Investor Financial Information

October 23, 2008

L-3 at a Glance

2007 Sales:	$14B
U.S. Defense Industry Rank:	6
Fortune 200 Company (2007 sales):	No. 182
Business Segments:	4
Funded Backlog (Sept. 26, 2008):	$11.3B
Employees:	>64,000

Business Profile

- Prime contractor in C^3ISR, AM&M and Government Services

- Supplier with broad product mix and balanced exposure to new platforms

- Participate in growing DoD segments
  - ISR, sensors and communications
  - simulation & training
  - SOF and ISR support services

- Participate in other major budgets

Sales by End Customer

($ in Billions)	2007 Actual	% of Total
Army	$3.8	27%
Air Force	2.7	19%
Navy / Marines	2.1	15%
Other Defense	1.7	13%
Total U.S. Military (DoD)	10.3	74%
Other, U.S. Government	0.8	6%
U.S. government	11.1	80%
Foreign governments	1.0	7%
Commercial - Foreign	1.1	8%
Commercial - Domestic	0.8	5%
Consolidated	$14.0	100%

Sales by Business Area (2008 Estimates)

($ in Billions)

C³ISR Segment	
ISR Systems	$1.3
Networked Communications	0.8
Secure Communications Products	0.4
Total	$2.5

Government Services Segment	
Training & Operational Support	$1.0
Command & Control Sys & Software	0.9
Intelligence Solutions	0.7
Global Security & Eng Solutions	0.6
Enterprise IT Solutions	0.6
Linguist Services	0.4
Total	$4.2

AM&M Segment	
Aircraft & Base Support	$1.3
Aircraft Modernization	1.3
Total	$2.6

Specialized Products Segment	
Power & Control Systems	$ 1.1
EO/IR	0.7
Microwave	0.7
Simulation & Training	0.6
Precision Engagement	0.5
Aviation Products	0.4
Security & Detection	0.3
Displays	0.3
Propulsion Systems	0.3
Telemetry & Advanced Tech	0.3
Undersea Warfare	0.2
Total	$ 5.4

2008 Sales Guidance ≥$14.7

Business Strategy

- Expand prime contractor and supplier positions
- Align R&D, CapEx and M&A with customer priorities
- Organic growth, plus M&A
- Favorable contract performance
- Continuous cost improvement
- Grow EPS and cash flow

Growth Drivers

- Program performance
- Proprietary technologies and R&D
- Services outside DoD
- International business
- Select acquisitions

Acquisition Objectives

- Add important new technologies, products, programs, customers, with <u>attractive returns</u>

- Areas of interest:
  - Content on ground vehicles
  - Intel, logistics and high-end services
  - Sensors, ISR and unmanned systems

- Acquisition pipeline -- many candidates, limited qualified ones

- Niche or larger acquisitions

External Environment

- General US Defense Themes
  - Sixth year of a "long war"
  - Highest dollar DoD budget since WWII
  - Supplementals continue
  - Force structure increase
  - Internal pressures growing

- US commitment to Iraq/GWOT continues

- Geopolitical scene increasing complexity

- Presidential election uncertainty

Q308 Selected Financial Data

($ in millions, except per share amounts)

	Q308 Actual	Q307 Actual	Increase (Decrease)
Sales	$3,662	$3,448	6%
Operating Margin	10.9%	10.8%	+10 bpts
Operating Income	$400	$371	8%
Tax Rate	37.1%	34.3%	+280 bpts
Diluted EPS	$1.73	$1.56	11%
Free Cash Flow	$340	$290	17%
Orders	$3,954	$3,595	10%
Book-to-Bill	1.08x	1.04x	
Backlog	$11,276	$9,544	18%

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

YTD08 Selected Financial Data

($ in millions, except per share amounts)

	YTD08 Actual*	YTD07 Actual	Increase (Decrease)
Sales	$10,890	$10,155	7%
Operating Margin	10.6%	10.4%	+20 bpts
Operating Income	$1,159	$1,052	10%
Tax Rate	36.7%	35.0%	+170 bpts
Diluted EPS	$4.94	$4.34	14%
Free Cash Flow	$897	$836	7%
Orders	$12,237	$10,923	12%
Book-to-Bill	1.12x	1.08x	
Backlog	$11,276	$9,544	18%

