

Press Release

Part 1

Not for release, publication or distribution in or into Canada

For immediate release

18 May, 2006

Recommended Cash Offer

by

Lehman Brothers

on behalf of

L-3 Communications Group plc
(a wholly owned subsidiary of L-3 Communications Corporation)

to acquire

TRL Electronics plc

The Boards of L-3 Communications Group plc ("L-3 UK") and TRL Electronics plc ("TRL") announce that they have reached agreement on the terms of a recommended cash offer (the "Offer") to be made by Lehman Brothers on behalf of L-3 UK, a wholly owned subsidiary of L-3 Communications Corporation ("L-3"), for the entire issued and to be issued ordinary share capital of TRL.

Summary of the Offer

- The Offer will be 360 pence in cash for each TRL Share. A Loan Note Alternative will be made available to certain TRL Shareholders.
- The Offer values the existing issued ordinary share capital of TRL at approximately £89.7 million.
- The Offer represents a premium of:
 - 8.3 per cent. to the closing price of 332.5 pence for each TRL Share on 17 May 2006, the last practicable day before the date of this announcement;
 - 13.4 per cent. to the closing price of 317.5 pence for each TRL Share on 20 March 2006, the last day before TRL entered an offer period; and
 - 45.7 per cent. to the average closing price of 247.0 pence for each TRL Share for the six months leading up to and including 20 March 2006.
- L-3 UK is a newly incorporated subsidiary company that has been formed by L-3 for the purpose of making the Offer.

- L-3 is a leading provider of intelligence, surveillance and reconnaissance systems, secure communications systems, aircraft modernisation, training and government services, based in the United States.
- L-3 UK has received irrevocable undertakings to accept the Offer in respect of the entire shareholdings of the Directors of TRL, representing approximately 9.6 per cent. of TRL's existing issued ordinary share capital. In addition, L-3 UK has received irrevocable undertakings to accept the Offer from certain institutional and other shareholders of TRL in respect of approximately 42.8 per cent. of the existing issued ordinary share capital of TRL. Accordingly, shareholders owning approximately 52.4 per cent. of the existing issued ordinary share capital of TRL have undertaken to accept the Offer.
- The Directors of TRL, who have been so advised by Investec, consider the terms of the Offer to be fair and reasonable and intend unanimously to recommend the Offer. In providing its advice to the Directors of TRL, Investec has taken into account the commercial assessments of the Directors of TRL.

Frank C. Lanza, Chairman and Chief Executive Officer of L-3 said:

“Secure communications has been at the core of L-3's business since the company was formed in 1997 and TRL brings even greater capability to several of our existing businesses. The acquisition of TRL is expected to be synergistic with L-3's offerings in secure communications and encryption, as well as satellite communications and surveillance products.

In addition to a high level of technical capability in defence electronics, TRL will also bring us new products and niche markets and will broaden our international reach. We believe TRL has a strong reputation in both encryption and Electronic Counter Measures (“ECM”) in the UK market and that TRL's products and its focus on innovation will help us continue to provide state-of-the-art solutions for the UK and international markets. We also believe that TRL's products will be of great value to L-3's US defence and homeland security markets.

As we look forward, we believe there is significant growth potential for TRL in some areas; these include potential upside in satellite communications and surveillance products, as well as in ECM to protect against the continued and growing threat of Improvised Explosive Devices.”

Roy Cole, Chairman of TRL, said:

“We believe that the Offer represents fair value for the business and its prospects and after careful consideration the Directors of TRL are unanimous in recommending that all TRL Shareholders accept the Offer. The Offer provides shareholders with the ability to crystallise the value of their holdings at a significant premium to the historic share price.”

Enquiries

L-3

Cynthia Swain, Vice President, Corporate Communications Tel: 001 212 697 1111

Lehman Brothers (Financial Adviser to L-3 UK and L-3)

Stuart Upcraft Tel: 020 7102 1000
Alexander Thomas

Financial Dynamics

Andrew Lorenz Tel: 020 7831 3113

TRL

Peter McKee, Chief Executive Officer Tel: 01684 278700

Mark Hutchings, Chief Financial Officer

Investec (Financial Adviser to TRL)

Michael Ansell

Rupert Krefting (Corporate Broking)

Stefan Borson

Tel: 020 7597 5970

Lehman Brothers, which is regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser to L-3 and L-3 UK in connection with the Offer and no one else and will not be responsible to anyone other than L-3 and L-3 UK for providing the protections afforded to customers of Lehman Brothers, nor for providing advice in relation to the Offer.

Investec, which is regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for TRL in connection with the Offer and no one else and will not be responsible to anyone other than TRL for providing the protections offered to clients of Investec nor for providing advice in relation to the Offer.

The availability of the Offer and of the Loan Note Alternative to TRL Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. TRL Shareholders who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.

The Offer, but not the Loan Note Alternative, will be made in and into the United States.

Unless otherwise determined by L-3 UK and permitted by applicable law and regulation, the Offer will not be made, directly or indirectly, in or into, or by the use of the mails of, or by any means or instrumentality (including, without limitation, by mail, telephonically or electronically by way of Internet or otherwise) of interstate or foreign commerce of, or by any facilities of a national, state or other securities exchange of Canada or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction and the Offer may not be accepted by any such use, means, instrumentality or facility from Canada or any such jurisdiction and doing so may render invalid any purported acceptance of the Offer. Accordingly, unless otherwise determined by L-3 UK and permitted by applicable law and regulation, copies of this announcement and any other documents related to the Offer are not being, and must not be, mailed or otherwise forwarded, distributed or sent into Canada or any such other jurisdiction. All persons receiving this announcement (including, without limitation, custodians, nominees and trustees) should observe these restrictions and must not mail or otherwise forward, send or distribute this announcement in, into Canada or any other such jurisdiction.

