

Harris Stratex Networks, Inc.

Form S-4/A

November 24, 2006

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**As filed with the Securities and Exchange Commission on November 24, 2006**

**Registration No. 333-137980**

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

**AMENDMENT NO. 1  
TO  
FORM S-4  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**HARRIS STRATEX NETWORKS, INC.**

*(Exact name of registrant as specified in its charter)*

**Delaware**

*(State or other jurisdiction of  
incorporation or organization)*

**3663**

*(Primary Standard Industrial  
Classification Code Number)*

**1**

*(I.R.S. Employer  
Identification Number)*

**c/o Harris Corporation  
1025 West NASA Blvd.  
Melbourne, Florida 32919  
(321) 727-9100**

*(Address, including zip code, and telephone number,  
including area code, of registrant's principal executive offices)*

**Scott T. Mikuen  
Secretary  
Harris Stratex Networks, Inc.  
c/o Harris Corporation  
1025 West NASA Blvd.  
Melbourne, Florida 32919  
(321) 727-9100**

*(Name, address, including zip code, and telephone number,  
including area code, of agent for service)*

***Copies To:***

**Duncan C. McCurrach  
Sullivan & Cromwell LLP  
125 Broad Street  
New York, New York  
10004**

**Scott T. Mikuen  
Vice  
President-Associate  
General Counsel and  
Corporate Secretary**

**Juan Otero  
General Counsel and  
Assistant Secretary  
Stratex Networks, Inc.  
120 Rose Orchard Way**

**Bartley C. Deamer  
Bingham McCutchen  
LLP  
1900 University Avenue  
East Palo Alto,**

(212) 558-4000

**Harris Corporation**  
**1025 West NASA Blvd.**  
**Melbourne, Florida**  
**32919**  
**(321) 727-9100**

**San Jose, California**  
**95134**  
**(408) 943-0777**

**California 94303**  
**(650) 849-4400**

**Approximate date of commencement of proposed sale of the securities to the public:** As soon as practicable after this registration statement becomes effective and all other conditions to the merger and the contribution transaction described herein have been satisfied or waived.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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The information in this proxy statement/prospectus is not complete and may be changed. Harris Stratex Networks, Inc. may not issue the securities offered by use of this proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission, of which this proxy statement/prospectus forms a part, is effective. This proxy statement/prospectus does not constitute an offer to sell or solicitation of an offer to buy any securities in any jurisdiction where such offer, solicitation or sale is not permitted.

Subject to completion dated November 24, 2006

1, 2006

**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 1, 2007. Only stockholders who hold shares of Stratex common stock at the close of business on 1, 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, which we refer to in this proxy statement/prospectus as the combination agreement, that we entered into with Harris Corporation, or Harris, on September 5, 2006 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 24.5 million shares of Harris Stratex Class A common stock, based on the number of shares of Stratex Common Stock outstanding on November 21, 2006. Concurrently with the merger of Stratex and Merger Sub, Harris will contribute its Microwave Communications Division, including \$25 million in cash, to Harris Stratex in exchange for shares of Harris Stratex Class B common stock. Following this contribution, it is expected that Harris will hold approximately 32.7 million shares of Harris Stratex Class B common stock, assuming approximately 98.1 million shares of Stratex common stock are outstanding and another approximately 4.7 million shares of Stratex common stock are deemed outstanding immediately prior to the contribution by applying the treasury stock method using a price per share of Stratex common stock of 5.20 (or \$20.80 per share of Harris Stratex Class A common stock taking into account the conversion ratio in the merger). The actual number of shares to be issued in the merger and combination will not be known until the effective time of the merger.

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. Harris and Stratex have agreed that the 56% interest to be held by Harris will be 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

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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 .

**The board of directors of Stratex has determined that the merger, the contribution by Harris and the other transactions contemplated by the combination agreement are fair to, and in the best interests of the Stratex stockholders and has adopted, approved and declared advisable the combination agreement, the merger, the contribution by Harris and the other transactions contemplated by the combination agreement. 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.**

The affirmative vote of a majority of the outstanding shares of Stratex common stock is required for the adoption of the combination agreement.

