Third Quarter Earnings Call
October 27, 2011

Financial Data Charts

This presentation consists of L-3 general capabilities and administrative information that does not contain controlled technical data as defined within the International Traffic in Arms (ITAR) Part 120.10 or Export Administration Regulations (EAR) Part 734.7-11.
Forward Looking Statements

Certain of the matters discussed in these slides including information regarding the company’s 2011 financial outlook that are predictive in nature, that depend upon or refer to events or conditions or that include words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates,” and similar expressions constitute forward-looking statements. Although we believe that these statements are based upon reasonable assumptions, including projections of total sales growth, sales growth from business acquisitions, organic sales growth, consolidated operating margins, total segment operating margins, interest expense, earnings, cash flow, research and development costs, working capital, capital expenditures and other projections, they are subject to several risks and uncertainties, and therefore, we can give no assurance that these statements will be achieved. Such statements will also be influenced by factors which include, among other things: timing and completion of the planned spin-off of a new, independent, publicly traded government services company, our dependence on the defense industry and the business risks peculiar to that industry, including changing priorities or reductions in the U.S. Government defense budget; backlog processing and program slips resulting from delayed funding of the Department of Defense (DoD) budget; our reliance on contracts with a limited number of agencies of, or contractors to, the U.S. Government and the possibility of termination of government contracts by unilateral government action or for failure to perform; the extensive legal and regulatory requirements surrounding our contracts with the U.S. or foreign governments and the results of any investigation of our contracts undertaken by the U.S. or foreign governments; our ability to retain our existing business and related contracts (revenue arrangements); our ability to successfully compete for and win new business and related contracts (revenue arrangements) and to win re-competitions of our existing contracts; our ability to identify and acquire additional businesses in the future with terms that are attractive to L-3 and to integrate acquired business operations; the impact of any strategic initiatives undertaken by us, including but not limited to the potential spin-off of a portion of our Government Services segment, and our ability to achieve anticipated benefits; our ability to maintain and improve our consolidated operating margin and total segment operating margin in future periods; our ability to obtain future government contracts (revenue arrangements) on a timely basis; the availability of government funding or cost-cutting initiatives and changes in customer requirements for our products and services; our significant amount of debt and the restrictions contained in our debt agreements; our ability to continue to retain and train our existing employees and to recruit and hire new qualified and skilled employees as well as our ability to retain and hire employees with U.S. Government security clearances; actual future interest rates, volatility and other assumptions used in the determination of pension benefits and equity based compensation, as well as the market performance of benefit plan assets; our collective bargaining agreements, our ability to successfully negotiate contracts with labor unions and our ability to favorably resolve labor disputes should they arise; the business, economic and political conditions in the markets in which we operate, including those for the commercial aviation, shipbuilding and communications markets; global economic uncertainty; the DoD’s contractor support services in-sourcing and efficiency initiatives; events beyond our control such as acts of terrorism; our ability to perform contracts (revenue arrangements) on schedule; our international operations; our extensive use of fixed-price type contracts as compared to cost-plus type and time-and-material type contracts; the rapid change of technology and high level of competition in the defense industry and the commercial industries in which our businesses participate; our introduction of new products into commercial markets or our investments in civil and commercial products or companies; the outcome of litigation matters, including in connection with jury trials; results of audits by U.S. Government agencies; results of on-going governmental investigations, including potential suspensions or debarments; the impact on our business of improper conduct by our employees, agents or business partners; anticipated cost savings from business acquisitions not fully realized or realized within the expected time frame; the outcome of matters relating to the Foreign Corrupt Practices Act (FCPA) and similar non-U.S. regulations; ultimate resolution of contingent matters, claims and investigations relating to acquired businesses, and the impact on the final purchase price allocations; competitive pressure among companies in our industry; and the fair values of our assets, which can be impaired or reduced by other factors, some of which are discussed above.

For a discussion of other risks and uncertainties that could impair our results of operations or financial condition, see “Part I — Item 1A — Risk Factors” and Note 19 to our audited consolidated financial statements, included in our Annual Report on Form 10-K for the year ended December 31, 2010, as well as any material updates to these factors in our future filings.