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

* Excludes Q2 Items - - Litigation Gain, Product Line Divestiture Gain and Impairment Charge

2008 Financial Guidance

($ in Billions, except per share amounts)

	2008 Guidance (Oct. 23, 2008)		
	GAAP	Excl. 2008 Items*	Growth*
Sales	≥ $14.7	≥ $14.7	5%
Operating Margin	11.4%	10.7%	+30 bpts
Tax Rate	36.6%	36.4%	+80 bpts
Diluted EPS	$7.47	$6.75	13%
Free Cash Flow	$1.2	$1.2	7%

Notes: (1) 2008 Guidance includes the Linguist-Iraq contract/subcontract (sales at ~$390M) and ~$250M of sales growth from business acquisitions, net of divestitures). Sales from acquired businesses, net of divestitures, are comprised of (i) sales from business and product line acquisitions that are included in L-3's actual results for less than 12 months, less (ii) sales from divested businesses and product lines included in L-3's actual results for 12 months prior to the divestitures.
(2) See Reconciliation of GAAP to Non-GAAP measurements.

* Excludes 2008 Items comprised of (i) Q2 2008 items that includes a litigation gain of $133M ($0.66 per share), a product line divestiture gain of $12M ($0.06 per share) and an impairment charge of $28M ($0.14 per share), and (ii) a gain of approximately $29M ($0.14 per share) for the divestiture of a business on October 8, 2008, which will be included in the results for the quarter ended December 31, 2008.

Summary

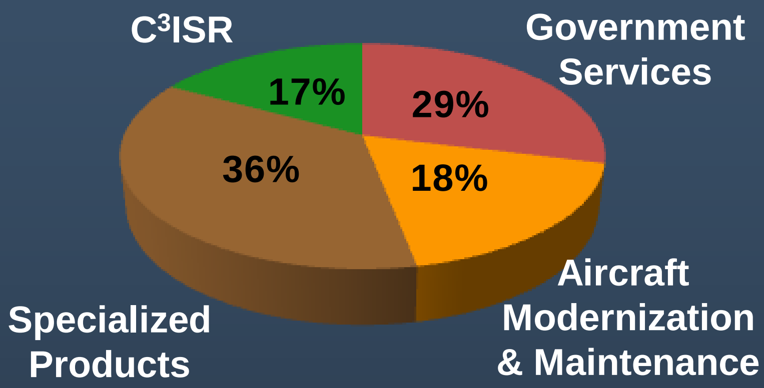
- Diversified business
- Sales visibility from existing business
- Grow EPS and cash flow, with good ROI
- Efficient use of debt in capital structure
- Ample resources to grow company
- Disciplined capital allocation
- Strong liquidity position

