

Harris Stratex Networks, Inc.
Form 424B3
January 16, 2009

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PROSPECTUS

520,445 Shares of Class A Common Stock

\$0.01 par value

Harris Stratex Networks, Inc.

Research Triangle Park

637 Davis Drive

Morrisville, North Carolina 27560

(919) 767-3250

This prospectus relates solely to the issuance of up to an aggregate of 520,445 shares of our Class A common stock upon the exercise of warrants of Stratex Networks, Inc., or Stratex, assumed by us upon consummation of the transactions contemplated by the Amended and Restated Formation, Contribution and Merger Agreement, or the combination agreement, among us, Harris Corporation, or Harris, Stratex Merger Corp., or Merger Sub, and Stratex, dated as of December 18, 2006. Under the combination agreement, our wholly owned subsidiary, Merger Sub, merged with and into Stratex, and Harris simultaneously contributed its Microwave Communications Division and cash to the combined company. In the merger, we issued one-fourth of a share of Class A common stock for each outstanding share of Stratex common stock held by Stratex stockholders. In addition, we issued shares of our Class B common stock to Harris in connection with its contribution of the Microwave Communications Division and cash which represented 57% of our outstanding common stock immediately following the merger and Harris contribution.

The warrants are currently exercisable for an aggregate of 520,445 shares of Class A common stock at an exercise price of \$11.80 per share of Class A common stock issuable upon exercise.

If all of the warrants were exercised on a cash basis, the aggregate net proceeds would be approximately \$6,141,251. We intend to use any net proceeds received from the exercise of the warrants on a cash basis for working capital and general corporate purposes.

The Class A common stock of Harris Stratex is listed on the NASDAQ Global Market with the symbol HSTX .

THE SHARES OF CLASS A COMMON STOCK INVOLVE A HIGH DEGREE OF RISK.

SEE RISK FACTORS ON PAGE 6.

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

This prospectus is dated January 13, 2009.

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INFORMATION RELATING TO FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that involve risks and uncertainties, as well as assumptions that, if they do not materialize or prove correct, could cause our results to differ materially from those expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including statements of, about, concerning or regarding: our plans, strategies and objectives for future operations; our research and development efforts and new product releases and services; trends in revenue; drivers of our business and the markets in which we operate; future economic conditions, performance or outlook and changes in our industry and the markets we serve; the outcome of contingencies; the value of our contract awards; beliefs or expectations; the sufficiency of our cash and our capital needs and expenditures; our intellectual property protection; our compliance with regulatory requirements and the associated expenses; expectations regarding litigation; our intention not to pay cash dividends; seasonality of our business; the impact of foreign exchange and inflation; taxes; and assumptions underlying any of the foregoing. Forward-looking statements may be identified by the use of forward-looking terminology, such as believes, expects, may, should, would, will, intends, plans, estimates, anticipates, projects, targets, goals, seeing, delivering, future, predict, might, could, potential, or the negative of these terms, and similar words or expressions. You should not place undue reliance on these forward-looking statements, which reflect our management's opinions only as of the date of the filing of this registration statement on Form S-3. Forward-looking statements are made in reliance upon the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and we undertake no obligation, other than as imposed by law, to update forward-looking statements to reflect further developments or information obtained after the date of filing of this registration statement on Form S-3 or, in the case of any document incorporated by reference, the date of that document, and disclaim any obligation to do so.

The following are some of the factors we believe could cause our actual results to differ materially from expected and historical results. Other factors besides those listed here also could adversely affect us, including those in Risk Factors, below.

The impact of unanticipated changes in the volume, timing and customer, product and geographic mix of our product orders on our operating results;

The failure to obtain and retain expected cost synergies from the merger;

Continued price erosion as a result of increased competition in the microwave transmission industry;

The ability to achieve business plans for Harris Stratex;

The ability to manage and maintain key customer relationships;

The effect of technological changes on Harris Stratex's businesses;

The ability to maintain projected product rollouts, product functionality, anticipated cost reductions or market acceptance of planned products;

The ability to successfully integrate the operations, personnel and businesses of the former Stratex Networks, Inc. with those of the former Microwave Communications Division of Harris Corporation;

The ability of our subcontractors to perform or our key suppliers to manufacture or deliver material;

Customers may not pay for products or services in a timely manner, or at all;

The failure of Harris Stratex to protect its intellectual property rights and its ability to defend itself against intellectual property infringement claims by others;

Currency and interest rate risks;

The impact of political, economic and geographic risks on international sales;

The impact of slowing growth in the wireless telecommunications market combined with supplier and operator consolidations; and

Supplier pricing pressure.

