

RESPONDING TO REALITY

2009 ANNUAL REPORT



From 30,000 feet in the air

Modernization and maintenance, from complex upgrades to rapid reset. Manned and unmanned eyes in the sky. Rapid response, anywhere in the world. L-3 helps customers put the right assets in the air—and keep them there.



to boots on the ground,

A leader's knowledge, experience and expert performance. Equipment, training and support, when and where customers need them. Enabling success in any environment. L-3 provides people and solutions to build a safer and more stable world.

from training and simulation

Advanced simulation and state-of-the-art technology. Equipment and people to build skills and mission readiness, efficiently and effectively. Ongoing training, maintenance and support. L-3 enables customers to perform at their best.



to the front lines,

Technology and knowledge for strength, security and stability. In the air, on the ground and at sea. On the front lines, worldwide. L-3 is there for customers, at the right place and the right time, helping them respond to reality.

we're there.

<i>In millions, except per share amounts</i>					
For the year ended December 31,	2009	2008 ^(a)	2007	2006 ^(b)	2005
Net sales	\$ 15,615	\$ 14,901	\$ 13,961	\$ 12,477	\$ 9,445
Operating income	1,656	1,685	1,448	1,111	997
Q2 2008 and 2006 Items	—	(110)	—	168	—
Operating income before Items	1,656	1,575	1,448	1,279	997
Income from continuing operations attributable to L-3	901	918	745	516	504
Net Income attributable to L-3 ^(c)	901	938	745	516	504
Diluted earnings per share from continuing operations	7.61	7.43	5.86	4.13	4.15
Q2 2008 and 2006 Items	—	(0.58)	—	0.83	—
Diluted earnings per share from continuing operations before Items	7.61	6.85	5.86	4.96	4.15
Diluted earnings per share ^(c)	7.61	7.59	5.86	4.13	4.15
Net cash from operating activities	1,407	1,387	1,270	1,074	847
Capital expenditures, net of dispositions	182	203	149	154	117
Free cash flow ^(d)	1,225	1,184	1,121	920	798
Equity	6,660	5,941	6,114	5,439	4,636

Sales
(In millions)

Year	Sales (In millions)
05	\$9,445
06	\$12,477
07	\$13,961
08	\$14,901
09	\$15,615

CAGR 13%

Operating Income
Excluding items* (In millions)

Year	Operating Income (In millions)
05	\$997
06	\$1,279
07	\$1,448
08	\$1,575
09	\$1,656

CAGR 14%

Diluted EPS
from continuing operations
Excluding items*

Year	Diluted EPS
05	\$4.15
06	\$4.96
07	\$5.86
08	\$6.85
09	\$7.61

CAGR 16%

Free Cash Flow
(In millions)

Year	Free Cash Flow (In millions)
05	\$798
06	\$920
07	\$1,121
08	\$1,184
09	\$1,229

CAGR 11%

This Summary Annual Report should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2009, included in this book.

Michael T. Strianese

CHAIRMAN, PRESIDENT AND
CHIEF EXECUTIVE OFFICER

This is why we were able to deliver strong results in a challenging economic and industry environment. I want to begin this letter with my thanks to L-3's management and workforce—your skill, commitment and teamwork enabled every one of our accomplishments.

PERFORMANCE

We achieved or exceeded our financial goals in 2009 despite an environment of slow growth in the defense sector and continued weakness in the overall economy. Our company-wide sales for the year were \$15.6 billion, up 5 percent over 2008’s \$14.9 billion, with diluted earnings per share of \$7.61.

We continued our track record of strong cash flow generation in 2009, achieving net cash from operating activities of \$1.4 billion and free cash flow of \$1.2 billion. We focused, as always, on deploying our excess cash to increase shareholder value. We grew our dividend for the fifth consecutive year and repurchased \$505 million of L-3 stock. In all, we returned \$670 million in cash to L-3 shareholders in the form of dividends and share repurchases during the year. In 2009, we also made an acquisition that strengthened our position in the undersea warfare market, and in the first quarter of 2010, we announced our agreement to acquire Insight Technology, significantly augmenting our capabilities in mission-critical night vision and electro-optical equipment for the warfighter.

