Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
L-3 COMMUNICATIONS PENSION PLAN FOR CERTAIN DIVISIONS

1b Three-digit plan number (PN) ▶ 008

1c Effective date of plan 03/31/1998

2a Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
L-3 COMMUNICATIONS CORPORATION

600 THIRD AVENUE
NEW YORK, NY 10016-1901

2b Employer Identification Number (EIN)
13-3937436

2c Sponsor's telephone number
212-697-1111

2d Business code (see instructions)
334200

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.

SIGN HERE	Filed with authorized/valid electronic signature.	09/02/2011	PAT HEMPHILL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
L-3 COMMUNICATIONS CORPORATION

600 THIRD AVENUE
NEW YORK, NY 10016-1901

3b Administrator's EIN
13-3937436

3c Administrator's telephone number
212-697-1111

4 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:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	646
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	192
b	Retired or separated participants receiving benefits	**6b**	181
c	Other retired or separated participants entitled to future benefits	**6c**	265
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	638
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	9
f	Total. Add lines **6d** and **6e**	**6f**	647
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	2
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		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)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	X	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

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

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

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).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **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 COMMUNICATIONS PENSION PLAN FOR CERTAIN DIVISIONS

B Three-digit plan number (PN) ▶ 008

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
L-3 COMMUNICATIONS CORPORATION

D Employer Identification Number (EIN)
13-3937436

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2010

2 Assets:

a	Market value	**2a**	55514424
b	Actuarial value	**2b**	58935409

3 Funding target/participant count breakdown

			(1) Number of participants	**(2)** Funding Target
a	For retired participants and beneficiaries receiving payment	**3a**	165	28185503
b	For terminated vested participants	**3b**	260	11552271
c	For active participants:			
	(1) Non-vested benefits	**3c(1)**		2394573
	(2) Vested benefits	**3c(2)**		30571789
	(3) Total active	**3c(3)**	221	32966362
d	Total	**3d**	646	72704136

4 If the plan is at-risk, check the box and complete items (a) and (b) [ ]

a	Funding target disregarding prescribed at-risk assumptions	**4a**	
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	**4b**	

5	Effective interest rate	**5**	6.70 %
6	Target normal cost	**6**	3322354

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.

SIGN HERE

Signature of actuary

AIDA DOMLIJA, FSA, MAAA

Type or print name of actuary

SIBSON CONSULTING

Firm name

333 W 34TH STREET
NEW YORK, NY 10001-2402

Address of the firm

Date
11-06955

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 [ ]

Part II Beginning of year carryover and prefunding balances

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

Part III Funding percentages

14	Funding target attainment percentage	14	81.06 %
15	Adjusted funding target attainment percentage	15	%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ► 18(b)	0	18(c) 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.	19a	
b	Contributions made to avoid restrictions adjusted to valuation date	19b	
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	

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

21 Discount rate:

a Segment rates:

1st segment: %	2nd segment: %	3rd segment: %	☐ N/A, full yield curve used

b Applicable month (enter code) **21b**

22 Weighted average retirement age **22**

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ..... ☐ Yes ☐ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ..... ☐ Yes ☐ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment ..... ☐ Yes ☐ No

27	If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	3

Part VII Reconciliation of unpaid minimum required contributions for prior years

28	Unpaid minimum required contribution for all prior years	**28**	
29	Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	**29**	
30	Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	**30**	0

Part VIII Minimum required contribution for current year

31	Target normal cost, adjusted, if applicable (see instructions)	**31**	

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment		
b Waiver amortization installment		

33	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	**33**	
34	Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33)	**34**	0

	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement			0

36	Additional cash requirement (item 34 minus item 35)	**36**	0
37	Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	**37**	
38	Interest-adjusted excess contributions for current year (see instructions)	**38**	
39	Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	**39**	0
40	Unpaid minimum required contribution for all years	**40**	0

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
L-3 COMMUNICATIONS PENSION PLAN FOR CERTAIN DIVISIONS

B Three-digit plan number (PN) ▶ 008

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
L-3 COMMUNICATIONS CORPORATION

D Employer Identification Number (EIN)
13-3937436

Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: L-3 COMM. COPRORATION MASTER TRUST

b Name of sponsor of entity listed in (a): L-3 COMMUNICATIONS CORPORATION

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)
13-3937436-020	M	69901484

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)

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

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
L-3 COMMUNICATIONS PENSION PLAN FOR CERTAIN DIVISIONS

B Three-digit plan number (PN) ▶ 008

C Plan sponsor's name as shown on line 2a of Form 5500
L-3 COMMUNICATIONS CORPORATION

D Employer Identification Number (EIN)
13-3937436

Part I Asset and Liability Statement

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
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	3208803	2639000
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	52460694	69901484
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	55669497	72540484
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h	115875	120586
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	115875	120586
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	55553622	72419898

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
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	12598526	
	(B) Participants	2a(1)(B)	600	
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		12599126
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		7843957
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		-3
d Total income. Add all **income** amounts in column (b) and enter total	2d		20443080
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2913779	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		2913779
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	663025	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		663025
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		3576804
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		16866276
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

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) [X] 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 [X] 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
a	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.)	4a		X	
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.)	4b		X	
c	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.)	4c		X	
d	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.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		20000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	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?	4g		X	
h	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?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X	
j	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.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	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.	4n			

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)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

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).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan
L-3 COMMUNICATIONS PENSION PLAN FOR CERTAIN DIVISIONS

B Three-digit plan number (PN) ▶ 008

C Plan sponsor's name as shown on line 2a of Form 5500
L-3 COMMUNICATIONS CORPORATION

D Employer Identification Number (EIN)
13-3937436

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 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):

EIN(s): 13-7074646

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3** 4

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 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 _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c 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) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 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? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 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. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

Part IV ESOPs (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.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

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.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

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):

---

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:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

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:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

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

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
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	**16b**	

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):

pwc

Report of Independent Auditors

To the Participants and Administrator of the
L-3 Communications Pension Plan for Certain Divisions:

In our opinion, the accompanying Statements of Net Assets Available for Benefits as of December 31, 2010 and 2009 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, 2010 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 Communications Pension Plan for Certain Divisions (the "Plan") at December 31, 2010 and changes therein for the year then ended and its financial status as of January 1, 2010, 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, New York
August 31, 2011

PricewaterhouseCoopers LLP, PricewaterhouseCoopers Center, 300 Madison Avenue, New York, NY 10017
T: (646) 471 3000, F: (813) 286 6000, www.pwc.com/us

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

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).