PROSPECTUS SUMMARY

This summary highlights selected information contained in this prospectus and may not contain all of the information that is important to you. Unless otherwise indicated in this prospectus or the context otherwise requires, all references to Harris Stratex, we, us, our or the combined company mean Harris Stratex Networks, Inc.; all references to Stratex mean Stratex Networks, Inc.; all references to Harris mean Harris Corporation; and all references to the Microwave Communications Division or MCD mean the Microwave Communications Division of Harris Corporation.

Our Company

We, together with our subsidiaries, are a leading global supplier of turnkey wireless network solutions and comprehensive network management software, backed by an extensive suite of professional services and support. We offer a broad portfolio of reliable, flexible, scalable and cost-efficient wireless network solutions, based on our innovative microwave radio systems and network management software. We serve all market segments including mobile network operators, public safety agencies, private network operators, utility and transportation companies, government agencies and broadcasters. Customers in more than 135 countries depend on us to build, expand and upgrade their voice, data and video solutions, and we are recognized around the world for innovative, best-in-class solutions and services.

Acquisition of Stratex Networks, Inc. and Combination with MCD

On January 26, 2007, we completed our merger with Stratex Networks, Inc., or Stratex, pursuant to an Amended and Restated Formation, Contribution and Merger Agreement, among us, Harris Corporation, or Harris, Stratex Merger Corp., or Merger Sub, and Stratex, dated December 18, 2006, which we refer to as the combination agreement. In the transaction, our wholly-owned subsidiary, Merger Sub, merged with and into Stratex, with Stratex as the surviving corporation (renamed as Harris Stratex Networks Operating Corporation). Concurrently with the merger of Stratex and Merger Sub, Harris contributed its Microwave Communications Division, or MCD, along with \$32.1 million in cash to us.

Pursuant to the merger, each share of Stratex common stock was converted into one-fourth of a share of our Class A common stock, and a total of 24,782,153 shares of our Class A common stock were issued to the former holders of Stratex common stock. In the contribution transaction, in exchange for the assets of MCD and cash contributed to us by Harris, we assumed certain liabilities of Harris related to MCD and issued 32,913,377 shares of our Class B common stock to Harris. As a result of these transactions, Harris owned approximately 57% and the former Stratex shareholders owned approximately 43% of our total outstanding stock immediately following the closing.

This prospectus relates to the issuance of 520,445 shares of Class A common stock upon the exercise of certain warrants originally issued by Stratex and assumed by us under the terms of the combination agreement and a Warrant Assumption Agreement between us and Stratex, dated January 26, 2007, which we refer to as the warrant assumption agreement.

Recent Developments

On December 9, 2008, we announced that Harris is evaluating strategic alternatives to reduce its majority ownership in Harris Stratex. We recognize that our future relationship with Harris is subject to ongoing review based on the strategic fit of the two companies. With the new strategic growth plan established by Harris Stratex, both companies recognize they are addressing different markets with different business models.

The nature of our relationship with Harris and the effects on our corporate governance in the event that Harris's ownership of Harris Stratex falls below specified thresholds are discussed in our Definitive Proxy Statement for the 2008 annual meeting of our shareholders, filed with the Securities and Exchange Commission on October 8, 2008, under the headings "Corporate Governance" and "Transactions with Related Persons," and in our Annual Report on Form 10-K for the fiscal year ended June 27, 2008, filed with the Securities and Exchange Commission on September 25, 2008, under "Item 1A. Risk Factors-- Risks Related to the Relationship between Harris and Us," both of which filings are incorporated by reference in this prospectus.

Business Segments

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We design, manufacture and sell a range of wireless networking products, solutions and services to mobile and fixed telephone service providers, private network operators, government agencies, transportation and utility companies, public safety agencies and broadcast system operators across the globe. Products include point-to-point digital microwave radio systems for mobile system access, backhaul, trunking and license-exempt applications, supporting new network deployments, network expansion, and capacity upgrades. We offer a broad range of products and services, delivering them through three reportable business segments: North America Microwave, International Microwave and Network Operations. Network Operations serves all markets worldwide.

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North America Microwave

The North America Microwave segment delivers microwave radio products and services to major national carriers and other cellular network operators, public safety and other government agencies, systems integrators, transportation and utility companies, and other private network operators within North America. A large part of our North American business is with the cellular backhaul and public safety segments.

Our North America segment revenue was approximately 32% of our total revenue for fiscal 2008. We generally sell products and services directly to our customers. We use distributors to sell some products and services.