Supplemental Financial Data

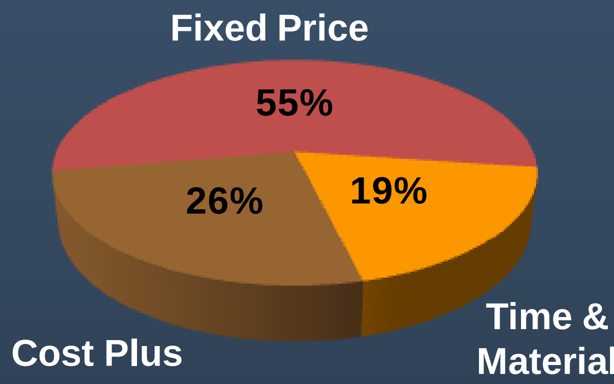
2008 Estimated Sales Mix

Products	**49%**
Services	**51%**

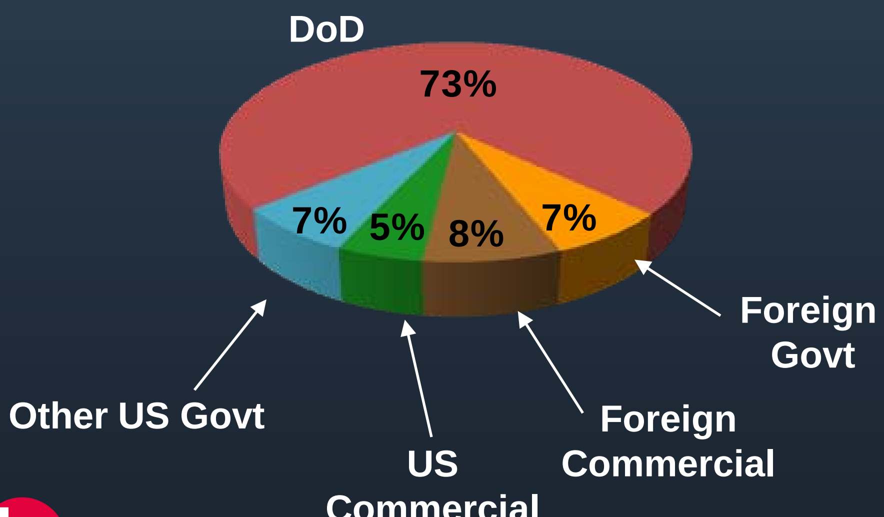
Segments



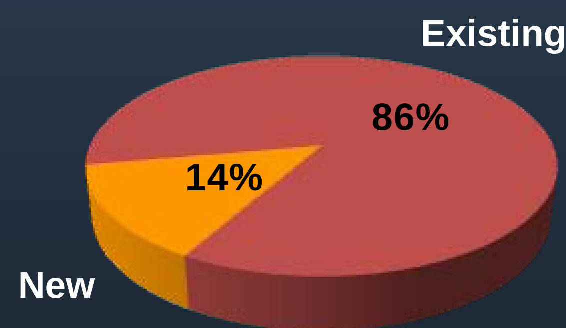
Contract Type



Funding Source



Business Type *



* Estimate at January 1, 2008.

2008 Segment Sales

($ in Billions)

Segment	2008 Guidance	2007 Actual	Increase (Decrease)
C^3ISR	$2.5 to $2.6	$2.3	8% to 9%
Government Services	$4.2 to $4.3	$4.3	-3% to -1%
	excluding Linguist		6% to 8%
AM&M	$2.6 to $2.7	$2.6	4% to 5%
Specialized Products	$5.3 to $5.4	$4.8	11% to 12%
Consolidated	≥ $14.7B	$14.0	5%
	excluding Linguist		8%

Notes: (1) 2008 Sales Guidance includes the Linguist-Iraq contract/subcontract (sales at ~$390M)
(2) 2008 Sales Guidance includes approximately $250M of sales growth from business acquisitions, net of divestitures. See 2008 Financial Guidance page for a definition of sales growth from business acquisitions, net of divestitures.

2008 Segment Operating Margin

Segment	2008 Guidance	2007 Actual
C^3ISR	10.4% to 10.6%	10.0%
Government Services	9.8% to 10.0%	9.3%
excluding Linguist	10.2% to 10.4%	10.0%
AM&M	9.3% to 9.6%	9.8%
Specialized Products*	11.8% to 12.0%	11.8%
Consolidated**	10.7%	10.4%
excluding Linguist	10.8%	10.6%

NOTE: See Reconciliation of GAAP to Non-GAAP measurements

* Excludes a product line divestiture gain of $12M and an impairment charge of $28M. Including these items, Operating Margin is 11.5% to 11.7%

** Excludes Q2 Items - a litigation gain of $126M, a product line divestiture gain of $12M and an impairment charge of $28M.

