

Credit Suisse
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Chairman, President and
Chief Executive Officer



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.

Forward Looking Statements

Certain of the matters discussed in this report, including information regarding the Company's financial outlook, 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," "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 funding of the Department of Defense (DoD) budget; the outcome of sequestration cuts to the defense budget and the apportionment of available funding between programs; future U.S. Government shutdowns or failure to raise the debt ceiling; potential goodwill impairment charges resulting from additional DoD budget reductions; 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; our significant amount of debt and the restrictions contained in our debt agreements; 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 in-sourcing and efficiency initiatives; events beyond our control such as acts of terrorism; our ability to perform contracts on schedule; our international operations; our extensive use of fixed-price type contracts; the rapid change of technology and high level of competition 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; results of audits by U.S. Government agencies and of on-going governmental investigations; the impact on our business of improper conduct by our employees, agents or business partners; ultimate resolution of contingent matters, claims and investigations relating to acquired businesses, and the impact on the final purchase price allocations; and the fair values of our assets.

Our forward-looking statements speak only as of the date of this presentation 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 annual report on Form 10-K for the year ended December 31, 2012 and in our quarterly report on Form 10-Q for the period ended September 27, 2013, 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.

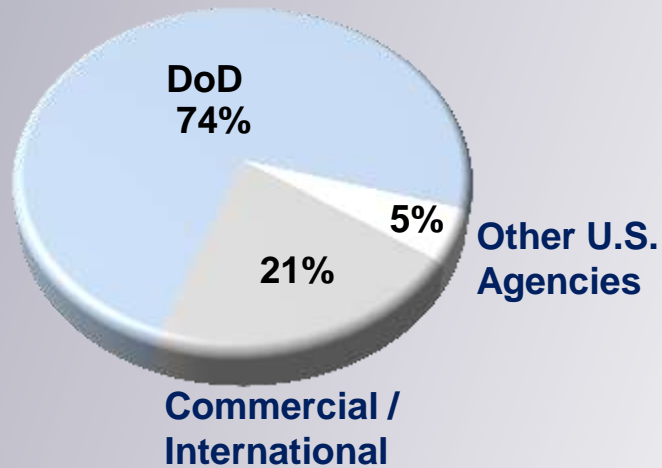


L-3 Key Characteristics and Positioning

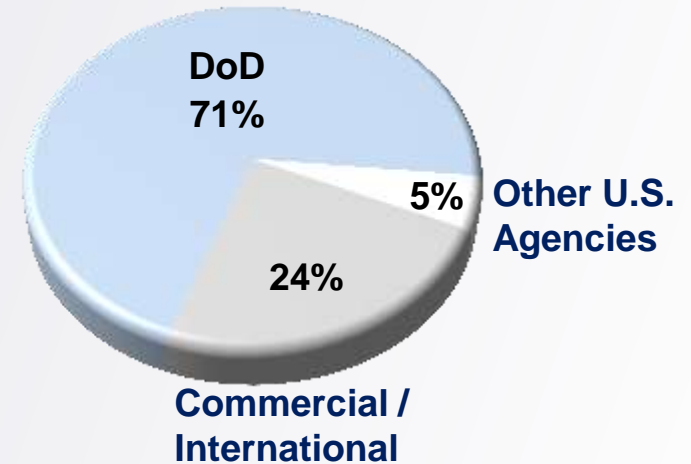
- **74% of our business is USG**
- **26% is Commercial/International**
- **Prime for C³ISR, platform systems, logistics and EIT/Cyber/Intell solutions...supplier of electronic systems**
- **Key attributes:**
 - **67% direct sales to end customers**
 - **broad, diverse technologies and contracts**
 - **efficient capital structure...investment grade credit**
 - **high earnings-to-cash flow conversion**
 - **shareholder-friendly capital allocation**

