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|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).<br><br><b>▶ Complete all entries in accordance with the instructions to the Form 5500.</b> | OMB Nos. 1210-0110<br>1210-0089               |
|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                           | <b>2009</b>                                   |
|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                           | <b>This Form is Open to Public Inspection</b> |

|                                                                                                          |                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                           |
| For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u> |                                                                                                                                                                                                                                           |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or<br><input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____                         |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report;<br><input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months). |
| <b>C</b> If the plan is a collectively-bargained plan, check here. . . . .                               | <input type="checkbox"/>                                                                                                                                                                                                                  |
| <b>D</b> Check box if filing under:                                                                      | <input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program;<br><input type="checkbox"/> special extension (enter description)                                 |

|                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b>                                                                                                                                                                                                                                                                                    | <b>Basic Plan Information</b> —enter all requested information                                                                                                                                    |
| <b>1a</b> Name of plan<br><u>L-3 AVIATION RECORDERS RETIREMENT PLAN II</u>                                                                                                                                                                                                                        | <b>1b</b> Three-digit plan number (PN) ▶ <u>010</u><br><b>1c</b> Effective date of plan<br><u>05/01/1997</u>                                                                                      |
| <b>2a</b> Plan sponsor's name and address (employer, if for a single-employer plan)<br>(Address should include room or suite no.)<br><u>L-3 COMMUNICATIONS CORPORATION</u><br><br><u>600 THIRD AVENUE</u> <u>6000 FRUITVILLE ROAD</u><br><u>NEW YORK, NY 10061-1901</u> <u>SARASOTA, FL 34232</u> | <b>2b</b> Employer Identification Number (EIN)<br><u>13-3937436</u><br><b>2c</b> Sponsor's telephone number<br><u>212-697-1111</u><br><b>2d</b> Business code (see instructions)<br><u>334200</u> |

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

|                  |                                                          |                   |                                                              |
|------------------|----------------------------------------------------------|-------------------|--------------------------------------------------------------|
| <b>SIGN HERE</b> | <u>Filed with authorized/valid electronic signature.</u> | <u>09/15/2010</u> | <u>PAT HEMPHILL</u>                                          |
|                  | <b>Signature of plan administrator</b>                   | Date              | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> |                                                          |                   |                                                              |
|                  | <b>Signature of employer/plan sponsor</b>                | Date              | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |                                                          |                   |                                                              |
|                  | <b>Signature of DFE</b>                                  | Date              | Enter name of individual signing as DFE                      |

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2009)  
v.092307.1

|                                                                                                                                                                              |                                                                                                               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address (if same as plan sponsor, enter "Same")<br>L-3 COMMUNICATIONS CORPORATION<br><br>600 THIRD AVENUE<br>NEW YORK, NY 10061-1901 | <b>3b</b> Administrator's EIN<br>13-3937436<br><br><b>3c</b> Administrator's telephone number<br>212-697-1111 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                       |                                   |     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----|
| <b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:<br><br><b>a</b> Sponsor's name | <b>4b</b> EIN<br><br><b>4c</b> PN |     |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                               | <b>5</b>                          | 181 |
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                                                |                                   |     |
| <b>a</b> Active participants.....                                                                                                                                                                                     | <b>6a</b>                         | 136 |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                                                                                    | <b>6b</b>                         | 28  |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                                                                                     | <b>6c</b>                         | 11  |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                                                              | <b>6d</b>                         | 175 |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....                                                                                                             | <b>6e</b>                         | 0   |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                                                                               | <b>6f</b>                         | 175 |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....                                                                        | <b>6g</b>                         |     |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....                                                                            | <b>6h</b>                         | 7   |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                  | <b>7</b>                          |     |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:  
 1A 1G 3F 3H

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

|                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

- (1) ☒ **R** (Retirement Plan Information)  
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary  
 (3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- (1) ☒ **H** (Financial Information)  
 (2) ☐ **I** (Financial Information – Small Plan)  
 (3) ☐ **A** (Insurance Information)  
 (4) ☐ **C** (Service Provider Information)  
 (5) ☒ **D** (DFE/Participating Plan Information)  
 (6) ☐ **G** (Financial Transaction Schedules)

|                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                    |                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2009</b><br><br><b>This Form is Open to Public Inspection</b> |
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

|                                                                                                                                           |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>L-3 AVIATION RECORDERS RETIREMENT PLAN II</u>                                                                 | <b>B</b> Three-digit plan number (PN) ▶ <u>010</u>                                                                                                      |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><u>L-3 COMMUNICATIONS CORPORATION</u>                         | <b>D</b> Employer Identification Number (EIN)<br><u>13-3937436</u>                                                                                      |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B | <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |

|               |                                                                                                                                                                                                        |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b> | <b>Basic Information</b>                                                                                                                                                                               |
| <b>1</b>      | Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2009</u>                                                                                                                               |
| <b>2</b>      | Assets:                                                                                                                                                                                                |
| <b>a</b>      | Market value ..... <b>2a</b> <u>2758150</u>                                                                                                                                                            |
| <b>b</b>      | Actuarial value ..... <b>2b</b> <u>3033965</u>                                                                                                                                                         |
| <b>3</b>      | Funding target/participant count breakdown                                                                                                                                                             |
|               | (1) Number of participants (2) Funding Target                                                                                                                                                          |
| <b>a</b>      | For retired participants and beneficiaries receiving payment ..... <b>3a</b> <u>16</u> <u>360212</u>                                                                                                   |
| <b>b</b>      | For terminated vested participants ..... <b>3b</b> <u>10</u> <u>125301</u>                                                                                                                             |
| <b>c</b>      | For active participants:                                                                                                                                                                               |
| (1)           | Non-vested benefits ..... <b>3c(1)</b> <u>111274</u>                                                                                                                                                   |
| (2)           | Vested benefits ..... <b>3c(2)</b> <u>2841024</u>                                                                                                                                                      |
| (3)           | Total active ..... <b>3c(3)</b> <u>155</u> <u>2952298</u>                                                                                                                                              |
| <b>d</b>      | Total ..... <b>3d</b> <u>181</u> <u>3437811</u>                                                                                                                                                        |
| <b>4</b>      | If the plan is at-risk, check the box and complete items (a) and (b) ..... <input type="checkbox"/>                                                                                                    |
| <b>a</b>      | Funding target disregarding prescribed at-risk assumptions ..... <b>4a</b>                                                                                                                             |
| <b>b</b>      | Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor ..... <b>4b</b> |
| <b>5</b>      | Effective interest rate ..... <b>5</b> <u>8.08</u> %                                                                                                                                                   |
| <b>6</b>      | Target normal cost ..... <b>6</b> <u>1000142</u>                                                                                                                                                       |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

|                                                                      |                                                      |
|----------------------------------------------------------------------|------------------------------------------------------|
| <b>SIGN HERE</b>                                                     | <u>09/08/2010</u>                                    |
| Signature of actuary<br><u>ELNATAN SULIMANOFF, FSA, MAAA, EA</u>     | Date<br><u>08-06454</u>                              |
| Type or print name of actuary<br><u>SIBSON CONSULTING</u>            | Most recent enrollment number<br><u>212-251-5000</u> |
| Firm name<br><u>333 WEST 34TH STREET<br/>NEW YORK, NY 10001-2402</u> | Telephone number (including area code)               |
| Address of the firm                                                  |                                                      |

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

**For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.**

**Schedule SB (Form 5500) 2009**  
**v.092308.1**

| <b>Part II</b>                                                                                           | <b>Beginning of year carryover and prefunding balances</b> |                        |
|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------|------------------------|
|                                                                                                          | (a) Carryover balance                                      | (b) Prefunding balance |
| <b>7</b> Balance at beginning of prior year after applicable adjustments (Item 13 from prior year) ..... |                                                            |                        |
| <b>8</b> Portion used to offset prior year's funding requirement (Item 35 from prior year) .....         |                                                            |                        |
| <b>9</b> Amount remaining (Item 7 minus item 8).....                                                     | 0                                                          | 0                      |
| <b>10</b> Interest on item 9 using prior year's actual return of _____% .....                            |                                                            |                        |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                           |                                                            |                        |
| <b>a</b> Excess contributions (Item 38 from prior year) .....                                            |                                                            |                        |
| <b>b</b> Interest on (a) using prior year's effective rate of _____% .....                               |                                                            |                        |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance .....            |                                                            | 0                      |
| <b>d</b> Portion of (c) to be added to prefunding balance.....                                           |                                                            |                        |
| <b>12</b> Reduction in balances due to elections or deemed elections.....                                |                                                            |                        |
| <b>13</b> Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....              | 0                                                          | 0                      |

| <b>Part III</b>                                                                                                                                                           | <b>Funding percentages</b> |         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------|
| <b>14</b> Funding target attainment percentage.....                                                                                                                       | <b>14</b>                  | 88.25 % |
| <b>15</b> Adjusted funding target attainment percentage.....                                                                                                              | <b>15</b>                  | %       |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement..... | <b>16</b>                  | %       |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....                                        | <b>17</b>                  | %       |

| <b>Part IV</b>                                                                           | <b>Contributions and liquidity shortfalls</b> |                                 |                          |                                   |                                 |
|------------------------------------------------------------------------------------------|-----------------------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| <b>18</b> Contributions made to the plan for the plan year by employer(s) and employees: |                                               |                                 |                          |                                   |                                 |
| (a) Date<br>(MM-DD-YYYY)                                                                 | (b) Amount paid by<br>employer(s)             | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|                                                                                          |                                               |                                 |                          |                                   |                                 |
|                                                                                          |                                               |                                 |                          |                                   |                                 |
|                                                                                          |                                               |                                 |                          |                                   |                                 |
|                                                                                          |                                               |                                 |                          |                                   |                                 |
|                                                                                          |                                               |                                 |                          |                                   |                                 |
|                                                                                          |                                               |                                 |                          |                                   |                                 |
| <b>Totals ►</b>                                                                          |                                               |                                 | <b>18(b)</b>             | 0                                 | <b>18(c)</b>                    |
|                                                                                          |                                               |                                 |                          | 0                                 | 0                               |

**19** Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

|                                                                                                                  |            |  |
|------------------------------------------------------------------------------------------------------------------|------------|--|
| a Contributions allocated toward unpaid minimum required contribution from prior years.....                      | <b>19a</b> |  |
| b Contributions made to avoid restrictions adjusted to valuation date .....                                      | <b>19b</b> |  |
| c Contributions allocated toward minimum required contribution for current year adjusted to valuation date ..... | <b>19c</b> |  |

**20** Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ..... ☐ Yes ☐ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ..... ☐ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

| Liquidity shortfall as of end of Quarter of this plan year |         |         |         |
|------------------------------------------------------------|---------|---------|---------|
| (1) 1st                                                    | (2) 2nd | (3) 3rd | (4) 4th |
|                                                            |         |         |         |

**Part V Assumptions used to determine funding target and target normal cost**

|                                                                                                                                                                                   |                   |                   |                   |                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                          |                   |                   |                   |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                           | 1st segment:<br>% | 2nd segment:<br>% | 3rd segment:<br>% | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code) .....                                                                                                                                      |                   |                   |                   | <b>21b</b>                                          |
| <b>22</b> Weighted average retirement age .....                                                                                                                                   |                   |                   |                   | <b>22</b>                                           |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                   |                   |                   |                                                     |