International Microwave

The International Microwave segment delivers microwave radio products and services to regional and national carriers and other cellular network operators, public safety agencies, government and defense agencies, and other private network operators in every region outside of North America. Our wireless systems deliver regional and country-wide backbone in developing nations, where microwave radio installations provide 21st-century communications rapidly and economically. Rural communities, areas with rugged terrain and regions with extreme temperatures benefit from the ability to build an advanced, affordable communications infrastructure despite these challenges. A significant part of our international business is in supplying wireless segments in small-pocket, remote, rural and metropolitan areas. High-capacity backhaul is one of the fastest growing wireless market segments and is another major opportunity for us. We see the increase in subscriber density and the forecasted growth and introduction of new bandwidth-hungry 3G services as major drivers for growth in this market.

Our International Microwave segment represented approximately 64% of our revenue for fiscal 2008. We generally sell products and services directly to our customers. We use agents and distributors to sell some products and services in international markets.

Network Operations

The Network Operations segment offers a wide range of software-based network management solutions for network operators worldwide, from element management to turnkey, end-to-end network management and service assurance solutions for virtually any type of communications or information network, including broadband, wireline, wireless and converged networks. The NetBoss product line develops, designs, produces, sells and services network management systems for these applications. ProVision® provides element management for Eclipse and TRuepoint solutions.

Our Network Operations segment represented approximately 4% of our revenue for fiscal 2008. We generally sell products and services directly to our customers. We use agents, resellers and distributors to sell some products and services in international markets.

Corporate Information

We were incorporated in Delaware in 2006 to combine the businesses of MCD and Stratex. Our principal executive offices are located at 637 Davis Drive, Morrisville, North Carolina 27560. Our telephone number is (919) 767-3230. Our Internet address is www.harrisstratex.com. Our common stock is listed on the NASDAQ Global Market under the symbol HSTX.

The Offering

Class A common stock offered to holders of warrants	520,445 shares.
Offering Price	\$11.80 per share of Class A common stock subject to adjustment in accordance with the terms of the warrants.

Plan of Distribution	We will issue the shares of Class A common stock upon exercise of the warrants in accordance with their terms.
Use of proceeds	We intend to use the net proceeds from the cash exercise of the warrants for working capital and general corporate purposes.
Nasdaq Global Market symbol	HSTX

RISK FACTORS

An investment in our Class A common stock is risky. Prior to making a decision about investing in our Class A common stock, you should carefully consider the specific risks discussed under Item 1A. Risk Factors in our Annual Report on Form 10-K for the fiscal year ended June 27, 2008, filed with the SEC on September 25, 2008, and in our other filings with the SEC, which are incorporated by reference in this prospectus, together with all of the other information contained in this prospectus, any applicable prospectus supplement, or otherwise incorporated by reference in this prospectus. The risks and uncertainties described in our SEC filings are not the only ones facing us. Additional risks and uncertainties not presently known to us, or that we currently see as immaterial, may also harm our business. If any of the risks or uncertainties described in the applicable prospectus supplement or our SEC filings or any such additional risks and uncertainties actually occur, our business, results of operations, cash flows and financial condition could be materially and adversely affected. In that case, the trading price of our common stock could decline, and you might lose all or part of your investment.

USE OF PROCEEDS

If all of the warrants were exercised on a cash basis, we would receive aggregate net proceeds of approximately \$6,141,251. We intend to use any net proceeds received from the exercise of the warrants on a cash basis for working capital and general corporate purposes. However, all the warrants covered by the registration statement of which this prospectus is a part have a cashless exercise provision that allows the holder to receive a reduced number of shares of our common stock, without paying the exercise price in cash. To the extent any of the warrants are exercised in this manner, we will not receive any additional proceeds from such exercise.

DIVIDEND POLICY

We have not paid cash dividends on our common stock and do not intend to pay cash dividends in the foreseeable future. We intend to retain any earnings for use in our business. In addition, the covenants of our \$70 million credit facility dated June 30, 2008 restrict us from paying dividends or making other distributions to our shareholders under certain circumstances. We also may enter into other credit facilities or debt financing arrangements that further limit our ability to pay dividends or make other distributions.

PLAN OF DISTRIBUTION

We are offering shares of Class A common stock upon the exercise of certain warrants originally issued by Stratex and assumed by us pursuant to the warrant assumption agreement. We assumed these warrants in connection with our acquisition of Stratex in January 2007 pursuant to the terms of the combination agreement. The warrants are exercisable at a price of \$11.80 per share, subject to adjustment, which may be paid in cash or through a cashless exercise provision, as discussed below under Description of Securities.