Customer Sales Mix Shifting

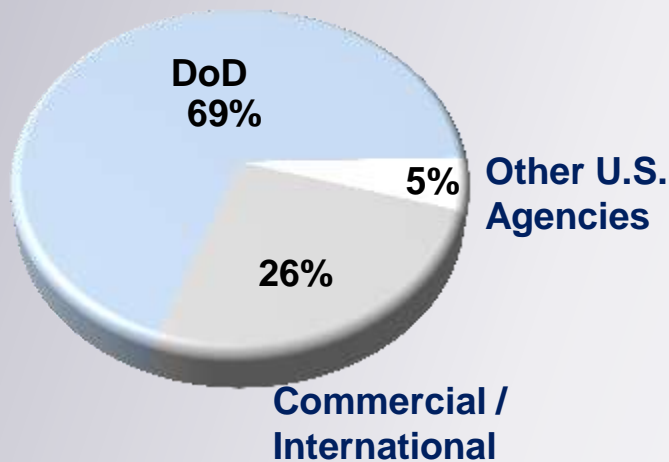
2011



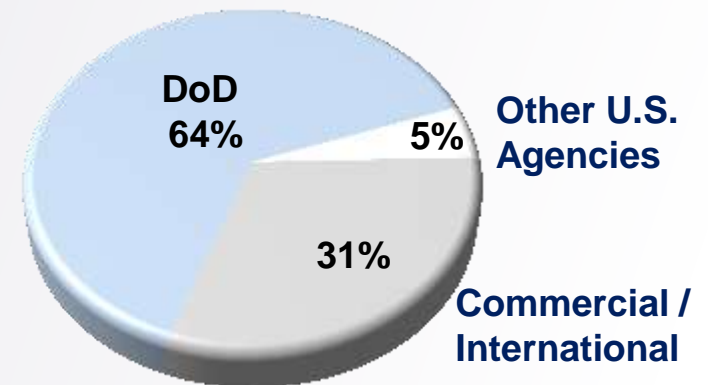
2012



2013 Estimate

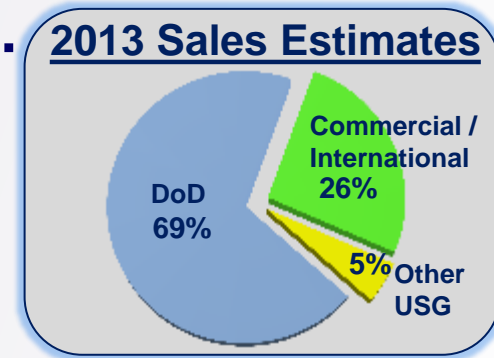


2014 Preliminary



US Government Markets

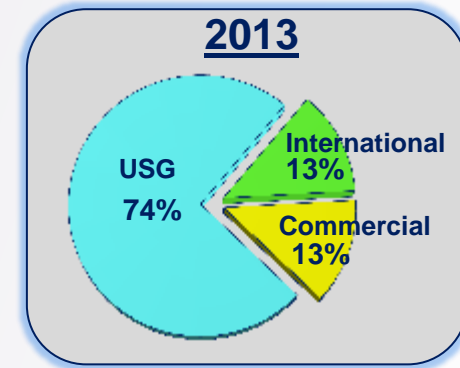
- **Geopolitical threats vs. fiscal constraints... fiscal deficit \$680B FY13 vs. \$1.1T FY12**
- **Defense down-cycle began 2011**
 - **BBP initiatives continue**
 - **OCO declining with drawdowns**
 - **\$31B FY13 Sequester...OSD unevenly applied**
 - **\$52B FY14 Sequester...OCO Request increased \$35B**
 - **FY14 CR till January 15 at FY13 Sequestered level**
- **USG debt ceiling extended till February 7**
- **Non-DoD agencies - - smaller bill payers than DoD**
- **Market share opportunities**



Commercial/International Markets

- **Commercial**

- aviation products and security & detection growing
- shipbuilding declining
- SATCOM rebounding



- **Foreign Military - - gaining market share**

- ISR systems, simulators, aircraft modifications, night vision equipment, sensors
- Targeting growth in UK, Canada, Saudi, Australia, UAE, South Korea