The Loan Notes which may be issued in connection with the Offer as described herein have not been, and will not be, registered under the US Securities Act of 1933, as amended, the US Securities Exchange Act of 1934, as amended, or under the applicable securities laws of any state, district or other jurisdiction of the United States, or of Canada, Australia, Japan, the Republic of Ireland, South Africa or New Zealand and no regulatory clearances in respect of the Loan Notes have been, or will be, applied for in any such jurisdiction. Accordingly, unless an exemption under the relevant securities laws is applicable, the Loan Notes are not being, and may not be, offered, sold, resold, delivered or distributed, directly or indirectly, in or into the United States, Canada, Australia, Japan, the Republic of Ireland, South Africa or New Zealand or in or into any other jurisdiction where it would be unlawful to do so or to, or for the account or benefit of, any Restricted Overseas Person. Accordingly the Loan Note Alternative will not be available for acceptance in the United States, Canada, Australia, Japan, the Republic of Ireland, South Africa or New Zealand or by any Restricted Overseas Person. Any persons in these jurisdictions and any other Restricted Overseas Persons will only receive cash in exchange for TRL Shares.

Dealing Disclosure Requirements:

Under the provisions of Rule 8.3 of the City Code on Takeovers and Mergers (the “Code”), if any person is, or becomes, “interested” (directly or indirectly) in 1% or more of any class of “relevant securities” of TRL, all “dealings” in any “relevant securities” of that company (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the Offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of TRL, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the Code, all “dealings” in “relevant securities” of TRL by L-3 UK or TRL, or by any of their respective “associates”, must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel’s website at www.thetakeoverpanel.org.uk.

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Panel’s website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, you should consult the Panel.

The information contained herein does not constitute an offer to acquire securities in Canada and does not constitute an offer to acquire securities in exchange for Loan Notes, or an offer to sell resell, deliver or distribute Loan Notes, directly or indirectly, in or into the United States, Canada, Australia, Japan, the Republic of Ireland, South Africa or New Zealand or to, or for the account, or benefit of, Restricted Overseas Persons.

This summary should be read in conjunction with the full text of the attached announcement. Appendix III to the attached announcement contains definitions of certain expressions used in this summary announcement.

Press Release

Part 2

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For immediate release

18 May, 2006

Recommended Cash Offer

by

Lehman Brothers

on behalf of

L-3 Communications Group plc
(a wholly owned subsidiary of L-3 Communications Corporation)

to acquire

TRL Electronics plc

1. Introduction

The Boards of L-3 Communications Group plc ("L-3 UK") and TRL Electronics plc ("TRL") announce that they have reached agreement on the terms of a recommended cash offer (the "Offer") to be made by Lehman Brothers on behalf of L-3 UK, a wholly owned subsidiary of L-3 Communication Corporation ("L-3"), for the entire issued and to be issued ordinary share capital of TRL.

The Offer will be 360 pence in cash for each TRL Share. The Offer values the existing issued ordinary share capital of TRL at approximately £89.7 million.

The Offer represents a premium of:

- 8.3 per cent. to the closing price of 332.5 pence for each TRL Share on 17 May 2006, the last practicable day before the date of this announcement;
- 13.4 per cent. to the closing price of 317.5 pence for each TRL Share on 20 March 2006, the last day before TRL entered an offer period; and
- 45.7 per cent. to the average closing price of 247.0 pence for each TRL Share for the six months leading up to and including 20 March 2006.

L-3 UK is a newly incorporated subsidiary company that has been formed by L-3 for the purpose of making the Offer.

L-3 UK has received irrevocable undertakings to accept the Offer in respect of approximately 52.4 per cent. of TRL's existing issued ordinary share capital. Further details of these undertakings are provided in paragraph 4 below.

2. The Offer

The Offer, which will be made on the terms and subject to the conditions summarised below in Appendix I to this announcement (including (i) the obtaining of consents and approvals from the UK Ministry of Defence and (ii) acceptances being received in respect of not less than 90 per cent., or such lower percentage, carrying in aggregate more than 50 per cent. of the voting rights in TRL, as L-3 UK may decide, in nominal value of the TRL Shares to which the Offer relates) and to the further terms which will be set out in full in the Offer Document and the accompanying Form of Acceptance, will be made on the following basis:

For each TRL Share	360 pence in cash
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The Offer will extend, subject to the terms and conditions to be set out in the Offer Document and the Form of Acceptance, to all TRL Shares unconditionally allotted or issued on the date on which the Offer is made and any further TRL Shares unconditionally allotted or issued fully paid (or credited as fully paid) prior to the date on which the Offer closes.

The TRL Shares will be acquired by L-3 UK pursuant to the Offer fully paid and free from all liens, charges, equitable interests, encumbrances, pre-emptive rights and other third party rights and interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including the right to receive and retain all dividends and other distributions (if any) declared, made or paid after the date of this announcement.

Subject to the Offer being declared unconditional in all respects, it is currently anticipated that no final dividend for the year ended 31 March 2006 will be recommended by TRL in respect of TRL Shares.

3. The Loan Note Alternative

TRL Shareholders (other than Restricted Overseas Persons) will be entitled to elect to receive Loan Notes issued by L-3 UK instead of some or all of the cash consideration to which they would otherwise be entitled under the Offer on the following basis:

for each 100 pence of cash consideration	£1 nominal value of Loan Notes
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The Loan Note Alternative will be subject to the further terms to be set out in the Offer Document and the Loan Note Form of Election.

The Loan Notes, which will be governed by English law, will be unsecured, will be guaranteed by L-3 and will be issued, credited as fully paid, in amounts and multiples of £1 nominal value. Entitlements, in aggregate, to Loan Notes will be rounded down to the nearest £1 and the balance of any consideration will be disregarded and will not be paid.

Unless previously repaid or redeemed, the Notes shall be repaid in full at par on 30 March 2007, together with any accrued interest (subject to any deduction or withholding required by law in respect of any tax) up to but excluding that date. The Loan Notes will bear interest at 4 per cent. per annum.

The Loan Notes will not be transferable and no application will be made for them to be listed or dealt in on any stock exchange.

