stockholders and division equity; and (c) $5.7 million capital lease obligation related to the equipment lease between Harris Stratex Networks Canada ULC and Harris Canada, Inc. as described under Other Agreements Lease Agreement (Equipment and Machinery) beginning on page 121 of this proxy statement/prospectus.

(6) Three months ended September 30, 2006 adjustments made to reflect footnotes (2), (3) and (4) above, as well as adjustments to current liabilities of $(2.0) million to reduce deferred revenue of Stratex, as previously described, and increase current liabilities by $3.8 million for payment of the single trigger employment agreements.

A. Total market price of Stratex common stock equal to the price of a share of Stratex common stock as of September 19, 2006 ($4.00) X diluted shares of Stratex common stock outstanding per the Stratex September 30, 2006 Balance Sheet (100.0 million shares).

B. Stratex net tangible assets as of September 30, 2006 are calculated as follows:

Historical net assets reported	$ 72,990

Inventory step-up	11,137
Deferred revenue reduction	2,039
Single trigger employment agreement payouts	(3,834)
Less deferred tax liability related to identifiable intangible assets	(39,060)
Adjusted net assets	$ 43,272

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COMPARATIVE PER SHARE DATA

The following table sets forth: (1) certain historical per share data for Stratex, (2) pro forma Stratex per share amounts (providing for the conversion ratio in the merger which has the same effect as a one-for-four reverse stock split) and (3) unaudited pro forma condensed combined per share amounts of Harris Stratex after giving effect to the merger and the contribution transaction. The Harris Stratex pro forma data give effect to the proposed transactions as if they had occurred on July 1, 2005. These amounts do not necessarily reflect future per share amounts of income (losses) from continuing operations and book value per share of the combined company. You should read the information below together with the historical consolidated financial statements and related notes of Stratex, which are incorporated by reference into this proxy statement/ prospectus as further described under Where You Can Find More Information beginning on page 207 of this proxy statement/ prospectus, and the Microwave Communications Division, which are included in this proxy statement/ prospectus beginning on page F-3, and the unaudited pro forma condensed consolidated financial data included under Harris Stratex Networks, Inc. Unaudited Pro Forma Condensed Consolidated Financial Data beginning on page 183 of this proxy statement/ prospectus.

	As of and for the		As of and for the	
	Six Months Ended September 30, 2006	Three Months Ended September 30, 2006	Twelve Months Ended June 30, 2006	Twelve Months Ended March 31, 2006
Stratex Historical(1):				
Book value per share of common stock	$ 0.74	$ 0.74	$ 0.70	$ 0.64
Cash dividends per share of common stock	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Basic income (loss) per share of common stock	$ 0.03	$ 0.02	$ 0.04	$ (0.02)
Diluted income (loss) per share of common stock	$ 0.03	$ 0.02	$ 0.04	$ (0.02)
Harris Stratex Pro Forma:				
Book value per share of common stock		$ 11.80	$ 12.00	
Cash dividends per share of common stock		$ 0.00	$ 0.00	
Basic income (loss) per share of common stock		$ 0.07	$ (0.85)	
Diluted income (loss) per share of common stock		$ 0.07	$ (0.85)	
Stratex Pro Forma Share Equivalent(2):				
Book value per four shares of common stock		$ 2.95	$ 3.00	
Cash dividends per four shares of common stock		$ 0.00	$ 0.00	
Basic income (loss) per four shares of common stock		$ 0.02	$ (0.21)	
Diluted income (loss) per four shares of common stock		$ 0.02	$ (0.21)	

(1) Stratex historical per share information as of and for the twelve months ended June 30, 2006 was calculated using the unaudited pro forma financial information for Stratex as of and for the twelve months ended June 30, 2006.

(2) Stratex equivalent pro forma share amounts are calculated by multiplying the Harris Stratex pro forma amounts by the conversion ratio in the merger (four shares of Stratex for one share of Harris Stratex).

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PER SHARE MARKET PRICE INFORMATION

Market Price

There is no established trading market for the shares of Harris Stratex Class A or Class B common stock. However, Harris Stratex has applied for quotation of the Harris Stratex Class A common stock on NASDAQ under the symbol HSTX . Shares of Harris Stratex Class B common stock are not expected to be listed for trading on any exchange or quotation system at any time in the foreseeable future. Shares of Stratex common stock are listed on NASDAQ under the symbol STXN .

The following table sets forth for the periods indicated the high and low reported sale prices for a share of Stratex common stock on NASDAQ for the periods indicated:

	Common Stock	
	High	Low
Fiscal Year Ended March 31, 2007		
First Quarter	$ 6.58	$ 3.26
Second Quarter	$ 4.50	$ 2.95
Third Quarter through December 28, 2006	$ 5.00	$ 4.03
Fiscal Year Ended March 31, 2006		
First Quarter	$ 2.10	$ 1.24
Second Quarter	$ 2.74	$ 1.72
Third Quarter	$ 3.84	$ 2.18
Fourth Quarter	$ 6.27	$ 3.25
Fiscal Year Ended March 31, 2005		
First Quarter	$ 5.19	$ 2.40
Second Quarter	$ 3.38	$ 1.98
Third Quarter	$ 2.40	$ 1.65
Fourth Quarter	$ 2.45	$ 1.71

Recent Closing Prices

The following table sets forth the closing prices per share of Stratex common stock on NASDAQ on September 5, 2006, the last trading day before public announcement of the combination agreement, and on December 28, 2006, the latest practicable trading day prior to the date of this proxy statement/ prospectus.

	Stratex Common Stock
September 5, 2006	$ 4.04
December 28, 2006	$ 4.95

On these dates, using the closing prices above, each share of Stratex common stock represented transaction consideration of approximately $4.04 and $4.95, respectively, and each share of Harris Stratex Class A common stock to be received in respect of four shares of Stratex common stock represented transaction consideration of approximately $16.16 and $19.80, respectively. Because Stratex stockholders will receive only stock of the combined company in the proposed transactions, Stratex and Harris Stratex believe that the appropriate reference price for determining the trading price of a share of Harris Stratex Class A common stock following the proposed transactions will be the price of a share of Stratex common stock, adjusted for the effective one-for-four reverse stock split by multiplying such price by four.

Stratex stockholders are urged to obtain current market quotations for Stratex common stock.

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Dividend Policy

Stratex has not paid cash dividends on its common stock and does not intend to pay cash dividends in the foreseeable future and, instead, intends to retain any earnings for use in its business. Harris Stratex does not expect to pay any dividends in the immediate future. In addition, if Harris Stratex retains the outstanding $50 million credit facility of Stratex following the completion of the merger and the contribution transaction, the covenants of that credit facility will restrict Harris Stratex from paying dividends or making other distributions to the Harris Stratex stockholders under certain circumstances. Harris Stratex also may enter into other credit facilities or debt financing arrangements that further limit Harris Stratex s ability to pay dividends or make other distributions.

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RISK FACTORS

In addition to the other information contained in or incorporated by reference into this proxy statement/ prospectus, including the matters addressed under Information Relating to Forward-Looking Statements on page 41 of this proxy statement/ prospectus and those matters addressed under Part I Item 1A. Risk Factors in Stratex s Annual Report on Form 10-K for the fiscal year ended March 31, 2006, as amended, which is incorporated into this proxy statement/ prospectus by reference, you should carefully consider the following risk factors in deciding whether to vote for the approval and adoption of the combination agreement, the merger and the other transactions provided for in the combination agreement.

Harris Stratex will be subject to a number of risks that could affect its future financial results. Some of these risks are discussed below. The risks and uncertainties described below are not the only ones facing Harris Stratex. Additional risks and uncertainties that the management teams of Stratex and the Microwave Communication Division are not aware of or focused on may also impair Harris Stratex s business operations. If any of these risks actually occur, Harris Stratex s financial condition and results of operations could be materially and adversely affected.

Risks Related to the Combination of Stratex with the Microwave Communications Division

The combination of the businesses currently conducted by the Microwave Communications Division and Stratex will create numerous risks and uncertainties which could adversely affect Harris Stratex s operating results.

Strategic transactions like the combination of the Microwave Communications Division with Stratex create numerous uncertainties and risks. The Microwave Communications Division will transition from being a part of Harris to being a part of Harris Stratex, and Stratex will migrate from being a standalone company to being part of a combined company. This combination will entail many changes, including the integration of the Microwave Communications Division and its personnel with those of Stratex and changes in systems and employee benefit plans. These transition activities are complex, and Harris Stratex may encounter unexpected difficulties or incur unexpected costs, including:

- the diversion of management s attention to integration matters;
- difficulties in achieving expected cost savings associated with the transactions;
- difficulties in the integration of operations and systems;
- difficulties in the assimilation of employees;
- difficulties in replacing the support functions currently provided by Harris to the Microwave Communications Division, including support and assistance for financial and operational functions;
- challenges in keeping existing customers and obtaining new customers; and
- challenges in attracting and retaining key personnel.

As a result, the combined company may not be able to realize the expected revenue growth and other benefits that it seeks to achieve from the proposed transactions. In addition, the combined company may be required to spend additional time or money on integration that otherwise would be spent on the development and expansion of its business, production and services.

Uncertainties associated with the transactions or the combined company may cause the combined company to lose significant customers.

In response to the announcement of the proposed transactions, or due to the diversion of management s attention, current and potential customers of Stratex and the Microwave Communication Division may delay or defer decisions concerning their use of the products and services of Stratex and the combined company. In particular, Stratex s license agreement with Alcatel S.A for the sale of the Eclipse product by Alcatel, can be terminated by Alcatel upon a change of control of Stratex. Neither Stratex nor

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MCD has received notice from a customer of intent to terminate its contract in response to the proposed combination. However, if customers elect to terminate their contracts upon the completion of the proposed transactions, the financial condition of the combined company may be materially adversely affected.

Loss of key personnel could lead to loss of customers and a decline in revenues, or otherwise adversely affect the operations of the combined company.

The success of the combined company after the completion of the transactions will depend in part upon its ability to retain key employees. Competition for qualified personnel in the microwave communications industry may be very intense. In addition, key employees may depart because of issues relating to the difficulty of, or uncertainty regarding, the integration of the businesses, as a result of provisions in their employment agreements which trigger severance payments upon events or circumstances resulting in a change of control such as the proposed merger or because of uncertainties relating to their future compensation and benefits. See The Contribution Transaction and the Merger Interests of Stratex Directors and Officers in the Transactions beginning on page 70 of this proxy statement/ prospectus. If Harris Stratex is unable to attract and retain qualified individuals or the combined company s costs to do so increase significantly, the combined company s business could be adversely affected.

The transactions are subject to the receipt of consents and approvals from government entities that could delay completion of the transactions or impose conditions that could have a material adverse effect on the combined company or cause abandonment of the transactions.

Completion of the merger and the contribution transaction is conditioned upon the expiration or termination of the applicable waiting period under the HSR Act and the receipt of any other governmental authorization the failure of which to obtain would have a material adverse effect on the results of operations, financial condition, cash flows, assets, liabilities or business of Harris Stratex. A substantial delay in obtaining satisfactory approvals or the imposition of unfavorable terms or conditions in the approvals could have an adverse effect on the business, financial condition or results of operations of Stratex or Harris Stratex or may cause the abandonment of the transactions.

The failure to complete the transactions could cause Stratex to incur significant fees and expenses and could lead to negative perceptions among investors, potential investors and customers.

In the event the combination of the Microwave Communications Division and Stratex is not completed, Stratex will bear fees and expenses associated with the proposed transactions, which may be significant. Stratex has incurred, and expects to continue to incur, costs associated with consummating the transactions, including investment banking fees of $0.4 million and $1.0 million of integration costs incurred through September 30, 2006. In addition, under certain circumstances Stratex may be required to pay up to $2 million of Harris expenses or a termination fee to Harris of $14.5 million. Investors, potential investors and customers may consider the failure to complete the proposed transactions to be a significantly negative development regarding Stratex. The current market price of Stratex s common stock may reflect positive market assumptions that the proposed transactions will be completed and the related benefits will be realized. As a consequence of any or all of the foregoing, Stratex s stock price may be negatively impacted by the failure to complete the proposed transactions. See The Combination Agreement Termination Fee beginning on page 104 of this proxy statement/ prospectus.

Stratex s directors and executive officers have interests in the merger, the contribution transaction and the other transactions provided for in the combination agreement in addition to those of stockholders.

In considering the recommendations of the Stratex board of directors with respect to the combination agreement, you should be aware that some Stratex directors and executive officers have financial and other interests in the proposed transactions in addition to interests they might have as stockholders. The receipt of compensation or other benefits in connection with the proposed transactions may have influenced these directors and executive officers in making their recommendation to adopt the combination agreement and approve the merger and the other transactions contemplated by the combination agreement. You should consider these interests in connection with your vote on the related proposal.

Management

Harris and Stratex have agreed that, immediately prior to the effective time of the merger, Thomas H. Waechter, who currently serves as the Chief Executive Officer of Stratex, will be appointed Chief Operating Officer of Harris Stratex and Charles D. Kissner, Chairman of Stratex, will become non-executive Chairman of Harris Stratex. Other current Stratex officers may be employed by Harris Stratex. Their positions at Harris Stratex will entitle these individuals to compensation and equity awards from Harris Stratex. Following the completion of the merger and the contribution transaction, options to purchase Stratex common stock currently owned by Stratex s executive officers will be assumed by Harris Stratex and converted into options to purchase shares of Harris Stratex common stock. Furthermore, Stratex has estimated the total value of change of control benefits potentially realizable by Stratex s executive officers in connection with the merger to be approximately $7.2 million from the receipt of severance pay and other benefits and approximately $1.1 million from acceleration of option vesting in connection with the combination transactions. The actual value received by them could be greater or less than these estimated amounts, however.

Directors

Four of the current directors of Stratex are expected to become directors of Harris Stratex. When appointed directors of Harris Stratex, these individuals will be entitled to compensation and equity awards from Harris Stratex. At this time, Stratex expects that William A. Hasler, Charles D. Kissner, Clifford H. Higgerson and Edward F. Thompson, each currently a director of Stratex, will be appointed directors of Harris Stratex in connection with the proposed transactions.

See The Contribution Transaction and the Merger Interests of Stratex Directors and Officers in the Transactions beginning on page 70 of this proxy statement/ prospectus.

Harris Stratex does not expect to pay dividends for the foreseeable future, and you must rely on increases in the trading prices of the Harris Stratex Class A common stock for returns on your investment.

Stratex has not paid cash dividends on its common stock. Harris Stratex does not expect to pay dividends in the immediate future. Holders of Harris Stratex Class A common stock must rely on increases in the trading price of their shares for returns on their investment.

Risks Related to the Relationship between Harris and Harris Stratex

Harris Stratex will be controlled by Harris, whose interests may conflict with yours.

Upon completion of the proposed transactions, Harris will own no shares of Harris Stratex Class A common stock but all of the outstanding shares of Harris Stratex Class B common stock through which it will have an approximate 57% interest in the combined company (without regard to any dilution relating to outstanding stock options, warrants or other equity interests). In addition, it will have the right to appoint separately as a class five of the nine directors of Harris Stratex so long as the shares of Harris Stratex common stock held by Harris entitle Harris to cast a majority of the votes at an election of the directors of Harris Stratex (other than those directors appointed by Harris separately as a class). For two years from the closing date of the transactions, Harris has agreed that it will not acquire or dispose of beneficial ownership in shares of Harris Stratex common stock, except under limited circumstances, and has no obligation to dispose of its interest in Harris Stratex following such two year period. Accordingly, Harris is likely to continue to exercise significant influence over the business policies and affairs of Harris Stratex, including the composition of the Harris Stratex board of directors and any action requiring the approval of the Harris Stratex stockholders. The concentration of ownership also may make some transactions, including mergers or other changes in control, more difficult or impossible without the

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support of Harris. Harris interests may conflict with your interests as a stockholder. See the risk factor discussed in Harris will have rights reflecting its controlling interest in Harris Stratex. As a result, your ability to influence the outcome of matters requiring stockholder approval will be limited below.

Harris Stratex will be a controlled company within the meaning of the NASDAQ rules and, as a result, will qualify for, and intends to rely on, exemptions from certain corporate governance requirements that are designed to provide protection to stockholders of companies that trade on NASDAQ.

After the completion of this transaction, Harris will own more than 50% of the total voting power of the outstanding capital stock of Harris Stratex. Therefore, Harris Stratex will be a controlled company under the NASDAQ rules. As a controlled company, Harris Stratex intends to utilize exemptions under the NASDAQ standards that free it from the obligation to comply with some governance requirements under the NASDAQ rules, including the following:

- a majority of its board of directors consists of independent directors;
- its director nominees must either be selected, or recommended for selection by the board of directors, either by:
  - a majority of the independent directors; or
  - a nominations committee comprised solely of independent directors; and
- the compensation of its officers be determined, or recommended to the board of directors for determination, either by:
  - a majority of the independent directors; or
  - a compensation committee comprised solely of independent directors.

Harris Stratex intends to use these exemptions and, as a result, you will not have the same protection afforded to stockholders of companies that are subject to all of the NASDAQ corporate governance requirements.

Harris will have rights reflecting its controlling interest in Harris Stratex. As a result, your ability to influence the outcome of matters requiring stockholder approval will be limited.

Following the consummation of the transactions, Harris will hold a majority of the securities outstanding and will be entitled to vote generally in the election of Harris Stratex directors (other than those directors elected separately as a class by Harris). In addition, as the only holder of the outstanding Harris Stratex Class B common stock, Harris will have the unilateral right to elect, remove and replace, at any time, a majority of the board of directors of Harris Stratex so long as the members elected, removed or replaced by Harris satisfy the requirements agreed to by Stratex and Harris and set forth in the investor agreement to be entered into at the closing of the proposed transaction. More specifically, Harris has agreed that, so long as it holds a majority of the voting common stock of Harris Stratex, it will have the right to appoint five of Harris Stratex s nine directors and, until the second anniversary of the closing, at least one of the Harris directors will meet the NASDAQ independence standards for audit committee members and at least one other Harris director will not be an employee of Harris or any of its subsidiaries (other than Harris Stratex or its subsidiaries). After the second anniversary, Harris will be able to elect or replace all the Harris directors without regard to their relationship with Harris.

Harris right to vote a majority of the outstanding voting stock of the combined company also will enable it to control decisions without the consent of other Harris Stratex stockholders, including among others, with respect to:

- the business direction and policies of the combined company;

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- mergers or other business combinations involving the combined company, except during the first two years after the closing;
- the acquisition or disposition of assets by the combined company;
- the payment or nonpayment of dividends;
- determinations with respect to tax returns;
- the combined company s capital structure; and
- amendments to the combined company s certificate of incorporation and bylaws.

In addition to the effects described above, Harris control position could make it more difficult for Harris Stratex to raise capital or make acquisitions by issuing its own capital stock. This concentrated ownership also might delay or prevent a change in control and may impede or prevent transactions in which Harris Stratex stockholders might otherwise receive a premium for their shares.

Harris Stratex may have potential conflicts of interest with Harris relating to their ongoing relationship, and because of Harris controlling ownership in Harris Stratex, the resolution of these conflicts may not be favorable to Harris Stratex.

Conflicts of interest may arise between Harris Stratex and Harris in a number of areas relating to their ongoing relationship, including:

- indemnification and other matters arising under the combination agreement or other agreements;
- intellectual property matters;
- employee recruiting and retention;
- competition for customers in the areas where Harris is permitted to do business under the non-competition agreement;
- sales or distributions by Harris of all or any portion of its ownership interest in Harris Stratex, which could be to a competitor of Harris Stratex;
- business combinations involving Harris Stratex; and
- business opportunities that may be attractive to both Harris and Harris Stratex.

Harris Stratex may not be able to resolve any potential conflicts with Harris, and, even if it does, the resolution may be less favorable to Harris Stratex than if it were dealing with an unaffiliated party.

In connection with the consummation of the proposed transactions, Harris and Harris Stratex will enter into the investor agreement and the non-competition agreement. The investor agreement provides that, following the closing of the proposed transactions, Harris and its affiliates are only permitted to enter into a transaction with Harris Stratex if the transaction is approved by a majority of the non-Harris directors or is on terms no less favorable in any material respect to Harris Stratex than those that could have been obtained by Harris Stratex, taking into consideration the then prevailing facts and circumstances, if it had negotiated with an informed, unrelated third party. However, if a transaction has a fair market value of more than $5 million, it must also be approved in advance by a majority of the non-Harris directors. There are limited exceptions to these arrangements.

Pursuant to the terms of the non-competition agreement to be entered into upon completion of the combination, Harris has agreed in general terms that, for five years following the completion of the proposed transactions, it will not, and will not permit any of its subsidiaries (other than Harris Stratex and its subsidiaries) to, engage in the development, manufacture, distribution and sale of microwave radio systems that are competitive with the current products of Stratex and the Microwave Communications Division or substantially similar to those products in form, fit and function when used in terrestrial microwave point-to-point communications networks that provide access and trunking of voice and data for telecommunications networks. Notwithstanding this restriction, Harris is permitted to purchase and resell products produced by and branded by persons unaffiliated with Harris and to develop, manufacture, distribute and sell microwave radios and related components for use by government entities.

See The Contribution Transaction and the Merger Harris Governance Rights and Contractual Relationships Related Party Transactions and Freedom of Action beginning on page 51 of this proxy statement/prospectus and the risk factor discussed in Neither Harris nor any of its affiliates will have any fiduciary obligation or other obligation to offer corporate opportunities to Harris Stratex, and the certificate of incorporation of Harris Stratex and investor agreement to be entered into by Harris Stratex and Harris at the closing of the transactions expressly permit certain directors or employees of Harris Stratex to offer certain corporate opportunities to Harris before Harris Stratex below.

So long as Harris holds a majority of the securities outstanding and entitled to vote generally in the election of Harris Stratex directors (other than those directors elected separately as a class by Harris), it will have the right to preserve its control position by participating in equity offerings by the combined company.

At any time Harris holds a majority of the securities outstanding and entitled to vote generally in the election of Harris Stratex directors (other than those directors elected separately as a class by Harris), subject to limited exceptions, Harris has the right to participate in any offering of capital stock by Harris Stratex including grants of equity to employees on the same terms and conditions as the offering and purchase up to that number of shares of Harris Stratex capital stock necessary to preserve its then voting percentage in the combined company. As a result, Harris will be able to maintain its control position in Harris Stratex as long as it is able, and elects, to participate in any offering of capital stock by Harris Stratex.

Neither Harris nor any of its affiliates will have any fiduciary obligation or other obligation to offer corporate opportunities to Harris Stratex, and the certificate of incorporation of Harris Stratex and investor agreement to be entered into by Harris Stratex and Harris at the closing of the transactions expressly permit certain directors or employees of Harris Stratex to offer certain corporate opportunities to Harris before Harris Stratex.

The certificate of incorporation of Harris Stratex as amended and restated prior to the completion of the proposed transactions and the investor agreement to be entered into by Harris Stratex and Harris at the closing of the transactions provide that:

except (1) as otherwise provided in the non-competition agreement to be entered into by Harris Stratex and Harris at the closing of the proposed transactions or (2) opportunities offered to an individual who is a director or officer of both Harris Stratex and Harris in writing solely in that person s capacity as an officer or director of Harris Stratex, Harris is free to compete with Harris Stratex in any activity or line of business; invest or develop a business relationship with any person engaged in the same or similar activities or businesses as Harris Stratex; do business with any customer of Harris Stratex; or employ any former employee of Harris Stratex;

neither Harris nor its affiliates will have any duty to communicate its or their knowledge of or offer any potential business opportunity, transaction or other matter to Harris Stratex unless the opportunity was offered to the individual who is a director or officer of both Harris Stratex and Harris in writing solely in that person s capacity as an officer or director of Harris Stratex; and

if any director or officer of Harris who is also an officer or director or Harris Stratex becomes aware of a potential business opportunity, transaction or other matter (other than one expressly offered to that director or officer in writing solely in his or her capacity as a director or officer of Harris Stratex), that director or officer will have no duty to communicate or offer that opportunity to Harris Stratex and will be permitted to communicate or offer that opportunity to Harris (or its affiliates), and that director or officer will not be deemed to have acted in bad faith or in a manner inconsistent with the best interests of Harris Stratex or in a manner inconsistent with his or her fiduciary or other duties to Harris Stratex.

At the closing of the proposed transactions, it is expected that the board of directors of Harris Stratex will include at least one person who is also a director and/or an officer of Harris. As a result, Harris may gain the benefit of corporate opportunities that are presented to this director.

In certain circumstances, Harris is permitted to engage in the same types of businesses that Harris Stratex will conduct. If Harris elects to pursue opportunities in these areas, the combined company s ability to successfully operate and expand its business may be limited.

Harris has agreed to enter into a non-competition agreement at the closing of the transaction restricting its and its subsidiaries ability to compete with Harris Stratex for five years following the completion of the transactions in specified lines of business related to the current business operations of Stratex and the Microwave Communications Division. However, the non-competition agreement will not restrict Harris from competing in a limited number of specific areas in which Harris Stratex will operate, such as the development, manufacture and sale of wireless systems for use by government entities and the purchase and resale of non-Harris-branded wireless systems. Following the five-year term, there will be no restriction on Harris ability to compete with Harris Stratex. If Harris elects to pursue opportunities in these areas or re-enters the business from which it is prohibited following the five-year term of the non-competition agreement, the combined company s ability to successfully operate and expand its business may be limited. For more information regarding the non-competition agreement, see the The Non-Competition Agreement beginning on page 113 of this proxy statement/ prospectus.

Sales by Harris of its interest in Harris Stratex could result in offers for your shares of Class A common stock the terms of which have been negotiated solely by Harris and could adversely affect the price and liquidity of Harris Stratex Class A common stock.

Harris has agreed not to buy or sell Harris Stratex common stock until the second anniversary of the closing, except with the consent of the non-Harris directors of Harris Stratex or to enable Harris to preserve its percentage interest in Harris Stratex s outstanding common stock. From the second to the fourth anniversary of the closing, Harris will be free to transfer majority control of Harris Stratex to a buyer, at a price and on terms acceptable to Harris in its sole discretion so long as the buyer offers to acquire all outstanding voting shares of Harris Stratex capital stock not owned by Harris on the same terms offered to Harris or the non-Harris directors approve the transfer by Harris in advance. However, non-Harris stockholders of Harris Stratex will have no role in determining the identity of the buyer and the amount and type of consideration to be received or any other terms of the transaction. If equity securities of the buyer are offered or if you elect not to accept the buyer s offer, your continuing investment would be in a company that may be majority-controlled by a company or an investor selected only by Harris.

In addition, pursuant to the combination agreement, Harris Stratex has agreed to register for resale to the public shares of common stock which are held by Harris as a result of the combination agreement. Sales of registered shares of Harris Stratex by Harris, or the perception that such sales might occur, could depress the trading price of Harris Stratex Class A common stock.

Risks Relating to the Combined Company

Harris Stratex may not be profitable after the completion of the transaction.

Stratex and the Microwave Communications Division have in recent years regularly incurred losses. Stratex has incurred losses for the last five fiscal years, and the Microwave Communications Division has incurred losses for the last five fiscal years. In fiscal 2006, Stratex incurred a loss of \$2.3 million, and, as of September 30, 2006, Stratex had an accumulated deficit of \$412.6 million. In fiscal 2006, the Microwave Communications Division incurred a loss of \$35.8 million. Although the Microwave

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Communication Division had net income of $5.1 million for the three months ended September 29, 2006 there can be no assurances that Harris Stratex will be consistently profitable, if at all.

Harris Stratex will face strong competition for maintaining and improving its position in the market which could adversely affect Harris Stratex s revenue growth and operating results.

The wireless interconnection and access business is a specialized segment of the wireless telecommunications industry and is extremely competitive. Harris Stratex expects competition in this segment to increase. Some of the combined company s competitors have more extensive engineering, manufacturing and marketing capabilities and significantly greater financial, technical and personnel resources than Harris Stratex will have. In addition, some of Harris Stratex s competitors have greater name recognition, broader product lines, a larger installed base of products and longer-standing customer relationships. Harris Stratex s competitors include established companies, such as Alcatel, L.M. Ericsson, NEC, Nokia, Ceragon Networks and Siemens AG, as well as a number of smaller public companies and private companies in selected markets. Some of Harris Stratex s competitors are also base station suppliers through whom it will market and sell its products, which means that Harris Stratex s business success may depend on these competitors to some extent. One or more of Harris Stratex s largest customers could internally develop the capability to manufacture products similar to those manufactured or outsourced by Harris Stratex and, as a result, the demand for Harris Stratex s products and services may decrease.

In addition, Harris Stratex will compete for acquisition and expansion opportunities with many entities that have substantially greater resources than the combined company will have. Furthermore, competitors of Harris Stratex may enter into business combinations in order to accelerate product development or to engage in aggressive price reductions or other competitive practices, resulting in even more powerful or aggressive competitors.

Harris Stratex s ability to compete successfully will depend on a number of factors, including price, quality, availability, customer service and support, breadth of product line, product performance and features, rapid time-to-market delivery capabilities, reliability, timing of new product introductions by Harris Stratex, its customers and competitors, the ability of its customers to obtain financing and the stability of regional sociopolitical and geopolitical circumstances. Harris Stratex can give no assurances that it will have the financial resources, technical expertise, or marketing, sales, distribution, customer service and support capabilities to compete successfully, or that regional sociopolitical and geographic circumstances will be favorable for the successful operation of the combined company.

Harris Stratex s average sales prices may decline in the future.

Currently, manufacturers of digital microwave telecommunications equipment are experiencing, and are likely to continue to experience, declining sales prices. This price pressure is likely to result in downward pricing pressure on the products and services of the combined company. As a result, Harris Stratex is likely to experience declining average sales prices for its products. Harris Stratex s future profitability will depend upon its ability to improve manufacturing efficiencies, reduce costs of materials used in its products, and to continue to introduce new lower cost products and product enhancements. If Harris Stratex is unable to respond to increased price competition this will harm its business, financial condition and results of operations. Because customers frequently negotiate supply arrangements far in advance of delivery dates, Harris Stratex may be required to commit to price reductions for its products before it is aware of how, or if, cost reductions can be obtained. As a result, current or future price reduction commitments, and any inability on its part to respond to increased price competition, could harm Harris Stratex s business, financial condition and results of operations.

Because a significant amount of the revenues of Harris Stratex may come from a limited number of customers, the termination of any of these customer relationships may adversely affect Harris Stratex s business.

Sales of the products and services of Stratex and the Microwave Communications Division historically have been concentrated to a small number of customers. The following table summarizes the number of customers of Stratex and the Microwave Communications Division that have represented over 10% of sales for the periods identified, along with the percentage of revenues represented by such customers.