Our forward-looking statements are not guarantees of future performance and the actual results or developments may differ materially from the expectations expressed in the forward-looking statements. As for the forward-looking statements that relate to future financial results and other projections, actual results will be different due to the inherent uncertainties of estimates, forecasts and projections and may be better or worse than projected and such differences could be material. Given these uncertainties, you should not place any reliance on these forward-looking statements. These forward-looking statements also represent our estimates and assumptions only as of the date that they were made. We expressly disclaim a duty to provide updates to these forward-looking statements, and the estimates and assumptions associated with them, after the date of these slides to reflect events or changes in circumstances or changes in expectations or the occurrence of anticipated events.
Third Quarter Results
## Select Financial Data - Third Quarter

($ in Millions, except per share amounts)

<table>
<thead>
<tr>
<th></th>
<th>3Q11</th>
<th>3Q10</th>
<th>3Q11 vs. 3Q10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$3,787</td>
<td>$3,835</td>
<td>-1%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>10.7%</td>
<td>11.4%</td>
<td>-70 bpts</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$406</td>
<td>$437</td>
<td>-7%</td>
</tr>
<tr>
<td>Net Interest Expense and Other Income</td>
<td>$54</td>
<td>$66</td>
<td>-18%</td>
</tr>
<tr>
<td>Tax Rate</td>
<td>32.4%</td>
<td>35.0%</td>
<td>-260 bpts</td>
</tr>
<tr>
<td>Diluted Shares</td>
<td>104.8</td>
<td>114.7</td>
<td>-9%</td>
</tr>
<tr>
<td>Diluted Earnings Per Share (EPS)</td>
<td>$2.24</td>
<td>$2.07</td>
<td>8%</td>
</tr>
<tr>
<td>Net Cash from Operating Activities</td>
<td>$465</td>
<td>$395</td>
<td>18%</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$418</td>
<td>$367</td>
<td>14%</td>
</tr>
</tbody>
</table>

Notes:

1. The 3Q11 lower tax rate is primarily due to a larger portion of earnings in foreign jurisdictions with lower tax rates compared to the 2010 third quarter and the reenactment of the U.S. Federal research and experimentation tax credit.
2. 3Q10 includes a debt retirement charge of $5M ($3M after tax, or $0.03 per diluted share).
3. See Reconciliation of GAAP to Non-GAAP Measurements.
## Segment Results - Third Quarter

($ in Millions)

<table>
<thead>
<tr>
<th>Segment</th>
<th>3Q11 Sales</th>
<th>Sales Growth vs. 3Q10</th>
<th>3Q11 Operating Margin</th>
<th>Margin Change vs. 3Q10 (bpts)</th>
</tr>
</thead>
<tbody>
<tr>
<td>C³ISR</td>
<td>$ 892</td>
<td>13%</td>
<td>11.6%</td>
<td>+90</td>
</tr>
<tr>
<td>Gov't Services</td>
<td>904</td>
<td>-9%</td>
<td>8.2%</td>
<td>-110</td>
</tr>
<tr>
<td>AM&amp;M</td>
<td>623</td>
<td>-12%</td>
<td>9.9%</td>
<td>+220</td>
</tr>
<tr>
<td>Electronic Systems</td>
<td>1,368</td>
<td>2%</td>
<td>12.2%</td>
<td>-320</td>
</tr>
<tr>
<td><strong>Consolidated</strong></td>
<td><strong>$ 3,787</strong></td>
<td><strong>-1%</strong></td>
<td><strong>10.7%</strong></td>
<td><strong>-70</strong></td>
</tr>
</tbody>
</table>

**Note:** During 1Q11, the company made certain reclassifications between its C³ISR, Government Services and Electronic Systems segments due to the re-alignment of certain business units in the company's management and organizational structure. See the Supplemental Segment Data slides for the previous and revised 3Q10 segment data presentation.
Year to Date September Results
## Select Financial Data - Year to Date September

($ in Millions, except EPS)