The Loan Note Alternative is conditional on the Offer becoming or being declared unconditional in accordance with its terms. The Loan Notes are not being, and may not be, offered, sold, resold, delivered or distributed, directly or indirectly, in or into the United States, Canada, Australia, Japan, the Republic of Ireland, South Africa or New Zealand or in or into any other jurisdiction where it would be unlawful to do so or to, or for the account or benefit of, any Restricted Overseas Person. Accordingly, the Loan Note Alternative will not be available for acceptance in the United States, Canada, Australia, Japan, the Republic of Ireland, South Africa or New Zealand or by any Restricted Overseas Person. Any persons in these jurisdictions and any Restricted Overseas Persons will only receive cash in exchange for TRL Shares.

Further details of the Loan Notes and the Loan Note Alternative will be contained in the Offer Document.

4. Recommendation

The Directors of TRL are not connected with L-3 UK or L-3 and have taken responsibility for considering the Offer on behalf of TRL Shareholders.

The Directors of TRL, who have been so advised by Investec, consider the terms of the Offer to be fair and reasonable. In providing advice to the Directors of TRL, Investec has taken into account the commercial assessments of the Directors of TRL.

Accordingly, the Directors of TRL intend unanimously to recommend that all TRL Shareholders accept the Offer and L-3 UK has received irrevocable undertakings to accept the Offer in respect of the entire shareholdings of the Directors of TRL, representing approximately 9.6 per cent. of the existing issued ordinary share capital of TRL.

5. Irrevocable undertakings to accept the Offer

L-3 UK has received irrevocable undertakings to accept the Offer in respect of TRL Shares from the following:

(a) TRL Directors in respect of 2,395,997 TRL Shares in aggregate:

Roy Cole in respect of 1,607,891 TRL Shares;
Andersen Cheng in respect of 325,000 TRL Shares;
Martin Tomlinson in respect of 301,106 TRL Shares;
Peter McKee in respect of 130,000 TRL Shares;
Peter Brown in respect of 22,000 TRL Shares; and
Mark Hutchings in respect of 10,000 TRL Shares,

(b) Institutional TRL Shareholders in respect of 5,291,590 TRL Shares in aggregate:

New Star Asset Management Limited in respect of 2,294,090 TRL Shares;
JOHCM OEIC Managers LLP in respect of 1,972,500 TRL Shares; and
Herald Investment Management Limited in respect of 1,025,000 TRL Shares,

(c) Other TRL Shareholders in respect of 5,360,682 TRL Shares in aggregate:

David Lade in respect of 2,150,142 TRL Shares;
Michael Underwood in respect of 1,112,187 TRL Shares;
Geoffrey Tucker in respect of 845,000 TRL Shares;
William Westover in respect of 655,996 TRL Shares; and
Hilda Westover in respect of 597,357 TRL Shares,

all of the above TRL Shareholders representing a combined aggregate of 52.4 per cent. of TRL's existing issued share capital.

The irrevocable undertakings from the TRL Directors referred to above will cease to be binding if the Offer lapses or is withdrawn or if the Offer Document is not posted within 28 days of this announcement. These undertakings will remain binding if a higher competing offer is made for TRL.

The irrevocable undertakings provided by JOHCM OEIC Managers LLP, Herald Investment Management Limited and the other TRL Shareholders referred to in part (c) above will cease to be binding if the Offer lapses or is withdrawn, if the Offer Document is not posted within 28 days of this announcement, or in the event of an announcement of a competing offer of least 400 pence.

The irrevocable undertaking provided by New Star Asset Management Limited will cease to be binding if the Offer lapses or is withdrawn, if the Offer Document is not posted within 28 days of this announcement, or in the event of an announcement of a competing offer of least 380 pence.

6. Background to and reasons for the Offer

The Directors of L-3 believe that TRL offers some of the most advanced radio and satellite communications systems available, providing governments and defence organisations around the world with the tools to trace, locate, monitor and defend transmissions, as well as to communicate securely. For example:

- TRL is an expert in Electronic Counter Measures ("ECM") to protect against subversive threats. It has a unique and valuable development capability, with key recent ECM developments focused on responsive radio jammers and denial-of-service devices. The company is also a provider of military-off-the-shelf ECM and Electronic Warfare Support Measures products and has provided significant research and development for the UK Ministry of Defence.
- TRL's Electronic Security division is a specialist in the protection of sensitive electronic data during transmission and storage using cryptographic techniques and it is a provider of the highest military grade ATM and IP network cryptography at top secret level.
- TRL's Government Communications division is among the leaders in both portable and fixed strategic systems for tracing and monitoring satellite communications, and its systems are widely deployed by government intelligence agencies, military users and law enforcement agencies. In addition, the company provides solutions for existing and evolving satellite services and data mining and tracing software solutions.

The acquisition of TRL, which is expected to be slightly accretive to L-3's earnings, would enhance L-3's existing product offering and represent a significant development of L-3's presence in the UK market.

Nothing in this section should be interpreted to mean that the earnings of L-3 or TRL in the financial year in which the Offer is completed, or in any subsequent period, will necessarily be greater than those for the relevant preceding financial period.

7. Background to and reasons for recommendation of the Offer by the Directors of TRL

TRL's shares were admitted to AIM in July 2004 by way of a placing at 130 pence per share. Since that time, TRL has traded strongly, capitalising on its technology base in counter terrorism

and force protection systems where the Directors of TRL believe TRL has a competitive product offering in an area currently experiencing significant demand.

In the second half of 2005, the Directors of TRL began to consider that it could be in the best interests of TRL and its shareholders to seek a larger US company to acquire TRL. The principal reasons behind this were as follows:

- Despite the scale of the opportunities in the US, particularly in the force protection area, the Directors of TRL believe there are challenges in accessing this market without the assistance of a substantial partner with a significant US presence and political access;
- The rapid change in the requirements of TRL's customers and the urgency of their demands now necessitate considerably increased investment and resource in company funded research and development in order to compete for contracts. The Directors of TRL believe such demands are likely to stretch the resources of a company the size of TRL; and
- The Directors of TRL believe that the market opportunity, whilst very attractive, also draws the attention of considerably larger and potentially more influential competitors, particularly in the US. To remain a relatively small UK company carries the risk of being unable to compete in the longer term in the domestic and international marketplace.

On 21 March 2006, following a share price movement, TRL confirmed it had received a preliminary approach that might lead to an offer being made for TRL. Since the announcement on 21 March 2006, a number of approaches have been received; however, no firm proposals offering better terms for TRL Shareholders than the Offer have been received.