Stratex

	Fiscal Years Ended March 31,	
	2006	**2005**
Number of significant customers	1	1
Percentage of net sales	10%	21%

	Quarters Ended September 30,	
	2006	**2005**
Number of significant customers	1	2
Percentage of net sales	16%	11%, 10%, respectively

Microwave Communications Division

	Fiscal Years Ended	
	June 30, 2006	**July 1, 2005**
Number of significant customers	1	
Percentage of net sales	15%	

	Quarters Ended	
	September 29, 2006	**September 30, 2005**
Number of significant customers		
Percentage of net sales		

Harris Stratex expects that a significant portion of Harris Stratex s future product sales also may be concentrated to a limited number of customers. In addition, product sales to major customers have varied widely from period to period. The loss of any existing customer, a significant reduction in the level of sales to any existing customer, or Harris Stratex s inability to gain additional customers could result in declines in revenues compared to the combined historical revenues of Stratex and the Microwave Communication Division or an inability to grow revenues. If these revenue declines occur or if the combined company is unable to create revenue growth, Harris Stratex s business, financial condition, and results of operations may be adversely affected.

Harris Stratex may be subject to litigation regarding intellectual property associated with Harris Stratex s wireless business; this litigation could be costly to defend and resolve, and could prevent the combined company from using or selling the challenged technology.

The wireless telecommunications industry is characterized by vigorous protection and pursuit of intellectual property rights, which has resulted in often protracted and expensive litigation. Any litigation regarding patents or other intellectual property could be costly and time-consuming and could divert Harris Stratex s management and key personnel from the combined company s business operations. The complexity of the technology involved and the uncertainty of intellectual property litigation increase these risks. Such litigation or claims could result in substantial costs and diversion of resources. In the event of an adverse result in any such litigation, Harris Stratex could be required to pay substantial damages, cease the use and transfer of allegedly infringing technology or the sale of allegedly infringing products and expend significant resources to develop non-infringing technology or obtain licenses for the infringing technology. Harris Stratex can give no assurances that Harris Stratex would be successful in developing such non-infringing technology or that any license for the infringing technology would be available to Harris Stratex on commercially reasonable terms, if at all. This could have a materially adverse effect on Harris Stratex s business, results of operation, financial condition, competitive position and prospects.

As a subsidiary of Harris, Harris Stratex may have the benefit of one or more existing cross-license agreements between Harris and certain third parties, which may help protect Harris Stratex from infringement claims. At such time as Harris Stratex ceases to be a subsidiary of Harris, those benefits would be lost.

Due to the significant volume of international sales expected by Harris Stratex, Harris Stratex may be susceptible to a number of political, economic and geographic risks that could harm its business.

Harris Stratex will be highly dependent on sales to customers outside the United States. In fiscal 2006, sales by Stratex and the Microwave Communications Division to international customers accounted for 95% and 60%, respectively, of total net sales. During fiscal 2005 and 2004, sales to international customers accounted for 94% and 96% of Stratex s net sales, respectively, and 50% and 57% of the Microwave Communication Division s net sales, respectively. In fiscal 2006, 2005 and 2004, sales to the Middle East/ Africa region accounted for approximately 28%, 25% and 33% of Stratex s net sales, respectively. In fiscal 2006, 2005 and 2004, sales to the Middle East/ Africa region accounted for approximately 30%, 23% and 30% of the Microwave Communication Division s net sales, respectively. Also, significant portions of Stratex s and the Microwave Communications Division s international sales are in less developed countries. Following the completion of the proposed transactions, international sales will continue to account for a large percentage of the combined company s net product sales for the foreseeable future. As a result, the occurrence of any international, political, economic or geographic event that adversely affects Harris Stratex s business could result in a significant decline in revenues.

Some of the risks and challenges of doing business internationally include:

- unexpected changes in regulatory requirements;
- fluctuations in foreign currency exchange rates;
- imposition of tariffs and other barriers and restrictions;
- management and operation of an enterprise spread over various countries;
- burden of complying with a variety of foreign laws and regulations;
- application of the income tax laws and regulations of multiple jurisdictions, including relatively low-rate and relatively high-rate jurisdictions, to Harris Stratex s sales and other transactions, which results in additional complexity and uncertainty;
- general economic and geopolitical conditions, including inflation and trade relationships;
- war and acts of terrorism;
- natural disasters;
- currency exchange controls; and
- changes in export regulations.

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If Harris Stratex fails to develop and maintain distribution and licensing relationships, its revenues may decrease.

Although a majority of sales is anticipated to be made through Harris Stratex s direct sales force, Harris Stratex also will market its products through indirect sales channels such as independent agents, distributors, and telecommunication integrators. These relationships will enhance Harris Stratex s ability to pursue major contract awards and, in some cases, are intended to provide Harris Stratex s customers with easier access to financing and a greater variety of equipment and service capabilities which an integrated system provider should be able to offer. Harris Stratex may not be able to maintain and develop additional relationships or, if additional relationships are developed, they may not be successful. Harris Stratex s inability to establish or maintain these distribution and licensing relationships could restrict its ability to market its products and thereby result in significant reductions in revenue. If these revenue reductions occur, Harris Stratex s business, financial condition and results of operations would be harmed.

The inability of Harris Stratex s subcontractors to perform, or its key suppliers to manufacture and deliver materials, could cause its products to be produced in an untimely or unsatisfactory manner, or not at all.

Harris Stratex s manufacturing operations, which will be substantially subcontracted, are highly dependent upon the delivery of materials by outside suppliers in a timely manner. Also, Harris Stratex will depend in part upon subcontractors to assemble major components and subsystems used in Harris Stratex s products in a timely and satisfactory manner. Harris Stratex generally will not enter into long-term or volume purchase agreements with any of its suppliers, and Harris Stratex cannot provide assurances that such materials, components and subsystems will be available for use by Harris Stratex at such time and in such quantities as Harris Stratex requires, if at all. In addition, Stratex and the Microwave Communications Division have historically obtained some of their supplies from a single source. If these suppliers are unable to provide supplies and products to Harris Stratex because they are no longer in business or because they discontinue a certain supply or product needed by Harris Stratex, Harris Stratex may not be able to fill orders placed by its customers on a timely basis or at all. Harris Stratex s inability to develop alternative sources of supply quickly and on a cost-effective basis could materially impair its ability to manufacture and timely deliver its products to its customers. Harris Stratex cannot give assurances that it will not experience material supply problems or component or subsystem delays in the future. Also, Harris Stratex s subcontractors may not be able to maintain the quality of its products, which might result in a large number of product returns by customers and could harm Harris Stratex s business, financial condition and results of operations.

Additional risks associated with the outsourcing of Harris Stratex s manufacturing operations to corporations located in Taiwan and their subsidiary in the People s Republic of China could include, among other things: political risks due to political issues between Taiwan and The People s Republic of China, risk of natural disasters in Taiwan, such as earthquakes and typhoons, economic and regulatory developments, and other events leading to the disruption of manufacturing operations.

Consolidation within the telecommunications industry could result in a decrease in Harris Stratex s revenues.

The telecommunications industry has experienced significant consolidation among its participants, and Harris Stratex expects this trend to continue. Some operators in this industry have experienced financial difficulty and have filed, or may file, for bankruptcy protection. Other operators may merge and one or more of Harris Stratex s competitors may supply products to the customers of the combined company following those mergers. This consolidation could result in purchasing decision delays and decreased opportunities for Harris Stratex to supply products to companies following any consolidation. This consolidation may also result in lost opportunities for cost reduction and economies of scale. In addition, see the risk factor discussed in Because a significant amount of the revenues of Harris Stratex may come from a limited number of customers, the termination of any of these customer relationships may adversely affect Harris Stratex s business above.

Harris Stratex s success will depend on new product introductions and acceptance.

The market for Harris Stratex s products is characterized by rapid technological change, evolving industry standards and frequent new product introductions. Harris Stratex s future success will depend, in part, on continuous, timely development and introduction of new products and enhancements that address evolving market requirements and are attractive to customers. Harris Stratex believes that successful new product introductions provide a significant competitive advantage because of the significant resources committed by customers in adopting new products and their reluctance to change products after these resources have been expended. Stratex and the Microwave Communications Division have spent, and Harris Stratex expects to continue to spend, significant resources on internal research and development to support its effort to develop and introduce new products and enhancements. To the extent that Harris Stratex fails to introduce new and innovative products that are adopted by customers, it could fail to obtain an adequate return on these investments and could lose market share to Harris Stratex s competitors, which could be difficult or impossible to regain.

Harris Stratex s customers may not pay for products and services in a timely manner, or at all, which would decrease Harris Stratex s income and adversely affect Harris Stratex s working capital.

Harris Stratex s business will require extensive credit risk management that may not be adequate to protect against customer nonpayment. Risks of nonpayment by customers will be a significant focus of Harris Stratex s business. The combined company expects a significant amount of future revenue to come from international customers, many of whom will be start-up telecom operators in developing countries. Harris Stratex does not generally expect to obtain collateral for sales, although it intends to require letters of credit or credit insurance as appropriate for international customers. In addition, a significant amount of the revenues of Stratex and the Microwave Communications Division have been generated from a small number of significant customers. For information regarding the percentage of revenues attributable to certain key customers, see Because a significant amount of the revenues of Harris Stratex may come from a limited number of customers, the termination of any of these customer relationships may adversely affect Harris Stratex s business above. The historical accounts receivable balances of Stratex and the Microwave Communications Division have been concentrated in a small number of significant customers. Unexpected adverse events impacting the financial condition of customers, bank failures or other unfavorable regulatory, economic or political events in the countries in which Harris Stratex does business may impact collections and adversely impact Harris Stratex s business, require increased bad debt expense or receivable write-offs and adversely impact Harris Stratex s cash flows, financial condition and operating results.

Rapid changes in the microwave radio industry and the frequent introduction of lower cost components for Harris Stratex s product offerings may result in excess inventory that Harris Stratex cannot sell or may be required to sell at distressed prices, and may result in longer credit terms to Harris Stratex s customers.

The rapid changes and evolving industry standards that characterize the market for Harris Stratex s products require the frequent modification of products for an industry participant to be successful. These rapid changes could result in the accumulation of component inventory parts that become obsolete as modified products are introduced and adopted by customers. Stratex and the Microwave Communications Division have experienced significant inventory write-offs in recent years, and because of the rapid changes that characterize the market, Harris Stratex also may be forced to write down excess inventory from time to time. Moreover, these same factors may force Harris Stratex to significantly reduce prices for older products or extend more and longer credit terms to customers, which could negatively impact its cash and possibly result in higher bad debt expense. More generally, Harris Stratex cannot give assurances that it will be successful in matching its inventory purchases with anticipated shipment volumes. As a result, Harris Stratex may fail to control the amount of inventory on hand and may be forced to write-off additional amounts. Such additional inventory write-offs, if required, would adversely impact Harris Stratex s cash flows, financial condition and operating results.

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The unpredictability of Harris Stratex s quarter-to-quarter results may harm the trading price of Harris Stratex s Class A common stock.

Harris Stratex s quarterly operating results may vary significantly in the future for a variety of reasons, many of which are outside of Harris Stratex s control. These factors could harm Harris Stratex s business and include, among others:

- volume and timing of Harris Stratex s product orders received and delivered during the quarter;
- Harris Stratex s ability and the ability of its key suppliers to respond to changes on demand as needed;
- suppliers inability to perform and timely deliver as a result of their financial condition, component shortages or other supply chain constraints;
- continued market expansion through strategic alliances;
- continued timely rollout of new product functionality and features;
- increased competition resulting in downward pressures on the price of Harris Stratex s products and services;
- unexpected delays in the schedule for shipments of existing products and new generations of the existing platforms;
- failure to realize expected cost improvement throughout Harris Stratex s supply chain;
- order cancellations or postponements in product deliveries resulting in delayed revenue recognition;
- seasonality in the purchasing habits of customers;
- war and acts of terrorism;
- natural disasters;
- ability of Harris Stratex s customers to obtain financing to enable their purchase of Harris Stratex s products;
- fluctuations in foreign currency exchange rates;
- regulatory developments including denial of export and import licenses; and
- general economic conditions worldwide.

Harris Stratex s quarterly results are expected to be difficult to predict and delays in product delivery or closing of a sale can cause revenues and net income to fluctuate significantly from anticipated levels. In addition, Harris Stratex may increase spending in response to competition or in pursuit of new market opportunities. Accordingly, Harris Stratex cannot provide assurances that it will be able to achieve profitability in the future or that if profitability is attained, that Harris Stratex will be able to sustain profitability, particularly on a quarter-to-quarter basis.

If Harris Stratex is unable to protect its intellectual property rights adequately, it may be deprived of legal recourse against those who misappropriate Harris Stratex s intellectual property.

Harris Stratex s ability to compete will depend, in part, on its ability to obtain and enforce intellectual property protection for its technology in the United States and internationally. Harris Stratex will rely upon a combination of trade secrets, trademarks, copyrights, patents and contractual rights to protect its intellectual property. In addition, Harris Stratex will enter into confidentiality and invention assignment agreements with its employees, and enters into non-disclosure agreements with its suppliers and appropriate customers so as to limit access to and disclosure of its proprietary information. Harris Stratex cannot give assurances that any steps taken by Harris Stratex will be adequate to deter misappropriation or impede independent third party development of similar technologies. In the event that such intellectual

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property arrangements are insufficient, Harris Stratex s business, financial condition and results of operations could be harmed. Harris Stratex will have significant operations in the United States, United Kingdom and New Zealand, and outsourcing arrangements in Asia. Harris Stratex cannot provide assurances that the protection provided to its intellectual property by the laws and courts of foreign nations will be substantially similar to the protection and remedies available under United States law. Furthermore, Harris Stratex cannot provide assurances that third parties will not assert infringement claims against it based on foreign intellectual property rights and laws that are different from those established in the United States.

If sufficient radio frequency spectrum is not allocated for use by Harris Stratex s products, and Harris Stratex fails to obtain regulatory approval for its products, its ability to market its products may be restricted.

Radio communications are subject to regulation by United States and foreign laws and international treaties. Generally, Harris Stratex s products will need to conform to a variety of United States and international requirements established to avoid interference among users of transmission frequencies and to permit interconnection of telecommunications equipment. Any delays in compliance with respect to Harris Stratex s future products could delay the introduction of such products.

In addition, Harris Stratex will be affected by the allocation and auction of the radio frequency spectrum by governmental authorities both in the United States and internationally. Such governmental authorities may not allocate sufficient radio frequency spectrum for use by Harris Stratex s products or Harris Stratex may not be successful in obtaining regulatory approval for its products from these authorities. Historically, in many developed countries, the unavailability of frequency spectrum has inhibited the growth of wireless telecommunications networks. In addition, to operate in a jurisdiction, Harris Stratex must obtain regulatory approval for its products. Each jurisdiction in which Harris Stratex will market its products has its own regulations governing radio communications. Products that support emerging wireless telecommunications services can be marketed in a jurisdiction only if permitted by suitable frequency allocations, auctions and regulations. The process of establishing new regulations is complex and lengthy. If Harris Stratex is unable to obtain sufficient allocation of radio frequency spectrum by the appropriate governmental authority or obtain the proper regulatory approval for its products, its business, financial condition and results of operations may be harmed.

If Harris Stratex is unable to favorably assess the effectiveness of its internal controls over financial reporting, Harris Stratex may not be able to accurately report its financial results. As a result, current and potential stockholders could lose confidence in Harris Stratex s financial reporting, which could adversely affect its stock price.

Effective internal controls over financial reporting are necessary for Harris Stratex to provide reliable financial reports. Pursuant to Sections 302 and 404 of the Sarbanes-Oxley Act of 2002, or the SOX Act, and beginning with Harris Stratex s Annual Report on Form 10-K for the fiscal year ending June 27, 2008, Harris Stratex management will be required to certify to and report on, and its independent registered public accounting firm will be required to attest to, the effectiveness of Harris Stratex s internal controls over financial reporting as of June 27, 2008. If Harris Stratex fails to maintain effective internal controls over financial reporting, its operating results could be misstated, its reputation may be harmed and the trading price of its stock could be negatively impacted. As described in Management s Discussion and Analysis of Financial Condition and Results of Operations included in Stratex s Annual Report on Form 10-K for the year ended March 31, 2006, as amended, which is incorporated into this proxy statement/ prospectus by reference, Stratex determined there were two material weaknesses in its internal control over financial reporting as defined in standards established by the Public Company Accounting Oversight Board, or PCAOB. In general, a material weakness (as defined in PCAOB Auditing Standard No. 2) is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement in the annual or interim financial statements will not be prevented or detected. In fiscal 2006, Stratex devoted significant resources to remediate and improve its

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internal controls related to these material weaknesses. Stratex believes that these efforts have remediated the concerns that gave rise to the material weakness related to revenue recognition. However, due to the assessment of Stratex s internal controls over financial reporting as of March 31, 2006, Stratex had identified the continuation of a material weakness in the review of the financial statements of foreign operations and the period-end financial close and reporting process for Stratex s consolidated operations. Historically, Harris has only been required to certify or report on or receive an attestation from its independent registered public accounting firm with respect to Harris, taken as a whole, and not the Microwave Communications Division in particular. Stratex and the Microwave Communications Division currently are in the process of reviewing, documenting and testing their internal controls over financial reporting. Following the completion of the proposed transactions, Harris Stratex will continue reviewing its internal controls over the financial close and reporting process, and will implement additional controls as needed. However, Harris Stratex cannot be certain that its controls over its financial processes and reporting will be adequate in the future, and, to the extent that Harris Stratex incurs significant additional expenses in complying with these provisions of the SOX Act, those expenses have not been anticipated and are not otherwise reflected in the unaudited pro forma condensed consolidated financial data of Harris Stratex contained in this proxy statement/ prospectus. Any failure to maintain effective internal controls over financial reporting could cause Harris Stratex to prepare inaccurate financial statements, subject Harris Stratex to a misappropriation of assets or cause Harris Stratex to fail to meet its SEC reporting obligations on a timely basis, which could materially adversely affect the trading price of the Class A common stock.

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INFORMATION RELATING TO FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus, and the documents incorporated into it by reference, contain forward-looking statements within the meaning of Section 21E of the Exchange Act. In addition, the proxy statement contained in this document, and the documents incorporated into it by reference, contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and Section 27A of the Securities Act. All statements, trend analyses and other information contained herein about the markets for the services and products of Harris Stratex, Stratex and the Microwave Communications Division and trends in revenue, as well as other statements identified by the use of forward-looking terminology, including anticipate , believe , plan , estimate , exp goal and intend , or the negative of these terms or other similar expressions, constitute forward-looking statements. These forward-looking statements are based on estimates reflecting the best judgment of the senior management of Stratex and the Microwave Communications Division. These forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Forward-looking statements should therefore be considered in light of various important factors, including those set forth in this proxy statement/prospectus. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include the following:

- the failure to obtain and retain expected synergies from the proposed transactions;
- rates of success in executing, managing and integrating key acquisitions and transactions, including the proposed transactions;
- the ability to achieve business plans for the combined company;
- the ability to manage and maintain key customer relationships;
- the conditions to the completion of the proposed transactions may not be satisfied;
- delays in obtaining, or adverse conditions contained in, any regulatory or third-party approvals in connection with the proposed transactions;
- the ability to fund debt service obligations through operating cash flow;
- the ability to obtain additional financing in the future and react to competitive and technological changes;
- the ability to comply with restrictive covenants in the combined company s indebtedness;
- the ability to compete with a range of other providers of microwave communications products and services;
- the effect of technological changes on the combined company s businesses;
- the functionality or market acceptance of new products that the combined company may introduce;
- the extent to which the combined company s future earnings will be sufficient to cover its fixed charges;
- the parties ability to meet expectations regarding the timing, completion and accounting and tax treatments of the transaction;
- Harris Stratex will be subject to intense competition;

the failure of Harris Stratex to protect its intellectual property rights;

currency and interest rate risks;

revenues of the combined company following the proposed transactions may be lower than expected; and

the risk factors explained in Stratex s most recent Form 10-K, as amended.

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You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this proxy statement/ prospectus or the date of any document incorporated by reference. None of Harris, Stratex or Harris Stratex undertakes any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this proxy statement/ prospectus or any document incorporated by reference might not occur. For more information regarding the risks and uncertainties of the microwave communications business as well as risks relating to the combination of the Microwave Communications Division and Stratex, see Risk Factors beginning on page 26 of this proxy statement/ prospectus.

THE COMPANIES

Harris Stratex Networks, Inc.

Harris Stratex, currently a wholly owned subsidiary of Harris, is a Delaware corporation which was formed on October 5, 2006. Harris and Stratex agreed to form Harris Stratex solely for the purpose of effecting the merger and the contribution transaction, and to date Harris Stratex has not conducted any activities other than those incident to its formation, the execution of the combination agreement and the preparation of the applicable filings under the U.S. securities laws and regulatory filings made in connection with the proposed transactions. Immediately upon completion of the merger and the contribution transaction, Harris will hold 56% of the capital stock of Harris Stratex determined using the treasury stock method assuming a market price per share of Harris Stratex Class A common stock of $20.80 (which represents $5.20 per share of Stratex common stock prior to the effective one-for-four reverse split pursuant to the merger), or approximately 57% of the outstanding shares of Harris Stratex immediately after the consummation of the transactions. As a result, Harris Stratex will be a majority-owned subsidiary of Harris and its financial statements will be included in Harris consolidated financial statements. Harris Stratex expects to conduct the businesses of Stratex and the Microwave Communications Division following the merger and the contribution transaction substantially as currently conducted by Stratex and Harris, respectively; however, following the closing of the proposed transactions, Harris Stratex anticipates that it will integrate the businesses and will pursue supply chain efficiencies through increased production volume, rationalize the product portfolio, eliminate duplicate administrative and overhead costs, outsource some products to low-cost manufacturers, and adopt a common engineering design process.

Prior to the proposed transactions, Harris Stratex will amend and restate its certificate of incorporation and bylaws. As a result, Stratex stockholders who receive Harris Stratex common stock in the merger will become Harris Stratex stockholders and their rights as stockholders will be governed by the amended and restated certificate of incorporation and amended and restated bylaws of Harris Stratex and Delaware law. The amended and restated certificate of incorporation and amended and restated bylaws of Harris Stratex upon the completion of the mergers will be in substantially the form set forth in Appendix C and Appendix D to this proxy statement/ prospectus, respectively. For a comparison of the rights of a holder of Class A common stock under the amended and restated certificate of incorporation and amended and restated bylaws of Harris Stratex and Delaware law with the rights of a holder of Stratex common stock under the certificate of incorporation and bylaws of Stratex and Delaware law, see Comparison of Stockholder Rights beginning on page 196 of this proxy statement/ prospectus.

The principal executive offices of Harris Stratex are currently located at 1025 West NASA Blvd., Melbourne, Florida 32919, and its telephone number is (321) 727-9100. Following the closing of the proposed transactions, it is expected that the headquarters of Harris Stratex will be located at Research Triangle Park, 637 Davis Drive, Morrisville, North Carolina 27560, the current headquarters of the Microwave Communications Division, and its telephone number is expected to be (919) 767-3250.

Stratex Networks, Inc.

Stratex (formerly known as Digital Microwave Corporation (re-named as DMC Stratex Networks, Inc.)), was incorporated in California in 1984 and reorganized as a Delaware corporation in 1987. In August 2002, Stratex changed its name from DMC Stratex Networks, Inc. to Stratex Networks, Inc. Stratex is a leading provider of innovative wireless transmission solutions to mobile wireless carriers and data access providers around the world. Stratex s solutions also address the requirement of fixed wireless carriers, enterprises and government institutions that operate broadband wireless networks. Stratex designs, manufactures and markets a broad range of products that offer a wide range of transmission frequencies, ranging from 0.3 Gigahertz (GHz) to 38 GHz, and a wide range of transmission capacities, typically ranging from 64 Kilobits to 2OC-3 or 311 Megabits per second (Mbps). In addition to its product offerings, Stratex provides network planning, design and installation services and works closely with its customers to optimize transmission networks. In fiscal year 2006, Stratex s operations resulted in revenues of approximately $230,892,000, total assets of approximately $180,830,000 and a net loss of approximately $2,297,000.

The principal executive offices of Stratex are located at 120 Rose Orchard Way, San Jose, California 95134 and its telephone number is (408) 943-0777. Stratex and its wholly owned subsidiaries had approximately 471 full-time, part-time and temporary employees and $184.2 million in assets as at September 30, 2006. For additional information about Stratex and its business, see Where You Can Find More Information on page 207 of this proxy statement/ prospectus.

Stratex Merger Corp.

Stratex Merger Corp., a wholly owned subsidiary of Harris Stratex, is a Delaware corporation formed solely for the purpose of effecting the merger with Stratex. Stratex Merger Corp. is often referred to in this proxy statement/ prospectus as Merger Sub. Its principal executive offices are located at 1025 West NASA Blvd., Melbourne, Florida 32919, and its telephone number is (321) 727-9100.

Upon the terms and conditions set forth in the combination agreement, Merger Sub will be merged with and into Stratex and the separate existence of Merger Sub will cease. Stratex will be the surviving corporation in the merger.

Merger Sub has not conducted any activities other than those incidental to its formation and the matters contemplated by the combination agreement, including the preparation of applicable filings under the U.S. securities laws and regulatory filings made in connection with the proposed transactions.

Microwave Communications Division of Harris Corporation

The Microwave Communications Division is one of four divisions within Harris, an international communications and information technology company focused on providing assured communications products, systems and services for government and commercial customers. The Microwave Communications Division was formed in February, 1980, when Farinon Corporation, a producer of telecommunications products and recognized leader in the telephone equipment market, was acquired by Harris. The principal executive offices of the Microwave Communications Division are located at Research Triangle Park 637, Davis Drive, Morrisville, North Carolina 27560 and its telephone number is (919) 767-3250.

The Microwave Communications Division is a global provider of products and services in point-to-point microwave radio communications. The Microwave Communications Division designs, manufactures and sells a broad range of microwave radios for use in worldwide wireless communications networks. Applications include wireless/mobile infrastructure connectivity; secure data networks; public safety transport for state, local and federal government users; and right-of-way connectivity for utilities, pipelines, railroads and industrial companies. The Microwave Communications Division also offers a comprehensive network management system known as NetBoss®. NetBoss® is an end-to-end turnkey solution for managing multi-vendor, multi-service, multi-protocol communications networks. NetBoss® provides turnkey element and network management solutions for fault management, performance management, configuration management, as well as operational support systems. In fiscal year 2006, the operations of the Microwave Communications Division resulted in revenues of approximately $357,500,000, total assets of approximately $352,649,000 and a net loss of approximately $35,848,000. The fiscal year 2006 results include an approximately $39,600,000 after-tax charge related to inventory write-downs and other charges associated with product discontinuances, as well as the planned shutdown of manufacturing activities at the MCD plant in Montreal, Canada.

The Microwave Communications Division had approximately 1,040 employees and comprised $353.9 million in assets at September 29, 2006. For more information regarding the Microwave Communications Division, see Description of the Business of the Microwave Communications Division of Harris Corporation beginning on page 157 of this proxy statement/ prospectus.

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THE SPECIAL MEETING

Date, Time & Place of the Stratex Special Meeting

This proxy statement/ prospectus is being furnished in connection with the solicitation of proxies by the board of directors of Stratex for the special meeting of stockholders to be held at 10:00 a.m., local time, on Thursday, January 25, 2007, and any adjournment or postponement thereof. The special meeting will be held at the principal executive offices of Stratex located at 120 Rose Orchard Way, San Jose, California 95134. The telephone number at that location is (408) 943-0777.

Purpose of the Stratex Special Meeting

The special meeting is being held to request that the holders of Stratex common stock consider and vote upon a proposal to adopt the combination agreement and approve the merger of Merger Sub with and into Stratex, with Stratex as the surviving corporation, and the other transactions provided for in the combination agreement. In addition, you are also being asked to approve any adjournment of the special meeting, including for the purpose of soliciting additional proxies, in the discretion of the proxies (or either of them) for the purpose of soliciting additional proxies.

Record Date for the Stratex Special Meeting; Quorum

You are entitled to notice of, and may vote at, the Stratex special meeting if you were the record holder of Stratex common stock as of the close of business on December 8, 2006, the record date for the Stratex special meeting. As of the close of business on the record date, there were 98,178,263 shares of Stratex s common stock outstanding and entitled to vote at the special meeting, held by 363 stockholders of record. Under Stratex s bylaws, the holders of a majority of these shares who are present in person or represented by proxy at the special meeting, constitute a quorum for the transaction of business at the special meeting.

Vote Required

Proposal to Adopt the Combination Agreement and Approve the Merger

The adoption of the combination agreement and the approval of the merger and the other transactions provided for in the combination agreement requires the affirmative vote of a majority of all of Stratex s common stock outstanding and entitled to vote on the record date.

Proposal to Adjourn the Special Meeting

The adoption of the proposal to permit the proxies to adjourn the special meeting, including for the purpose of soliciting additional proxies, requires the affirmative vote of the majority of shares of Stratex common stock in person or represented by proxy at the meeting and entitled to vote on the record date, regardless of whether a quorum is present.

Voting Agreements

Each outstanding share of Stratex common stock on the record date is entitled to one vote on all matters to come before the special meeting. An automated system administered by Stratex s transfer agent, Mellon Investor Services LLC, will tabulate votes cast by proxy. A representative of Stratex s transfer agent will act as the inspector of elections for the special meeting and will tabulate the votes cast in person at the special meeting. As of the close of business on the record date for the Stratex special meeting, the directors and executive officers of Stratex and their affiliates beneficially owned approximately 1.5% of the shares of Stratex then outstanding and entitled to vote at the special meeting. Each of the directors and senior officers of Stratex has entered into an agreement with Harris in which he or she has agreed to vote all shares over which he or she has voting power in favor of the proposal submitted to the stockholders at the special meeting to adopt the combination agreement and approve the

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merger and the other transactions provided for in the combination agreement. As of the close of business on the record date for the Stratex special meeting, 1.5% of the then-outstanding shares of Stratex Common Stock are subject to these voting agreements.

Adjournment or Postponement

If a quorum is not present at the special meeting, the stockholders entitled to vote at the meeting, present in person or represented by proxy, have the power to cause the meeting to be adjourned, including for the purpose of soliciting additional proxies, from time to time, without notice other than announcement at the meeting, until a quorum is present or represented by proxy. At an adjourned meeting at which a quorum is present or represented by proxy any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjournment meeting, a notice of the adjourned meeting will be given to each stockholder of record entitled to vote at the adjourned meeting.

If you choose to vote by proxy, then the proxy you submit (whether by mail, telephone or over the Internet) will continue to be valid at any adjournment or postponement of the special meeting.

Proxies

If you are unable to attend the special meeting, you may vote by proxy. You may submit your proxy over the Internet, by telephone or by signing, dating and returning the enclosed proxy card in the accompanying pre-paid envelope. If your proxy is properly completed and submitted as instructed, it will be voted pursuant to your instructions set forth on the proxy card or provided by telephone or over the Internet. If you choose to vote by mail, you are urged to specify your choices on the enclosed proxy card. If a proxy card is signed and returned without choices specified, in the absence of contrary instructions, the shares of common stock represented by the proxy will be voted **FOR** the proposal to adopt the combination agreement and approve the merger and the other transactions provided for in the combination agreement and **FOR** the proposal to adjourn the special meeting of the Stratex stockholders in the discretion of the proxies or either of them, and will be voted in the proxy holders discretion as to such other matters that may properly come before the special meeting.

