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Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

Except For Historical Information Contained Herein, The Matters Set Forth In This Presentation Are Forward-Looking Statements. Statements 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 Are Forward-Looking Statements. The Forward-Looking Statements Set Forth Above Involve A Number Of Risks And Uncertainties That Could Cause Actual Results To Differ Materially From Any Such Statement, Including The Risks And Uncertainties Discussed In The Company’s Safe Harbor Compliance Statement For Forward-Looking Statements Included At the End Of This Presentation and In The Company’s Recent Filings, Including Forms 10-K And 10-Q, With The Securities And Exchange Commission. The Forward-Looking StatementsSpeak Only As Of The Date Made, And The Company Undertakes No Obligation To Update These Forward-Looking Statements.
# Agenda

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<tr>
<th>Time</th>
<th>Session</th>
<th>Presenter</th>
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<td>9:00</td>
<td>Company Overview</td>
<td>Michael T. Strianese</td>
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<td>9:45</td>
<td>Operations, Disciplined Growth &amp; Long-Term Value Creation</td>
<td>Christopher E. Kubasik</td>
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<tr>
<td>10:10</td>
<td>L-3’s Business Overview</td>
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<td></td>
<td>Communication Systems Segment</td>
<td>John Mega</td>
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<td></td>
<td>Broadband Communications Sector</td>
<td>Andy Ivers</td>
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<td>Electronic Systems Segment</td>
<td>Steve Kantor</td>
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<td>Precision Engagement &amp; Training Sector</td>
<td>Todd Gautier</td>
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<td>Integrated Sensor Systems Sector</td>
<td>Jeff Miller</td>
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<td>Security &amp; Detection Systems</td>
<td>Tom Ripp</td>
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<td>Aerospace Systems Segment</td>
<td>Mark Von Schwarz</td>
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<td>Vertex Aerospace Sector</td>
<td>Ed Boyington</td>
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<td>11:30</td>
<td>Break</td>
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<tr>
<td>11:45</td>
<td>Financial Review</td>
<td>Ralph G. D’Ambrosio</td>
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<tr>
<td>12:10</td>
<td>Q&amp;A / Wrap-Up</td>
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<tr>
<td>12:30</td>
<td>Lunch</td>
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</tbody>
</table>
2016 Investors Conference
DoD Budget Outlook: Addressing A Challenging Environment

Dick Cody
Corporate Senior Vice President
Washington Operations

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National Security Challenges Facing the Trump Administration

- North Korea
- Iran
- 16th Year of War in Afghanistan
- Defeating ISIS / Future of Syria / Stabilizing Iraq
- Russian Revanchism / Aggression
- Chinese Hegemony in Asia
- Reassuring Allies in Europe
- Affording the Promised Military Build-Up
"Cycle of chaos" is now at ~2.5 years…and decreasing.
Current DoD Base Budget Projections by Service

- **Total**: $585,183
- **Defense Wide**: $108,312 (CAGR 3%)
- **Air Force**: $167,693 (CAGR 3%)
- **Navy**: $172,412 (CAGR 3%)
- **Army**: $136,766 (CAGR 3%)

Budget Projections:
- **FY 2017**: $524,599
- **FY 2018**:
  - Defense Wide: $95,163
  - Air Force: $151,053
  - Navy: $155,385
  - Army: $122,998
- **FY 2019**:
  - Defense Wide: $108,312
  - Air Force: $167,693
  - Navy: $172,412
  - Army: $136,766
Total FY17-21 Defense Program for Operations & Maintenance Fund

$M

250,000

206,539

Defense Wide

200,000

68,443

Air Force

150,000

47,661

Navy

100,000

46,918

Army

50,000

43,517

FY 2017

FY 2018

FY 2019

FY 2020

FY 2021

233,510

79,707

51,071

53,261

49,471

Buy back Services’ Readiness shortfalls
# DoD Near and Far Term Procurement & Development Trends

