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CORPORATE PARTICIPANTS

Chris Kubasik *L-3 Communications Holdings, Inc. - President and CEO*

Ralph D'Ambrosio *L-3 Communications Holdings, Inc. - SVP and CFO*

CONFERENCE CALL PARTICIPANTS

Myles Walton *Deutsche Bank - Analyst*

PRESENTATION

Myles Walton - *Deutsche Bank - Analyst*

Great. I'd think we'll go ahead and get started. It is a pleasure to have with us today L-3 Communications as our next company presenting. My name is Myles Walton. I'm the aerospace defense analyst here at Deutsche Bank. Presenting for L-3 will be Chris Kubasik and Ralph D'Ambrosio. Chris is new to L-3 but not to the A&D market and the A&D circuits. He has a long distinguished career at Lockheed Martin and then took the lead at Seabury for a couple of years as well before returning to public company's interaction with guys like you and me. And he came on board in October of last year and is President and CEO. And Ralph has been with L-3 since the beginning of L-3 when it was spun out of Lockheed back in 1997. So both of these guys offer a great perspective on the defense industry, the landscape, and L-3.

So, with that, Chris has a brief set of slides and an explanation of what L-3 is and where it is going. Thanks, Chris.

Chris Kubasik - *L-3 Communications Holdings, Inc. - President and CEO*

Thank you. Well, thank you, Myles, and good morning, everyone. It's a pleasure to be here and represent the 38,000 employees of L-3 who are working every day to keep our nation and our citizens safe.

Starting with the Safe Harbor statement, obviously if we see any of you guys reading this in the next 30 minutes, we will know that Ralph and I have lost your attention.

So let me get started with my perspective. As Myles said, I joined L-3 seven months ago. Mike Strianese, our CEO, asked me to come on board and help accelerate a lot of the initiatives that he and others had put in place. As you know, L-3 from a top-line perspective had been declining since 2011 for two reasons. The defense budget was on a decline for the prior five years, and L-3 had started a portfolio shaping process, starting with the announcement of the Engility spin in 2011. I'm here to tell you that we've completed all of our divestitures and do not anticipate any significant portfolio shaping going forward. In fact, we are focused on returning to top and bottom line growth for the foreseeable future.

I think L-3 is a unique company in this space, and over the next 30 minutes or so, we want to try to highlight some of the things that I think make this a different story than the rest of the industry.

The first thing is our customers. About 50% of our revenue is a result of us being a prime contractor to the end-users. About 30% is a subcontractor. 20% is a merchant supplier, which is originally our heritage, and I think that's a unique distribution. It's something that gives us a fair amount of flexibility as we execute our growth strategies.

The three large markets we are in -- I will talk a little bit more, the DOD. We also have exposure to commercial, aerospace, and we are in the security and detection business. So, as you guys and ladies fly home, I am sure you will see a couple of our machines at the airport.

Organic growth, just to highlight, we are not adverse to spending our R&D money. In fact, 2.5% of our revenue is spent in R&D. It's a 10% increase this year over the prior year, and I will highlight some of the things we're focused on and we are looking at how best to grow inorganically. I think Ralph and the team have done an excellent job in the capital deployment over the years. But, clearly, we are looking to do some good acquisitions.



And I'll tell you now, we have about a dozen that are in some form of evaluation, and they vary in size from maybe \$25 million to \$300 million, and I think we all know probably one or two we'll get through the whole process.

But we do have an active pipeline. At the end of the day, we are looking to grow. Our operating income comes through a few varieties. None of us are satisfied with our margins. So we are continuing to look on increasing those margins, but we are also looking to grow the earnings in several unique opportunities in this industry where we will bid and have bid on contracts that are dilutive to our margins, but we like to look at the ROIC implications as well and balance those two as we look to grow.

And I would say for my seven months, it's a very unique culture, and I think that is something that is special at L-3. It is very fast-moving, it is very entrepreneurial, and the collaboration and teamwork is something that I think distinguishes us. So it's been a good seven months and a lot of work to do, but I think we are off to a good start.

Real quickly through the markets, like I said, the government market we all know is growing mid single digits after five years of decline. We get about 35% of our funding through the investment accounts, and again, something that I think is a little unique is about 65% of our revenue in the DOD business comes from operations and maintenance. So when you look at our training business, you look at what we're doing with readiness, spares, and repairs, those are the sources, and usually you'll see that that money comes through our financials a little quicker, especially with any kind of surge.