If the shares of Stratex common stock are held in your name, you may revoke or change your proxy given pursuant to this solicitation at any time before your proxy is voted in any of four ways:

First, timely deliver a valid later-dated proxy by mail.

If you elect to deliver a later-dated proxy, please submit your new proxy to Stratex s transfer agent at the following address:

Mellon Investor Services
525 Market Street, Suite 3500
San Francisco, California 94105

Second, provide written notice to Stratex s inspector of elections before the meeting that you have revoked your proxy.

If you elect to revoke your proxy, please send your written notice to the inspector of elections at the following address:

Mellon Investor Services
Proxy Processing
P.O. Box 1680
Manchester, Connecticut 06045-1680

Third, you can submit revised voting instructions by telephone or over the Internet by following the instructions set forth on the proxy card.

Fourth, you can attend the special meeting and vote in person. Simply attending the meeting, however, will not revoke your proxy or change your voting instructions. You must vote at the meeting or provide written notice of revocation to the inspector of elections.

If your shares are held in street name, you should follow the directions provided by your bank, broker or other nominee regarding how to revoke or change your proxy.

Voting Your Proxy

You may submit your proxy (1) over the Internet at *www.proxyvoting.com/stxn*, (2) by telephone or (3) by signing, dating and returning the enclosed proxy card promptly in the accompanying envelope. Should you receive more than one proxy because your shares are registered in different names and addresses, each proxy should be returned to ensure that all your shares will be voted. If you submit your proxy (whether by mail, telephone or over the Internet) and then decide to attend the special meeting to vote your shares in person, you may still do so. Your proxy is revocable in accordance with the procedures described above under Proxies .

Solicitation of Proxies

Stratex will bear the cost of solicitation, and Harris and Stratex will share equally the cost of publishing, printing and mailing this proxy statement/prospectus, the proxy card and any additional solicitation materials furnished to the Stratex stockholders. Stratex will reimburse brokerage firms and other custodians, nominees and fiduciaries for their reasonable expenses incurred in sending these proxy materials to beneficial owners of Stratex common stock. Stratex may supplement the original solicitation of proxies by mail, by solicitation by telephone, e-mail or in-person meetings held by our directors, officers and employees. No additional compensation will be paid to these individuals for any such services. In addition, Stratex has engaged Morrow and Co. to solicit proxies on Stratex s behalf. Morrow and Co. will receive $6,000 from Stratex as compensation for such services, plus other fees and expenses related to the extent of the services to be provided in connection with the solicitation effort.

Broker Non-Votes

Under the Delaware General Corporation Law, an abstaining vote and a broker non-vote are counted as present and are, therefore, included for purposes of determining whether a quorum of shares is present at the special meeting. A broker non-vote occurs when a broker or other nominee holding shares for a beneficial owner signs and returns a proxy with respect to shares of common stock held in a fiduciary capacity (typically referred to as being held in street name) but does not vote on a particular matter because the nominee does not have the discretionary voting power with respect to that matter and has not received instructions from the beneficial owner. Under the rules that govern brokers who are voting with respect to shares held in street name, brokers have the discretion to vote such shares on routine matters but not on non-routine matters. The proposals that Stratex stockholders are being asked to vote on at the special meeting are not considered routine matters and accordingly brokers or other nominees may not vote without instructions. Broker non-votes are considered present at the special meeting but not entitled to vote on the proposals and will have the same effect as a vote **AGAINST** the proposals because the proposal to adopt the combination agreement and approve the merger and the other transactions provided for in the combination agreement must be adopted by the holders of a majority of the outstanding shares of Stratex common stock and the proposal to permit the proxies to, in their discretion, adjourn the special meeting of the Stratex stockholders must be adopted by a majority of the stockholders present in person or by proxy at the special meeting of Stratex stockholders.

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Proxy Materials

If you have any questions about the proposed transactions, or if you need additional copies of this proxy statement/prospectus or the enclosed proxy card, you should contact:

Morrow and Co.
470 West Avenue
Stamford, Connecticut 06902
1-800-607-0088

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THE CONTRIBUTION TRANSACTION AND THE MERGER

Description of the Combination

The discussion in this proxy statement/prospectus of the merger and the contribution transaction and combination agreement is subject to and is qualified in its entirety by reference to the combination agreement, a copy of which is attached as Appendix A to this proxy statement/prospectus and is incorporated into this proxy statement/prospectus by reference. In addition, for more information regarding the terms of the combination agreement and the other agreements to be entered into at the completion of the proposed transactions that provide Harris with governance rights, among other things, which Harris and Harris Stratex will enter into at the time of the combination, see The Combination Agreement , The Investor Agreement , The Non-Competition Agreement and Other Agreements beginning on page 87, page 107, page 113 and page 114 of this proxy statement/prospectus, respectively.

Description of the Merger

Under the terms of the combination agreement, Stratex will merge with a wholly owned subsidiary of Harris Stratex and, as the surviving entity in that merger, will become a wholly owned subsidiary of Harris Stratex.

Consideration to be Received by the Stratex Stockholders

If the proposed transactions go forward, each share of Stratex common stock outstanding immediately prior to the merger will be automatically converted into one-fourth of a share of Harris Stratex Class A common stock. The one-fourth conversion ratio is fixed, and, as a result, the number of shares of Harris Stratex common stock received by the Stratex stockholders in the merger will not fluctuate up or down based on the market price of a share of Stratex common stock prior to the merger. In addition, because each Stratex stockholder will receive one-fourth of a share of Harris Stratex Class A common stock, the merger will have the same effect as if Stratex had completed a one-for-four reverse split immediately prior to the merger. It is expected that the shares of Harris Stratex Class A common stock that Stratex stockholders will receive in the merger will be publicly traded on NASDAQ. Following the merger, Stratex common stock will be delisted from NASDAQ.

Description of the Contribution Transaction

Simultaneously with the merger, Harris has agreed to contribute the assets comprising its Microwave Communications Division, including $32.1 million in cash, to Harris Stratex (other than certain identified assets which will be leased from Harris by Harris Stratex for lease payments agregating $7.1 million). In addition, Harris will allocate, as appropriate and reasonably practicable, its liabilities between its Microwave Communications Division and any other businesses or divisions of Harris and, following such allocation, Harris Stratex will assume those liabilities of Harris that primarily result from or primarily arise out of the Microwave Communications Division.

Consideration to be Received by Harris

In exchange for its contribution to Harris Stratex, Harris Stratex will issue to Harris a number of shares of Class B common stock of Harris Stratex equal to 56% of the capital stock of Harris Stratex immediately following the combination transaction, determined using the treasury stock method, assuming, solely for this purpose, a market price per share of Harris Stratex Class A common stock of $20.80, which is equivalent to $5.20 per share of Stratex common stock prior to the one-for-four exchange effected by the merger. Upon closing, the shares Harris and the former shareholders of Stratex will receive in the transaction will represent approximately 57% and 43%, respectively, of the outstanding shares of Harris Stratex immediately after the consummation of the transactions (or approximately 56.1% and 43.9%, respectively, of the outstanding shares determined on a fully diluted basis using the treasury stock method and the closing price for the shares on December 27, 2006).

The Class B common stock issued to Harris in exchange for its contribution will be substantially similar to the Class A common stock that will be issued in the merger to the holders of outstanding shares of Stratex common stock, except that the holders of the shares of Class B common stock will have the right, among others, to elect separately as a class a number of the directors of Harris Stratex equal to Harris proportionate ownership of the total voting power of the outstanding Harris Stratex common stock so long as Harris total voting power is equal to or greater than 10%. Each share of Class B common stock is also convertible at any time for a share of Class A common stock. Following the combination transaction, Harris will be the only holder of Class B common stock of Harris Stratex, and Harris Stratex will not be permitted to issue additional shares of Class B common stock without the prior approval of Harris. For more information relating to the rights of the holders of Class B common stock, see Description of Harris Stratex Capital Stock beginning on page 191 of this proxy statement/prospectus and Comparison of Stockholder Rights beginning on page 196 of this proxy statement/prospectus.

Harris Governance Rights and Contractual Relationships

In connection with the completion of the proposed transactions, Harris and Harris Stratex will enter into several agreements which will provide Harris with ongoing governance rights. In addition, prior to the closing of the merger and the contribution transaction, Harris Stratex will amend and restate its certificate of incorporation and bylaws. The amended and restated certificate of incorporation and amended and restated bylaws of Harris Stratex also will reflect these governance arrangements, as appropriate.

Election of Class B Directors

The agreed governance arrangements provide that, so long as Harris holds a majority of the total number of votes entitled to be cast generally in an election of the directors of Harris Stratex (other than directors elected separately as a class by the holders of Class B common stock), there will be nine directors of Harris Stratex of which five will be elected separately by Harris as the only holder of shares of Class B common stock. The directors elected separately by Harris as the sole holder of shares of Class B common stock are sometimes referred to in this proxy statement/prospectus as the Class B directors. During this period, the quorum for action by the board of directors of Harris Stratex will be a majority which majority must include at least four of the Class B directors. Harris has further agreed that, until the second anniversary of the completion of the proposed transactions, two of the five Class B directors it is entitled to elect must satisfy the following requirements: one must meet the independence requirements for directors serving on an audit committee as prescribed by the rules applicable to companies listed on NASDAQ, which rules we refer to in this proxy statement/prospectus as the NASDAQ rules, and one must not be an employee of Harris or any of its subsidiaries (without regard to Harris Stratex or any of its subsidiaries).

The remaining four Harris Stratex directors, which we sometimes refer to in this proxy statement/prospectus as the Class A directors or the non-Harris directors, will be nominated by a nominating committee of the board of directors of Harris Stratex consisting solely of non-Harris directors and elected by the holders of Harris Stratex Class A and Class B common stock voting together as a class. In addition, under the terms of the investor agreement, Harris has agreed to vote all of its shares in the election of Harris Stratex non-Harris directors for the nominees proposed by nominating committee so long as Harris holds a majority of the total number of votes entitled to be cast generally in an election of the Class A directors.

At any time when Harris holds less than a majority but 10% or more of the total number of votes entitled to be cast generally in an election of the directors of Harris Stratex (other than directors elected separately by the holders of Class B common stock), Harris will be entitled to elect a number of Class B directors equal to Harris voting percentage in such election times the number of directors then comprising the Harris Stratex board of directors (rounding down to the next whole number of directors).

Harris has the right to remove any Class B director with or without cause at any time for any reason and will have the right to elect any successor director to the fill the vacancies created by such removal.

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Any vacancy created by the resignation, death or incapacity of a Class B director will be filled by the other Class B directors then in office and, if none, by Harris. Only the holders of Harris Stratex Class A common stock, voting separately as a class, will be permitted to remove the Class A directors without cause or fill vacancies created by such removal, if not filled by the Class A directors then in office. To the extent Harris owns any shares of Harris Stratex Class A common stock, it has agreed that it will not vote those shares for the removal of any Class A director without cause and will vote all of its shares of Harris Stratex Class A common stock for any individual nominated by the nominating committee to replace any Class A director who has been removed with or without cause.

Related Party Transactions and Freedom of Action

These governance arrangements also provide that, following the closing of the proposed transactions, Harris and its affiliates are only permitted to enter into a transaction with Harris Stratex if the transaction is approved by a majority of the non-Harris directors or is on terms no less favorable in any material respect to Harris Stratex than those that could have been obtained by Harris Stratex, taking into consideration the then prevailing facts and circumstances, if it had negotiated the transaction with an informed, unrelated third party. However, if a transaction has a fair market value of more than $5 million, it must be approved in advance by a majority of the non-Harris directors. Certain specified transactions relating to the payment of directors fees, employee benefits and other similar arrangements, indemnification arrangements and tax-sharing arrangements between Harris Stratex and any other entity with which Harris Stratex files a consolidated tax return or with which Harris Stratex is part of a consolidated group for tax purposes will not be subject to these restrictions.

Subject to the terms of the non-competition agreement to be entered into by Harris Stratex, Stratex and Harris at the closing of the transactions or other than opportunities offered to an individual who is a director or officer of both Harris Stratex and Harris in writing solely in that person s capacity as an officer or director of Harris Stratex, Harris will be free to compete with Harris Stratex in any activity or line of business, invest or develop a business relationship with any person engaged in the same or similar activities or businesses as Harris Stratex or do business with any customer of Harris Stratex or employ any former employee of Harris Stratex. Neither Harris nor its affiliates will have any duty to communicate its or their knowledge of or offer any potential business opportunity, transaction or other matter to Harris Stratex unless the opportunity was offered to the individual who is a director or officer of both Harris Stratex and Harris in writing solely in that person s capacity as an officer or director of Harris Stratex. If any director or officer of Harris who is also an officer or director or Harris Stratex becomes aware of a potential business opportunity, transaction or other matter (other than one expressly offered to that director or officer in writing solely in his or her capacity as a director or officer of Harris Stratex), that director or officer will have no duty to communicate or offer that opportunity to Harris Stratex, and will be permitted to communicate or offer that opportunity to Harris (or its affiliates) and that director or officer will not be deemed to have acted in bad faith or in a manner inconsistent with the best interests of Harris Stratex or in a manner inconsistent with his or her fiduciary or other duties to Harris Stratex.

Standstill Provision

Harris has agreed that, for two years following the completion of the proposed transactions, it will not acquire or dispose of any of its interest in Harris Stratex, other than pursuant to the preemptive rights provided to Harris Stratex pursuant to the investor agreement or unless approved in advance by a majority of the directors of Harris Stratex not elected by Harris. In addition, Harris has agreed that from the second to the fourth anniversary of the completion of the proposed transactions, it will not (1) beneficially own more than 80% of the voting power of Harris Stratex without the prior approval of a majority of the non-Harris directors or (2) transfer all or a portion of its interest in Harris Stratex to a person if, following such transfer, that person would be entitled to cast a majority of the outstanding votes in an election of the directors of Harris Stratex (other than an election of the Class B directors) unless a majority of the non-Harris directors approve such transfer in advance or the person purchasing Harris interest in Harris

Stratex offers to acquire all the outstanding voting securities of Harris Stratex at the same price and on the same terms as apply to the transfer from Harris.

Preemptive Rights

Subject to limited exceptions, Harris also has the right to preserve its proportionate interest in Harris Stratex by participating in any issuance of Harris Stratex capital stock, but only when Harris holds a majority of the total number of votes entitled to be cast generally in an election of the directors of Harris Stratex (other than an election of the Class B directors). If it elects to participate in the issuance, Harris has the right to purchase up to that number of shares necessary to preserve its voting percentage at the same price and on the same terms and conditions otherwise being offered by Harris Stratex.

NASDAQ Listing Requirements

Following the completion of the proposed transactions, Harris will hold more than 50% of the outstanding voting power of Harris Stratex. As a result, Harris Stratex will be eligible for the controlled company exemption under the NASDAQ rules which provides that if more than 50% of the voting power of a company listed on NASDAQ is held by another company, the NASDAQ listed company is not required to comply with certain director independence requirements that it would otherwise be subject to. This means that Harris Stratex will be exempt from certain director independence requirements, so long as Harris Stratex elects to avail itself of this exemption by appropriately disclosing in its filings with the Securities and Exchange Commission that it is a controlled company and its basis for that determination. The requirements that Harris Stratex would be exempted from include that:

- a majority of its board of directors consist of independent directors;
- its director nominees be selected, or recommended for selection, by the board of directors, either by:
  - a majority of the independent directors; or
  - a nominations committee comprised solely of independent directors; and
- the compensation of its officers be determined, or recommended to the board of directors for determination, either by:
  - a majority of the independent directors; or
  - a compensation committee comprised solely of independent directors.

It is expected that at all times when Harris holds a majority of the outstanding voting power of Harris Stratex, Harris Stratex will rely on the controlled company exemption contained in the NASDAQ rules.

Non-Competition Agreement

Harris has agreed that, for five years following the completion of the proposed transaction, it will not, and will not permit any of its subsidiaries (other than Harris Stratex and its subsidiaries) to, engage in the development, manufacture, distribution and sale of microwave radio systems that are competitive with the current products of Stratex and the Microwave Communications Division or substantially similar to those products in form, fit and function when used in terrestrial microwave point-to-point communications networks that provide access and trunking of voice and data for telecommunications networks. Notwithstanding this restriction agreed to by Harris, Harris is permitted to purchase and resell products produced by and branded by persons unaffiliated with Harris and to develop, manufacture, distribute and sell microwave radios and related components for use by government entities.

For more information relating to the governance rights of Harris and the other contractual arrangements to be entered into at the completion of the proposed transactions, see The Investor Agreement , The Non-Competition Agreement , Other Agreements beginning on page 107, page 113 and page 114, respectively, of this proxy statement/prospectus and Comparison of Stockholder Rights beginning on page 196 of this proxy statement/prospectus.

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Background of the Transactions

In recent years, Stratex, as an integral part of its overall strategy to enhance stockholder value, has been expanding its presence in global markets by introducing innovative technologies to serve existing and new market applications and strategic collaborations. Stratex s exploration of collaboration opportunities, conducted over a period of approximately four years ending shortly before the execution of the combination agreement with Harris, included at least preliminary discussions with six major international microwave communication suppliers, including Harris, and additional smaller companies to determine their level of interest, if any, in strategic transactions such as business combinations, licensing the Stratex Eclipse product or other forms of collaboration. Discussions with each of these companies (other than Harris) were terminated because each of the other companies expressed disinterest in further discussions or proposed a valuation of its own business that Stratex management and the Stratex board of directors considered aggressive, or because Stratex management and the board of directors of Stratex viewed the prospects of the other company s business and the opportunities for combination synergies to make a combination or collaboration not in the interest of the Stratex stockholders. These discussions and their terminations were reviewed and discussed regularly by the board of directors of Stratex, and were reviewed again in connection with the board s consideration of a transaction with Harris. To enhance its collaboration strategy, pursuant to an engagement letter dated April 11, 2006, Stratex retained Bear, Stearns & Co. Inc., who is referred to in this proxy statement/prospectus as Bear Stearns as its exclusive financial advisor in connection with a transaction with the Microwave Communications Division, to assist it in identifying business combination opportunities because Bear Stearns had provided similar assistance in 2002.

Harris continually reviews each of its businesses and Harris as a whole to determine the most appropriate manner in which to realize its inherent value. As part of this review process, throughout 2005 it explored a number of ways to enhance its Microwave Communications Division by pursuing strategic opportunities that would lead to long term growth of the business and better position the division as a global leader in the microwave radio segment. In connection with this process, Harris retained Morgan Stanley & Co. Incorporated, whom we refer to in this proxy statement/ prospectus as Morgan Stanley, to assist it in seeking out potential opportunities. Over the course of the next several months, Harris considered a variety of possible transactions that it believed had potential to improve stockholder value including strategic transactions such as business combinations or dispositions but ultimately determined that none of the available alternatives accomplished the desired objective because management did not believe they recognized the potential of the Microwave Communications Division.

In December of 2005, as part of Stratex s ongoing exploration of collaboration opportunities, Charles Kissner, then Stratex s Chairman and Chief Executive Officer, contacted Howard Lance, Chairman, President and Chief Executive Officer of Harris, to initiate discussions regarding a possible transaction involving Stratex and the Microwave Communications Division. Mr. Lance accepted the proposed meeting.

On January 10, 2006, Mr. Lance, Gary McArthur, then the Vice President and Treasurer of Harris, and Mr. Kissner met in New York City. During the meeting, Messrs. Lance and Kissner agreed that they believed that a combination of Stratex and the Microwave Communications Division could create significant value for Harris and the Stratex stockholders and they should continue to explore the potential combination further.

To that end, the parties entered into a customary confidentiality agreement on January 26, 2006. Messrs. Lance and Kissner instructed their respective management teams and advisors to continue discussions, including sharing preliminary valuations, and commence their initial due diligence investigations.

Throughout the month of February, Harris and Stratex management had a series of conference calls in order to further pursue a potential combination.

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On March 8, 2006, representatives of Harris and Stratex met in Dallas, Texas, to discuss various structuring alternatives for a potential transaction, including whether the transaction would be a combination or sale and whether it would be for cash, equity of Stratex or a combination of both.

In mid-March 2006, Stratex provided Harris with a proposal which contemplated two alternative structures for a proposed transaction: (1) a combination of Stratex and the Microwave Communications Division with Harris stockholders receiving equity in the combined company and (2) a combination of Stratex and the Microwave Communications Division with Harris receiving a combination of cash and shares of Stratex common stock constituting less than 20% of the combined company. (The company which would combine these businesses is often referred to in this proxy statement/prospectus as the combined company.)

In light of these developments, on March 6, 2006 the board of directors of Stratex formed a Strategic Business Development Committee, consisting of Mr. Kissner and three of its independent members, in order to give board members more involvement in the process and information regarding its progress more frequently. All directors received notices of its meetings and were invited to participate in them.

The Stratex Strategic Business Development Committee met on April 19, 2006 to discuss a possible combination transaction with the Microwave Communications Division. Management presented its summary of the discussions to date and Bear Stearns presented preliminary material relevant to the possible combination of Stratex s and the Microwave Communications Division s respective businesses. No material information was contained in the Bear Stearns preliminary material that was not also included in the final presentation made by Bear Stearns to the board of directors of Stratex in connection with rendering its fairness opinion on September 5, 2006, as described below under Opinion of Stratex s Financial Advisor . Because the valuation of the Microwave Communications Division was greater relative to the valuation of Stratex, it was understood that Harris would require that it control the combined company as a condition to any transaction. Accordingly, issues relating to Harris likely control of the combined company were also discussed, including possible conflicts of interests between Harris and the combined company, Harris as a competitor of the combined company and business opportunities that may be attractive to both Harris and the combined company.

Harris continued to discuss and consider the alternatives proposed by Stratex internally throughout the end of March and the beginning of April. On April 21, 2006, Mr. Lance and Mr. Kissner met in Las Vegas, Nevada to discuss the proposals made by Stratex. Mr. Lance indicated that Harris believed it best to pursue an alternative where Harris held a significant equity interest in the combined company. He further stated that Harris would only be willing to move forward in exploring the transaction if Harris held a majority of the outstanding capital stock of the combined company and had management rights reflecting its majority ownership. Mr. Lance stated that Harris believed, preliminarily, that Harris should hold 60% of the equity and Stratex stockholders should hold 40% of the combined company, noting that this equity split took into consideration a control premium. Mr. Kissner countered stating that Stratex believed Harris should have a lower equity interest in the combined company. However, it was agreed that both parties would continue to pursue that discussion. The parties also understood that pursuing Mr. Lance s proposal would necessitate the creation of a new company to which Harris would contribute its Microwave Communications Division and of which Stratex would become a wholly owned subsidiary in order to effect the transaction in a tax efficient manner.

On April 27 and 28, 2006, the board of directors of Harris held a regularly scheduled meeting at which Mr. Lance and other members of the Harris management team provided an update regarding his discussions with Mr. Kissner. The board of directors reached a consensus that the Harris management team should continue to pursue a transaction with Stratex on the general terms outlined by Mr. Lance.

In early May, Mr. Kissner provided Mr. Lance with a preliminary term sheet outlining Stratex s view on the rights and obligations of Harris as a majority stockholder of the combined company, including provisions requiring Harris to dispose of, or alternatively permitting the combined company to repurchase or offer, Harris interest in the combined company. The term sheet also stated that Harris equity interest in the combined company in percentage terms should be in the low 50s.

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On May 4, 2006, the Stratex Strategic Business Development Committee met and discussed the then-current state of the negotiations and proposals to be presented to Harris.

On May 5, 2006, after reviewing and considering the terms outlined by Stratex both internally and with Harris legal and financial advisors, Mr. Lance contacted Mr. Kissner to further discuss Harris positions. He stated, based on the relative valuations of Stratex and the Microwave Communications Division, that Harris continued to believed that the proposed contribution of its Microwave Communications Division entitled it to more than half of the equity of a company combining the division and the business of Stratex, and as a result Harris should be able to elect a majority of the board of directors of a combined company. In addition, he noted that it was essential that Harris have the flexibility to retain or dispose of its investment in a combined company in a manner that it believed maximized value for the Harris stockholders and, accordingly, was not prepared to restrict Harris in the manner outlined in the preliminary term sheet provided several days earlier by Mr. Kissner. Following this conversation, Mr. Kissner and Mr. Lance agreed that, notwithstanding these differences, because of the potential growth and synergy possibilities it continued to be worthwhile to engage in discussions and try to develop mutually acceptable terms on which to combine Stratex with the Harris Microwave Communications Division.

On May 8 and 9, 2006, the management teams of Harris and Stratex, along with their respective financial and legal advisors, met again in Dallas, Texas to further pursue a possible transaction. At these meetings, each of the parties made presentations to the management of the other party regarding its business and operations and its views on transaction terms, including the parties respective percentage interests in a combined company.

On May 15, 2006, Gary McArthur, Vice President and Chief Financial Officer of Harris, delivered to Mr. Kissner a description of the parameters on which Harris was prepared to move forward with a potential transaction. These parameters outlined Harris position with respect to the structure of the transaction (including the tax treatment and that Harris contribution to the combined company would include the transfer of assets and liabilities of the Microwave Communications Division), the equity split of the combined company, the treatment of stock options, the composition of the board of directors and management of the combined company, its willingness to be subject to provisions containing some form of non-compete and standstill, antidilution protections and other general transaction terms (including a cash contribution to provide the combined company with adequate working capital). The parties continued to discuss and negotiate these terms over the next week and a half.

At its regular meeting on May 16, 2006, the board of directors of Stratex discussed the pending proposals by Stratex and Harris. On May 24, 2006, Stratex management discussed the status of the negotiations with the Stratex Strategic Business Development Committee. Because the Microwave Communications Division operated as a discrete division of Harris, Stratex management indicated that it believed it had a good understanding of the liabilities of the Microwave Communications Division to be assumed by the combined company.

On May 26, 2006, Mr. Kissner provided Mr. Lance with a response to the transaction parameters provided by Mr. Lance. Mr. Kissner and Mr. Lance continued to negotiate and refine these parameters. On June 3, 2006, Mr. Kissner and Mr. Lance mutually agreed to pursue a possible transaction on specified parameters, including that 56% of the outstanding equity of the combined company would be held by Harris, taking into account the assets as well as the liabilities to be contributed by Harris to the combined company, and the name of the combined company would be Harris Stratex Networks, Inc. These terms also provided that Harris contribution would include $25 million in cash (or $32.1 million less the $7.1 million relating to certain leased assets) to address the combined company s working capital needs (which was approximately equal to the then-current amount of Stratex s working capital net of its debt). Messrs. Kissner and Lance then agreed to take the specified parameters back to their respective boards of directors, and if acceptable, to proceed with due diligence and the negotiation of definitive documents.

On June 23, 2006, the board of directors of Harris held a regularly scheduled meeting during which Mr. Lance and other members of the Harris management team updated the members on the status of Harris review of strategic opportunities for its Microwave Communications Division. At that meeting he presented the deal parameters that had been discussed and preliminarily agreed with Stratex, subject to due diligence, negotiation of definitive documentation and formal board approval. After additional discussion among the members, the Harris board of directors reached a consensus that the Harris management team should continue to pursue the proposed transaction with Stratex and to advise Stratex that Harris was prepared to proceed with more detailed due diligence and negotiation of definitive agreements.

Throughout the balance of June and July, Harris and Stratex conducted their respective due diligence investigations. Representatives of the two companies also discussed on several occasions the future composition of the management of a combined company. On June 26 and 27, 2006, executives from Stratex and the Microwave Communications Division met in Atlanta, Georgia to initiate the development of an operating and organizational plan for a combined company. On July 7, 2006, the initial draft of the combination agreement was distributed by Sullivan & Cromwell LLP, legal counsel to Harris, to Bingham McCutchen LLP, legal counsel to Stratex, which we refer to in the proxy statement/prospectus as Sullivan & Cromwell and Bingham McCutchen, respectively.

Also on July 7, 2006, Stratex s Strategic Business Development Committee met to review and discuss the status of negotiations to date, the initial results of Stratex s due diligence on the Microwave Communications Division and an initial presentation on the combined company s organizational and operating plans.

On July 18 and 19, 2006, the management teams of Harris and Stratex met in Scottsdale, Arizona to present additional due diligence materials to each other and further discuss the proposed transactions. Between July 15th and 19th, Sullivan & Cromwell delivered to Bingham McCutchen initial drafts of certain additional agreements that the parties determined should be agreed as part of the combination agreement, including an investor agreement, a non-competition agreement, a voting agreement and a registration rights agreement.

On July 26, Stratex s Strategic Business Development Committee met and reviewed more detailed financial projections for a combined company, the updated results of due diligence on the Microwave Communications Division and the management organization of a combined company.

On July 29, 2006, Bingham McCutchen provided revised versions of the key documents. The proposed revisions by Stratex highlighted several issues between the parties requiring further consideration and negotiation, including the method of allocating the assets and liabilities of Harris Microwave Communications Division to be contributed and assumed by the combined company, identification of the liabilities of the Microwave Communications Division to be retained by Harris, the termination provisions, the amount and circumstances under which termination fees should be payable, when and if Harris should be able to match any competing acquisition proposal for Stratex, the amount and circumstances under which indemnification should be available to the parties and transaction conditionality. Regarding transaction conditionality, the parties discussed, among other things, whether Stratex should be required to take the combination agreement to a stockholder vote before being able to terminate that agreement (commonly known as a force the vote provision) and whether Stratex s satisfaction with certain environmental reports should be a condition to the closing of the transaction. In addition, the parties acknowledged that the following terms of the other agreements to be agreed would require further discussion: the definition of restricted business defining the scope of the non-compete imposed on Harris, including the exceptions to the non-compete; the composition of the quorum for the board of directors of the combined company; the treatment of corporate opportunities; and Harris ability to assign its rights under the investor agreement.

The parties continued to exchange drafts through August 9, 2006 and determined that they would meet in New York City at the offices of Sullivan & Cromwell on August 10 and 11, 2006 to try to resolve any major outstanding issues. In addition to the ongoing discussions regarding documentation, throughout the first part of August the parties continued to conduct their due diligence review, including a review of any regulatory filings that could be required by the proposed transactions. In continuing to exchange drafts, the parties also identified several other outstanding issues, including what, if any, type of independence requirements should be imposed on the directors of the combined company to be appointed by Harris.

On August 9, 2006, the board of directors of Harris convened by telephone to receive another update as to the possible transaction with Stratex. Mr. Lance and other members of the Harris management team outlined the primary outstanding issues and noted that the parties were convening in New York City to try to reach agreement on many of the points.