<table>
<thead>
<tr>
<th>High Demand Capabilities 2017 - 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Rotary and Fixed Wing Aircraft Maintenance</td>
</tr>
<tr>
<td>✓ 5th Generation Fighters</td>
</tr>
<tr>
<td>✓ Missile Defense</td>
</tr>
<tr>
<td>✓ Data Transfer</td>
</tr>
<tr>
<td>✓ Sustainment of F/A 18 and 5th Generation Fighters</td>
</tr>
<tr>
<td>✓ Electronic Warfare</td>
</tr>
<tr>
<td>✓ Cyber</td>
</tr>
<tr>
<td>✓ Submarines</td>
</tr>
<tr>
<td>• Long Range Strike Bomber</td>
</tr>
<tr>
<td>✓ Long Range Strike Missile Systems</td>
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<tr>
<td>✓ Modernize Army Combat Vehicles</td>
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<tr>
<td>✓ Shipbuilding</td>
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<tr>
<td>✓ ISR</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>L-3 Core Capabilities</th>
</tr>
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<tbody>
<tr>
<td>• Advanced Laser, Night Vision &amp; Optical Systems</td>
</tr>
<tr>
<td>• Aircraft:</td>
</tr>
<tr>
<td>• Maintenance &amp; Modernization</td>
</tr>
<tr>
<td>• Display Systems</td>
</tr>
<tr>
<td>• Simulators – Fixed and Rotary wing</td>
</tr>
<tr>
<td>• Comms:</td>
</tr>
<tr>
<td>• Secure Broadband Data Links</td>
</tr>
<tr>
<td>• Wideband Comms</td>
</tr>
<tr>
<td>• Multi-Functional Waveforms</td>
</tr>
<tr>
<td>• SATCOM</td>
</tr>
<tr>
<td>• Fusing &amp; Precision Guided Ordnance</td>
</tr>
<tr>
<td>• Grnd Vehicle Transmissions &amp; Suspensions</td>
</tr>
<tr>
<td>• ISR: Electro-Optical, Manned/Unmanned &amp; Acoustics</td>
</tr>
<tr>
<td>• Maritime Domain Awareness &amp; ASW Systems</td>
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<tr>
<td>• Missile Defense Targets</td>
</tr>
<tr>
<td>• Security &amp; Detection Systems</td>
</tr>
<tr>
<td>• Shipboard: Comms, Electrical Distribution &amp; Integrated Platform Management Systems</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3rd Offset Capabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Space: ISR Communications</td>
</tr>
<tr>
<td>✓ Missile Defense</td>
</tr>
<tr>
<td>• Strategic Lift</td>
</tr>
<tr>
<td>✓ Long-range precision strike weapons</td>
</tr>
<tr>
<td>✓ Undersea systems</td>
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<tr>
<td>✓ Remotely operated platforms</td>
</tr>
<tr>
<td>✓ Special Operations Forces</td>
</tr>
<tr>
<td>✓ Cyber</td>
</tr>
<tr>
<td>✓ Next Generation Air Dominance</td>
</tr>
<tr>
<td>✓ Complex Systems Engineering, Integration &amp; Operations</td>
</tr>
<tr>
<td>✓ Extended Range Air Operations</td>
</tr>
</tbody>
</table>

L3 Core Capabilities Align Well With U.S. Strategy
Potential DoD Base Budget...under Trump Administration
These are the immediate international priorities of the Trump administration on January 20, 2017

- DoD/DHS Budget
- Infrastructure Investment
- Tax Reform

NATO vs Russia

Immigration

ISIS/Syrian Civil War

Iran Nuclear Deal

Chinese Expansion

Asia Trade Relations

4 Years with a Republican House, Senate and Executive Branch
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Communication Systems at a Glance

($ in Millions)

2017 Expectations:
Organic growth: 5%
Operating margin: +30 bps

DoD = 79%
Leading Products & Capabilities

- C4ISR products and systems integration
- Open Systems Architecture - Software defined radios
- Secure low probability of intercept and anti-jam waveforms
- Cyber Defense Solutions & Products
- Surveillance Airborne Antennas & Rotodomes
- Fly away auto acquire VSAT terminals
- High reliability space power products
- Commercial and military space microwave telemetry
Key Growth Opportunities (Estimated Values)

