J.P. Morgan Aviation, Transportation & Defense Conference

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Ralph D'Ambrosio
SVP and CFO

Forward Looking Statements

Certain of the matters discussed in these slides, including information regarding the company's 2013 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: 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, 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 these and 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, 2011, as modified by the Form 8-K filed on November 20, 2012, "Part I – Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations – Overview and Outlook – Industry Considerations," included in our Quarterly Reports on Form 10-Q for the quarters ended September 28, 2012, June 29, 2012 and March 30, 2012, and any material updates to these factors contained in any of 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.

L-3 Overview

- **Aerospace & defense contractor…$12,650M sales***

- **Prime contractor for ISR systems, C3 systems and Sustainment solutions…supplier of electronic systems**

- **Key characteristics:**
  - ➢ **broad & diverse technologies/contracts**
  - ➢ **non-platform OEM**
  - ➢ **67% sales direct to end customers**
  - ➢ **flexible cost structure…low capital intensity**
  - ➢ **robust cash flow**

*** 2013 midpoint guidance**

L-3 Strategy and Priorities

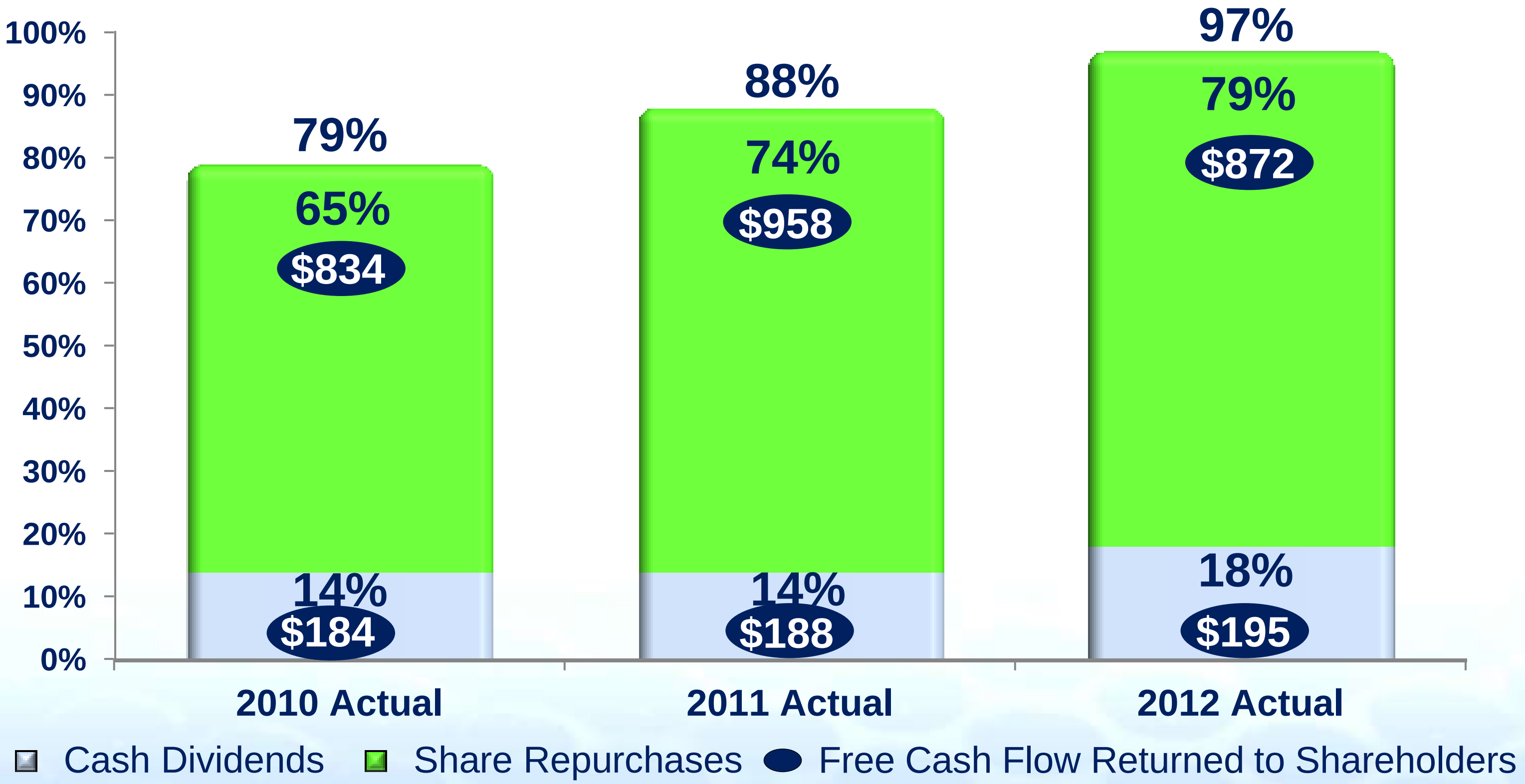
- **Strengthen our market positions…grow market share**
  - **customers relationships**
  - **innovative and affordable solutions…program performance and collaboration**
  - **pursue adjacencies…expand platform content**
  - **acquire niche businesses**
- **Proactively manage business/cost structures**
- **Allocate capital to grow/preserve stakeholder value**
- **Grow EPS and cash flow per share**

