Cowen and Company 38th Annual Aerospace/Defense & Industrials Conference

February 8, 2017

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Chairman and Chief Executive Officer

Forward-Looking Statements

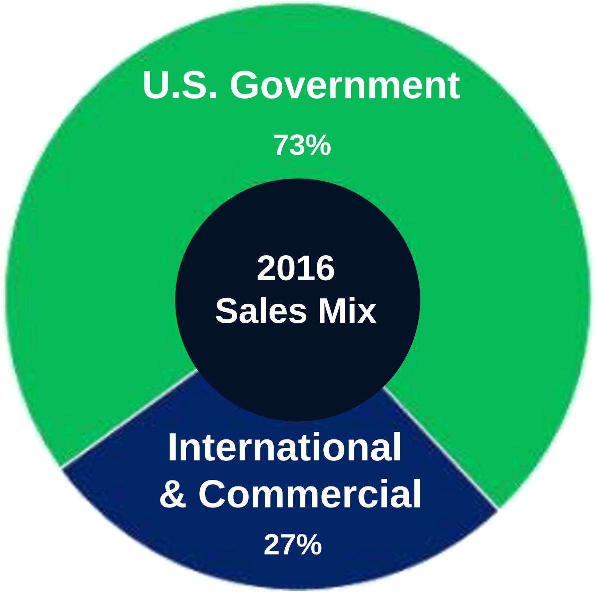
Certain of the matters discussed in these slides, including information regarding the company's 2017 financial guidance are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than historical facts, may be forward-looking statements, such as "may," "will," "should," "likely," "projects," "financial guidance," ''expects,'' ''anticipates,'' ''intends,'' ''plans,'' ''believes,'' ''estimates,'' and similar expressions are used to identify forward-looking statements. The Company cautions investors that these statements are subject to risks and uncertainties many of which are difficult to predict and generally beyond the Company's control that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. Some of the factors that could cause actual results to differ include, but are not limited to, the following: our dependence on the defense industry; backlog processing and program slips resulting from delayed awards and/or funding from the Department of Defense (DoD) and other major customers; the U.S. Government fiscal situation; changes in DoD budget levels and spending priorities; U.S. Government failure to raise the debt ceiling; our reliance on contracts with a limited number of customers and the possibility of termination of government contracts by unilateral government action or for failure to perform; the extensive legal and regulatory requirements surrounding many of our contracts; our ability to retain our existing business and related contracts; our ability to successfully compete for and win new business, or, identify, acquire and integrate additional businesses; our ability to maintain and improve our operating margin; the availability of government funding and changes in customer requirements for our products and services; the outcome of litigation matters (see Notes to our annual report on Form 10-K and quarterly reports on Form 10-Q); results of audits by U.S. Government agencies and of ongoing governmental investigations; our significant amount of debt and the restrictions contained in our debt agreements and actions taken by rating agencies that could result in a downgrade of our debt; our ability to continue to recruit, retain and train our employees; 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; global economic uncertainty; the DoD's Better Buying Power and other efficiency initiatives; events beyond our control such as acts of terrorism; our ability to perform contracts on schedule; our international operations including currency risks and compliance with foreign laws; our extensive use of fixed-price type revenue arrangements; the rapid change of technology and high level of competition in which our businesses participate; risks relating to technology and data security; our introduction of new products into commercial markets or our investments in civil and commercial products or companies; our ability to predict the level of participation in and the related costs of our voluntary return program for certain EoTech holographic weapons sight products, and our ability to change and terminate the voluntary return program at our discretion; the impact on our business of improper conduct by our employees, agents or business partners; goodwill impairments and the fair values of our assets; and ultimate resolution of contingent matters, claims and investigations relating to acquired businesses, and the impact on the final purchase price allocations.