Classified budgets are the largest budget item in the DOD, and those are growing. And this is an area where we are increasing our focus. Several years ago we set up something known as the Patriot Works. This is where we do a lot of our classified work, our R&D, our initial programs that are aligned with the third offset strategy that you've heard about, and there's lots of companies that have similar sounding organizations, but ours is the Patriot Works.

One thing that I think is quite interesting, there is an annual review by the government for those companies that protect the security of the nation and sensitive data. It's called a Cogswell Award, and we are quite proud that last week we received four out of 42 awards for the country. 10% came to L-3. Usually less than 1/10 of 1% of any facility even is eligible for such awards. So it is an indication that we know what we are doing when it comes to security. I think it's a huge positive for our customer and should position us to grow.

Internationally, we have the same threats globally as we do here in the US. We know about the price of oil and how has impacted certain regions. At the end of the day, it's a flat market. The only way we're going to grow is to take other people's business. Our products and offerings are relatively inexpensive compared to a large platform. And it ultimately comes down to the customers' needs. What is nice to have and what they actually need to protect their citizens.

So I think we have a nice portfolio. It's an area that I think we can do better in. Dave Van Buren, who many of you may know from the Air Force, joined us four years ago. He and I have a fair amount of international contacts, and we will be continuing to travel to look for opportunities, to build the relationships, and make some sales. Like everybody, it's a relationship business. So we have a local country presence as our strategy, and we just recently opened a couple new corporate offices in Brazil and India in addition to the ones we already had.

Another unique aspect is our exposure to the commercial market. About 15% of our top line. These are solid double-digit margin businesses. Ralph can quantify that for you, but you see the exposure to the commercial aero business again with the training, with the avionics, with security. The RF microwave and power is mainly wireless providers are our customers along with the commercial sats, and the other includes a host of things, including head of state and EOTech.

Let me just go through each segment quickly. We have one chart on each. We put a lot of data on this for you, but the top right corner are the sectors, so electronics run by Steve Kantor at six sectors. We have the end market and then some financial data. Nothing new on these charts, but a good reference.



This is our largest sector. It has the highest margins, I think mainly as a result of the international and commercial exposure. And this was the one that went through the most portfolio shaping over the last couple of years, except for the NSS divestiture and we think has the opportunity to continue to improve both the top line and the bottom line.

Aerospace has had some difficulties the past couple of years. There have been lots of changes made prior to my arrival, and since there have been leadership changes starting at the top of the group in a couple of the sectors. As you saw, we had a good first quarter. There's still a lot of work to do in this area, but we are pleased with the progress and some of the new systems and processes that we've put in place.

Vertex Aerospace is our logistics business. You may have read that we have recently won a \$1.9 billion contract for the KC-10 tankers. That's a big win for us and something that is going to help grow the base of Vertex and ultimately aerospace.

And then finally, communications systems. This has the largest exposure to the investment accounts, and we will talk more about this in the Q&A, if you want. But you can see it's got four sectors and pretty solid financials.

In this one, we recently announced our largest consolidation a couple months ago. We are moving the facility from Northern California to Southern California. The only instance that I am aware of where we actually have two facilities with similar products, traveling wave tubes, so this will be about an 18-month process involving 400 people, a pretty big consolidation, and the first one we've done since maybe 2012 when we put our fusing and ordinance together. So we will continue to look for opportunities like this. None are in the foreseeable future, but we want to get through this, and of course, there will be cost savings going forward.

Financial guidance, no change here. Just highlighting the 130 basis point improvement that we talked about earlier in the year. And, again, the focus here for me on the team is to grow that operating income through the various avenues of M&A, organic growth, and margin improvement.

So just to wrap it up, the markets we are in are growing. We are investing \$0.25 billion in R&D. We have products such as early in the development, digital night vision goggles, which are kind of the Holy Grail, and we've made some good progress there. More to go. We have some small form factors. SAR radars as an example. We are talking about our security and detection. We have the technology where you can actually speed up those long lines by not taking your liquids out of your bags because the machine can actually tell the difference between shampoo or whatever you guys are carrying in those briefcases and luggage, and we have also invested in some unmanned vehicles just generically.

We've had great cash conversion over the years, and what we would like to do is open it up to Q&A. So appreciate everybody being here.