**You are requested to vote your shares promptly by completing, signing and dating the enclosed proxy card and returning it in the envelope provided, or by voting by telephone or over the Internet as described in this proxy statement/prospectus or on the enclosed proxy card, whether or not you plan to attend the special meeting.**

**Your vote is important.** The combination cannot be completed unless the stockholders of Stratex adopt the combination agreement and approve the merger. Whether or not you plan to attend the special meeting, please vote as soon as possible to make sure that your shares are represented. If you do not vote, it will have the same effect as a vote

**AGAINST** the adoption of the combination agreement and approval of the merger. 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 25 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 1 , 2006, and is expected to first be mailed to the Stratex stockholders on or about 1 , 2006.

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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 191 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](http://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      1      , 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      1      ,      1      , 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, which is sometimes referred to as the combination agreement, between Stratex Networks, Inc., a Delaware corporation, or Stratex, and Harris Corporation, a Delaware corporation, 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 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      1      , 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.*

1 , 2006

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Quarterly Report on Form 10-Q of Stratex Networks, Inc. for the Fiscal Quarter Ended September 30, 2006	
Quarterly Report on Form 10-Q of Stratex Networks, Inc. for the Fiscal Quarter Ended June 30, 2006	

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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

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

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

EX-8.1 Opinion of Bingham McCutchen LLP

EX-21.1 List of Subsidiaries

EX-23.1 Consent of Ernst & Young LLP

EX-23.2 Consent of Deloitte & Touche LLP

EX-99.2 Consent of Bear, Stearns & Co., Inc.

EX-99.6 Form of Proxy Card

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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, which we sometimes refer to in this proxy statement/ prospectus as the combination agreement, that Stratex entered into on September 5, 2006 with Harris 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.

**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 \$25 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 by the number of in-the-money options or warrants, then reduced by the number of shares that the



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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 \$25 million in cash, to Harris Stratex. 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 \$25 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 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.

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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 Harris Governance Rights and Contractual Relationships beginning on page 48 of this proxy statement/ prospectus and The Investor Agreement beginning on page 103 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 103 of this proxy statement/ prospectus.

**Q13: Who is entitled to vote?**

A13: Stratex stockholders of record as of 1 p.m. Pacific Standard Time on 1, 1, 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.

**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.

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**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 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.

**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

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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, CT 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 44)**

***Date, Time & Place***

The special meeting of the stockholders of Stratex will be held at 10:00 a.m., local time, on 1, 1, 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 1 p.m., Pacific Standard Time, on 1, 2006, the record date for the Stratex special meeting. As of the record date, an aggregate of 1 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, 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 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 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.

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*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% 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% of the then-outstanding shares of Stratex common stock were subject to these voting agreements.

**The Companies (Page 42)**

***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.

***Stratex Networks, Inc.***

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

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Stratex provides wireless transmission solutions to mobile wireless carriers and data access providers globally. Stratex Networks 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](http://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 MCD plant in Montreal, Canada.



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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 47)**

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 \$25 million in cash, to Harris Stratex. 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 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 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 56.4% and 43.6% of the outstanding shares determined on a fully diluted basis using the treasury stock method and the closing price for the shares on November 21, 2006).

**Structure of the Combination Transactions (Page 84)**

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**

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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.

**Recommendation of the Stratex Board of Directors (Page 60)**

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 in the discretion of the proxies or either of them.

**Reasons for the Recommendation of the Board of Directors of Stratex (Page 57)**

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 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;

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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 risk 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 60)**

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 \$4,200,000, assuming a \$ 4.29 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's Directors and Executive Officers in the Transactions (Page 67)**

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 executive officers in connection with the merger to be approximately \$7.2 million from the receipt of severance pay and other benefits and approximately \$660,000 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.

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***Directors***

As many as four of the current directors of Stratex (including Mr. Kissner) could become directors of Harris Stratex. If appointed a director of Harris Stratex, these individuals would be will entitled to compensation and equity awards from Harris Stratex.

**Board of Directors and Management of Harris Stratex Following the Transactions (Page 118)**

***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. Of the remaining three directors to be appointed by Harris, Harris has agreed that 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 four remaining directors of Harris Stratex will be appointed by Stratex and will include Charles D. Kissner, Chairman of Stratex, and three other persons, two meeting the independence requirements for directors serving on an audit committee as prescribed by the NASDAQ rules.

***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 Matters (Page 78)**

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 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 79)**

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 &

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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. As further discussed in the section entitled "Certain Material U.S. Federal Income Tax Consequences" beginning on page 79 of this proxy statement/prospectus, 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.

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 25)**

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 25 of this proxy statement/prospectus.