<table>
<thead>
<tr>
<th></th>
<th>2011 Actual</th>
<th>2010 Actual</th>
<th>2011 vs. 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>$11,154</td>
<td>$11,425</td>
<td>-2%</td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>10.8%</td>
<td>11.3%</td>
<td>-50 bpts</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>$1,200</td>
<td>$1,289</td>
<td>-7%</td>
</tr>
<tr>
<td><strong>Net Interest Expense and Other Income</strong></td>
<td>$184</td>
<td>$203</td>
<td>-9%</td>
</tr>
<tr>
<td><strong>Tax Rate</strong></td>
<td>32.0%</td>
<td>36.1%</td>
<td>-410 bpts</td>
</tr>
<tr>
<td><strong>Diluted Shares</strong></td>
<td>107.2</td>
<td>116.0</td>
<td>-8%</td>
</tr>
<tr>
<td><strong>Diluted Earnings Per Share (EPS)</strong></td>
<td>$6.34</td>
<td>$5.89</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Net Cash from Operating Activities</strong></td>
<td>$984</td>
<td>$984</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>$860</td>
<td>$893</td>
<td>-4%</td>
</tr>
</tbody>
</table>

**Notes:**

1. The 2011 lower tax rate is due to (i) $12M, or $0.11 per share, for the reversal of previously accrued amounts primarily related to the 2006 and 2007 U.S. Federal income tax returns, (ii) a larger portion of earnings in foreign jurisdictions with lower tax rates as compared to 2010, (iii) the reenactment of the U.S. Federal research and experimentation tax credit, and (iv) a 2010 tax provision of $5M, or $0.04 per share, related to the unfavorable tax treatment of the U.S. Federal Patient Protection and Affordable Care Act.

2. 2011 and 2010 each include an $18M debt retirement charge.

3. See Reconciliation of GAAP to Non-GAAP Measurements.
Segment Results - Year to Date September

($ in Millions)

<table>
<thead>
<tr>
<th>Segment</th>
<th>2011 Sales</th>
<th>Sales Growth vs. 2010</th>
<th>2011 Operating Margin</th>
<th>Margin Change vs. 2010 (bpts)</th>
</tr>
</thead>
<tbody>
<tr>
<td>C³ISR</td>
<td>$ 2,522</td>
<td>7%</td>
<td>11.4%</td>
<td>-90</td>
</tr>
<tr>
<td>Gov't Services</td>
<td>2,789</td>
<td>-4%</td>
<td>7.7%</td>
<td>-90</td>
</tr>
<tr>
<td>AM&amp;M</td>
<td>1,826</td>
<td>-14%</td>
<td>10.1%</td>
<td>+200</td>
</tr>
<tr>
<td>Electronic Systems</td>
<td>4,017</td>
<td>-1%</td>
<td>12.8%</td>
<td>-150</td>
</tr>
<tr>
<td><strong>Consolidated</strong></td>
<td><strong>$ 11,154</strong></td>
<td><strong>-2%</strong></td>
<td><strong>10.8%</strong></td>
<td><strong>-50</strong></td>
</tr>
</tbody>
</table>

Note: During 1Q11, the company made certain reclassifications between its C³ISR, Government Services and Electronic Systems segments due to the re-alignment of certain business units in the company's management and organizational structure. See the Supplemental Segment Data slide for the previous and revised 2010 segment data presentation.
Cash Flow Data
## Free Cash Flow

($ in Millions)

<table>
<thead>
<tr>
<th></th>
<th>3Q11</th>
<th>3Q10</th>
<th>9M11</th>
<th>9M10</th>
<th>2011 Guidance</th>
<th>2010 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income</strong></td>
<td>$ 238</td>
<td>$ 241</td>
<td>$ 691</td>
<td>$ 694</td>
<td>$ 945</td>
<td>$ 966</td>
</tr>
<tr>
<td><strong>Depreciation &amp; amortization</strong></td>
<td>58</td>
<td>62</td>
<td>181</td>
<td>170</td>
<td>243</td>
<td>231</td>
</tr>
<tr>
<td><strong>Deferred taxes</strong></td>
<td>29</td>
<td>(18)</td>
<td>85</td>
<td>47</td>
<td>120</td>
<td>111</td>
</tr>
<tr>
<td><strong>Stock-based compensation</strong></td>
<td>47</td>
<td>56</td>
<td>159</td>
<td>172</td>
<td>204</td>
<td>225</td>
</tr>
<tr>
<td><strong>CODES non-cash interest</strong></td>
<td>-</td>
<td>5</td>
<td>2</td>
<td>16</td>
<td>2</td>
<td>22</td>
</tr>
<tr>
<td><strong>Amortization of pension and OPEB net losses</strong></td>
<td>10</td>
<td>12</td>
<td>36</td>
<td>31</td>
<td>49</td>
<td>41</td>
</tr>
<tr>
<td><strong>Working capital / other</strong></td>
<td>83</td>
<td>37</td>
<td>(170)</td>
<td>(146)</td>
<td>(73)</td>
<td>(135)</td>
</tr>
<tr>
<td><strong>Cash flow from operating activities</strong></td>
<td>$ 465</td>
<td>$ 395</td>
<td>$ 984</td>
<td>$ 984</td>
<td>$ 1,490</td>
<td>$ 1,461</td>
</tr>
<tr>
<td><strong>Capital expenditures, net</strong></td>
<td>(47)</td>
<td>(28)</td>
<td>(124)</td>
<td>(91)</td>
<td>(200)</td>
<td>(171)</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>$ 418</td>
<td>$ 367</td>
<td>$ 860</td>
<td>$ 893</td>
<td>$ 1,290</td>
<td>$ 1,290</td>
</tr>
</tbody>
</table>