**Part VI Miscellaneous items**

|                                                                                                                                                                        |                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| <b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. .... | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ....                                      | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>26</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....                             | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>27</b> If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....                   | <b>27</b> 3                                              |

**Part VII Reconciliation of unpaid minimum required contributions for prior years**

|                                                                                                                                     |           |   |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>28</b> Unpaid minimum required contribution for all prior years .....                                                            | <b>28</b> |   |
| <b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)..... | <b>29</b> |   |
| <b>30</b> Remaining amount of unpaid minimum required contributions (item 28 minus item 29) .....                                   | <b>30</b> | 0 |

**Part VIII Minimum required contribution for current year**

|                                                                                                                                                                                      |                     |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|
| <b>31</b> Target normal cost, adjusted, if applicable (see instructions).....                                                                                                        | <b>31</b>           |                    |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |
| <b>a</b> Net shortfall amortization installment .....                                                                                                                                |                     |                    |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       |                     |                    |
| <b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount ..... | <b>33</b>           |                    |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33) .....                                                  | <b>34</b>           | 0                  |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance |
| <b>35</b> Balances used to offset funding requirement .....                                                                                                                          |                     | Total balance      |
| <b>36</b> Additional cash requirement (item 34 minus item 35).....                                                                                                                   | <b>36</b>           | 0                  |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....                                                   | <b>37</b>           |                    |
| <b>38</b> Interest-adjusted excess contributions for current year (see instructions).....                                                                                            | <b>38</b>           |                    |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....                                                                       | <b>39</b>           | 0                  |
| <b>40</b> Unpaid minimum required contribution for all years .....                                                                                                                   | <b>40</b>           | 0                  |



**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)

**Part II Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Financial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110                             |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>2009</b>                                   |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>This Form is Open to Public Inspection</b> |

|                                                                                                 |                                                                 |     |
|-------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----|
| For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009      |                                                                 |     |
| <b>A</b> Name of plan<br>L-3 AVIATION RECORDERS RETIREMENT PLAN II                              | <b>B</b> Three-digit plan number (PN) ►                         | 010 |
|                                                                                                 |                                                                 |     |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>L-3 COMMUNICATIONS CORPORATION | <b>D</b> Employer Identification Number (EIN)<br><br>13-3937436 |     |

|               |                                      |
|---------------|--------------------------------------|
| <b>Part I</b> | <b>Asset and Liability Statement</b> |
|---------------|--------------------------------------|

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets                                                                                            |                 | (a) Beginning of Year | (b) End of Year |
|---------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>a</b> Total noninterest-bearing cash .....                                                     | <b>1a</b>       |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                      |                 |                       |                 |
| <b>(1)</b> Employer contributions .....                                                           | <b>1b(1)</b>    | 146000                | 1244000         |
| <b>(2)</b> Participant contributions .....                                                        | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other.....                                                                             | <b>1b(3)</b>    |                       |                 |
| <b>c</b> General investments:                                                                     |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....  | <b>1c(1)</b>    |                       |                 |
| <b>(2)</b> U.S. Government securities.....                                                        | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                           |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other.....                                                                         | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                     |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common .....                                                                           | <b>1c(4)(B)</b> |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                              | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property) .....                                  | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                               | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans .....                                                                | <b>1c(8)</b>    |                       |                 |
| <b>(9)</b> Value of interest in common/collective trusts.....                                     | <b>1c(9)</b>    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts.....                                    | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                           | <b>1c(11)</b>   | 2616019               | 3101260         |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                 | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....        | <b>1c(13)</b>   |                       |                 |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts)..... | <b>1c(14)</b>   |                       |                 |
| <b>(15)</b> Other .....                                                                           | <b>1c(15)</b>   |                       |                 |

| <b>1d</b> Employer-related investments:                              |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 2762019               | 4345260         |

**Liabilities**

|                                                                           |           |       |       |
|---------------------------------------------------------------------------|-----------|-------|-------|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |       |       |
| <b>h</b> Operating payables .....                                         | <b>1h</b> | 40849 | 41047 |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |       |       |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> |       |       |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 40849 | 41047 |

**Net Assets**

|                                                           |           |         |         |
|-----------------------------------------------------------|-----------|---------|---------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 2721170 | 4304213 |
|-----------------------------------------------------------|-----------|---------|---------|

**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

**Income**

|                                                                                                            |                 | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 1302000    |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> |            |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> |            |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 1302000   |
| <b>b Earnings on investments:</b>                                                                          |                 |            |           |
| (1) Interest:                                                                                              |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> |            |           |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> |            |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> |            |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> |            |           |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> |            |           |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> |            |           |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                              | <b>2b(1)(G)</b> |            |           |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |            |           |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> |            |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> |            |           |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                  | <b>2b(2)(D)</b> |            |           |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            |           |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> |            |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> |            |           |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |            |           |

|                                                                                                   |                 | (a) Amount | (b) Total |
|---------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....              | <b>2b(5)(A)</b> |            |           |
| (B) Other .....                                                                                   | <b>2b(5)(B)</b> |            |           |
| (C) Total unrealized appreciation of assets.<br>Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....    | <b>2b(5)(C)</b> |            |           |
| (6) Net investment gain (loss) from common/collective trusts .....                                | <b>2b(6)</b>    |            |           |
| (7) Net investment gain (loss) from pooled separate accounts .....                                | <b>2b(7)</b>    |            |           |
| (8) Net investment gain (loss) from master trust investment accounts .....                        | <b>2b(8)</b>    |            | 590508    |
| (9) Net investment gain (loss) from 103-12 investment entities .....                              | <b>2b(9)</b>    |            |           |
| (10) Net investment gain (loss) from registered investment<br>companies (e.g., mutual funds)..... | <b>2b(10)</b>   |            |           |
| <b>c</b> Other income.....                                                                        | <b>2c</b>       |            |           |
| <b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....           | <b>2d</b>       |            | 1892508   |

**Expenses**

|                                                                                            |              |        |        |
|--------------------------------------------------------------------------------------------|--------------|--------|--------|
| <b>e</b> Benefit payment and payments to provide benefits:                                 |              |        |        |
| (1) Directly to participants or beneficiaries, including direct rollovers .....            | <b>2e(1)</b> | 94197  |        |
| (2) To insurance carriers for the provision of benefits .....                              | <b>2e(2)</b> |        |        |
| (3) Other .....                                                                            | <b>2e(3)</b> |        |        |
| (4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....                | <b>2e(4)</b> |        | 94197  |
| <b>f</b> Corrective distributions (see instructions) .....                                 | <b>2f</b>    |        |        |
| <b>g</b> Certain deemed distributions of participant loans (see instructions).....         | <b>2g</b>    |        |        |
| <b>h</b> Interest expense.....                                                             | <b>2h</b>    |        |        |
| <b>i</b> Administrative expenses: (1) Professional fees .....                              | <b>2i(1)</b> | 215268 |        |
| (2) Contract administrator fees .....                                                      | <b>2i(2)</b> |        |        |
| (3) Investment advisory and management fees .....                                          | <b>2i(3)</b> |        |        |
| (4) Other .....                                                                            | <b>2i(4)</b> |        |        |
| (5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....         | <b>2i(5)</b> |        | 215268 |
| <b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | <b>2j</b>    |        | 309465 |

**Net Income and Reconciliation**

|                                                                               |              |  |         |
|-------------------------------------------------------------------------------|--------------|--|---------|
| <b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> ..... | <b>2k</b>    |  | 1583043 |
| <b>l</b> Transfers of assets:                                                 |              |  |         |
| (1) To this plan.....                                                         | <b>2l(1)</b> |  |         |
| (2) From this plan .....                                                      | <b>2l(2)</b> |  |         |

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PRICEWATERHOUSECOOPERS, LLP

(2) EIN: 13-4008324

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

|                                                                                                                                                                                                                                                                                                                 | Yes | No | Amount   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|----------|
| <b>a</b> Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....                 |     | X  |          |
| <b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)..... |     | X  |          |
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....                                                                                                                            |     | X  |          |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....                                                                                                                  |     | X  |          |
| <b>e</b> Was this plan covered by a fidelity bond?.....                                                                                                                                                                                                                                                         | X   |    | 20000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                                                                                                         |     | X  |          |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                                                                                                      |     | X  |          |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                                                                                            |     | X  |          |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....                                                                                                                                                   |     | X  |          |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....                                                                                    |     | X  |          |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....                                                                                                                                              |     | X  |          |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                                                                                                              |     | X  |          |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....                                                                                                                                                                                     |     | X  |          |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....                                                                                                                        |     |    |          |

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  
If yes, enter the amount of any plan assets that reverted to the employer this year ..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| 5b(1) Name of plan(s) | 5b(2) EIN(s) | 5b(3) PN(s) |
|-----------------------|--------------|-------------|
|                       |              |             |
|                       |              |             |
|                       |              |             |
|                       |              |             |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            | <b>2009</b>                                    |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            | <b>This Form is Open to Public Inspection.</b> |

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

|                                                                                                        |                                                                    |
|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>L-3 AVIATION RECORDERS RETIREMENT PLAN II</u>                              | <b>B</b> Three-digit plan number (PN) ▶<br><u>010</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>L-3 COMMUNICATIONS CORPORATION</u> | <b>D</b> Employer Identification Number (EIN)<br><u>13-3937436</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

All references to distributions relate only to payments of benefits during the plan year.

|                                                                                                                                                                                                                                                                    |          |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b> | <u>0</u> |
| <b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br><br>EIN(s): <u>13-7074646</u> |          |          |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                   |          |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> | <u>3</u> |

|                |                                                                                                                                                                              |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b> | <b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part) |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                             |                              |                                        |                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------|------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....                                                                                                                                                                                                                                         | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> N/A |
| If the plan is a defined benefit plan, go to line 8.                                                                                                                                                                                                                                                                                                        |                              |                                        |                              |
| <b>5</b> If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____<br>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule. |                              |                                        |                              |
| <b>6 a</b> Enter the minimum required contribution for this plan year .....                                                                                                                                                                                                                                                                                 | <b>6a</b>                    |                                        |                              |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                                                                                                                                  | <b>6b</b>                    |                                        |                              |
| <b>c</b> Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....                                                                                                                                                                                                             | <b>6c</b>                    |                                        |                              |
| If you completed line 6c, skip lines 8 and 9.                                                                                                                                                                                                                                                                                                               |                              |                                        |                              |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                                                                                                                          | <input type="checkbox"/> Yes | <input type="checkbox"/> No            | <input type="checkbox"/> N/A |
| <b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....                                                                                                     | <input type="checkbox"/> Yes | <input type="checkbox"/> No            | <input type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                                |                                   |                                   |                               |                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|
| <b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input checked="" type="checkbox"/> No |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                              |                              |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....                                                       | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                    | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</b> If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                               | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009  
v.092308.1

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

|                                                                                                                                                                        |            |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                               | <b>16a</b> |  |
| <b>b</b> If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers ..... | <b>16b</b> |  |

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ..... ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

**a** Enter the percentage of plan assets held as:  
 Stock: \_\_\_\_\_% Investment-Grade Debt: \_\_\_\_\_% High-Yield Debt: \_\_\_\_\_% Real Estate: \_\_\_\_\_% Other: \_\_\_\_\_%

**b** Provide the average duration of the combined investment-grade and high-yield debt:  
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate item 19(b)?  
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): \_\_\_\_\_