- C4ISR Systems Maritime: Australia, Canada, NZ  $300M
- A2AD Technologies into Weapon and Intel products  $250M
- Situational Awareness & Data Fusion  $100M
- Protected Transponded Satellite Communications  $175M
- Rotary Wing: MUMT-X AH-64, MH60S/R, V-22 Osprey  $350M
- Space-Based Solid State Power Amplifiers  $50M
- Higher Frequency and Power Levels for TWTAs  $400M
- USSOCOM FoS Recompete for Tactical Satcom  $500M
2016 Investor Conference
Broadband Communications Sector Update
December 6, 2016

Andy Ivers
Sector President Broadband Communications

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Broadband Communications Sector

• Market leader in C4ISR systems and products for UAVs
• Open Systems Architecture - Software defined radios
• Secure low probability of intercept and anti-jam waveforms and products
• End-to-End communications systems
• Discriminators:
  – Installed base on flight certified platforms
  – High barriers to entry – library of waveform software
  – Secure, high-data rate products
  – Demonstrated solutions for today’s A2AD environment

Estimated 2016 Net Sales $1B
Broadband Communications Sector - 2014 to Today

- SAP implementation (July 2013) issues behind us
  - Dramatic improvement in On-Time Delivery
  - Past due deliverables down

- Significant improvement in financial performance
  - Sales up 14%
  - Operating margin up 400 bps
  - Book-to-bill >1.0x (cumulative 2014-2016)

- Classified programs >20% of sales

- International programs are 6% of sales and growing
Broadband Communications Sector - 2014 to Today

• Changes implemented in the last 2 years
  – Significant management changes
  – Focused continuous improvement program has yielded cost savings
  – Continuous flow production for higher volume products vs build to order
  – Improved program management/execution
  – Awards from new business up 150%
  – International awards up 100% and growing
Broadband Communications Sector - Tomorrow

• Sustained future growth forecasted in the 5%-10% range with 10%+ margins
  – A2AD Capability – Enabled by Chameleon Technology
    • New markets in Low Observable Platforms
    • Upgrade market for fielded systems facing new threats
    • Next generation of mobile products
  – International
    • Focus on Europe, Asia Pacific and Middle East
      ▪ JCRVT a pivotal win in the UK
  – Adjacent Markets
    • Rotary Wing Platforms - - Maned-Unmanned Teaming
  – Emerging Products/Markets
    • Electronic Warfare and swarming UAVs
      ▪ Several “seed” programs executing in 2016-2018
This presentation consists of L-3 Communications Corporation 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.
Electronic Systems

• We provide:
  – Broad range of air, sea, land & space products and systems with related services for military and commercial applications

• We distinguish ourselves by:
  – Market leading technologies
  – Diversified product offerings
  – Customer relationships
  – System solutions
  – Agility: smaller, lighter, faster

• Our markets and customers are:
  – All U.S. military services and major primes
  – Federal civilian agencies (TSA, DHS, CBP…)
  – State and local governments
  – International
  – Commercial
Electronic Systems at a Glance

2016 Book to Bill: ~1.1x

2017 Expectations:
Sales growth: 7%
Organic growth: 4%
Operating margin: +80 bps
Leading Products & Capabilities

• Night Vision Equipment – Goggles, Designators, Aiming Devices
• Family of Unmanned Airborne Vehicles
• Military & Commercial Full Flight Simulators
• Pilot & Maintenance Training
• Precision Munitions
• F35 Wide Area Displays, EODAS & Commercial Displays
• Avionics for Commercial Aircraft: T³CAS, TCAN, ADS-B in/out, Recorders
• Naval Power Conversion & Distribution, Towed Arrays, Fire Control Systems, Photonic masts
• Airborne Surveillance Systems & IRST’s
• Space Sensors – Military & Commercial
• Aviation Security– checkpoint, checked baggage and networking
## Key Growth Opportunities

