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## News

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For Immediate Release

### **L-3 Agrees to Acquire Assets of Implant Sciences**

*– Leader in the Design and Manufacture of Explosives Trace Detection (ETD) Systems and Sensors for Homeland Security and Defense Markets –*

NEW YORK, October 10, 2016 – L-3 Communications (NYSE:LLL) announced today that it has entered into an asset purchase agreement (APA) to acquire certain assets of Implant Sciences Corporation (Implant) for \$117.5 million in cash, plus the assumption of specified liabilities. L-3 intends to finance the asset purchase using its existing cash on hand. Implant has recently entered into Chapter 11 Bankruptcy protection, and the consummation of the APA will be subject to approval of the U.S. Bankruptcy Court. Following a successful acquisition, the assets will be integrated into L-3's Security & Detection Systems division within its Electronic Systems business segment.

Pursuant to the terms of the APA, L-3 will acquire the explosives trace detection (ETD) business of Implant. The company's ETD products have received approvals and certifications from several international regulatory agencies, including the TSA in the U.S., ECAC in Europe and the Ministry of Public Safety in China. In September 2016, the TSA placed a delivery order for 1,353 of the QS-B220 systems and related supplies.

"L-3's leadership across a broad scope of security and detection technologies will be enhanced by these assets, supporting our strategy to provide our customers with scalable, integrated solutions that meet the evolving global demand," said Michael T. Strianese, L-3's Chairman and Chief Executive Officer.

Based in Wilmington, Massachusetts, Implant filed for bankruptcy protection pursuant to Chapter 11 of the U.S. Bankruptcy Code on October 10, 2016. L-3 will be, subject to U.S. Bankruptcy Court approval, entitled to a breakup fee and expense reimbursement if it does not prevail as the successful bidder at any subsequent auction in accordance with the terms of the APA. L-3's role as purchaser and the sale itself are subject to approval by the U.S. Bankruptcy Court.

Headquartered in New York City, L-3 employs approximately 38,000 people worldwide and is a leading provider of a broad range of communication and electronic systems and

products used on military and commercial platforms. L-3 is also a prime contractor in aerospace systems. The company reported 2015 sales of \$10.5 billion.

To learn more about L-3, please visit the company's website at [www.L-3com.com](http://www.L-3com.com). L-3 uses its website as a channel of distribution of material company information. Financial and other material information regarding L-3 is routinely posted on the company's website and is readily accessible.

**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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