DETERMINATION OF OFFERING PRICE

The shares of Class A common stock offered hereby are issuable upon exercise of the warrants at a per share exercise price of \$11.80, subject to adjustment, in accordance with the terms of the warrants.

DILUTION

Our net tangible book value as of June 27, 2008 was \$324.4 million, or approximately \$5.55 per share of our capital stock (including our Class A common stock and Class B common stock). Giving effect to the sale of all of the shares of Class A common stock covered by this prospectus at a purchase price of \$11.80 per share, which exceeds the closing price of a share of common stock on the NASDAQ Global Market of \$4.00 on December 17, 2008, if all of the warrants had been exercised for cash, our net tangible book value as of June 27, 2008 would have been \$331.1 million, or \$5.61 per share. Accordingly, while the increase in our net tangible book value to our existing stockholders from the exercise of the warrants in the offering would be minimal, there would be an immediate substantial dilution in the net tangible book value to the purchasers of shares of Class A common stock sold in this offering.

DESCRIPTION OF SECURITIES

Class A Common Stock

This prospectus relates to the issuance of 520,445 shares of Class A common stock upon the exercise of warrants. A description of our Class A common stock is contained in our Registration Statement on Form 8-A filed with the SEC on January 26, 2007, which is incorporated herein by reference.

Warrants

The following is a description of the material terms of our warrants and is qualified in its entirety by reference to the full text of the warrants and the warrant assumption agreement, included as an exhibit to the registration statement of which this prospectus is a part.

The warrants to which this prospectus relates were originally issued by Stratex in September 2004. We assumed the warrants in January 2007 in connection with our acquisition of Stratex pursuant to the terms of the warrant assumption agreement. The warrants are immediately exercisable and will expire in September 2009, five years after their initial issuance date. Each warrant entitles the holder to purchase one share of Class A common stock at an initial exercise price of \$11.80 per share. This exercise price will be adjusted if specific events occur. We do not have the right to call or otherwise redeem the warrants. The warrants are exercisable to purchase an aggregate of 520,445 shares of Class A common stock. The warrants are exercisable upon surrender of the warrant certificate on or prior to the expiration date at our principal office, with the form of election to purchase on the reverse side of the warrant certificate completed and executed as indicated, accompanied by either (1) full payment of the exercise price, in U.S. currency, by certified check or money order payable to the order of the Company, for the number of warrants being exercised or (2) by cashless exercise. The cashless exercise option allows a warrant holder to elect to pay the exercise price due upon exercise of the warrants using shares of Class A common stock instead of cash. In a cashless exercise, we will determine the fair market value of the shares of Class A common stock at the time of exercise, calculate the number of shares of Class A common stock that equals the exercise price due (the full number is issued at first) and deduct (repurchase from the newly issued shares of Class A common stock) that number of shares of Class A common stock from the number of warrant shares issued. To the extent that the warrant holders elect to use the warrants cashless exercise option, then we will issue fewer common shares than the total stated above. The exercise price and number of shares of Class A common stock issuable upon exercise of each warrant will be subject to adjustment in respect of events that may have a dilutive effect on its underlying share ownership interest.

LEGAL MATTERS

Bingham McCutchen LLP has provided an opinion regarding the validity of the shares of Harris Stratex Class A common stock to be issued upon the exercise of warrants.

EXPERTS

The consolidated financial statements of Harris Stratex Networks, Inc. appearing in our Annual Report (Form 10-K) for the year ended June 27, 2008 (including schedules appearing therein), and the effectiveness of our internal control over financial reporting as of June 27, 2008, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in its reports thereon, which conclude, among other things, that Harris Stratex Networks, Inc. did not maintain effective internal control over financial reporting as of June 27, 2008, based on Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, because of the effects of the material weaknesses described therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