## Report of Independent Auditors

To the Participants and Administrator of the  
L-3 Aviation Recorders Retirement Plan II:

In our opinion, the accompanying statements of net assets available for benefits as of December 31, 2009 and 2008 and the related statements of changes in net assets available for benefits for the years then ended and the statement of accumulated plan benefits as of January 1, 2009 and the related statement of changes in accumulated plan benefits for the year then ended, present fairly, in all material respects, information regarding the net assets available for benefits of the L-3 Aviation Recorders Retirement Plan II (the "Plan") at December 31, 2009 and changes therein for the year then ended and its financial status as of January 1, 2009, and changes therein for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

*PricewaterhouseCoopers LLP*

New York, NY  
September 14, 2010

|                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                   |                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><hr/> <small>Department of Labor<br/>Employee Benefits Security Administration</small><br><hr/> <small>Pension Benefit Guaranty Corporation</small> | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br><small>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</small><br><br><b>► File as an attachment to Form 5500 or 5500-SF.</b> | <small>OMB No. 1210-0110</small><br><br><b>2009</b><br><br><b>This Form is Open to Public Inspection</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

|                                                                                                                                           |                                                                                                                                                         |            |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>A</b> Name of plan<br><u>L-3 AVIATION RECORDERS RETIREMENT PLAN II</u>                                                                 | <b>B</b> Three-digit plan number (PN) <b>►</b>                                                                                                          | <u>010</u> |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><u>L-3 COMMUNICATIONS CORPORATION</u>                         | <b>D</b> Employer Identification Number (EIN)<br><u>13-3937436</u>                                                                                      |            |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B | <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |            |

| Part I    Basic Information |                                                                                                                                                                                                       |                            |                    |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------------|
| <b>1</b>                    | Enter the valuation date:    Month <u>01</u> Day <u>01</u> Year <u>2009</u>                                                                                                                           |                            |                    |
| <b>2</b>                    | Assets:                                                                                                                                                                                               |                            |                    |
|                             | <b>a</b> Market value .....                                                                                                                                                                           | <b>2a</b>                  | 2758150            |
|                             | <b>b</b> Actuarial value .....                                                                                                                                                                        | <b>2b</b>                  | 3033965            |
| <b>3</b>                    | Funding target/participant count breakdown                                                                                                                                                            | (1) Number of participants | (2) Funding Target |
|                             | <b>a</b> For retired participants and beneficiaries receiving payment .....                                                                                                                           | <b>3a</b>                  | 16      360212     |
|                             | <b>b</b> For terminated vested participants .....                                                                                                                                                     | <b>3b</b>                  | 10      125301     |
|                             | <b>c</b> For active participants:                                                                                                                                                                     |                            |                    |
|                             | (1) Non-vested benefits .....                                                                                                                                                                         | <b>3c(1)</b>               | 111274             |
|                             | (2) Vested benefits .....                                                                                                                                                                             | <b>3c(2)</b>               | 2841024            |
|                             | (3) Total active .....                                                                                                                                                                                | <b>3c(3)</b>               | 155      2952298   |
|                             | <b>d</b> Total .....                                                                                                                                                                                  | <b>3d</b>                  | 181      3437811   |
| <b>4</b>                    | If the plan is at-risk, check the box and complete items (a) and (b) <input type="checkbox"/>                                                                                                         |                            |                    |
|                             | <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                             | <b>4a</b>                  |                    |
|                             | <b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor ..... | <b>4b</b>                  |                    |
| <b>5</b>                    | Effective interest rate .....                                                                                                                                                                         | <b>5</b>                   | 8.08%              |
| <b>6</b>                    | Target normal cost .....                                                                                                                                                                              | <b>6</b>                   | 1000142            |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

|                  |                                                                                                                                                                                                                                       |                                                                                                                                              |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SIGN HERE</b> | <br>Signature of actuary<br><u>ELNATAN SULIMANOFF, FSA, MAAA, EA</u><br>Type or print name of actuary<br><u>SIBSON CONSULTING</u><br>Firm name<br><u>333 WEST 34TH STREET</u><br><u>NEW YORK NY 10001-2402</u><br>Address of the firm | <u>9/8/2010</u><br>Date<br><u>08-06454</u><br>Most recent enrollment number<br><u>212-251-5000</u><br>Telephone number (including area code) |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

| <b>Part II Beginning of year carryover and prefunding balances</b> |                                                                                                 | (a) Carryover balance | (b) Prefunding balance |
|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>7</b>                                                           | Balance at beginning of prior year after applicable adjustments (Item 13 from prior year) ..... |                       |                        |
| <b>8</b>                                                           | Portion used to offset prior year's funding requirement (Item 35 from prior year) .....         |                       |                        |
| <b>9</b>                                                           | Amount remaining (Item 7 minus item 8).....                                                     | 0                     | 0                      |
| <b>10</b>                                                          | Interest on item 9 using prior year's actual return of _____ % .....                            |                       |                        |
| <b>11</b>                                                          | Prior year's excess contributions to be added to prefunding balance:                            |                       |                        |
| <b>a</b>                                                           | Excess contributions (Item 38 from prior year) .....                                            |                       |                        |
| <b>b</b>                                                           | Interest on (a) using prior year's effective rate of _____ % .....                              |                       |                        |
| <b>c</b>                                                           | Total available at beginning of current plan year to add to prefunding balance .....            |                       | 0                      |
| <b>d</b>                                                           | Portion of (c) to be added to prefunding balance.....                                           |                       |                        |
| <b>12</b>                                                          | Reduction in balances due to elections or deemed elections.....                                 |                       |                        |
| <b>13</b>                                                          | Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....               | 0                     | 0                      |

| <b>Part III Funding percentages</b> |                                                                                                                                                                 |         |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| <b>14</b>                           | Funding target attainment percentage.....                                                                                                                       | 88.25 % |
| <b>15</b>                           | Adjusted funding target attainment percentage.....                                                                                                              | %       |
| <b>16</b>                           | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement..... | %       |
| <b>17</b>                           | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....                                        | %       |

| <b>Part IV Contributions and liquidity shortfalls</b>                                    |                                   |                                 |                          |                                   |                                 |
|------------------------------------------------------------------------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| <b>18</b> Contributions made to the plan for the plan year by employer(s) and employees: |                                   |                                 |                          |                                   |                                 |
| (a) Date<br>(MM-DD-YYYY)                                                                 | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|                                                                                          |                                   |                                 |                          |                                   |                                 |
|                                                                                          |                                   |                                 |                          |                                   |                                 |
|                                                                                          |                                   |                                 |                          |                                   |                                 |
|                                                                                          |                                   |                                 |                          |                                   |                                 |
|                                                                                          |                                   |                                 |                          |                                   |                                 |
|                                                                                          |                                   |                                 |                          |                                   |                                 |
| <b>Totals ►</b>                                                                          |                                   |                                 | <b>18(b)</b>             | 0                                 | <b>18(c)</b>                    |
|                                                                                          |                                   |                                 |                          | 0                                 | 0                               |

|                                                                                                                                      |                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| <b>19</b> Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year: |                                                          |
| <b>a</b> Contributions allocated toward unpaid minimum required contribution from prior years.....                                   | <b>19a</b>                                               |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                                   | <b>19b</b>                                               |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....               | <b>19c</b>                                               |
| <b>20</b> Quarterly contributions and liquidity shortfalls:                                                                          |                                                          |
| <b>a</b> Did the plan have a "funding shortfall" for the prior year? .....                                                           | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>b</b> If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? .....                   | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>c</b> If 20a is "Yes," see instructions and complete the following table as applicable:                                           |                                                          |
| Liquidity shortfall as of end of Quarter of this plan year                                                                           |                                                          |
| (1) 1st                                                                                                                              | (2) 2nd                                                  |
| (3) 3rd                                                                                                                              | (4) 4th                                                  |
|                                                                                                                                      |                                                          |

**Part V Assumptions used to determine funding target and target normal cost**

|                                                                                                                                                                                   |                   |                   |                   |                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                          |                   |                   |                   |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                           | 1st segment:<br>% | 2nd segment:<br>% | 3rd segment:<br>% | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code) .....                                                                                                                                      |                   |                   |                   | <b>21b</b>                                          |
| <b>22</b> Weighted average retirement age .....                                                                                                                                   |                   |                   |                   | <b>22</b>                                           |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                   |                   |                   |                                                     |

**Part VI Miscellaneous items**

|                                                                                                                                                                        |                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| <b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment ..... | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment .....                                      | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>26</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment .....                            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>27</b> If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment .....                  | <b>27</b> 3                                              |

**Part VII Reconciliation of unpaid minimum required contributions for prior years**

|                                                                                                                                      |           |   |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>28</b> Unpaid minimum required contribution for all prior years .....                                                             | <b>28</b> |   |
| <b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a) ..... | <b>29</b> |   |
| <b>30</b> Remaining amount of unpaid minimum required contributions (item 28 minus item 29) .....                                    | <b>30</b> | 0 |

**Part VIII Minimum required contribution for current year**

|                                                                                                                                                                                      |                     |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|
| <b>31</b> Target normal cost, adjusted, if applicable (see instructions) .....                                                                                                       | <b>31</b>           |                    |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |
| <b>a</b> Net shortfall amortization installment .....                                                                                                                                |                     |                    |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       |                     |                    |
| <b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount ..... | <b>33</b>           |                    |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33) .....                                                  | <b>34</b>           | 0                  |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance |
| <b>35</b> Balances used to offset funding requirement .....                                                                                                                          |                     | Total balance      |
| <b>36</b> Additional cash requirement (item 34 minus item 35) .....                                                                                                                  | <b>36</b>           | 0                  |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c) .....                                                  | <b>37</b>           |                    |
| <b>38</b> Interest-adjusted excess contributions for current year (see instructions) .....                                                                                           | <b>38</b>           |                    |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37) .....                                                                      | <b>39</b>           | 0                  |
| <b>40</b> Unpaid minimum required contribution for all years .....                                                                                                                   | <b>40</b>           | 0                  |

**Attachment to 2009 Schedule SB of Form 5500**

**2009 Schedule SB, Line 27 – Actuarial Information Based on Pre-PPA Funding Rules**

**L-3 Aviation Recorders Retirement Plan II**

**EIN 13-3937436 PN 010**

As required, all pre-PPA actuarial information is supplied in the Schedule B, and requisite attachments. While the Schedule B is a 2007 form, all information is based on the 1/1/2009 Actuarial Valuation.

Refer to the attachments to the Schedule B form for plan provisions, assumptions (funding target liability is determined with the assumptions used for maximum tax-deductible contribution purposes), and data.

**SCHEDULE B  
(Form 5500)**

Department of the Treasury  
Internal Revenue Service  
Department of Labor  
Employee Benefits Security  
Administration

Pension Benefit Guaranty Corporation

**Actuarial Information**

This schedule is required to be filed under Section 104 of the Employee Retirement Income Security Act of 1974, referred to as ERISA, except when attached to Form 5500-EZ and, in all cases, under section 6059(a) of the Internal Revenue Code, referred to as the Code.