▶ File as an attachment to Form 5500 or 5500-SF.

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **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 COMMUNICATIONS PENSION PLAN FOR CERTAIN DIVISIONS

B Three-digit plan number (PN) ▶ 008

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
L-3 COMMUNICATIONS CORPORATION

D Employer Identification Number (EIN)
13-3937436

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2010

2 Assets:

a	Market value	2a	55514424
b	Actuarial value	2b	58935409

3 Funding target/participant count breakdown

			(1) Number of participants	(2) Funding Target
a	For retired participants and beneficiaries receiving payment	3a	165	28185503
b	For terminated vested participants	3b	260	11552271
c	For active participants:			
	(1) Non-vested benefits	3c(1)		2394573
	(2) Vested benefits	3c(2)		30571789
	(3) Total active	3c(3)	221	32966362
d	Total	3d	646	72704136

4 If the plan is at-risk, check the box and complete items (a) and (b) [ ]

a	Funding target disregarding prescribed at-risk assumptions	4a	
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	4b	

5	Effective interest rate	5	6.70%
6	Target normal cost	6	3322354

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.

SIGN HERE AIDA DOMLIJA

Signature of actuary

7/18/2011
Date

AIDA DOMLIJA, FSA, MAAA
Type or print name of actuary

11-06955
Most recent enrollment number

SIBSON CONSULTING
Firm name

212-251-5000
Telephone number (including area code)

333 W 34TH STREET
NEW YORK NY 10001-2402
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 [ ]

Part II Beginning of year carryover and prefunding balances

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

Part III Funding percentages

14	Funding target attainment percentage	14	81.06%
15	Adjusted funding target attainment percentage	15	%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ▶ 18(b)	0	18(c) 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	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	

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

21 Discount rate:

a Segment rates:

1st segment: %	2nd segment: %	3rd segment: %	☐ N/A, full yield curve used

b Applicable month (enter code) **21b**

22 Weighted average retirement age **22**

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment ..... ☐ Yes ☐ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment ..... ☐ Yes ☐ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment ..... ☐ Yes ☐ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	3

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	**28**	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	**29**	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	**30**	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)		**31**	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment			
b Waiver amortization installment			
33 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		**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33)		**34**	0

	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement			0

36 Additional cash requirement (item 34 minus item 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	**37**	
38 Interest-adjusted excess contributions for current year (see instructions)	**38**	
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	**39**	0
40 Unpaid minimum required contribution for all years	**40**	0

Attachment to 2010 Schedule SB of Form 5500
2010 Schedule SB, Line 27 – Actuarial Information Based on Pre-PPA Funding Rules
L-3 Communications Pension Plan for Certain Divisions
EIN 13-3937436 PN 008

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 1/1/2010 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 01/01/2010 , and ending 12/31/2010 ,

► **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 COM PEN PLAN FOR CERTAIN DIVISIONS	**B** Three-digit plan number ... ► 008
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-EZ. L-3 COMMUNICATIONS CORPORATION	**D** Employer Identification Number 13-3937436
E Type of plan: (1) [ ] Multiemployer (2) [X] 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 2010

b Assets:		
(1) Current value of assets	b(1)	55669501
(2) Actuarial value of assets for funding standard account	b(2)	64610469
c (1) Accrued liability for plans using immediate gain methods	c(1)	69820342
(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 AIDA DOMLIJA AD — 7/18/2011

Signature of actuary — Date

AIDA DOMLIJA, FSA, MAAA

Type or print name of actuary

G 11-06955

Most recent enrollment number

SIBSON CONSULTING

Firm name

212-251-5000

Telephone number (including area code)

333 W 34TH STREET
NEW YORK NY 10001-2402

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 ..... [ ]

0 8 0 7 3 5 0 1 0 0

Official Use Only

1d	Information on current liabilities of the plan:		
(1)	Amount excluded from current liability attributable to pre-participation service (see instructions)	**d(1)**	0
(2)	"RPA '94" information:		
(a)	Current liability	**d(2)(a)**	72300111
(b)	Expected increase in current liability due to benefits accruing during the plan year	**d(2)(b)**	2544178
(c)	Current liability computed at highest allowable interest rate (see instructions)	**d(2)(c)**	72300111
(d)	Expected release from "RPA '94" current liability for the plan year	**d(2)(d)**	
(3)	Expected plan disbursements for the plan year	**d(3)**	3299703

2 Operational information as of beginning of this plan year:

a Current value of the assets (see instructions) **2a** 55553622

b "RPA '94" current liability:

	(1) No. of Persons	(2) Vested Benefits	(3) Total Benefits
(1) For retired participants and beneficiaries receiving payments	165	27891295	27891295
(2) For terminated vested participants	260	11564953	11564953
(3) For active participants	221	29728801	32843863
(4) Total	646	69185049	72300111

c If the percentage resuting from dividing line 2a by line 2b(4), column (3) is less than 70%, enter such percentage **2c** %

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

(a) Month-Day-Year	(b) Amount paid by employer	(c) Amount paid by employees	(a) Month-Day-Year	(b) Amount paid by employer	(c) Amount paid by employees
04/15/2010	1506000				
07/15/2010	452000				
12/30/2010	8001526				
01/14/2011	343000				
03/15/2011	2296000				
			3 Totals ▶ (b)	12598526	(c) 0

4 Quarterly contributions and liquidity shortfall(s):

a Plans other than multiemployer plans, enter funded current liability percentage for preceding year (see instructions) **4a** 80.3%