In the fourth quarter of 2009, we refinanced a substantial portion of our debt. We completed a \$1 billion offering of senior notes, L-3’s first investment-grade bond issue, a significant milestone for the company. We used the proceeds together with cash on hand to redeem \$750 million of our senior subordinated notes and to repay our \$650 million term loan. In addition, we replaced our expiring revolving credit facility with a new three-year \$1 billion facility. As a result, we reduced our debt by about \$400 million and entered the new year with significantly improved liquidity, a more favorable debt maturity profile and a greater ability to take advantage of future growth opportunities.

L-3’s already strong Board of Directors became decidedly stronger with the addition of Lewis Kramer in July. He joined our Board shortly after retiring from Ernst & Young, where he enjoyed a distinguished 40-year career, most recently as a member of the firm’s U.S. Executive Board. Lew brings a wealth of practical business knowledge and experience to the L-3 boardroom—we are very pleased to have him on the team. We would also like to thank Peter A. Cohen for his insight and guidance to L-3’s Board over the past five years.

We posted a number of major wins across our business throughout the year, many of which illustrated our strategy of improving our competitiveness and delivering value through increased teamwork across the company. Through collaboration between divisions, we integrated our unmanned aircraft systems (UAS) capabilities and won a major program as a prime contractor. The U.S. Special Operations Command (USSOCOM) selected L-3 for the Expeditionary UAS program to provide fully integrated unmanned aircraft systems and support.

In addition to this important win, we expanded our UAS offerings with the introduction of two new L-3 products currently being developed—Mobius™, the medium-altitude, long-endurance manned or unmanned aircraft system, and the Cutlass, an expendable, air- or tube-launched, small UAS. Each will bring disruptive performance in the form of increased value and capability to this growing marketplace.

L-3 is well known for its agility and speed of response to customer requirements. Among the best examples of this is our performance on Project Liberty, a U.S. Air Force program to equip, integrate, deploy and support King Air 350 aircraft for ISR missions within an accelerated time frame. We successfully delivered the first aircraft eight months after receiving the contract. The first aircraft was deployed initially in Iraq in June and began missions in Afghanistan in December. Our people worked around the clock, seven days a week to deliver the aircraft on schedule and within budget—a commitment that has been attributed to saving lives on the battlefield.

There were many more accomplishments of note across our business in 2009, too many to acknowledge in this letter. We provide an overview of the year’s highlights in this report, including intelligence analysis work for military and joint coalition forces, L-3’s involvement with the USS New York, the Navy’s newest amphibious transport dock ship, SATCOM On-The-Move, and other capability-enhancing communications.

OPPORTUNITY

We continue to pursue growth opportunities by building on our position and performance as a prime contractor, and by integrating our capabilities and technologies to improve our win rate and deliver higher levels of customer value. We are maintaining our strong investment in R&D to develop next-generation technologies in areas including ISR, training and simulation, precision munitions and mobile electric power. At the same time, we are continuing our focus on increasing operational efficiency across the company to further improve margins and speed products to market.

For our C³ISR business, we see continued robust demand for real-time, networked communications delivered by manned and unmanned surveillance technology. The Iraq drawdown and Afghanistan surge also represent just two growth opportunities for our Government Services segment over the next few years. An op-tempo environment and an aging fleet in need of upgrades are major long-term potential growth drivers for our AM&M business.

The breadth of L-3’s products, subsystems and systems portfolio within our Electronic Systems segment keeps us relevant across our diverse customer base, providing a stable, balanced growth platform, even in volatile market conditions. Outside the U.S. Department of Defense (DoD), the need for our products and services is widespread and global in nature. We continue to pursue international growth by expanding our footprint in key regions, such as Australia, Asia and the Middle East, and increasing foreign military sales. In addition, we are developing growth opportunities in cyber security, sustainable and alternative energy, electromagnetic pulse technology and select commercial markets.

L-3 has a long history of successfully growing through acquisition, and we see an improving mergers and acquisitions environment in 2010. We will continue to apply our disciplined approach, evaluating companies that bring new capabilities, products or technologies to enhance L-3’s existing business areas or provide access to important programs and new customers.

OUTLOOK

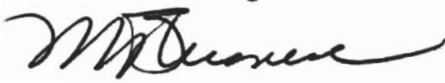
The world continues to address threats to global security and stability. In 2009, we were reminded of this reality with the Christmas day terrorist attempt on a U.S. bound aircraft. This has led to increased interest in our ProVision™ millimeter wave checkpoint screening technology, and we are working with the TSA and foreign transportation authorities to meet their demands for this system.