▶ **Attach to Form 5500 or 5500-EZ if applicable.**

▶ **See separate instructions.**

Official Use Only

OMB No. 1210-0110

**2007**

**This Form is Open to Public  
Inspection (except when  
attached to Form 5500-EZ).**

For calendar plan year 2007 or fiscal plan year beginning 01/01/2009 , and ending 12/31/2009 ,

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

**A** Name of plan

L-3 AVIATION RECORDERS RETIREMENT PLAN II

**B** Three-digit

plan number . . . ▶ 010

**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-EZ.

**D** Employer Identification Number

L-3 COMMUNICATIONS CORPORATION

13-3937436

**E** Type of plan: (1) ☐ Multiemployer (2) ☒ Single-employer (3) ☐ Multiple-employer

**F** ☐ 100 or fewer participants in prior plan year

**Part I Basic Information** (To be completed by all plans)

**1a** Enter the actuarial valuation date: Month 01 Day 01 Year 2009

**b** Assets:

(1) Current value of assets . . . . . **b(1)** 2762019

(2) Actuarial value of assets for funding standard account . . . . . **b(2)** 3314423

**c** (1) Accrued liability for plans using immediate gain methods . . . . . **c(1)** 3578216

(2) Information for plans using spread gain methods:

(a) Unfunded liability for methods with bases . . . . . **c(2)(a)**

(b) Accrued liability under entry age normal method . . . . . **c(2)(b)**

(c) Normal cost under entry age normal method . . . . . **c(2)(c)**

**Statement by Enrolled Actuary (see instructions before signing):**

To the best of my knowledge, the information supplied in this schedule and on the accompanying schedules, statements, and attachments, if any, is complete and accurate, and in my opinion each assumption, used in combination, represents my best estimate of anticipated experience under the plan. Furthermore, in the case of a plan other than a multiemployer plan, each assumption used (a) is reasonable (taking into account the experience of the plan and reasonable expectations) or (b) would, in the aggregate, result in a total contribution equivalent to that which would be determined if each such assumption were reasonable; in the case of a multiemployer plan, the assumptions used, in the aggregate, are reasonable (taking into account the experience of the plan and reasonable expectations).

**SIGN  
HERE**

*Elnatán Sulimanoff*

Signature of actuary

ELNATAN SULIMANOFF, FSA, MAAA, EA

Type or print name of actuary

SIBSON CONSULTING

Firm name

333 WEST 34TH STREET

NEW YORK

NY 10001-2402

Address of the firm

9/8/2010

Date

**G** 08-06454

Most recent enrollment number

212-251-5000

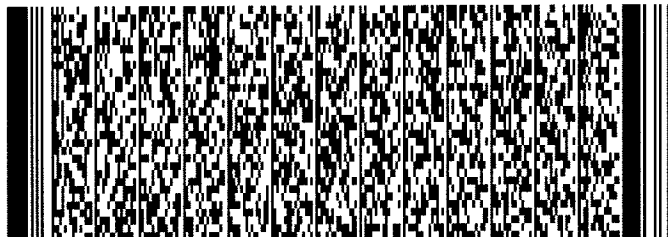
Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions . . . . . ☐

**For Paperwork Reduction Act Notice and OMB Control Numbers,  
see the instructions for Form 5500 or 5500-EZ.**

v10.1

**Schedule B (Form 5500) 2007**



0 8 0 7 3 5 0 1 0 0



**1d** Information on current liabilities of the plan:

|                                                                                                                   |                |         |
|-------------------------------------------------------------------------------------------------------------------|----------------|---------|
| (1) Amount excluded from current liability attributable to pre-participation service (see instructions) . . . . . | <b>d(1)</b>    | 0       |
| (2) "RPA '94" information:                                                                                        |                |         |
| (a) Current liability . . . . .                                                                                   | <b>d(2)(a)</b> | 4141771 |
| (b) Expected increase in current liability due to benefits accruing during the plan year . . . . .                | <b>d(2)(b)</b> | 1184220 |
| (c) Current liability computed at highest allowable interest rate (see instructions) . . . . .                    | <b>d(2)(c)</b> | 4141771 |
| (d) Expected release from "RPA '94" current liability for the plan year . . . . .                                 | <b>d(2)(d)</b> |         |
| (3) Expected plan disbursements for the plan year . . . . .                                                       | <b>d(3)</b>    | 89084   |

**2** Operational information as of beginning of this plan year:

|          |                                                                                                                     |                    |                     |
|----------|---------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|
| <b>a</b> | Current value of the assets (see instructions)                                                                      | <b>2a</b>          | 2721170             |
| <b>b</b> | "RPA '94" current liability:                                                                                        | (1) No. of Persons | (2) Vested Benefits |
|          | (1) For retired participants and beneficiaries receiving payments                                                   | 16                 | 411794              |
|          | (2) For terminated vested participants                                                                              | 10                 | 155930              |
|          | (3) For active participants                                                                                         | 155                | 3405414             |
|          | (4) Total                                                                                                           | 181                | 3973138             |
| <b>c</b> | If the percentage resulting from dividing line 2a by line 2b(4), column (3) is less than 70%, enter such percentage | <b>2c</b>          | 65.70%              |

**3** Contributions made to the plan for the plan year by employer(s) and employees:

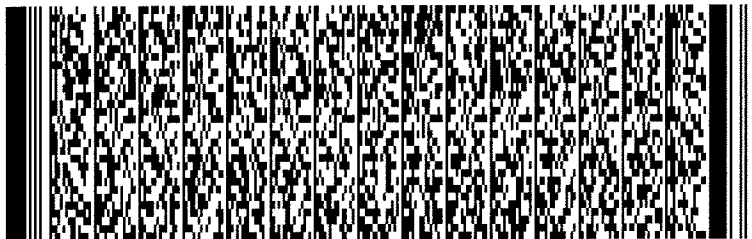
| (a)<br>Month-Day-Year | (b)<br>Amount paid by<br>employer | (c)<br>Amount paid by<br>employees | (a)<br>Month-Day-Year | (b)<br>Amount paid by<br>employer | (c)<br>Amount paid by<br>employees |
|-----------------------|-----------------------------------|------------------------------------|-----------------------|-----------------------------------|------------------------------------|
| 10/15/2009            | 58000                             |                                    |                       |                                   |                                    |
| 04/15/2010            | 69000                             |                                    |                       |                                   |                                    |
| 07/15/2010            | 69000                             |                                    |                       |                                   |                                    |
| 09/08/2010            | 1106000                           |                                    |                       |                                   |                                    |
|                       |                                   |                                    |                       |                                   |                                    |
|                       |                                   |                                    |                       |                                   |                                    |
|                       |                                   |                                    |                       |                                   |                                    |
|                       |                                   |                                    |                       |                                   |                                    |
| <b>3</b>              | <b>Totals ▶</b>                   | <b>(b)</b>                         | 1302000               | <b>(c)</b>                        | 0                                  |

#### 4 Quarterly contributions and liquidity shortfall(s):

|          |                                                                                                                       |           |       |
|----------|-----------------------------------------------------------------------------------------------------------------------|-----------|-------|
| <b>a</b> | Plans other than multiemployer plans, enter funded current liability percentage for preceding year (see instructions) | <b>4a</b> | 93.2% |
|----------|-----------------------------------------------------------------------------------------------------------------------|-----------|-------|

**b** If line 4a is less than 100%, see instructions, and complete the following table as applicable:

| Liquidity shortfall as of end of Quarter of this plan year |     |     |     |     |     |     |     |
|------------------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|
| (1)                                                        | 1st | (2) | 2nd | (3) | 3rd | (4) | 4th |
|                                                            | 0   |     | 0   |     | 0   |     | 0   |



0 8 0 7 3 5 0 2 0 P



**5** Actuarial cost method used as the basis for this plan year's funding standard account computation:

- a** ☐ Attained age normal      **b** ☐ Entry age normal      **c** ☒ Accrued benefit (unit credit)
- d** ☐ Aggregate      **e** ☐ Frozen initial liability      **f** ☐ Individual level premium
- g** ☐ Individual aggregate      **h** ☐ Other (specify) ▶ \_\_\_\_\_

**i** Has a change been made in funding method for this plan year? ..... ☐ Yes ☒ No

**j** If line i is "Yes," was the change made pursuant to Revenue Procedure 2000-40? ..... ☐ Yes ☐ No

**k** If line i is "Yes," and line j is "No" enter the date of the ruling letter (individual or class) approving the change in funding method ..... Month Day Year

**6** Checklist of certain actuarial assumptions:

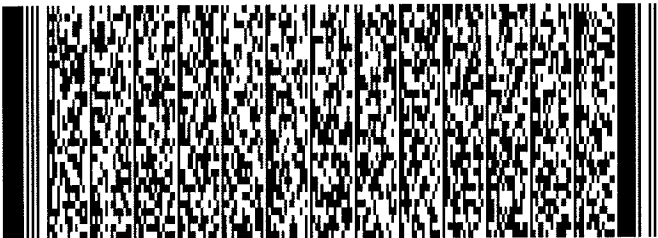
| <b>a</b> Interest rates for "RPA '94" current liability .....                                           | <b>6a</b>   | 6.69 %                                                                                                                                                                       | <input type="checkbox"/> N/A |  |                 |  |     |    |     |    |                                         |
|---------------------------------------------------------------------------------------------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|--|-----------------|--|-----|----|-----|----|-----------------------------------------|
| <b>b</b> Weighted average retirement age .....                                                          | <b>6b</b>   | 59                                                                                                                                                                           | <input type="checkbox"/> N/A |  |                 |  |     |    |     |    |                                         |
| <b>c</b> Rates specified in insurance or annuity contracts ... <input checked="" type="checkbox"/> N/A  | <b>6c</b>   | <table border="1"> <tr> <th colspan="2">Pre-retirement</th> <th colspan="2">Post-retirement</th> </tr> <tr> <td>Yes</td> <td>No</td> <td>Yes</td> <td>No</td> </tr> </table> | Pre-retirement               |  | Post-retirement |  | Yes | No | Yes | No | <input checked="" type="checkbox"/> N/A |
| Pre-retirement                                                                                          |             | Post-retirement                                                                                                                                                              |                              |  |                 |  |     |    |     |    |                                         |
| Yes                                                                                                     | No          | Yes                                                                                                                                                                          | No                           |  |                 |  |     |    |     |    |                                         |
| <b>d</b> Mortality table code for valuation purposes:                                                   | <b>d(1)</b> | A                                                                                                                                                                            | A                            |  |                 |  |     |    |     |    |                                         |
| (1) Males .....                                                                                         | <b>d(2)</b> | A                                                                                                                                                                            | A                            |  |                 |  |     |    |     |    |                                         |
| (2) Females .....                                                                                       | <b>6e</b>   | 7.50 %                                                                                                                                                                       | 7.50 %                       |  |                 |  |     |    |     |    |                                         |
| <b>e</b> Valuation liability interest rate ..... <input type="checkbox"/> N/A                           | <b>6f</b>   | 23.9 %                                                                                                                                                                       | %                            |  |                 |  |     |    |     |    |                                         |
| <b>f</b> Expense loading ..... <input type="checkbox"/> N/A                                             |             |                                                                                                                                                                              |                              |  |                 |  |     |    |     |    |                                         |
| <b>g</b> Annual withdrawal rates:                                                                       |             |                                                                                                                                                                              |                              |  |                 |  |     |    |     |    |                                         |
| (1) Age 25 .....                                                                                        | <b>g(1)</b> | S 26.00 %                                                                                                                                                                    | S 26.00 %                    |  |                 |  |     |    |     |    |                                         |
| (2) Age 40 .....                                                                                        | <b>g(2)</b> | S 10.00 %                                                                                                                                                                    | S 10.00 %                    |  |                 |  |     |    |     |    |                                         |
| (3) Age 55 .....                                                                                        | <b>g(3)</b> | S 6.00 %                                                                                                                                                                     | S 6.00 %                     |  |                 |  |     |    |     |    |                                         |
| <b>h</b> Salary scale ..... <input checked="" type="checkbox"/> N/A                                     | <b>6h</b>   | %                                                                                                                                                                            | %                            |  |                 |  |     |    |     |    |                                         |
| <b>i</b> Estimated investment return on actuarial value of assets for year ending on the valuation date | <b>6i</b>   | -10.5 %                                                                                                                                                                      |                              |  |                 |  |     |    |     |    |                                         |
| <b>j</b> Estimated investment return on current value of assets for year ending on the valuation date   | <b>6j</b>   | -26.6 %                                                                                                                                                                      |                              |  |                 |  |     |    |     |    |                                         |