Because it was agreed that the combined company would assume the outstanding Stratex options, warrants and other equity awards but no options or equity awards of the Harris employees that would become employees of the combined company, during the meetings in New York City the parties discussed how Stratex s outstanding options and warrants should affect the equity split. Harris management stated that it was essential that its interest in the combined company not be diluted by the exercise of outstanding options and warrants to purchase shares of Stratex common stock and maintained that its 56% interest should be calculated assuming that all Stratex options and warrants had been exercised for Stratex common stock. Stratex management noted that there were several tranches of Stratex options that would probably never be exercised because their exercise price likely would not be less than the market price of a share of Stratex or the combined company (assuming a conversion of such options into options of the combined company) prior to their expiration. As a result, Stratex indicated that, at a minimum, it did not believe that it was appropriate to include these options in any dilution calculation. After further discussion about these issues, the parties determined that a version of the treasury stock method should be applied because it recognizes that the combined company would receive cash in an amount equal to the exercise price of the options and warrants upon their exercise. The treasury stock method is a way of determining the dilutive effect of outstanding warrants or options to purchase shares of a company by assuming that the proceeds that a company receives from an in-the-money option or warrant exercise are used to repurchase common shares in the market. In other words, the number of shares of a company deemed to be outstanding is increased by the number of in-the-money options or warrants, then reduced by the number of shares that the company could purchase from the market with the proceeds, if such options or warrants were to be exercised at that time. Both parties acknowledged that this approach might be satisfactory if they were able to agree on a mutually acceptable assumed market price to be used in calculating the number of shares to be deemed outstanding. In particular, Harris management maintained that a negotiated assumed market price above the then-current market value was appropriate because, if the stock price of Stratex (following any announcement of a proposed combination) or that of the combined company (following the completion of any combination) increased, Harris 56% interest should be protected within a reasonable range against dilution. No agreement was reached, but each party agreed to further discuss the issue internally.

On August 10, 2006, during the meetings in New York City, the Stratex Strategic Business Development Committee met with Stratex management and Bingham McCutchen to review and discuss the principal issues that were then unresolved, the proposed organization and staffing of a combined company, the updated operating plans for the combined company and an update on due diligence relating to the Microwave Communications Division.

In a breakout session during these meetings, the Harris management team and its advisors met separately from Stratex to discuss the issue regarding the equity split and the other outstanding items. Following its discussion, the Harris management team agreed that it would continue to move forward on the proposed combination and that Harris would revisit the outstanding issues with Stratex at a later date to see if a resolution could be reached.

While the parties were able to significantly narrow the outstanding issues, the following remained: the effect of the Stratex options, warrants and other equity awards on the equity split and whether (and at what assumed market price) the treasury stock method should be applied, the definition of restricted business , the circumstances under which the formation, contribution and merger agreement could be terminated by the parties and the related fees and when and if Harris should be able to match a competing acquisition proposal for Stratex. There was also discussion as to whether the Stratex stockholders should be given a partial share of the combined company in exchange for each outstanding share of Stratex common stock which would have the same effect as completing a reverse split of the Stratex common stock immediately prior to the effective time of the merger. The parties acknowledge that effecting the merger in a manner having the same effect as a reverse stock split would likely increase the

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per share trading range of the combined company. They agreed that this would be positive for the combined company and noted that they could determine the appropriate expected range at a later date once the outstanding issues were resolved.

Notwithstanding these unresolved issues, the parties agreed to continue to pursue the proposed transaction and prepare and negotiate the definitive documentation. Over the next week and a half the parties continued to make progress on the additional agreements that would also be agreed as part of the execution of the combination agreement.

On August 14, 2006, the board of directors of Stratex met to review and discuss management presentations on the current state of negotiations, the results of due diligence on the Microwave Communications Division and the development of the combined company s operating plan. In addition, Bear Stearns made a preliminary presentation on the transaction and its financial analysis of the two constituent businesses and the prospective combined company and Bingham McCutchen gave a more detailed presentation on the combination agreement, related agreements, the then-remaining open issues and a draft opinion to be rendered by Bingham McCutchen on the federal income tax status of the transaction for Stratex stockholders. No material information was contained in the Bear Stearns preliminary presentation that was not also included in the final presentation made by Bear Stearns to the board of directors of Stratex in connection with rendering its fairness opinion on September 5, 2006, as described below under Opinion of Stratex s Financial Advisor . The board of directors of Stratex then discussed, as it had at a number of other Board and Strategic Business Development Committee meetings, both recent and historical business combination transaction opportunities that might arise from management s prior and ongoing discussions with other entities. Consideration was given, as it had been on prior occasions, to both the long-term value and the likelihood of a positive outcome associated with these alternatives. At the meeting s continuation on August 15, 2006, the board of directors of Stratex authorized management to continue negotiations.

On August 22, 2006, the senior management teams of Harris and Stratex convened by teleconference to further discuss the outstanding issues with each other. On the call, the Harris and Stratex teams agreed in principle that the term restricted business would be defined by reference to the companies existing product list and other products similar in form, fit and function when used in terrestrial microwave point-to-point communications networks that provide access and trunking of voice and data for telecommunications networks. Harris and Stratex then reached agreement on the outstanding issues regarding the parties rights to terminate the combination agreement, and also resolved the outstanding deal protection points relating to Harris right to match any competing acquisition proposal. After further negotiations, the parties ultimately agreed that, in calculating the previously-discussed 56%/44% split, the treasury stock method would be applied to Stratex s options and warrants using an assumed value of $5.20 per share of Stratex common stock (equivalent to $20.80 per share of Harris Stratex Class A common stock as a result of the effective one-for-four effective reverse stock split provided for in the merger). At $5.20 per share of Stratex common stock (or $20.80 per share of Harris Stratex Class A common stock), Harris believed its 56% interest in the combined company was fairly protected against dilution (taking into account its agreed upon contribution to the combined company) from outstanding Stratex options and warrants. In addition, at that price, Stratex believed that its stockholders, at an estimated 43% of the total outstanding shares of the combined company immediately following the combination (not taking into account outstanding but unexercised options and warrants with an exercise price above $5.20), would be fairly represented as a percentage of the combined company.

Following this conversation, Mr. Lance informed Mr. Kissner that he was prepared to seek formal approval from the Harris board of directors for the proposed transaction on the terms discussed.

The Stratex Strategic Business Development Committee met with Stratex management and Bingham McCutchen again on August 24, 2006 to review and discuss the status of negotiations and the planned presentation of the transaction to investors, employees, customers and suppliers.

On August 26, 2006, at a regular meeting of the board of directors of Harris, Mr. Lance and other members of the Harris management team provided an update as to the status of the transaction with Stratex. He stated that the Harris management team had completed its due diligence and that the parties

were nearing agreement on the terms of the proposed combination. In particular, he noted that Harris would have a 56% equity interest in the combined company on a fully-diluted basis using the treasury stock method assuming a market price of $5.20 per share of Stratex common stock and that, so long as Harris held a majority interest in the combined company, there would be nine directors five of whom Harris would be entitled to elect. Morgan Stanley and Sullivan & Cromwell also participated in the board meeting of Harris addressing questions from the Harris board members regarding the proposed transaction with Stratex. Following these presentations, the board of directors of Harris unanimously resolved to adopt the combination agreement in substantially the form presented to them at the meeting and instructed and authorized the Harris management team to continue negotiating with Stratex to finalize the documentation with such changes as approved by management.

Following the meeting, Harris and Stratex continued to negotiate the terms of the combination agreement, including the additional agreements to be agreed as part of the combination agreement. The parties further agreed that the merger should be completed in a manner that would have the same effect as a one-for-four reverse split of the outstanding Stratex common stock. Accordingly, the terms of the combination agreement were adjusted to reflect this agreement, including a modification to the treasury stock method calculation requiring the assumed per share market price to be $20.80 per share of Harris Stratex Class A common stock, or four times the agreed $5.20 price per share of Stratex common stock.

The board of directors of Stratex met on September 1, 2006 with its management, Bear Stearns and Bingham McCutchen to review and discuss the final results of due diligence on the Harris Microwave Communications Division, remaining open issues in the negotiations, the initial portion of Bear Stearns preliminary presentation analyzing the fairness of the consideration to be received by Stratex stockholders from a financial point of view and updated plans for communicating with investors, employees, customers and suppliers about the planned transaction. No material information was contained in the Bear Stearns presentation that was not also included in the final presentation made by Bear Stearns to the board of directors of Stratex in connection with rendering its fairness opinion on September 5, 2006, as described below under Opinion of Stratex s Financial Advisor .

Following the Stratex board meeting, Harris and Stratex continued to negotiate the remaining open issues. The board of directors of Stratex met again on September 5, 2006, with Stratex management and representatives of Bear Stearns and Bingham McCutchen. Bear Stearns completed its presentation of its financial analysis and rendered its opinion that, subject to the assumptions and qualifications stated, the consideration to be received by Stratex stockholders in the transaction was fair from a financial point of view. Bingham McCutchen described the parties resolutions of the previously open issues. At the conclusion of the meeting, the board of directors of Stratex unanimously determined that the combination agreement and the merger were fair and in the best interests of Stratex and its stockholders, recommended their approval and adoption by Stratex stockholders and authorized management to enter into the combination agreement in substantially the form presented at the meeting.

In the late afternoon on September 5, 2006, the parties finalized the combination agreement and the related agreements. At that time Harris and Stratex executed the combination agreement providing for the combination of Harris Microwave Communications Division with Stratex. Later that evening, Harris and Stratex issued a joint press release announcing the transaction and held a joint conference with industry analysts.

On December 18, 2006, Harris, Stratex, Harris Stratex and Merger Sub amended and restated the combination agreement to, among other things, make Harris Stratex and Merger Sub parties to the combination agreement and effect other technical amendments to ensure that Harris Stratex would receive the benefit of certain identified assets relating to the Microwave Communications Division without modifying the substance of the initial agreement between Harris and Stratex.

Reasons for the Recommendation of the Board of Directors of Stratex

The board of directors of Stratex has determined that the terms of the combination agreement are fair to, and in the best interests of, Stratex and its stockholders. The board of directors of Stratex consulted

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with its management as well as its legal counsel and financial advisors in reaching its decision to approve, adopt and declare advisable the combination agreement, the merger and the other transactions provided for by the combination agreement and recommend to the Stratex stockholders that they vote **FOR** adoption of the combination agreement and approval of the merger and the other transactions provided for in the combination agreement and **FOR** the proposal to adjourn the special meeting of the Stratex stockholders in the discretion of the proxies or either of them. The board of directors of Stratex considered a number of factors in its deliberations, including the following:

- the historical financial performance of the Microwave Communications Division and the improvements in its financial results for the year ending June 30, 2006 over the prior year;
- the balance sheet of the Microwave Communications Division at June 30, 2006;
- the liabilities to be assumed by the combined company in connection with the proposed transactions, which include all liabilities of Stratex and all third-party liabilities of Harris and its subsidiaries which are allocable to and primarily relate to the Microwave Communications Division business;
- the current products of the Microwave Communications Division, which the board of directors of Stratex viewed as complementary to Stratex s current products;
- the current customers of the Microwave Communications Division, which the board of directors of Stratex viewed as having limited overlap with Stratex s current customers;
- the opportunity for Stratex stockholders to participate in the future results through continued ownership of publicly-traded stock in a much larger company with an expanded product offering and customer base;
- the expected liquidity of Harris Stratex Class A common stock, taking into account the one-to-four exchange ratio in the merger and the resulting size of the publicly-trade float ;
- the structure of the transaction, including that Stratex stockholders will receive Harris Stratex Class A common stock in a tax deferred exchange (other than cash in lieu of fractional shares);
- the terms of the combination agreement and other documents to be executed in connection with the consummation of the proposed transactions, including:
  - the limited number and nature of the conditions to Stratex s obligation to close the transactions;
  - the fact that any shares of Harris Stratex common stock issued to Stratex stockholders in the transactions will be registered on Form S-4 and will be unrestricted for Stratex stockholders;
  - the fact that, subject to specified conditions, Stratex can terminate the merger agreement to enter into a definitive agreement with respect to a superior proposal in the manner provided in the combination agreement, including the payment of $14.5 million termination fee;
  - the fact that the transaction is subject to the adoption of the combination agreement by Stratex stockholders;
  - the increased equity capitalization of Harris Stratex compared to Stratex;
  - the additional liquid working capital to be provided by Harris contribution of cash; and
  - the likelihood that the transactions will be completed on a timely basis;

the business, financial and execution risks associated with Stratex remaining independent, with a customer base smaller than Harris Stratex s expected customer base;

the presentation of Bear Stearns and its opinion that the exchange ratio of one-fourth of a share of Harris Stratex Class A common stock for each outstanding share of Stratex common stock is fair, from a financial point view, to the Stratex stockholders. Upon delivery of the opinion, Bear Stearns was paid $300,000. If the transaction is completed, Bear Stearns will also receive an additional

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compensation of approximately $4,570,000, for a total fee of $4,870,000, assuming a $4.95 average closing price of Stratex common stock prior to consummation of the combination. The Stratex board of directors considered the fees paid and payable to Bear Stearns to be typical fees for such services;

Harris agreement to limit its competitive activities for five years;

the favorable implied per share value of Harris Stratex compared to the implied per share value of Stratex on a stand-alone basis as determined by Bear Stearns in its fairness opinion delivered to the board of directors of Stratex;

the expectation that the merger would be slightly accretive $0.01 to $0.02 per share to earnings per share for Stratex for the estimated six months ended June 30, 2007 and accretive by approximately $0.08 per share for the twelve months ended June 30, 2008 for Stratex on a pro forma stand-alone basis;

its consideration with its legal and financial advisors of alternatives to the combination agreement, the ability, and extent to which it might be able, to increase the value of Stratex for its stockholders through these alternatives and the timing and likelihood of effecting any alternative;

the current and prospective economic environment and increasing competitive burdens and constraints facing Stratex; and

its belief that the merger and the contribution transaction is likely to:

increase the scale of Stratex s business;

deliver complementary global distribution channels with minimal customer overlap and significantly expand the customer footprint of the combined company by joining Stratex s sales, 95% of which historically have been to international customers, with those of the Microwave Communications Division, which has approximately half of its sales in the U.S. and has been supplying domestic customers for almost 50 years;

serve a large market with expected growth over the next five years;

offer customers a better end-to-end product portfolio;

offer annual savings, estimated to be $35 million in fiscal 2008. The majority of such savings are expected from improvements in gross margin achieved through reductions in the cost of products sold, reflecting higher volumes purchased from contract manufacturers, reduced shipping and related logistics costs and the use of lower-cost product where existing products overlap. In addition, it is expected that Harris Stratex will be able to meaningfully lower its operating expenses by reducing engineering expenses through the utilization of common design processes, reducing over time the number of product designs, and reducing selling and administrative costs by eliminating duplicate support costs through the consolidation of the number of locations worldwide; and

create a larger and more competitive company with stronger financial performance, greater financial capacity, product leadership and the ability to serve adjacent markets.

In addition to the advantages discussed in the previous paragraph, the board of directors and management of Stratex also discussed the various risks of the combination agreement, some of which are described under Risk Factors beginning on page 26 of this proxy statement/ prospectus and listed below:

the combination of the businesses currently conducted by the Microwave Communications Division and Stratex will create numerous risks and uncertainties which could adversely affect Harris Stratex s operating results;

uncertainties associated with the transactions or the combined company may cause the combined company to lose significant customers;

loss of key personnel could lead to loss of customers and a decline in revenues, or otherwise adversely affect the operations of the combined company;

failure to complete the transactions could cause Stratex to incur significant fees and expenses and could lead to negative perceptions among investors, potential investors and customers;

some of Stratex s directors and executive officers have interests in the merger in addition to those of stockholders;

Harris Stratex does not expect to pay dividends in the immediate future, and the Stratex stockholders must rely on increases in the trading prices of the Harris Stratex Class A common stock for returns on their investment;

Harris Stratex will be controlled by Harris, whose interests may conflict with those of the Stratex stockholders;

Harris will have rights reflecting its controlling interest in Harris Stratex. As a result, the ability of the Stratex stockholders to influence the outcome of matters requiring stockholder approval would be limited;

Harris Stratex may have potential conflicts of interest with Harris relating to their ongoing relationship, and because of Harris controlling ownership in Harris Stratex, the resolution of these conflicts may not be favorable to Harris Stratex;

Harris ability to compete with Harris Stratex without restriction five years after the consummation of the proposed transactions;

the fact that Stratex will no longer exist as an independent company;

the fact that under the terms of the combination agreement, Stratex is restricted in its ability to solicit other acquisition proposals;

the termination fee to and expenses of Harris that Stratex would be required to pay under specified circumstances;

the fact that the combination agreement prohibits Stratex from taking a number of actions relating to the conduct of its business prior to the closing without the prior consent of Harris;

the risk that the transactions might not be consummated in a timely manner or at all; and

the fact that Stratex officers and employees will have expended extensive efforts attempting to complete the transactions and will experience significant distractions from their work during the pendency of the transactions, and that Stratex will have incurred substantial transaction costs in connection with the transactions even if not consummated.

However, after weighing the advantages and disadvantages of the combination agreement, the board of directors of Stratex determined that the advantages outweighed the disadvantages.

The foregoing discussion of the factors that the board of directors of Stratex considered is not intended to be exhaustive, but includes all material factors that the board of directors of Stratex considered. In view of the complexity and wide variety of factors that the board of directors of Stratex considered, it did not find it practical to and did not quantify, rank or otherwise weight the factors considered. In addition, individual members of the board of directors of Stratex may have given different weights to different factors.

Recommendation of the Stratex Board of Directors

Based on its consideration of the foregoing factors, the board of directors of Stratex has determined that the combination agreement, the merger and the other transactions provided for by the combination agreement are fair to and in the best interests of the Stratex stockholders and has approved, adopted and declared advisable the combination agreement, the merger and the other transactions provided for by the combination agreement. The board of directors of Stratex unanimously recommends that the Stratex stockholders vote **FOR** adoption of the combination agreement and approval of the merger of Merger Sub with and into Stratex, with Stratex continuing as the surviving corporation, and the other transactions contemplated thereby and **FOR** the proposal to adjourn the special meeting of the Stratex stockholders, including for the purpose of soliciting additional proxies, in the discretion of the proxies or either of them.

Opinion of Stratex s Financial Advisor

All references under this Opinion of Stratex s Financial Advisor section to the combination agreement are to the combination agreement dated as of September 5, 2006.

Pursuant to an engagement letter dated April 11, 2006, Stratex retained Bear Stearns to act as its financial advisor with respect to a possible transaction with Harris. In selecting Bear Stearns, the board of directors of Stratex considered, among other things, the fact that Bear Stearns is an internationally recognized investment banking firm with substantial experience advising companies in the wireless communications industry as well as substantial experience providing strategic advisory services. Bear Stearns, as part of its investment banking business, is continuously engaged in the evaluation of businesses and their debt and equity securities in connection with mergers and acquisitions; underwritings, private placements and other securities offerings; senior credit financings; valuations; and general corporate advisory services. Prior to the engagement of Bear Stearns as Stratex s exclusive financial advisor in connection with a possible transaction with the Microwave Communications Division, there had been no material relationship during the previous two years between Stratex and Bear Stearns or any of their respective affiliates, nor had Bear Stearns or any of its affiliates received any compensation from Stratex or its affiliates.

At the September 5, 2006 meeting of the board of directors of Stratex, Bear Stearns delivered its written opinion that, as of September 5, 2006 and based upon and subject to the assumptions, qualifications and limitations set forth in the written opinion, the exchange ratio of one-fourth of a share of Harris Stratex Class A common stock for each outstanding share of Stratex common stock was fair, from a financial point of view, to the stockholders of Stratex. Bear Stearns did not provide any recommendation regarding the amount of consideration to be paid in the proposed transaction.

The full text of Bear Stearns written opinion is attached as Appendix G to this proxy statement/ prospectus, and you should read the opinion carefully and in its entirety. The opinion sets forth the assumptions made, some of the matters considered and qualifications to and limitations of the review undertaken by Bear Stearns. The Bear Stearns opinion is subject to the assumptions and conditions contained therein and is necessarily based on economic, market and other conditions and the information made available to Bear Stearns as of the date of the Bear Stearns opinion.

In reading the discussion of the fairness opinion set forth below, you should be aware that Bear Stearns opinion:

- was provided to the board of directors of Stratex for its benefit and use;

- did not constitute a recommendation to the board of directors of Stratex or any Stratex stockholder as to how to vote in connection with the merger or otherwise; and

- did not address Stratex s underlying business decision to pursue the proposed transactions, the relative merits of the proposed transactions as compared to any alternative business strategies that might exist for Stratex, or the effects of any other transaction in which Stratex might engage.

Stratex did not provide specific instructions to, or place any limitations on, Bear Stearns with respect to the procedures to be followed or factors to be considered by it in performing its analyses or providing its opinion.

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In connection with rendering its opinion, Bear Stearns:

reviewed the combination agreement and the additional agreements agreed as part of the combination agreement and to be entered into by Harris and Stratex and/or Harris Stratex in connection with the completion of the merger and the contribution transaction;

reviewed Stratex s Annual Reports to Stockholders and Annual Reports on Form 10-K for the fiscal years ended March 31, 2004, 2005 and 2006, its Quarterly Report on Form 10-Q for the period ended June 30, 2006 and its Current Reports on Form 8-K filed since March 31, 2006;

reviewed Harris Annual Reports to Stockholders and Annual Reports on Form 10-K for the fiscal years ended July 2, 2004 and July 1, 2005, its press release of its results for the fiscal year ended June 30, 2006, its Quarterly Reports on Form 10-Q for the periods ended September 30, 2005, December 30, 2005 and March 31, 2006 and its Current Reports on Form 8-K filed since June 30, 2005;

reviewed the final audited financial statements of the Microwave Communications Division for the fiscal years ended July 2, 2004, July 1, 2005 and June 30, 2006;

reviewed certain operating and financial information relating to Stratex s business and prospects, including projections for the three years ending June 30, 2009, all as prepared and provided to Bear Stearns by Stratex s management;

reviewed certain operating and financial information relating to the Microwave Communications Division and prospects, including projections for the three years ending June 30, 2009, all as prepared and provided to Bear Stearns by Harris and the management of the Microwave Communications Division;

reviewed certain operating and financial information relating to Harris Stratex s business and prospects, including projections and synergy estimates for the three years ending June 30, 2009, all as prepared and provided to Bear Stearns by management of Harris, the Microwave Communications Division and Stratex, and projections and synergy estimates for the two years ending June 30, 2011, as discussed with Stratex s management;

reviewed certain estimates of cost savings and other combination benefits expected to result from the proposed transactions, all as prepared and provided to Bear Stearns by the management of Stratex, Harris and the Microwave Communications Division;

met with members of management of Stratex to discuss Stratex s and the Microwave Communications Division s respective businesses, operations, historical and projected financial results and future prospects;

met with members of management of Harris and the Microwave Communications Division to discuss Microwave Communications Division businesses, operations, historical and projected financial results and future prospects;

reviewed the historical prices, trading multiples and trading volumes of the shares of Stratex common stock;

reviewed publicly available financial data, stock market performance data and trading multiples of companies which Bear Stearns deemed generally comparable to Stratex, the Microwave Communications Division and Harris Stratex;

reviewed the financial terms of recent mergers and acquisitions involving companies which Bear Stearns deemed generally comparable to Stratex;

performed discounted cash flow and sensitivity analyses based on the projections for Stratex, Harris Stratex and the synergy estimates furnished to Bear Stearns;

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reviewed the pro forma financial results, financial condition and capitalization of Harris Stratex giving effect to the transaction; and

conducted such other studies, analyses, inquiries and investigations as Bear Stearns deemed appropriate.

The projections for the combined company represented an arithmetic combination of the stand-alone projections of Stratex described under Description of the Business of Stratex Networks, Inc. Certain Projections Relating to Stratex beginning on page 135 of this proxy statement/prospectus and the projections of the Microwave Communications Division described under Description of the Business of the Microwave Communications Division of Harris Corporation Certain Projections Relating to the Microwave Communications Division beginning on page 163 of this proxy statement/prospectus after applying a limited number of combination adjustments to obtain comparable financial statement presentations between the two companies. These adjustments included, among others, the following: the reclassification of external sales agent commissions of the Microwave Communications Division from a contra-revenue account to a selling expense and the inclusion by both companies of all stock-based compensation expense as an operating expense. The projections also included the application of synergy estimates provided to Bear Stearns by the management of Stratex, Harris and the Microwave Communications Division. You should be aware that these projections do not reflect any adjustment for any additional uncertainties or risks there may be in operating the combined businesses.

Bear Stearns relied upon and assumed, without independent verification, the accuracy and completeness of the financial and other information provided to or discussed with it by Stratex and Harris or obtained by Bear Stearns from public sources, including, without limitation, the projections and synergy estimates referred to above. With respect to the projections and synergy estimates, Bear Stearns relied on representations that they believed were reasonably prepared on bases reflecting the best currently available estimates and judgments of the senior management of each of Stratex and Harris as to the expected future performance of Stratex, the Microwave Communications Division, and Harris Stratex. Bear Stearns did not assume any responsibility for the independent verification of any such information, including, without limitation, the projections and synergy estimates, and Bear Stearns further relied upon the assurances of the senior management of each of Stratex and Harris that they are unaware of any facts that would make the information, projections and synergy estimates incomplete or misleading.

In arriving at its opinion, Bear Stearns did not perform or obtain any independent appraisal of the assets to be contributed in the contribution transaction or any of the other assets or liabilities (contingent or otherwise) of Stratex, Harris, the Microwave Communications Division or Harris Stratex, nor was Bear Stearns furnished with any such appraisals. In rendering Bear Stearns opinion, it did not solicit, nor was it asked to solicit, third party acquisition interest in Stratex. Bear Stearns has assumed that the merger will qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code. Bear Stearns assumed that the merger and the contribution transaction will be consummated in a timely manner and in accordance with the terms of the combination agreement and the additional agreements agreed as part of the combination agreement and to be entered into by Harris and/or Harris Stratex in connection with the completion of the merger and the contribution transaction, without any limitations, restrictions, conditions, amendments or modifications, regulatory or otherwise, that collectively would have a material adverse effect on Stratex, the Microwave Communications Division or Harris Stratex. Bear Stearns also assumed for purposes of its opinion that the merger and the contribution transaction would be consummated as of the date of its opinion.

Bear Stearns did not express any opinion as to the price or range of prices at which the shares of Stratex common stock or the shares of common stock of Harris may trade subsequent to the announcement or consummation of the proposed transactions or as to the price or range of prices at which the shares of Class A common stock of Harris Stratex may trade subsequent to the consummation of the transactions.

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Summary of Analyses

The following is a brief summary of the material financial analyses performed by Bear Stearns and presented to the board of directors of Stratex in connection with rendering its fairness opinion. The following summary, however, does not purport to be a complete description of the financial analyses performed by Bear Stearns, and the order of analyses described does not represent the relative importance or weight given to the analyses performed by Bear Stearns.

Some of the financial analyses summarized below include summary data and information presented in tabular format. In order to understand fully the financial analyses, the summary data and tables must be read together with the full text of the analyses. Considering the summary data and tables alone could create a misleading or incomplete view of Bear Stearns financial analyses.

Comparable Companies Analysis

Bear Stearns reviewed and compared certain financial information for Stratex to corresponding financial information, ratios and public market multiples for selected publicly traded companies that Bear Stearns deemed relevant. The financial information used by Bear Stearns for all companies in the course of this analysis was based on publicly available information as of September 1, 2006 and mean analyst estimates calculated by First Call. The multiples and ratios for each of the selected companies were based on the most recent publicly available information.

No company or transaction used in the analyses described below is directly comparable to Stratex, Harris or the Microwave Communications Division or the transactions. While Motorola, Siemens, Alcatel and other large-cap vendors are leaders in the wireless microwave transmission industry, wireless microwave transmission represents only a small component of their overall sales. Additionally, these vendors are growing at substantially slower growth rates than Stratex. However, because these vendors represent Stratex s primary competitors, Bear Stearns included their valuation metrics in its analysis. Bear Stearns also looked at other small-cap wireless vendors (Andrew, Alvarion, Airspan, Ceragon, Nera and Powerwave), which are companies that do not compete with Stratex (except Ceragon) or focus on transmission, but whose growth is driven by comparable metrics as Stratex s growth: growth in cellular networks, subscribers, minutes of use, and similar metrics. Bear Stearns noted, however, that certain of these vendors, such as Alvarion, Airspan and Ceragon, are less relevant, as these companies are not expected to be profitable in either calendar year 2006 or (except Ceragon) in calendar year 2007. The analyses performed by Bear Stearns are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested in these analyses. In conducting its analysis, Bear Stearns analyzed the multiples of the following twelve publicly traded companies that Bear Stearns deemed generally comparable to Stratex:

Name	**Trading Symbol**
Large-Cap Vendors	
Alcatel	NYSE: ALA
Harris Corporation	NYSE: HRS
LM Ericsson Telephone Company	NASDAQ: ERIC
Motorola, Inc.	NYSE: MOT
NEC Corporation	NASDAQ: NIPNY
Nokia Corporation	NYSE: NOK
Small-Cap Vendors	
Airspan Networks, Inc.	NASDAQ: AIRN
Alvarion Ltd.	NASDAQ: ALVR
Andrew Corporation	NASDAQ: ANDW
Ceragon Networks Ltd.	NASDAQ: CRNT
Nera ASA	OSL: NER
Powerwave Technology, Inc.	NASDAQ: PWAV

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Bear Stearns calculated for these companies the multiples of the September 1, 2006 closing stock price to calendar year 2006 and 2007 earnings estimates and multiples of enterprise value (calculated as equity value plus debt and minority interest, less cash and cash equivalents) to calendar year 2006 and 2007 estimated revenues and earnings before interest, taxes, depreciation and amortization, or EBITDA, and compared these measures to the corresponding multiples for Stratex.

Based on the multiples derived in the above analysis, Bear Stearns analyzed the implied per share value of Stratex on a stand-alone basis prior to the transaction compared to the implied per share value of Harris Stratex. Bear Stearns applied multiple ranges based on Stratex s calculated multiples and the comparable companies calculated multiples to the corresponding Stratex management estimates and Microwave Communications Division management estimates, which were pro forma for the proposed transactions and assumed pre-tax net synergies of approximately $35 million per year. The following table illustrates the resulting range of per share equity values for Stratex and the range of Harris Stratex s value in equivalent Stratex shares (after giving effect to the conversion of Stratex common stock to Harris Stratex Class A common stock in accordance with the merger):

	Stratex		**Harris Stratex**	
Estimate	**Multiples Range**	**Price Range**	**Multiples Range**	**Price Range**
CY 2006 Revenue	1.00x - 1.40x	$ 2.90 - 3.95	1.00x - 1.40x	$ 3.00 - 4.10
CY 2007 Revenue	0.90x - 1.30x	$ 2.90 - 4.05	0.90x - 1.30x	$ 2.90 - 4.10
CY 2006 EBITDA	15.0x - 17.0x	$ 3.50 - 3.90	11.3x - 13.3x	$ 4.80 - 5.60
CY 2007 EBITDA	8.0x - 10.0x	$ 3.00 - 3.70	8.0x - 10.0x	$ 4.40 - 5.40
CY 2007 EPS	14.0x - 18.0x	$ 3.00 - 3.85	14.0x - 18.0x	$ 5.00 - 6.40

Bear Stearns also performed a sensitivity analysis by varying the estimated synergies from 0% to 150% synergies achieved and noted that Harris Stratex price ranges at 0% synergies achieved were generally higher than the corresponding Stratex price ranges, except when utilizing a multiple of calendar year 2006 EBITDA, which resulted in a price range of $3.05 3.55 for Harris Stratex. Bear Stearns noted that none of the companies reviewed is identical to Stratex and that, accordingly, the analysis of such companies necessarily involves complex considerations and judgments concerning differences in the business, operating and financial characteristics of each company and other factors that affect the public market values of such companies.