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

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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:

a Interest rates for "RPA '94" current liability	6a		6.76 %	☐ N/A
b Weighted average retirement age	6b		61	☐ N/A
		Pre-retirement	Post-retirement	
c Rates specified in insurance or annuity contracts ☒ N/A	6c	☐ Yes ☐ No	☐ Yes ☐ No	☒ N/A
d Mortality table code for valuation purposes:				
(1) Males	d(1)	A	A	
(2) Females	d(2)	A	A	
e Valuation liability interest rate ☐ N/A	6e	7.50 %	7.50 %	☐ N/A
f Expense loading ☐ N/A	6f	52.7 %	%	☒ N/A
		Male	Female	
g Annual withdrawal rates:		Rate Code	Rate Code	
(1) Age 25	g(1)	S 36.00 %	S 36.00 %	
(2) Age 40	g(2)	S 18.75 %	S 18.75 %	
(3) Age 55	g(3)	S 0.00 %	S 0.00 %	
h Salary scale ☐ N/A	6h	5.39 %	5.39 %	☐ N/A
i Estimated investment return on actuarial value of assets for year ending on the valuation date	6i		17.6 %	
j Estimated investment return on current value of assets for year ending on the valuation date	6j		21.6 %	

7 New amortization bases established in the current plan year:

(1) Type of Base	(2) Initial Balance	(3) Amortization Charge/Credit
1	-4940671	-1135963

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

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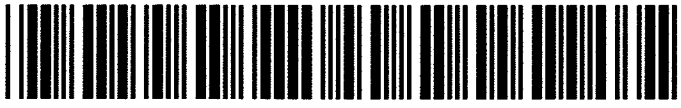
8b If one or more alternative methods or rules (as listed in the instructions) were used for this plan year, enter the appropriate code in accodance with the instructions ►

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:				
a	Prior year funding deficiency, if any			**9a**	0
b	Employer's normal cost for plan year as of valuation date			**9b**	2246775
c	Amortization charges as of valuation date:	Outstanding Balance			
	(1) All bases except funding waivers ►	($ 12981322)		**c(1)**	3431441
	(2) Funding waivers ►	($ 0)		**c(2)**	0
d	Interest as applicable on lines 9a, 9b, and 9c			**9d**	425866
e	Additional interest charge due to late quarterly contributions, if applicable			**9e**	0
f	Adjusted additional funding charge from Part II, line 12q, if applicable ☐ N/A			**9f**	0
g	Total charges. Add lines 9a through 9f			**9g**	6104082
	Credits to funding standard account:				
h	Prior year credit balance, if any			**9h**	1506001
i	Employer contributions. Total from column (b) of line 3			**9i**	12598526
		Outstanding Balance			
j	Amortization credits as of valuation date ►	($ 6265448)		**9j**	1329155
k	Interest as applicable to end of plan year on lines 9h, 9i, and 9j			**9k**	310435
l	Full funding limitation (FFL) and credits				
	(1) ERISA FFL (accrued liability FFL)	**l(1)**	19246388		
	(2) "RPA '94" override (90% current liability FFL)	**l(2)**	3649138		
	(3) FFL credit			**l(3)**	0
m	(1) Waived funding deficiency			**m(1)**	0
	(2) Other credits			**m(2)**	0
n	Total credits. Add lines 9h through 9k, 9l(3), 9m(1), and 9m(2)			**9n**	15744117
o	Credit balance: If line 9n is greater than line 9g, enter the difference			**9o**	9640035
p	Funding deficiency: If line 9g is greater than line 9n, enter the difference			**9p**	
	Reconciliation account:				
q	Current year's accumulated reconciliation account:				
	(1) Due to additional funding charges as of the beginning of the plan year	**q(1)**	0		
	(2) Due to additional interest charges as of the beginning of the plan year	**q(2)**	0		
	(3) Due to waived funding deficiencies:				
	(a) Reconciliation outstanding balance as of valuation date	**q(3)(a)**	0		
	(b) Reconciliation amount. Line 9c(2) balance minus line 9q(3)(a)	**q(3)(b)**	0		
	(4) Total as of valuation date ►			**q(4)**	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



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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		12a	89.4 %
b	"RPA '94" current liability. Enter line 1d(2)(a)		12b	
c	Adjusted value of assets (see instructions)		12c	
d	Funded current liability percentage. Divide line 12c by 12b and multiply by 100		12d	%
e	Unfunded current liability. Subtract line 12c from line 12b		12e	
f	Liability attrubutable to any unpredicable contingent event benefit		12f	
g	Outstanding balance of unfunded old liability		12g	
h	Unfunded new liability. Subtract the total of lines 12f and 12g from line 12e. Enter -0- if negative		12h	
i	Unfunded new liability amount (_____ % of line 12h)		12i	
j	Unfunded old liability amount		12j	
k	Deficit reduction contribution. Add lines 12i, 12j and 1d(2)(b)		12k	
l	Net charges in funding standard account used to offset the deficit reduction contribution. Enter a negative number if less than zero		12l	
m	Unpredictable contingent event amount:			
	(1) Benefits paid during year attributable to unpredictable contingent event	m(1)		
	(2) Unfunded current liability percentage. Subtract the percentage on line 12d from 100%	m(2) %		
	(3) Enter the product of lines 12m(1) and 12m(2)	m(3)		
	(4) Ammortization of all unpredictable contingent event liabilities	m(4)		
	(5) "RPA '94" additional amount (see instructions)	m(5)		
	(6) Enter the greatest of lines 12m(3), 12m(4), or 12m(5)		m(6)	
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		12n	
o	Contributions needed to increase current liability percentage to 100% (see instructions)		12o	
p	Additional funding charge prior to adjustment: Enter the lesser of line 12n or 12o		12p	
q	Adjusted additional funding charge. (.0% of line 12p)		12q	0

Attachment to 2010 Schedule B of Form 5500
Schedule B, Line 6 - Statement of Actuarial Assumptions/Methods
L-3 Communications Pension Plan for Certain Divisions
EIN 13-3937436 PN 008

ACTUARIAL ASSUMPTIONS AND ACTUARIAL COST METHOD

Net investment return:	7.50%

Interest rate for determination of current liability and maximum deductible contribution:

Current Liability:	6.76% (previously, 6.69%) 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.
Maximum Deductible Contribution:	As mandated by the Pension Protection Act of 2006 the interest rates used are the September 2009 segmented rates. The effective interest rate is 6.70%. This market-based assumption is mandated by law. (Prior year's rates were the October 2008 full spot yield curve.)