**7** New amortization bases established in the current plan year:

| (1) Type of Base | (2) Initial Balance | (3) Amortization Charge/Credit |
|------------------|---------------------|--------------------------------|
| 1                | 1398606             | 321568                         |
| 4                | -253660             | -34376                         |
|                  |                     |                                |
|                  |                     |                                |
|                  |                     |                                |

**8** Miscellaneous information:

**a** If a waiver of a funding deficiency or an extension of an amortization period has been approved for this plan year, enter the date of the ruling letter granting the approval ..... Month Day Year



0 8 0 7 3 5 0 3 0 Q



**8b** If one or more alternative methods or rules (as listed in the instructions) were used for this plan year, enter the appropriate code in accordance with the instructions ▶ \_\_\_\_\_

**c** Is the plan required to provide a Schedule of Active Participant Data? (see instructions) If "Yes," attach schedule ..... ☒ Yes ☐ No

**9** Funding standard account statement for this plan year:

**Charges to funding standard account:**

|                                                                                                                      |                     |                    |
|----------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|
| <b>a</b> Prior year funding deficiency, if any .....                                                                 | <b>9a</b>           | 0                  |
| <b>b</b> Employer's normal cost for plan year as of valuation date .....                                             | <b>9b</b>           | 1037854            |
| <b>c</b> Amortization charges as of valuation date:                                                                  | Outstanding Balance |                    |
| (1) All bases except funding waivers .....                                                                           | ▶ (\$ 1398606)      | <b>c(1)</b> 321568 |
| (2) Funding waivers .....                                                                                            | ▶ (\$ 0)            | <b>c(2)</b> 0      |
| <b>d</b> Interest as applicable on lines 9a, 9b, and 9c .....                                                        | <b>9d</b>           | 101957             |
| <b>e</b> Additional interest charge due to late quarterly contributions, if applicable .....                         | <b>9e</b>           | 0                  |
| <b>f</b> Adjusted additional funding charge from Part II, line 12q, if applicable ..... <input type="checkbox"/> N/A | <b>9f</b>           | 0                  |
| <b>g</b> Total charges. Add lines 9a through 9f .....                                                                | <b>9g</b>           | 1461379            |

**Credits to funding standard account:**

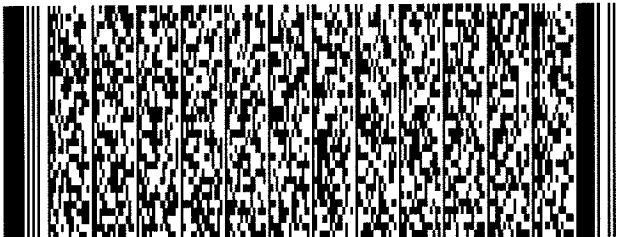
|                                                                                             |                     |         |
|---------------------------------------------------------------------------------------------|---------------------|---------|
| <b>h</b> Prior year credit balance, if any .....                                            | <b>9h</b>           | 881153  |
| <b>i</b> Employer contributions. Total from column (b) of line 3 .....                      | <b>9i</b>           | 1302000 |
| <b>j</b> Amortization credits as of valuation date .....                                    | Outstanding Balance |         |
| ▶ (\$ 253660)                                                                               | <b>9j</b>           | 34376   |
| <b>k</b> Interest as applicable to end of plan year on lines 9h, 9i, and 9j .....           | <b>9k</b>           | 69583   |
| <b>l</b> Full funding limitation (FFL) and credits                                          |                     |         |
| (1) ERISA FFL (accrued liability FFL) .....                                                 | <b>l(1)</b>         | 2940344 |
| (2) "RPA '94" override (90% current liability FFL) .....                                    | <b>l(2)</b>         | 1583869 |
| (3) FFL credit .....                                                                        | <b>l(3)</b>         | 0       |
| <b>m</b> (1) Waived funding deficiency .....                                                | <b>m(1)</b>         | 0       |
| (2) Other credits .....                                                                     | <b>m(2)</b>         | 0       |
| <b>n</b> Total credits. Add lines 9h through 9k, 9l(3), 9m(1), and 9m(2) .....              | <b>9n</b>           | 2287112 |
| <b>o</b> Credit balance: If line 9n is greater than line 9g, enter the difference .....     | <b>9o</b>           | 825733  |
| <b>p</b> Funding deficiency: If line 9g is greater than line 9n, enter the difference ..... | <b>9p</b>           |         |

**Reconciliation account:**

|                                                                             |                |   |
|-----------------------------------------------------------------------------|----------------|---|
| <b>q</b> Current year's accumulated reconciliation account:                 |                |   |
| (1) Due to additional funding charges as of the beginning of the plan year  | <b>q(1)</b>    | 0 |
| (2) Due to additional interest charges as of the beginning of the plan year | <b>q(2)</b>    | 0 |
| (3) Due to waived funding deficiencies:                                     |                |   |
| (a) Reconciliation outstanding balance as of valuation date .....           | <b>q(3)(a)</b> | 0 |
| (b) Reconciliation amount. Line 9c(2) balance minus line 9q(3)(a) ....      | <b>q(3)(b)</b> | 0 |
| (4) Total as of valuation date .....                                        | <b>q(4)</b>    | 0 |

**10** Contribution necessary to avoid an accumulated funding deficiency. Enter the amount in line 9p or the amount required under the alternative funding standard account if applicable ..... **10** 0

**11** Has a change been made in the actuarial assumptions for the current plan year? If "Yes," see instructions ..... ☒ Yes ☐ No



0 8 0 7 3 5 0 4 0 R



**Part II Additional Information for Certain Plans Other Than Multiemployer Plans**Please see **Who Must File** in the Schedule B instructions to determine if you must complete Part II.**12** Additional required funding charge (see instructions):

- a**
- Enter "Gateway %." Divide line 1b(2) by line 1d(2)(c) and multiply by 100.

If line 12a is at least 90%, go to line 12q and enter -0-.

If line 12a is less than 80%, go to line 12b.

If line 12a is at least 80% (but less than 90%), see instructions and, if applicable, go to line 12q

and enter -0-. Otherwise, go to line 12b

- b**
- "RPA '94" current liability. Enter line 1d(2)(a)

- c**
- Adjusted value of assets (see instructions)

- d**
- Funded current liability percentage. Divide line 12c by 12b and multiply by 100

- e**
- Unfunded current liability. Subtract line 12c from line 12b

- f**
- Liability attributable to any unpredictable contingent event benefit

- g**
- Outstanding balance of unfunded old liability

- h**
- Unfunded new liability. Subtract the total of lines 12f and 12g from line 12e. Enter -0- if negative

- i**
- Unfunded new liability amount ( % of line 12h)

- j**
- Unfunded old liability amount

- k**
- Deficit reduction contribution. Add lines 12i, 12j and 1d(2)(b)

- l**
- Net charges in funding standard account used to offset the deficit reduction contribution. Enter a negative number if less than zero

- m**
- Unpredictable contingent event amount:

- (1) Benefits paid during year attributable to unpredictable contingent event

- (2) Unfunded current liability percentage. Subtract the percentage

on line 12d from 100%

- (3) Enter the product of lines 12m(1) and 12m(2)

- (4) Amortization of all unpredictable contingent event liabilities

- (5) "RPA '94" additional amount (see instructions)

- (6) Enter the greatest of lines 12m(3), 12m(4), or 12m(5)

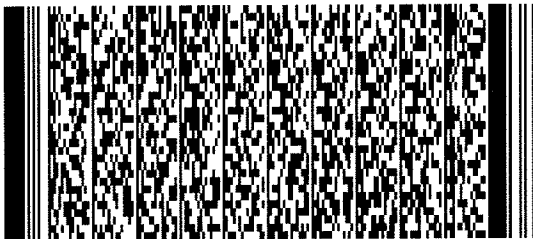
- n**
- Preliminary additional funding charge: Enter the excess of line 12k over line 12l (if any), plus line 12m(6), adjusted to end of year with interest

- o**
- Contributions needed to increase current liability percentage to 100% (see instructions)

- p**
- Additional funding charge prior to adjustment: Enter the lesser of line 12n or 12o

- q**
- Adjusted additional funding charge. ( .0% of line 12p)

|        |        |
|--------|--------|
| 12a    | 80.0 % |
| 12b    |        |
| 12c    |        |
| 12d    | %      |
| 12e    |        |
| 12f    |        |
| 12g    |        |
| 12h    |        |
| 12i    |        |
| 12j    |        |
| 12k    |        |
| 12l    |        |
| 12m(1) |        |
| 12m(2) | %      |
| 12m(3) |        |
| 12m(4) |        |
| 12m(5) |        |
| 12m(6) |        |
| 12n    |        |
| 12o    |        |
| 12p    |        |
| 12q    | 0      |



0 8 0 7 3 5 0 5 0 S



Attachment to 2009 Schedule B of Form 5500  
Schedule B, Line 6 - Statement of Actuarial Assumptions/Methods  
L-3 Aviation Records Retirement Plan II  
EIN 13-3937436 PN 010

**ACTUARIAL ASSUMPTIONS AND ACTUARIAL COST METHOD**

|                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Net investment return:</b>                                                                    | 7.50%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Interest rate for determination of Current Liability and Maximum Deductible Contribution:</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <i>Current Liability:</i>                                                                        | 6.69% (previously, 6.43%)<br>Effective in 2008, as mandated by the Pension Protection Act of 2006 for eligible contractor plans, this is based on the third segment rate used to determine funding requirements for noncontractor plans.                                                                                                                                                                                                                                                            |
| <i>Maximum Deductible Contribution:</i>                                                          | As mandated by the Pension Protection Act of 2006 and based on recently released guidance, the interest rates used are the October 2008 full spot yield curve. The effective interest rate is 8.08%. This market-based assumption is mandated by law, based on the plan sponsor's one-time election of one of the alternative methodologies. (Prior year's rates were from the 24-month average of corporate bond yields ending in August 2007 without a phase-in from the current liability rate.) |
| <b>Mortality rates:</b>                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <i>Accrued Liability:</i>                                                                        | RP 2000 Combined Healthy Table (sex distinct)                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <i>Current Liability and Maximum:</i>                                                            | The RP 2000 separate annuitants and non-annuitants tables with static projection. This assumption is one of the choices allowed by proposed regulations. (Prior year current liability assumption was similar, but based on one less year of projection.)                                                                                                                                                                                                                                           |
| <b>Salary scale:</b>                                                                             | Annual increase of 5% to calculate the current year's normal cost.                                                                                                                                                                                                                                                                                                                                                                                                                                  |

Attachment to 2009 Schedule B of Form 5500  
Schedule B, Line 6 - Statement of Actuarial Assumptions/Methods  
L-3 Aviation Recorders Retirement Plan II  
EIN 13-3937436 PN 010

Termination rates:

| Age | New Assumption<br>Rate (%) | Previous Assumption<br>Rate (%) |
|-----|----------------------------|---------------------------------|
| 20  | 13.00                      | 13.00                           |
| 30  | 10.00                      | 10.00                           |
| 40  | 5.00                       | 5.00                            |
| 50  | 3.00                       | 3.00                            |

Rates are doubled during first five years of employment (not for prior assumption).