In considering whether to recommend the terms of the Offer, the Directors of TRL have taken into account a number of factors, including:

- The Offer represents a premium of:
 - approximately 176.9 per cent. to 130 pence per TRL Share, the price at which TRL Shares were placed with institutional and other investors in July 2004;
 - approximately 65.1 per cent. to the closing price of 218 pence for each TRL Share on 23 November 2005, the day after the interim results were announced on 22 November 2005; and
 - approximately 45.7 per cent. to the average closing price of 247.0 pence for each TRL Share for the six months leading up to and including 20 March 2006, the last day before TRL entered an offer period;
- The Offer presents an opportunity for TRL Shareholders to realise their entire investment in TRL for cash, at a premium, within a relatively short timescale; and
- TRL has been in an offer period since 21 March 2006 and no firm proposals offering better terms for TRL Shareholders have been received.

8. Information on L-3 UK and the financing of the Offer

L-3 UK is a newly formed public limited company incorporated in England and Wales and established specifically for the purposes of making the Offer. It is a wholly owned subsidiary of L-3. L-3 UK has not traded since incorporation nor has it entered into any obligations other than in connection with the Offer and the financing thereof. The Board of L-3 UK comprises Frank Lanza, Christopher Cambria and Ron Cook, all of whom are appointees of L-3.

The cash consideration payable under the Offer will be funded from L-3's own resources. Lehman Brothers is satisfied that the necessary financial resources are available to L-3 UK to satisfy acceptances of the Offer in full.

9. Information on L-3

L-3 is a leading provider of Intelligence, Surveillance and Reconnaissance ("ISR") systems, secure communications systems, aircraft modernisation, training and government services. The company is a leading merchant supplier of a broad array of high technology products, including guidance and navigation, sensors, scanners, fuses, data links, propulsion systems, simulators, avionics, electro optics, satellite communications, electrical power equipment, encryption, signal intelligence, antennas and microwave components. L-3 also supports a variety of Homeland Security initiatives with products and services. Its customers include the US Departments of Defense and Homeland Security, selected US Government intelligence agencies and aerospace prime contractors.

L-3 is listed on the New York Stock Exchange with a market capitalisation of \$9,889 million on 17 May 2006, being the last practicable date prior to the date of this announcement. For the financial year ended 31 December 2005, L-3 reported total sales of \$9.4 billion on which it earned operating income of \$996.7 million.

10. Information on TRL

TRL is a specialist defence electronics group focused on protection against terrorism and subversive threats, organised crime and drug trafficking. It designs and develops a range of intercept, surveillance, electronic warfare and communications products and systems, which are supplied directly and indirectly to military and government security organisations around the world. TRL is based in Tewkesbury, Gloucestershire.

For the financial year ended 31 March 2005, TRL reported pre-exceptional profit on ordinary activities before taxation of £3.2 million on turnover of £22.1 million.

For the six months ended 30 September 2005, TRL reported profit on ordinary activities before taxation of £2.2 million on turnover of £14.1 million. As at 30 September 2005, TRL's net assets were £14.6 million.

The TRL Board expects the results for the period ended 31 March 2006 to be in line with its expectations and remains confident in the outlook for the business.

11. Directors and Employees

L-3 recognises the strong contribution made by TRL's management and employees to the development of TRL and views them as being critical to the future success of the company within the L-3 Group. Accordingly, L-3 UK has given assurances to the Directors of TRL that, following the Offer becoming or being declared unconditional in all respects, L-3 UK expects that the existing employment rights, including pension rights, of the management and employees of the TRL Group will be safeguarded.

12. TRL Share Option Schemes

The Offer will extend to all TRL Shares unconditionally allotted or issued fully paid (or credited as fully paid) prior to the date on which the Offer closes as a result of the exercise of options granted under the TRL Share Option Schemes. L-3 UK will make appropriate proposals to holders of options under the TRL Share Option Schemes in due course.

13. Withdrawal, compulsory acquisition of TRL Shares and re-registration of TRL

As soon as it is appropriate to do so, and subject to the Offer becoming or being declared unconditional in all respects, L-3 UK intends to procure that TRL applies for cancellation of the admission to, and trading of, the TRL Shares on AIM. It is anticipated that such cancellations will take effect no earlier than twenty business days after the Offer becomes or is declared unconditional in all respects.

If L-3 UK receives acceptances under the Offer in respect of 90 per cent. or more of the TRL Shares to which the Offer relates, L-3 UK intends to exercise its right pursuant to the provisions of Sections 428 to 430F of the Companies Act to acquire compulsorily those remaining TRL Shares. It is proposed that following its withdrawal from AIM TRL will be re-registered as a private company in due course.

14. Break fee

TRL has agreed to pay a break fee to L-3 UK of £925,000 (plus any value added tax which may be chargeable on such fee, to the extent that such value added tax is recoverable by TRL) in the event that the Board of TRL withdraws or adversely amends its recommendation and the Offer fails to become unconditional in all respects.

15. General

With the exception of 13,048,269 TRL Shares in respect of which L-3 UK has received irrevocable undertakings to accept, or procure acceptance of, the Offer, neither L-3 UK nor any director of L-3 UK, nor, to L-3 UK's knowledge, any person acting in concert with L-3 UK, owns or controls or has borrowed or lent, any TRL Shares or any securities convertible or exchangeable into, or has any short positions (whether conditional or otherwise) with respect to any TRL Shares, or any rights to subscribe for or purchase, or holds any options to purchase any TRL Shares or holds any derivative referenced to securities of TRL which remain outstanding. In view of the requirement for confidentiality, L-3 UK has not made any enquiries in this respect of certain parties who may be deemed by the Panel to be acting in concert with it for the purposes of the Offer. Enquiries of such parties will be made as soon as practicable following the date of this announcement and any material disclosure in respect of such parties will be included in the Offer Document.

The Offer will be subject to the applicable requirements of the Code. The formal Offer Document, setting out details of the Offer, and enclosing the Form of Acceptance and Loan Note Form of Election, will be dispatched to TRL Shareholders in due course. This announcement does not constitute an offer or an invitation to purchase any securities.