2013 International Wins

Canadian DND CC-150 Sustainment - - **\$700M**

- Support services for multi-mission CC-150 Polaris fleet



Korea P-3C Lot 1 Mission Systems - - **\$200M**

- Maritime patrol/multi-mission platform



UAE Night Vision - - **\$70M**

- Hand held and weapon mounted night vision devices



Australian VSAT - - **\$30M**

- Hawkeye III Lite and customized modems



Republic of Korea - - **\$30M**

- Ground laser target designators (Scarab System)

2013 Strategic and Tactical Actions

- **Collaborating and consolidating**
- **Investing in systems for export**
- **Focusing on products and services that increase our market share**
- **Streamline costs to support our low-cost leader position**
- **Increasing presence in SOCOM and Classified**
- **Expanding commercial and international business**
- **Returning cash flow to shareholders**

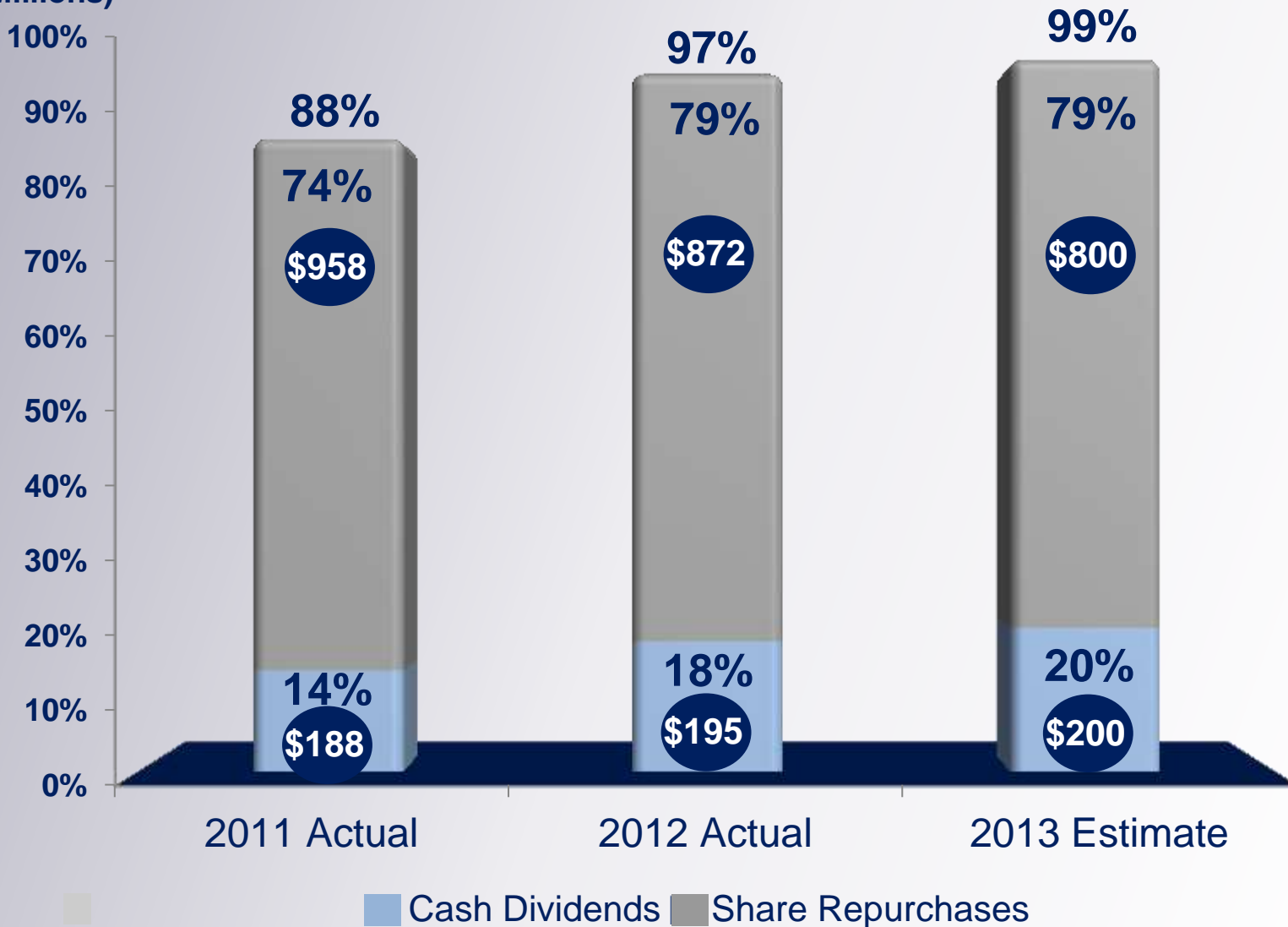


Cash Deployment - - 2013

- **Generating \$1B Free Cash Flow**
- **Investing \$286M IR&D**
- **Dividends of \$200M...9th annual increase**
- **Repurchasing \$800M of stock**

Cash Flow Returned to Shareholders

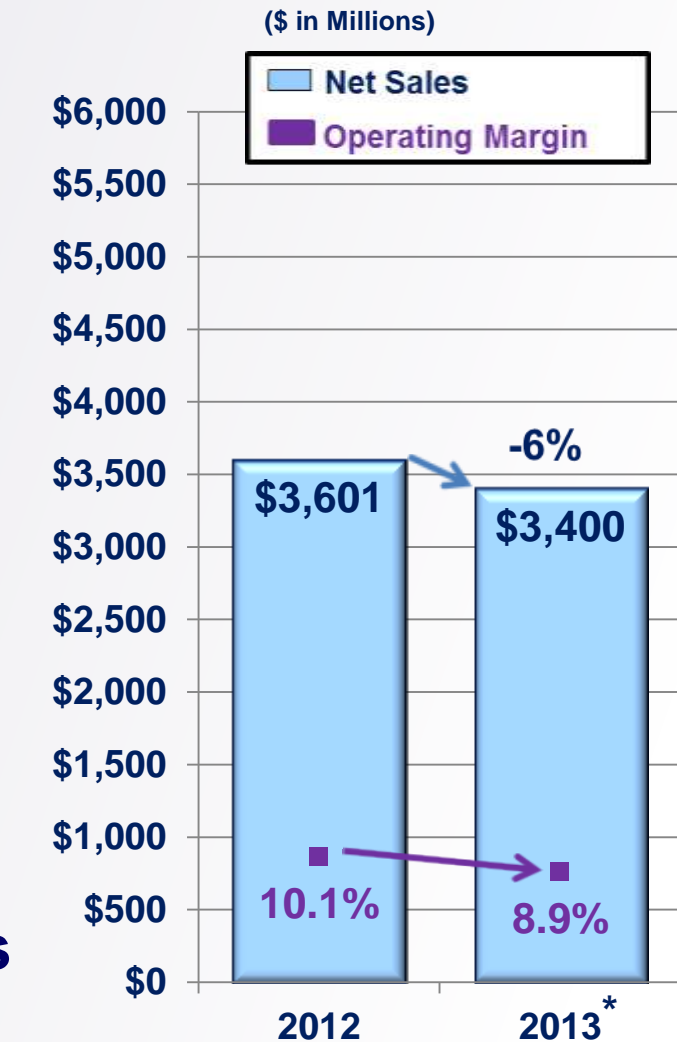
(\$ in Millions)