Mortality rates:

Healthy:	RP-2000 Combined Healthy Mortality Tables (sex distinct)
Disabled:	RP-2000 Disabled Retiree Monthly Tables (sex distinct)
Current Liability and Maximum:	The RP-2000 Separate Annuitant and Non-Annuitant Tables with static projection. This assumption is one of the choices allowed by the regulations. (Prior year current liability assumption was similar, but based on one less year of projection.)

Attachment to 2010 Schedule B of Form 5500
Schedule B, Line 6 - Statement of Actuarial Assumptions/Methods
L-3 Communications Pension Plan for Certain Divisions
EIN 13-3937436 PN 008

Salary scale:

Annual Increase	
Age	**Rate**
20-24	7.50%
25-29	7.00
30-34	6.50
35-39	6.00
40-44	5.50
45-49	5.00
50-54	4.50
55-59	4.00
60-64	3.50

Termination rates before retirement:

Age	First 5 Years of Service	After First 5 Years of Service
25	36.00%	24.00%
30	29.25	19.50
35	22.50	15.00
40	18.75	12.50
45	15.00	10.00
50	7.50	5.00
55	0.00	0.00
60	0.00	0.00

Attachment to 2010 Schedule B of Form 5500
Schedule B, Line 6 - Statement of Actuarial Assumptions/Methods
L-3 Communications Pension Plan for Certain Divisions
EIN 13-3937436 PN 008

Disability rates:

Age	Male	Female
20	0.09%	0.05%
25	0.09	0.05
30	0.12	0.09
35	0.15	0.13
40	0.24	0.22
45	0.33	0.30
50	0.64	0.53
55	0.94	0.76
60	1.36	0.93

Retirement Rates:

Age	Rate
55 - 61	10%
62	30
63 – 64	15
65 – 69	50
70	100

Average retirement age for Schedule B, line 6b: 61

Attachment to 2010 Schedule B of Form 5500
Schedule B, Line 6 - Statement of Actuarial Assumptions/Methods
L-3 Communications Pension Plan for Certain Divisions
EIN 13-3937436 PN 008

Retirement age for terminated vested:	65
Assumed form of payment:	Life Annuity
Taxable wage base increase:	4.0%
Percent married:	70% for males, 55% for females. For inactive participants for whom a spouse's date of birth was not provided, and for active participants, it was assumed that husbands were 3 years older than their wives.
Administrative expenses:	$775,000

Actuarial value of assets:

The prior year's actuarial value of assets plus:

1) Net new money = contributions minus benefit payments minus administrative expenses (if explicitly funded for)
2) Expected investment return (measured on the basis of actuarial value)
3) 25% of each of the previous four year's gain/(loss) due to actual investment return greater/(less) than expected, where "actual" return is measured on a market value basis and "expected" return on an actuarial value basis.

The actuarial value of assets is limited to not less than 80% nor greater than 120% of market value.

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.

Attachment to 2010 Schedule B of Form 5500
Schedule B, Line 6 - Statement of Actuarial Assumptions/Methods
L-3 Communications Pension Plan for Certain Divisions
EIN 13-3937436 PN 008

Actuarial cost method:	Projected Unit Credit Actuarial Cost Method 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 or service 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. The normal cost is the present value of the portion of projected benefits that is attributable to service accrued 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. Under the projected 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.
Section 415 limit:	$195,000
Section 401(a)(17) limit:	$245,000

Attachment to 2010 Schedule B of Form 5500
Schedule B, Line 6 – Summary of Plan Provisions
L-3 Communications Pension Plan for Certain Divisions
EIN 13-3937436 PN 008

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:	Plan is closed to new hires effective January 1, 2006 and January 1, 2007 for Ocean Systems and Space & Navigation, respectively. Employees hired prior to these dates will receive ongoing accruals.

Ocean Systems and Space & Navigation

Normal pension:

Age requirement:	65
Service requirement:	5 years of participation (none if participant in prior Plan before January 1, 1988)
Monthly amount:	2.0% of final average compensation for the first 25 years of credited service plus 0.5% of final average compensation for credited service after 25 years, minus 2.0% of estimated Social Security benefit for the first 25 years of credited service. Final average compensation is the greater of the five complete calendar years that produce the highest total compensation, divided by 60, or the monthly average of compensation for the 60 consecutive highest paid calendar months out of the last 120 calendar months. Compensation is defined as base pay, plus variable pay, lump sum wage increases, shift differential, overtime, commissions or sales payments, performance awards paid through payroll, and short term incentive compensation.
Minimum monthly amount:	0.75% of final average compensation plus $8, for the first 30 years of credited service. Final average compensation is defined as stated above.
Special provisions for former participants in the Budd Company Pension Plan:	The greater of the frozen benefit under the Budd Company Pension Plan determined as of March 31, 1995, and the retirement benefit accrued under this plan including service earned under the Budd Company Pension Plan as of April 1, 1995.