The availability of the Offer and of the Loan Note Alternative to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. Persons who are not resident in the United Kingdom, or who are subject to the laws of any jurisdiction other than the United Kingdom, should inform themselves about and observe any applicable requirements. Further details in relation to overseas shareholders will be contained in the Offer Document.

The Offer, but not the Loan Note Alternative, will be made in and into the United States.

Unless otherwise determined by L-3 UK and permitted by applicable law and regulation, the Offer will not be made, directly or indirectly, in or into, or by the use of the mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically by way of the internet or otherwise) of interstate or foreign commerce of, or by any facilities of a national, state or other securities exchange of, Canada or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction and the Offer may not be accepted by any such use, means, instrumentality or facility from or within Canada or any such jurisdiction and doing so may render invalid any purported acceptance of the Offer. Accordingly, unless otherwise determined by L-3 UK and permitted by applicable law and regulation, copies of this

announcement and any other documents related to the Offer are not being, and must not be, mailed or otherwise forwarded, distributed or sent into Canada or any such other jurisdiction. All persons receiving this announcement (including, without limitation, custodians, nominees and trustees) should observe these restrictions and must not mail or otherwise forward, send or distribute this announcement in, into Canada or any other such jurisdiction.

The Loan Notes which may be issued in connection with the Offer as described herein have not been, and will not be, registered under the US Securities Act of 1933, as amended, the US Securities Exchange Act of 1934, as amended, or under the applicable securities laws of any state, district or other jurisdiction of the United States, or of Canada, Australia, Japan, the Republic of Ireland, South Africa or New Zealand and no regulatory clearances in respect of the Loan Notes have been, or will be, applied for in any such jurisdiction. Accordingly, unless an exemption under the relevant securities laws is applicable, the Loan Notes are not being, and may not be, offered, sold, resold, delivered or distributed, directly or indirectly, in or into the United States, Canada, Australia, Japan, the Republic of Ireland, South Africa or New Zealand or in or into any other jurisdiction where it would be unlawful to do so or to, or for the account or benefit of, any Restricted Overseas Person. Accordingly the Loan Note Alternative will not be available for acceptance in the United States, Canada, Australia, Japan, the Republic of Ireland, South Africa or New Zealand or by any Restricted Overseas Person. Any persons in these jurisdictions and any other Restricted Overseas Persons will only receive cash in exchange for TRL Shares.

The Directors of TRL accept responsibility for the information contained in this announcement relating to TRL and the Directors of TRL.

Those Directors of L-3 UK who are also officers of L-3 accept responsibility for the information contained in this announcement relating to L-3 and the directors of L-3.

All the Directors of L-3 UK accept responsibility for the information contained in this announcement other than that relating to (i) TRL and its directors and (ii) L-3 and its directors.

To the best of the knowledge and belief of the Directors of TRL and the Directors of L-3 UK (who have taken all reasonable care to ensure that such is the case) such information contained in this announcement for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Lehman Brothers, which is regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser to L-3 and L-3 UK in connection with the Offer and no-one else and will not be responsible to anyone other than L-3 and L-3 UK for providing the protections afforded to customers of Lehman Brothers, nor for providing advice in relation to the Offer.

Investec, which is regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for TRL in connection with the Offer and no one else and will not be responsible to anyone other than TRL for providing the protections offered to clients of Investec nor for providing advice in relation to the Offer.

Dealing Disclosure Requirements:

Under the provisions of Rule 8.3 of the Code, if any person is, or becomes, “interested” (directly or indirectly) in 1% or more of any class of “relevant securities” of TRL, all “dealings” in any “relevant securities” of that company (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the Offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or

informal, to acquire an “interest” in “relevant securities” of TRL, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the Code, all “dealings” in “relevant securities” of TRL by L-3 UK or TRL, or by any of their respective “associates”, must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel’s website at www.thetakeoverpanel.org.uk.

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Panel’s website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, you should consult the Panel.

Appendix III to this announcement contains definitions of certain expressions used in this announcement.

Enquiries

L-3

Cynthia Swain, Vice President, Corporate Communications

Tel: 001 212 697 1111

Lehman Brothers (Financial Adviser to L-3 UK and L-3)

Stuart Upcraft

Tel: 020 7102 1000

Alexander Thomas

Financial Dynamics

Andrew Lorenz

Tel: 020 7831 3113

TRL

Peter McKee

Tel: 01684 278700

Mark Hutchings

Investec (Financial Adviser to TRL)

Michael Ansell

Tel: 020 7597 5970

Rupert Krefting (Corporate Broking)

Stefan Borson

APPENDIX I

CONDITIONS AND CERTAIN FURTHER TERMS OF THE OFFER

The Offer, which will be made by Lehman Brothers on behalf of L-3 UK, will comply with the rules and regulations of the Financial Services Authority and the London Stock Exchange and the Code:

Part A: Conditions of the Offer

The Offer will be subject to the following conditions:

