L-3 at a Glance

• Leading positions in select aerospace and defense markets

• **Prime contractor:** ISR systems, aircraft sustainment, training & simulation, night vision

• **Supplier:** electronic and communication systems

• **Strategic objectives:**
  – Provide innovative solutions for our customers
  – Expand our market positions and unique capabilities
  – Disciplined growth
  – Perform with excellence, integrity and accountability
  – Increase value for all stakeholders
New Defense Upcycle

Historical Stock Performance
1998-2016 YTD

Aggressive Growth
- Iraq/Afghanistan Surge

Portfolio Shaping
- Iraq/Afghanistan Drawdown
- Defense Budget down (20%) FY10 to FY15

Disciplined Growth
- Defense Upcycle, Op Tempo Rising, Global Insecurity

Key Stock Drivers:
- Organic Sales Growth
- More EBIT
- More M&A

IPO
2016 Highlights

• Increased margins, operating income and EPS vs. 2015

• Delivered first VIP Head-of-State aircraft

• Divested NSS

• Acquired ATM, Micreo, Aerosim and MacDonald Humfrey

• Won several strategic new business awards
U.S. Government Markets

- Geopolitical conditions support increased military spending

- DoD budget upcycle beginning FY16
  - anticipate upcycle 2 to 3% growth, more sequester trimming and OCO relief
  - classified budgets expanding and growing

- Higher defense spending expected under Trump Administration

- Select L-3 capabilities: secure communications, ISR systems, sensors, night vision, naval systems, readiness support, SOF
International & Commercial

• Affected by global economic and security conditions

• *International* - - large addressable market
  – ISR, simulators, comm systems, night vision, aviation security, sensors
  – near-term softness in ISR systems
  – increasing BD efforts

• *Commercial* - - favorable long-term fundamentals
  – avionics, aviation training & simulation, aviation security, RF microwave & power
Growth Area and Opportunities
DoD Technology Acquisition Trends

OSD
Strategic Capabilities Office
Defense Innovation Advisory Board
DASD Rapid Reaction Technology Office

Air Force
Rapid Capabilities Office

Navy
Maritime Accelerated Capabilities Office

Army
Rapid Capabilities Office

Agencies
SOCOM
SOFWERX
DARPA
Cash Deployment - - 2016

• IRAD - - ~2.5% of sales
• Capital Expenditures, net - - $205 million
• Debt Repayments - - $298 million
• Dividends $220 million… 12th annual increase
• Share repurchases - - $373 million
• Acquisitions - - $387 million
L3 Technologies, Inc.

- L-3 Communications Corporation will change its name to L3 Technologies, Inc. effective Dec. 31, 2016.
  - Capitalizes on our brand equity and better reflects who we are today and how we are positioned for the future.
- Ticker symbol will remain the same (NYSE:LLL)
- Website and emails will change to L3T.com on Jan. 3, 2017
Summary: Solid 2016, 2017 Looking Good

• DoD budget upcycle beginning

• Affordable solutions & technologies aligned with customer priorities

• Focused on satisfying customers... growing sales, margin and EPS

• Generating robust cash flow... deploying cash for disciplined growth