<table>
<thead>
<tr>
<th>Key Awards (Estimated Values)</th>
<th>Major Initiatives (Estimated Values)</th>
</tr>
</thead>
<tbody>
<tr>
<td>USN Submarine Towed Array $299M</td>
<td>Air Transport Avionics $200-400M</td>
</tr>
<tr>
<td>Australia Army Land 53 $195M</td>
<td>International Aviation Security $150-300M</td>
</tr>
<tr>
<td>Avionics ULA $158M</td>
<td>M/X Series EO/IR Systems, IRST's $200-300M</td>
</tr>
<tr>
<td>TSA Security Equipment/ Services $121M</td>
<td>Navigation &amp; Targeting Systems $200-400M</td>
</tr>
<tr>
<td>International Airport Security $100M</td>
<td>Advanced Laser Rangefinder $100-150M</td>
</tr>
<tr>
<td>Hainan Full Flight Simulators $113M</td>
<td>International Night Vision $125-175M</td>
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<tr>
<td>Airbus Avionics $76M</td>
<td>Advanced Programs $300-500M</td>
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<tr>
<td>F35 Displays/ EODAS $55M</td>
<td>Precision Engagement &amp; Training $100-500M</td>
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<tr>
<td>US Army Night Vision BNVD III $49M</td>
<td>Airborne &amp; Undersea Unmanned $300-600M</td>
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<tr>
<td></td>
<td>Pilot Training $300-500M</td>
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</tbody>
</table>
This presentation consists of L-3 Communications Corporation 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.
Precision Engagement & Training (PE&T)

- Tactical and Small Air Launched UAS
- Precision Weapon Systems and Components
- Assured Positioning Navigation & Timing (APNT)
- Training & Simulation
  - Defense Training Solutions
    - Aircraft, Helicopters, UAS, Maritime
    - Aircrew and Maintenance
  - Commercial Training Solutions (CTS)
    - Training Systems, Airline Training Centers, Flight Academies

Estimated 2016 Net Sales $1.1B
PE Market Environment

- Precision Engagement
  - Afghanistan / Iraq / Syria – Driving Traditional Systems Growth
  - 3rd Offset = Counter Anti-Access / Area Denial (A2/AD)
- New Technologies/Systems
  - Precision, Autonomy, Range, Electronic Warfare, GPS Degraded / Denied
  - >$18B across the Future Year Defense Plan (FYDP)
  - Classification

Markets Supports Significant Growth
Commercial Training Market Environment

- Unprecedented Commercial Aviation Expansion
  - Backlogs ~6,000 aircraft, ~10 yrs production
  - Global Fleet expected to more than double next 20 yrs
  - ~40,000 new aircraft needed by 2035

- Global Pilot Shortage - 617,000 required by 2035
  - 227,000 new cadets to replace retirees
  - >350,000 additional to meet fleet growth

- Airline Business Models Evolving
  - Purchase vs Lease vs Outsource
  - Devices, Upgrades, Training Services, Pilots

Commercial Airline Training Market Expanding Beyond Capacity
CTS Expansion

• Capacity Growth
  – AATC & Gatwick: +5 Devices
  – Announcing - London Training Center
  – Announcing - New CTS Manufacturing Center

• Realizing Synergies
  – Simulation Device Sales
  – Airline Training Courses
  – Integrated Training Hours
  – CTS consolidation

• Acquisition: Aerosim
  – U.S. FAA Certifications & Market Entry
  – Chinese CAAC Certifications & Market Entry
  – Added Capacity for EASA training
  – Lower Level Flight Training Devices
  – Maintenance Training Products
CTS Results

• **Airline Full Flight Sim Devices Market Share Growth (Annual Orders)**
  – 2012: ~10% market share
  – 2016E: ~40% market share

• **Airline Training Growth**
  – 2012: ~17,000 training hours sold
  – 2016E: >80,000 training hours to be sold

• **Training Academy Growth**
  – 2015: ~400 Cadet Starts
  – 2017E: ~875 Cadet Starts

• **Investments Supporting Growth & Capacity**

Discriminating Custom Products, Quality, Service & Price
PE&T Sector Summary

- Stable Products Base
- Ideally Positioned: Markets, Customers, Technology
  - Precision Weapons Systems & Components
  - Commercial Airline Training
- Continued Impactful Investment in Growth
- Major Program Successes & Significant Opportunities
- Strong 2016, accelerating growth in 2017

Forecasting Significant Expansion over the Next 5 Years
2016 Investor Conference
Integrated Sensor Systems Sector Overview
December 6, 2016

Jeff Miller
President, Integrated Sensor Systems

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Integrated Sensor Systems (ISS)

- Space sensors & electronics
  - Sensors and sensor subsystems
  - Launch & control electronics

- Airborne ISR / IRST systems:
  - Multi sensor gimbals & turrets

- Maritime surface & ground systems
  - Mobile & fixed ISR systems
  - Targeting and fire control systems