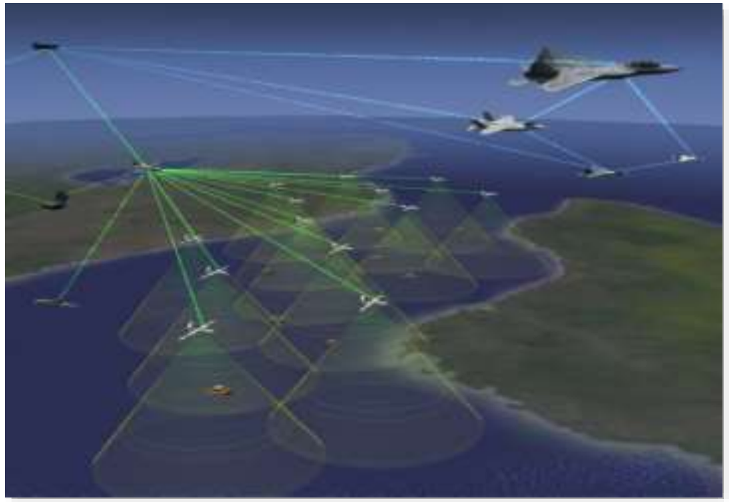
Our forward-looking statements speak only as of the date of these slides or as of the date they were made, and we undertake no obligation to update forward-looking statements. For a more detailed discussion of these factors, also see the information under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our most recent report on Form 10-K for the year ended December 31, 2015 and in the quarterly report on Form 10-Q for the quarterly period ended September 23, 2016 and any material updates to these factors contained in any of our future filings.

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.

L3 at a Glance

- **Leading A&D contractor... non-platform prime and supplier positions**
- **Transitioned from portfolio shaping to disciplined growth**
- **Attributes:**
  - **broad/diverse positions in U.S. defense market supporting organic growth**
  - **high earnings-to-cash flow conversion**
  - **efficient capital structure… IG credit**
  - **experienced management team**
- **Objectives: satisfy customers… growth + margin expansion + disciplined capital allocation**



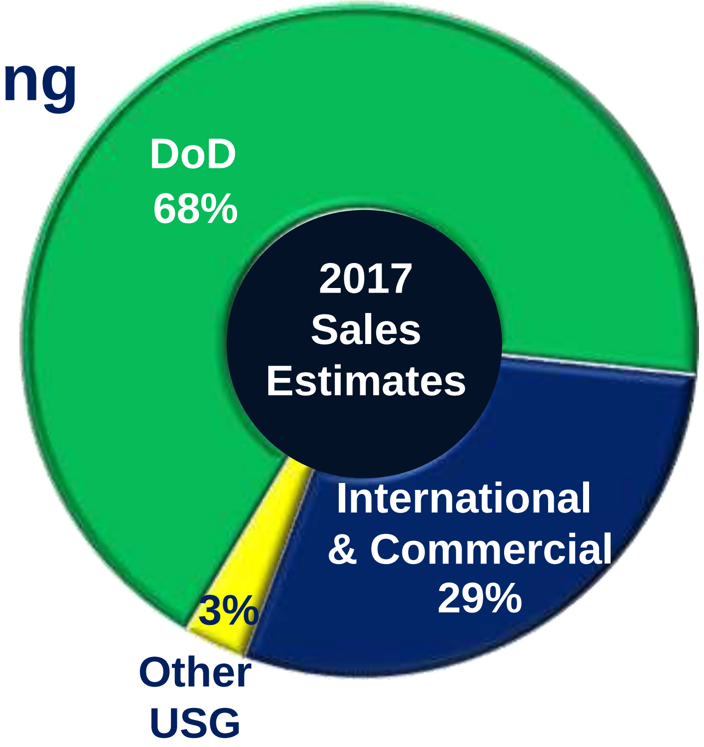


2016 Highlights

- Organic sales growth 2%... 5% for USG/DoD
- Increased orders 11%, margin 110 bps, operating income 13% and EPS 19% vs. 2015
- Won strategic new business awards and recompetitions
- Stabilized IG credit ratings... renewed revolver and refinanced/reduced debt
- Completed divestiture of NSS on February 1, 2016
- Acquired ATM, Micreo, Aerosim, MacDonald Humfrey and Implant Sciences (completed 1/5/17)