Myles Walton - *Deutsche Bank - Analyst*

Okay. Thanks, Chris. Go ahead and do it conversation style. As you have questions in the audience, raise your hand and I will draw you into the conversation.

I was hoping to just first start off with you went through the three segments, and I think one of the questions that the investors have is, of those three segments, what is the best in terms of opportunity for growth, margin expansion, and profitability from where you sit today and some of that?

Chris Kubasik - *L-3 Communications Holdings, Inc. - President and CEO*

Yes, I think all three have opportunities, and that's the way we approach it as a continuous improvement mindset. I think even though electronics has pretty good margins, we are not satisfied with that, and we're looking for them to get more in the 13% to 14% range longer-term. We have the international exposure and the commercial as well. So we talk about commercial aero. In there is our civil training business. I think one of our crown jewels that may not be fully appreciated is our training business. We have about \$800 million of annual revenue, both military and commercial airlines, and think that's a good margin business. I think ultimately everything that we've read -- pilot shortage is a potential risk to the up cycle



and the decades ahead, and we believe that you're going to need more simulators, more trainers, and we would like where we are. In fact, maybe a couple of those 12 acquisitions are in that spot as an example.

Nobody is satisfied at all with the aero margins, and the last couple of years have been difficult for the Company in that area. We made changes. In fact, Ralph, Mike and I spent all day with the aero team yesterday going through some growth opportunities. So I clearly think that that's a business that can do better. We have talked publicly about high single digits. Again, I want to emphasize we look at the ROIC as an important metric, especially in these logistics and service businesses as a way to growth, and comms as a merchant supplier in some regards. It's kind of been a unique position to have good returns and continue to grow.

Ralph, did you want to add anything or --?

Ralph D'Ambrosio - *L-3 Communications Holdings, Inc. - SVP and CFO*

Sure Chris. As Chris just said, we are focused on improving the margins in all three segments, as well as growing the top line in all three. And on the margins, at least as early as two years ago, we articulated some targets for margins for 2017. In electronic systems we said 13% to 14% for next year, and I think we are comfortably going to be at the low-end of that.

In communications systems, we said 10% to 11% for 2017, and we are in the middle of that range in 2016 per our guidance. So I think we are on track to get to the high-end of that by next year. And, as Chris said, high single digits in aerospace system segment. We are presently at 7% this year, and our path to get to the higher margins are growing the top line in all three of the sectors there, and just today we announced a very significant win on the KC-10 new business contract for us. So that's an item to get to those there, as well as over the next few years growing the international ISR business, and continuing to improve the program performance in that segment, and we saw a lot of that in the first quarter of this year. So we think we are clearly on the path to an improving aerospace system segment and improving the entire Company. As Chris said, the continuous improvement mindset that we are all managing the Company for.

Myles Walton - *Deutsche Bank - Analyst*

And on the ES side, how much of the opportunity to get to the higher end of the 13% to 14% is market driven versus what you can actually do from a comp savings consolidation perspective? It sounds like the aero business in particular is maybe a little bit more performance and lead-off of contracts over time. Is aero more of a story of product mix and waiting for cooperative conference?

Chris Kubasik - *L-3 Communications Holdings, Inc. - President and CEO*

Well, clearly, the market is going to help us, but I think we are a little more innovative there when it comes to business models. We talk about the flight simulators, especially in the commercial business. A lot of the airlines are no longer investing the capital. I call it more of a power by the hour type concept. Our location is over in London. Mike and I were there a few months ago, and one of the perks of the job is you get to fly simulators, but they were booked 24/7. We couldn't even get in our own simulator, and we would never kick out a paying customer.

So the business model there is changing. We are investing capital to get to higher margins. Where five or 10 years ago, you just hold a simulator for \$5 million or \$6 million, make your double-digit margins and moved on. So I think that is helpful.

I talked about the physical move of the EDD to ETI, having the organizations on the traveling wave tubes. But there are things we are looking at in electronics which would be common systems or what I would call more of an organizational restructure where maybe you have a president, and he or she is leading three or four units instead of each having its own leadership, its own CFO, its own HR executive. So we are trying to do things there that make smart decisions that don't break the business.

Myles Walton - *Deutsche Bank - Analyst*

And then as it relates to growth versus margins, the opportunity in each of the businesses to grow at pace with the underlying defense budget, any comments on the priority or rank order maybe?