- (a) valid acceptances being received (and not, where permitted, withdrawn) by not later than 3.00 p.m. on the first closing date of the Offer (or such later time(s) and/or date(s) as L-3 UK may, with the consent of the Panel or in accordance with the Code, decide) in respect of not less than 90 per cent. (or such lower percentage as L-3 UK may decide) in nominal value of the TRL Shares to which the Offer relates, provided that this condition shall not be satisfied unless L-3 UK and/or any other members of the L-3 Group shall have acquired or agreed to acquire, whether pursuant to the Offer or otherwise, shares in TRL carrying in aggregate more than 50 per cent. of the voting rights then normally exercisable at general meetings of TRL. For the purposes of this condition:
 - (i) shares which have been unconditionally allotted, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise, shall be deemed to carry the voting rights they will carry on being entered into the Register of Members of TRL;
 - (ii) the expression “TRL Shares to which the Offer relates” shall be construed in accordance with sections 428 to 430F of the Companies Act; and
 - (iii) valid acceptances shall be treated as having been received in respect of any TRL Shares that L-3 UK shall, pursuant to section 429(8) of the Companies Act, be treated as having acquired or contracted to acquire by virtue of acceptances of the Offer.
- (b) all authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals necessary or appropriate for or in respect of the Offer and the proposed acquisition of any shares in, or control of, TRL by L-3 UK from the UK Ministry of Defence having been obtained in a form reasonably satisfactory to L-3 UK and all such authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals remaining in full force and effect and there being no notice or intimation of any intention to revoke any of the same at the time at which the Offer becomes otherwise unconditional.
- (c) the Office of Fair Trading, if it has contacted L-3 UK or TRL and claimed jurisdiction, not having indicated that it intends to refer the Offer, or any matter arising from the Offer, to the Competition Commission.
- (d) the Secretary of State for Trade and Industry not having indicated that he intends to issue an intervention notice or a special intervention notice under Sections 42 or 59 (respectively) of the Enterprise Act 2002 in respect of the Offer, or any matter arising from the Offer.
- (e) one of the following events having occurred in respect of anti-trust matters in Germany (the earlier of which to occur being decisive):
 - (i) receipt by L-3 UK of a written notification or unconditional decision of the German Federal Cartel Office (*Bundeskartellamt*) (the “Federal Cartel Office”), or of a conditional decision on terms acceptable to L-3 UK, that the acquisition of

TRL by L-3 UK does not fulfil the prohibition requirements of the German Act Against Restraints of Competition; or

- (ii) expiry of a period of one month after the Federal Cartel Office's receipt of the complete notification of the acquisition of TRL by L-3 UK, unless prior to the expiry of that one month period the Federal Cartel Office has informed L-3 UK or TRL that an investigation (*Hauptprüfverfahren*) of the acquisition of TRL by L-3 UK has been initiated (pursuant to Section 40 paragraph 1 sentence 1 of the German Act Against Restraints of Competition) or has prohibited the acquisition of TRL by L-3 UK.
- (f) save as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the wider TRL Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, which in consequence of the Offer or the proposed acquisition of any shares or other securities in TRL or because of a change in the control or management of TRL or otherwise, could or might result in:
- (i) any moneys borrowed by or any other indebtedness (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
 - (ii) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or modified or affected or any obligation or liability arising or any action being taken or arising thereunder;
 - (iii) any assets or interests of any such member being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged;
 - (iv) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any such member;
 - (v) the rights, liabilities, obligations or interests of any such member in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
 - (vi) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
 - (vii) any such member ceasing to be able to carry on business under any name under which it presently does so; or
 - (viii) the creation of any material liability, actual or contingent, by any such member,

in each case which is or would be material in the wider TRL Group as a whole and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the wider TRL Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, could result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (viii) of this paragraph (f) in any case which is or would be material in the context of the wider TRL Group taken as a whole;

- (g) save as Disclosed, no government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution or any other body or person whatsoever in any jurisdiction (each a "Third Party") having decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or enacted, made or proposed any statute,

regulation, decision or order, or having taken any other steps which would or might reasonably be expected to:

- (i) require, prevent or delay the divestiture, or alter the terms envisaged for any proposed divestiture by any member of the wider TRL Group or (in the consequence of the Offer) any member of the wider L-3 Group of all or any portion of their respective material businesses, assets or property or impose any material limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any material part thereof;
- (ii) require, prevent or delay the divestiture by any member of the wider L-3 Group of any shares or other securities in TRL;
- (iii) impose any limitation on, or result in a delay in, the ability of any member of the wider L-3 Group directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the wider TRL Group or to exercise management control over any such member;
- (iv) otherwise adversely affect the business, assets, profits or prospects of any member of the wider L-3 Group or of any member of the wider TRL Group which, in each case is material in the context of the wider TRL or L-3 Group (as the case may be) taken as a whole;
- (v) make the Offer or its implementation or the acquisition or proposed acquisition by L-3 UK or any member of the wider L-3 Group of any shares or other securities in, or control of, TRL void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto, or otherwise challenge or interfere therewith in each case to an extent which is material in the context of the Offer;
- (vi) require any member of the wider L-3 Group or the wider TRL Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the wider TRL Group or the wider L-3 Group owned by any third party where such acquisition would be material in the context of the wider TRL or L-3 Group (as the case may be) taken as a whole;
- (vii) impose any limitation on the ability of any member of the wider TRL Group to co-ordinate its business, or any part of it, with the businesses of any other member of the wider TRL Group or the wider L-3 Group which, in each case, is material in the context of the wider TRL Group taken as a whole; or
- (viii) result in any member of the wider TRL Group ceasing to be able to carry on business under any name under which it presently does so in a manner which is material in the context of the wider TRL Group taken as a whole,

and all applicable waiting and other time periods during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Offer or the acquisition or proposed acquisition of any TRL Shares having expired, lapsed or been terminated;

- (h) all necessary filings or applications having been made in connection with the Offer and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Offer or the acquisition by any member of the wider L-3 Group of any shares or other securities in, or control of, TRL and all material authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals reasonably deemed necessary or appropriate by L-3 UK or any member of the wider L-3 Group for or in respect of the Offer or the proposed acquisition of any shares or other securities in, or control of, TRL by any member of the wider L-3 Group having been obtained in terms and in a form reasonably satisfactory to L-3 UK from all appropriate

Third Parties or persons with whom any member of the wider TRL Group has entered into contractual arrangements which are material in the context of the wider TRL Group taken as a whole and all such material authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals together with all material authorisations, orders, recognitions, grants, licences, confirmations, clearances, permissions and approvals reasonably necessary or appropriate to carry on the business of any member of the wider TRL Group remaining in full force and effect and all filings necessary for such purpose have been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Offer becomes otherwise unconditional (where such revocation or failure to renew would be material in the context of the wider TRL group, taken as a whole) and all necessary statutory or regulatory obligations in any jurisdiction having been complied with in all material respects;