Retirement rates:

| Age     | New Assumption<br>Rate (%) | Previous Assumption<br>Rate (%) |
|---------|----------------------------|---------------------------------|
| 50      | 10.0                       | 5.0                             |
| 51 – 54 | 5.0                        | 5.0                             |
| 55 – 59 | 5.0                        | 7.5                             |
| 60 – 61 | 15.0                       | 15.0                            |
| 62      | 15.0                       | 40.0                            |
| 63 – 64 | 15.0                       | 20.0                            |
| 65 – 69 | 50.0                       | 100.0                           |
| 70      | 100.0                      | N/A                             |

Average retirement age  
for Schedule B, line 6b: 59

Retirement age for  
terminated vesteds: 65

**Attachment to 2009 Schedule B of Form 5500**  
**Schedule B, Line 6 - Statement of Actuarial Assumptions/Methods**  
**L-3 Aviation Records Retirement Plan II**  
**EIN 13-3937436 PN 010**

|                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Percent married:</b>           | 70% male, 55% female (Previously, 80% male, 40% female)<br>Males are assumed to be 3 years older than females                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Administrative expenses:</b>   | \$200,000 (Previously, 0.5% of market value of assets, not less than \$50,000)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Actuarial value of assets:</b> | <p>Prior year's actuarial value of assets plus</p> <ol style="list-style-type: none"> <li>1) Net new money (contributions minus benefit payments and expenses)</li> <li>2) Expected investment return on actuarial value</li> <li>3) 25% of each of the previous four year's gain/(loss) due to investment return greater/(less) than expected.</li> </ol> <p>The actuarial value of assets is limited to not less than 80%, nor greater than 120% of market value.</p> <p>For the maximum deductible contribution, the rules under the Pension Protection Act apply, based on the plan sponsor's election of an allowable asset averaging method. The actuarial value of assets is an average of the market value of assets as of the valuation date and the adjusted market value of assets as of the preceding two years. The adjusted assets reflect expected earnings (subject to a statutory cap) and actual cash flow. The resulting value is limited to between 90% and 110% of the market value of assets. The methodology was changed from market value of assets in 2008.</p> |

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Actuarial cost method:</b> | <p>Unit Credit</p> <p>This cost method develops the annual cost or expense of the Plan in two parts: that attributable to benefits accruing in the current year, known as the normal cost; and that due to service earned prior to the current year, known as the actuarial accrued or past service liability. Each of these components is calculated individually for each active employee.</p> <p>The normal cost is the present value of the portion of projected benefits accruing in the current year. The unfunded actuarial liability reflects the difference between the portion of projected benefits attributable to service credited prior to the valuation date and assets already accumulated. The unfunded actuarial liability is paid off in accordance with a specified amortization procedure.</p> |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**Attachment to 2009 Schedule B of Form 5500**  
**Schedule B, Line 6 - Statement of Actuarial Assumptions/Methods**  
**L-3 Aviation Records Retirement Plan II**  
**EIN 13-3937436 PN 010**

Under the unit credit cost method, if actual plan experience is close to the assumptions, the normal cost will increase each year for each employee as he or she approaches retirement age. The total contribution is made up of the sum of the individual normal costs and the amortization payment on the unfunded actuarial liability.

Attachment to 2009 Schedule B of Form 5500  
Schedule B, Line 6 - Summary of Plan Provisions  
L-3 Aviation Records Retirement Plan II  
EIN 13-3937436 PN 010

**SUMMARY OF PLAN PROVISIONS**

This subsection summarizes the major provisions of the plan as included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

**Plan Status:**

Closed to employees hired after January 1, 2007.

**Normal Retirement:**

*Age requirement:* 65

*Service requirement:* None

*Amount:* For each year of participation, 1.5% of Earnings for the first 15 years of vesting service plus 2% of Earnings for vesting service after 15 years. Earnings include all wages, bonuses and overtime compensation.

**Payment of Retirement Benefits:**

*Normal retirement benefit:*

The normal form of benefit payment for married participants is a joint and survivor annuity; for unmarried participants it is a single life annuity.

*Optional forms of benefit:*

The available optional benefit forms under the Plan are a 10 or 15 year certain period and life option, contingent annuity options of 50%, 75% and 100% of the participant's pension and a Social Security Option (age 62).

*Lump sum form of benefit:*

Benefits with present value less than or equal to \$1,000 are automatically cashed out. If the present value is greater than \$1,000 but less than or equal to \$5,000, a lump sum is offered to the participant. If the present value is over \$5,000 but less than or equal to \$20,000, the participant can elect the lump sum, an immediate annuity, or a deferred annuity.

**Standard Early Retirement:**

*Age requirement:* 55

*Service requirement:* None

*Amount:* Normal retirement accrued benefit reduced by 4% for each of the first 5 years and 3% for each of the next 5 years prior to age 65.

**Attachment to 2009 Schedule B of Form 5500**  
**Schedule B, Line 6 - Summary of Plan Provisions**  
**L-3 Aviation Records Retirement Plan II**  
**EIN 13-3937436 PN 010**

**Special Early Retirement:**

*Age requirement:* 50

*Service requirement:* 20 years

*Amount*

Normal retirement accrued benefit reduced by 4% per year for each year that the sum of age plus vesting service (capped at 30 years) is less than 85. There is no reduction if participant is at least age 55 and the sum of age plus service equals or exceeds 85.

---

**Vesting:**

*Age requirement:*

None

*Service requirement:*

5 years

*Alternate requirement:*

Age 55

*Amount:*

Accrued normal retirement benefit payable at age 65 or as early as age 55 based on standard early retirement reductions.

---

**Pre-retirement death benefits:**

*Age requirement:*

None

*Service requirement:*

5 years

*Amount:*

50% of benefit employee would have received had he/she retired the day before he/she died and elected the joint and survivor option payable immediately. If the employee was younger than age 55 at the time of death, the amount payable is the actuarial equivalent of the benefit that would have been payable at age 55.

---

**Participation:**

*Age requirement:*

None

*Service requirement:*

1 year

**Benefit service:**

From participation. Active participants of Plan I transferred to Plan II and began to accrue benefit service in Plan II as of January 1, 2006.

**Vesting service:**

Vesting service begins immediately after hire.

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**Attachment to 2009 Schedule B of Form 5500**  
**Schedule B, Line 6 - Summary of Plan Provisions**  
**L-3 Aviation Recorders Retirement Plan II**  
**EIN 13-3937436 PN 010**

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**Employee Group Covered:** Employees of L-3 Aviation Recorders hired before January 1, 2007.

**IRS Limitations:** The Section 415(b) limit and the Section 401(a)(17) limit are \$195,000 and \$245,000 (previously \$185,000 and \$230,000), respectively.  
IRS Rules require that these changes be valued as a plan amendment for ERISA funding.

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**Most Recent Plan Amendments:** December 31, 2005: Active participants in Plan I became participants of Plan II.  
January 1, 2007: Employees hired on or after January 1, 2007 are not eligible to participate in the plan.  
September 1, 2008: Five and twenty year certain and life optional forms of benefit will be eliminated, as well as the Social Security Option for ages other than 62. (Amendment No. 1).  
January 1, 2004: The definition of actuarially equivalent single life annuity was modified (Amendment No. 2).  
January 1, 2008/2009: The definition of "Distributee", "eligible retirement plan" and the definition of compensation for purposes of Section 10.2 of the Plan were modified (Amendment No. 3).

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Attachment to 2009 Schedule B of Form 5500  
Schedule B, line 6b – Description of Weighted Average Retirement Age  
L-3 Aviation Recorders Retirement Plan II  
EIN 13-3937436 PN 010

| <u>Age</u> | <u>Rate</u> | <u>Probability<br/>of Retiring</u> | <u>Age x<br/>Probability</u> |
|------------|-------------|------------------------------------|------------------------------|
| 50         | 10.00%      | 10.00%                             | 5.00                         |
| 51         | 5.00%       | 4.50%                              | 2.30                         |
| 52         | 5.00%       | 4.28%                              | 2.22                         |
| 53         | 5.00%       | 4.06%                              | 2.15                         |
| 54         | 5.00%       | 3.86%                              | 2.08                         |
| 55         | 5.00%       | 3.67%                              | 2.02                         |
| 56         | 5.00%       | 3.48%                              | 1.95                         |
| 57         | 5.00%       | 3.31%                              | 1.89                         |
| 58         | 5.00%       | 3.14%                              | 1.82                         |
| 59         | 5.00%       | 2.99%                              | 1.76                         |
| 60         | 15.00%      | 8.51%                              | 5.11                         |
| 61         | 15.00%      | 7.23%                              | 4.41                         |
| 62         | 15.00%      | 6.15%                              | 3.81                         |
| 63         | 15.00%      | 5.23%                              | 3.29                         |
| 64         | 15.00%      | 4.44%                              | 2.84                         |
| 65         | 50.00%      | 12.58%                             | 8.18                         |
| 66         | 50.00%      | 6.29%                              | 4.15                         |
| 67         | 50.00%      | 3.15%                              | 2.11                         |
| 68         | 50.00%      | 1.57%                              | 1.07                         |
| 69         | 50.00%      | 0.79%                              | 0.54                         |
| 70         | 100.00%     | 0.79%                              | 0.55                         |
|            |             |                                    | 59.25                        |

Attachment to 2009 Schedule B of Form 5500  
Schedule B, Line 8c - Schedule of Active Participant Data  
L-3 Aviation Recorders Retirement Plan II  
EIN 13-3937436 PN 010

| Age      | Years of Service |        |        |          |          |          |          |          |          |         |
|----------|------------------|--------|--------|----------|----------|----------|----------|----------|----------|---------|
|          | Under 1          | 1 to 4 | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 & up |
| Under 25 | --               | 1      | --     | --       | --       | --       | --       | --       | --       | --      |
| 25 to 29 | --               | 7      | --     | --       | --       | --       | --       | --       | --       | --      |
| 30 to 34 | --               | 5      | 3      | --       | --       | --       | --       | --       | --       | --      |
| 35 to 39 | --               | 7      | 1      | --       | --       | --       | --       | --       | --       | --      |
| 40 to 44 | --               | 4      | 3      | --       | 2        | 1        | --       | --       | --       | --      |
| 45 to 49 | --               | 12     | 2      | 3        | 5        | 14       | --       | --       | --       | --      |
| 50 to 54 | --               | 7      | 5      | 1        | 4        | 4        | 15       | --       | --       | --      |
| 55 to 59 | --               | 6      | 2      | --       | 4        | 3        | 5        | 4        | --       | --      |
| 60 to 64 | --               | 3      | 4      | --       | 1        | 3        | 6        | 1        | --       | --      |
| 65 to 69 | --               | 2      | 1      | --       | --       | --       | 1        | 2        | --       | --      |
| 70 & up  | --               | --     | 1      | --       | --       | --       | --       | --       | --       | --      |
| Total    | --               | 54     | 22     | 4        | 16       | 25       | 27       | 7        | --       | --      |

