



communications

L-3 MAS Canada

10000 Helen-Bristol Street
Montréal International Airport, Mirabel
Mirabel, Québec, Canada J7N 1H3
450-476-4000 Fax: 450-476-4460
www.mas.L-3Com.com

NEWS RELEASE
For immediate release

L-3 MAS exports Canada's aerospace-unique know-how.

L-3 MAS wins second phase of major F/A-18 Centre Barrel contract with Australia and is awarded new contract with Spain..

MIRABEL, Quebec, July 10, 2008 — L-3 Communications MAS (Canada) Inc., a division of L-3 Communications Integrated Systems Group, is proud to announce it was awarded a \$106 million contract for the production phase of the Royal Australian Air Force (RAAF) F/A-18 Centre Barrel Replacement (CBR) as part of the Structural Refurbishment Project Phase 2 (SRP2). Since 2002, L-3 MAS has been under contract with the Australian Defence Materiel Organisation (DMO) for the RAAF Hornet Structural Refurbishment Program (SRP). This unique program extends the service life of the RAAF's fleet of F/A-18 fighters to 100 percent of its fatigue life, essential to maintaining Australia's air combat capability.

"The unique expertise on F/A-18 fighters we developed through 21 years on the CF-18 and our relationship with the Canadian Forces gave us the opportunity to export and share our know-how with Australia," said Sylvain Bédard, president of L-3 MAS who will be at Farnborough Air Show again this year to meet with key customers and partners. *"Through this new partnership, we achieved heightened visibility in the international market and gain new business in Europe. We are extremely proud to see our company contributing to the excellent reputation of Canada's aerospace industry on the global arena".*

"The Royal Australian Air Force and DMO relationship with L-3 MAS is a perfect example of how we can leverage Government investment in Canadian industry, creating high tech jobs and exporting our knowhow onto the international market."

Major contract with Royal Australian Air Force, worth \$130 million over five years and creating more than 110 jobs at L-3 MAS Mirabel.

In December 2005, L-3 MAS was awarded an initial contract for the RAAF F/A-18 Centre Barrel Replacement (CBR). It included CBR design and prototype activities at its Mirabel facility. The second prototype aircraft is near completion and ahead of schedule. This important contract continues to generate quality and high-tech jobs for engineers, specialized technicians, project managers and many more. The vast majority is based in Mirabel, Quebec but for some it is also an opportunity to temporarily re-locate in Australia and contribute to building a lasting relationship with our Australian customers and partners. The

major components are provided by the original equipment manufacturers; however, parts and services are supplied by many suppliers from the Montreal Aerospace Cluster of greater Montreal, thereby creating even more jobs beyond the direct workforce at L-3 MAS. The Mirabel work will also have a positive impact on the local economy, with more families spending their revenues in the lower Laurentian region as well as in the bigger Montreal region.

The second phase of the contract was awarded to L-3 MAS in June 2008. Under this new phase, L-3 MAS will deliver four low rate initial production aircraft followed by four full-rate production aircraft. The period of performance is between May 2008 and June 2010 and includes ancillary services such as program management, engineering services, discrete modifications, spares and kits. The aircraft are inducted and prepared by BAE Systems Australia in Williamtown before being airlifted to the L-3 MAS F/A-18 CBR facility in Mirabel, Canada. A dedicated CBR workforce uses special fixtures to split the aircraft and replace the centre structure of the F/A-18. Once re-spliced and repaired by L-3 MAS, the aircraft are returned to Williamtown for final assembly, flight testing and delivery to the DMO. The contract allows for options that could extend the CBR production to 2014 to meet the operational needs of the end client.

The CBR is the most complex F/A-18 structural refurbishment in production at L-3 MAS. The layout of the state-of-the-art dedicated facility in Mirabel was developed through Lean manufacturing principles. The set-up of the work-flow and facility equipment was developed by the technicians. With the outstanding contribution of the workforce, most of which are members of the International Association of Mechanics and Aerospace Workers, L-3 MAS was able to quickly transition to production ahead of schedule. L-3 MAS is the only commercial entity world-wide to perform the CBR intervention on the F/A-18 in a production environment.

A new opening in Europe: contract with Spain.

Spain acknowledged the world-class expertise developed in Mirabel on F/A-18 aircraft and is well aware of L-3 MAS' success in exporting this expertise in Australia. This contract is just a beginning to what can become other sources of revenue for L-3 MAS.

“We are also very proud of this breakthrough in Spain. As opportunities continue to evolve in the international market for F/A-18 services, we are confident L-3 MAS is well positioned to capture a good share of business,” Bédard said.

About L-3 MAS

L-3 MAS (Canada) Inc., a division of L-3 Communications Integrated Systems, is among Canada's leading providers of aircraft fleet management, product life-cycle extension and in-service support services to government departments and agencies and commercial customers. L-3 MAS employs 1,000 people at operating centres in Cold Lake, Ottawa, Mirabel, Bagotville, Shearwater and Williamtown (Australia). L-3 MAS, in addition to providing extensive fleet management, engineering and maintenance support for the Canadian Forces and Royal Australian Air Force fleets of the F-18 fighter aircraft, is the leader in providing in-service support for the new CH-148 Cyclone helicopter. More information can be found at www.L-3com.com/mas.

About L-3 IS

L-3 Communications Integrated Systems develops and integrates defense and commercial technology for U.S. and allied customers worldwide. Headquartered in Greenville, Texas, L-3 IS has more than five decades of experience in the development of complex intelligence, surveillance and reconnaissance

systems; command and control; and secure communications. It is recognized internationally as a systems integration organization specializing in the modernization and maintenance of aircraft of all sizes. It is a leader in advanced technologies for signal processing, electronic countermeasures, sensor development and aircraft self-protection. Systems provided or maintained by L-3 IS help protect military and civilian personnel, bases, assets and national borders throughout the world.

Headquartered in New York City, L-3 Communications employs over 64,000 people worldwide and is a prime contractor in aircraft modernization and maintenance, C³ISR (Command, Control, Communications, Intelligence, Surveillance and Reconnaissance) systems and government services. L-3 is also a leading provider of high technology products, subsystems and systems. The company reported 2007 sales of \$14 billion.

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

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

Except for historical information contained herein, the matters set forth in this news release are forward-looking statements. Statements that are predictive in nature, that depend upon or refer to events or conditions or that include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," "will," "could" and similar expressions are forward-looking statements. The forward-looking statements set forth above involve a number of risks and uncertainties that could cause actual results to differ materially from any such statement, including the risks and uncertainties discussed in the company's Safe Harbor Compliance Statement for Forward-looking Statements included in the company's recent filings, including Forms 10-K and 10-Q, with the Securities and Exchange Commission. The forward-looking statements speak only as of the date made, and the company undertakes no obligation to update these forward-looking statements.

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Contact: Lyne Lortie
Director, Communications and Public Relations
L-3 MAS (Canada) Inc.
(450) 476-4435