2012 Accomplishments

- Solid program performance…achieved financial plan
- Strengthened portfolio…Engility spin-off…acquisitions
- Ft. Rucker CLS re-compete win and market share gains
- Grew Orders 7% vs. 2011…Book-to-Bill 1.05x
- Increased Commercial/International sales 15%
- Robust cash flow

Cash Returned to Shareholders

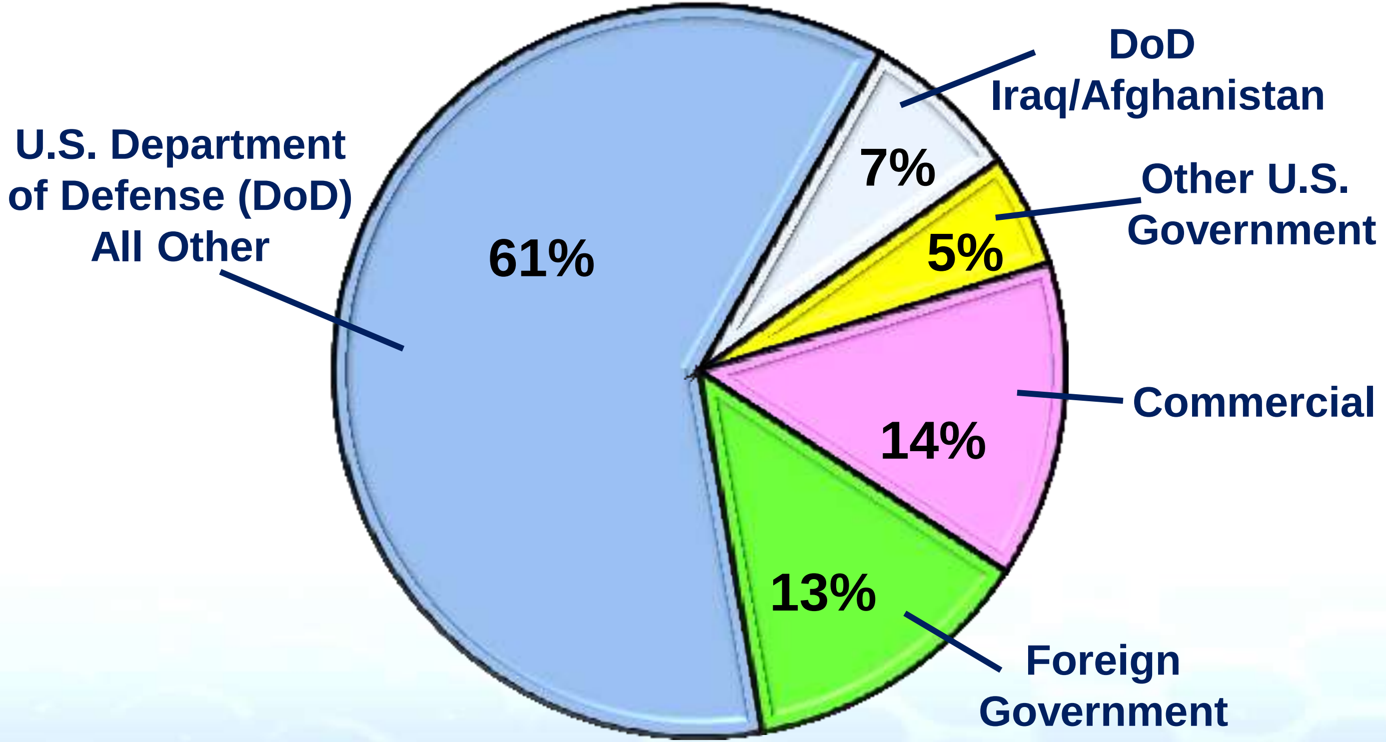
($ in Millions)