Chris Kubasik - *L-3 Communications Holdings, Inc. - President and CEO*

Yes, I think that maybe -- well, we will start with communications. John Mega runs our communication business. He's been doing that for a while. I think as a merchant supplier, we tend to ride the tide a little bit in that arena. We are making significant investments in secure communications, and we talk about all these platforms, whether they are new platforms, old platforms that are getting modified and upgraded. They ultimately have to be interoperable and have the ability to communicate and work together, and I think that's kind of a unique -- a unique aspect, and I think we have more secure waveforms than probably any other organization in the world, at least here in the US. So that is kind of a unique area that I think is going to become more and more important.

There's a lot of recapitalization at aerospace systems on the horizon over the next couple of years, both domestically and internationally. You are seeing that a lot of these ISR platforms are migrating from the larger aircraft to business jets to have longer range and dwell time. So it's a miniaturization of some of these electronic systems. You are kind of seeing a change there, and I like our position and our platform agnostic approach. We try to align with a platform that is best for our customer and then work with those OEMs.

And then electronics, I probably should have mentioned we have 2500 different contracts at L-3, which is a great thing for diversity, but makes it hard to point to that one item that we are known for. So we are trying to tighten up the story to let you know exactly what we do in that area.

Myles Walton - *Deutsche Bank - Analyst*

So you have got the KC-10 order -- or award, excuse me, and it is probably running \$200 million a year once it gets turned on. I mentioned that wasn't in the guidance or at least not entirely for the duration that you might have it for this year. Is that a fair assumption? And also, from a growth perspective, does it almost lock in aero to be the fastest growth segment in 2017?

Ralph D'Ambrosio - *L-3 Communications Holdings, Inc. - SVP and CFO*

Clearly we were carrying that as an upside opportunity for this year. So it's not in the guidance, and it doesn't really begin in earnest until the beginning of 2017. There is a six-month phase in period where we transition with the old contractor to ourselves with a really minimal revenue. So it becomes a growth driver, a revenue adder in 2017.

Myles Walton - *Deutsche Bank - Analyst*

So that's pretty much locked in aero as a top growth driver?

Chris Kubasik - *L-3 Communications Holdings, Inc. - President and CEO*

Organically? Yes, probably from an organic perspective. But, like I mentioned, we're still looking at inorganic growth. I think that is fair, and that will be part of our logistics for tax aerospace, which has these large opportunities for the incumbents on Fort Rucker, so that will be re-competed in about 12 to 18 months. So, of course, we like our position there, and there is an \$8 billion opportunity at SOFSA, special ops. We are putting together a team. Pretty confident. The incumbent, Lockheed, will be bidding it. We will be leading a team, and I think we suspect it's three or four others that will jump into that fray as well.

Myles Walton - *Deutsche Bank - Analyst*

What's the timing for that?

Chris Kubasik - *L-3 Communications Holdings, Inc. - President and CEO*

I guess we are expecting -- could be early 2017. Maybe RFP -- draft RFPs are out. We are working on that real time. That was one of our items we spent time on yesterday. So --

Myles Walton - *Deutsche Bank - Analyst*

So, Chris, you're coming to the organization over the last seven months. You get to take a fresh look at it. What is your observation in terms of the most underappreciated aspects of the business externally? Because externally, all three is -- it's got a lot of moving parts. We've already described a lot of them, and even though you put a simple product story together, it is still a lot of moving parts. So being inside, what do you think is the most underappreciated asset?

Chris Kubasik - *L-3 Communications Holdings, Inc. - President and CEO*

That's a fair point, and I am working on the story. So not to worry. We will get to that, Myles. But we do have 86 different locations that I've been able to find. I think Ralph assures me I found most of them. So that gives you the breadth and depth and complexity, which is why the 137 acquisitions that formed L-3 over the last 19 years is kind of unique, and we do try to keep that entrepreneurial spirit on a couple -- and I'll get to your question. In a couple of these acquisitions, I have talked to the CEOs, and they like the fact that they will still be able to run their business. There will be appropriate oversight and integration, and they send Ralph monthly financials and subject to our reviews. But I think it's special and something that they like.

A couple things that come in -- I alluded to the training business. I really liked the training at \$800 million year and the need for both military training as a lower cost alternative than flying planes real time. And then, of course, the commercial pilot training is quite good. We have a facility in Gatwick, we have one in Bangkok. We are looking at some acquisitions, and the power by hour business model, I think, makes a lot of sense.