With an asymmetrical threat environment and emerging regions of concern, defense priorities continue to change and evolve. There has been a fundamental shift in focus from a threat-based model to a capabilities-based one that can be structured to meet today’s national and homeland security requirements. We do not see a sudden drop in DoD funding in the foreseeable future. There are many pressing demands—for streaming video and secure communications to support the warfighter; for maintenance, sustainment and resetting of current assets; for training and simulation systems and enhanced airport security. These and other current needs align very well with L-3’s expertise and portfolio of capabilities.

L-3 is unique among large defense companies. We are a prime contractor and also a formidable supplier. We have less exposure to large, new start platforms that are likely to be curtailed or delayed. We are a lean, fast-moving organization that remains competitive in a transforming industry. Our structure and culture are unique—with business units that maintain a high degree of autonomy, while increasingly working in cohesive, collaborative teams to deliver results.

Our strengths are a major advantage in today’s dynamic industry, economic and geopolitical landscape—qualities that we will continue to leverage aggressively to respond to reality, benefitting our customers, our company and our investors in 2010 and beyond.

Sincerely,



Michael T. Strianese
CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER



C³ISR Command, Control, Communications, Intelligence,
Surveillance and Reconnaissance

Rapid Response

The nature of the threat has changed, and with it, customer priorities. A key focus: generating actionable intelligence, surveillance and reconnaissance data and getting it in the right hands, in real time. The need: rapid, coordinated, quality response to program requests, in record time.

L-3 proved it was up to the challenge to meet the aggressive requirements of Project Liberty, an accelerated U.S. Air Force modification of Hawker Beechcraft King Air 350 aircraft, featuring full-motion video, a robust communications suite and advanced signals intelligence capabilities. As the prime contractor working closely with key industry partners, L-3 delivered the first aircraft in eight months, contract to combat.

In addition to serving as the systems integrator for the aircraft, L-3 supplied enabling technologies such as its Compact Multi-band Data Link and MX™-15 imaging turret for the platform's sensor suite. Multiple L-3 divisions and subcontractors worked as a team to deliver the entire initial order of seven aircraft within ten months. Plans call for 37 aircraft to be delivered for Project Liberty.

C³ISR

The Phoenix is a High Mobility Multipurpose Wheeled Vehicle (HMMWV)-mounted satellite terminal used by U.S. Army, Air Force, Marine Corps (USMC), Army Reserve and National Guard units. In 2009, the Phoenix program achieved a major milestone as L-3 delivered the 100th terminal from its production line, completed a USMC-specific Phoenix design, and incorporated upgrades to the fielded systems. These upgrades provide users with added interface capabilities within its fiber-optic network.

L-3 maintains its leadership in ISR with the delivery of the latest technology Rivet Joint aircraft. As part of the fleet’s continuous upgrade process, L-3 provided five up-graded aircraft to the U.S. Air Force in 2009, which were fielded within weeks of delivery. This effort combines full aircraft refurbishment with mission system upgrades to support the difficult demands of today’s irregular warfare operations, as well as expand the Rivet Joint’s capability to network with other U.S. ISR systems.

Also in 2009, the U.S. Navy awarded L-3 a new contract for MH-60R CDL Hawklink data link technology, expanding L-3’s presence to the surface combatant ship fleet. The contract also includes the replacement of essential systems on helicopters and represents an important new business win.

L-3’s REM-Sense® family of unattended ground sensors covertly detects, classifies and tracks personnel and vehicles. In 2009, L-3 was awarded substantial new REM-Sense production work as part of U.S. Army and USMC forward operating base force protection systems in Iraq and Afghanistan. In addition, L-3 completed major upgrades to several REM-Sense components in 2009, which are currently undergoing Army testing.

The Army’s Battlefield Anti-Intrusion System (BAIS), part of L-3’s REM-Sense line, is also in use in Iraq and Afghanistan. Infantry platoons utilize BAIS to establish defensive positions; military police units use it for the security of personnel and assets.

As a subcontractor to Northrop Grumman, L-3 is providing satellite and line-of-sight communications for the U.S. Navy’s Broad Area Maritime Surveillance (BAMS) program. BAMS supports enhanced situational awareness in the battlespace through persistent, multi-sensor maritime ISR, helping to protect the fleet through a new capability to track, classify and identify maritime, coastal and land targets anywhere in the world. In September 2009, L-3 successfully conducted the preliminary design review of its data link system, and the first hardware delivery is scheduled for October 2010.