Free Cash Flow

($ in Millions)	2008 Guidance	2007 Actual
Net Income	$ 921	$ 756
Depreciation of PP&E	156	150
Amortization, Primarily Intangibles	54	57
Deferred Taxes	185 *	113
Stock-Based Compensation	200	177
OSI Litigation Liability	(131)	5
Operating Assets & Liabilities / Other	10	12
Capital Expenditures, net	(195)	(149)
Free Cash Flow	**$ 1,200**	**$ 1,121**

Notes: Assumes 2008 contributions of ~$65M to the company's pension plans.
See Reconciliation of GAAP to Non-GAAP measurements.

* Includes increase of $51M for a litigation gain and decrease of $10M for an impairment charge (see 2008 Financial Guidance page).

Capitalization and Leverage

($ in Millions)	9/26/08 Actual	12/31/08 Guidance	12/31/07 Actual
Cash	$ 857	$ 1,050	$ 780
Debt	$ 4,538	$ 4,538	$ 4,537
Minority Interest	87	87	87
Equity	6,175	6,325	5,989
Book Capitalization	$ 10,800	$ 10,950	$ 10,613
Debt/Book Capitalization	42.0%	41.4%	42.7%
Available Revolver	$ 957	$ 940	$ 794
Bank Leverage Ratio	2.2x	2.2x	2.3x

Note: Guidance amounts assume $725M share repurchases for 2008 and only completed business acquisitions.

Debt Analysis

($ in Millions)

	9/26/08 Actual	Type	Maturity Date	First / Next Redemption Date	First / Next Redemption Premium
Senior Debt:					
Revolver	$ -	Variable[1]	Mar 2010	n.a.	
Term Loans	650	Variable[1]	Mar 2010	n.a.	
Subtotal	$ 650				
Subordinated Debt:					
$7^{5}/_{8}$% Notes	$ 750	Fixed	Jun 2012	Jun 2008	2.542%
$6^{1}/_{8}$% Notes	400	Fixed	Jul 2013	Jul 2008	3.063%
$6^{1}/_{8}$% Notes	400	Fixed	Jan 2014	Jan 2009	3.063%
$5^{7}/_{8}$% Notes	650	Fixed	Jan 2015	Jan 2010	2.938%
$6^{3}/_{8}$% Notes	1,000	Fixed	Oct 2015	Oct 2010	3.188%
3% CODES	700	Fixed	Aug 2035	Feb 2011	0%[2]
Unamortized Discounts	(12)				
Subtotal	$3,888				
Total	$4,538				

(1) Currently LIBOR +0.875 bpts
(2) The contingent convertible notes (CODES) contain "puts" that holders can exercise on Feb 2011, Feb 2016, Feb 2021, Feb 2026 and Feb 2031 at a price of 100%.

Forward Looking Statements

Certain of the matters discussed in this presentation that are predictive in nature, that depend upon or refer to events or conditions or that include words such as ''expects,'' ''anticipates,'' ''intends,'' ''plans,'' ''believes,'' ''estimates,'' and similar expressions constitute forward-looking statements. Although we believe that these statements are based upon reasonable assumptions, including projections of total sales growth, sales growth from business acquisitions, organic sales growth, consolidated operating margins, total segment operating margins, interest expense, earnings, cash flow, research and development costs, working capital, capital expenditures and other projections, they are subject to several risks and uncertainties that are difficult to predict, and therefore, we can give no assurance that these statements will be achieved. Such statements will also be influenced by factors which include, among other things: our dependence on the defense industry and the business risks peculiar to that industry; our reliance on contracts with a limited number of agencies of, or contractors to, the U.S. Government and the possibility of termination of government contracts by unilateral government action or for failure to perform; the extensive legal and regulatory requirements surrounding our contracts with the U.S. or foreign governments and the results of any investigation of our contracts undertaken by the U.S. or foreign governments; our ability to retain our existing business and related contracts (revenue arrangements); our ability to successfully compete for and win new business and related contracts (revenue arrangements) and to win re-competitions of our existing contracts; our ability to identify and acquire additional businesses in the future with terms that are attractive to L-3 and to integrate acquired business operations; our ability to maintain and improve our consolidated operating margin and total segment operating margin in future periods; our ability to obtain future government contracts (revenue arrangements) on a timely basis; election year uncertainties; the availability of government funding or cost-cutting initiatives and changes in customer requirements for our products and services; our significant amount of debt and the restrictions contained in our debt agreements; our ability to continue to retain and train our existing employees and to recruit and hire new qualified and skilled employees as well as our ability to retain and hire employees with U.S. Government Security clearances; actual future interest rates, volatility and other assumptions used in the determination of pension benefits and stock options amounts; our collective bargaining agreements, our ability to successfully negotiate contracts with labor unions and our ability to favorably resolve labor disputes should they arise; the business, economic and political conditions in the markets in which we operate; global economic uncertainty and tightening of the credit markets; our ability to perform contracts on schedule; events beyond our control such as acts of terrorism; our international operations; our extensive use of fixed-price type contracts as compared to cost-reimbursable type and time-and-material type contracts; the rapid change of technology and high level of competition in the defense industry and the commercial industries in which our businesses participate; our introduction of new products into commercial markets or our investments in civil and commercial products or companies; the outcome of litigation matters; anticipated cost savings from business acquisitions not fully realized or realized within the expected time frame; Titan's compliance with its plea agreement and consent to entry of judgment with the U.S. Government relating to the Foreign Corrupt Practices Act, including Titan's ability to maintain its export licenses; ultimate resolution of contingent matters, claims and investigations relating to acquired businesses, and the impact on the final purchase price allocations; competitive pressure among companies in our industry; and the fair values of our assets, which can be impaired or reduced by other factors, some of which are discussed above.