U.S. Government Markets

- **Geopolitical conditions support growth in military spending**
- **Higher defense spending expected under Trump Administration**
- **DoD budget upcycle began FY16**
  - **classified budgets expanding and growing**
  - **increasing attention on Readiness**
  - **FY17 OCO Supplemental in spring 2017**
  - **anticipate more sequester trimming and OCO relief**
- **Select L3 capabilities: secure communications, ISR systems, sensors, night vision, naval systems, readiness support, SOF**

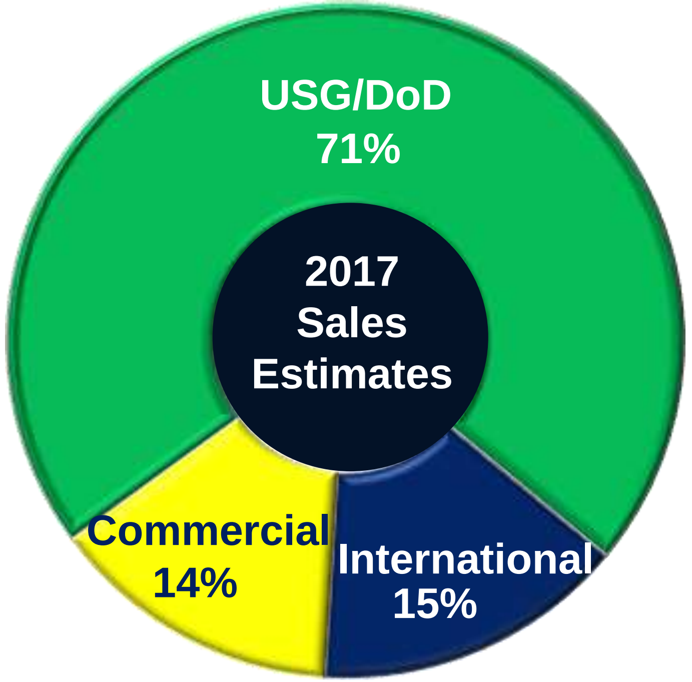


International & Commercial Markets

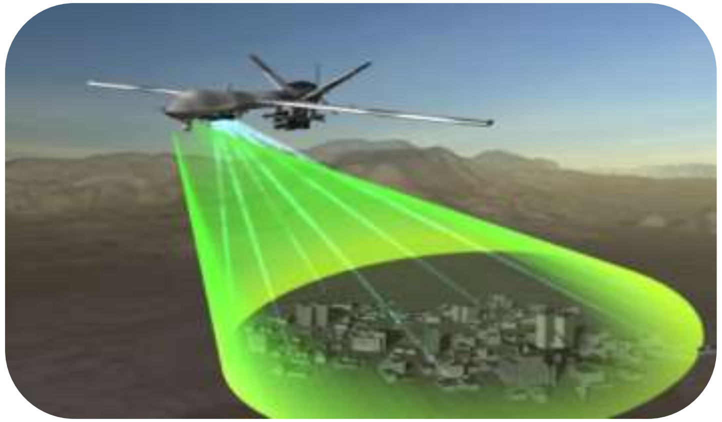
- Markets affected by global economic and security conditions

- International - - large addressable market
  - foreign governments and FMS
  - ISR systems, simulators, communication systems, night vision, sensors
  - near-term softness

- Commercial - - favorable long-term fundamentals
  - avionics, security screening, simulation & training, RF microwave & power



Growth Areas and Opportunities



Cash Deployment - - 2016

- IRAD - - 2.5% of sales
- Capital Expenditures, net - - $195 million
- Debt Repayments - - $303 million
- Dividends $220 million… 12th annual increase
- Share repurchases - - $373 million
- Acquisitions - - $501 million*

* Includes Implant Sciences completed on January 5, 2017.