With respect to the unaudited condensed consolidated interim financial information of Harris Stratex Networks, Inc. for the three-month period ended September 26, 2008, incorporated by reference in this prospectus, Ernst & Young LLP reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate report dated October 31, 2008, included in Harris Stratex Networks, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 26, 2008, and incorporated by reference herein, states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. Ernst & Young LLP is not subject to the liability provisions of Section 11 of the Securities Act of 1933 for their report on the unaudited interim financial information because that report is not a report or a part of the registration statement prepared or certified by Ernst & Young LLP within the meaning of Sections 7 and 11 of the Securities Act of 1933.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to incorporate by reference into this prospectus the publicly filed reports described below, which means that information included in those reports is considered part of this prospectus. Information that we file with the SEC subsequent to the date of this prospectus will automatically update and supersede the information contained in this prospectus. We specifically incorporate by reference in this prospectus the following documents we have filed with the SEC pursuant to the Securities Exchange Act of 1934, as amended, which we refer to hereafter as the Exchange Act (other than any portions of the respective filings that were furnished pursuant to Item 2.02 or 7.01 of Current Reports on Form 8-K or other applicable SEC rules) and any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 between the filing date and the effective date of the post-effective amendment of which this prospectus is a part, or after such effective date and until the termination of this offering:

our Annual Report on Form 10-K for the fiscal year ended June 27, 2008 filed with the SEC on September 25, 2008;

our Definitive Proxy Statement on Schedule 14A for the 2008 annual meeting of our shareholders and Definitive Additional Materials, filed with the SEC on October 8, 2008;

our Quarterly Report on Form 10-Q for the fiscal quarter ended September 26, 2008, filed with the SEC on November 4, 2008;

our Current Reports on Form 8-K filed with the SEC on July 7, 2008, July 30, 2008, September 3, 2008, September 12, 2008 and September 19, 2008; and

the description of our Class A common stock contained in our Registration Statement on Form 8-A filed with the SEC on January 26, 2007, including any amendment or report filed for the purpose of updating such information.

In addition, we will provide to each person, including any beneficial owner, to whom this prospectus is delivered, a copy of any and all of the reports or documents that have been incorporated by reference in this prospectus but not delivered with the prospectus. We will provide these reports or documents upon written or oral request at no cost to the requester. If you need an additional copy of such document, you may request copies, at no cost, by writing or telephoning us at the following address:

HARRIS STRATEX NETWORKS, INC.
Research Triangle Park
637 Davis Drive
Morrisville, North Carolina 27560
Attention: General Counsel and Secretary
Telephone: (919) 767-3250
Email: juan.otero@hstx.com

Alternatively, you may access these reports or documents from our website at the following web address:
<http://www.harrisstratex.com/investors>. The contents of our website are not incorporated by reference into this prospectus or our other SEC reports and filings.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission (SEC). You may read and copy any document we file at SEC s public reference room at 100 F. Street, N.E., Washington, D.C. 20549. You can call 1-800-SEC-0330 for more information on the public reference room. The SEC maintains an Internet website at <http://www.sec.gov> that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Our SEC filings are available to you on the SEC s Internet site.

This prospectus is part of a registration statement on Form S-1 that we filed with the SEC (File No. 333-140193). Certain information in the registration statement has been omitted from this prospectus in accordance with the rules and regulations of the SEC. We have also filed exhibits and schedules with the registration statement that are excluded from this prospectus. You may obtain a copy of any document we file at the SEC, including this registration statement, exhibits and schedules, without charge at the public reference rooms described above or at the SEC internet site. When a reference is made in this prospectus to any contract, agreement or other document, the reference may not be complete and you should refer to the copy of that contract, agreement or other document filed as an exhibit to the registration statement or to one of our previous SEC filings.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Our bylaws provide that we shall indemnify and hold harmless, to the fullest extent permitted by applicable law, each of our directors and officers against all liability and loss suffered and expenses (including attorneys fees) reasonably incurred by those persons in connection with any action, suit or proceeding in which they were, are, or threatened to be involved by virtue of their service as our director or officer or their service at our request as a director, officer, employee or agent of, or in any other capacity with respect to, another corporation or a partnership, joint venture, trust or other entity or enterprise. However, with limited exceptions, we will indemnify such director or officer seeking indemnification in connection with an action, suit or proceeding initiated by such director or

officer only if the action, suit or proceeding was authorized by our board of directors. In addition, our bylaws provide that we will pay, in advance of the disposition of any action, suit or proceeding, any reasonable expenses incurred by such a director or officer subject to such person agreeing to repay any such amounts if it is judicially determined that such person is not entitled to be indemnified for such expenses. The indemnification provided by our bylaws are not exclusive of any other rights such persons may have under any bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

We maintain insurance on behalf of any person who is or was our director, officer, employee or agent, or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not we would have the power to indemnify him against such liability under the provisions of our amended and restated certificate of incorporation and amended and restated bylaws.

The foregoing statements are subject to the full text of our amended and restated certificate of incorporation and our amended and restated bylaws, which are filed as exhibits to the registration statement of which this prospectus is a part.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.