Discounted Cash Flow Analysis

Bear Stearns performed a discounted cash flow analysis of each of Stratex and Harris Stratex to determine a range for the implied per share value of Stratex common stock on a stand-alone basis prior to the transactions and the implied per share value of Harris Stratex Class A common stock pro forma for the transactions, respectively. For each of Stratex and Harris Stratex, Bear Stearns calculated the present value of unlevered free cash flow for the twelve months ending June 30, 2007 to 2011 and added to this amount the present value of each entity s respective terminal value at the end of the twelve months ending June 30, 2006. For Stratex and Harris Stratex, present values were calculated using discount rates ranging from 16.5% to 18.5% and 15.0% to 17.0%. For Stratex, Bear Stearns calculated a weighted average cost of capital, or WACC, range of 16.5% to 18.5% based on a midpoint unlevered Beta of 1.76, or the Stratex Average Beta, which represents the average of the unlevered Bloomberg historical adjusted Beta (1.67), and the unlevered predicted Barra Beta (1.85), a midpoint cost of debt of 7.0% and a midpoint industry average (based on comparable companies above) debt to market value of equity ratio of 15.4%. While this Beta is higher than that of the industry comparables, Bear Stearns believed it was the best estimate of Stratex s Beta and not out of line with the market risk inherent in Stratex s projections and future performance. For Harris Stratex, Bear Stearns calculated a WACC range of 15.0% to 17.0%, based on a midpoint unlevered Beta of 1.57 (equal to the weighted average of (a) the Stratex Average Beta of 1.76 and (b) 1.42, the average of the average unlevered

Bloomberg historical adjusted Beta of the comparable small-cap company universe (1.23) and the average unlevered predicted Barra Beta of the small-cap comparable company universe (1.60). As with Stratex, Bear Stearns also utilized a midpoint cost of debt

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of 7.0% and a midpoint industry average (based on comparable companies above) debt to market value of equity ratio of 15.4%. Harris Stratex s WACC range was 150 basis points lower than Stratex s WACC range primarily due to the lower average unlevered Beta of the small-cap comparable company universe and the fact that Bear Stearns believed it appropriate to calculate a weighted average of Stratex s Beta with the small-cap industry Beta for estimating Harris Stratex s Beta. Bear Stearns believed this was an appropriate calculation as the Microwave Communications Division should have had a Beta more in line with the small-cap comparable companies, and Harris Stratex will have a more diversified customer base and geographic reach and also be larger and better-capitalized than Stratex. These factors should decrease the market-correlated risk profile of Harris Stratex versus Stratex on a standalone basis.

For the Stratex analysis, Bear Stearns calculated terminal values using a range of terminal year next twelve months, or NTM, EBITDA exit multiples of 7.0x to 9.0x, and the Stratex estimated financial data upon which the analysis was based assumed, after taking into consideration the potential overall market growth rates, a compound annual growth rate of revenue of 12.8%. This estimated growth rate was below Stratex s historical revenue growth rates of 14.6% in the year ended March 31, 2005 and 28.1% in the year ended March 31, 2006. The range of NTM EBITDA exit multiples (to apply to fiscal year ending June 30, 2012 EBITDA) of 7.0x to 9.0x were based on the comparable companies NTM EBITDA multiple range and a discount to Stratex s NTM EBITDA multiple of 11.6x. Bear Stearns believed a discount was appropriate as EBITDA multiples are likely to decline for Stratex as the company matures as it approaches the terminal year (2012). Bear Stearns also believed that this range of NTM EBITDA exit multiples was appropriate for Harris Stratex. The compound annual growth rate of revenue of 12.8% was based on Stratex management estimates. Based on this analysis, Bear Stearns determined a range for the implied per share value of Stratex common stock of approximately $4.20 to $5.40.

For the Harris Stratex analysis, Bear Stearns calculated terminal values using a range of terminal year next twelve months EBITDA exit multiples of 7.0x to 9.0x, and the Harris Stratex estimated financial data upon which the analysis was based assumed a compound annual growth rate of revenue of 11.5%. Based on this analysis, Bear Stearns determined a range for the implied value of Harris Stratex Class A common stock per Stratex share (after giving effect to the conversion of Stratex common stock to Harris Stratex Class A common stock in accordance with the merger) of approximately $4.70 to $6.05. Bear Stearns also performed a sensitivity analysis by varying the estimated synergies from 0% to 150% synergies achieved and varying the discount rate from 15.0% to 17.0%, and assuming a terminal year next twelve months EBITDA exit multiple of 8.0x. The sensitivity analysis indicated a range for the implied value of Harris Stratex Class A common stock per Stratex share (after giving effect to the conversion of Stratex common stock to Harris Stratex Class A common stock in accordance with the merger) of approximately $3.90 to $6.45.

Relative Contribution Analysis

Bear Stearns analyzed the relative contribution that Stratex and the Microwave Communications Division would each be making to the combined company with respect to certain historical financial and operating data and estimates made by management including revenue, EBITDA, and EBIT for the twelve months ending June 30, 2006, 2007 and 2008. In the following table, Bear Stearns did not consider any adjustments associated with the merger in its contribution analysis:

	Revenues			**EBITDA**				**EBIT**			
	2006	**2007**	**2008**	**2006**	**2007**	**2008**	**2008 w/ Synergies**	**2006**	**2007**	**2008**	**2008 w/ Synergies**
Stratex	40.4%	40.6%	41.1%	27.2%	38.7%	40.8%	29.4%	16.5%	38.7%	41.2%	27.7%
MCD	59.6	59.4	58.9	72.8	61.3	59.2	42.6	83.5	61.3	58.8	39.5
Synergies							28.0				32.8
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The implied Stratex contribution percentages reflected in the table above compare to an approximate 42-43% enterprise value ownership percentage (based on the terms set forth in the combination agreement), Stratex s net cash balance as of June 30, 2006 and the contribution of cash by Harris in connection with the contribution transaction. Bear Stearns analysis assumed a $25 million cash contribution by Harris in accordance with the terms of the combination agreement dated as of September 5, 2006.

Selected Precedent Transactions Analysis

Bear Stearns analyzed certain information relating to 15 selected transactions in the telecommunications equipment industry since January 1, 2003. However, the data with which to derive multiples are not available for many of the transactions and due to the low or negative earnings for many of the targets in the selected transactions, the multiples are not meaningful for many of the transactions. Further, those with available data are often not particularly relevant, due to the highly cyclical nature of this sector and the resulting distortionary effect of higher projected next twelve months than last twelve months multiples. Consequently, Bear Stearns determined the use of precedent transactions as not particularly meaningful in the context of its opinion.

Pro Forma Transaction Analysis

Bear Stearns analyzed the pro forma effects of the transaction and computed the resulting accretion/(dilution) to Stratex s standalone estimated earnings per share for the six months ending June 30, 2007 and the twelve months ending June 30, 2008, by comparing these data to the pro forma Harris Stratex s estimated earnings per share for the six months ending June 30, 2007 and the twelve months ending June 30, 2008 in equivalent Stratex shares (after giving effect to the conversion of Stratex common stock to Harris Stratex Class A common stock in accordance with the merger), excluding FAS 123R charges for both Stratex and Harris Stratex, and excluding one-time acquisition and integration expenses and amortization of intangibles arising from this transaction for Harris Stratex. The analysis indicated that the merger would be accretive to Stratex s standalone estimated earnings per share for the six months ending June 30, 2007 and the twelve months ending June 30, 2008.

The preparation of a fairness opinion is a complex process and involves various judgments and determinations as to the most appropriate and relevant assumptions and financial analyses and the application of those methods to the particular circumstances involved. Such an opinion is therefore not readily susceptible to partial analysis or summary description, and taking portions of the analyses set out above, without considering the analysis as a whole, would in the view of Bear Stearns, create an incomplete and misleading picture of the processes underlying the analyses considered in rendering the Bear Stearns opinion. Bear Stearns based its analysis on assumptions that it deemed reasonable, including assumptions concerning general business and economic conditions and industry-specific factors. Bear Stearns did not form an opinion as to whether any individual analysis or factor, whether positive or negative, considered in isolation, supported or failed to support the Bear Stearns opinion. In arriving at its opinion, Bear Stearns considered the results of all its analyses and did not attribute any particular weight to any one analysis or factor. Bear Stearns arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole and believes that the totality of the factors considered and analyses performed by Bear Stearns in connection with its opinion operated collectively to support its determination as to the fairness of the exchange of each outstanding share of Stratex common stock for one-fourth of a share of Harris Stratex Class A common stock, from a financial point of view, to the stockholders of Stratex. The analyses performed by Bear Stearns, particularly those based on estimates and projections, are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by such analyses. None of the public companies used in the comparable company analysis described above are identical to Stratex, Harris or the Microwave Communications Division, and none of the precedent transactions used in the precedent transactions analysis described above are identical to the transaction. Accordingly, an analysis of publicly traded comparable companies and comparable precedent transactions is not mathematical; rather it involves complex considerations and judgments concerning the differences in financial and operating characteristics of the companies and precedent transactions and other factors that could affect the value of Stratex and the public trading values of the companies and precedent transactions to which they were compared. The analyses do not purport to be appraisals or to reflect the prices at which any securities may trade at the present time or at any time in the future.

The Bear Stearns opinion was just one of the many factors taken into consideration by the board of directors of Stratex. Consequently, Bear Stearns analysis should not be viewed as determinative of the decision of the board of directors of Stratex with respect to the fairness of the exchange of each outstanding share of Stratex common stock for one-fourth of a share of Harris Stratex Class A common stock, from a financial point of view, by the stockholders of Stratex.

Pursuant to the terms of Bear Stearns engagement letter, Stratex has agreed to pay Bear Stearns a transaction fee equal to the greater of $1 million or 0.75% of the total fair market value of the securities issued by Harris Stratex to Harris in connection with the contribution transaction. For this purpose, each share of Class B common stock issued to Harris will be assumed to have a value equal to four times the average trading price of Stratex common stock during the five trading days ending on the trading day prior to the closing of the transactions. Assuming an average closing price of $4.95 per share of Stratex common stock prior to the effective one-for-four reverse split pursuant to the merger, Bear Stearns will be entitled to receive approximately $4,870,000, of which $300,000 was earned by Bear Stearns upon the delivery of its opinion and the balance of which is contingent and payable upon the completion of the transactions. In addition, Stratex has agreed to reimburse Bear Stearns for reasonable out-of-pocket expenses incurred by Bear Stearns in connection with its engagement relating to the merger and the contribution transaction, including reasonable fees and disbursements of its legal counsel. Stratex has agreed to indemnify Bear Stearns against certain liabilities arising out of Bear Stearns engagement.

In the ordinary course of business, Bear Stearns and its affiliates may actively trade the equity and debt securities and/or bank debt of Stratex and/or Harris and their respective affiliates for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities or bank debt.

Interests of Stratex Directors and Officers in the Transactions

In considering the recommendation of the board of directors of Stratex to vote for the proposal to adopt the combination agreement and to approve the merger and the other transactions provided for in the combination agreement, Stratex stockholders should be aware that members of the board of directors, all executive officers and other managers of Stratex have relationships, agreements or arrangements that provide them with interests in the merger and the contribution transaction that may be in addition to or differ from those of the Stratex stockholders, including employment agreements that provide for additional compensation in the event of a change of control, which are summarized below. The board of directors of Stratex was aware of these relationships, agreements and arrangements during its deliberations on the merits of the merger and in making its decision to recommend to the Stratex stockholders that they vote to adopt the combination agreement and approve the merger and the other transactions provided for in the combination agreement.

Board of Directors of Stratex

The combination agreement provides that following the completion of the proposed transactions, Harris Stratex will have a nine member board of directors, which will include five directors initially appointed by Harris and four directors initially appointed by Stratex, in each case immediately prior to the effective time of the merger. Two of these directors are required to be individuals who meet the independence standards for audit committee members under the NASDAQ rules. The four directors to be appointed by Stratex are expected to include Charles D. Kissner, Chairman of Stratex, and William A. Hasler, Clifford H. Higgerson and Edward F. Thompson, each of whom is a current director of Stratex. Assuming the appointment of these people as directors, Stratex will have satisfied the requirements relating to directors imposed on it by the combination agreement.

For further discussion regarding the compensation of the management of Harris Stratex following the completion of the proposed transactions, see Board of Directors and Management of Harris Stratex

Following the Transactions Compensation of Directors and Executive Officers beginning on page 127 of this proxy statement/prospectus.

Employment with the Combined Company

Pursuant to the combination agreement, the parties have agreed that Thomas H. Waechter, who currently serves as the Chief Executive Officer of Stratex, will be appointed Chief Operating Officer of Harris Stratex immediately prior to the effective time of the merger. It is expected that, following the completion of the merger and the contribution transaction, certain of the officers of Stratex will retain their current positions and may be offered similar positions at Harris Stratex as the businesses of Stratex and the Microwave Communications Division are integrated.

For further discussion regarding the management of Harris Stratex following the completion of the proposed transactions, see Board of Directors and Management of Harris Stratex Following the Transactions beginning on page 123 of this proxy statement/prospectus.

Treatment of Stratex Stock Options and Other Stock Based Awards

At the effective time of the merger, each outstanding stock option or other equity award of Stratex will be automatically converted on the same terms and conditions (including as to exercisability and vesting, taking into account, in limited circumstances, any acceleration resulting from the merger) into a stock option to acquire or other equity award with respect to, the number of shares of Harris Stratex Class A common stock equal to one-fourth of the number of shares of Stratex common stock subject to the stock option or other equity award immediately prior to the merger at an exercise price (if applicable) equal to four times the exercise price per such stock option or other equity award immediately prior to the merger.

Certain Stratex Executive Officers

You should be aware that, pursuant to employment arrangements with Stratex, the outstanding options to purchase Stratex common stock and other equity awards previously issued to certain members of the Stratex management team will vest and become immediately exercisable, if applicable, for shares of Harris Stratex Class A common stock in connection with the completion of the proposed transactions. For more information regarding the senior executives of Harris Stratex who have employment arrangements with Stratex that include acceleration provisions, see Severance Arrangements below.

Certain Awards to Non-Executive Directors

Pursuant to the provisions of the Stratex 2002 non-employee director stock fee program, non-employee directors of Stratex may elect to apply all or any portion of their annual retainer fee otherwise payable in cash to the purchase of shares of Stratex common stock. Shares of Stratex common stock received by these directors in lieu of annual retainer fees vest quarterly during the year after receipt so long as the individual continues to serve as one of Stratex s non-employee directors during the year. Upon a corporate transaction (as defined in the Stratex 2002 stock incentive plan), however, these shares of Stratex common stock vest immediately. Stratex expects that all shares of Stratex common stock issued pursuant to this program will have vested in the ordinary course prior to the completion of the proposed transaction.

Harris Stratex Awards

Following the completion of the proposed transactions, it is expected that Harris Stratex will grant equity awards pursuant to the Harris Stratex 2007 Stock Equity Plan to its directors, members of management (including members of management that were formerly members of management of the Microwave Communications Division or Stratex) and certain other employees of Harris Stratex. Each grant would specify those terms and conditions as the board of directors of Harris Stratex, or a committee

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of the board, at that time deems appropriate, including, to the extent relevant but not limited to, the applicable option exercise period, option exercise price and vesting requirements.

For further discussion regarding the Harris Stratex 2007 Stock Equity Plan, see Board of Directors and Management of Harris Stratex Following the Transactions Stock Incentive Plan beginning on page 127 of this proxy statement/ prospectus.

Severance Arrangements

Messrs. Kissner and Waechter, Carl A. Thomsen, Senior Vice President, Chief Financial Officer and Secretary of Stratex, Paul A. Kennard, Vice President, Products and Chief Technology Officer of Stratex, John C. Brandt, Vice President, Business Development of Stratex, and Larry M. Brittain, Vice President, Worldwide Sales and Service of Stratex, are each party to a written employment agreement with Stratex. Pursuant to these employment agreements they also participate in executive incentive bonus plans of Stratex. These employment agreements and incentive bonus plans contain provisions that provide severance payments and other benefits, including the acceleration of options to purchase Stratex common stock and restricted shares of Stratex common stock upon specified conditions. More specifically, these employment agreements provide that either an executive s employment will terminate upon the completion of the proposed transactions, and, as a result, the benefits provided in his employment agreement will vest upon his termination (this is known as a single trigger employment agreement) or, in the event the executive is terminated within a specified number of months following the completion of the proposed transactions without cause or resigns for good reason, the benefits provided in his employment agreement will vest upon his termination or resignation (this is known as a double trigger employment agreement). Those employment agreements that are not single trigger , and thus do not terminate by their terms upon the completion of the proposed transactions, will be continuing obligations of Stratex after the merger and may be transferred to Harris Stratex as the businesses of Stratex and the Microwave Communications Division are integrated.

Single Trigger Employment Agreements

Messrs. Kissner, Thomsen and Brandt. Mr. Kissner, executive Chairman of the Board of Directors of Stratex, Mr. Thomsen, Senior Vice President, Chief Financial Officer and Secretary of Stratex, and Mr. Brandt, Vice President of Business Development of Stratex, each have single trigger employment agreements with Stratex. In the case of Mr. Kissner and Mr. Thomsen their respective agreements took effect as of May 14, 2002. With respect to Mr. Brandt, his agreement took effect as of April 1, 2006. Each agreement provides that upon the completion of the proposed transactions, the executive s employment with Stratex will terminate automatically, and upon that termination, they will be entitled to the severance benefits outlined below:

Mr. Kissner will receive:

- severance payments at his final base salary for a period of 48 months following his termination;
- payment of premiums necessary to continue his group health insurance under COBRA or to purchase other comparable health insurance coverage on an individual or group basis until the earlier of (1) 48 months from the employment termination date and (2) the date on which he first becomes eligible to participate in another employer s group health insurance;
- the prorated portion of any incentive bonus that he would have earned during the incentive bonus period in which his employment was terminated;
- a payment equal to the greater of (1) his target incentive bonus for the year in which his employment was terminated and (2) the average of the annual incentive bonus payment for the previous three years;
- acceleration of the vesting of all unvested stock options;

- the right to purchase all shares of Stratex common stock subject to the outstanding options granted to him until the earlier of (1) 48 months and (2) the date on which the applicable option(s) expire;
- payment of his then-provided car allowance for a period of 48 months; and
- outplacement assistance selected and paid for by Stratex.

Stratex and Mr. Kissner intend to amend Mr. Kissner s employment agreement in connection with the closing of the proposed transactions to eliminate Stratex s obligation to pay him the target incentive bonus described above. At the same time, Mr. Kissner and Harris Stratex expect to enter into a non-competition agreement that will prohibit Mr. Kissner from competing with the businesses conducted by Stratex prior to the closing of the proposed transactions for one year commencing on the later of the date of termination of his employment and the closing date of the proposed transactions. Under this agreement, and subject to his compliance with its terms, Mr. Kissner will be entitled to receive a total payment of $330,000 payable in two equal installments six and 12 months after the first day of the period specified in the preceding sentence.

Mr. Thomsen will receive:

- severance payments at his final base salary for a period of 30 months following his termination;
- payment of premiums necessary to continue his group health insurance under COBRA or to purchase other comparable health insurance coverage on an individual or group basis when he is no longer eligible for COBRA coverage until the earlier of (1) the date on which he turns 65 years of age and (2) the date on which he first becomes eligible to participate in another employer s group health insurance;
- the prorated portion of any incentive bonus that he would have earned during the incentive bonus period in which his employment was terminated;
- a payment equal to the greater of (1) his target incentive bonus for the year was terminated and (2) the average of the annual incentive bonus payment for the previous three years;
- acceleration of the vesting of all unvested stock options;
- the right to purchase all shares of Stratex common stock subject to outstanding options granted to him until the earlier of (1) 30 months and (2) the date on which the applicable option(s) expire;
- payment of his then-provided car allowance for a period of 30 months; and
- outplacement assistance selected and paid for by Stratex.

Stratex and Mr. Thomsen intend to amend Mr. Thomsen s employment agreement in connection with the closing of the proposed transactions to eliminate Stratex s obligation to pay him the target incentive bonus described above. At the same time, Mr. Thomsen and Harris Stratex expect to enter into a non-competition agreement that will prohibit Mr. Thomsen from competing with the businesses conducted by Stratex prior to the closing of the proposed transactions for one year commencing on the later of the date of termination of his employment and the closing date of the proposed transactions. Under this agreement, and subject to his compliance with its terms, Mr. Thomsen will be entitled to receive a total payment of $180,000 payable in two equal installments six and 12 months after the first day of the period specified in the preceding sentence.

Mr. Brandt will receive:

- severance payments at his final base salary for a period of 24 months following his termination;
- payment of premiums necessary to continue his group health insurance under COBRA until the earlier of (1) the date on which he first becomes eligible to participate in another employer s group health insurance and (2) the

date on which he is no longer eligible for COBRA coverage up to a maximum of 18 months;

- the prorated portion of any incentive bonus that he would have earned during the incentive bonus period in which his employment was terminated;

- a payment equal to the greater of (1) his target incentive bonus for the year in his employment was terminated and (2) the average of the annual incentive bonus payment for the previous three years;

- acceleration of the vesting of all unvested stock options;

- the right to purchase all shares of Stratex common stock subject to outstanding options granted to him until the earlier of (1) 24 months and (2) the date on which the applicable option(s) expire;

- payment of his then-provided car allowance for a period of 24 months; and

- outplacement assistance selected and paid for by Stratex.

Notwithstanding the automatic termination of the employment agreements of Messrs. Thomsen and Brandt, Harris Stratex intends to extend employment to them following the proposed transaction on terms to be mutually agreed.

Double Trigger Employment Agreements

Messrs. Waechter, Kennard and Brittain. Mr. Waechter, President and Chief Executive Officer of Stratex, Mr. Kennard, Senior Vice President and Chief Technology Officer of Stratex, and Mr. Brittain, Vice President of Worldwide Sales and Services of Stratex, have double trigger employment agreements with Stratex. In the case of Mr. Waechter, his employment agreement took effect as of May 18, 2006 and was amended effective as of September 1, 2006. In the case of Messrs. Kennard and Brittain, their employment agreements took effect as of May 14, 2002 and April 1, 2006, respectively. Under the terms of their employment agreements, if Messrs. Waechter, Kennard and Brittain are terminated without cause or resign for good reason within a specified number of months following the completion of the proposed transaction, they will be entitled to the severance benefits outlined below but only upon termination or resignation:

If Mr. Waechter is terminated by Stratex without cause or if he resigns for good reason within 24 months after the completion of the proposed transactions, he will be entitled to receive the following severance benefits from Stratex:

- severance payments at his final base salary for a period of 36 months following his termination;

- payment of premiums necessary to continue his group health insurance under COBRA or to purchase other comparable health insurance coverage on an individual or group basis when he is no longer eligible for COBRA coverage until the earlier of (1) 36 months or (2) the date on which he first becomes eligible to participate in another employer s group health insurance;

- if his employment termination or resignation occurs after March 31, 2007, the prorated portion of any incentive bonus that he would have earned during the incentive bonus year in which his employment was terminated;

- if his employment termination or resignation occurs after March 31, 2007, a payment equal to the greater of (1) his target incentive bonus for the year in which his employment terminates and (2) the average of the annual incentive bonus payment for the previous three years;

- acceleration of the vesting of all his unvested stock options;

- the right to purchase all shares of Stratex common stock subject to outstanding options granted to him until the earlier of (1) 36 months and (2) the date on which the applicable option(s) expire;

- payment of his then-provided car allowance for a period of 36 months; and outplacement assistance selected and paid for by Stratex.

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If Mr. Kennard or Mr. Brittain is terminated by Stratex without cause or if they resign for good reason within 18 months after the completion of the proposed transactions, they will be entitled to receive the following severance benefits from Stratex, respectively:

- severance payments at his final base salary for a period of 24 months following his termination;
- payment of premiums necessary to continue his group health insurance under COBRA until the earlier of (1) the date on which he first becomes eligible to participate in another employer s group health insurance or (2) the date on which he is no longer eligible for COBRA coverage up to a maximum of 18 months;
- the prorated portion of any incentive bonus that he would have earned during the incentive bonus period in which his employment was terminated;
- a payment equal to the greater of (1) his target incentive bonus for the year in which his employment was terminated and (2) the average of the annual incentive bonus payment for the previous three years;
- acceleration of the vesting of all his unvested stock options;
- the right to purchase all shares of Stratex common stock subject to outstanding options granted to him until the earlier of (1) 24 months and (2) the date on which the applicable option(s) expire;
- payment of his then-provided car allowance for a period of 24 months; and
- outplacement assistance selected and paid for by Stratex.

For purposes of these employment agreements, the following terms are defined as follows:

Cause means:

- theft, dishonesty, misconduct or falsification of any employment or Stratex records;
- improper disclosure of Stratex s confidential or proprietary information;
- action which has a material detrimental effect on Stratex s reputation or business;
- refusal or inability to perform any assigned duties (other than as a result of a disability) after written notice; or
- conviction (including any plea of guilty or no contest) for any criminal act that impairs the person s ability to perform his or her duties.

Good reason following a change in control means any of the following conditions:

- a material and adverse change in position, duties or responsibilities for Stratex;
- a reduction in base salary;
- a material reduction in employee benefits, other than a reduction that is similarly applicable to a majority of the members of Stratex s executive staff; or
- the relocation of Stratex s workplace to a location that is more than 75 miles from Stratex s current workplace in San Jose, California.

Each employment agreement described above with the executive officers other than Mr. Waechter further obligates Stratex to pay a one-time gross up payment equal to 125% of the amount of excise tax imposed under Section 4999 of the code, with respect to payments that constitute golden parachute payments as defined by

Section 280G of the code. This payment is due within 90 days after the executive officer becomes subject to the excise tax. Stratex is not obligated to pay any of the federal, state and local income or employment taxes imposed on any of the severance payments or the gross-up payment described above. Mr. Waechter s employment agreement provides that Stratex will adjust all payments to Mr. Waechter to minimize the impact of any excise taxes.

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Value of Severance Payments

The following table sets forth Stratex s estimate of the total value of the payments and fringe benefits that could be received by the executive officers of Stratex under the employment agreement provisions summarized above. In the case of Messrs. Kissner, Thomsen and Brandt, the amounts below will be paid by Stratex in connection with the completion of the proposed transactions because of the single trigger feature of their respective employment agreements providing for their automatic termination. The total amounts stated below that would be payable to each of Messrs. Kissner and Thomsen would not be materially altered as a result of the intended amendments to their respective employment agreements to eliminate the post-termination payout of their target bonus amount and the receipt of payments totaling $330,000 and $180,000, respectively, under the non-competition agreement that each of them is expected to enter into with Harris Stratex in connection with the closing of the proposed transactions. Payment under the non-competition agreement, however, is subject in each instance to his compliance with the terms of the non-competition agreement, while the payment of the target bonus amount is subject only to the single trigger condition. In the case of Messrs. Waechter, Kennard and Brittain, these amounts will be paid by Stratex only in the event they are terminated without cause or if they resign for good reason within the specified post-merger period provided in their respective employment agreements. The amounts in the table have been determined with regard to the following assumptions:

each executive is presumed to receive the maximum amount of severance payments, insurance premiums and car allowance payable under his employment agreement;

the amount of each executive s target incentive bonus amount is deemed paid in full;

no value has been assigned to bonus amounts payable only upon the achievement of targets and objectives that are presently undetermined and may not be met prior to the time when they otherwise would be payable;

the time value of money has not been taken into account; and

no amount has been included for gross-up payments that may become due in the event the executive is required to pay golden parachute excise tax pursuant to Section 4999 of the code.

Name	Severance Payments	Annual Target Incentive Bonus	Value of Car Allowance	Company Paid Medical Insurance	Outplacement Services	Total Value
Waechter, Thomas (*double trigger*)	$ 1,350,000	$ 360,000	$ 43,200	$ 31,644	$ 15,000	$ 1,799,844
Kennard, Paul (*double trigger*)	627,900	172,673	21,600	27,072	15,000	864,245
Brittain, Larry (*double trigger*)	525,000	157,500	21,600	25,584	15,000	744,684
Kissner, Charles (*single trigger*)	1,640,016	328,000	57,600	52,944		2,078,560
Thomsen, Carl (*single trigger*)	802,740	176,600	27,000	26,280	15,000	1,047,620
Brandt, John (*single trigger*)	520,008	130,000	18,000	23,664	15,000	706,672
						$ 7,241,625

Unvested Equity Awards

In lieu of annual incentive bonus payments for each of the identified executive officers, as contemplated by their respective employment agreements, Stratex has awarded annual incentive grants of restricted stock under its 1999 Stock Incentive Plan. These shares of restricted Stratex common stock vest in part based on continued service and in part based upon the attainment of performance objectives. Under the terms of the 1999 Stock Incentive Plan, all such unvested shares of restricted Stratex common stock

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will vest in full upon the completion of the proposed transactions. In addition, as discussed above, in the case of Messrs. Kissner, Thomsen and Brandt, the stock options to purchase shares of Stratex common stock identified below will vest upon the completion of the proposed transactions because of the single trigger feature of their respective employment agreements which provide for their automatic termination. However, in the case of Messrs. Waechter, Kennard and Brittain, the stock options to purchase shares of Stratex common stock identified below will vest only in the event they are terminated without cause or resign for good reason within the specified post-merger period provided in their respective employment agreements. The following table shows for each of the identified executive officers the number of shares underlying unvested options and unvested restricted stock awards as of December 27, 2006 and their approximate value as of that date. The amounts in this table have been determined with regard to the following assumptions:

the aggregate value of the unvested shares of restricted stock to be accelerated equals the market value of the shares based on the closing price for a share of Stratex common stock on NASDAQ on December 27, 2006;

the value of unvested shares of common stock subject to options to be accelerated equals the aggregate value of the shares on December 27, 2006 minus the aggregate exercise price for the options; and

out-of-the-money option shares have been excluded, some of which might be in-the-money at the effective time of the merger.

Name	**Number of Restricted Shares***	**Value**	**Number of Option Shares****	**Value**	**Total Value**
Waechter, Thomas (*double trigger*)	21,274	$ 105,306	450,000	$	$ 105,306
Kennard, Paul (*double trigger*)	8,873	43,921	170,000	141,300	185,221
Brittain, Larry (*double trigger*)	8,864	43,877	123,750	210,388	254,654
Kissner, Charles (*single trigger*)	22,617	111,954	158,333	95,800	207,754
Thomsen, Carl (*single trigger*)	9,939	49,198	183,333	148,900	198,098
Brandt, John (*single trigger*)	7,682	38,026	116,250	92,225	130,251
					$ 1,080,895

* All restricted shares vest for all identified employees upon the completion of the proposed transactions.