Segment Trends

C³ISR

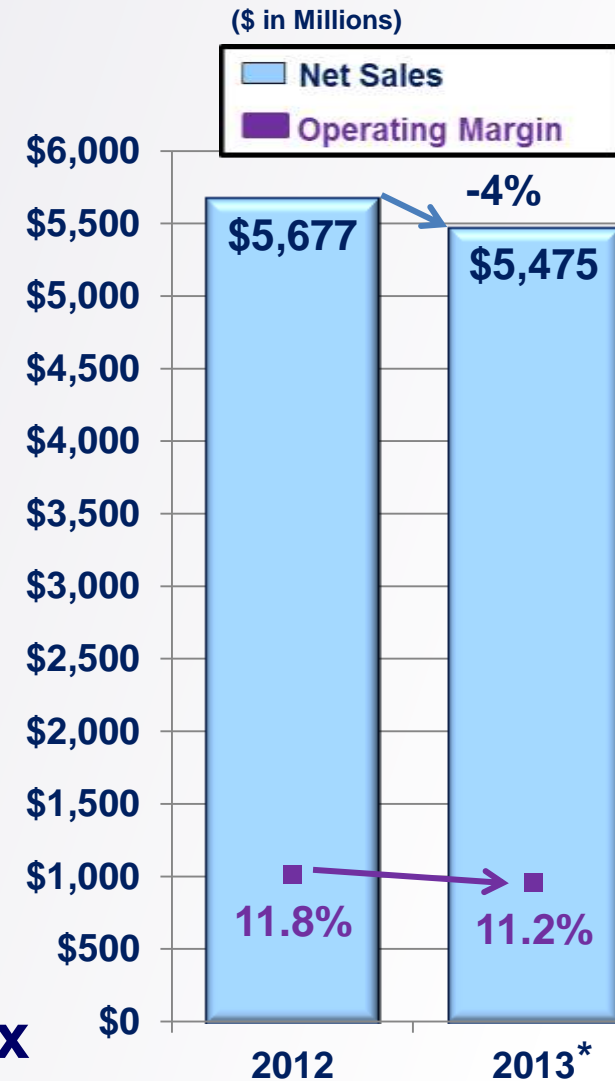
- Solid, long-term positions
- DoD declining...Afghanistan drawdown, Sequester, Tactical ISR
- International growing
- Investing in international ISR, MPA, next gen communications
- Pull-through for ES and P&LS
- Margin rebounding...Comm Systems recovering, pension improving



* Represents the October 29, 2013 guidance midpoint.

Electronic Systems (ES)

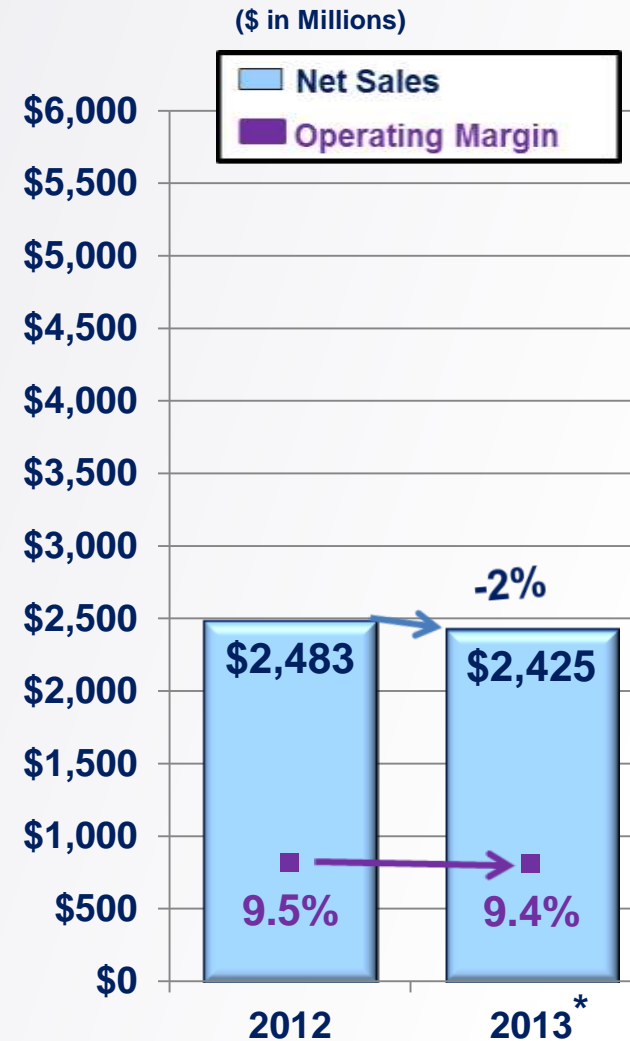
- Diverse supplier, mostly FFP...
43% International & Commercial
- Sequester reducing DoD business
- International & Commercial growing
- IRAD and M&A to increase positions, expand markets
- Reducing costs...streamlining organizations, combining support and facilities, supply chain
- Highest segment margins...volume, mix changes



* Represents the October 29, 2013 guidance midpoint.

