

# **L-3 Communications Acquires Two Leaders in Threat Detection for Military and Homeland Security Applications**

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State-of-the-art military and homeland security sensors from CyTerra Corporation and non-invasive security systems and portals from SafeView, Inc.

L-3 Communications (NYSE: LLL) announced today the acquisition of two companies that will add significant technologies to its broad range of military and homeland security products. L-3 has acquired CyTerra Corporation and SafeView, Inc. These acquisitions are both expected to be slightly accretive to L-3's earnings in 2006. The terms of these transactions were not disclosed.

"CyTerra and SafeView are initial steps in L-3's goal to consolidate the 'best of the best' high technology products companies in what is now a fragmented security market," said Frank C. Lanza, chairman and chief executive officer of L-3 Communications. "We believe that these are companies with superior technologies and advanced products that have significant growth potential. A synergistic product base to service a growing market, as well as marketing resources and research and development funding will enable CyTerra and SafeView, as part of L-3, to get to the next level."

"These two companies are leaders in threat detection technology and are highly synergistic with our existing Security and Detection Systems (S&DS) business," said Mr. Lanza. He noted that S&DS, with an installed base of more than 18,000 systems, is a leading supplier of mature and next-generation systems and technology products for aviation, rail and cargo screening, port and border inspection and facility and infrastructure security. L-3 also is a leader in intrusion detection and maritime and port security systems and products.

"Advanced security sensor technology will play a large part in products supporting homeland security and military markets across the board," continued Mr. Lanza, "and you will quickly see new L-3 products from the technologies that we are acquiring that are superior to anything on the market. These companies will also enable L-3 to provide total aviation and mass transportation security solutions to our customers."

"Funding for homeland security efforts will continue to accelerate, in light of the continuing terrorist threat," said Mr. Lanza. "We anticipate increased federal funding to supply products for border security, aviation checkpoints, maritime, cargo, port and mass transportation security and hazardous material storage." Mr. Lanza said that, going forward, there are many excellent companies started by scientists and engineers that could boost L-3's capabilities in a number of these areas.

Mr. Lanza also commented that L-3 will continue to serve as a merchant supplier of homeland security products to both domestic and international providers. The company will also seek to develop partnerships with other companies in the homeland security marketplace.

Mr. Lanza said that SafeView's and CyTerra's products lines, when combined with L-3's existing catalog of security checkpoint systems and scanners, enables L-3 to offer its customers a full complement of non-commodity high technology security products.

### CyTerra Corporation

Headquartered in Orlando, FL and founded in 2000, CyTerra currently serves a broad customer base that includes the Transportation Security Administration (TSA), the Department of Homeland Security (DHS), the U.S. Army and Navy, the Defense Advanced Research Projects Agency (DARPA) and several foreign militaries. CyTerra is a leader in the development and manufacture of a number of sophisticated sensors for the military and homeland security markets. The company's threat detection capabilities include the AN/ PSS-14 next-generation U.S. Army mine detector, advanced through-wall radar and explosive detection sensors for checkpoints. Its products are used by the U.S. Army as their standard for portable land mine detection. CyTerra's explosives detection gateways and see-through building detectors are new products being introduced as first-of-breed next generation sensors.

CyTerra's advanced dual mode sensor is based on ground penetrating radar (GPR) and magnetic technology and is used for troop protection purposes, advanced landmine detection and state-of-the-art hidden motion detection sensors. The company manufactures the most advanced handheld portable mine detectors available, which can find metal and plastic mines in all soil types with the highest probability of detection and the lowest false alarm rate. CyTerra is the sole supplier of ruggedized handheld mine detection systems to the Department of Defense (DoD) and has delivered over 1,000 units under its existing contracts.

"CyTerra brings to L-3 a superior sensor capability that can be applied to several screening solutions that are far more advanced, significantly faster and lower in cost than other systems on the market," said Mr. Lanza. "When added to L-3's existing product line for port, cargo and rail security initiatives, as well as intrusion detection and perimeter security systems, L-3 has the broadest base of state-of-the-art detection systems in the industry."