### Supplemental Data:

<table>
<thead>
<tr>
<th></th>
<th>3Q11</th>
<th>3Q10</th>
<th>9M11</th>
<th>9M10</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash interest payments</strong></td>
<td>$ 49</td>
<td>$ 43</td>
<td>$ 171</td>
<td>$ 173</td>
<td>$ 226</td>
<td>$ 233</td>
</tr>
<tr>
<td><strong>Income tax payments, net</strong></td>
<td>17</td>
<td>84</td>
<td>192</td>
<td>256</td>
<td>285</td>
<td>336</td>
</tr>
<tr>
<td><strong>Pension expense</strong></td>
<td>31</td>
<td>40</td>
<td>110</td>
<td>114</td>
<td>147</td>
<td>154</td>
</tr>
<tr>
<td><strong>Pension contributions</strong></td>
<td>59</td>
<td>71</td>
<td>148</td>
<td>115</td>
<td>176</td>
<td>186</td>
</tr>
</tbody>
</table>
## Depreciation, Amortization and Capital Expenditures

($ in Millions)

<table>
<thead>
<tr>
<th>Segment</th>
<th>2011</th>
<th></th>
<th>2010</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>D&amp;A*</td>
<td>CapEx**</td>
<td>D&amp;A*</td>
<td>CapEx**</td>
</tr>
<tr>
<td></td>
<td>3Q11</td>
<td>9M11</td>
<td>3Q10</td>
<td>9M10</td>
</tr>
<tr>
<td>C³ISR</td>
<td>$12</td>
<td>$35</td>
<td>$12</td>
<td>$33</td>
</tr>
<tr>
<td></td>
<td>$23</td>
<td>$44</td>
<td>$10</td>
<td>$33</td>
</tr>
<tr>
<td>Gov't Services</td>
<td>8</td>
<td>25</td>
<td>9</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>8</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>AM&amp;M</td>
<td>4</td>
<td>13</td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>7</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Electronic Systems</td>
<td>34</td>
<td>108</td>
<td>36</td>
<td>96</td>
</tr>
<tr>
<td></td>
<td>20</td>
<td>65</td>
<td>18</td>
<td>54</td>
</tr>
<tr>
<td><strong>Consolidated</strong></td>
<td><strong>$58</strong></td>
<td><strong>$181</strong></td>
<td><strong>$62</strong></td>
<td><strong>$170</strong></td>
</tr>
<tr>
<td></td>
<td><strong>$47</strong></td>
<td><strong>$124</strong></td>
<td><strong>$28</strong></td>
<td><strong>$91</strong></td>
</tr>
</tbody>
</table>

*D&A = Depreciation and Amortization
**CapEx reflects capital expenditures net of dispositions of property, plant and equipment.
Cash Sources and Uses, Capitalization, Leverage and Debt Balances
## Cash Sources and Uses

($ in Millions)