- (i) save as Disclosed, no member of the wider TRL Group having, since 31 March 2005:
 - (i) save as between TRL and wholly-owned subsidiaries of TRL or for TRL Shares issued pursuant to the exercise of options granted under the TRL Share Option Schemes, issued, authorised or proposed the issue of additional shares of any class;
 - (ii) save as between TRL and wholly-owned subsidiaries of TRL or for the grant of options under the TRL Share Option Schemes, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
 - (iii) other than to another member of the TRL Group, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash or otherwise;
 - (iv) save for intra-TRL Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any material assets or any right, title or interest in any material asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course of business;
 - (v) save for intra-TRL Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital;
 - (vi) issued, authorised or proposed the issue of any debentures or (save for intra-TRL Group transactions), save in the ordinary course of business, incurred or increased any indebtedness or become subject to any contingent liability which is, in each case, material in the context of the wider TRL Group taken as a whole;
 - (vii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital;
 - (viii) implemented, or authorised, proposed or announced its intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement which is material in the context of the wider TRL Group taken as a whole;
 - (ix) entered into or materially changed the terms of any contract with any director or, other than in the ordinary course of business, with any senior executive;
 - (x) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term (other than in the ordinary course of business), onerous or unusual nature or magnitude or which is or could be restrictive on the businesses of any member of the wider TRL Group or the wider L-3 Group or which involves or could involve an obligation of such a nature or

- magnitude or which is other than in the ordinary course of business and which is material in the context of the wider TRL Group taken as a whole;
- (xi) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the wider TRL Group or the wider L-3 Group and which is material in the context of the wider TRL Group taken as a whole;
- (xii) waived or compromised any claim otherwise than in the ordinary course of business which is material in the context of the wider TRL Group taken as a whole; or
- (xiii) otherwise than in the ordinary course of business entered into any contract, commitment, arrangement or agreement or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this condition and which is material in the context of the wider TRL Group taken as a whole.

and, for the purposes of paragraphs (iii), (iv), (v) and (vi) of this condition, the term “TRL Group” shall mean TRL and its wholly-owned subsidiaries;

- (j) since 31 March 2005 and save as Disclosed:
 - (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects of any member of the wider TRL Group which is material in the context of the wider TRL Group taken as a whole; and
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the wider TRL Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no investigation by any Third Party against or in respect of any member of the wider TRL Group having been instituted announced or threatened by or against or remaining outstanding in respect of any member of the wider TRL Group which in any such case might be expected to materially adversely affect the wider TRL Group taken as a whole;
 - (iii) no contingent or other liability having arisen or become apparent to L-3 UK which would be likely to materially adversely affect the wider TRL Group taken as a whole; and
 - (iv) no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the wider TRL Group which is necessary for the proper carrying on of its business and where such withdrawal, cancellation, termination or modification would be material in the context of the wider TRL Group, taken as a whole;
- (k) L-3 UK not having discovered after the making of its announcement on 18 May 2006 and other than as Disclosed (and, for the purposes of conditions (k) and (l), this includes the discovery of additional facts or circumstances that affect the substance or import of information already known to L-3 UK):
 - (i) that any financial, business or other information concerning the wider TRL Group as contained in the information publicly disclosed at any time by or on behalf of any member of the wider TRL Group is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading which has not been corrected and which is material in the context of the wider TRL Group taken as a whole;
 - (ii) that any member of the wider TRL Group or any partnership, company or other entity in which any member of the wider TRL Group has a significant economic interest and which is not a subsidiary undertaking of TRL is subject to any liability (contingent or otherwise) which is not disclosed in the annual report and accounts

- of TRL for the year ended 31 March 2005 which is material in the context of the wider TRL Group taken as a whole; or
 - (iii) any information which affects the import of any information disclosed at any time by or on behalf of any member of the wider TRL Group and which is materially adverse in the context of the wider TRL Group taken as a whole;
- (l) L-3 UK not having discovered after the making of its announcement on 18 May 2006 and other than as Disclosed that:
 - (i) any past or present member of the wider TRL Group has failed to comply with any and/or all applicable legislation or regulations of any jurisdiction with regard to the disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or animal health or otherwise relating to environmental matters, or that there has otherwise been any such failure to comply or disposal, spillage, release, discharge, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations, and wherever the same may have taken place) any of which failure to comply, disposal, spillage, release, discharge, leak or emission would be likely to give rise to any liability (actual or contingent) on the part of any member of the wider TRL Group which is material in the context of the wider TRL Group taken as a whole; or
 - (ii) there is, or is likely to be, for that or any other reason whatsoever, any liability (actual or contingent) of any past or present member of the wider TRL Group to make good, repair, reinstate or clean up any property or any controlled waters now or previously owned, occupied, operated or made use of or controlled by any such past or present member of the wider TRL Group, under any environmental legislation, regulation, notice, circular or order of any government, governmental, quasi-governmental, state or local government, supranational, statutory or other regulatory body, agency, court, association or any other person or body in any jurisdiction which is material in the context of the wider TRL Group taken as a whole.

For the purposes of these conditions the “wider TRL Group” means TRL and its subsidiary undertakings, associated undertakings and any other undertaking in which TRL and/or such undertakings (aggregating their interests) have a significant interest and the “wider L-3 Group” means L-3 and its subsidiary undertakings, associated undertakings and any other undertaking in which L-3 and/or such undertakings (aggregating their interests) have a significant interest and for these purposes “subsidiary undertaking”, “associated undertaking” and “undertaking” have the meanings given by the Companies Act 1985, other than paragraph 20(1)(b) of Schedule 4A to that Act which shall be excluded for this purpose, and “significant interest” means a direct or indirect interest in twenty per cent. or more of the equity share capital (as defined in that Act). “Disclosed” means disclosed in TRL’s annual report and accounts for the year ended 31 March 2005, in its interim results to 30 September 2005, as publicly announced by TRL (through an authorised Regulatory Information Service) prior to 18 May 2006 or as fairly disclosed in writing to L-3 UK by or on behalf of TRL prior to 18 May 2006.

L-3 UK reserves the right to waive, in whole or in part, all or any of the above conditions, except condition (a).

Conditions (b) to (l) (inclusive) must be fulfilled or waived by midnight on the 21st day after the later of the first closing date of the Offer and the date on which condition (a) is fulfilled (or in each such case such later date as L-3 UK may, with the consent of the Panel, decide). L-3 UK shall be under no obligation to waive or treat as satisfied any of the conditions (b) to (l) (inclusive) by a date earlier than the latest date specified above for the satisfaction thereof, notwithstanding that the other conditions of the Offer may at such

earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such conditions may not be capable of fulfilment.