Notes: (1) Free Cash Flow for this purpose includes cash flow from discontinued operations.
(2) See Reconciliation of GAAP to Non-GAAP Measurements.

2013 Outlook

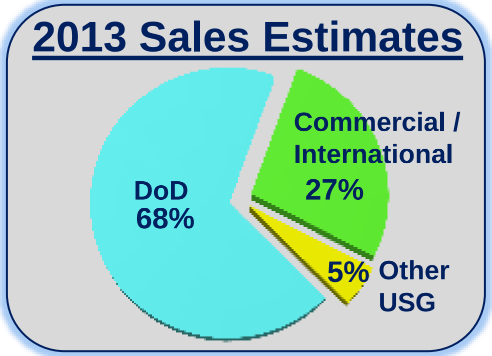
End Customer Sales Mix Estimates



2013 Midpoint Net Sales Guidance $12,650M

US Government Markets

- Geopolitical threats vs. fiscal constraints
- Defense down-cycle began in 2011
  - OCO declining rapidly with drawdowns
  - OSD Better Buying Power initiatives
  - BCA…cut $487B FY12-21 DoD base budget growth
  - FY13CR expires March 27th
  - Expect Sequester resolution
- Non-DoD agencies - - smaller bill payers than DoD
- Market share opportunities



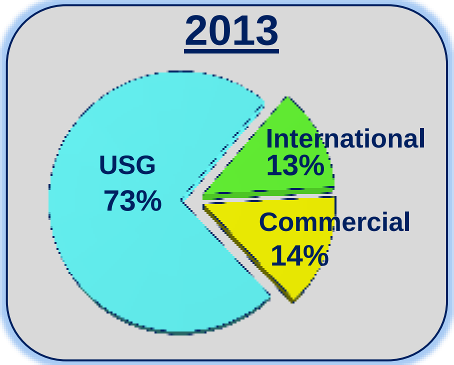
DoD Budget Top-Line Trends

($ in Billions)

	FY13R Base	vs. PFY	Base w/Sequester	vs. PFY	OCO	vs. PFY
FY10	$528	3%	$528	3%	$162	11%
FY11	$528	0%	$528	0%	$159	-2%
FY12	$531	1%	$531	1%	$115	-28%
FY13	$525	-1%	$479	-10%	$89	-23%
FY14	$534	2%	$475	-1%	$57	-36%
FY15	$546	2%	$491	3%	$43	-25%
FY16	$556	2%	$501	2%	$34	-21%
FY17	$567	2%	$512	2%	$33	-3%

Note: FY13-17 data based on DoD FY13 Plan (February 2012) and L-3 estimates.

Commercial/International Markets



- Foreign Military - - market share gains…ISR systems, simulators and aircraft modifications

- Commercial - - modest growth in aviation and security & detection…shipbuilding and SATCOM softening

- Link UK acquisition adds commercial simulation market and full-motion simulator capability

Electronic Systems Segment

- Diverse products supplier, mostly short-cycle…highest segment Commercial & International mix