<table>
<thead>
<tr>
<th></th>
<th>3Q11 Actual</th>
<th>3Q10 Actual</th>
<th>9M11 Actual</th>
<th>9M10 Actual</th>
<th>2011 Guidance</th>
<th>2010 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning cash</td>
<td>$ 548</td>
<td>$1,023</td>
<td>$ 607</td>
<td>$1,016</td>
<td>$ 607</td>
<td>$1,016</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>465</td>
<td>395</td>
<td>984</td>
<td>984</td>
<td>1,490</td>
<td>1,461</td>
</tr>
<tr>
<td>CapEx, net</td>
<td>(47)</td>
<td>(28)</td>
<td>(124)</td>
<td>(91)</td>
<td>(200)</td>
<td>(171)</td>
</tr>
<tr>
<td>Acquisitions, net</td>
<td>-</td>
<td>(94)</td>
<td>(15)</td>
<td>(710)</td>
<td>(15)</td>
<td>(754)</td>
</tr>
<tr>
<td>Dividends</td>
<td>(46)</td>
<td>(46)</td>
<td>(143)</td>
<td>(139)</td>
<td>(190)</td>
<td>(184)</td>
</tr>
<tr>
<td>Share repurchases</td>
<td>(371)</td>
<td>(215)</td>
<td>(800)</td>
<td>(469)</td>
<td>(900)</td>
<td>(834)</td>
</tr>
<tr>
<td>Debt refinancing, net</td>
<td>(1)</td>
<td>(400)</td>
<td>(22)</td>
<td>(10)</td>
<td>(22)</td>
<td>(10)</td>
</tr>
<tr>
<td>Other, net</td>
<td>(10)</td>
<td>15</td>
<td>51</td>
<td>69</td>
<td>70</td>
<td>83</td>
</tr>
<tr>
<td>Ending cash</td>
<td>$ 538</td>
<td>$ 650</td>
<td>$ 538</td>
<td>$ 650</td>
<td>$ 840</td>
<td>$ 607</td>
</tr>
</tbody>
</table>
## Capitalization and Leverage

($ in Millions)

<table>
<thead>
<tr>
<th></th>
<th>9/30/11 Actual</th>
<th>12/31/10 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 538</td>
<td>$ 607</td>
</tr>
<tr>
<td>Debt</td>
<td>$ 4,126</td>
<td>$ 4,137</td>
</tr>
<tr>
<td>Equity</td>
<td>6,787</td>
<td>6,855</td>
</tr>
<tr>
<td><strong>Book Capitalization</strong></td>
<td><strong>$ 10,913</strong></td>
<td><strong>$ 10,992</strong></td>
</tr>
<tr>
<td>Debt / Book Capitalization</td>
<td>37.8%</td>
<td>37.6%</td>
</tr>
<tr>
<td>Bank Leverage Ratio</td>
<td>1.97x</td>
<td>1.84x</td>
</tr>
<tr>
<td>Available Revolver</td>
<td>$ 990</td>
<td>$ 983</td>
</tr>
</tbody>
</table>

Note: Equity includes non-controlling interest of $91M as of September 30, 2011 and December 31, 2010.
Debt Balances and Maturities

($ in Millions)

<table>
<thead>
<tr>
<th>Date</th>
<th>Type</th>
<th>Maturity Date</th>
<th>Redemption Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/30/11</td>
<td>Actual</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Senior:
- **Revolver**: $ - L+300 bpts 10/23/12 n.a.
- **5.2% Senior Notes**: 1,000 fixed 10/15/19 T+0.30% make-whole
- **4.75% Senior Notes**: 800 fixed 7/15/20 T+0.25% make-whole
- **4.95% Senior Notes**: 650 fixed 2/15/21 T+0.25% make-whole

### Subordinated:
- **6-3/8% Notes**: $ 1,000 fixed 10/15/15 2.125%
- **3% CODES**: 689 fixed 8/1/35 0%

### Unamortized Discounts
- **(13)**

**Total**: $ 4,126

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Notes:
1. The contingent convertible notes (CODES) contain "puts" that holders can exercise on Feb 1, 2016, and every 5-year anniversary thereafter at a price of 100%. The current conversion price is $97.79.
2. \( T = \) comparable U.S. treasury note rate.
2011 Financial Guidance
### 2011 Financial Guidance

($ in Billions, except per share amounts)

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales $15.3 to $15.4</td>
<td>$15.5 to $15.6</td>
</tr>
<tr>
<td>Operating Margin 10.7%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Tax Rate 32.5%</td>
<td>33.2%</td>
</tr>
<tr>
<td>Diluted EPS $8.70 to $8.80</td>
<td>$8.65 to $8.75</td>
</tr>
<tr>
<td>Net Cash from Operating Activities $1.49</td>
<td>$1.51</td>
</tr>
<tr>
<td>Less: CapEx, net of Dispositions ($0.20)</td>
<td>($0.22)</td>
</tr>
<tr>
<td>Free Cash Flow $1.29</td>
<td>$1.29</td>
</tr>
</tbody>
</table>