Attachment to 2010 Schedule B of Form 5500
Schedule B, Line 6 – Summary of Plan Provisions
L-3 Communications Pension Plan for Certain Divisions
EIN 13-3937436 PN 008

Regular early retirement	
Age requirement:	55
Service requirement:	5 years of vesting service
Monthly amount payable until age 62:	Normal retirement pension accrued determined without regard to social security offset, reduced by 1/6% for each of the first 60 months and 1/3% for each of the next 60 months prior to age 65. Under the minimum benefit formula, the accrued benefit is reduced by 6/10% for each of the first 60 months and 4/10% for the next 60 months prior to age 65.
Monthly amount payable from age 62:	Normal retirement pension accrued as above, offset by 2.0% of the estimated social security benefit for each of the first 25 years of credited service. Under the minimum benefit formula, the same as above.
80-Point early retirement:	
Age and service requirement:	Sum of age and years of vesting service must be at least 80.
Monthly amount payable until age 62:	Normal retirement pension accrued determined without regard to social security offset, reduced in the same way as for Regular Early Retirement, but not below 75%. There is no reduction under the minimum benefit formula. In addition, under the minimum formula a supplemental benefit of $385 each month is provided.
Monthly amount payable from age 62:	Normal retirement pension as above, offset by 2.0% of the estimated social security benefit for each of the first 25 years of credited service. There is no reduction under the minimum benefit formula.
Deferred retirement:	Additional accruals to actual retirement date

Attachment to 2010 Schedule B of Form 5500
Schedule B, Line 6 – Summary of Plan Provisions
L-3 Communications Pension Plan for Certain Divisions
EIN 13-3937436 PN 008

Disability benefit:	
Age requirement:	None
Service requirement:	None
Monthly amount:	Accrued benefit calculated based on credited service to disability benefit date, payable at Normal Retirement Date.
Vesting:	
Age requirement:	None
Service requirement:	None, for participants hired prior to 4/1/1998 at Ocean Systems or hired prior to 1/1/2000 at Space and Navigation. 5 years for all others.
Death benefits:	Payable for death occurring after age 50: For deaths occurring in service, prior to attainment of eligibility to retire, but after full vesting: The greater of 20% of the participant's base pay at time of death and an amount equal to 50% of the benefit that would have been payable had the employee terminated on the date of death, survived until the earliest possible retirement age, retired on such date, and elected the Survivorship Option (described below), payable for the life of the surviving spouse. For deaths occurring in service, after attainment of eligibility to retire: The greater 20% of the participant's base pay at time of death or an amount equal to 50% of the benefit that would have been payable had the employee retired on the date of his death and elected the Survivorship Option (described below), payable for the life of the surviving spouse.

Death benefits (continued):

Survivorship Option:

Benefit otherwise payable to employee is reduced by 11%, with additional reduction of 0.25% for each full year in excess of 3 years up to 23 years by which the spouse's age is less than the employee's, and with an offsetting increase of 0.25% for each year in excess of 3 years up to 13 years by which the spouse's age exceeds the employee's.

Upon employee's death, spouse receives life income of 50% of benefit which was or would have been payable to employee.

Payable for death prior to age 50:

For deaths occurring in service, prior to attainment of eligibility to retire, but after full vesting:

An amount equal to 50% of the benefit that would have been payable had the employee terminated on the date of death, survived to the earliest possible retirement age, retired on that date and elected the survivorship option, payable for the life of the surviving spouse.

For deaths occurring after commencement of pension payments under a normal or early retirement:

A one-time lump sum payment equal to 180% of final average monthly compensation, reduced by 10% for each year of credited service less than 10 years, but not less than $2,000.

Attachment to 2010 Schedule B of Form 5500
Schedule B, Line 6 – Summary of Plan Provisions
L-3 Communications Pension Plan for Certain Divisions
EIN 13-3937436 PN 008

Optional forms of payment:

Single Life Annuity

100% Joint and Survivor Annuity – benefit is reduced by the factor equal to 81% and reduced/increased by additional 0.5% for each full year in excess of three years by which the Participant's/Spouse's birth date precedes the birth date of the Spouse/Participant.

75% Joint and Survivor Annuity – benefit is reduced by the factor equal to 85% and reduced/increased by additional 0.375% for each full year in excess of three by which the Participant's/Spouse's birth date precedes the birth date of the Spouse/Participant.

50% Joint and Survivor Annuity – benefit is reduced by the factor equal to 89% and reduced/increased by an additional 0.25% for each full year in excess of three by which the Participant's/Spouse's birthday precedes the birth date of the Spouse/Participant

Social Security Level Increase Annuity – it is payable in a greater amount before the date in which the Participant attains age 62, and a reduced amount after that date. The increase to the benefit payable before age 62 is equal to (1) minus (2), multiplied by (3) where:

(1) is the Social Security benefit payable to the Participant at age 62,

(2) is the difference in the monthly benefit payable to the Participant before age 62 and the monthly benefit payable to the Participant after age 62, calculated as a Single Life Annuity; and

(3) the level income factors

Years Early Retirement Date Precedes Normal Retirement Date	Level Income Factor
3	1.0000
4	.8900
5	.7900
6	.7100
7	.6300
8	.5600
9	.5100
10	.4600
11	.4100
12	.3700
13	.3300
14	.3000
15	.2700
16	.2500
17	.2200

The above tables shall be interpolated for fractional year.

Ten-Year Certain and Life Annuity – the reduced monthly payment is 95% of the monthly Single Life Annuity.

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Optional lump sum:

Benefits with present value less than or equal to $1,000 are automatically cashed out. If the present value of the benefit is over $1,000 but less than or equal to $5,000, a lump 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.

Attachment to 2010 Schedule B of Form 5500
Schedule B, Line 6 – Summary of Plan Provisions
L-3 Communications Pension Plan for Certain Divisions
EIN 13-3937436 PN 008

Participation:	From date of hire for all regular full-time employees. All other employees, after completion of one year of eligibility service (1000 hours of service).
Credited service:	All service as a participant.
Vesting service:	All service from date of hire. Participants at Ocean Systems hired prior to 4/1/1998 are fully vested as of that date. Participants at Space and Navigation hired prior to 1/1/2000 are fully vested as of that date.
Plan effective date:	3/31/1998 for Ocean Systems, 1/1/2000 for Space and Navigation

Attachment to 2010 Schedule B of Form 5500
Schedule B, Line 6 – Summary of Plan Provisions
L-3 Communications Pension Plan for Certain Divisions
EIN 13-3937436 PN 008