**No Appraisal Rights (Page 82)**

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

**The Agreements (Page 83)**

***Formation, Contribution and Merger Agreement***

*Harris and Stratex entered into the combination agreement on September 5, 2006. Harris, Stratex, Harris Stratex and Merger Sub will amend and restate the combination agreement prior to the effective time to make Harris Stratex and Stratex Merger Corp. parties to the combination agreement. The combination agreement is sometimes referred to in this proxy statement/prospectus as the combination agreement.*

In accordance with the terms of the combination agreement, Harris has created a new Delaware corporation named Harris Stratex Networks, Inc. for the purpose of combining the Microwave 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 \$25 million in cash, to Harris Stratex. 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,

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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 1.2 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 32.7 million shares of Class B common stock outstanding;

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 43.6% of the outstanding shares determined on a fully diluted basis using the treasury stock method and the closing price for the shares on November 21, 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

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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 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 or Stratex 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:

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



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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.

*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;

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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.

***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, 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.

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***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; and

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

**Accounting Treatment (Page 79)**

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



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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 50)**

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 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 Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws (Page 82)**

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 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 175 of this proxy statement/ prospectus and Comparison of Stockholder Rights beginning on page 180 of this proxy statement/ prospectus, respectively.

**Table of Contents****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 126 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 191 of this proxy statement/prospectus.

	<b>Six Months Ended</b>		<b>Year Ended March 31,</b>				
	<b>September 30,</b>		<b>2006</b>	<b>2005(3)</b>	<b>2004</b>	<b>2003(2)</b>	<b>2002(1)</b>
	<b>2006</b>	<b>2005</b>					
	<b>(in thousands, except per share amounts)</b>						
<b>Consolidated Statements of Operations Data:</b>							
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)
<b>(in thousands, except employee head count)</b>							
<b>Balance Sheet and other</b>							
<b>Data:</b>							
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 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.

**Table of Contents****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 152 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.

**Table of Contents****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 (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 152 of this proxy statement/prospectus and 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, and also beginning on page 126 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 191 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 169 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 25 and Information Regarding Forward-Looking statements beginning on page 40 of this proxy statement/prospectus.

	<b>Three Months Ended September 30, 2006 (unaudited)</b>	<b>Year Ended June 30, 2006 (unaudited)</b>
	<b>(in thousands)</b>	<b>(in thousands)</b>
<b><i>Microwave Communications Division of Harris Corporation</i></b>		
<b>Results of Operations</b>		
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)

**Financial Position at End of Period**

Total assets	\$	353,913	\$
Long-term liabilities		3,074	
Total net assets		260,134	

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	<b>Three Months Ended September 30, 2006 (unaudited)</b>	<b>Year Ended June 30, 2006 (unaudited)</b>
	<b>(in thousands)</b>	<b>(in thousands)</b>
<b>Stratex Networks, Inc.</b>		
<b>Results of Operations</b>		
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
<b>Financial Position at End of Period</b>		
Total assets	\$ 184,154	\$
Long-term liabilities	29,892	
Total net assets	72,990	
<b>Pro Forma Adjustments</b>		
<b>Results of Operations</b>		
Revenue from product sales and services	\$	\$
Cost of product sales and services(2)	(2,175)	(8,700)
Net loss(3)	(1,148)	(3,390)
<b>Financial Position at End of Period</b>		
Total assets(4)	\$ 378,011	\$
Long-term liabilities(5)	35,986	
Total net assets(6)	340,230	
<b>Pro Forma Combined Financial Data of Harris Stratex Networks, Inc.</b>		
<b>Results of Operations</b>		
Revenue from product sales and services	\$ 160,834	\$ 599,757
Cost of product sales and services	(110,698)	(451,437)
Net income (loss)	5,535	(35,547)
<b>Financial Position at End of Period</b>		
Total assets	\$ 916,078	\$
Long-term liabilities	68,952	
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, \$12.4 million elimination of the corporate allocations expense that will not continue going forward, 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 ( 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 and \$1.6 million elimination of the corporate allocations expense that will not continue going forward.