Attachment to 2009 Schedule B of Form 5500  
Schedule B, Line 9c - Schedule of Funding Standard Account Charge Bases  
L-3 Aviation Records Retirement Plan II  
EIN 13-3937436 PN 010

FUNDING STANDARD ACCOUNT AMORTIZATION CHARGE BASES

| Type of Base              | Date<br>Established | Original Base | Outstanding<br>Balance | Years Remaining | Amortization<br>Amount |
|---------------------------|---------------------|---------------|------------------------|-----------------|------------------------|
| Actuarial experience loss | 01/01/2009          | 1,398,606     | 1,398,606              | 5               | 321,568                |
| Total:                    |                     |               | \$1,398,606            |                 | \$321,568              |

Attachment to 2009 Schedule B of Form 5500  
Schedule B, Line 11 – Change in Actuarial Assumptions  
L-3 Aviation Recorders Retirement Plan II  
EIN 13-3937436 PN 010  
FUNDING STANDARD ACCOUNT AMORTIZATION CREDIT BASES

| Type of Base          | Date<br>Established | Original Base | Outstanding<br>Balance | Years Remaining | Amortization<br>Amount |
|-----------------------|---------------------|---------------|------------------------|-----------------|------------------------|
| Change in assumptions | 01/01/2009          | 253,660       | 253,660                | 10              | 34,376                 |
| Total:                |                     |               | \$253,660              |                 | \$34,376               |

**Attachment to 2009 Schedule B of Form 5500**  
**Schedule B, Line 11 – Justification for Change in Actuarial Assumptions**  
**L-3 Aviation Recorders Retirement Plan II**  
**EIN 13-3937436 PN 010**

- (1) Plan actuarial assumptions such as retirement rates, turnover rates, and percent married assumptions were changed for funding purposes to better reflect anticipated plan experience.
- (2) The assumed administrative expenses changed to \$200,000 (previously, 0.5% of market value of assets, not less than \$50,000)

**Attachment to 2009 Schedule B of Form 5500  
Change in Actuary  
L-3 Aviation Recorders Retirement Plan II  
EIN 13-3937436 PN 010**

Due to a reassignment of cases within the same actuarial firm, the signing actuary has been changed since the 2008 Form 5500 from Jeffrey Litwin, Enrollment Number 08-03980 to Elnatan Sulimanoff, Enrollment Number 08-06454.

L-3 AVIATION RECORDERS  
RETIREMENT PLAN II

Financial Statements as of  
and for the Years Ended  
December 31, 2009 and 2008

**L-3 AVIATION RECORDERS RETIREMENT PLAN II  
INDEX TO FINANCIAL STATEMENTS**

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| Statements of Net Assets Available for Benefits<br>as of December 31, 2009 and 2008                                                 | 3              |
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Note: Supplemental schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA) have been omitted as the conditions under which they are required are not present.

## Report of Independent Auditors

To the Participants and Administrator of the  
L-3 Aviation Recorders Retirement Plan II:

In our opinion, the accompanying statements of net assets available for benefits as of December 31, 2009 and 2008 and the related statements of changes in net assets available for benefits for the years then ended and the statement of accumulated plan benefits as of January 1, 2009 and the related statement of changes in accumulated plan benefits for the year then ended, present fairly, in all material respects, information regarding the net assets available for benefits of the L-3 Aviation Recorders Retirement Plan II (the "Plan") at December 31, 2009 and changes therein for the year then ended and its financial status as of January 1, 2009, and changes therein for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

*PricewaterhouseCoopers LLP*

New York, NY  
September 14, 2010

**L-3 AVIATION RECORDERS RETIREMENT PLAN II**  
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**  
**AS OF DECEMBER 31, 2009 AND 2008**  
**(Dollars in thousands)**

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|                                                 | <u>2009</u>     | <u>2008</u>     |
|-------------------------------------------------|-----------------|-----------------|
| Assets:                                         |                 |                 |
| Investment in Master Trust, at fair value ..... | \$ 3,101        | \$ 2,616        |
| Employer contribution receivable.....           | <u>1,244</u>    | <u>146</u>      |
| Total assets.....                               | <u>4,345</u>    | <u>2,762</u>    |
| Liabilities:                                    |                 |                 |
| Accrued expenses.....                           | <u>41</u>       | <u>41</u>       |
| Net assets available for benefits.....          | <u>\$ 4,304</u> | <u>\$ 2,721</u> |

The accompanying notes are an integral part of these financial statements.

**L-3 AVIATION RECORDERS RETIREMENT PLAN II**  
**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**  
**(Dollars in thousands)**

|                                                              | <u>2009</u>     | <u>2008</u>     |
|--------------------------------------------------------------|-----------------|-----------------|
| Additions:                                                   |                 |                 |
| Net investment gain from Master Trust .....                  | \$ 591          | \$ —            |
| Employer contributions .....                                 | <u>1,302</u>    | <u>892</u>      |
| Total additions .....                                        | <u>1,893</u>    | <u>892</u>      |
| Deductions:                                                  |                 |                 |
| Net investment loss from Master Trust .....                  | —               | 862             |
| Benefit payments .....                                       | 94              | 42              |
| Plan expenses .....                                          | <u>216</u>      | <u>163</u>      |
| Total deductions.....                                        | <u>310</u>      | <u>1,067</u>    |
| Net increase (decrease) .....                                | 1,583           | (175)           |
| Net assets available for benefits,<br>Beginning of Year..... | <u>2,721</u>    | <u>2,896</u>    |
| Net assets available for benefits,<br>End of Year.....       | <u>\$ 4,304</u> | <u>\$ 2,721</u> |

The accompanying notes are an integral part of these financial statements.

**L-3 AVIATION RECORDERS RETIREMENT PLAN II  
STATEMENTS OF ACCUMULATED PLAN BENEFITS AND  
CHANGES IN ACCUMULATED PLAN BENEFITS  
AS OF AND FOR THE YEAR ENDED JANUARY 1, 2009  
(Dollars in thousands)**

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| <b>Statement of Accumulated Plan Benefits:</b>                                      | <b>January 1,<br/>2009</b>                |
|-------------------------------------------------------------------------------------|-------------------------------------------|
| Actuarial present value of accumulated plan benefits                                |                                           |
| Vested benefits:                                                                    |                                           |
| Participants currently receiving benefits.....                                      | \$ 377                                    |
| Other participants.....                                                             | 3,090                                     |
| Total vested benefits .....                                                         | 3,467                                     |
| Non-vested benefits .....                                                           | 111                                       |
| Total actuarial present value of accumulated plan benefits.....                     | <u>\$3,578</u>                            |
|                                                                                     |                                           |
| <b>Statement of Changes in Accumulated Plan Benefits:</b>                           | <b>Year Ended<br/>January 1,<br/>2009</b> |
| Actuarial present value of accumulated<br>plan benefits as of January 1, 2008 ..... | <u>\$2,661</u>                            |
| Increase (decrease) during the year attributable to:                                |                                           |
| Change in actuarial assumptions.....                                                | (254)                                     |
| Benefits accumulated and actuarial experience .....                                 | 1,013                                     |
| Increase for interest due to decrease in discount period.....                       | 200                                       |
| Benefits paid.....                                                                  | (42)                                      |
| Net increase .....                                                                  | <u>917</u>                                |
| Actuarial present value of accumulated<br>plan benefits as of January 1, 2009 ..... | <u>\$3,578</u>                            |

The accompanying notes are an integral part of these financial statements.

**L-3 AVIATION RECORDERS RETIREMENT PLAN II**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Dollars in thousands)**

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***1. Plan Description***

The following brief description of the L-3 Aviation Recorders Retirement Plan II (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

The Plan was established effective May 1, 1997 in connection with the acquisition of certain entities, including the Aviation Recorders division by L-3 Communications Corporation (the “Company”), a wholly owned subsidiary of L-3 Communications Holdings, Inc. (“Holdings”), from Lockheed Martin Corporation, for those new employees of L-3 Communications Aviation Recorders who were not permitted to participate in the L-3 Aviation Recorders Retirement Plan I (“Plan I”) after May 1, 1997. Effective December 31, 2005, benefit accruals ceased under Plan I, and active participants in Plan I became participants in the Plan on January 1, 2006.

The Plan is a non-contributory defined benefit plan covering employees at certain locations of the Company. Participation in the Plan commences after completion of one year of service. Effective January 1, 2007, the Plan was closed to new employees hired on or after January 1, 2007. The Plan is subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

***2. Summary of Significant Accounting Policies***

**Basis of Accounting**

The accompanying financial statements are prepared using the accrual basis of accounting.

On January 1, 2008, the Plan adopted the standards for fair value measurements. Refer to Note 6 for disclosures provided for fair value measurements of plan investments.

**Investment in Master Trust**

Investment assets of the Plan are maintained in the L-3 Communications Corporation Master Trust (the “Master Trust”) administered by The Bank of New York Mellon, as Trustee. The Plan participates in the Master Trust along with other defined benefit plans sponsored by the Company (collectively, the “L-3 Participating Plans”). The only investment of the Plan is its interest in the net assets of the Master Trust. The fair value of the Plan’s interest in the Master Trust is determined based on the beginning of year value of the Plan’s interest in the trust plus actual contributions and allocated investment income (loss) less actual distributions and actual administrative expenses. Assets held in the Master Trust primarily consist of corporate equity securities, commingled trust funds and mutual funds, corporate bonds and Government and mortgage-backed securities. See Note 6 for a description of the valuation methodologies of the assets of the Master Trust.

**L-3 AVIATION RECORDERS RETIREMENT PLAN II**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**(Dollars in thousands)**

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The Master Trust records investment transactions on the trade-date, dividend income on the ex-dividend date, interest income as earned and determines realized gains and losses on sales of securities based on the average cost method.

Net Investment Gain (Loss) from Master Trust

The net investment gain (loss) from the Master Trust includes interest and dividend income and net appreciation or depreciation in the fair value of investments, which includes gains or losses realized upon disposition of investments and net unrealized appreciation or depreciation of investments. The net investment gain or loss is allocated to the L-3 Participating Plans based upon the relationship of each plan's respective monthly balances in the investment pool to the total investments of the Master Trust, as determined on a monthly basis.

Benefit Payments

Benefit payments are recorded when paid.

Plan Expenses

The administrative expenses of the Plan are paid for by the Plan. Administrative expenses are charged to the Plan at the direction of the Company based upon the Plan's respective portion of the expense. Investment management fees of the Master Trust are allocated to the L-3 Participating Plans based upon the relationship of each plan's respective monthly balances in the investment pool to the total investments of the Master Trust, as determined on a monthly basis.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities, benefit obligations, and changes therein, disclosures of contingent assets, liabilities and benefit obligations, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results will differ from those estimates.

Risks and Uncertainties

Plan contributions and the actuarial present value of accumulated plan benefits are determined based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in the estimates and assumptions in the near term would be material to the financial statements.