Seabeam	
Normal pension:	
Age requirement:	65
Service requirement:	None
Monthly amount:	0.65% of earnings each plan year credited service is earned plus 0.65% of earnings above the integration level each plan year credited service is earned. The integration level is $9,461 from April 1, 1999 to December 31, 1999, $13,057 for the plan year beginning January 1, 2000 and increases by 3.5% each year thereafter.
Early retirement:	
Age requirement:	55
Service requirement:	10 years of service
Monthly amount:	Normal retirement pension accrued, reduced by actuarial equivalence using the 1983 Group Annuity mortality table for males and an interest rate of 6%.
Vesting:	
Age requirement:	None
Service requirement:	5 years of service
Death benefits:	For deaths occurring in service, prior to attainment of eligibility to retire, but after vesting: An amount equal to 50% of the benefit that would have been payable had the employee terminated on the date of death, survived until the earliest possible retirement age, retired on such date, and elected the Survivorship Option (described below), payable for the life of the surviving spouse. For deaths occurring in service, after attainment of eligibility to retire: An amount equal to 50% of the benefit that would have been payable had the employee retired on the date of his death and elected the Survivorship Option (described below), payable for the life of the surviving spouse.

Attachment to 2010 Schedule B of Form 5500
Schedule B, Line 6 – Summary of Plan Provisions
L-3 Communications Pension Plan for Certain Divisions
EIN 13-3937436 PN 008

Optional forms of payment at retirement:	Benefit otherwise payable to employee is reduced to an actuarial equivalent amount using the 1983 Group Annuity mortality for males and an interest rate of 6%. Joint and Survivor Annuity (100%, 66-2/3% or 50%) Years Certain Annuity (5 or 10) Lump Sum
Participation:	March 18, 1999 for participants in Channel Technologies Inc. Pension Plan on March 17, 1999 who became employees on March 18, 1999. January 1 or July 1 coincident with or following one year of service for all others. There are no participants remaining in the Seabeam portion of the plan. All participants that are entitled to benefits are terminated vested participants.
Credited service:	All service as a participant, up to 35 years.
Vesting service:	All service from date of hire.
Plan effective date:	March 18, 1999
Most recent plan amendments:	Effective as of January 1, 2006, employees of Ocean Systems rehired on or after January 1, 2006 shall not be eligible to participate. Effective as of January 1, 2007, employees of Space & Navigation rehired on or after January 1, 2007 shall not be eligible to participate.
Amendment No. 1:	For employees of Seabeam, the Plan provides a 75% joint and survivor annuity as an optional benefit effective 1/1/2008.
Amendment Nos. 2 & 3:	These pertain to plan provisions that do not impact the valuation and they are effective January 1, 2008.

Attachment to 2010 Schedule B of Form 5500
Schedule B, line 6b – Description of Weighted Average Retirement Age
L-3 Communications Pension Plan for Certain Divisions
EIN 13-3937436 PN 008

Age	Rate	Probability of Retiring	Age x Probability
55	10.00%	10.00%	5.50
56	10.00%	9.00%	5.04
57	10.00%	8.10%	4.62
58	10.00%	7.29%	4.23
59	10.00%	6.56%	3.87
60	10.00%	5.90%	3.54
61	10.00%	5.31%	3.24
62	30.00%	14.35%	8.90
63	15.00%	5.02%	3.16
64	15.00%	4.27%	2.73
65	50.00%	12.09%	7.86
66	50.00%	6.05%	3.99
67	50.00%	3.02%	2.03
68	50.00%	1.51%	1.03
69	50.00%	0.76%	0.52
70	100.00%	0.76%	0.53
			60.79

Attachment to 2010 Schedule B of Form 5500
Schedule B, Line 8c - Schedule of Active Participant Data
L-3 Communications Pension Plan for Certain Divisions
EIN 13-3937436 PN 008

	Years of Service									
Age	**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	--	1	--	--	--	--	--	--	--	--
30 to 34	--	2	2	1	--	--	--	--	--	--
35 to 39	--	--	5	2	4	--	--	--	--	--
40 to 44	--	1	10	3	2	4	--	--	--	--
45 to 49	--	2	10	4	5	21	7	--	--	--
50 to 54	--	6	12	9	1	14	13	7	--	--
55 to 59	--	1	6	5	2	6	4	3	6	--
60 to 64	--	3	9	3	3	4	3	--	1	--
65 to 69	--	1	3	2	--	--	1	--	--	1
70 & up	--	--	2	--	1	1	1	--	--	--
Total	--	18	59	29	18	50	29	10	7	1

Attachment to 2010 Schedule B of Form 5500
Schedule B, Line 9c - Schedule of Funding Standard Account Charge Bases
L-3 Communications Pension Plan for Certain Divisions
EIN 13-3937436 PN 008

FUNDING STANDARD ACCOUNT AMORTIZATION CHARGE BASES

Type of Base	Date Established	Original Base	Outstanding Balance	Years Remaining	Amortization Amount
Change in assumptions	01/01/2005	$6,607,796	$3,894,825	5	$895,500
Plan amendment	01/01/2005	74,143	69,977	25	5,840
Actuarial loss	01/01/2006	529,827	121,818	1	121,818
Plan amendment	01/01/2006	150,945	144,416	26	11,889
Actuarial loss	01/01/2009	10,363,560	8,579,320	4	2,382,797
Plan amendment	01/01/2009	172,635	170,966	29	13,597
Total:			$12,981,322		$3,431,441

Attachment to 2010 Schedule B of Form 5500
Schedule B, Line 9j - Schedule of Funding Standard Account Credit Bases
L-3 Communications Pension Plan for Certain Divisions
EIN 13-3937436 PN 008

FUNDING STANDARD ACCOUNT AMORTIZATION CREDIT BASES

Type of Base	Date Established	Original Base	Outstanding Balance	Years Remaining	Amortization Amount
Change in assumptions	01/01/2009	$1,425,543	$1,324,777	9	$193,192
Actuarial gain	01/01/2010	4,940,671	4,940,671	5	1,135,963
Total:			$6,265,448		$1,329,155