I also like, on my electronics chart, about 10% of our electronics Warrior Systems. I think we are in basically every program dealing with light vision goggles or optics, which is quite good, and I guess I will throw in our aerospace vertex business as being underappreciated, which probably surprises you given its low margins. But, as I look at this, you can buy a product once, and we all know you spend 3 to 4 times that sustaining and modifying that over the life. And our leader there, Mark Von Schwarz, and I talk about this on a regular basis. But our customers rely on companies like L-3 to make sure that these platforms are available and we are meeting our mission success rates, and it's going to be critical, especially given the threats around the world.

Those are my top three. I'm sure Ralph has one or two. Ralph?

Ralph D'Ambrosio - *L-3 Communications Holdings, Inc. - SVP and CFO*

I'll add one.

Chris Kubasik - *L-3 Communications Holdings, Inc. - President and CEO*

Add one, yes (inaudible)



Ralph D'Ambrosio - L-3 Communications Holdings, Inc. - SVP and CFO

As Chris was explaining, we look at our -- we have three segments which are comprised of 13 sectors, and they are all very relevant in terms of providing our customers with mission-critical solutions, and one of the items in our power & propulsion systems business in electronic systems is the work that we do on the naval power systems. And that is equipment used to distribute, condition, and protect power. We have positions virtually on every naval platform, surface, and submarine, and we see very good growth on those platforms as evidenced by the budgets for them the next several years. And that's an example of another item of L-3 that is underappreciated.

We probably do about \$3 million to \$350 million a year in sales in that area, and we see that growing nicely. And the margins are strong over the next few years.

Chris Kubasik - L-3 Communications Holdings, Inc. - President and CEO

We gave you four.

Myles Walton - Deutsche Bank - Analyst

So you talked about your pipeline ordeal (inaudible) pipeline contextualize what was it 12 months ago or seven months ago. Is it higher or lower?

Chris Kubasik - L-3 Communications Holdings, Inc. - President and CEO

I didn't even know where my office was seven months ago. I would say higher. (multiple speakers)

Ralph D'Ambrosio - L-3 Communications Holdings, Inc. - SVP and CFO

Definitely higher.

Chris Kubasik - L-3 Communications Holdings, Inc. - President and CEO

Definitely higher.

Myles Walton - Deutsche Bank - Analyst

And the range? \$25 million to \$300 million in terms of aperture? Is it bigger?

Chris Kubasik - L-3 Communications Holdings, Inc. - President and CEO

Than before? Yes. I think probably. I mean things are opportunistic right, so we -- it's got to be more, and I think it's got to be bigger. We are trying to protect our investment grade rating. We've been pretty clear on that. Ralph repaid some debt to protect that. When we look at the potential, it's maybe \$1 billion of fire power over the next two years at the expense of share repos obviously.

But, like I said, we've all done this for decades, and the reality is probably two or three of these things get done. But I've got a couple that we are looking at and I mentioned the training side. I got a couple in the security and detection, and the majority are in defense. I think there's one international -- maybe a little vague since we are still either doing due diligence negotiating or looking at them.



Myles Walton - *Deutsche Bank - Analyst*

But, so, as you roll up the Company to the aggregate level, are you now comfortably in a 3% or 4% organic plus additive with M&A, or is it a couple percent organic with additive M&A?

Ralph D'Ambrosio - *L-3 Communications Holdings, Inc. - SVP and CFO*

Well, clearly I'm more comfortable with a couple of percent organic growth profile. That squares with what we see happening in the US defense budget the next several years. We think it's going to be at least a low single-digit growth situation in our DOD business.

Chris Kubasik - *L-3 Communications Holdings, Inc. - President and CEO*

So I'll just chime in. A lot of people have asked about margins. I think the expectation when I joined was I would be on some sort of cost-cutting frenzy, and believe me, we are looking at things -- at ways to do things smarter. But ultimately in this industry, you're better off growing the total earnings and having a larger base, so -- and maybe that's what I thought I would be doing and I am, but I'm spending a lot more time on the strategy with the M&A side and the growth, and the international contacts that Dave and I have are being accessed. The classified stuff is -- which I know everybody sits here and says classified and they can't tell you anything, but add me to the list of people that will do that as well.

