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L-3 Communications Acquires Nautronix Defence Group; Leader in Marine Mine Warfare and Anti-Submarine Warfare Systems and Products

NEW YORK--(BUSINESS WIRE)--June 15, 2006--L-3 Communications (NYSE: LLL) announced today that on June 1, 2006 it completed the acquisition of Nautronix Defence Group, a leader in mine warfare and anti-submarine warfare (ASW) systems and products, from Nautronix Holdings, PLC, headquartered in Aberdeen, Scotland, for \$65 million in cash plus the potential for an additional \$6 million earnout that is contingent upon the business's post-acquisition financial performance and contract awards through 2010. The business will be renamed L-3 Communications Nautronix Holdings, Inc. (L-3 Nautronix) and will be included in L-3's Sensors and Simulation Group, which is included in L-3's Specialized Products reportable segment.

The business is expected to add approximately \$25 million to L-3's estimated sales for the year ending December 31, 2006, and to be slightly accretive to L-3's 2006 earnings.

L-3 Nautronix is a leader in through-water communications, acoustic ranges and positioning technology. L-3 Nautronix operations in Fremantle, Australia (to be renamed L-3 Communications Nautronix Ltd.) provide wireless long range underwater communications (HAIL), portable undersea test ranges, diver computers (SeaPC) and electronic console map displays. The operations in Santa Barbara, CA (to be renamed L-3 Communications MariPro, Inc.) provide fixed and portable undersea acoustic range products, and its business in San Diego, CA (to be renamed L-3 Communications Dynamic Positioning and Control Systems, Inc.) provides vessel management systems incorporating Dynamic Positioning (DP) technology products. Current customers include U.S. and international navies.

"Nautronix is a significant addition to our marine mine warfare and ASW products offering," said Michael T. Strianese, interim chief executive officer and chief financial officer of L-3 Communications. "It is highly complementary to the L-3 Ocean Systems, L-3 ELAC Nautik and L-3 Klein Associates businesses, and enables us to expand our market reach internationally, while providing 'one stop shopping' for ASW products to defense customers in the U.S. and abroad."

"The Nautronix HAIL communication system is just one good example of the kind of system that could be exported to the U.S., United Kingdom and Canadian navies," continued Mr. Strianese. He also noted that the acquisition's Australian operations could in turn support L-3's entry of ASW and mine warfare products into the Australian market, and its vessel management systems could also be exported to other international navies.

Mr. Strianese also said that MariPro's products will enable L-3 to expand its work in classified fixed and portable ASW surveillance programs. In addition, ASW product sales in the international market always require test range evaluations using dedicated submarines. For those navies that cannot dedicate submarines, L-3 will be able to export MariPro's portable ranges, an affordable alternative.

Headquartered in New York City, L-3 Communications is a leading provider of Intelligence, Surveillance and Reconnaissance (ISR) systems, secure communications systems, aircraft modernization, 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, fuzes, 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 Department of Defense, Department of Homeland Security, selected U.S. Government intelligence agencies and aerospace prime contractors.

To learn more about L-3 Communications, please visit the company's web site at www.L-3Com.com.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Except for historical information contained herein, the matters set forth in this news release 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 above 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.

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