If L-3 UK is required by the Panel to make an offer for TRL Shares under the provisions of Rule 9 of the Code, L-3 UK may make such alterations to any of the above conditions as are necessary to comply with the provisions of that Rule.

The Offer will lapse if it is referred to the Competition Commission before 3.00 p.m. on the first closing date of the Offer or the date on which the Offer becomes or is declared unconditional as to acceptances, whichever is the later.

This Offer will be governed by English law and be subject to the jurisdiction of the English courts, to the conditions set out above and in the formal Offer Document and related Form of Acceptance and Loan Note Form of Election.

Part B: Certain further terms of the Offer

The Offer will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone or e-mail) of interstate or foreign commerce of, or of any facility of a national securities exchange of Canada and the Offer will not be capable of acceptance by any such use, means, instrumentality facility or from within Canada.

The Loan Notes are not being, and may not be, offered, sold, resold, delivered or distributed, directly or indirectly, in or into the United States, Canada, Australia, Japan, the Republic of Ireland, South Africa or New Zealand or to, or for the account or benefit of, any Restricted Overseas Person. Accordingly, the Loan Note Alternative will not be available for acceptance in the United States, Canada, Australia, Japan, the Republic of Ireland, South Africa or New Zealand or by any Restricted Overseas Person. Any persons in these jurisdictions and any Restricted Overseas Persons will only receive cash in exchange for TRL Shares.

TRL Shares will be acquired under the Offer free from all liens, equities, charges, encumbrances and other interests and together with all rights attaching thereto.

APPENDIX II
SOURCES OF INFORMATION AND BASES OF CALCULATION

- (i) The value placed by the Offer on the entire issued ordinary share capital of TRL is based on 24,916,686 TRL Shares in issue on 18 May 2006 (as sourced from TRL).
- (ii) The financial information relating to TRL is extracted from the Interim Results for the half year ended 30 September 2005 and annual report and accounts of TRL for the year ended 31 March 2005, as published by TRL.
- (iii) The financial information relating to L-3 is extracted from L-3's summary Annual Report for the year ended 31 December 2005.

APPENDIX III DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

“Act” or “the Companies Act”	the Companies Act 1985, as amended
“AIM”	the Alternative Investment Market of the London Stock Exchange
“Board of L-3 UK” or “Directors of L-3 UK”	the board of directors of L-3 Communications Group plc
“Canada”	Canada, its provinces and territories and all areas subject to its jurisdiction or any political subdivision thereof
“City Code” or “Code”	the City Code on Takeovers and Mergers
“Form of Acceptance”	the form of acceptance and authority relating to the Offer which will accompany the Offer Document
“Investec”	Investec Investment Banking, a division of Investec Bank (UK) Limited, financial adviser to TRL
“Lehman Brothers”	Lehman Brothers Europe Limited, financial adviser to L-3 UK and L-3
“L-3”	L-3 Communications Corporation
“L-3 Group”	L-3 and its Subsidiaries and Subsidiary Undertakings
“L-3 UK”	L-3 Communications Group plc
“Loan Note Alternative”	the alternative under which TRL Shareholders (other than Restricted Overseas Persons) may elect to receive Loan Notes instead of all or part of the cash consideration to which they would otherwise be entitled under the Offer
“Loan Note Form of Election”	the form of election for use by TRL Shareholders (other than Restricted Overseas Persons) in connection with the Loan Note Alternative
“Loan Notes”	the fixed rate unsecured loan notes to be issued pursuant to the Loan Note Alternative
“Offer”	the recommended cash offer to be made by Lehman Brothers on behalf of L-3 UK to acquire the entire issued and to be issued ordinary share capital of TRL not already held or contracted to be acquired by L-3 UK on the terms and subject to the conditions to be set out in the Offer Document and including, where the context requires, any subsequent revision, variation, extension or renewal of, or election available under, such Offer
“Offer Document”	the document to be despatched to TRL Shareholders and, for information only, to participants in the TRL Share Option Schemes, which, together with the Form of Acceptance and Loan Note Form of Election, will contain the full terms and conditions of the Offer

and the Loan Note Alternative

“Panel”	the Panel on Takeovers and Mergers
“Relevant Authority”	any government or governmental, quasi-governmental, supranational, statutory or regulatory or investigative body or trade agency, professional body, association, institution or environmental body or any court of other similar body or any similar person in (in each case) any jurisdiction
“Restricted Overseas Person”	a person (including an individual, partnership, unincorporated syndicate or organisation, incorporated association, trust, trustee, executor, administrator or other legal representative) in or resident in the United States, Canada, Australia, Japan, the Republic of Ireland, South Africa or New Zealand or in, or resident in, any other jurisdiction in, or into which, the Loan Note Alternative may not lawfully be offered or made or in which the Loan Note Alternative may not lawfully be accepted or a “US person” (as defined in Regulation S promulgated under the US Securities Act)
“Sterling” or “£”	UK pounds sterling
“Subsidiary”, “Subsidiary Undertaking”, “Associated Undertaking” and “undertaking”	shall be construed in accordance with the Companies Act (but ignoring the meaning in paragraph 20(1)(b) of Schedule 4A to the Companies Act)
“TRL”	TRL Electronics plc
“Directors of TRL” or “Board of TRL”	the board of directors of TRL
“TRL Group”	TRL and its Subsidiaries and Subsidiary Undertakings
“TRL Shareholders”	the holders of TRL Shares
“TRL Share Option Schemes”	the TRL Savings Related Share Option Plan, the TRL Unapproved Share Option Plan and the TRL EMI Share Option Plan
“TRL Shares”	the existing unconditionally allotted or issued and fully paid ordinary shares of 1 penny each in the capital of TRL and any further such shares which are unconditionally allotted or issued fully paid or credited as fully paid before the date on which the Offer closes
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“United States”, “US” or “USA”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia or any area subject to its jurisdiction or any political subdivision thereof