Myles Walton - *Deutsche Bank - Analyst*

And if there are questions, raise your hands, and I will draw you in. You mentioned international, one of the clients that you actually classified it as flattish, and I think you are probably the first (inaudible) to classify international as flattish. Is that a characterization of what you are seeing right now or what you are --

Chris Kubasik - *L-3 Communications Holdings, Inc. - President and CEO*

No, it is at the market. I see the market as flat. The defense budgets of these countries is flattish some of them don't publish their budgets, but what is everybody else saying?

Myles Walton - *Deutsche Bank - Analyst*

Everybody wants to be towards international defense growth.

Chris Kubasik - *L-3 Communications Holdings, Inc. - President and CEO*

Okay. Well, I think the addressable market is flat, but we are going to take market share from other people, and that's how we're going to grow. But, if it's growing, that's a bonus. So I haven't seen it underperform.

Myles Walton - *Deutsche Bank - Analyst*

As you look look at the programmatic performance of the portfolio, there has been a couple things you had to deal with over the last year and a half or so. Can you update us on when the risk retirements and (inaudible) kind of goes away for EOTech? A couple of technical issues you are still trying to resolve.

Ralph D'Ambrosio - *L-3 Communications Holdings, Inc. - SVP and CFO*

Sure. So, as Chris said, yesterday Mike, Chris, and I spent a lot of time with the aerospace systems management team, reviewing all their major programs. So you can be sure that included where we stand on the head of state programs, and what we reviewed with them is that we are on track to the -- with the estimates that we developed about a year ago. So that means the performance on the programs have stabilized, and we continue to expect to deliver one of the aircraft this year and the next two in 2017. And that would complete the work on those three jobs.

Myles Walton - *Deutsche Bank - Analyst*

And EOTech?

Ralph D'Ambrosio - *L-3 Communications Holdings, Inc. - SVP and CFO*

EOTech? As you know, we adjusted our product returns allowance in the first quarter, increasing it by \$15 million. And that is a voluntary return program that we implemented the end of last year to essentially take care of our customers. It's not a recall. It's a voluntary return program, and we will be updating everyone on that when we report our results for the second quarter at the end of next month.

Chris Kubasik - *L-3 Communications Holdings, Inc. - President and CEO*

And on the technical side, our head of state have been -- just down in Waco, Texas a couple times, and going back to the small team, I think it's August 1 and 2. Actually I know it's August 1 and 2. And Mark and I and the team are going to do a couple day review and go through the open items. We think we are pretty much done with the first aircraft, and hopefully we will be making that delivery in the months ahead and then check the status of the prior two.

On EOTech, we were up in Michigan with again a team looking at -- there were two issues known as thermal drift and parallax, and we think we've made the appropriate changes in the supply chain and the assembly process to address those. And I said, I think, in April that we will be rolling out new products here in the weeks and months ahead on that.

So once the problems are identified, you can get on them and fix them, and the key will be having the culture, which I believe we have, to elevate these issues and questions in a timely manner so we can address them.

Myles Walton - *Deutsche Bank - Analyst*

Okay. And the head of state strategy in that market, is that a market you want to be in or market that you don't want to be in?

Chris Kubasik - *L-3 Communications Holdings, Inc. - President and CEO*

I'm undecided. I'm still trying to learn more about it, but we are committed to finish these three and (inaudible) we are definitely aiming for the next 18 months.

Ralph D'Ambrosio - *L-3 Communications Holdings, Inc. - SVP and CFO*

And I --

Chris Kubasik - *L-3 Communications Holdings, Inc. - President and CEO*

With a long track record there right?



Ralph D'Ambrosio - *L-3 Communications Holdings, Inc. - SVP and CFO*

We do have a very long track record there. The business is very sporadic or cyclical, and it's not work that we do year in and year out. This is based upon when those head of state customers procure aircraft, which are typically every 10 to 15 years. But I would say clearly, I don't see us accepting any work in that area on terms similar to what we have on the three contracts in terms of fixed-price work with very onerous acceptance criteria that really unfavorably advantages the customer. And so we need something that is more objective when it comes to customer acceptance. So -- and that's how -- one of the ways we will avoid getting into additional trouble on work like that.

Myles Walton - *Deutsche Bank - Analyst*

Great. Well, I think that wraps up the time and the conversations. Thanks, again.

Chris Kubasik - *L-3 Communications Holdings, Inc. - President and CEO*

Thank you.

Ralph D'Ambrosio - *L-3 Communications Holdings, Inc. - SVP and CFO*

Thank you.

Myles Walton - *Deutsche Bank - Analyst*

Thank you all for joining us.

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