

# 2016 Investor Conference

## Company Overview

December 6, 2016

**Michael T. Strianese**  
Chairman and  
Chief Executive Officer

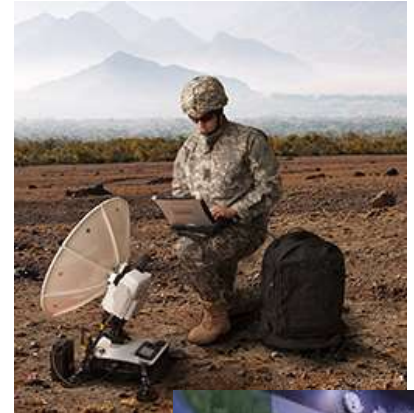
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This presentation consists of L-3 Communications Corporation general capabilities and administrative information that does not contain controlled technical data as defined within the International Traffic in Arms (ITAR) Part 120.10 or Export Administration Regulations (EAR) Part 734.7-11.



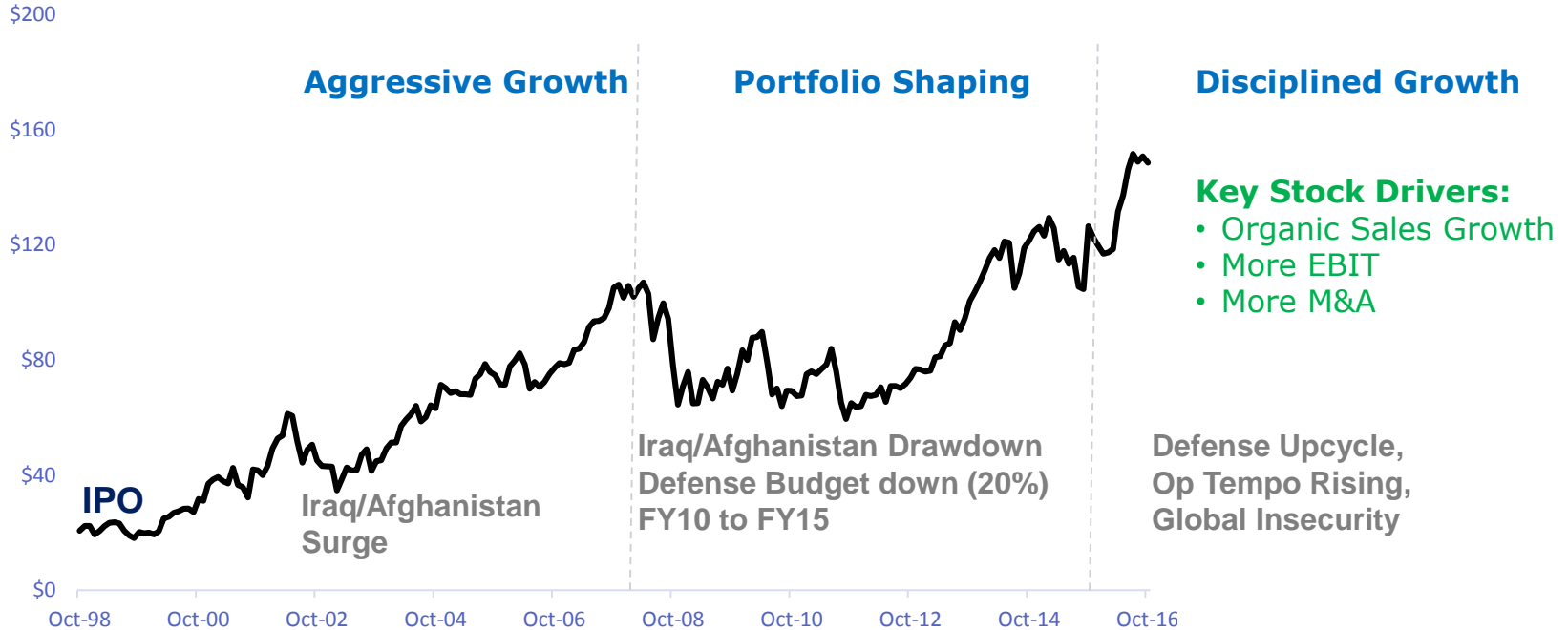
# L-3 at a Glance

- **Leading positions in select aerospace and defense markets**
- **Prime contractor: ISR systems, aircraft sustainment, training & simulation, night vision**
- **Supplier: electronic and communication systems**
- **Strategic objectives:**
  - Provide innovative solutions for our customers
  - Expand our market positions and unique capabilities
  - Disciplined growth
  - Perform with excellence, integrity and accountability
  - Increase value for all stakeholders