Platform & Logistics Solutions (P&LS)

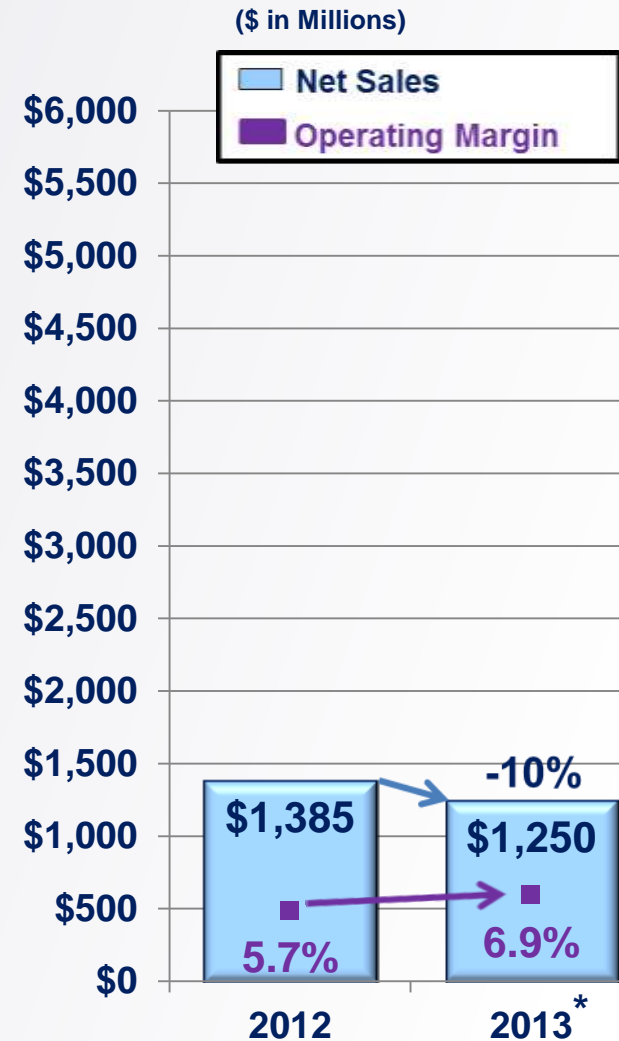
- Aging fleets and BBP creating opportunities
- Special mission capabilities, aircraft mods, aerostructures
- Gaining market share...International wins...Sequester reducing USN P-3, aircraft CLS
- Pursuing adjacent logistics markets
- Increasing productivity to improve margins



* Represents the October 29, 2013 guidance midpoint.

National Security Solutions (NSS)

- Market pressures reducing sales...BBP, Sequester, drawdowns
- Integrating C³ISR and ES technologies
- Significant competition...maintaining market share...won major IDIQs
- EPM III re-compete in 2014, \$120M annual sales
- Margins improving



* Represents the October 29, 2013 guidance midpoint.

Preliminary Outlook - - 2014



Preliminary Outlook 2014 vs. 2013

(\$ in Millions, except per share amounts)

	2013 Guidance (Oct. 29, 2013)	2014 Preliminary Outlook
Net Sales	\$12,500 to \$12,600	\$12,000
Operating Margin	9.8%	10.1%
Effective Tax Rate	28.9%	~32.5%
Diluted EPS	\$8.25 to \$8.35	\$8.00 to \$8.20
Free Cash Flow	\$1,010	~ \$1,000

Notes: (1) 2013 Free Cash Flow is comprised of net cash from operating activities of \$1,225M less capital expenditures, net of dispositions of \$215M.

(2) The current guidance excludes any potential non-cash goodwill impairment charges that could result from additional DoD budget reductions in the future due to sequestration or other DoD budget cuts for which the information is presently not known.

Summary

- Company is well-positioned
- Technology/solutions for several DoD priorities
- Adjusting to sequester...gaining market share
- Commercial/International growing
- Strong cash flow



L-3 healthy, managing through downturn

Q & A