- (4) Three months ended September 30, 2006 adjustment made to reflect (a) \$10.6 million made to increase balance of cash in MCD to \$25 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)	\$ 400,158
Estimated acquisition costs	9,000
<b>Total purchase price to be allocated</b>	<b>\$ 409,148</b>

<b>Allocation of purchase price based on fair market value</b>	<b>Estimated Useful Life</b>	
<b>Identifiable intangible assets:</b>		
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
<b>Total identifiable intangible assets</b>	<b>130,200</b>	
Net tangible assets(B)	43,272	
Goodwill	235,676	
<b>Total purchase price allocation</b>	<b>\$ 409,148</b>	

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 and (b) \$(3.1) million for the elimination of MCD's payable to Harris against stockholders' and division equity.
- (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



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Single trigger employment agreement payouts	(3,834)
Less deferred tax liability related to identifiable intangible assets	(39,060)
Adjusted net assets	\$ 43,272

**Table of Contents****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 191 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 169 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	March 31, 2006
<b>Stratex Historical(1):</b>				
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)
<b>Harris Stratex Pro Forma:</b>				
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		\$ 0.10	\$ (0.63)	
Diluted income (loss) per share of common stock		\$ 0.10	\$ (0.63)	
<b>Stratex Pro Forma Share Equivalent(2):</b>				
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 earnings (loss) per four shares of common stock	\$	\$ 0.02	\$ (0.16)	
Diluted earnings (loss) per four shares of common stock	\$	\$ 0.02	\$ (0.16)	

- (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).

**Table of Contents****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 intends to apply 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:

	<b>Common Stock</b>	
	<b>High</b>	<b>Low</b>
<b>Fiscal Year Ended March 31, 2007</b>		
First Quarter	\$ 6.58	\$ 3.26
Second Quarter	\$ 4.50	\$ 2.95
Third Quarter through November 21, 2006	\$ 4.74	\$ 4.03
<b>Fiscal Year Ended March 31, 2006</b>		
First Quarter	\$ 2.10	\$ 1.24
Second Quarter	\$ 2.74	\$ 1.72
Third Quarter	\$ 3.84	\$ 2.18
Fourth Quarter	\$ 6.27	\$ 3.25
<b>Fiscal Year Ended March 31, 2005</b>		
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 November 21, 2006, the latest practicable trading day prior to the date of this proxy statement/ prospectus.

	<b>Stratex Common Stock</b>	
September 5, 2006	\$	4.04
November 21, 2006	\$	4.27

On these dates, using the closing prices above, each share of Stratex common stock represented transaction consideration of approximately \$4.04 and \$4.27, 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 \$17.08, 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 40 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. If customers elect

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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 Certain Stratex Directors and Officers in the Transactions* beginning on page 67 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 100 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



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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 \$660,000 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 (including Mr. Kissner) could become directors of Harris Stratex. If appointed a director of Harris Stratex, these individuals would be will entitled to compensation and equity awards from Harris Stratex.

See The Contribution Transaction and the Merger Interests of Stratex Directors and Officers in the Transactions beginning on page 67 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 support of Harris. Harris' interests may conflict with your interests as a stockholder. See the risk factor

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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 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;

mergers or other business combinations involving the combined company, except during the first two years after the closing;

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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 Strates 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.

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See The Contribution Transaction and the Merger Harris Governance Rights and Contractual Relationships Related Party Transactions and Freedom of Action beginning on page 49 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 obligations 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 as otherwise provided in the non-competition agreement to be entered into by Harris Stratex and Harris at the closing of the transactions or as 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; 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; and

if any director or officer of Harris who is also an officer or director of 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.

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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 109 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 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.

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***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.

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*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**

	<b>Years Ended March 31,</b>	
	<b>2006</b>	<b>2005</b>
Number of significant customers	1	1
Percentage of net sales	10%	21%

  

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

**Microwave Communications Division**

	<b>Fiscal Years Ended</b>	
	<b>June 30, 2006</b>	<b>July 1, 2005</b>
Number of significant customers	1	
Percentage of net sales	15%	

  

	<b>Quarters Ended</b>	
	<b>September 29, 2006</b>	<b>September 30, 2005</b>
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

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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;

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.

***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

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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 will 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

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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 [Table of Contents](#). Because a significant amount of the revenues of Harris Stratex will come from a limited number of customers, the termination of any of these customer relationships may adversely affect Harris Stratex's business [discussed](#) 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 technology 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 technological change and evolving industry standards that characterize the market for Harris Stratex's products require the frequent introduction of new products for an industry participant to be successful. These rapid changes could result in the accumulation of component inventory parts that become obsolete as new 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 technology 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.

***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;

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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 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.

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***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's 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 ( 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 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



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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, expect, 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 25 of this proxy statement/ prospectus.

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**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 Comm