Mr. Lanza noted several new products that set CyTerra above the competition. A Rapid Transit Passenger Screening portal for passengers can sample key areas of the body rapidly for explosive materials without the need for an operator, a process far faster than competing portals. The detection engine for the new portal is CyTerra's Energetic Explosives Detector which is not only faster than competing systems, but can find trace levels of any explosive, regardless of chemical composition. The Pressure Activated Wand Sampler (PAWS) is a hand-held sampling system that harvests traces of explosive

particles at security checkpoints and CyTerra's Pressure Activated Sampling System - Cargo (Pass-C) is designed for screening pallets of cargo and large cargo containers.

Additionally, CyTerra brings with it strong market positions and a number of research and development projects that show promise for future security products. The company is also currently working on several government-funded research and development projects in support of homeland security and DoD requirements.

"Another exceptional technology that CyTerra brings to L-3 is its GPR, mainly used to protect U.S. troops and fight terrorists," said Mr. Lanza. "Along with producing a variety of handheld mine detection products,

CyTerra was the only company to receive an award from DARPA to complete the development of its through-wall system for motion sensing to detect terrorists hidden behind a wide variety of wall construction materials. This technology also has a number of applications for law enforcement and first responders."

"As a leading supplier of mine sensors," said Mr. Lanza, "one of CyTerra's highest priorities is assisting the U.S. Army in an effort to help solve the problem of locating improvised explosive devices (IEDs)." CyTerra's scientists and engineers have pioneered a number of advances in explosive detection technologies, landmine detection and counter-terrorism techniques and are using the company's detection technologies, including radar systems, metal and agent detection, electromagnetic motion sensors and signal processing to help find solutions to IEDs in Iraq and Afghanistan.

Jefferies Quarterdeck, a division of Jefferies & Company, Inc., acted as financial advisor to CyTerra with respect to this transaction.

SafeView, Inc.

Headquartered in Santa Clara, CA, SafeView develops and manufactures non-invasive security systems and portals for military and public safety use, including airports. SafeView's patented low power active millimeter wave technology (MMW) unobtrusively detects objects of concern such as weapons, explosives, plastics, ceramics and metals by scanning the body and creating 3-D images of concealed contraband. The company's Scout Personnel Screening System has been deployed around the world and is currently used to secure soldiers and workers in Iraq's Green Zone.

SafeView's patented active MMW technology was developed at the U.S. Department of Energy's Pacific Northwest National Lab, with additional research and development support provided by the TSA and the Federal Aviation Administration (FAA).

"SafeView's imaging and people screening systems, based on millimeter wave technology, create a highly realistic holographic image of an individual being screened," said Mr. Lanza. "Its systems can safely and rapidly identify an unmatched array of concealed objects, including those made of metal, plastic, ceramic, paper, wood and

explosive materials. This technology outperforms products such as metal detectors, passive millimeter wave and backscatter x-ray. It is both safe for use on humans and it ensures an individual's personal privacy with a rapid detection capability that is far superior to any product currently on the market."

"SafeView opens up a number of market opportunities for L-3 beyond our current offerings in aviation and cargo security," said Mr. Lanza. He said that SafeView's portals are currently being used at border crossings in Israel, international airports such as Mexico City and Amsterdam's Schiphol, ferry landings in Singapore, railway stations in the UK, government buildings like The Hague and commercial buildings in Tokyo.

Jefferies & Company, Inc. acted as financial advisor to SafeView with respect to this transaction.

Headquartered in New York City, L-3 Communications is a leading provider of Intelligence, Surveillance and Reconnaissance (ISR) systems, secure communications systems, aircraft modernization, training and government services. The company is a leading merchant supplier of a broad array of high technology products, including guidance and navigation, sensors, scanners, fuzes, data links, propulsion systems, simulators, avionics, electro optics, satellite communications, electrical power equipment, encryption, signal intelligence, antennas and microwave components. L-3 also supports a variety of Homeland Security initiatives with products and services. Its customers include the Department of Defense, Department of Homeland Security, selected U.S. Government intelligence agencies and aerospace prime contractors.

To learn more about L-3 Communications, please visit the company's web site at [www.L3Com.com](http://www.L3Com.com).

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

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

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