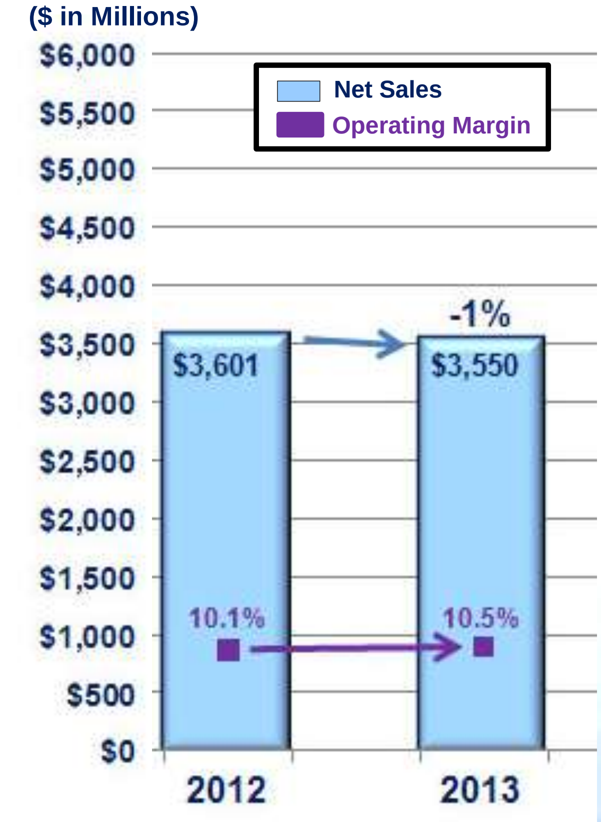
- Leveraging technologies to capture higher-level assemblies and systems

- DoD funding cuts impacts…EO/IR turrets Afghanistan surge ended in 2012…Non-DoD growing

- Highest segment margins…mix changes

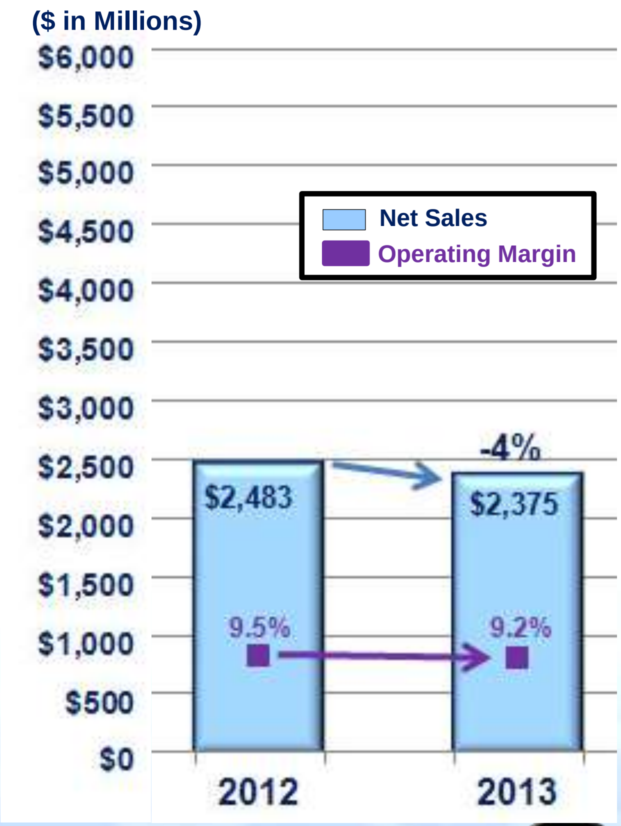
C^3ISR Segment

- Strong, long-term program positions with solid demand
- Pull-through for Electronic Systems and AM&M
- International, select DoD growing…small ISR aircraft and Rover declining with Afghanistan drawdown
- Solid margins…higher pension expense