- Undersea systems
  - Photonics masts & hoisting systems

- Electronic warfare & cyber security
  - Tactical EW / counter IED systems
  - National security cyber solutions

Estimated 2016 Net Sales $0.8B
Market Environment Trending Up

- **Space sensors & Electronics**
  - Stable/growing demand for launch & control electronics
  - New opportunities in classified / “3rd Offset” programs

- **Airborne ISR / IRST systems**
  - Strong demand for long range, stabilized EO/IR gimbals
  - Emerging market for affordable Infrared Search & Track (IRST) systems

- **Ground systems**
  - New market for ISS leveraging airborne business base
  - Evolving “next generation” sights: opportunity to take market share

- **Undersea systems**
  - Strong support for Virginia Class & Ohio Replacement Program
  - Significant budget allocated for undersea surveillance

- **Electronic warfare & cyber (EW&C)**
  - UK & international tactical EW market is stable/growing
  - Integrated EW & Multi-INT systems provide growth opportunity
Market Strategy: Increasing Growth with Selective M&A

- **ForceX**
  - Acquisition Closed October 2015
  - Provides:
    - Mission solutions for air / ground surveillance & strike missions
    - Software, mission system kits, training and documentation
    - Platform software life cycle management
  - Synergy:
    - Close customer relationships – pulls through existing product
    - Moves ISS from “imagery” provider to solutions provider

- **Micreo**
  - Acquisition Closed September 2016
  - Provides:
    - Design & manufacture of EW subsystems
    - Unique, patented design reduces cost & time to market
  - Synergy:
    - Footprint in Australia supports on-going and new business
    - Expands ISS EW offerings (airborne, man-portable counter IED)
This presentation consists of L-3 Communications Corporation 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.
2017 Expectations:
Sales growth: ~40%
Organic growth: ~9%
Growing with sensors and products into total system solutions
Global Airport Security Market

Strong Forecasted Market growth supports L-3 investment and growth initiatives
Strong Forecasted Market Growth

- **50% growth in passenger volume forecasted over 10yrs**


- Forecasted growth
- Billion Passengers

**Top three investment priorities for airports (N = 101*)**

- **Passenger processing:** 73%
- **Airport operations:** 40%
- **Baggage processing:** 39%

*Source: World Development Indicators*
Growth Initiatives - Sensors

- Expanding our Sensor Portfolio
  - ClearScan Checkpoint CT (eliminates laptop & liquids removal) meeting increased TSA and EU driven standards
  - Explosive/Narcotics Trace Detection for broader security solutions
  - Next Generation Checked Baggage screening (XLB & MV3D)
  - Smart Gates for improved Passenger Security and flow
  - Tray Return and Baggage Handling capabilities
  - ProVision Wideband system upgrades

Product Sales along with Service based revenue streams provide attractive growth and margin performance
Redefining the Checkpoint Process

- Improved Throughput and Security Management

Building the Checkpoint Solution …

- Carry-on Baggage Screening
  - Clearscan CT technology
- People Screening
  - ProVision 2
- Advanced Algorithms
- Integrated Tray Return
- Remote Screening
- Directed Baggage Search
- Real-Time Ops Reporting
Security & Detection Systems Summary

• Significant forecasted market growth
• Acquisitions accelerate expansion and add integrated solution elements
• Leading migration to networked security solutions
• Expanding margins

Significant Growth and Margin Expansion Expected over the Next 5 Years
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Aerospace Systems at a Glance

2017 Expectations:
Organic growth: -2%
Operating margin: -20 bps

DoD = 80%
Leading Products and Capabilities

- Advanced airborne ISR, communications, and enterprise intelligence systems and products
  - Rapid technology insertion to meet changing customer needs and sustain relevance

- Full spectrum fleet sustainment, depot and management

- Contractor Logistics Support and aviation services

- Aircraft modification and service life extension solutions
Key Growth Opportunities