L-3 technicians work on the latest-generation ROVER, the 5i. This international version of ROVER gives U.S. allies better situational awareness, as well as new interoperability and streaming video capabilities in a single handheld unit.



As a prime contractor and subcontractor on the Predator Unmanned Aircraft System, L-3 has delivered airborne data link systems and ground systems to U.S. and NATO customers since the program’s start.



L-3 was selected to provide the C⁴ISR system for the U.S. Coast Guard’s Sentinel Fast Response Cutter (FRC) program, including the integrated bridge, navigation control system and advanced voice communications system.



Government Services

Building Strength

Building and supporting stability in Afghanistan and Iraq in 2009 was critical to global security. In addition to its ISR and other products that directly support the warfighter, L-3 is uniquely equipped to contribute to success in the region with its Government Services segment’s broad capabilities and proven experience in the most challenging environments.

L-3 offers integrated international development resources. From security and mentoring within government ministries to the training of indigenous military and police forces, L-3 is positioned to help establish stability, rule of law and confidence in government. This supports an environment in which L-3’s experts can successfully lead a “Smart Power” strategy, improving

agriculture, water treatment, electric power, schools and other infrastructure to help build regional stability. L-3 is established and well-positioned in the entire region, with experienced personnel and products that enhance our expertise to achieve strategic objectives—in Afghanistan, as operations ramp up, and in Iraq, to assist the government as Coalition Forces transition out. In Pakistan, an equally critical nation, the government awarded L-3 an alternative energy contract in 2009.

Government Services

In 2009, the U.S. Navy awarded L-3 an indefinite delivery, indefinite quantity (ID/IQ) contract for software, planning and engineering services. The contract covers a broad spectrum, including support for ISR systems, unmanned aerial vehicle (UAV) motion imagery software development, emergency preparedness planning and technology validation. L-3 will also provide mission training for the Navy’s ISR & Information Operations Department, the Federal Emergency Management Agency (FEMA) and the Department of Homeland Security. L-3 provides similar comprehensive technical support services for both the U.S. Army and the USMC.

In 2010, a West African nation awarded L-3 a three-year contract to provide a nationwide coastal surveillance network, as well as operations centers, roads and bridges, followed by two years of sustainment and maintenance support. L-3 is providing a comprehensive approach to integrate port security within a secure environment to facilitate improving commerce in this region. The multifaceted contract highlights L-3’s ability to blend sophisticated technologies, products and services, including a “train the trainer” concept to meet customer needs.

Performing under two multi-year contracts for the U.S. Special Operations Command and Coalition Forces, L-3 provides vital intelligence analysis, planning and technical services. L-3 is engaged in program management, counterintelligence support, intelligence analysis, intelligence planning and multimedia exploitation services at various forward operating bases and facilities throughout Iraq, Afghanistan and in other tactical locations around the world. This work is essential to national security efforts and underscores the strategic value of L-3’s services.

Governments, militaries and commercial enterprises are increasing their focus on emerging and continuously evolving cyber security threats to communication and information infrastructures. The current administration formed the U.S. Cyber Command in 2009, placing a high priority on addressing this challenging area. L-3 is poised to grow in the cyber marketplace with a large and experienced workforce, as well as a full spectrum of cyber capabilities and intelligence support that includes encryption and other network security products.



L-3 provides comprehensive training solutions to the U.S. military and government agencies, including full-spectrum training and support services.