Summary 2017 Consolidated Financial Guidance

(in Millions, except per share amounts)

	Guidance (January 26, 2017)	vs. 2016
Net Sales	$10,625 to $10,825	2%
Organic Growth	1%	-100 bps
Operating Margin	10.3%	+70 bps
Effective Tax Rate	27.2%	+500 bps
Diluted EPS	$8.40 to $8.60	4%
Free Cash Flow	$865	-4%

Note: See Reconciliation of GAAP to Non-GAAP Measurements.

Summary

- **DoD budget upcycle began 2016**

- **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**

Questions?

Supplemental Data

2017 Consolidated Financial Guidance

(in Millions, except per share amounts)

USG/DoD	+1%
International	-3%
Commercial	+4%

	Guidance (January 26, 2017)	vs. 2016	Prior Guidance (December 6, 2016)
Net Sales	$10,625 to $10,825	2%	$10,475 to $10,675
Organic Growth	1%	-100 bps	1.5%
Segment Operating Margin	10.3%	+70 bps	10.0%
Interest Expense and Other	$158	$0	$157
Effective Tax Rate	27.2%	+500 bps	27.2%
Minority Interest Expense	$15	$1	$15
Diluted Shares	79.3	1%	78.3
Diluted EPS	$8.40 to $8.60	4%	$8.15 to $8.35
Free Cash Flow	$865	-4%	$865

Notes: (1) Interest expense and other is comprised of: (i) interest expense of $172 million and (ii) interest and other income, net, of $14 million.
(2) Minority interest expense represents net income from continuing operations attributable to non-controlling interests.
(3) Operating margin for 2017 will be impacted by approximately $24 million of restructuring and severance expenses for the EDD/ETI business unit consolidation in Communication Systems Segment, that are expected to be offset by a property sale gain.
(4) See Reconciliation of GAAP to Non-GAAP Measurements.

The current guidance for 2017 excludes: (i) any potential non-cash goodwill impairment charges for which the information is presently unknown, (ii) potential adverse results related to litigation contingencies and (iii) other items such as gains or losses related to potential business divestitures and the impact of potential acquisitions.

2017 Segment Guidance

(in Millions)

Segment	Net Sales	Midpoint Sales vs. 2016	Midpoint Organic Growth	Segment Operating Margin	Midpoint Margin vs. 2016 (bps)
Electronic Systems	$2,950 to $3,050	9%	4%	13.2% to 13.4%	n.c.
Aerospace Systems	$4,025 to $4,125	-4%	-4%	6.9% to 7.1%	+20
Communication Systems	$2,075 to $2,175	4%	4%	10.5% to 10.7%	+80
Sensor Systems	$1,475 to $1,575	4%	3%	12.6% to 12.8%	+240
Total Segments	$10,625 to $10,825	2%	1%	10.3%	+70

Notes: (1) Increase in consolidated and segment operating margin due to lower expected pension expense of approximately $29 million ($7 million for Electronic Systems, $10 million for Aerospace Systems, $10 million for Communication Systems and $2 million for Sensor Systems).
(2) Effective March 1, 2017, the current Electronic Systems segment will be realigned into two separate segments named (i) Electronic Systems and (ii) Sensor Systems. The table above presents the split of the current Electronic Systems segment into the new Electronic Systems and Sensor Systems segments.
(3) Communication Systems quarterly operating margins for 2017 will be impacted by approximately $24 million of restructuring and severance expenses for the EDD/ETI business unit consolidation, that are expected to be offset by a property sale gain.

n.c. = no change

2016 Consolidated Results

(in Millions, except per share amounts)