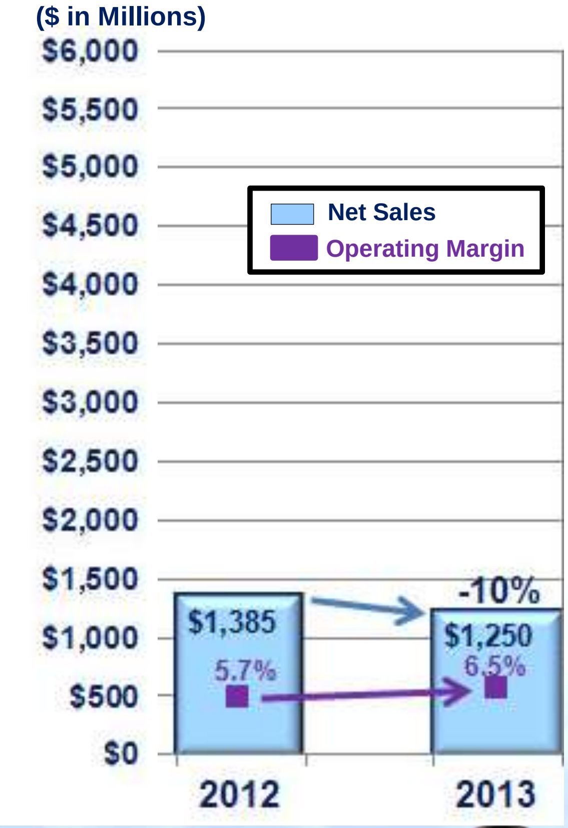
AM&M Segment

- Aging fleets and DoD affordability initiatives creating opportunities
- Platform Systems gaining market share…several international wins
- Expanding into adjacent ground equipment CLS market
- Stable margins



NSS Segment

- **Market pressures reducing sales…OSD initiatives, tighter budgets, drawdowns**
- **Technology enablers from C^3ISR**
- **Intense competition…maintaining market share**
- **Margins improving**



2013 Consolidated Financial Guidance

(in Millions, except per share amounts)

	Current Guidance (Jan. 30, 2013)	Midpoint vs. 2012
Net Sales	$12,550 to $12,750	-4%
Operating margin	10.0%	-30 bps
Interest expense	$176	-4%
Interest and other income	$12	n.m.
Debt retirement charges	-	-$13
Tax rate	32.0%	-20 bps
Diluted Shares	90.1	-8%
Diluted EPS	$8.15 to $8.35	3%
Free cash flow	$1,030	-2%

Notes: (1) Assumes no Sequestration cuts to FY13 DoD Budget and FY13 Continuing Resolution Authority will not be extended.
(2) 2013 estimated pension expense (FAS net CAS) $14M >2012, reducing operating margin ~10 bps.
(3) Current Guidance includes $18M tax benefit, or $0.20 per share for the American Taxpayer Relief Act of 2012, which reinstated the U.S. federal research and experimentation tax credit (R&E Credit) for 2012 and 2013.
(4) See Reconciliation of GAAP to Non-GAAP Measurements.

n.m. = not meaningful

Free Cash Flow

($ in Millions)

	2013 Guidance	2012 Actual
Income from continuing operations	$ 750	$ 788
Impairment charges	-	-
Depreciation & amortization	225	228
Deferred income taxes	60	112
401K common stock match	110	125
Stock-based employee compensation	55	59
Working capital/other items	25	(81)
Capital expenditures, net	(195)	(205)
Income tax payments attribituable to discontinued operations	-	24
Free cash flow	$ 1,030	$ 1,050