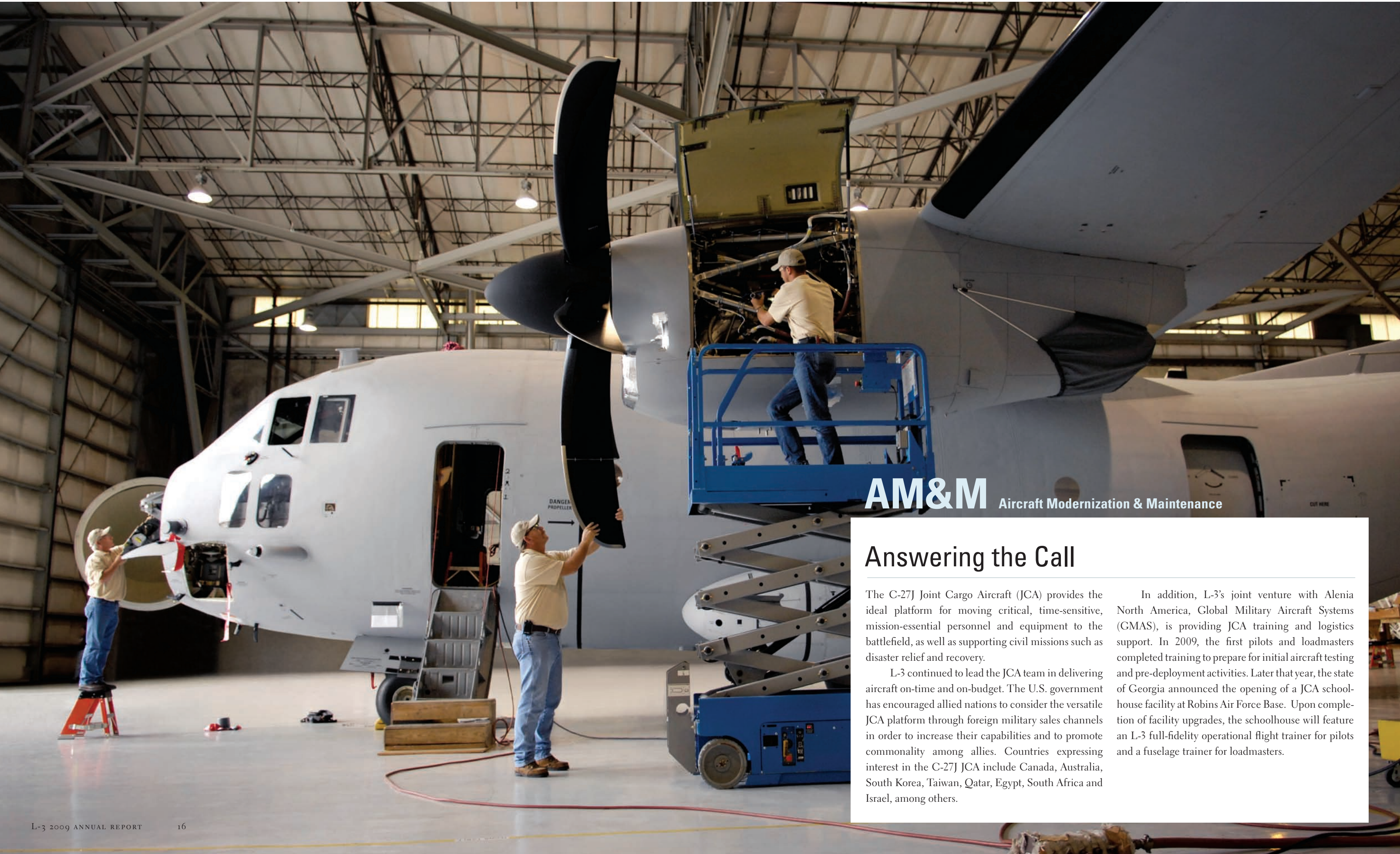
L-3’s integrated solution for West Africa includes a coastal surveillance network, infrastructure improvements and training to support its economic development strategy.



With extensive global experience and presence, L-3 offers a broad range of “Smart Power” capabilities to build stability in key regions worldwide.



L-3 is well-positioned to support customer initiatives within the cyber security and cyber warfare fields.



AM&M Aircraft Modernization & Maintenance

Answering the Call

The C-27J Joint Cargo Aircraft (JCA) provides the ideal platform for moving critical, time-sensitive, mission-essential personnel and equipment to the battlefield, as well as supporting civil missions such as disaster relief and recovery.

L-3 continued to lead the JCA team in delivering aircraft on-time and on-budget. The U.S. government has encouraged allied nations to consider the versatile JCA platform through foreign military sales channels in order to increase their capabilities and to promote commonality among allies. Countries expressing interest in the C-27J JCA include Canada, Australia, South Korea, Taiwan, Qatar, Egypt, South Africa and Israel, among others.

In addition, L-3’s joint venture with Alenia North America, Global Military Aircraft Systems (GMAS), is providing JCA training and logistics support. In 2009, the first pilots and loadmasters completed training to prepare for initial aircraft testing and pre-deployment activities. Later that year, the state of Georgia announced the opening of a JCA schoolhouse facility at Robins Air Force Base. Upon completion of facility upgrades, the schoolhouse will feature an L-3 full-fidelity operational flight trainer for pilots and a fuselage trainer for loadmasters.