USG/DoD	+5%
International	-10%
Commercial	0%

	2016	2015	vs. 2015
Net Sales	$10,511	$10,466	0.4%
Organic Growth (Decline)	2%	(3)%	+500 bps
Segment Operating Margin	9.6%	8.5%(1)	+110 bps
Segment Operating Income	$1,008	$890(1)	13%
Interest Expense and Other	$158(2)	$153(3)	3%
Effective Income Tax Rate Provision	22.2%	n.m.	n.m.
Minority Interest Expense(4)	$14	$15	-7%
Diluted Shares	78.8	81.9	-4%
Diluted EPS from Continuing Operations	$8.21	$3.44	n.m.
Adjusted Diluted EPS from Continuing Operations(5)	$8.21	$6.91	19%
Net Cash from Operating Activities from Continuing Operations	$1,097	$1,069	3%
Free Cash Flow(5)	$902	$877	3%

Notes: (1) The year ended December 31, 2015 excludes $384 million for goodwill impairment charges and $31 million related to business divestitures.
(2) Interest Expense and Other for 2016 is comprised of: (i) interest expense of $169 million, (ii) interest and other income, net of $18 million, and (iii) debt retirement charges of $7 million.
(3) Interest Expense and Other for 2015 is comprised of: (i) interest expense of $169 million, (ii) interest and other income, net of $17 million, and (iii) a debt retirement charge of $1 million.
(4) Minority Interest Expense represents net income from continuing operations attributable to noncontrolling interests.
(5) See Reconciliation of GAAP to Non-GAAP Measurements.