# New Defense Upcycle

**Historical Stock Performance**  
1998-2016 YTD



# 2016 Highlights

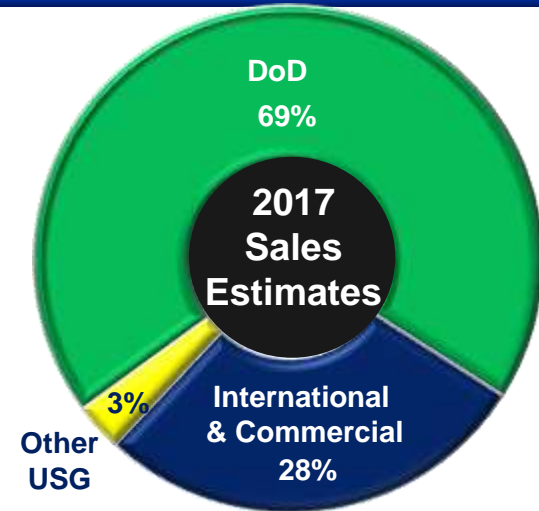
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- **Increased margins, operating income and EPS vs. 2015**
- **Delivered first VIP Head-of-State aircraft**
- **Divested NSS**
- **Acquired ATM, Microe, Aerosim and MacDonald Humfrey**
- **Won several strategic new business awards**



# U.S. Government Markets

- Geopolitical conditions support increased military
- DoD budget upcycle beginning FY16
  - anticipate upcycle 2 to 3% growth, more sequester trimming and OCO relief
  - classified budgets expanding and growing
- Higher defense spending expected under Trump Administration
- Select L-3 capabilities: secure communications, ISR systems, sensors, night vision, naval systems, readiness support, SOF

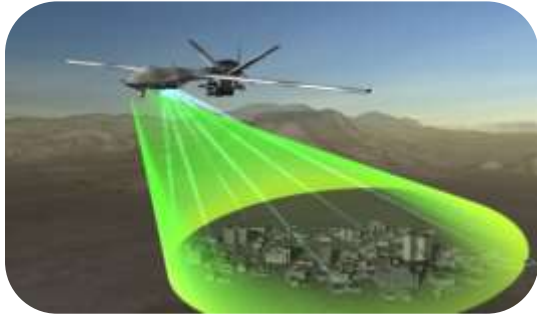


# International & Commercial

- **Affected by global economic and security conditions**
- **International** - - large addressable market
  - ISR, simulators, comm systems, night vision, aviation security, sensors
  - near-term softness in ISR systems
  - increasing BD efforts
- **Commercial** - - favorable long-term fundamentals
  - avionics, aviation training & simulation, aviation security, RF microwave & power



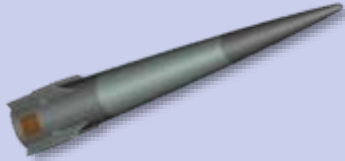
# Growth Area and Opportunities



# DoD Technology Acquisition Trends

## OSD

Strategic Capabilities Office  
Defense Innovation Advisory Board  
DASD Rapid Reaction Technology Office



## Air Force

Rapid  
Capabilities  
Office



## Navy

Maritime  
Accelerated  
Capabilities  
Office



## Army

Rapid  
Capabilities  
Office



## Agencies

SOCOM  
SOFWERX  
DARPA





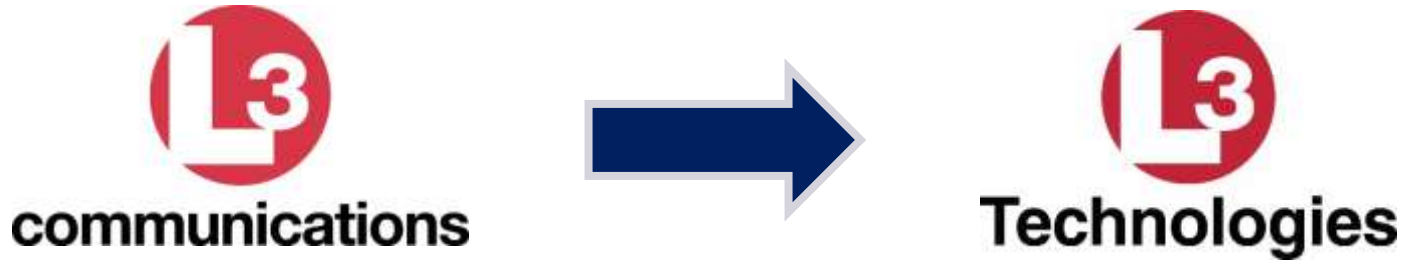
# Cash Deployment - - 2016

- **IRAD - - ~2.5% of sales**
- **Capital Expenditures, net - - \$205 million**
- **Debt Repayments - - \$298 million**
- **Dividends \$220 million... 12th annual increase**
- **Share repurchases - - \$373 million**
- **Acquisitions - - \$387 million**



# L3 Technologies, Inc.

- L-3 Communications Corporation will change its name to **L3 Technologies, Inc.** effective Dec. 31, 2016.
  - Capitalizes on our brand equity and better reflects who we are today and how we are positioned for the future.



- Ticker symbol will remain the same (NYSE:LLL)
- Website and emails will change to **L3T.com** on Jan. 3, 2017

# Summary: Solid 2016, 2017 Looking Good

- **DoD budget upcycle beginning**
- **Affordable solutions & technologies aligned with customer priorities**
- **Focused on satisfying customers... growing sales, margin and EPS**
- **Generating robust cash flow... deploying cash for disciplined growth**