AM&M

In 2009, the U.S. Air Force awarded a contract to L-3 with eight option years to serve as prime contractor on the T-1A Contractor Logistics Support (CLS) program. L-3 will be responsible for overall program management, encompassing logistics, material supply support and repair overhaul services for 179 T-1A aircraft at five Air Force bases across the U.S. The Air Force uses T-1A Jayhawk aircraft for introductory flight training.

With more forces around the world flying aging aircraft, L-3’s aircraft modernization and maintenance capabilities are well-positioned to continue providing a full range of services to military and commercial customers. L-3’s heavy structural refurbishment capabilities include repair or replacement of center and outer wings, fuselage, avionics or mission system components. L-3’s integration facilities are capable of housing aircraft of all sizes, from small turboprops to wide-body jets, while our highly skilled maintenance field teams deploy worldwide to support customers.

L-3’s equally comprehensive rotary-wing aircraft support ranges from producing new aircraft components to sustaining existing fleets with maintenance and modification. In 2009, L-3 doubled its aerostructure

production capacity for fabricating both UH-1Y cabins for Bell Helicopter and CH-47F fuselage sections for Boeing Rotorcraft. At Fort Rucker, Alabama, L-3 supports U.S. Army and U.S. Air Force helicopter training programs by providing quality aviation maintenance and logistics for hundreds of rotary-wing aircraft. L-3’s Army Fleet Support maintenance teams launch and recover over 550 training missions daily while maintaining mission performance rates greater than 99 percent.



L-3 offers a full range of modernization and sustainment services for C-130 aircraft, from heavy structural maintenance to cockpit avionics upgrades. L-3 converted three C-130s to the MC-130W configuration and executed modifications on several other MC-130W aircraft for the U.S. Air Force Special Operations Command in 2009.



L-3 has been the sole provider of Contractor Operated and Maintained Base Supply (COMBS) for the T-1 aircraft since 1992. The company won a U.S. Air Force contract in 2009 to serve as prime contractor on the T-1A Contractor Logistics Support (CLS) program.



The AH-64D Apache Longbow is one of 11 helicopter types that L-3 maintains to support flight training for the U.S. Army Aviation Center of Excellence at Fort Rucker, Alabama.



Electronic Systems

Unmanned Aircraft Systems

With the asymmetrical nature of the war on terrorism, the demand for unmanned aircraft systems (UAS) is strong and growing. By combining the capabilities of more than 25 business units, L-3 has expanded its role as a leading products and services company in key UAS programs to become a fully integrated platform provider.

L-3 currently offers scalable, configurable platforms to serve three distinct UAS segments with significant opportunities to secure market share. The first, Mobius, is a medium-altitude, long-endurance UAS that L-3 successfully demonstrated in 2009. Mobius offers highly sophisticated capabilities and operational flexibility at a very competitive cost. The

second, Viking, is a mid-tier unmanned system that evolved from a system that has logged more than 10,000 hours in-theater and was selected by the U.S. Special Operations Command as the platform for its Expeditionary UAS (EUAS) program. The third, the air- or tube-launched Cutlass, is a small, expendable UAS that has generated interest across all service branches.

L-3's full range of products and services for UAS platforms includes training and simulation and comprehensive operational support, as well as remote video terminals, video management systems, communications and data links, and electro-optical/infrared (EO/IR) and electronic warfare sensors that link ground troops to command and control hubs.

Electronic Systems

In late 2009, the Transportation Security Administration (TSA) awarded L-3 an ID/IQ contract to supply the agency with ProVision checkpoint screening systems. The contract followed a successful two-year development, test and deployment program. The ProVision system fits the TSA’s requirement to be easily and economically upgraded through software improvements to counter evolving threats, mitigate privacy concerns and meet other emerging requirements. International interest in ProVision is also strong, with significant orders from airports in Canada and the Netherlands.

L-3 expanded its leadership in fighter simulation and training in 2009, winning the contract to provide all F-16 training in the U.S., Europe and the Pacific for the U.S. Air Force. This multi-year contract to develop F-16 Mission Training Centers (MTC) marks the introduction of L-3’s HD World system, the most advanced high-fidelity simulation technology available today. The enhanced visual acuity of the F-16 MTC takes training to a new level, using high-definition technologies, physics-based processing systems and image creation to simulate an ultra-realistic urban warfare environment that surpasses the best gaming technologies.