L-3 COMMUNICATIONS PENSION PLAN FOR CERTAIN DIVISIONS

Financial Statements as of
and for the Years Ended
December 31, 2010 and 2009

L-3 COMMUNICATIONS PENSION PLAN FOR CERTAIN DIVISIONS
INDEX TO FINANCIAL STATEMENTS

	Page(s)
Report of Independent Auditors	2
Financial Statements:	
Statements of Net Assets Available for Benefits as of December 31, 2010 and 2009	3
Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2010 and 2009	4
Statements of Accumulated Plan Benefits and Changes in Accumulated Plan Benefits as of and for the Year Ended January 1, 2010	5
Notes to Financial Statements	6-14

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.

pwc

Report of Independent Auditors

To the Participants and Administrator of the
L-3 Communications Pension Plan for Certain Divisions:

In our opinion, the accompanying Statements of Net Assets Available for Benefits as of December 31, 2010 and 2009 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, 2010 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 Communications Pension Plan for Certain Divisions (the "Plan") at December 31, 2010 and changes therein for the year then ended and its financial status as of January 1, 2010, 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, New York
August 31, 2011

L-3 COMMUNICATIONS PENSION PLAN FOR CERTAIN DIVISIONS
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2010 AND 2009
(Dollars in thousands)

Assets:	2010	2009
Investment in Master Trust, at fair value	$69,901	$52,461
Employer contribution receivable	2,639	3,209
Total assets	72,540	55,670
Liabilities:		
Accrued expenses	120	116
Net assets available for benefits	$72,420	$55,554

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

L-3 COMMUNICATIONS PENSION PLAN FOR CERTAIN DIVISIONS
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Dollars in thousands)

	2010	2009
Additions:		
Net investment gain from Master Trust	$ 7,844	$ 10,061
Employer contributions	12,598	3,209
Total additions	20,442	13,270
Deductions:		
Benefit payments	2,913	2,693
Plan expenses	663	770
Total deductions	3,576	3,463
Net increase	16,866	9,807
Net assets available for benefits, Beginning of year	55,554	45,747
Net assets available for benefits, End of year	$ 72,420	$ 55,554

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

L-3 COMMUNICATIONS PENSION PLAN FOR CERTAIN DIVISIONS
STATEMENTS OF ACCUMULATED PLAN BENEFITS AND CHANGES IN ACCUMULATED PLAN BENEFITS
AS OF AND FOR THE YEAR ENDED JANUARY 1, 2010
(Dollars in thousands)

Statement of Accumulated Plan Benefits:	**January 1, 2010**
Actuarial present value of accumulated plan benefits	
Vested benefits:	
Participants currently receiving benefits	$25,478
Other participants	35,262
Total vested benefits	60,740
Non-vested benefits	2,393
Total actuarial present value of accumulated plan benefits	$63,133

Statement of Changes in Accumulated Plan Benefits:	**Year Ended January 1, 2010**
Actuarial present value of accumulated plan benefits as of January 1, 2009	$59,245
Increase (decrease) during the year attributable to:	
Benefits accumulated and actuarial experience	2,138
Increase for interest due to decrease in discount period	4,443
Benefits paid	(2,693)
Net increase	3,888
Actuarial present value of accumulated plan benefits as of January 1, 2010	$63,133

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

1. Plan Description

The following brief description of the L-3 Communications Pension Plan for Certain Divisions (the "Plan"), formerly known as the Ocean Systems Pension Plan for Salaried Employees, is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

The Plan was established effective April 1, 1998 in connection with the acquisition of the Ocean Systems division of AlliedSignal, Inc. by L-3 Communications Corporation (the "Company"), a wholly owned subsidiary of L-3 Communications Holdings, Inc. ("Holdings"). Certain participants in the Salaried Employees' Pension Plan of AlliedSignal, Inc. (the "Prior Plan") became participants in the Plan. During 1998, AlliedSignal, Inc. transferred the assets attributable to the accrued benefits of the participants from the Prior Plan to the Plan.

The Company amended and restated the Plan effective March 18, 1999 to permit employees of the Seabeam division of the Company to participate in the Plan. The Company also amended and restated the Plan effective January 1, 2000 to permit non-bargaining employees of the Space & Navigation division of the Company to participate in the Plan. Certain non-bargaining Space & Navigation employees that were participants in the Prior Plan became participants in the Plan.

The Plan is a non-contributory defined benefit plan covering employees at certain locations of the Company. Participation in the Plan commenced after completion of one year of service. The Plan is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

The Plan is frozen with respect to new employees of the Ocean Systems business unit hired on or after January 1, 2006 and with respect to new employees of the Space & Navigation business unit hired on or after January 1, 2007. As such, any employees hired on or after January 1, 2006 or January 1, 2007, as applicable, are not eligible to participate in the Plan.

2. Summary of Significant Accounting Policies

Basis of Accounting

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

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.

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 allocated 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 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 August 31, 2011, 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 2010 and 2009 under the minimum funding requirements of ERISA were $3,056 and $1,703, 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

For participants of the Ocean Systems and Space & Navigation divisions of the Company, the Plan provides a monthly benefit of 2.0% of Final Average Compensation for the first 25 years of service, plus 0.5% of Final Average Compensation for service in excess of 25 years, minus 2.0% of estimated social security benefits for the first 25 years of service. Final Average Compensation is the average of total compensation earned during the 5 consecutive years that produce the highest total compensation, divided by 60, or the monthly average of compensation for the 60 consecutive highest paid calendar months out of the last 120 calendar months. For participants of the Seabeam division of the Company, the Plan provides a benefit of 0.65% of earnings plus an additional 0.65% of earnings above the integration level, as defined in the plan document, for each Plan year credited service is earned. Benefits vest 100% after 5 years of service and are payable at age 65. All participants in the Plan who were employees of the Seabeam division of the Company were either term vested or in payment status as of December 31, 2009. Service in the Prior Plan is considered as service under the Plan.