**Note:** The revision of the 2011 consolidated financial guidance compared to the previous guidance provided on July 28, 2011 is primarily due to (i) reduced sales and operating income because of less than expected funding for the JCA contract in the AM&M segment and select contracts in the C³ISR and Electronic Systems segments, (ii) transaction costs of approximately $8M related to the spin-off of the Engility business (previously announced on July 28, 2011), reported in the Government Services segment, (iii) a reduction in the estimated effective tax rate and (iv) fewer diluted shares outstanding primarily due to an additional $100M of share repurchases, resulting in total expected share repurchases of $900M, and the timing of these repurchases.
## 2011 Segment Guidance

($ in Billions)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Sales</th>
<th>Midpoint Sales Growth vs. 2010</th>
<th>Operating Margin</th>
<th>Midpoint Margin Change vs. 2010 (bpts)</th>
<th>D&amp;A*</th>
</tr>
</thead>
<tbody>
<tr>
<td>C³ISR</td>
<td>$3.6 to $3.7</td>
<td>10%</td>
<td>11.2% to 11.4%</td>
<td>-50</td>
<td>$47</td>
</tr>
<tr>
<td>Gov’t Services</td>
<td>$3.6 to $3.7</td>
<td>-7%</td>
<td>7.7% to 7.9%</td>
<td>-90</td>
<td>$33</td>
</tr>
<tr>
<td>AM&amp;M</td>
<td>$2.4 to $2.5</td>
<td>-12%</td>
<td>9.0% to 9.2%</td>
<td>+90</td>
<td>$19</td>
</tr>
<tr>
<td>Electronic Systems</td>
<td>$5.6 to $5.7</td>
<td>0%</td>
<td>12.8% to 13.0%</td>
<td>-100</td>
<td>$144</td>
</tr>
<tr>
<td><strong>Consolidated</strong></td>
<td><strong>$15.3 to $15.4</strong></td>
<td><strong>-2%</strong></td>
<td><strong>10.7%</strong></td>
<td><strong>-50</strong></td>
<td><strong>$243</strong></td>
</tr>
</tbody>
</table>

* D&A = Depreciation and Amortization
<table>
<thead>
<tr>
<th>Segment</th>
<th>Current Guidance</th>
<th>Prior Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sales</td>
<td>Operating Margin</td>
</tr>
<tr>
<td>C³ISR</td>
<td>$3.6 to $3.7</td>
<td>11.2% to 11.4%</td>
</tr>
<tr>
<td>Gov't Services</td>
<td>$3.6 to $3.7</td>
<td>7.7% to 7.9%</td>
</tr>
<tr>
<td>AM&amp;M</td>
<td>$2.4 to $2.5</td>
<td>9.0% to 9.2%</td>
</tr>
<tr>
<td>Electronic Systems</td>
<td>$5.6 to $5.7</td>
<td>12.8% to 13.0%</td>
</tr>
<tr>
<td>Consolidated</td>
<td>$15.3 to $15.4</td>
<td>10.7%</td>
</tr>
</tbody>
</table>
Appendix
## Supplemental Segment Data

($ in Millions)

<table>
<thead>
<tr>
<th></th>
<th>Previous Presentation</th>
<th>Reclassification</th>
<th>Revised Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>9M10</td>
<td>3Q10</td>
</tr>
<tr>
<td><strong>Sales:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C³ISR</td>
<td>$ 3,399</td>
<td>$ 2,412</td>
<td>$ 810</td>
</tr>
<tr>
<td>Gov’t Services</td>
<td>3,963</td>
<td>2,935</td>
<td>1,001</td>
</tr>
<tr>
<td>AM&amp;M</td>
<td>2,781</td>
<td>2,119</td>
<td>707</td>
</tr>
<tr>
<td>Electronic Systems</td>
<td>5,537</td>
<td>3,959</td>
<td>1,317</td>
</tr>
<tr>
<td><strong>Consolidated</strong></td>
<td>$ 15,680</td>
<td>$ 11,425</td>
<td>$ 3,835</td>
</tr>
</tbody>
</table>