In 2009, the U.S. Army awarded L-3 a follow-on contract for Combat Support Service Very Small Aperture Terminals (VSAT). These VSATs support the communications requirements of Army soldiers and other tactical and logistics units during operations. To date, the Army has fielded more than 3,000 of these terminals.

L-3 continues to expand its ground-based power systems business. In 2009, the demand for L-3’s Tactical

Quiet Generators remained strong to meet the needs of U.S. expeditionary forces located throughout the world. This has resulted in increased production rates that will continue to grow through 2010.

L-3’s EO/IR products and warrior systems business is in a strong position to support the surge strategy in Afghanistan, as well as U.S. law enforcement and security efforts. This business provides a complete portfolio of high-performance imaging products for soldier, ground, airborne and space systems applications. On the ground, L-3 sights, goggles and handheld imagers provide users with enhanced visual awareness.

The U.S. Army awarded L-3 a development contract to provide combat vehicle high-power electrical generators, which increase the power levels of the vehicle’s electrical systems and enhance overall mission capability. The first phase for the Integrated Starter Generator (ISG) is under way with L-3 developing and providing system prototypes. Under this program, L-3 is integrating a permanent magnet starter generator and the associated power electronics with the vehicle’s upgraded 800-horsepower L-3 transmission.

L-3 continued its long heritage of support to the U.S. Navy’s fleet of surface and undersea vessels. L-3 provided power equipment and automation systems for the Navy’s Littoral Combat Ship configurations and continued to deliver essential electrical equipment for its new Virginia-class submarine fleet. L-3 also provides equipment, management services and essential systems to allied navies, including the United Kingdom, Canada, India, Germany and the Republic of Korea.



L-3’s innovation in ground-based SIGINT platforms continues with technology enhancements on the Prophet program that include improved direction-finding antennas and the addition of a Wideband Beyond Line of Sight communication capability.



L-3’s ProVision advanced imaging technology detects concealed objects with a single two-second scan, creating a complete multidirectional view. This enables ProVision to scan 200–400 people per hour depending on the application.



L-3 is a leader in Electronically Controlled Active Suspension Systems (ECASS), which enable safer and faster transportation over harsh terrain.

Electronic Systems

The University of Washington selected L-3 to design, build and install Regional Scale Nodes for the National Science Foundation’s Ocean Observatories Initiative. The cabled ocean observing system will provide continuous data flow from subsea sensors, which will be processed and made available in near real time to researchers, public policy makers and educational programs to better study and understand complex ocean processes.

L-3’s SATCOM On-The-Move (SOTM) terminal was selected by the Marine Corps Systems Command for deployment on its Mobile Modular Command & Control (M2C2) vehicle. The M2C2 provides regimental commanders with the ability to receive and transmit vital battlefield information using satellite data links while in transit. The result of an urgent operational need, the M2C2 vehicle went from the drawing board to operational readiness in six months and is now supporting our troops in-theater.

L-3 continues to provide key technologies to the U.S. Army’s Warfighter Information Network-Tactical (WIN-T) program, which is responsible for upgrading the Army’s tactical communications backbone. L-3’s innovations in SATCOM terminal technology through the Network Centric Waveform and SOTM antennas will increase the high-capacity networking capability within the Army’s Brigade Combat Teams.

In 2009, the FAA selected ACSS, an L-3 Communications & Thales Company, to equip the US Airways A330 fleet with SafeRoute™ equipment and to assist with the implementation and certification of its NextGen Interval Management function. This SafeRoute function uses Automatic Dependent Surveillance-Broadcast (ADS-B) technology to improve situational awareness for pilots and enhance the aircraft’s operating efficiency in both the current and NextGen airspace environment. Also in 2009, Embraer selected ACSS’s latest TCAS 3000SP Collision Avoidance and ADS-B system as the standard for its E-Jet family of regional jets and new Embraer Phenom 300 light jet. Gulfstream also selected the TCAS 3000SP system for its new G650 aircraft and in-production G450 and G550 airplanes.

L-3 is a world leader in the design and manufacture of pulsed powered equipment to support above ground weapons effects testing and stockpile stewardship activities. In 2009, AWE, plc, which manages and operates the Atomic Weapons Establishment on behalf of the British government, awarded L-3 a major contract to supply the world’s most advanced Voltage Induction Adder machine to support weapons simulation testing.