Robust Cash Flow

L-3 Summary

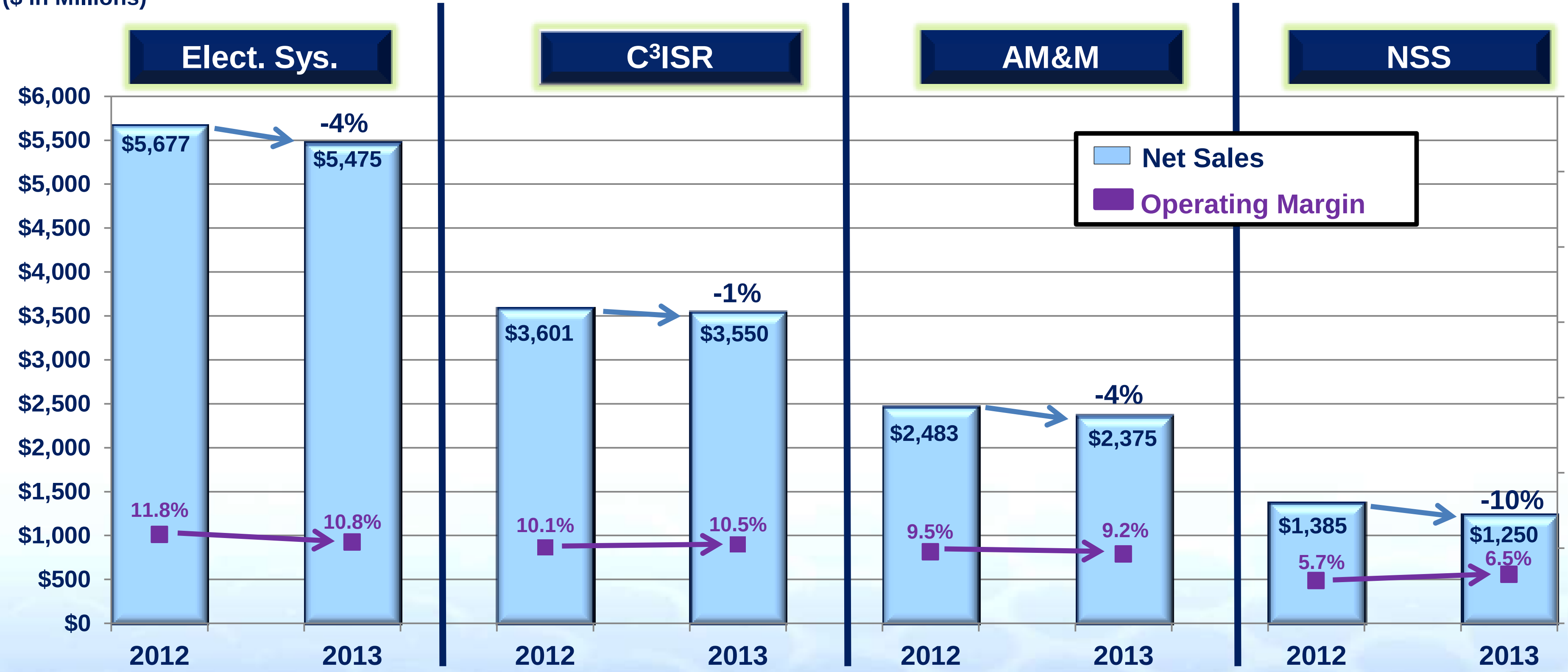
- Manageable DoD environment
- Technology/solutions for customers…strong market positions
- International, commercial, select DoD areas growing
- Flexible cost structure…proactive business unit resizing
- Defense down-cycle will eventually turn
- Robust cash flow…FCF per share growing

Q&A

Supplemental Financial Data

2013 Segment Guidance Midpoints

($ in Millions)



Note: Higher pension expense for 2013 vs. 2012 is estimated to reduce 2013 operating income by $14M, consolidated margin by 10 bps, C³ISR $17M or -50 bps and Electronic Systems $(3)M or +10 bps.

Cash Sources and Uses

($ in Millions)

	2013 Guidance	2012 Actual	2011 Actual
Beginning cash	$ 349	$ 764	$ 607
Free cash flow from continuing operations	1,030	1,050	1,113
Free cash flow from discontinued operations	-	50	185
Engility spin dividend, gross	-	335	-
Acquisitions, net	(10)	(343)	(19)
Dividends	(198)	(195)	(188)
Share repurchases	(500)	(872)	(958)
Debt repayments	(250)	(500)	(11)
Other, net	29	60	35
Ending cash	$ 450	$ 349	$ 764

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

Capitalization and Leverage

($ in Millions)

	12/31/13 Estimate	12/31/12 Actual	12/31/11 Actual
Cash	$450	$349	$764
Debt	$3,381	$3,629	$4,125
Equity	5,880	5,539	6,724
Invested Capital	$9,261	$9,168	$10,849
Available Revolver	$1,000	$1,000	$997

Note: Equity includes non-controlling interests (minority interests) of $76M as of Dec 31, 2012 and $89M as of Dec 31, 2011.

Reconciliation of GAAP to Non-GAAP Measurements

($ in Millions)

	2013 Guidance	2012 Actual	2011 Actual	2010 Actual
Net cash from operating activities from continuing operations	$ 1,225	$ 1,231	$ 1,231	$ 1,270
Less: Capital expenditures from continuing operations	(200)	(210)	(187)	(178)
Add: Dispositions of property, plant and equipment from continuing operations	5	5	6	10
Income tax payments attributable to discontinued operations	-	24	63	21
Free cash flow from continuing operations	$ 1,030	$ 1,050	$ 1,113	$ 1,123
Net cash from operating activities from discontinued operations		$ 75	$ 253	$ 191
Less: Capital expenditures from discontinued operations		-	(5)	(3)
Income tax payments attributable to discontinued operations		(24)	(63)	(21)
Free cash flow from discontinued operations		$ 51	$ 185	$ 167
Combined free cash flow from all operations		$ 1,101	$ 1,298	$ 1,290

L3