** Vesting of options to purchase shares of Stratex common stock will accelerate upon the completion of the proposed transaction with respect to employees with a single trigger employment agreement. With respect to a double trigger employment agreement, vesting of the options to purchase shares of Stratex common stock will accelerate only in the event the employee is terminated without cause or if he resigns for good reason within the specified post-merger period provided in their respective employment agreements.

Indemnification

Harris Stratex has agreed that, from and after the effective time of the merger, it will cause Stratex, as the surviving corporation in the merger, for a period of six years from the effective time of the merger to indemnify and hold harmless each past and present director and officer of Stratex or any of its subsidiaries (in each case, for acts or failures to act in such capacity), against any costs or expenses (including reasonable attorneys fees), judgments, fines, losses, claims, damages or liabilities incurred in

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connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of matters existing or occurring at or prior to the effective time of the merger, whether asserted or claimed prior to, at or after the effective time of the merger, to the fullest extent that Stratex would have been permitted to indemnify such person under the laws of the State of Delaware and its certificate of incorporation or bylaws as in effect on the date of the combination agreement. Harris Stratex has also agreed to advance expenses as incurred to the fullest extent permitted under applicable law so long as the person to whom expenses are advanced provides an undertaking to repay such advances if it is ultimately determined that such person is not entitled to indemnification.

Unless Stratex purchases a six-year tail policy prior to the effective time of the merger, for a period of six years after the effective time of the merger, Harris Stratex will cause Stratex, as the surviving corporation, to maintain its existing officers and directors liability insurance covering those persons who are covered by such insurance in effect as of the date of the combination agreement so long as the annual premium for such insurance is not in excess of 200% of the last annual premium paid, and, in the event the annual premium exceeds 200%, as much officers and directors liability insurance as can be obtained for the relevant period for a premium not in excess (on an annualized basis) of 200% of the last annual premium paid.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information known to Stratex regarding the beneficial ownership of its common stock as of December 27, 2006, by (1) all persons who own beneficially more than 5% or more of its outstanding common stock, (2) each Stratex director, (3) the executive officers identified above under Interests of Stratex Directors and Officers in the Transactions Severance Arrangements beginning on page 72 of this proxy statement/prospectus and (4) all directors and executive officers as a group. Unless otherwise indicated, the principal address of each of the stockholders listed below is c/o Stratex Networks, Inc., 120 Rose Orchard Way, San Jose, California 95134:

Name	Shares Beneficially Owned(1)	Percent Beneficially Owned(2)
5% Stockholders		
Kopp Investment Advisors, Inc. 7701 France Avenue South, Suite 500 Edina, Minnesota 55435	12,919,139(3)	13.1%
State of Wisconsin Investment Board P.O. Box 7842 Madison, Wisconsin 53707	8,546,130(4)	8.7 %
Perkins, Wolf, McDonnell and Company, LLC 310 South Michigan Avenue, Suite 2600 Chicago, Illinois 60604	6,205,100(5)	6.3%
Sheila Baird	5,554,536(6)	5.6%
Michael Kimelman 100 Park Avenue New York, New York 10017		

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Name	Shares Beneficially Owned(1)	Percent Beneficially Owned(2)
Named Executive Officers and Directors		
Charles D. Kissner	2,439,772(7)	2.4%
Richard C. Alberding	84,000(8)	*
Thomas H. Waechter	87,535(9)	*
William A. Hasler	64,755(10)	*
James D. Meindl, PhD	88,775(11)	*
Clifford H. Higgerson	554,180(12)	*
V. Frank Mendicino	193,520(13)	*
Edward F. Thompson	60,000(14)	*
Carl A. Thomsen	683,373(15)	*
Paul A. Kennard	625,816(16)	*
Larry M. Brittain	136,930(17)	*
John C. Brandt	362,196(18)	*
All directors and executive officers as a group (19 persons)	6,441,333(19)	6.1%

* Less than 1%

(1) To the knowledge of Stratex, except as set forth in the footnotes to this table, and subject to applicable community property laws, each person named in this table has sole voting and investment power with respect to the shares set forth opposite such person s name.

(2) Beneficial ownership of shares of common stock is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to such shares. Shares of common stock subject to stock options which are currently exercisable or will become exercisable within 60 days of December 27, 2006 are deemed outstanding for computing the beneficial ownership of the person or group holding such option grants but are not deemed outstanding for computing the percentage of beneficial ownership of any other person or group. There were 98,417,594 shares of our common stock outstanding on December 27, 2006.

(3) Kopp Investment Advisors, Inc. had shared dispositive power over 7,329,803 shares, sole dispositive power over 4,000,000 shares, sole voting power over 10,471,139 shares and aggregate beneficial ownership of 12,919,139 shares. The address and number of shares of Stratex common stock beneficially owned by Kopp Investment Advisors, Inc. is based on the Schedule 13G as filed with the Securities and Exchange Commission on January 27, 2006. According to this Schedule 13G, Kopp Investment Advisors, Inc. is a wholly-owned subsidiary of Kopp Holding Company, which also reported aggregate beneficial ownership of 11,559,139 shares. The filing also stated that Kopp Holding Company is wholly owned by Leroy C. Kopp, who on such filing reported sole voting and dispositive power of 1,590,000 shares in addition to the shares that may be deemed beneficially owned by Kopp Investment Advisors, Inc.

(4) The address and number of shares of Stratex common stock beneficially owned by the State of Wisconsin Investment Board is based on the Schedule 13G/ A as filed with the Securities and Exchange Commission on March 9, 2006.

(5) The address and number of shares of Stratex common stock beneficially owned by Perkins Wolf is based on the Schedule 13G/ A as filed with the Securities and Exchange Commission on February 15, 2006 by Mac-Per-Wolf Company. Perkins, Wolf, McDonnell and Company, LLC, or Perkins Wolf, furnishes investment advice to various investment companies registered under Section 8 of the Investment Company Act of 1940 and to individual and institutional clients. The shared voting and dispositive holdings are held by Perkins Wolf and such holdings may also be aggregated within 13G filings submitted by Janus Capital Management, LLC, a minority owner of Perkins Wolf. According to the Schedule 13G/ A, Perkins Wolf reported sole voting and dispositive power of 389,300 shares of Stratex common stock and shared dispositive power of 5,815,800 and aggregate beneficial ownership of 6,205,100 shares.

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(6) The address and number of shares of Stratex common stock beneficially owned by Sheila Baird and Michael Kimelman is based on Schedule 13G as filed with the Securities and Exchange Commission on February 1, 2006.

(7) Includes 2,195,783 shares of common stock subject to options that are currently exercisable or will become exercisable within 60 days of December 27, 2006.

(8) Includes 78,000 shares of common stock subject to options that are currently exercisable or will become exercisable within 60 days of December 27, 2006.

(9) Includes 25,000 shares of common stock subject to options that are currently exercisable or will become exercisable within 60 days of December 27, 2006.

(10) Includes 30,000 shares of common stock subject to options that are currently exercisable or will become exercisable within 60 days of December 27, 2006.

(11) Includes 72,000 shares of common stock subject to options that are currently exercisable or will become exercisable within 60 days of December 27, 2006.

(12) Includes 25,000 shares of common stock subject to options that are currently exercisable or will become exercisable within 60 days of December 27, 2006.

(13) Includes 60,500 shares of common stock subject to options that are currently exercisable or will become exercisable within 60 days of December 27, 2006.

(14) Includes 50,000 shares of common stock subject to options that are currently exercisable or will become exercisable within 60 days of December 27, 2006.

(15) Includes 615,058 shares of common stock subject to options that are currently exercisable or will become exercisable within 60 days of December 27, 2006.

(16) Includes 526,377 shares of common stock subject to options that are currently exercisable or will become exercisable within 60 days of December 27, 2006.

(17) Includes 84,375 shares of common stock subject to options that are currently exercisable or will become exercisable within 60 days of December 27, 2006.

(18) Includes 338,267 shares of common stock subject to options that are currently exercisable or will become exercisable within 60 days of December 27, 2006.

(19) Includes an aggregate of 4,953,246 shares of common stock subject to options that are currently exercisable or will become exercisable within 60 days of December 27, 2006.

Principal Stockholders Following the Transactions

The following table sets forth information, as of the date of this proxy statement/ prospectus, regarding the beneficial ownership of Harris Stratex common stock, after giving effect to the proposed transactions, of:

each person that will be a beneficial owner of more than 5% of Harris Stratex common stock;

each of the named executive officers of Harris Stratex;

each director or prospective director of Harris Stratex; and all directors and named executive officers of Harris Stratex, taken together.

Beneficial ownership is determined under the rules of the Securities and Exchange Commission and generally includes voting or investment power over securities. Except in cases where community property laws apply or as indicated in the footnotes to this table, it is believed that each stockholder identified in the table possesses sole voting and investment power over all shares of Harris Stratex common stock shown as beneficially owned by that stockholder. Percentage of beneficial ownership is based on the approximately 57,377,574 shares of Harris Stratex Class A and Class B common stock that will be outstanding immediately following the merger and the contribution transaction and, in the case of directors and executive officers, on the ownership of Stratex common stock as of December 27, 2006.

Name and Address of Beneficial Owner	Number of Shares of Class A Common Stock	Number of Shares of Class B Common Stock	Percentage of Voting Power of Class of Common Stock	Percentage of Voting Power of Common Stock
Stockholders Owning Approximately 5% or more:				
Harris Corporation 1025 West NASA Blvd. Melbourne, Florida 32919		32,773,176	100%	57.12%
Kopp Investment Advisors, Inc. 7701 France Avenue South, Suite 500 Edina, Minnesota 55435	3,229,785(1)		13.13%	5.63%
State of Wisconsin Investment Board P.O. Box 7842 Madison, Wisconsin 53707	2,136,533(2)		8.68%	3.72%
Perkins, Wolf, McDonnell and Company, LLC 310 South Michigan Avenue, Suite 2600 Chicago, Illinois 60604	1,551,275(3)		6.3%	2.7%
Sheila Baird	1,388,634(4)		5.64%	2.42%
Michael Kimelman 100 Park Avenue New York, New York 10017				
Directors:				
Guy M. Campbell				
Howard L. Lance				
Prospective Directors:				
Eric C. Evans				
William A. Hasler	16,189(5)		*	*
Clifford H. Higgerson	138,545(5)		*	*
Charles D. Kissner	609,943(5)		2.42%	1.1%
Dr. Mohsen Sohi				
Dr. James C. Stoffel				
Edward F. Thompson	15,000(5)		*	*
Non-Director Officers:				
Thomas H. Waechter	21,884(5)		*	*
Sarah A. Dudash				

Robert Kamenski	2,514(5)	*	*
Paul A. Kennard	156,454(5)	*	*
All directors and executive officers as a group (13 individuals in total)	990,529(5)	3.87%	1.7%

* Less than 1%

(1) The number of shares of Harris Stratex Class A common stock beneficially owned was calculated based on the number of shares of Stratex common stock beneficially owned as reported in the Schedule 13G filed with the Securities and Exchange Commission on January 27, 2006, as adjusted for the one-for-four conversion ratio in the merger.

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(2) The number of shares of Harris Stratex Class A common stock beneficially owned was calculated based on the number of shares of Stratex common stock beneficially owned as reported in the Schedule 13G/A filed with the Securities and Exchange Commission on March 9, 2006, as adjusted for the one-for-four conversion ratio in the merger.

(3) The number of shares of Harris Stratex Class A common stock beneficially owned was calculated based on the number of shares of Stratex common stock beneficially owned as reported in the Schedule 13G/A filed with the Securities and Exchange Commission on February 15, 2006, as adjusted for the one-for-four conversion ratio in the merger.

(4) The number of shares of Harris Stratex Class A common stock beneficially owned was calculated based on the number of shares of Stratex common stock beneficially owned as reported in the Schedule 13G filed with the Securities and Exchange Commission on February 1, 2006, as adjusted for the one-for-four conversion ratio in the merger.

(5) The number of shares of Harris Stratex Class A common stock beneficially owned was calculated based on the number of shares of Stratex common stock beneficially owned as of December 27, 2006, as adjusted for the one-for-four conversion ratio in the merger.

Voting Agreements

The directors and the senior officers of Stratex have each entered into a voting agreement with Harris. Under the terms of these voting agreements, the directors and officers who are party to a voting agreement, in their capacities as Stratex stockholders, have agreed, among other things, to vote all of the shares of Stratex common stock beneficially owned by them at the Stratex special meeting in favor of the adoption of the combination agreement and the approval of the merger and the other transactions provided for in the combination agreement, to vote against any other proposal by a third party to acquire Stratex, or any other matter which could reasonably be expected to impede, interfere with, delay or adversely affect the consummation of the transactions contemplated by the combination agreement, to comply with all restrictions and obligations contained in the combination agreement and not to sell, transfer, assign, pledge, encumber or dispose of, or grant a proxy or enter into any other voting agreement or trust or similar arrangement with respect to any shares of Stratex common stock they own. These voting agreements terminate upon any termination of the combination agreement in accordance with its terms.

As of the close of business of the record date for the Stratex special meeting, 1.5% of the then-outstanding shares of Stratex common stock were subject to these voting agreements.

The foregoing description is qualified in its entirety by reference to the full text of the form of voting agreement which is attached as Appendix B to this proxy statement/ prospectus and incorporated herein by reference.

Restrictions on Sales of Harris Stratex Class A Common Stock by Affiliates of Stratex

The shares of Harris Stratex Class A common stock to be issued in connection with the merger will be registered under the Securities Act and will be freely transferable under the Securities Act, except for shares of Harris Stratex Class A common stock issued to any person who is deemed to be an affiliate of Stratex at the time of the applicable special meeting. Persons who may be deemed to be affiliates include individuals or entities that control, are controlled by, or are under the common control of Stratex and may include its executive officers and directors, as well as its significant stockholders. The combination agreement requires Stratex to use all reasonable efforts to cause each of its affiliates to deliver to Harris Stratex a written agreement to the effect that the affiliate will not sell its shares of Harris Stratex Class A common stock acquired in connection with the merger except pursuant to:

- an effective registration statement under the Securities Act;

- a sale made in conformity with the volume and other limitations of Rule 145 under the Securities Act (as such rule may be hereafter from time to time amended) (and otherwise in accordance with

Rule 144 under the Securities Act, if such seller is an affiliate of Harris Stratex and if so required at the time); or

a transaction that, in the opinion of independent counsel reasonably satisfactory to Harris Stratex or under a no-action letter obtained by the affiliate from the Securities and Exchange Commission, is not required to be registered under the Securities Act.

This proxy statement/ prospectus does not cover resales of Harris Stratex Class A common stock received by any person upon completion of the merger, and no person is authorized to make any use of this proxy statement/ prospectus in connection with any resale.

Regulatory Approvals

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which is often referred to in this proxy statement/ prospectus as the HSR Act, and the rules and regulations promulgated thereunder by the U.S. Federal Trade Commission, or the FTC, certain transactions, including the merger and the contribution transaction, cannot be consummated until notifications have been given and certain information has been furnished to the FTC and the Antitrust Division of the U.S. Department of Justice, or the Antitrust Division, and specified waiting period requirements have been satisfied. On September 29, 2006, each of Harris and Stratex filed a Pre-Merger Notification and Report Form pursuant to the HSR Act with the Antitrust Division and the FTC. The waiting period under the HSR Act expired on October 30, 2006. Although the waiting period has expired, at any time before the effective time of the proposed transactions, the FTC, the Antitrust Division or others could take action under the antitrust laws with respect to the proposed transactions, including seeking to enjoin the proposed transactions or to require the divestiture of certain assets of Stratex or the Microwave Communications Division. There can be no assurance that a challenge to the proposed transactions on antitrust grounds will not be made or, if such a challenge is made, that it would not be successful.

Accounting Treatment

For accounting and financial reporting purposes, the merger and the contribution transaction will be accounted for as a purchase business combination of Stratex by the Microwave Communications Division, as that term is used under accounting principles generally accepted in the U.S. In identifying the Microwave Communications Division as the acquiring entity, Harris and Stratex took into account the relative outstanding share ownership, the composition of the governing body of the combined entity and the designation of certain senior management positions. As a result, the historical financial statements of the Microwave Communications Division will become the historical financial statements of Harris Stratex. The assets (including identifiable intangible assets and goodwill) and liabilities of Stratex as of the closing date of the merger will be recorded at their respective fair values and added to the historical cost basis of the assets and liabilities of the Microwave Communications Division. Any excess of purchase price over the net fair values of Stratex s assets and liabilities will be recorded as goodwill (*i.e.*, excess purchase price). The results of operations of Stratex will be included in the results of operations of Harris Stratex beginning on the closing date of the merger and the contribution transaction. For more information, see Harris Stratex Networks, Inc. Unaudited Pro Forma Condensed Consolidated Financial Data beginning on page 183 of this proxy statement/ prospectus.

Certain Material U.S. Federal Income Tax Consequences

The following is a summary of certain material United States federal income tax consequences to U.S. holders (as defined below) of Stratex common stock upon their exchange of Stratex common stock for Harris Stratex Class A common stock pursuant to the merger. This summary is based on the code, Treasury regulations, administrative rulings and court decisions in effect as of the date of this proxy statement/ prospectus, all of which are subject to change at any time, possibly with retroactive effect.

For purposes of this discussion, the term U.S. holder means:

a citizen or resident of the United States;

a corporation, or other entity taxable as a corporation for United States federal income tax purposes, created or organized under the laws of the United States or any of its political subdivisions;

a trust if it:

is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust;

has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person; or

an estate that is subject to United States federal income taxation on its income regardless of its source.

If a partnership holds Stratex common stock, the tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. If a U.S. holder is a partner in a partnership holding Stratex common stock, such holder should consult its tax advisor.

This discussion only addresses U.S. federal income tax consequences of the merger to U.S. holders of Stratex common stock that hold their Stratex common stock as a capital asset within the meaning of Section 1221 of the code. Further, this summary does not address all aspects of U.S. federal income taxation that may be relevant to a U.S. holder of Stratex common stock in light of such holder s particular circumstances or that may be applicable to holders subject to special treatment under U.S. federal income tax law (including, for example, non-U.S. persons, financial institutions, dealers in securities, insurance companies, tax-exempt entities, traders who mark to market, holders who acquired Stratex common stock pursuant to the exercise of employee stock options or otherwise as compensation, holders subject to the alternative minimum tax provisions of the code, and holders who hold Stratex common stock as part of a hedge, straddle, constructive sale or conversion transaction). In addition, no information is provided herein with respect to the tax consequences of the merger under applicable state, local or foreign laws.

BECAUSE THE FOLLOWING DISCUSSION DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OF ALL POTENTIAL TAX CONSEQUENCES RELEVANT TO ANY PARTICULAR HOLDER OR TO PARTICULAR CATEGORIES OF HOLDERS SUBJECT TO SPECIAL TREATMENT UNDER CERTAIN U.S. FEDERAL INCOME TAX LAWS, HOLDERS OF STRATEX COMMON STOCK ARE URGED TO CONSULT WITH THEIR TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF THE MERGER TO THEM, INCLUDING THE EFFECTS OF U.S. FEDERAL, STATE AND LOCAL, FOREIGN AND OTHER TAX LAWS.

The Merger

In connection with the filing of the registration statement containing this proxy statement/ prospectus, Bingham McCutchen has delivered to Stratex its opinion, dated as of the effective date of the registration statement, and filed as an exhibit thereto, that, for U.S. federal income tax purposes:

the merger will constitute a reorganization within the meaning of Section 368(a) of the code;

each of Harris Stratex and Stratex will constitute a party to the reorganization within the meaning of Section 368(b) of the code;

no gain or loss will be recognized by Stratex upon the merger of Stratex into Merger Sub and the conversion of Stratex common stock into Harris Stratex Class A common stock;

a U.S. holder of Stratex common stock will not recognize gain or loss upon the exchange of Stratex common stock solely for Harris Stratex Class A common stock in the merger, except that such a holder may recognize gain with respect to any cash received in lieu of fractional shares of Harris

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Stratex Class A common stock (see Cash in Lieu of Fractional Shares beginning on page 85 of this proxy statement/ prospectus);

the basis of Harris Stratex Class A common stock to be received by a U.S. holder of Stratex common stock will be, in the aggregate, the same as the basis, in the aggregate, of Stratex common stock surrendered in exchange therefor; and

the holding period of Harris Stratex Class A common stock to be received by a U.S. holder of Stratex common stock will include the holding period of the Stratex common stock surrendered in exchange therefor.

The opinion of Bingham McCutchen has been rendered on the basis of:

certain assumptions, including assumptions regarding the absence of certain changes in existing facts and that the merger will be completed in accordance with this proxy statement/prospectus and the combination agreement; and

representations, including those contained in officer s certificates of Stratex, Harris and Harris Stratex, all of which must be true and accurate in all respects as of the effective date of the registration statement and must continue to be true and accurate in all respects as of the effective time of the merger.

If any of those assumptions or representations is inaccurate, incomplete or untrue, the conclusions contained in the opinion could be affected. The obligation of Stratex to complete the transactions is conditioned on its receipt of an opinion of Bingham McCutchen, dated as of the date of the completion of the transactions, substantially to the same effect.

In connection with the filing of the registration statement contained in this proxy statement/ prospectus, Sullivan & Cromwell has delivered to Harris its opinion, dated as of the effective date of the registration statement, and filed as an exhibit thereto, that for U.S. federal income tax purposes:

the contribution transaction, together with the merger, will qualify as a transaction covered by Section 351 of the code and;

that no gain or loss will be recognized on any transfer of property from Harris to Harris Stratex as contemplated by the contribution transaction, in exchange solely for the stock of Harris Stratex.

The opinion of Sullivan & Cromwell has been rendered on the basis of:

certain assumptions, including assumptions regarding the absence of certain changes in existing facts and that the merger will be completed in accordance with this document and the combination agreement; and

representations, including those contained in officer s certificates of Harris, Harris Stratex and Stratex, all of which must be true and accurate in all respects as of the effective date of the registration statement and must continue to be true and accurate in all respects as of the effective time of the merger.

None of the opinions referred to in this discussion or the opinions stated below will be binding on the Internal Revenue Service or the courts, and no rulings will be sought from the Internal Revenue Service regarding the tax treatment of the transactions. Accordingly, there can be no certainty that the Internal Revenue Service will not challenge the conclusions set forth in any of the opinions stated or referred to herein or that a court would not sustain such a challenge.

Cash in Lieu of Fractional Shares. A U.S. holder of Stratex common stock who receives cash in lieu of a fractional share of Harris Stratex Class A common stock in the merger will be treated as having received such fractional share in the merger and then as having received cash in redemption of such fractional share. Gain or loss will be recognized based on the difference between the amount of cash received in lieu of the fractional share of Harris Stratex Class A common stock and the portion of the U.S. holder s aggregate tax basis in the Stratex common stock surrendered which is allocable to the

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fractional share. This gain or loss will be long-term capital gain or loss if the holding period for the Stratex common stock surrendered in the merger is more than one year at the effective time of the merger. Long-term capital gain of non-corporate U.S. holders will be taxed at a maximum U.S. federal income tax rate of 15%. The deductibility of capital losses is subject to limitations.

Backup Withholding and Information Reporting. Payments of cash made to a U.S. holder in connection with the merger may be subject to information reporting and backup withholding at a rate of 28%, unless the U.S. holder of Stratex common stock:

- provides a correct taxpayer identification number and any other required information to the exchange agent (and does not subsequently become subject to backup withholding); or

- is a corporation or comes within certain exempt categories and otherwise complies with applicable requirements of the backup withholding rules.

All non-corporate U.S. holders of Stratex common stock should complete and sign the Substitute Form W-9 that will be included as part of the letter of transmittal to be delivered following the completion of the merger. Backup withholding does not constitute an additional tax, but merely an advance payment of tax, which may be refunded to the extent it results in an overpayment of tax if a claim for refund is timely filed with the Internal Revenue Service.

THE FOREGOING DISCUSSION DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER. STRATEX STOCKHOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES TO THEM OF PARTICIPATION IN THE MERGER IN LIGHT OF THEIR INDIVIDUAL FACTS AND CIRCUMSTANCES.

Harris Stratex Certificate of Incorporation and Bylaws

Stratex stockholders who receive Harris Stratex common stock in the merger will become Harris Stratex stockholders and their rights as stockholders will be governed by the amended and restated certificate of incorporation and amended and restated bylaws of Harris Stratex and the laws of the State of Delaware. The certificate of incorporation and bylaws of Harris Stratex will be amended and restated prior to the completion of the merger and the contribution transaction as set forth in Appendix C and Appendix D to this proxy statement/ prospectus, respectively. For a description of the capital stock of Harris Stratex and information on certain differences between the certificate of incorporation and bylaws of Harris Stratex and the certificate of incorporation and bylaws of Stratex, see Description of Harris Stratex Capital Stock beginning on page 191 of this proxy statement/ prospectus and Comparison of Stockholder Rights beginning on page 196 of this proxy statement/ prospectus, respectively.

No Appraisal Rights

Stratex stockholders are not entitled to appraisal or dissenters rights in connection with the merger or the other transactions provided for in the combination agreement.

Listing of Harris Stratex Class A Common Stock on NASDAQ

Harris Stratex common stock is currently not traded or quoted on a stock exchange or quotation system. Harris Stratex expects that, following the merger and the contribution transaction, shares of Harris Stratex Class A common stock will be listed for trading on NASDAQ under the symbol HSTX .

Delisting and Deregistration of Shares of Stratex Common Stock

Following the merger, Stratex common stock will be delisted from NASDAQ.

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THE COMBINATION AGREEMENT

The following is a description of the material terms of the combination agreement and is qualified in its entirety by reference to the complete text of the combination agreement, which is incorporated by reference and attached as Appendix A to this proxy statement/ prospectus. You should read the full text of the combination agreement in order to fully understand its terms and conditions.

The combination agreement has been included to provide you with information regarding its terms, and we recommend that you read the combination agreement carefully and in its entirety. The combination agreement contains representations and warranties of the parties as of specific dates and may have been used for purposes of allocating risk between the parties rather than establishing matters as facts. Those representations and warranties are qualified in several important respects, which you should consider as you read them in the combination agreement, including contractual standards of materiality that may differ from what stockholders consider to be material. Information concerning the subject matter of the representations and warranties may have changed since the date of the combination agreement and new information qualifying a representation or warranty may have been included in this proxy statement/ prospectus.

Organization of Harris Stratex and Merger Sub

Capital Structure

Pursuant to the terms of the combination agreement, on October 5, 2006 Harris formed Harris Stratex, a Delaware corporation and wholly owned subsidiary of Harris, solely for the purpose of effecting the merger, the contribution transaction and the other transactions contemplated by the combination transaction. The amended and restated certificate of incorporation and amended and restated bylaws of Harris Stratex, which will be effective following the completion of the transactions, are set forth in Appendix C and Appendix D to this proxy statement/ prospectus, respectively.

Pursuant to the Harris Stratex certificate of incorporation and bylaws, the authorized capital stock of Harris Stratex consists solely of shares of Class A common stock, par value $0.01 per share, shares of Class B common stock, par value $0.01 per share, and shares of preferred stock, par value $0.01 per share. As a general matter, the rights and privileges of the Class A and Class B common stock of Harris Stratex are identical in all respects, except that the holders of shares of Class B common stock have additional voting rights, have the right to receive Class B common stock instead of Class A common stock in certain circumstances, do not have certain duties and obligations with respect to corporate opportunities and have preemptive rights providing them with the right to participate in additional offerings of common stock of Harris Stratex.

Currently one share of Harris Stratex Class B common stock is issued and outstanding and is owned of record by Harris. No shares of Harris Stratex Class A common stock or preferred stock are outstanding.

Directors and Officers

Immediately following the proposed transactions, the board of directors of Harris Stratex will have nine members. Five of these directors will be appointed by Harris as the sole holder of Harris Stratex Class B common stock and will include Howard L. Lance, Chairman, President and Chief Executive Officer of Harris and Guy M. Campbell, President of the Microwave Communications Division, each of whom are currently directors of Harris Stratex, and also are expected to include Eric C. Evans, Dr. Mohsen Sohi and Dr. James C. Stoffel. The four remaining directors of Harris Stratex will be appointed by Stratex and are expected to include Charles D. Kissner, Chairman of Stratex, as well as the following current Stratex directors: William A. Hasler, Clifford H. Higgerson and Edward F. Thompson. With respect to Harris Stratex, Eric C. Evans, William A. Hasler, Clifford H. Higgerson, Dr. Mohsen Sohi, Dr. James C. Stoffel and Edward F. Thompson each meet the independence requirements for directors serving on an audit committee as prescribed by the NASDAQ rules. In addition, none of the proposed directors of Harris Stratex is an employee of Harris or any of its subsidiaries (without regard to Harris Stratex of any of its subsidiaries). Assuming the appointment of the proposed directors, both Harris

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and Stratex will have satisfied the requirements relating to directors imposed on them by the combination agreement.

Merger Sub

Pursuant to the terms of the combination agreement, Harris Stratex formed Merger Sub, a Delaware corporation and wholly owned subsidiary of Harris Stratex, solely for the purpose of effecting the merger.

Closing of the Contribution Transaction and Effective Time of Merger

The closing of the contribution transaction and the effective time of the merger, which will occur simultaneously and are conditioned on each other, will occur at the time the parties duly file a certificate of merger with the Secretary of State of the State of Delaware (or at such later time as may be agreed by the parties and specified in the certificate of merger) and Harris transfers the assets and liabilities comprising its Microwave Communications Division to Harris Stratex and Harris Stratex issues to Harris shares of Harris Stratex Class B common stock. The closing date will occur on the fifth business day after all of the conditions set forth in the combination agreement have been satisfied or waived (other than conditions that relate to actions to be taken, or documents to be delivered, at the closing), or on such other date as may be mutually agreed between Stratex and Harris.

Each of Stratex and Harris has agreed to deliver written notice to each other certifying to the satisfaction or waiver of certain conditions to their respective obligations under the combination agreement and to the material accuracy of their respective representations and warranties as provided by the combination agreement as of the closing date.

Structure of the Transactions

The Merger

At the effective time of the merger, Merger Sub will be merged with and into Stratex. Stratex will survive the merger as a wholly owned subsidiary of Harris Stratex. All of the properties, assets, rights, privileges, immunities, powers, purposes, liabilities and obligations of Stratex and Merger Sub will become those of Stratex.