| **Operating Margin:** |       |       |      |       |       |      |       |       |      |
| C³ISR               | 11.6% | 12.2% | 10.6% | 0.2%  | 0.1%  | 0.1%  | 11.8% | 12.3% | 10.7% |
| Gov’t Services      | 8.7%  | 8.6%  | 9.2%  | -     | -     | 0.1%  | 8.7%  | 8.6%  | 9.3%  |
| AM&M                | 8.2%  | 8.1%  | 7.7%  | -     | -     | -     | 8.2%  | 8.1%  | 7.7%  |
| Electronic Systems  | 14.1% | 14.4% | 15.5% | -0.2% | -0.1% | -0.1% | 13.9% | 14.3% | 15.4% |
| **Consolidated**    | 11.2% | 11.3% | 11.4% | -     | -     | -     | 11.2% | 11.3% | 11.4% |
## Reconciliation of GAAP to Non-GAAP Measurements

($ in Millions)

<table>
<thead>
<tr>
<th></th>
<th>2011 Guidance</th>
<th>9M11 Actual</th>
<th>3Q11 Actual</th>
<th>2010 Actual</th>
<th>9M10 Actual</th>
<th>3Q10 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>$ 1,490</td>
<td>$ 984</td>
<td>$ 465</td>
<td>$ 1,461</td>
<td>$ 984</td>
<td>$ 395</td>
</tr>
<tr>
<td><strong>Less: Capital expenditures</strong></td>
<td>(205)</td>
<td>(129)</td>
<td>(51)</td>
<td>(181)</td>
<td>(98)</td>
<td>(34)</td>
</tr>
<tr>
<td><strong>Add: Dispositions of property, plant and equipment</strong></td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>10</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>$ 1,290</td>
<td>$ 860</td>
<td>$ 418</td>
<td>$ 1,290</td>
<td>$ 893</td>
<td>$ 367</td>
</tr>
</tbody>
</table>
# Select Financial Data

($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>2010 Estimate</th>
<th>Gov't Services Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Engility(1)</td>
<td>NSS(1)</td>
</tr>
<tr>
<td>Sales</td>
<td>$2,291</td>
<td>$1,635</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$238</td>
<td>$104</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>10.4%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Sales Growth</td>
<td>-8%</td>
<td>6%</td>
</tr>
<tr>
<td>Operating Income Growth</td>
<td>-10%</td>
<td>-14%</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>$16</td>
<td>$20</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2011 Estimate</th>
<th>Gov't Services Segment(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Engility(1)</td>
<td>NSS(1)</td>
</tr>
<tr>
<td>Sales</td>
<td>$2,054</td>
<td>$1,601</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$179</td>
<td>$104</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>8.7%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Sales Growth</td>
<td>-10%</td>
<td>-2%</td>
</tr>
<tr>
<td>Operating Income Growth</td>
<td>-25%</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>$14</td>
<td>$19</td>
</tr>
</tbody>
</table>

(1) The select financial data for Engility and NSS are current estimates that are subject to change.

(2) The 2011 Estimate financial data are based on the mid-point of L-3’s financial segment guidance range for the year ending December 31, 2011, provided on October 27, 2011.
## Select Financial Data (Cont'd)

($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>3Q11 Estimate</th>
<th>Gov't Services Segment</th>
<th>9M11 Estimate</th>
<th>Gov't Services Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Engility</td>
<td>NSS</td>
<td>Engility</td>
<td>NSS</td>
</tr>
<tr>
<td>Sales</td>
<td>$493</td>
<td>$411</td>
<td>$1,575</td>
<td>$1,214</td>
</tr>
<tr>
<td></td>
<td>$42</td>
<td>$32</td>
<td>$141</td>
<td>$75</td>
</tr>
<tr>
<td>Operating Income</td>
<td>8.6%</td>
<td>7.8%</td>
<td>9.0%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>-</td>
<td>-9%</td>
<td>-9%</td>
<td>3%</td>
</tr>
<tr>
<td>Sales Growth</td>
<td>-15%</td>
<td>-</td>
<td>-9%</td>
<td>-4%</td>
</tr>
<tr>
<td>Operating Income Growth</td>
<td>-36%</td>
<td>19%</td>
<td>-21%</td>
<td>5%</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>$3</td>
<td>$5</td>
<td>$11</td>
<td>$14</td>
</tr>
<tr>
<td></td>
<td>$8</td>
<td></td>
<td>$25</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** The select financial data for Engility and NSS are current estimates that are subject to change.