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News Release

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M7 Aerospace and L-3 Integrated Systems Form Texas-based Team To Seek C-20 Support Contract

San Antonio, Texas, Sept. 22, 2003 -- M7 Aerospace LP of San Antonio and L-3 Communications Integrated Systems (L-3/IS) of Greenville have formed a Texas-based Team to compete for a contract to provide logistics support for 21 of the U.S. military's C-20 aircraft. The contract, expected to be awarded by the end of the year, has an estimated value of \$400 million over the next 10 years.

C-20 is the designation for Gulfstream-series aircraft operated by the Army, Navy, Air Force and Marines to provide worldwide airlift support for the Vice President, Secretaries of State and Defense, Chairman and members of the Joint Chiefs of Staff, members of Congress and other government dignitaries, as well as to perform critical logistics support missions.

The Texas-based Team represents a potential annual boost of more than \$57.5 million to the state economy.

M7 Aerospace, a small business, would be the prime contractor, with L-3/IS serving as the principal subcontractor.

"Our team features the best of what Texas-based aerospace has to offer: cost competitiveness, flexibility and exceptional Contractor Logistics Support (CLS) and C-20 experience," said M7 Aerospace President and CEO Mac Williams.

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Through the teaming arrangement, M7 Aerospace would provide overall program management, manage engine overhaul services through a subcontract with Dallas Airmotive, purchase material and other services as required, staff numerous field sites including some at overseas locations, and provide field teams to service aircraft away from their home bases. L-3/IS would perform major inspections, maintenance and modifications as required, and provide support to M7's field teams.

The M7 Texas-based Team offers the U.S. Government an exceptional history of outstanding past performance in comparable aircraft support and maintenance contracts. M7 currently holds an Air Force CLS contract to support Army and Air National Guard C-26 aircraft.

L-3/IS has extensive depot maintenance experience with numerous government aircraft programs. The company has modified more than 15,000 aircraft of more than 125 types. It has more than 20 years of specific experience with the C-20 and Gulfstream aircraft, including substantial experience maintaining and modifying the U.S. Air Force Special Air Mission fleet that includes several Gulfstream variants and Air Force One.

Selection of the M7 Texas-based Team would create a significant economic impact for the cities of San Antonio and Greenville, as well as much of the State of Texas. The contract would bring Texas an estimated annual payroll of \$11.5 million between San Antonio, Greenville, and Dallas. An estimated annual payroll of \$8 million would be created with M7 Aerospace field teams deployed to customer operational sites throughout the world.

In addition, the Texas-based Team expects that much of the \$20-to-\$25 million in annual purchases of material and services required to support the contract is likely to be placed with Texas-based companies, thus providing further stimulus to the state's economy.

The C-20 CLS contract is currently in the source selection process. The acquisition is a Total Small Business Set-Aside Competition. Proposals were submitted on August 8.

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M7 Aerospace was formed in December 2002, when it acquired the assets of the three operating subsidiaries of Fairchild Aircraft: Metro Support Services, Inc., (MSSI), Merlin Express Inc., (MEI), and Gen-Aero, Inc., (d.b.a. Fairchild Aircraft Services). In February, 2003, M7 also acquired the assets of Dornier Aviation North America (DANA).

M7 Aerospace began operations under its own name on April 1, 2003 in facilities at the San Antonio International Airport formerly occupied by Fairchild Aircraft and DANA. M7 is active in four business lines: Government Contracts; Aircraft Maintenance, Repair and Overhaul; Aircraft Parts, Inventory Management and Product Support; and Manufacturing. The company currently employs approximately 200 people.

"We have a new name, but from the Government's standpoint we are already a well-known and highly respected entity," Williams said. "Yesterday they knew us as Fairchild and DANA. Today we are M7 Aerospace."

L-3 Communications Integrated Systems, formerly Raytheon E-Systems, is an SEI CMM Level 5 developer and integrator of complex electronic systems for intelligence, surveillance and reconnaissance (ISR) missions. Headquartered in Greenville, Texas, L-3/IS also operates from major sites in Waco, Texas; Lexington, Ky.; and Avalon, Australia.

Headquartered in New York City, L-3 Communications is a leading merchant supplier of Intelligence, Surveillance and Reconnaissance (ISR) products, secure communications systems and products, avionics and ocean products, training products, microwave components and telemetry, instrumentation, space and wireless products. Its customers include the Department of Defense, selected US government intelligence agencies, aerospace prime contractors and commercial telecommunications and wireless customers.

To learn more about M7 Aerospace or L-3 Communications, please visit the companies' respective Web sites at www.M7Aerospace.com and www.L-3Com.com.

[Note to Editors: *The projected economic impact of the C-20 CLS program for the Texas-based Team has been calculated using the widely accepted 5x multiplier. The projected benefit is reached by adding the annual projected payroll of \$9 million multiplied by 5 (\$45 million) to an additional \$12.5 million (a conservative estimate of the services and material to be purchased within the state for the program).]*