<table>
<thead>
<tr>
<th>Key Awards (Estimated Value)</th>
<th>Major Initiatives (Estimated Value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• KC-10 CLS</td>
<td>• SOF GLSS</td>
</tr>
<tr>
<td>• $2,025M</td>
<td>• $8B</td>
</tr>
<tr>
<td>• EMARSS FVM</td>
<td>• Ft Rucker Re-compete</td>
</tr>
<tr>
<td>• $210M</td>
<td>• $4B</td>
</tr>
<tr>
<td>• International Programs</td>
<td>• ISR Recap Pursuit</td>
</tr>
<tr>
<td>• $150M</td>
<td>• $1.6B</td>
</tr>
<tr>
<td>• F-18 DLM</td>
<td>• T-6 COMBS</td>
</tr>
<tr>
<td>• $90M</td>
<td>• $0.5B</td>
</tr>
<tr>
<td>• Compass Call, Open Skies</td>
<td>• P-8 DLM</td>
</tr>
<tr>
<td>• $89M</td>
<td>• $150M+</td>
</tr>
<tr>
<td>• E-6, EP-3, NDD, UC-35, T-1</td>
<td>• Joint Stars Recap</td>
</tr>
<tr>
<td>• $89M</td>
<td>• $400M</td>
</tr>
<tr>
<td>• International Spydr Lease</td>
<td>• Long Sword FMS</td>
</tr>
<tr>
<td>• $36M</td>
<td>• $120M</td>
</tr>
<tr>
<td>• CF-18 PAV SESC AOP</td>
<td>• USG C-130 Depot Maintenance</td>
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<tr>
<td>• $54M</td>
<td>• $234M</td>
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<tr>
<td>• RAAF C-27J – CLS &amp; Training</td>
<td>• Army SEMA CLS</td>
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<tr>
<td>• $30M</td>
<td>• $320M</td>
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<tr>
<td>• CC-150 ISS AOP</td>
<td>• Presidential Aircraft Recap</td>
</tr>
<tr>
<td>• $30M</td>
<td>• $300M</td>
</tr>
<tr>
<td>• Japan Coast Guard – 3rd Aircraft</td>
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</table>
L-3 Aerospace Systems Segment

- **Aircraft Systems**
  - Platform Integration – Waco, Texas
  - TCS – Warner Robins, Georgia
  - Crestview Aerospace – Crestview, Florida

- **ISR Systems**
  - Mission Integration – Greenville, Texas
  - Aeromet – Tulsa, Oklahoma
  - ComCept – Rockwall, Texas

- **Vertex Aerospace**
  - Vertex Aerospace – Madison, MS

- **Military Aviation Services (MAS)**
  - MAS – Mirabel, Quebec Canada

- **L-3 Aerospace Systems**
  - HEADQUARTERS: Rockwall, Texas
  - ANNUAL SALES: $4.1B
  - AIRCRAFT: ~ 3,000
  - EMPLOYEES: ~ 17,500

Map showing the locations of L-3 Aerospace Systems facilities, including:
- Aeromet, Tulsa, Oklahoma
- Mission Integration, Greenville, Texas
- Aerospace HQ, Rockwall, Texas
- Platform Integration, Waco, Texas
- Vertex Aerospace, Madison, Mississippi
- Crestview Aerospace, Crestview, Florida
- TCS, Warner Robins, Georgia
- Military Aviation Services, Mirabel, Quebec Canada
2016 Investor Conference
Vertex Aerospace Sector Overview
December 6, 2016

Ed Boyington
President, Vertex Aerospace

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Vertex Aerospace Sector

- **We provide:**
  - Rotary wing and fixed wing maintenance and logistics services
  - Expeditionary maintenance -- Quick response staffing support
  - A leading provider of Army, Navy and Air Force rotary wing maintenance services
  - Support to DoD trainer aircraft programs
  - Leader in Contractor Operated and Managed Base Supply (COMBS)

- **We distinguish ourselves by:**
  - Responsiveness and ability to surge manning
  - Exceeding customer performance metrics
  - Solid, dependable contract performance
  - Commitment to: Safety, Quality, Schedule and Cost
  - Responsiveness and agility to changing requirements

- **Our markets and customers are:**
  - All military services & Other Government Agencies (OGA)
  - Select foreign governments

![Image]

**Estimated 2016 Net Sales $1.3B**

- 7,500+ people
- Over 200 customer sites
- Maintaining 2,500+ aircraft
- Launching 3,000+ sorties a day
- Around the World 24/7
DoD Readiness Market Expected to Rebound