n.m. = not meaningful

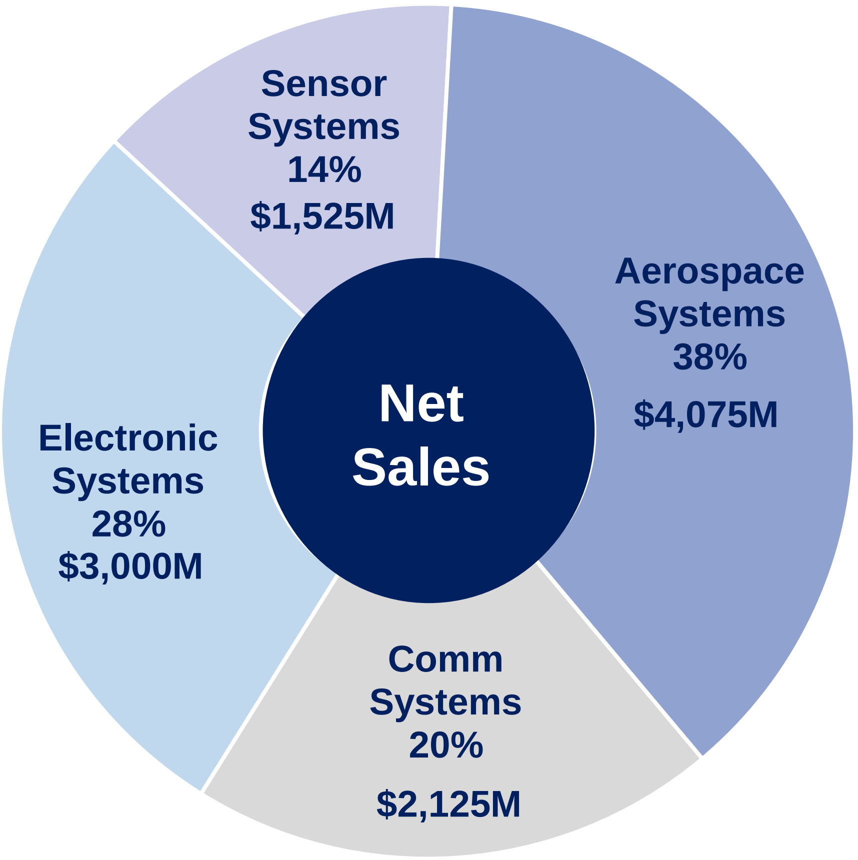
2016 Segment Results

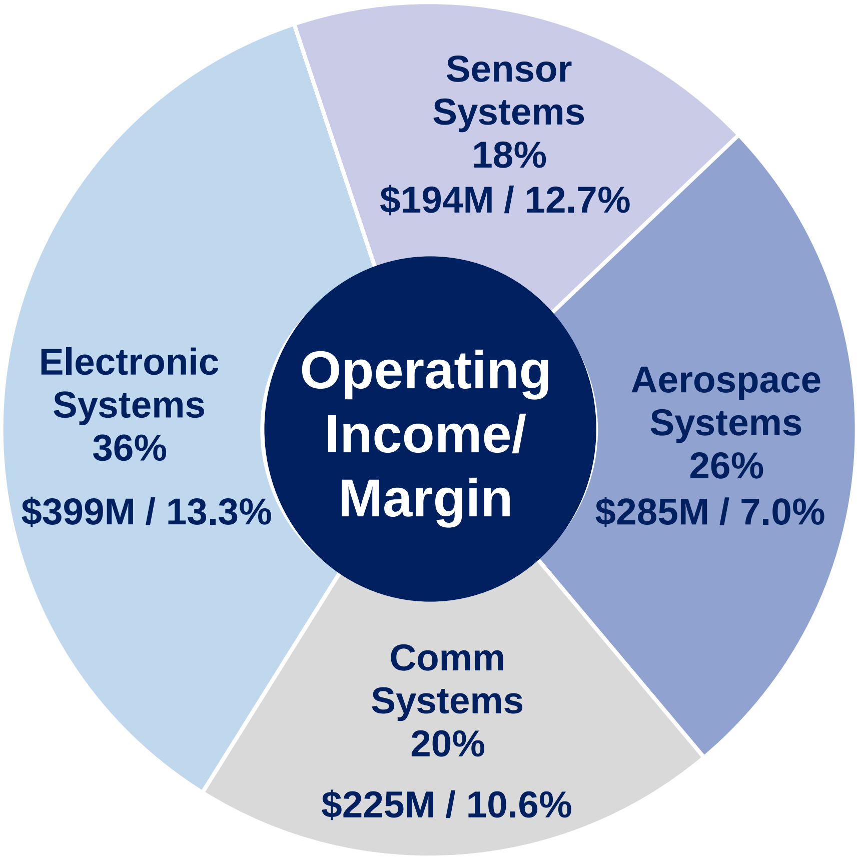
($ in Millions)

Segment	2016 Net Sales	Sales Growth vs. 2015	Organic Growth	2016 Operating Margin	Margin Change vs. 2015 (bps)
Electronic Systems*	$ 2,751	-3%	2%	13.3%	+110
Aerospace Systems	4,240	2%	2%	6.8%	+190
Communication Systems	2,052	1%	0%	9.8%	+20
Sensor Systems	1,468	2%	2%	10.3%	+30
Total Segment	**$10,511**	**0.4%**	**1.5%**	**9.6%**	**+110**

* Represents the new Electronic Systems segment that will be effective March 1, 2017, following the separation of the existing Electronic Systems segment into Sensor Systems and Electronic Systems.

Segment Mix: 2017 Guidance Midpoints





Note: Net sales and operating income/margin represent midpoints of the range of segment guidance.

Cash Flow

($ in Millions)

	2017 Guidance	2016 Actual	2015 Actual
Net income from continuing operations [1]	$ 690	$ 661	$ 297 [2]
Impairment/divestiture charges	-	-	415
Depreciation & amortization	210	206	210
Deferred income taxes	50	56	(66)
401K common stock match	116	113	110
Stock-based employee compensation	53	49	46
Amortization of pension and OPEB net losses	59	48	67
Working capital/other items	(93) [3]	(36)	(8)
Capital expenditures, net	(220) [3]	(195)	(194)
Free cash flow	$ 865	$ 902	$ 877

(1) Before deduction for net income attributable to noncontrolling interests.
(2) Includes after tax charges of $20 million related to business divestitures, and after tax charges related to goodwill impairments of $264 million.
(3) Capital expenditures, net for 2017 does not include the anticipated sale of the Electron Devices property in San Carlos, CA, which is offset in Working capital/other items.