For a discussion of other risks and uncertainties that could impair our results of operations or financial condition, see ''Part I — Item 1A — Risk Factors'' and Note 17 to our audited consolidated financial statements, included in our Annual Report on Form 10-K for the year ended Dec. 31, 2007.

Our forward-looking statements are not guarantees of future performance and the actual results or developments may differ materially from the expectations expressed in the forward-looking statements. As for the forward-looking statements that relate to future financial results and other projections, actual results will be different due to the inherent uncertainties of estimates, forecasts and projections and may be better or worse than projected and such differences could be material. Given these uncertainties, you should not place any reliance on these forward-looking statements. These forward-looking statements also represent our estimates and assumptions only as of the date that they were made. We expressly disclaim a duty to provide updates to these forward-looking statements, and the estimates and assumptions associated with them, after the date of this presentation to reflect events or changes in circumstances or changes in expectations or the occurrence of anticipated events.

Reconciliation of GAAP to Non-GAAP Measurements

($ in Millions, except per share data)		Q308 Actual	Q307 Actual	YTD 08 Actual	YTD 07 Actual	2008 Guidance	2007 Actual
Operating Income		$ 400		$1,269			
Add:	Impairment Charge	-		28			
Less:	Litigation Gain	-		(126)			
	Product Line Divestiture Gain	-		(12)			
Operating Income, excluding Q208 Items		$ 400		$1,159			
Operating Margin		10.9%		11.7%		11.4%	
Add:	Impairment Charge	-		0.2%		0.2%	
Less:	Litigation Gain	-		(1.2)%		(0.8)%	
	Product Line Divestiture Gain	-		(0.1)%		(0.1)%	
Operating Margin, excluding Q208 Items		10.9%		10.6%		10.7%	
Diluted earnings per share		$ 1.73		$ 5.51		$7.47	
Add:	Impairment Charge	-		0.14		0.14	
Less:	Litigation Gain	-		(0.65)		(0.66)	
	Product Line Divestiture Gain	-		(0.06)		(0.06)	
	Business Divestiture Gain	-		-		(0.14)	
Diluted earnings per share excluding Items		$ 1.73		$ 4.94		$ 6.75	
Net cash from operating activities		$ 403	$ 324	$1,031	$ 935	$ 1,395	$ 1,270
Less:	Capital expenditures	(63)	(34)	(139)	(101)	(205)	(157)
Add:	Dispositions of property, plant and equipment	-	-	5	2	10	8
Free cash flow		$ 340	$ 290	$ 897	$ 836	$ 1,200	$ 1,121

L3