For participants of the Ocean Systems and Space & Navigation divisions of the Company, the Plan permits early retirement for participants at age 55 with at least 5 years of service. The benefit may begin at the date of early retirement, reduced by 1/6% for each of the first 60 months prior to age 65, plus an additional 1/3% for each of the next 60 months prior to age 65. The Plan also provides early retirement benefits for those participants whose years of age and service total 80. For participants of the Seabeam division of the Company, the Plan permits early retirement for participants at age 55 with at least 10 years of service. The benefit may begin at the date of early retirement, reduced by an actuarial equivalence using an interest rate of 6%. 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.

The following presents the more significant assumptions underlying the actuarial computations as of January 1, 2010 and 2009.

Mortality basis	RP-2000 Combined Healthy Table RP-2000 Disabled Retiree Table
Retirement	Retirement starting at 55, with 100% by age 70 in 2010 and 2009.
Discount rate for the determination of the present value of accumulated plan benefits	2010 and 2009 – 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.

5. *Master Trust Investments*

The fair value of the assets and liabilities of the Master Trust at December 31, 2010 and 2009 is presented in the table below. The Plan's percentage interest in the Master Trust was 5.2% at December 31, 2010 and 4.8% at December 31, 2009.

	2010	2009
Corporate equity securities	$ 778,788	$ 607,388
Commingled trust funds and mutual funds	486,329	416,646
Corporate bonds	78,815	66,470
Government and mortgage-backed securities	—	366
Forward contracts	35	292
Accrued income	3,175	2,195
Receivable for unsettled trades	808	1,301
Payable for unsettled trades	(2,225)	(1,667)
	$ 1,345,725	$ 1,092,991

The following presents the investment gain of the Master Trust for the years ended December 31, 2010 and 2009.

	2010	2009
Net appreciation of investments	$ 130,842	$ 180,985
Interest	6,191	6,010
Dividends	21,668	19,690
Other	123	188
	$ 158,824	$ 206,873

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, 2010 and 2009.

	2010	2009
Corporate equity securities	$ 104,585	$ 121,766
Commingled trust funds and mutual funds	20,585	39,365
Corporate bonds	5,045	20,449
Forward contracts	627	(595)
	$ 130,842	$ 180,985

6. *Fair Value Measurements*

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. It establishes 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 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 table below reports by level, within the fair value hierarchy, the assets held in the Master Trust at fair value as of December 31, 2010 and 2009, including a description of the valuation methodologies. 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 Measured at December 31, 2010				Fair Value Measured at December 31, 2009			
Asset Category	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Equity securities[1]:								
U.S. Equity	608,771	—	—	608,771	468,831	—	—	468,831
International Equity	98,282	114,632	—	212,914	86,365	103,788	—	190,153
Fixed Income — Investment Grade	155,351[2]	155,040[3]	—	310,391	126,094[2]	110,086[3]	—	236,180
Fixed Income — High Yield[4]	—	82,477	—	82,477	—	68,905	—	68,905
Real Estate Investment Trusts[5]	70,044	—	—	70,044	55,181	—	—	55,181
Other[6]	—	61,128	—	61,128	—	73,741	—	73,741
Total	$ 932,448	$ 413,277	$ —	$1,345,725	$ 736,471	$356,520	$ —	$ 1,092,991

(1) Equity securities consist of investments in common stock of U.S. and foreign companies. The fair value of equity securities is based on quoted market prices available in active markets at the close of a trading day, primarily the New York Stock Exchange (NYSE), National Association of Securities Dealers Automated Quotations (NASDAQ), and various foreign exchanges. The Level 2 investment balance is derived from a pooled equity fund offered by a registered investment company, which fair value is based on net asset value (NAV). NAV is calculated by the fund manager based on the fair value of the fund's holdings, primarily equity securities traded in active markets, determined as of the end of each month. Withdrawals are permitted monthly based on NAV.

(2) Approximately 50% in 2010 and 53% in 2009 of plan assets invested in fixed income — investment grade securities consist of a mutual fund offered by a registered investment company. The mutual fund invests in investment grade fixed income securities, mortgaged-backed securities, U.S. treasury and agency bonds and corporate bonds. This fund is classified by the Company as a Level 1 measurement within the fair value hierarchy as the mutual fund trades on an active market and daily, quoted prices are available.

(3) The remaining 50% in 2010 and 47% in 2009 of plan assets invested in fixed income — investment grade securities is derived from pooled bond funds offered by registered investment companies. As these funds do not trade in an active market, the fair value is based on NAVs calculated by fund managers based on yields currently available on comparable bonds of issuers with similar credit ratings, quoted prices of similar bonds in an active market, or cash flows based on observable inputs.

(4) Fixed income — high yield consists of investments in corporate high-yield bonds from various industries. The fair values of these investments are based on yields currently available on comparable bonds of issuers with similar credit ratings, quoted prices of similar bonds in an active market, or cash flows based on observable inputs.

(5) Real Estate Investment Trusts (REITs) consist of securities that trade on the major exchanges and invest in real estate directly, either through properties or mortgages.

(6) Other consists of short term investments maintained in a commingled trust or pooled fund, which primarily invests in short term, high quality money market securities such as government obligations, commercial paper, time deposits and certificates of deposit, which are classified as Level 2.

7. Accounting Standards Issued and Not Yet Implemented

In May 2011, the FASB issued a revised accounting standard for fair value measurement and disclosure. The revisions clarify how to measure fair value and require additional disclosures as follows: 1) transfers between Level 1 and Level 2 of the fair value hierarchy, 2) the valuation process used and the sensitivity of a fair value measurement categorized within Level 3 of the fair value hierarchy to changes in unobservable inputs, and 3) the categorization by level of the fair value hierarchy for items that are not measured at fair value in the Statement of Net Assets Available for Benefits, but for which the fair value of such items is required to be disclosed. The revised accounting standard is effective for the Company beginning after December 15, 2011, and is not expected to have an impact on the Plan's Net Assets Available for Benefits.

8. Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated July 11, 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.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan administrator has analyzed the tax positions by the Plan, and has concluded that as of December 31, 2010, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to the year ended December 31, 2006.

9. 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.

10. Termination Priorities

While the Company has not expressed any intention to do so, it is free to discontinue its contributions at any time and to 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, up to specified limits.