Cash Sources and Uses

($ in Millions)

	2017 Guidance	2016 Actual	2015 Actual
Beginning cash	$ 363	$ 207	$ 442
Free cash flow from continuing operations	865	902	877
Free cash flow from discontinued operations	-	(56)	49
Divestitures	-	561	318
Acquisitions	(113)	(388)	(320)
Dividends	(235)	(220)	(214)
Share repurchases	(500)	(373)	(740)
Debt reduction	-	(303)	(297)
Other, net	70	33	92
Ending cash	$ 450	$ 363	$ 207

Note: See Reconciliation of GAAP to Non-GAAP Measurements.

Capitalization and Leverage

($ in Millions)

	12/31/16 Actual	12/31/15 Actual
Cash	$363	$207
Debt	$3,320	$3,624
Equity	4,621	4,429
Invested Capital	$7,941	$8,053
Debt/Invested Capital	41.8%	45.0%
Debt/EBITDA	2.73x	3.29x
Available Revolver	$1,000	$1,000

Notes: (1) Debt/LTM EBITDA excludes discontinued operations.
(2) See Reconciliation of GAAP to Non-GAAP Measurements.

Supplemental Cash Flow Data

($ in Millions)

	2017 Guidance	2016 Actual	2015 Actual
Cash interest payments	$ 163	$ 162	$ 182
Income tax payments, net (1)	210	112	122
FAS pension expense	107	97 (2) (3)	139
CAS pension cost (4)	121	111	108
Pension contributions	100	96	97

(1) Excludes income tax payments attributable to discontinued operations.
(2) FAS pension expense represents pension expense determined using U.S. GAAP and assumes a 2016 year-end weighted average discount rate of 4.41% (vs. 4.63% for 2015 year-end) and a 2017 weighted average pension asset return of 7.92%.
(3) Estimated 2017 Pension Expense Sensitivity: A 25 bps increase/decrease in 12/31/16 discount rate would decrease/increase 2017 pension expense by ~$14 million and decrease/increase the 12/31/16 unfunded obligation by ~$130 million.
(4) CAS pension cost represents estimated allowable and reimbursable pension cost under U.S. Government procurement regulations (determined using Cost Accounting Standards or CAS) on L3's U.S. Government contracts.

Historical Recast Segment Data

($ in Millions)

	Net Sales						Operating Margin					
Segment	1Q16	2Q16	3Q16	4Q16	2016	2015	1Q16	2Q16	3Q16	4Q16	2016	2015
Electronic Systems	$ 593	$ 662	$ 635	$ 861	$2,751	$2,823	14.3%	12.5%	13.9%	12.9%	13.3%	12.2%
Sensor Systems	284	359	354	471	1,468	1,446	3.5%	11.7%	8.8%	14.4%	10.3%	10.0%
Total	$ 877	$1,021	$ 989	$1,332	$4,219	$4,269	10.8%	12.2%	12.0%	13.4%	12.3%	11.5%

Note: Effective March 1, 2017, the Electronic Systems segment will be realigned into two separate segments named (i) Electronic Systems and (ii) Sensor Systems. The historical recast net sales and operating margin amounts for each of the new Electronic Systems and Sensors Systems segments are presented above.