The Contribution Transaction

Simultaneously with the effective time of the merger, Harris or certain of Harris affiliates entities will transfer to Harris Stratex the following: (1) the equity interests in certain identified subsidiaries of Harris contributed in the transaction, (2) $32.1 million in cash in the aggregate and (3) with certain identified exceptions, all of the right, title and interest of Harris and those subsidiaries retained by Harris in the assets of Harris and its retained subsidiaries as of the closing date that are primarily related to the business of the Microwave Communications Division, including the assets primarily related to the NetBoss® network operations software business, which we sometimes collectively refer to in this proxy statement/ prospectus as the MCD business. Cash and cash equivalents primarily relating to or primarily used in the MCD business, other than the cash referenced above, will not be transferred to Harris Stratex. In addition, Harris Stratex will assume and agree to fully discharge or perform when due all liabilities of Harris and its subsidiaries, subject to certain exceptions, that (a) are owed to third parties, (b) result from or arise out of goods, services or facilities used or supplied by the MCD business and any other businesses or divisions of Harris and/or any of its subsidiaries and (c) reasonably can be allocated among the MCD business and the other businesses and divisions of Harris and are so allocated to the maximum extent reasonably practicable and, following that allocation, primarily result from or primarily arise out of the MCD business as well as all other liabilities of Harris or any of its subsidiaries that primarily result from or primarily arise out of the MCD business.

If Harris is unable to obtain any third party approval or authorization, other than those that are conditions to the closing of the merger and the contribution transaction, and the closing proceeds without

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the transfer of the related asset that was to be contributed pursuant to the terms of the combination agreement, then the parties will cooperate with each other and use commercially reasonable efforts to obtain such approval or authorization, but no party will be required to pay any consideration for such approval or authorization, other than filing, recordation or similar fees which will be paid by Harris Stratex. Until the parties are able to obtain the necessary approval or authorization, Harris Stratex and Harris have agreed to enter into arrangements to provide to the parties the economic and operational equivalent, to the extent permitted, of effecting the transfer as provided by the combination agreement.

Following the closing, Harris and Harris Stratex will adjust the amount of cash transferred in connection with the proposed transactions so that the cash contributed by Harris, together with any cash remaining in the subsidiaries transferred as part of the contribution transaction, equals $32.1 million.

Certificate of Incorporation and Bylaws of Stratex

The certificate of incorporation of Stratex in effect immediately prior to the effective time of the merger will be the certificate of incorporation of Stratex following the merger; *provided, however*, that at the effective time of the merger the Stratex certificate of incorporation will be amended so that it is identical to the certificate of incorporation of Merger Sub immediately prior to the effective time of the merger, except that the name on the certificate of incorporation will be Stratex Networks, Inc. Harris and Stratex agreed to take all actions necessary so the bylaws of Merger Sub in effect immediately prior to the effective time of the merger will be the bylaws of Stratex after the merger.

Transaction Consideration

Merger Consideration; Treatment of Stratex Stock Options, Warrants and other Equity Awards

If the contribution transaction occurs, at the effective time of the merger:

Each share of Stratex common stock issued and outstanding as of the effective time of the merger (other than the Stratex common stock owned by Stratex or any direct or indirect wholly owned subsidiary of Stratex and not held on behalf of third parties) will be converted into and exchanged for one-fourth of a share of Harris Stratex Class A common stock. This exchange ratio will have the same effect on the number of shares of Harris Stratex Class A common stock received by the former Stratex stockholders as if Stratex had completed a one-for-four reverse stock split immediately prior to the effective time of the merger.

Each outstanding option to purchase shares of Stratex common stock under the Stratex stock plans, whether vested or unvested, will be converted into an option to acquire that number of shares of Harris Stratex Class A common stock equal to one-fourth of the number of shares of Stratex common stock issuable upon exercise of the Stratex option immediately prior to such conversion at an exercise price per share equal to four times the exercise price per share of Stratex common stock immediately prior to such conversion. Stock options will be subject to rounding to comply with certain legal requirements. Except as specifically provided above, following the effective time of the merger, each option to purchase shares of Class A common stock converted as described above will be governed by the same terms and conditions as were applicable to the option immediately prior to the effective time of the merger.

Each right of any kind, contingent or accrued, to acquire or receive shares of Stratex common stock or benefits measured by the value of shares of Stratex common stock, and each award of any kind consisting of shares of Stratex common stock under the Stratex stock plans or any other Stratex benefits plan (other than options to purchase Stratex common stock), will be converted into the right to acquire, or the right to receive benefits measured by the value of, that number of shares of Harris Stratex Class A common stock equal to one-fourth of the number of shares of Stratex common stock underlying such Stratex award (rounded down to the nearest whole number) immediately prior to such conversion, and if such Stratex award determines such rights by reference to the extent the value of the shares of Stratex common stock exceed a specified reference price, at

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a reference price per share of Harris Stratex Class A common stock (rounded up to the nearest whole cent) equal to four times the reference price per share of Stratex common stock. Except as specifically provided above, following the effective time of the merger, each Stratex award converted as described above will be governed by the same terms and conditions as were applicable to the award immediately prior to the effective time of the merger.

Each outstanding warrant to purchase Stratex common stock will automatically become exercisable for that number of shares of Harris Stratex Class A common stock equal to one-fourth of the number of shares of Stratex common stock issuable upon exercise of such warrant immediately prior to the effective time of the merger at an exercise price per share of Harris Stratex Class A common stock equal to four times the exercise price of such warrant per share of Stratex common stock immediately prior to the effective time of the merger. In addition, concurrently with the effective time of the merger, Harris Stratex will assume the obligation to deliver shares of Harris Stratex Class A common stock to those persons who are the record holders of the warrants by entering into the Warrant Assumption Agreement, to be dated the date of closing, subject to certain adjustments. For more information regarding the provisions of the Warrant Assumption Agreement, see Other Agreements Warrant Assumption Agreement on page 120 of this proxy statement/ prospectus.

Contribution Consideration

In exchange for its contribution of the MCD business (including the $32.1 million in cash, as adjusted), Harris Stratex will issue to Harris, or one of Harris domestic retained subsidiaries, the number of shares of Harris Stratex Class B common stock that equals 56% of the total number of shares of Harris Stratex common stock outstanding immediately after the closing of the contribution transaction and the effective time of the merger, after giving effect to the issuance of Class B common stock to Harris, the issuance of Harris Stratex Class A common stock in the merger and the conversions and other changes contemplated by the combination agreement on a fully diluted basis using the treasury stock method assuming a market price per share of Class A common stock equal to $20.80 (which represents $5.20 per share of Stratex common stock prior to the effective one-for-four reverse split pursuant to the merger).

Exchange of Stock Certificates Following the Merger

Harris will select an exchange agent with Stratex s prior approval (which shall not be unreasonably withheld or delayed). At the effective time of the merger, Harris Stratex will deposit with the exchange agent, for the benefit of the holders of shares of Stratex common stock, certificates representing the aggregate number of shares of Class A common stock issuable to the Stratex stockholders in the merger and any cash payable in lieu of fractional shares, as described below. Following the effective time, Harris Stratex will continue to deposit with the exchange agent certain dividends or other distributions, if any, with respect to shares of Class A common stock issuable to the Stratex stockholders in the merger.

As soon as practicable after the effective time of the merger, the exchange agent will mail to each holder of record of a certificate representing shares of Stratex common stock (1) a letter of transmittal acceptable to Harris and (2) instructions for effecting the surrender of those certificates in exchange for certificates representing the appropriate number of shares of Harris Stratex Class A common stock and cash in lieu of fractional shares and any dividends or distributions payable in respect of Stratex common stock represented by the surrendered certificates as provided by the combination agreement.

Stratex stockholders should not return their certificates with the enclosed proxy card.

Upon surrender of a certificate representing shares of Stratex common stock and a duly executed letter of transmittal, the holder of such certificate will be entitled to receive (1) one or more certificates representing the number of shares of Harris Stratex Class A common stock equal to one-fourth of the number of shares of Stratex common stock represented by such certificate (rounded down to the next full number of shares), (2) a check in the amount (after giving effect to any required tax withholdings) of any cash payable in lieu of fractional shares and any cash dividends and distributions such holder is entitled to

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receive under the combination agreement and (3) any non-cash dividends or distributions such holder is entitled to receive under the combination agreement. No interest will be paid or accrued on any amount payable upon surrender of certificates representing shares of Stratex common stock.

Dividends and Distributions with Respect to Unexchanged Shares of Stratex Common Stock

All Harris Stratex Class A common stock will be deemed issued and outstanding as of the effective time of the merger and any dividends and distributions declared by Harris Stratex in respect of shares of Harris Stratex Class A common stock with a record date at or after the effective time of the merger will include dividends or other distributions in respect of shares of Harris Stratex Class A common stock issuable to the Stratex stockholders in the merger. However, no dividends or other distributions in respect of shares of Harris Stratex Class A common stock issuable to the Stratex stockholders in the merger will be paid to any Stratex stockholder until the certificate representing shares of Stratex common stock is surrendered to the exchange agent.

Voting

At any meeting of Harris Stratex stockholders after the effective time of the merger, holders of unsurrendered certificates of shares of Stratex common stock will be entitled to vote that number of shares of Harris Stratex Class A common stock into which the shares of Stratex common stock represented by their certificates were converted in the merger, regardless of whether holders have exchanged those certificates.

Fractional Shares

No fractional shares of Harris Stratex Class A common stock will be issued in the merger. All fractional shares of Harris Stratex Class A common stock that a Stratex stockholder (or holder of Stratex restricted stock) would otherwise be entitled to receive as a result of the merger will be aggregated and if a fractional share results from such aggregation, such stockholder shall be entitled to receive in exchange for such stockholder s entitlement to such fractional share of Harris Stratex Class A common stock, an amount in cash without interest equal to such stockholder s proportionate interest in a share of Harris Stratex Class A common stock assuming the price of such a share was equal to four times the average of the closing prices per share of Stratex common stock on NASDAQ for the five trading days ending on the last trading day prior to the closing date of the merger and the contribution transaction.

Quotation of Shares of Harris Stratex Class A Common Stock

Harris Stratex and Harris will use all reasonable efforts to cause the shares of Harris Stratex s Class A common stock to be issued in the merger and to be reserved for issuance upon the exercise of the Stratex options, Stratex awards and future grants of options or stock-based awards by Harris Stratex as well as the shares of Harris Stratex s Class A common stock reserved for issuance upon conversion of Harris Stratex s Class B common stock to be approved for listing on NASDAQ, subject to official notice of issuance.

Representations and Warranties

Stratex and Harris made customary representations and warranties in the combination agreement on behalf of themselves and their respective subsidiaries that are subject, in some cases, to specified exceptions and qualifications contained in the combination agreement or in information provided pursuant to certain disclosure obligations set forth in the combination agreement. Unless specified otherwise, representations and warranties have been made separately and individually by Stratex and Harris in relation to, among other things:

- the respective corporate organization, existence and good standing of Harris and each of its applicable subsidiaries to carry on the MCD business and of Stratex and each of its subsidiaries;

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the respective authority of Stratex and Harris to enter into the combination agreement;

the respective capital structures of Stratex and its subsidiaries and certain subsidiaries of Harris;

the title of Harris and certain of its subsidiaries to the outstanding capital stock of the subsidiaries to be contributed to Harris Stratex by Harris;

the approval of the combination agreement and the transactions contemplated by the combination agreement by Stratex s and Harris respective boards of directors;

the receipt of a fairness opinion from Stratex s financial advisor;

other than certain identified filings, including filings required under the HSR Act, the absence of any need for consents of government authority by Stratex, Harris or any of their respective subsidiaries;

the absence of a violation of charter documents of Stratex or any of its subsidiaries or of Harris;

the absence of a material violation or a change in rights relating to any contract, government authorization, permit or license of Stratex, Harris or any of their respective subsidiaries or, in the case of Harris, a material encumbrance on any of the contributed assets or the assets of a contributed subsidiary;

the absence of consents required under material contracts of Stratex and Harris or any of their respective subsidiaries (although neither Stratex nor the Microwave Communications Division has any material contract requiring consent the receipt of which is a condition to the consummation of the proposed transactions);

the absence of material bankruptcy court orders related to Stratex or any of its subsidiaries or to the MCD business;

the SEC filings and the accuracy and completeness of the information contained in the SEC filings, including the financial statements, made by Harris or any of its subsidiaries since July 1, 2005 that contain information relating to the MCD business and made by Stratex or any of its subsidiaries since March 31, 2006;

the audited financial statements of Stratex and the MCD business, including their preparation in accordance with GAAP and that they fairly present, in all material respects, certain financial information;

in the case of Stratex, its material compliance in all material respects with the SOX Act and the listing and corporate governance rules and regulations of NASDAQ, and, in the case of Harris, its material compliance in all materials respects with the SOX Act to the extent that its compliance will affect Harris Stratex s ability to comply with the SOX Act following the closing;

in the case of Stratex, the adequacy of its disclosure controls and procedures and any significant deficiencies and material weaknesses in the design or operation of its internal controls over financial reporting and, in the case of Harris, the adequacy of its disclosure controls and procedures and any significant deficiencies and material weaknesses in the design or operation of its internal controls over financial reporting as such matters relate to the MCD business;

the absence of any material issue regarding accounting or auditing practices or the reporting of a material violation of securities laws or fiduciary duties since March 31, 2003 for Stratex and since June 30, 2006 for Harris as such matters relate to the MCD business;

the accuracy of information contained in registration statements that Harris has filed with the SEC since July 1, 2005 relating to the MCD business and that Stratex has filed with the SEC since March 31, 2004;

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the accuracy of the information provided by Stratex and Harris, respectively, to be included or incorporated by reference in the registration statement of which this proxy statement/ prospectus forms a part;

the absence of a material adverse change to the business of Stratex and its subsidiaries since March 31, 2006 or to the MCD business since June 30, 2006;

the absence of undisclosed litigation or injunctions concerning the MCD business or Stratex or any of its subsidiaries or affiliates;

the absence of undisclosed material liabilities concerning the MCD business or Stratex or any of its subsidiaries;

the employee benefits and ERISA compliance of the MCD business and of Stratex and its subsidiaries;

the compliance by Stratex and its subsidiaries and Harris and its subsidiaries with respect to the MCD business with laws and government regulations, including environmental laws;

the actions taken by Stratex to ensure the inapplicability of restrictions under takeover statutes;

the absence of undisclosed affiliate transactions by Stratex;

the proper filing of all tax returns, compliance with tax laws and absence of any deficiencies in those filings by those subsidiaries of Harris Stratex to be contributed to Harris Stratex and by Stratex and its subsidiaries;

intellectual property and information technology of Harris and its subsidiaries relating to the MCD business and of Stratex and its subsidiaries;

labor relations matters of Harris and its subsidiaries relating to the MCD business and of Stratex and its subsidiaries;

the validity and enforceability of all material contracts of Harris and its subsidiaries relating to the MCD business and of Stratex and its subsidiaries;

the sufficiency of the assets Harris and its subsidiaries will contribute to Harris Stratex under the combination agreement, in combination with other services, intellectual property, real property, the Leased Equipment and government authorizations, to conduct the MCD business;

the holding of good and marketable title, in fee simple, to the real property of Harris and its subsidiaries relating to the MCD business and of Stratex and its subsidiaries and the absence of a material default on any material leases by Harris and its subsidiaries relating to the MCD business or by Stratex and its subsidiaries;

insurance of Harris and its subsidiaries relating to the MCD business and of Stratex and its subsidiaries;

the absence of any unlawful payments by Harris and its subsidiaries relating to the MCD business and of Stratex and its subsidiaries; and

the absence of undisclosed brokers fees or finders fees relating to the transaction.

Many of the representations and warranties made by each of Harris and Stratex are qualified by a material adverse effect standard. For the purposes of the combination agreement, a material adverse effect with respect to Stratex means the following:

a material adverse effect on the results of operations, financial condition, cash flow, assets liabilities or business of Stratex and its subsidiaries, taken as a whole; and

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any effect that prevents, materially delays or materially impairs Stratex s ability to complete, or Harris Stratex to receive the benefits of, the merger and the other transactions under the combination agreement.

A material adverse effect with respect to Stratex will not have occurred, however, as a result of the following:

events or conditions (including changes in economic, financial market, regulatory or political conditions) that generally affect participants in the industries in which Stratex and its subsidiaries participate except to the extent that they adversely affect Stratex and its subsidiaries (taken as a whole) disproportionately compared to such other participants; or

any disruption of employee, customer, supplier or other similar relationships primarily as a result of the execution or announcement of the combination agreement and the identity of Harris.

For the purposes of the combination agreement, a material adverse effect with respect to Harris means the following:

a material adverse effect on the results of operations, financial condition, cash flow, assets, liabilities or business of the MCD business, taken as a whole; and

any effect that prevents, materially delays or materially impairs Harris ability to complete, or Harris Stratex to receive the benefits of, the contribution transaction and the other transactions under the combination agreement.

A material adverse effect with respect to Harris will not have occurred, however, as a result from the following:

events or conditions (including changes in economic, financial market, regulatory or political conditions) that generally affect participants in the industries in which the MCD business participates except to the extent that they adversely affect the MCD business disproportionately compared to such other participants; or

any disruption of employee, customer, supplier or other similar relationships primarily as a result of the execution or announcement of the combination agreement and the identity of Stratex.

Covenants

Stratex Interim Operating Covenants

Under the combination agreement, unless (1) Harris provides written approval (not to be unreasonably withheld or delayed), (2) expressly required or permitted by the combination agreement or (3) required by applicable law, Stratex has agreed as to itself and its subsidiaries that, until the effective time of the merger, Stratex and its subsidiaries will:

conduct their businesses in the ordinary and usual course of business consistent with past practice; and

use commercially reasonable efforts to preserve their business organizations and maintain their existing relations and goodwill with government entities, customers, manufacturers, suppliers, distributors, creditors, lessors, employees and business associates and keep available the services of the present employees and agents of Stratex and its subsidiaries.

More specifically, Stratex will not and will not permit its subsidiaries to:

adopt or propose a change to their organizational documents;

merge or consolidate, except for transactions among indirect and direct wholly owned subsidiaries of Stratex that are not obligors or guarantors of indebtedness of a person other than Stratex or another wholly owned subsidiary of Stratex;

acquire assets with a value or price greater than $500,000 outside the ordinary course of business;

enter into any material new line of business or distribute a new type of product;

issue, sell, pledge, dispose of, grant, transfer, lease, license, guarantee, encumber, or authorize the issuance, sale, pledge, disposition, grant, transfer, lease, license, guarantee or encumbrance of, any shares of capital stock of, or other equity interest in, Stratex or any of its subsidiaries, or securities convertible into, or exchangeable or exercisable for, any such shares of capital stock or other equity interest, except for (1) the issuance of shares by a direct or indirect wholly owned subsidiary of Stratex to Stratex or another direct or indirect wholly owned subsidiary of Stratex, (2) mergers or consolidations among wholly owned subsidiaries of Stratex that are not obligors or guarantors of indebtedness of a person other than Stratex or another wholly owned subsidiary of Stratex, (3) the issuance and sale of Stratex common stock pursuant to Stratex options or Stratex awards outstanding prior to the date of the combination agreement and (4) grants of Stratex options or Stratex awards permitted by another section in the combination agreement;

create or incur any encumbrance material to Stratex or its subsidiaries, other than in the ordinary course of business, on any assets valued in excess of $500,000 that are used in Stratex or any of its subsidiaries business;

make any loans, advances or capital contributions to, or investments in, any person in excess of $500,000 in the aggregate, except to, or in, any direct or indirect wholly owned subsidiary of Stratex that is not an obligor or guarantor of indebtedness of a person other than Stratex or another wholly owned subsidiary of Stratex;

declare, set aside or pay any dividend or distribution regarding Stratex or any of its subsidiaries capital stock, except for dividends or distributions by any direct or indirect wholly owned subsidiaries of Stratex and pro rata dividends or distributions payable to holders of interests in non wholly owned subsidiaries;

reclassify, split, recapitalize, subdivide or repurchase, redeem or otherwise acquire, directly or indirectly, any of its capital stock except for the purpose of effecting mergers or consolidations among direct or indirect subsidiaries of Stratex that are not obligors or guarantors of indebtedness of a person other than Stratex or another wholly owned subsidiary of Stratex;

incur any indebtedness or guarantee indebtedness of another person, or issue or sell any debt securities or warrants or other rights to acquire any debt security of Stratex or any of its subsidiaries or enter into any capital lease, except for (1) liabilities for the deferred purchase price of property or for the reimbursement of any obligor on any letter of credit, banker s acceptance or similar credit transaction securing obligations similar to liabilities of borrowed money that is incurred in the ordinary course of business, (2) indebtedness incurred in the ordinary course of business under Stratex s existing revolving credit facility (or any replacement facility) not to exceed $50,000,000 in the aggregate (including amounts outstanding as of the date of the combination agreement), (3) refinancings of indebtedness outstanding on the date of the combination agreement on commercially reasonable terms and (4) loans or advances by Stratex or any of its subsidiaries to direct or indirect wholly owned subsidiaries of Stratex that are not obligors or guarantors of indebtedness of a person other than Stratex or another wholly owned subsidiary of Stratex;

make or authorize any capital expenditure in excess of $250,000 individually or regarding a related group of expenditures or $1,000,000 in the aggregate;

enter into any material contract other than in the ordinary course of business;

change accounting policies or procedures, except as required by changes in GAAP or Regulation S-X, based upon the advice of its independent auditors after consultation with Harris;

settle any pending or threatened civil, criminal or administrative actions, proceedings, suits, claims, litigations, arbitrations, investigations or other proceedings for an amount to be paid by Stratex or any of its subsidiaries in excess of $500,000 or that would be reasonably likely to have any material adverse impact on the operations of Stratex or any of its subsidiaries, or indemnify any person other than pursuant to a contractual obligation;

other than in the ordinary course of business, (1) amend or modify in any material respect, or terminate or waive any material right or benefit under, any material contract of Stratex (other than as permitted under the combination agreement) or regarding any pending or threatened civil, criminal or administrative actions, suits, claims, litigations, arbitrations, investigations or other proceedings, or (2) cancel, modify or waive any debts, claims or rights held by it, in each case having a value in excess of $500,000;

except as required by law, make any material tax election or take any material position on any material tax return filed as of the date of the combination agreement or adopt any method that is inconsistent with elections made, positions taken or methods used in preparing or filing similar tax returns in prior periods or settle or compromise any material tax liability;

sell, transfer, lease, license or otherwise dispose of any material property of Stratex or its subsidiaries except in the ordinary course of business;

sell, lease, abandon, transfer, dispose of, license or grant material rights under any material intellectual property rights of Stratex or any of its subsidiaries or materially modify any of these existing rights, except in the ordinary course of business consistent with past practice, or enter into any settlement regarding (1) the infringement of any material intellectual property rights of Stratex or any of its subsidiaries or (2) the breach of any license agreements governing use of material intellectual property;

terminate, establish, adopt, enter into, make any new grants or awards under, amend or otherwise modify, or accelerate vesting or payment under any benefit plans of Stratex or any of its subsidiaries or enter into any new employment or compensatory agreements or arrangements with, or increase the salary, wage, bonus or other compensation payable or to become payable to, any directors, officers, employees or consultants of Stratex or any of its subsidiaries, except that (1) Stratex may increase the base salary or wage of any employee other than the five most highly compensated employees in the ordinary course of business and enter into new employment or compensatory arrangements with newly hired persons if such person would not be one of Stratex s five most highly compensated employees and is hired in the ordinary course of business as a replacement and not as part of a plan for business development, (2) salary or wage increases and compensatory arrangements so permitted may not, in the aggregate, exceed $1,000,000 and (3) Stratex may grant to its newly hired employees options or awards issued in the ordinary course of business consistent with past practice, with a per share price no less than the then-current market price of Stratex common stock and not subject to any accelerated vesting or other provision that would be triggered as a result of the consummation of the transactions contemplated by the combination agreement and/or termination of employment;

adopt a plan of liquidation, dissolution, restructuring, recapitalization or other reorganization of Stratex or any of its subsidiaries other than any plan of dissolution of an indirect or direct wholly owned subsidiary of Stratex that is not an obligor or guarantor of indebtedness of a person other than Stratex or another wholly owned subsidiary of Stratex;

take any action that would impair the ability of Harris or Merger Sub to vote or to otherwise exercise the rights and benefits of a stockholder with respect to, securities of Stratex acquired or controlled or to be acquired or controlled by Harris or Merger Sub as contemplated by the combination agreement or the ancillary agreements;

take any action that is reasonably likely to result in any of the conditions to the contribution transaction or the merger not being satisfied; or

agree or commit to do any of the foregoing.

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Harris Interim Operating Covenants

Under the combination agreement, unless (1) Stratex provides written approval (not to be unreasonably withheld or delayed), (2) expressly required or permitted by the combination agreement or (3) required by applicable law, Harris has agreed as to itself and its subsidiaries that, until the effective time of the merger, Harris and its subsidiaries will:

conduct the MCD business in the ordinary and usual course; and

use their respective commercially reasonable efforts to preserve the MCD business and maintain MCD business existing relations and goodwill with government entities, customers, manufacturers, suppliers, distributors, creditors, lessors, employees and business associates and keep available the services of the present employees and agents of Harris and its subsidiaries that are engaged primarily in the MCD business.

More specifically, unless disclosed to Stratex by Harris or contemplated by Harris internal restructuring plan to be effected prior to the effective time related to the contribution transaction, Harris will not and will not permit its subsidiaries, with respect to the MCD business, to:

adopt or propose a change to the organizational documents of the subsidiaries to be contributed by Harris to Harris Stratex;

merge or consolidate any of the subsidiaries to be contributed by Harris to Harris Stratex;

acquire assets outside the ordinary course of business primarily related to or used primarily in connection with the MCD business with a value or price greater than $500,000, other than as provided for in Harris capital expenditures budget for the MCD business disclosed to Stratex, or the Harris budget;

cause or permit the MCD business to enter into any new material line of business or distribute products other than the type of product that the MCD business is currently distributing;

issue, sell, pledge, dispose of, grant, transfer, lease, license, guarantee, encumber, or authorize the issuance, sale, pledge, disposition, grant, transfer, lease, license, guarantee or encumbrance of, any shares of capital stock of, or other equity interest in, the subsidiaries to be contributed by Harris to Harris Stratex, or securities convertible into, or exchangeable or exercisable for, any such shares of capital stock or other equity interest;

create or incur any encumbrance material to the MCD business, other than in the ordinary course of business, on any of the contributed assets or assets or shares of the contributed subsidiaries valued in excess of $500,000;

make any loans, advances or capital contributions to, or investments in, any person in excess of $500,000 in the aggregate related to the MCD business, except to, or in, Harris or any wholly owned subsidiary of Harris;

make or authorize any capital expenditure (other than those specifically provided for in the Harris budget) in excess of $250,000 individually or regarding a related group of expenditures or $1,000,000 in the aggregate;

enter into any material contract other than in the ordinary course of business;

enter into any capital lease the obligations of which would be assumed liabilities on the closing date of the merger;

change accounting policies or procedures that affect the MCD business, except as required by changes in GAAP or Regulation S-X, based upon the advice of its independent auditors;

settle any pending or threatened civil, criminal or administrative actions, proceedings, suits, claims, litigations, arbitrations, investigations or other proceedings related to the MCD business for an amount to be paid by Harris or any of its subsidiaries in excess of $500,000 or which would be reasonably likely to have any material adverse impact on the MCD business or provide an indemnity related to the MCD business other than pursuant to a contractual obligation;

other than in the ordinary course of the MCD business, (1) amend or modify in any material respect, or terminate or waive any material right or benefit under, any material contract of Harris (other than as permitted under the combination agreement) or in respect of any pending or threatened civil, criminal or administrative actions, suits, claims, litigations, arbitrations, investigations or other proceedings related to the MCD business, or (2) cancel, modify or waive any debts, claims or rights held by it that are related to the MCD business, in each case having a value in excess of $500,000;

sell, transfer, lease, license or otherwise dispose of any material property of Harris or its subsidiaries that would otherwise be contributed assets or contributed subsidiaries, except in the ordinary course of business;

sell, lease, abandon, transfer, dispose of, license or grant material rights under any material intellectual property rights of Harris or any of its subsidiaries related to the MCD business or materially modify any of these existing rights, except in the ordinary course of business consistent with past practice, or enter into any settlement regarding (1) the infringement of any material intellectual property rights of Harris or any of its subsidiaries or (2) the breach of any license agreements governing use of material intellectual property;

terminate, establish, adopt, enter into, make any new grants or awards under, amend or otherwise modify, or accelerate vesting or payment under any benefit plans of Harris or any of its subsidiaries to any employee of the MCD business or enter into any new employment or compensatory agreements or arrangements with, or increase the salary, wage, bonus or other compensation payable or to become payable to, any employee of the MCD business or consultants to the MCD business, except that (1) Harris may increase the base salary or wage of any employee of the MCD businesses other than the five most highly compensated employees of the MCD business in the ordinary course of business and enter into new employment or compensatory arrangements with newly hired persons if such person would not be one of the five most highly compensated employees of the MCD business and is hired in the ordinary course of business as a replacement and not as part of a plan for business development, (2) salary or wage increases and compensatory arrangements so permitted may not, in the aggregate, exceed $1,000,000, (3) Harris may grant to its newly hired employees of the MCD business options to purchase Harris stock or other Harris equity awards issued in the ordinary course of business consistent with past practice, with a per share price no less than the then-current market price of Harris common stock and not subject to any accelerated vesting or other provision that would be triggered as a result of the consummation of the transactions and/or termination of employment, (4) may terminate, establish, adopt, enter into, amend or otherwise modify any benefit plan of Harris or its subsidiaries, so long as such action is applied consistently to all employees of Harris who participate such plan and (5) make new grants or awards under any benefit plan of Harris or any of its subsidiaries to employees of the MCD business, so long as such grants or awards are part of a Harris-wide compensation review, and the review of the employees of the MCD business and any resulting grants or awards are made in the ordinary course of business and are consistent with awards made to employees who are allocated to other divisions of Harris;

take any action that is reasonably likely to result in any of the conditions to the contribution transaction or the merger not being satisfied; or

agree or commit to do any of the foregoing.

Board Recommendation; Stratex Stockholder Meeting

Stratex has adopted a resolution recommending that the holders of Stratex common stock vote to adopt the combination agreement, and recommending the adjournment of the special meeting, in the discretion of the proxies or either of them, to solicit additional proxies or for other purposes. In furtherance

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thereof, Stratex has agreed to take, in accordance with applicable law and its organizational documents, all action necessary to call, give notice of, convene and hold a meeting of its stockholders as promptly as practicable after the registration statement on Form S-4 of which this proxy statement/ prospectus is a part, is declared effective, and in any event will use its reasonable best efforts to convene such meeting not later than 120 days after the date of the combination agreement (or, if later, not more than 60 days after the effectiveness of the S-4 registration statement), to consider and vote upon the adoption of the combination agreement. Stratex will submit the combination agreement to its common stockholders for adoption by them at the stockholders meeting (and shall use its reasonable best efforts to do so within the time periods provided in the immediately preceding sentence) regardless of whether the Stratex board changes its recommendation or approval after the date of the combination agreement.