L-3 was proud to provide vital components and systems for the USS New York (LPD 21), including the Machinery Control System, power distribution system, and alarm and announcing system. The LPD 21 was built with steel from the fallen World Trade Center.



The L-3 Cheetah is an auto-acquire flyaway VSAT system currently used in-theater to support the U.S. military. It provides secure connectivity for voice, data and video broadcast or conferencing and is capable of T1 data rates.



In 2009, L-3 continued to deliver essential products and equipment for the U.S. Navy’s Virginia-class submarine program.



BOARD OF DIRECTORS

Back (l. to r.): Thomas A. Corcoran, Arthur L. Simon, Lewis Kramer, Alan H. Washkowitz, John P. White and Claude R. Canizares
Front (l. to r.): General (Ret.) John M. Shalikashvili, Michael T. Strianese and Robert B. Millard

EXECUTIVE MANAGEMENT



Curtis Brunson
Executive Vice President
of Corporate Strategy
and Development



Steven M. Post
Senior Vice President,
General Counsel and
Corporate Secretary



Richard A. Cody
Vice President of
Washington Operations



Ralph G. D'Ambrosio
Vice President and
Chief Financial Officer

GROUP PRESIDENTS



James W. Dunn
Senior Vice President and
President of Sensors &
Simulation Group



Steve Kantor
Senior Vice President and
President of Marine &
Power Systems Group



John C. McNellis
Senior Vice President and
President of Integrated
Systems Group



Charles J. Schafer
Senior Vice President and
President of Products
Group



Carl E. Vuono
Senior Vice President
and President of L-3
Services Group



John S. Mega
Vice President and President of
Microwave Group



Susan D. Opp
Vice President and President of
Communication Systems Group

CORPORATE INFORMATION

Corporate Headquarters

You can contact the corporate headquarters by writing to:
L-3 Communications
600 Third Avenue
New York, NY 10016
or by calling 212-697-1111. To send a fax, dial 212-867-5249.

Corporate Information

News media, analysts, shareholders and others seeking corporate information about L-3 Communications should contact corporate communications at 212-697-1111.

Printed Materials

Printed financial and governance materials may be obtained without charge by calling (866) INFO-LLL (866-463-6555).

Internet

You can access quarterly and annual financial information, news releases and an overview of the company's products and services through the L-3 Communications Web site at www.L-3com.com.

Stock Exchange Listing

The common stock of L-3 Communications Holdings, Inc. is traded on the New York Stock Exchange (NYSE) under the symbol LLL.

Annual Meeting

The annual meeting of shareholders will be held at 2:30 p.m. on Tuesday, April 27, 2010, at The Ritz-Carlton New York, Battery Park, Two West Street, New York, NY.

Shareholder Assistance

If you have questions concerning your shareholder account, please contact the stock transfer agent:

Regular Mail

Computershare Trust Company, N.A.
P.O. Box 43078
Providence, RI 02940-3078

Overnight Deliveries

250 Royall Street
Canton, MA 02021

or call 877-282-1168 (781-575-2879 from outside the United States).

For the hearing impaired, the phone number is TDD: 800-952-9245.

You can also contact the stock transfer agent at its Web site at: www.computershare.com.

Equal Opportunity Employer

L-3 Communications is an equal opportunity employer and does not discriminate on the basis of age, race, sex, sexual orientation, creed, color, national origin, ancestry, marital status, disability or any other characteristic protected by law. All employment-related decisions are based solely on relevant competencies related to the position.

Safe Harbor Statement Under the Private Securities

Litigation Reform Act of 1995

Except for historical information contained herein, the matters set forth in this Annual Report are forward-looking statements. Statements 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 are forward-looking statements. The forward-looking statements set forth herein involve a number of risks and uncertainties that could cause actual results to differ materially from any such statement, including the risks and uncertainties discussed in the Company's Safe Harbor Compliance Statement for Forward-looking Statements included in the Company's recent filings, including Forms 10-K and 10-Q, with the Securities and Exchange Commission. The forward-looking statements speak only as of the date made, and the Company undertakes no obligation to update these forward-looking statements. For a discussion of 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, 2009.

Credits

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Design: Froeter Design Company, Chicago.

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Printed in the U.S.A.



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New York, NY 10016