The investments held in the Master Trust are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that

**L-3 AVIATION RECORDERS RETIREMENT PLAN II**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**(Dollars in thousands)**

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changes in risks in the near term would materially affect the investments and related allocation reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

Subsequent Events

The Plan continues to evaluate events after the Statement of Net Assets Available for Benefits date through September 14, 2010, the date the financial statements were available to be issued.

**3. Contributions**

Generally, the Company's funding policy is to contribute amounts in accordance with the Internal Revenue Code ("IRC") and minimum funding requirements under ERISA. Contributions required from the Company in 2009 and 2008 to the Plan under the minimum funding requirements of ERISA were \$477 and \$11, respectively. Contributions are calculated using the Projected Unit Credit Actuarial Cost Method. Under this method, the total actuarial liability for participants is the actuarial present value as of the valuation date of all benefits attributed by the pension benefit formula to employee service rendered prior to that date, which assumes the normal cost will increase each year for each employee as he or she approaches retirement age. The yield (interest, dividends and net realized and unrealized gains and losses) on investments of the Plan serves to adjust future contributions that will be required to provide for the defined level of benefits.

**4. Plan Benefits**

The Plan provides a benefit of 1.5% of earnings for the first 15 years of service, plus 2% of earnings for service in excess of 15 years. Benefits vest 100% after 5 years of service and are payable at age 65. Service in the Plan I is considered as service under the Plan.

The Plan permits standard early retirement at age 55. The standard early retirement benefit may begin at the date of early retirement, reduced by 4% for each of the first 5 years and 3% for each of the next 5 years prior to age 65. The Plan also permits special early retirement at age 50 for participants with at least 20 years of service. The special early retirement benefit is reduced by 4% for each year that the sum of age and service is less than 85. There is no reduction in benefits if the participant is at least age 55 and the sum of age and service is at least 85. Retirees may elect to receive their pension benefits in the form of a joint and survivor annuity or a life annuity payable monthly from the date of retirement. Under the joint and survivor annuity, if a vested participant dies prior to the date pension benefits commence, the surviving spouse of the deceased vested participant receives benefits equal to 50% of the amount which would have been payable to the retiree under a joint and survivor annuity. Under the life annuity, there are no continuing payments after the death of the retiree. If participants are terminated before completing 5 years of service, they forfeit the right to receive their accumulated benefits.

**L-3 AVIATION RECORDERS RETIREMENT PLAN II**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**(Dollars in thousands)**

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The following presents the more significant assumptions underlying the actuarial computations as of January 1, 2009 and 2008.

|                                                                                       |                                                     |
|---------------------------------------------------------------------------------------|-----------------------------------------------------|
| Mortality basis                                                                       | RP-2000 Combined Healthy Table                      |
| Retirement                                                                            | Retirement starting at age 50, with 100% by age 70. |
| Discount rate for the determination of the present value of accumulated plan benefits | 2009 and 2008 – 7.5%                                |

The foregoing actuarial assumptions are based upon the assumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors may be used in determining the actuarial present value of accumulated plan benefits.

**L-3 AVIATION RECORDERS RETIREMENT PLAN II**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**(Dollars in thousands)**

**5. Master Trust**

The fair value of the assets and liabilities of the Master Trust at December 31, 2009 and 2008 is presented in the table below. The Plan's percentage interest in the Master Trust was 0.3% at December 31, 2009 and December 31, 2008.

|                                                 | <u>2009</u>         | <u>2008</u>       |
|-------------------------------------------------|---------------------|-------------------|
| Corporate equity securities .....               | \$ 607,388          | \$ 472,726        |
| Commingled trust funds and mutual funds .....   | 416,646             | 342,850           |
| Corporate bonds .....                           | 66,470              | 58,145            |
| Government and mortgage-backed securities ..... | 365                 | 23,335            |
| Forward contracts .....                         | 292                 | 180               |
| Accrued income .....                            | 2,195               | 2,996             |
| Receivable for unsettled trades .....           | 1,301               | 2,464             |
| Payable for unsettled trades .....              | (1,667)             | (5,011)           |
|                                                 | <u>\$ 1,092,991</u> | <u>\$ 897,685</u> |

The following presents the investment gain (loss) of the Master Trust for the years ended December 31, 2009 and 2008.

|                                                      | <u>2009</u>       | <u>2008</u>         |
|------------------------------------------------------|-------------------|---------------------|
| Net appreciation (depreciation) of investments ..... | \$ 180,985        | \$ (399,368)        |
| Interest .....                                       | 6,010             | 8,903               |
| Dividends .....                                      | 19,690            | 22,505              |
| Other .....                                          | 188               | 77                  |
|                                                      | <u>\$ 206,873</u> | <u>\$ (367,883)</u> |

The following presents the net appreciation (depreciation) in fair value of the Master Trust's investments, including realized gains and losses, and the unrealized appreciation and depreciation of investments for the years ended December 31, 2009 and 2008.

|                                                 | <u>2009</u>       | <u>2008</u>         |
|-------------------------------------------------|-------------------|---------------------|
| Corporate equity securities .....               | \$ 121,766        | \$ (300,847)        |
| Commingled trust funds and mutual funds .....   | 39,365            | (68,748)            |
| Corporate bonds .....                           | 20,449            | (26,868)            |
| Government and mortgage-backed securities ..... | —                 | (5,710)             |
| Forward contracts .....                         | (595)             | 2,805               |
|                                                 | <u>\$ 180,985</u> | <u>\$ (399,368)</u> |

**L-3 AVIATION RECORDERS RETIREMENT PLAN II**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**(Dollars in thousands)**

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**6. Fair Value Measurements**

Effective January 1, 2008, the Plan adopted the standards for fair value measurements. The provisions of the standards are applicable to all of the Plan's assets and liabilities that are measured and recorded at fair value. The standards establish a framework for measuring fair value and expand related disclosures. The standards define fair value as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants. The standards establish a fair value hierarchy that gives the highest priority to observable inputs and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy defined by the standards are described below.

Level 1: Quoted market prices available in active markets for identical assets or liabilities as of the reporting date. The Plan's Level 1 assets include equity securities, certain mutual funds and U.S. Treasury bonds, all of which fair value is derived from quoted market prices.

Level 2: Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. The fair value is determined using a valuation model based on observable market inputs. The Plan's Level 2 assets include commingled trust funds, certain mutual funds, corporate bonds, government securities and forward contracts.

Level 3: Pricing inputs that are generally unobservable inputs and not corroborated by market data. The Plan has no Level 3 assets.

The following is a description of the valuation methodologies used for assets of the Master Trust, measured at fair value, including the general classification of such assets pursuant to the fair value hierarchy.

The fair value of *corporate equity securities* is based on quoted market prices available in active markets at the close of a trading day.

The units within the *commingled trust funds* are generally maintained at a constant fair value of approximately \$1 per unit, which is determined by the fair values of the underlying securities, less the fund's liabilities, divided by the number of units outstanding.

The fair value of *mutual funds* is based on quoted Net Asset Values (NAV's) available in active markets at the close of a trading day. These funds are classified by the Company as Level 1 measurements within the fair value hierarchy. For those mutual funds that do not trade in active markets, the fair value is based on NAV's calculated by the fund manager using the closing quoted market prices of the underlying securities available in an active market. These mutual funds are classified by the Company as Level 2 measurements within the fair value hierarchy.

The fair values of the *corporate and foreign government bonds* are based on: (1) the closing price reported in an active market in which the bond is traded, (2) yields currently available on

**L-3 AVIATION RECORDERS RETIREMENT PLAN II**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**(Dollars in thousands)**

comparable bonds of issuers with similar credit ratings, or (3) a cash flows approach that maximizes observable inputs.

The fair value of *U.S. Treasury bonds* is based on quoted market prices available at the close of a trading day in an active market.

*Other* consists primarily of *mortgage-backed securities*. The fair value for mortgaged-backed securities is generally based on available trade information in a non-active market or dealer quotes from comparable securities.

The table below reports by level, within the fair value hierarchy, the assets held in the Master Trust at fair value as of December 31, 2009 and 2008. As required by the standards, each asset is classified based on the lowest level of input that is significant to the fair value measurement.

|                                                     | Fair Value Measurements Using Input Type |                   |             |                     |                   |                  |             |                   |
|-----------------------------------------------------|------------------------------------------|-------------------|-------------|---------------------|-------------------|------------------|-------------|-------------------|
|                                                     | 2009                                     |                   |             |                     | 2008              |                  |             |                   |
|                                                     | Level 1                                  | Level 2           | Level 3     | Total               | Level 1           | Level 2          | Level 3     | Total             |
| Corporate equity securities.....                    | \$607,388                                | \$ -              | \$ -        | \$ 607,388          | \$ 472,726        | \$ -             | \$ -        | \$ 472,726        |
| Commingled trust funds and mutual funds:            |                                          |                   |             |                     |                   |                  |             |                   |
| Commingled trust funds.....                         | -                                        | 76,037            | -           | 76,037              | -                 | 117,394          | -           | 117,394           |
| Mutual funds.....                                   | 126,094                                  | 214,515           | -           | 340,609             | 77,442            | 148,014          | -           | 225,456           |
| Total commingled trust funds and mutual funds ..... | 126,094                                  | 290,552           | -           | 416,646             | 77,442            | 265,408          | -           | 342,850           |
| Corporate and foreign government bonds.....         | -                                        | 64,777            | -           | 64,777              | -                 | 66,823           | -           | 66,823            |
| U.S. Treasury bonds .....                           | -                                        | -                 | -           | -                   | 2,079             | -                | -           | 2,079             |
| Other .....                                         | -                                        | 2,351             | -           | 2,351               | -                 | 12,758           | -           | 12,758            |
| Total investments measured at fair value .....      | <u>\$ 733,482</u>                        | <u>\$ 357,680</u> | <u>\$ -</u> | <u>\$ 1,091,162</u> | <u>\$ 552,247</u> | <u>\$344,989</u> | <u>\$ -</u> | <u>\$ 897,236</u> |

## 7. Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated July 28, 2008, that the Plan is designed in accordance with the applicable sections of the IRC. The Plan has been amended since receiving the determination letter. The Plan administrator and the Plan's counsel believe that the Plan is designed and is currently being operated in compliance with the applicable regulations of the IRC; therefore, no provision for income taxes has been included in the Plan's financial statements.

## 8. Related Party Transactions

Certain plan investments held in the Master Trust are units of a commingled trust fund managed by The Bank of New York Mellon, the Plan's trustee.

**L-3 AVIATION RECORDERS RETIREMENT PLAN II**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**(Dollars in thousands)**

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**9. Termination Priorities**

While the Company has not expressed any intention to do so, it is free to discontinue its contributions at any time and terminate the Plan, subject to the provisions set forth in ERISA.

In the event the Plan terminates, the net assets of the Plan will be allocated as specified by the Plan in accordance with ERISA, generally to provide the following benefits in the order indicated:

- a. Benefits attributable to employee contributions, taking into account those paid out before termination.
- b. Benefits attributable to participants who have retired at least three years before the termination date of the Plan or those participants who were eligible to retire and receive pension benefits at least three years before, but who did not elect to retire at that time.
- c. Benefits commencing at retirement age to participants who are eligible to receive guaranteed benefits under ERISA.
- d. All vested and non-vested benefits.

To the extent the Plan's net assets are not sufficient to fund the accumulated benefits upon Plan termination, ERISA provides that such benefits are payable by the Pension Benefit Guaranty Corporation ("PBGC"), up to specified limits.