Reconciliation of GAAP to Non-GAAP Measurements (1 of 3)

(in Millions)

	2017 Guidance	2016 Actual
Net cash from operating activities from continuing operations	$ 1,085	$ 1,097
Less Capital expenditures	(225)	(216)
Add: Dispositions of property, plant and equipment	5	21
Income tax payments attributable to discontinued operations	-	-
Free cash flow from continuing operations	$ 865	$ 902
Net cash from operating activities from discontinued operations		$ (56)
Less Capital expenditures		-
Income tax payments attributable to discontinued operations		-
Free cash flow from discontinued operations		$ (56)

Reconciliation of GAAP to Non-GAAP Measurements (2 of 3)

(in Millions except per share amounts)

	2016 Actual	2015 Actual
Diluted earnings (loss) per share from continuing operations attributable to L3's common stockholders	$ 8.21	$ 3.44
EPS impact of loss on business divestitures[(1)]	-	0.25
EPS impact of goodwill impairment charges [(2)]	-	3.22
Dilutive impact of common share equivalents[(3)]	-	-
Adjusted diluted EPS from continuing operations	$ 8.21	$ 6.91
Net income (loss) from continuing operations attributable to L3	$ 647	$ 282
Loss on business divestitures[(1)]	-	20
Goodwill impairment charges[(2)]	-	264
Adjusted net income from continuing operations attributable to L3	$ 647	$ 566

[(1)] Loss on business divestitures	$ (31)
Tax benefit	11
After-tax impact	(20)
Diluted weighted average common shares outstanding	81.9
Per share impact (may not calculate due to rounding)	$ (0.25)
[(2)] Goodwill impairment charges	$ (384)
Tax benefit	120
After-tax impact	(264)
Diluted weighted average common shares outstanding	81.9
Per share impact	$ (3.22)

[(3)] The dilutive impact of common share equivalents represents an increase in the diluted weighted average common shares outstanding of 1.2 million shares from 78.5 million to 79.7 million.

Reconciliation of GAAP to Non-GAAP Measurements (3 of 3)

(in Millions)

Cash Flow to EBITDA Reconciliation	2016 Actual	2015 Actual
Net cash from operating activities from continuing operations	$ 1,097	$ 1,069
Income tax payments, net of refunds	112	122
Interest payments, net of interest income	145	145
Stock-based employee compensation	(162)	(156)
Amortization of pension and post retirement benefit plans net loss	(48)	(67)
Other non-cash items	(12)	3
Changes in operating assets and liabilities	82	(16)
LTM EBITDA from continuing operations	$ 1,214	$ 1,100
Debt	$ 3,320	$ 3,624
Debt/EBITDA	2.73x	3.29x

Note: EBITDA is defined as consolidated income (loss) from continuing operations (excluding impairment losses incurred on goodwill and identifiable intangible assets and losses related to business divestiture transactions), plus consolidated interest, taxes, depreciation and amortization. The Debt to EBITDA ratio is presented because we believe it to be a useful indicator of our debt capacity and our ability to service our debt. EBITDA is not a substitute for net cash from operating activities as determined in accordance with generally accepted accounting principles in the United States of America. EBITDA is not a complete net cash flow measure because EBITDA is a financial measure that does not include reductions for cash payments for our obligation to service our debt, fund our working capital and capital expenditures and pay our income taxes. Rather, EBITDA is one potential indicator of our ability to fund these cash requirements. We believe that the most directly comparable GAAP financial measure to EBITDA is net cash from operating activities. The table above presents a reconciliation of net cash from operating activities to EBITDA.

Glossary of Acronyms

A&D	Aerospace & Defense
bps	Basis Points
CAS	Cost Accounting Standards - U.S. Government
EBITDA	Earnings Before Interest Taxes Depreciation Amortization
EPS	Earnings Per Share
FAS	Financial Accounting Standards Board
FMS	Foreign Military Sales
GAAP	Generally Accepted Accounting Principles
IG	Investment Grade
IRAD	Internal Research and Development
ISR	Intelligence, Surveillance and Reconnaissance
LTM	Last Twelve Months
OCO	Overseas Contingency Operations
OPEB	Other Post Employment Benefits
RF	Radio Frequency
SOF	Special Operations Forces
USG	United States Government

L3