Customer Environment: High Demand Amid Cutbacks, Causing Fleet and Pilot Issues
- Years of Military Engagement worldwide has taken its toll on readiness (people and equipment)
- Downward budget pressure and Sequestration
- End Strength reductions and civilian hiring freezes continue
- All services projecting significant shortages in pilots

Potential Opportunities Ahead
- Possible increased Congressional support for military readiness and rescinding sequestration would present significant growth opportunities in our sustainment and training core competencies
- Undergraduate pilot training will result in an increase in flying hours and maintenance
- DoD civilian hiring freezes will increase the need for contractor support in many areas
- Investment in reset and upgrade of legacy platforms

L-3 Vertex is well positioned to capitalize on new readiness initiatives
Growth Strategies

• Protect and grow base through strong operational performance

• Expand our penetration into the Sustainment Market

• Anticipate future requirements to be “early-to-market”
  – Strengthen our market intelligence and agility
  – Apply operational insight to address urgent needs

• Leverage “Turn Key” Total Mission Support (TMS)
  – Contractor provided resources to include platforms supporting training and operations

• Continually improve cost structure
  – Deliver more capability at an affordable cost for a best value solution

Growth strategies focused on best value, mission sustainment
## Key Opportunities 2017 To 2019

<table>
<thead>
<tr>
<th>Customer</th>
<th>RFP</th>
<th>Estimated Contract Value</th>
<th>Period of Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>T-6 COMBS JPATS III</td>
<td>2016</td>
<td>$824M</td>
<td>2018 - 2026</td>
</tr>
<tr>
<td>Ft Rucker Aircraft Maintenance</td>
<td>2016</td>
<td>$4,500M</td>
<td>2018 - 2028</td>
</tr>
<tr>
<td>USG C-130 Depot Maintenance</td>
<td>2017</td>
<td>$234M</td>
<td>2017 - 2021</td>
</tr>
<tr>
<td>NASA Johnson ALICE CLS</td>
<td>2017</td>
<td>$55M</td>
<td>2017 - 2022</td>
</tr>
<tr>
<td>Remotely Piloted Aircraft</td>
<td>2017</td>
<td>$300M</td>
<td>2017 - 2022</td>
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<tr>
<td>E-6B COMBS</td>
<td>2017</td>
<td>$250M</td>
<td>2018 - 2023</td>
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<tr>
<td>T-1A CLS</td>
<td>2018</td>
<td>$700M</td>
<td>2018 - 2023</td>
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<tr>
<td>TH-57 Advanced Training</td>
<td>2018</td>
<td>$1,500M</td>
<td>2018-2028</td>
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<tr>
<td>Grey Eagle UAS CLS</td>
<td>2018</td>
<td>$45M</td>
<td>2018 - 2023</td>
</tr>
<tr>
<td>NSAWC Support</td>
<td>2018</td>
<td>$125M</td>
<td>2019 - 2024</td>
</tr>
<tr>
<td>T-6 / T-44 CLS</td>
<td>2019</td>
<td>$528M</td>
<td>2019 - 2024</td>
</tr>
<tr>
<td>National Aircraft Maintenance (CBP)</td>
<td>2019</td>
<td>1,126M</td>
<td>2019 - 2029</td>
</tr>
</tbody>
</table>
Margin Expansion Strategies

• Expand topline growth through program execution and partnering with our customers

• Leverage long-term agreements and strategic alignments with OEMs to reduce material costs

• Reduce maintenance support costs by automating processes and introducing technology in our operations

• Drive lower indirect costs through topline growth, process streamlining and productivity improvements
2016 Focus and Accomplishments

✓ Consolidate the organization and infrastructure
✓ Integrate and align the processes and talent
✓ Automate key functions such as supply chain management
✓ Branding and marketing
✓ Build a strong leadership team
✓ Strengthen our customer focus and relationship
✓ Build a strong Business Development Group

✓ 2016 significant program wins:
  • KC-10 CLS ... $1.9B
  • Navy C-12 CLS ... $320M*

*re-compete win
Summary – Vertex Aerospace

• Build upon 2016 accomplishments

• Increase “Footprint” in Sustainment and Total Mission Support

• Expand Margins Through Topline Growth and Cost Reductions