No Solicitation of Acquisition Proposals by Stratex

Stratex has agreed that neither it nor any of its subsidiaries, nor any of their officers, directors, employees, agents and representatives (including any investment banker, attorney or accountant), or a representative, will, directly or indirectly, initiate, solicit, encourage or facilitate any acquisition proposal. Stratex has further agreed that neither it nor any of its representatives will, directly or indirectly:

- provide any confidential or non-public information or data to, or engage or participate in any discussions or negotiations with, any person relating to an acquisition proposal, or otherwise encourage or facilitate any effort or attempt by any person to make or implement an acquisition proposal;

- waive any provision of any confidentiality or standstill agreement that Stratex is a party to without the prior written consent of Harris; or

- make any change in the recommendation of the board of directors of Stratex to the Stratex stockholders to adopt the proposal relating to the adoption of the combination agreement and the approval of the merger and the other transactions contemplated by the combination agreement.

Notwithstanding the restrictions described above, Stratex or the board of directors of Stratex is permitted to:

- comply with its disclosure obligations under Sections 14d-9 and 14e-2 of the Exchange Act and the rules created thereunder or make disclosures to Stratex common stockholders that the Stratex directors determine in good faith (after consultation with outside counsel) they are required to make to comply with their fiduciary duties to the Stratex common stockholders under the Delaware General Corporation Law or

- at any time prior to, but not after, the required vote by Stratex common stockholders is obtained:
  - (A) provide confidential or non-public information in response to a request by a person who has made an unsolicited *bona fide* written qualifying acquisition proposal;
  - (B) engage or participate in discussions or negotiations with any person who has made a qualifying acquisition proposal; or
  - (C) approve or recommend to the Stratex stockholders a qualifying acquisition proposal (or agree to take such action),

but Stratex may take the above actions, if and only if:

- with respect to clauses (A), (B) or (C) above, after consulting with outside legal counsel, the board of directors of Stratex determines in good faith that failing to take such action would constitute a breach by the Stratex directors of their fiduciary duties;

- with respect to clauses (A) or (B) above, Stratex enters into a confidentiality agreement with such person on terms substantially similar to those contained in the confidentiality agreement between Stratex and Harris;

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with respect to clauses (B) or (C) above, (x) the board of directors of Stratex determines in good faith and after consulting with its financial advisors and outside counsel that the qualifying acquisition proposal is a superior proposal or, in the case of clause (B) only, is reasonably likely to lead to a superior proposal and (y) Stratex has provided five business days written notice in the case of the first qualifying acquisition proposal made by a person (or one business day s written notice in the case of a subsequent qualifying acquisition proposal made by the same person) to Harris of Stratex s or its board of directors intention to take the actions described in (B) or (C) and has complied with other notice provisions prescribed by the combination agreement.

For purposes of the combination agreement, acquisition proposal means any proposal or offer regarding (1) a merger, consolidation, share exchange, reorganization or other business combination transaction involving Stratex, (2) any acquisition of any equity or other ownership interest in Stratex or any of its subsidiaries representing, in the aggregate, 15% or more of the total voting power or economic interest of all of the outstanding equity or other ownership interest in Stratex or an economic interest of equivalent value in any subsidiary of Stratex or (3) any acquisition of assets of Stratex or any of its subsidiaries representing 15% or more of the total assets of Stratex and its subsidiaries, taken as a whole; qualifying acquisition proposal means an unsolicited *bona fide* written acquisition proposal that did not result from a breach in the nonsolicitation restrictions in the combination agreement; and superior proposal means a qualifying acquisition proposal that is more favorable from a financial point of view to Stratex stockholders than the transactions under the combination agreement after taking into account any revised terms offered by Harris before such action is taken and all other relevant factors (including but not limited to the probability that such qualifying acquisition proposal will be consummated and the time required to effect such consummation) and that is reasonably likely to be consummated taking into account all legal, financial, regulatory (including, without limitation, any antitrust or competition approvals or non objections) and other relevant factors.

Stratex has agreed to notify Harris as promptly as practicable (and, in any event, within 24 hours) if any inquiries, proposals or offers with respect to any acquisition proposal or potential acquisition proposal are received by, any information relating thereto is requested from, or any discussions or negotiations relating thereto are sought to be initiated or continued with, it or any of its representatives, indicating, in connection with such notice, the name of such person and the material terms and conditions of any proposal or offer and thereafter shall keep Harris informed, on a current basis, as to the status and terms of any such proposal or offer and the status of any such discussions or negotiations. Stratex also has agreed to provide any information to Harris that it is providing to another person pursuant to the no solicitation section in the combination agreement at the same time it provides it to such other person. Stratex has also agreed to negotiate in good faith with Harris regarding any revisions to the terms of the transactions contemplated by the combination agreement proposed by Harris during the five- and one-business day periods, as applicable. Any revisions offered by Harris in writing, if accepted by Stratex, would be legally binding on the parties to the combination agreement. Any material amendment to any qualifying acquisition proposal will be deemed to be a new qualifying acquisition proposal for purposes of provisions related to this issue in the combination agreement.

Additional Agreements

The combination agreement contains certain other covenants, including covenants relating to cooperation between Harris and Stratex in the preparation of this proxy statement/ prospectus and other governmental filings, obtaining consents, access, notification, providing information and performing their respective obligations regarding public announcements. Harris, Stratex and Harris Stratex have further agreed, as applicable, to the following additional covenants and agreements in the combination agreement, among others:

Stratex will use its best efforts to have its affiliates execute the affiliate agreement contemplated by the combination agreement.

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The board of directors of Stratex has agreed not to withdraw, modify, qualify in any adverse manner to Harris, its recommendation to the Stratex stockholders to approve the combination agreement or its approval of the combination agreement and the transactions provided by the combination agreement before the required vote by the Stratex stockholders is obtained unless:

Stratex has provided written notice to Harris that the Stratex board intends to take such action, at least five business days have elapsed since the date on which Harris received such notice and Stratex has complied with the covenants regarding the notification of acquisition proposals, the provision of information to persons making alternative acquisition proposals and its agreement to negotiate in good faith with Harris after notifying Harris of the intention to consider an alternative acquisition proposal;

the Stratex board has determined in good faith, after consulting with its outside legal counsel and financial advisors and taking into account any revised terms offered by Harris in writing after receiving notice from Stratex s board that it intends to consider another proposal, that failing to take such action would be a breach by Stratex s directors of their fiduciary duties under applicable law; and

if such change in recommendation or approval is being made primarily as a result of an acquisition proposal, such acquisition proposal is a superior proposal.

Harris has agreed to cause the consummation of the restructuring events disclosed to Stratex. In addition, all Harris intercompany liabilities (other than those solely among the subsidiaries to be contributed by Harris to Harris Stratex) will be extinguished and will terminate at the effective time of the merger without the payment of any consideration or any other action by any person.

To the extent any subsidiary to be contributed by Harris to Harris Stratex transfers to Harris any of its assets which are not primarily related to or primarily used in connection with the MCD business prior to the closing of the contribution transaction, Harris will notify Stratex in advance of, and make available to Stratex in a timely manner for review all agreements, instruments and other documentation relating to such transfer.

To the extent assignable without the insurer s consent or any required consent is obtained, Harris will, or will cause its subsidiaries to, assign to Harris Stratex all rights of Harris or any of its subsidiaries regarding the liabilities to be assumed by Harris Stratex in the contribution transaction under third party insurance policies. In addition, if such rights are not assignable, Harris agreed to pay any insurance proceeds received by it or any of its subsidiaries regarding such liabilities to Harris Stratex promptly upon the receipt of the proceeds.

Harris has agreed to, and will cause each of its subsidiaries that is a party to an ancillary agreement to, execute each ancillary agreement to the combination agreement to which it is a party, and Harris Stratex will execute and deliver each ancillary agreement at the closing.

Conditions to the Completion of the Merger and the Contribution Transaction

The completion of the merger and the contribution transaction depend upon the satisfaction or waiver of a number of conditions, including the following, all of which may be waived Harris and/or Stratex, as applicable:

the adoption of the combination agreement by the Stratex stockholders;

the authorization for listing on NASDAQ of Harris Stratex Class A common stock to be issued in the merger and reserved for issuance upon the exercise of stock options and awards and the conversion of the shares of Class B common stock, subject to official notice of issuance;

the expiration or termination of the waiting period applicable to the merger and the contribution transaction under the HSR Act and the filing or receipt of all other governmental authorizations required to be made or obtained by Harris or Stratex other than those the failure of which to make

or obtain would not, individually or in the aggregate, be reasonably likely to have a material adverse effect on the results of operations, financial condition, cash flows, assets, liabilities or business of Harris Stratex and its subsidiaries, taken as a whole, following the closing or result in criminal liability or other material sanctions for any director or officer of Harris, Stratex or Harris Stratex;

the effectiveness of the registration statement of which this proxy statement/ prospectus is a part, the absence of a stop order issued by the Securities and Exchange Commission suspending the effectiveness of that registration statement and the absence of any proceedings initiated for that purpose by the Securities and Exchange Commission;

the absence of any law, order or injunction enacted, issued or promulgated by any court or government entity that is in effect and restrains or enjoins or otherwise prohibits consummation of the merger or the contribution transaction;

the material accuracy of the representations and warranties made by Harris and Stratex and material compliance by Harris and Stratex with their respective obligations under the combination agreement;

the execution and delivery by Harris and/or Harris Stratex of the additional agreements agreed as part of the combination agreement;

that neither the Microwave Communications Division nor Stratex shall have been affected by any change that has had or would reasonably be expected to have a material adverse effect on that party, as described further in this proxy statement/ prospectus; and

the receipt of an opinion by Harris from Sullivan & Cromwell and by Stratex by Bingham McCutchen on the completion date with respect to the tax treatment of the merger and the contribution transaction, as further described in this proxy statement/ prospectus.

Survival of Representations and Warranties; Indemnification

No Survival of Representations and Warranties

The representations and warranties of Harris and Stratex contained in the combination agreement or any certificate delivered in accordance with the terms of the combination agreement will not survive the closing.

Indemnification

Indemnification of Harris

From and after the closing date, Harris Stratex has agreed to indemnify, defend and hold Harris and its subsidiaries, directors, officers, partners, employees, representatives and agents harmless from and against any and all losses incurred by any such Harris indemnified person arising out of or relating to:

any breach by Harris Stratex or any of its subsidiaries of any covenants of Harris Stratex contained in the combination agreement to be performed following the closing; however, any action or inaction approved by the board of directors of Harris Stratex will not be subject to indemnity under this paragraph if a majority of the directors of Harris Stratex at the time of such action or inaction were the initial Harris directors or otherwise elected or appointed by Harris or the directors of Harris Stratex appointed or elected by Harris,

any liability assumed by Harris Stratex under the combination agreement;

any liability arising out of or relating to the operation of the businesses or properties or liabilities of (1) Stratex prior to the closing or (2) Harris Stratex and/or any of its subsidiaries on or after the closing.

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Indemnification of Harris Stratex

From and after the date of closing, Harris will indemnify and defend and hold Harris Stratex and its subsidiaries, directors, officers, partners, employees, representatives and agents harmless from and against any and all losses incurred by any such Harris Stratex indemnified person arising out of or relating to:

any breach of the covenants contained in the combination agreement to be performed by Harris or any of its subsidiaries following the closing; or

any asset or liability of Harris or its subsidiaries that is not transferred to or assumed by Harris Stratex as provided by the combination agreement.

D&O Indemnification and Insurance

Harris Stratex has agreed that, from and after the effective time of the merger, it will cause Stratex, as the surviving corporation in the merger, for a period of six years from the effective time of the merger to indemnify and hold harmless each past and present director and officer of Stratex or any of its subsidiaries (in each case, for acts or failures to act in such capacity), against any costs or expenses (including reasonable attorneys fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of matters existing or occurring at or prior to the effective time of the merger, whether asserted or claimed prior to, at or after the effective time of the merger, to the fullest extent that Stratex would have been permitted to indemnify such person under the laws of the State of Delaware and its certificate of incorporation or bylaws as in effect on the date of the combination agreement. Harris Stratex has also agreed to advance expenses as incurred to the fullest extent permitted under applicable law so long as the person to whom expenses are advanced provides an undertaking to repay such advances if it is ultimately determined that such person is not entitled to indemnification.

Unless Stratex purchases a six-year tail policy prior to the effective time of the merger, for a period of six years after the effective time of the merger, Harris Stratex will cause Stratex, as the surviving corporation, to maintain its existing officers and directors liability insurance covering those persons who are covered by such insurance in effect as of the date of the combination agreement so long as the annual premium for such insurance is not in excess of 200% of the last annual premium paid, and, in the event the annual premium exceeds 200%, as much officers and directors liability insurance as can be obtained for the relevant period for a premium not in excess (on an annualized basis) of 200% of the last annual premium paid.

Termination of the Combination Agreement

The combination agreement may be terminated at any time prior to the completion of the transaction, whether before or after the vote by the Stratex stockholders, in any of the following ways:

by mutual written consent of Harris and Stratex;

by either Harris or Stratex if:

the contribution transaction and the merger have not been consummated by March 31, 2007;

the vote of the Stratex stockholders on the adoption of the contribution agreement has been held but the required vote was not obtained; or

any law, order or injunction that prohibits the merger or the contribution transaction shall have become final and nonappealable;

but the rights to terminate the combination agreement described above are not available to any party that has breached its obligations under the combination agreement in a manner that has proximately contributed to the occurrence giving rise to the termination right;

by Harris if:

the board of directors of Stratex withdraws, modifies or qualifies its recommendation to the Stratex stockholders to adopt the combination agreement in any manner adverse to Harris or recommends or approves another acquisition proposal or fails to reconfirm its recommendation within five business days after a written request by Harris (but only prior to the Stratex stockholder vote);

Stratex breaches its representations and warranties, covenants or agreements such that the closing condition relating thereto would not be satisfied and the breach cannot be cured or, if curable, is not cured within 30 days after written notice is given by Harris to Stratex;

a vote on the adoption of the combination agreement by the Stratex stockholders has not been taken and completed by February 28, 2007; or

Stratex materially breaches the provisions relating to its non-solicitation obligations under the combination agreement (but only prior to the Stratex stockholder vote);

by Stratex if:

Harris breaches its representations and warranties, covenants or agreements such that the closing condition relating thereto would not be satisfied and the breach cannot be cured or, if curable, is not cured within 30 days after written notice is given by Stratex to Harris; or

at any time prior to the adoption of the combination agreement by the Stratex stockholders, in order for Stratex to enter into a definitive agreement with respect to a superior proposal but only if Stratex has not materially breached any of the terms of the combination agreement, the board of directors of Stratex has authorized Stratex to enter into the definitive agreement, Stratex has complied with the non-solicitation obligations under the combination agreement and, prior to the termination, Stratex has paid to Harris the termination fee payable under the combination agreement.

Termination Fee

Stratex has agreed to pay Harris the amounts specified below under the following circumstances:

a termination fee of $14.5 million immediately prior to, and as a condition of, any termination of the combination agreement by Stratex prior to the receipt of the required vote of the Stratex stockholders in order for Stratex to enter into a definitive agreement with respect to a superior proposal in accordance with the combination agreement;

a termination fee of $14.5 million within two days after the date of termination if Harris terminates the combination agreement before the requisite vote of the Stratex common stockholders has been obtained because (1) the Stratex board of directors has made, or agreed to make, a change in recommendation regarding the merger or failed to reconfirm its recommendation of the combination agreement within five business days after a written request by Harris to do so or (2) Stratex has materially breached any of its obligations regarding acquisition proposals or board recommendation;

up to $2 million of Harris documented out-of-pocket expenses incurred by Harris in connection with the combination agreement, the merger, the contribution transaction and the other transactions contemplated by the combination agreement no later than two days after being notified by Harris following the termination of the combination agreement:

by either Harris or Stratex if the contribution transaction and the merger have not been consummated by March 31, 2007 unless (1) any of Stratex s obligations to effect the merger (other than the condition that all the conditions to complete the contribution transaction have been satisfied or waived in writing) have not been satisfied (or, in the case of any such condition to be satisfied at the closing, capable of such satisfaction) or (2) there is a statute, law, ordinance, rule, regulation, judgment, order, writ, injunction, decree or award enacted, issued,

promulgated, enforced or entered by any government entity in effect and restraining, enjoining or otherwise prohibiting consummation of the merger, the contribution transaction or any of the other transactions contemplated by the combination agreement or (3) the only condition to Harris obligation to effect the contribution transaction that is not satisfied at the time of such termination (other than, in the case of any such conditions to be satisfied at the closing, those that are capable of such satisfaction) is that, since the date of the combination agreement, there has not been any event, occurrence, discovery or development that, individually or in the aggregate, has had, or would reasonably be expected to have, a Stratex material adverse effect, and the events, conditions or circumstances that caused such condition not to be satisfied were not, directly or indirectly, within the control of Stratex or any of its subsidiaries;

by either Harris or Stratex if the vote on the adoption of the combination agreement by the Stratex stockholders was completed at the Stratex stockholders meeting and the requisite vote of Stratex common stockholders was not obtained;

by Harris pursuant to a breach of any representation, warranty, covenant or agreement of the combination agreement by Stratex, or any such representation or warranty has become untrue or incorrect on any date subsequent to the date of the agreement, in each case in a manner that would cause the condition regarding its representations and warranties or its performance of its obligations not to be satisfied (assuming, except for cure purposes, any such subsequent date was the date of closing) and such breach or failure to be true or correct is not curable or, if curable, is not cured within 30 days after written notice is given by Harris to Stratex; or

by Harris if a vote on the adoption of the combination agreement by Stratex stockholders has not been taken and completed by February 28, 2007

but only if a *bona fide* acquisition proposal is made to Stratex or any of its subsidiaries or its stockholders or any person has publicly announced an intention (whether or not conditional) to make an acquisition proposal regarding Stratex or any of its subsidiaries and the combination agreement is subsequently terminated as described above.

a termination fee of $14.5 million on or prior to Stratex s consummation of any acquisition proposal by Stratex, but only if a *bona fide* acquisition proposal was made to Stratex or any of its subsidiaries or its stockholders or any person publicly announced an intention (whether or not conditional) to make an acquisition proposal regarding Stratex or any of its subsidiaries and the combination agreement was subsequently terminated under the circumstances obligating Stratex to pay Harris up to $2 million of its out-of-pocket expenses and Stratex:

consummates any acquisition proposal with any person during the twelve-month period immediately following the termination of the combination agreement; or

enters into a definitive agreement for any acquisition proposal with any person during such twelve-month period and (1) consummates such acquisition proposal with such person within the twenty-four-month period immediately following the termination of the combination agreement or (2) consummates any acquisition proposal with any other person within the twenty-seven-month period immediately following the termination of the combination agreement.

Any amounts of the out-of-pocket expenses incurred by Harris previously reimbursed by Stratex under the combination agreement will offset the $14.5 million termination fee owed by Stratex.

For purposes of this Termination Fee section, it should be assumed that all references to 15% in the definition of acquisition proposal have been changed to a majority .

Obligations in Event of Termination

In the event of a termination as provided for above, the combination agreement will become void and of no effect with no liability of any party to the other parties to the combination agreement except with respect to certain designated sections in the combination agreement, although such termination shall not

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relieve any party to the combination agreement of any liability or damages resulting from a breach of the combination agreement prior to the termination.

Expenses

Harris Stratex has agreed to pay all charges and expenses, including those of the exchange agent, in connection with the conversion or exchange of the securities of Stratex in connection with the merger, including, among other things, the exchange and cancellation of shares of Stratex common stock and exchange of certificates for Stratex common stock (including any related dividends or other distributions provided for by the combination agreement). Except as otherwise provided under Termination Fee above or in the combination agreement, regardless of whether the merger and the contribution transaction are consummated, all costs and expenses incurred in connection with the combination agreement and the transactions thereunder shall be paid by the party incurring such expense, except the following expenses will be shared equally by Harris and Stratex: (1) expenses incurred by Harris Stratex or Merger Sub, (2) filing fees required under the HSR Act and the S-4 registration statement and (3) expenses incurred in connection with the publishing, printing or mailing of the proxy statement/ prospectus (but not the related attorney s fees, which shall be paid by the party incurring such expense).

Amendment and Waiver

The combination agreement may be amended, and any provision of the combination agreement waived, at any time before the effective time of the merger only by mutual written agreement of the parties and subject to applicable law.

Governing Law

The combination agreement is governed by, and will be construed in accordance with, the laws of the State of Delaware, without regard to its conflict of law rules.

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THE INVESTOR AGREEMENT

The following is a description of the material terms of the investor agreement and is qualified in its entirety by reference to the complete text of the investor agreement, which is incorporated by reference and attached as Appendix E to this proxy statement/prospectus. You should read the full text of the investor agreement in order to fully understand its terms and conditions.

Scope of Agreement

Immediately following the completion of the proposed transactions, Harris will be the sole holder of shares of Harris Stratex Class B common stock. The investor agreement sets forth certain terms and conditions upon which the parties have agreed Harris will hold its equity interests in Harris Stratex, including its rights as a holder of Harris Stratex Class B common stock. The investor agreement further provides that if there is any inconsistency between the terms of the investor agreement and the amended and restated certificate of incorporation or amended and restated bylaws of Harris Stratex, Harris Stratex and Harris will take all necessary action to amend the amended and restated certificate of incorporation and amended and restated bylaws to eliminate the inconsistency to the fullest extent permitted by law.

Governing Instruments and Class B Common Stock

The investor agreement provides that, on or prior to the time of its execution and delivery, the amended and restated certificate of incorporation and amended and restated bylaws of Harris Stratex attached to this proxy statement/prospectus as Appendix C and Appendix D, respectively, will be the certificate of incorporation and bylaws of Harris Stratex. As provided in the investor agreement and the amended and restated certificate of incorporation and amended and restated bylaws of Harris Stratex, the Harris Stratex Class A and Class B common stock are identical in all respects except that holders of shares of Harris Stratex Class B common stock have the additional right to vote separately as a class to elect, remove and replace the Class B directors, the right to receive Class B common stock instead of Class A common stock in certain circumstances, the absence of certain duties and obligations with respect to corporate opportunities and preemptive rights providing holders of Harris Stratex Class B common stock with the right to participate in additional offerings of Harris Stratex common stock.

Voluntary Exchange Rights

In addition to the rights identified above, the holders of Harris Stratex Class B common stock also have the right at any time to exchange:

- any outstanding shares of Harris Stratex Class A common stock held by the holder for an equal number of shares of Class B common stock or

- any outstanding shares of Harris Stratex Class B common stock held by the holder for an equal number of shares of Class A common stock.

Mandatory Exchange Rights

Each share of Harris Stratex Class B common stock will automatically convert into one outstanding share of Harris Stratex Class A common stock under the following circumstances:

- the holders of all of the outstanding shares of Harris Stratex Class B common stock (assuming that all of the outstanding shares of Harris Stratex Class A common stock which are then exchangeable for shares of Harris Stratex Class B common stock have been exchanged as described under Voluntary Exchange Rights above) are collectively entitled to cast less than 10% of the total voting power; or

- such Harris Stratex Class B common stock is transferred by a holder to any person who is not an affiliate of the holder or nominee of the holder or one of its affiliates unless such transfer is part of transfer by the holder and its affiliates of all of the shares of Harris Stratex Class B common stock then owned by them.

For purposes of the investor agreement, total voting power means, at any time, the total number of votes then entitled to be cast generally in the election of Class A directors by all holders of all classes of capital stock or securities of Harris Stratex then outstanding and entitled to vote generally in the election of Class A directors (including the holders of Harris Stratex Class B common stock).

Board of Directors of Harris Stratex

Initial Board of Directors

Immediately following the proposed transactions, the board of directors of Harris Stratex will have nine members. Five of these directors will be appointed by Harris as the sole holder of Harris Stratex Class B common stock and will include Howard L. Lance, Chairman, President and Chief Executive Officer of Harris, and Guy M. Campbell, President of the Microwave Communications Division, each of whom are currently directors of Harris Stratex, and also are expected to include Eric C. Evans, Dr. Mohsen Sohi and Dr. James C. Stoffel. The four remaining directors of Harris Stratex will be appointed by Stratex and are expected to include Charles D. Kissner, Chairman of Stratex, as well as the following current Stratex directors: William A. Hasler, Clifford H. Higgerson and Edward F. Thompson.

Harris has agreed that, until the second anniversary of the closing of the proposed transactions, one of the Harris directors must meet the independence requirements for directors serving on an audit committee as prescribed by the NASDAQ rules and one must not be an employee of Harris or any of its subsidiaries (without regard to Harris Stratex or any of its subsidiaries). Stratex has agreed that two of the directors to be appointed by Stratex must meet the independence requirements for directors serving on an audit committee as prescribed by the NASDAQ rules. With respect to Harris Stratex, Eric C. Evans, William A. Hasler, Clifford H. Higgerson, Dr. Mohsen Sohi, Dr. James C. Stoffel and Edward F. Thompson each meet the independence requirements for directors serving on an audit committee as prescribed by the NASDAQ rules. In addition, none of the proposed directors of Harris Stratex is an employee of Harris or any of its subsidiaries (without regard to Harris Stratex of any of its subsidiaries). Assuming the appointment of the proposed directors, both Harris and Stratex will have satisfied the requirements relating to directors imposed on them by the combination agreement.

The initial directors will serve until their successors are elected at the first annual meeting of Harris Stratex. The Harris Stratex directors will be elected at each annual meeting.

If the Harris Stratex Class B Common Stock Constitutes a Majority

At all times when the holders of all outstanding Class B common stock (assuming that all of the outstanding shares of Harris Stratex Class A common stock which are then exchangeable for shares of Harris Stratex Class B common stock have been exchanged as described under Governing Instruments and Class B Common Stock Voluntary Exchange Rights above) are collectively entitled to cast a majority of the total voting power:

- Harris Stratex will rely on the controlled company exemption under the NASDAQ rules which provides that if more than 50% of the voting power of a company listed on NASDAQ is held by another company, the NASDAQ listed company is not required to comply with certain director independence requirements that it would otherwise be subject to;
- there will be nine directors of Harris Stratex;
- the holders of Harris Stratex Class B common stock will be permitted to elect five of the Harris Stratex directors separately as a class; and
- the quorum for action by the board of directors of Harris Stratex will be a majority of the board of directors of Harris Stratex, which majority must include at least four Class B directors.

The remaining four directors of Harris Stratex will be Class A directors nominated by a nominating committee consisting solely of Class A directors then in office and elected by the holders of Harris Stratex Class A and Class B common stock voting together as a single class. Harris will vote, or caused to be

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voted, all classes of capital stock or securities of Harris Stratex owned by it or its affiliates entitled to vote generally in the election of Class A directors, in favor of the election of the Class A directors nominated by the nominating committee.

In addition, at all times when Harris Stratex is required to have directors who satisfy the independence requirements for directors serving on an audit committee as prescribed by the NASDAQ rules, a sufficient number of the Class A directors must satisfy those requirements so that there are enough Class A directors, together with any Class B directors who are required to or otherwise satisfy those independence requirements, to constitute an audit committee of the board of directors of Harris Stratex which complies with the applicable NASDAQ rule.

If the Harris Stratex Class B Common Stock Constitutes Less than a Majority

At all times when the holders of all outstanding Class B common stock (assuming that all of the outstanding shares of Harris Stratex Class A common stock which are then exchangeable for shares of Harris Stratex Class B common stock have been exchanged as described under Governing Instruments and Class B Common Stock Voluntary Exchange Rights above) are collectively entitled to cast less than a majority but equal to or greater than 10% of the total voting power, the holders of Harris Stratex Class B common stock will be permitted to elect a number of Class B directors equal to its percentage of total voting power times the total number of directors comprising the board of directors of Harris Stratex (rounding down to the next whole number of directors).

The remaining directors of Harris Stratex will be Class A directors nominated by a nominating committee meeting the requirements of the applicable NASDAQ rules and elected by the holders of Harris Stratex Class A and Class B common stock voting together as a single class.

In addition, at all times when Harris Stratex is required to have directors who satisfy the applicable independence requirements as prescribed by the NASDAQ rules, a sufficient number of the Class A directors must satisfy those requirements so that there are enough Class A directors, together with any Class B directors who are required to or otherwise satisfy those independence requirements, to cause Harris Stratex to comply with the applicable NASDAQ rules.

Removal and Vacancies

Holders of Harris Stratex Class B common stock will have the right to remove any Class B director with or without cause at any time for any reason and will have the right to elect any successor director to the fill the vacancies created by such removal. Any vacancy created by the resignation, death or incapacity of a Class B director will be filled by the other Class B directors then in office and, if none, by Harris.

Only holders of Harris Stratex Class A common stock, voting separately as a class, will be permitted to remove the Class A directors without cause or fill vacancies created by such removal, if not filled by the Class A directors then in office. Holders of Harris Stratex Class A and Class B common stock, voting together as a single class, will have the sole right to remove the Class A directors for cause and the sole right to elect successor directors to fill any vacancy caused by such removal. To the extent Harris owns any shares of Harris Stratex Class A common stock, it has agreed that it will not vote those shares for the removal of any Class A director without cause and will vote all of its shares of Harris Stratex Class A common stock for any individual nominated by the nominating committee to replace any Class A director who has been removed with or without cause.

Committees

At all times the audit, nominating and compensation committees of the board of directors of Harris Stratex must comply with the applicable requirements under the NASDAQ rules (after taking advantage of all available exemptions for controlled companies).

Voting Requirements

All actions of the board of directors of Harris Stratex must be approved by a majority of a quorum.

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Related Party Transactions

Following the closing of the proposed transactions, Harris and its affiliates are only permitted to enter into transactions with Harris Stratex if the transaction is approved by a majority of the directors not elected by Harris or is on terms no less favorable in any material respect to Harris Stratex than those that could have been obtained by Harris Stratex, taking into consideration the then prevailing facts and circumstances, if it had negotiated the transaction with an informed, unrelated third party. However, if a transaction has a fair market value of more than $5 million, it must be approved in advance by a majority of the Class A directors. Harris and Harris Stratex have agreed that certain specified transactions relating to the payment of directors fees, employee benefits and other similar arrangements, indemnification arrangements and tax-sharing arrangements between Harris Stratex and any other entity with which Harris Stratex files a consolidated tax return or with which Harris Stratex is part of a consolidated group for tax purposes will not be subject to these restrictions.

Freedom of Action and Corporate Opportunities

Subject to the terms of the non-competition agreement to be entered into by Harris Stratex and Harris at the completion of the proposed transactions or other than opportunities offered to an individual who is a director or officer of both Harris Stratex and Harris in writing solely in that person s capacity as an officer or director of Harris Stratex, Harris and its affiliates will have the right to, and will have no fiduciary duty or other obligation to Harris Stratex or any Harris Stratex stockholders not to, take any of the following actions:

engage in the same or similar activities or lines of business as Harris Stratex or any of its subsidiaries or develop or market any products or services that compete, directly or indirectly, with those of Harris Stratex or any of its subsidiaries;

invest or own any interest in, or develop a business relationship with, any entity or person engaged in the same or similar activities or lines of business as, or otherwise in competition with, Harris Stratex or any of its subsidiaries;

do business with any client or customer of Harris Stratex or any of its subsidiaries; or

employ or otherwise engage any forme