SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2000

Commission file numbers 001-14141 and 333-46983

L-3 COMMUNICATIONS HOLDINGS, INC.
AND
L-3 COMMUNICATIONS CORPORATION

600 Third Avenue
New York, NY 10016
Telephone: (212) 697-1111
State of incorporation: Delaware
IRS identification numbers: 13-3937434 and 13-3937436

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the proceeding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. X Yes ___ No

There were 33,051,850 shares of L-3 Communications Holdings, Inc. common stock with a par value of $0.01 outstanding as of the close of business on May 12, 2000.

L-3 COMMUNICATIONS HOLDINGS, INC. AND
L-3 COMMUNICATIONS CORPORATION
FORM 10-Q QUARTERLY REPORT FOR
QUARTER ENDED MARCH 31, 2000

PART I -- FINANCIAL INFORMATION:

L-3 COMMUNICATIONS HOLDINGS, INC.
AND L-3 COMMUNICATIONS CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	MARCH 31, 2000 (UNAUDITED)	DECEMBER 31, 1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 27,381	$ 42,788
Contracts in process	577,451	484,173
Deferred income taxes	62,648	32,985
Other current assets	7,658	7,761
Total current assets	675,138	567,707
Property, plant and equipment, net	159,130	140,971
Intangibles, primarily cost in excess of net assets acquired, net of amortization	972,665	821,552
Deferred income taxes	64,095	56,858
Other assets	40,992	46,683
Total assets	$1,912,020	$1,633,771
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable, trade	$ 112,024	$ 98,693
Accrued employment costs	82,616	70,618
Accrued expenses	50,022	27,931
Customer advances	48,831	56,738
Accrued interest	18,858	12,683
Income taxes	2,435	2,715
Other current liabilities	88,897	48,928
Total current liabilities	403,683	318,306
Pension and postretirement benefits	107,200	110,262
Other liabilities	17,663	17,028
Long-term debt	785,000	605,000
Commitments and contingencies		
Shareholders' equity:		
Common stock $.01 par value; authorized 100,000,000 shares, issued and outstanding 32,910,000 and 32,794,547 shares	489,161	483,694
Retained earnings	114,474	103,545
Unearned compensation	(3,185)	(1,661)
Accumulated other comprehensive loss	(1,976)	(2,403)
Total shareholders' equity	598,474	583,175
Total liabilities and shareholders' equity	$1,912,020	$1,633,771

See notes to condensed consolidated financial statements.

L-3 COMMUNICATIONS HOLDINGS, INC.
AND L-3 COMMUNICATIONS CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	THREE MONTHS ENDED MARCH 31,	
	2000	1999
Sales	$ 377,052	$ 275,562
Costs and expenses	342,383	249,395
Operating income	34,669	26,167
Interest and other income	835	1,014
Interest expense	17,588	15,475
Income before income taxes	17,916	11,706
Provision for income taxes	6,987	4,507
Net income	$ 10,929	$ 7,199
Earnings per common share:		
Basic	$ 0.33	$ 0.24
Diluted	$ 0.32	$ 0.23
Weighted average common shares outstanding:		
Basic	33,042	30,491
Diluted	34,478	31,884

See notes to condensed consolidated financial statements.

L-3 COMMUNICATIONS HOLDINGS, INC.
AND L-3 COMMUNICATIONS CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(IN THOUSANDS)
(UNAUDITED)

	THREE MONTHS ENDED MARCH 31, 2000	1999
OPERATING ACTIVITIES:		
Net income	$ 10,929	$ 7,199
Depreciation and amortization	15,701	12,774
Amortization of deferred debt issuance costs	1,006	978
Deferred income taxes	4,700	3,155
Other noncash items	2,295	1,973
Changes in operating assets and liabilities, net of amounts acquired:		
Contracts in process	(25,942)	(23,677)
Other current assets	395	2,081
Other assets	(1,200)	(1,417)
Accounts payable and accrued expenses	16,145	(9,499)
Customer advances	(8,199)	8,112
Other current liabilities	336	(822)
Pension and postretirement benefits	4,838	(546)
Other liabilities	(5,247)	(742)
All other operating activities, net	(598)	(1,086)
Net cash from (used in) operating activities	15,159	(1,517)
INVESTING ACTIVITIES:		
Acquisition of businesses, net of cash acquired	(217,670)	(96,312)
Capital expenditures	(5,393)	(4,545)
Disposition of property, plant and equipment	952	269
Other investing activities, net	11,506	1,189
Net cash (used in) investing activities	(210,605)	(99,399)
FINANCING ACTIVITIES:		
Borrowings under revolving credit facilities	244,000	74,700
Repayment of borrowings under revolving credit facilities	(64,000)	(74,700)
Proceeds from sale of common stock, net	--	201,582
Other financing activities, net	39	(1,265)
Net cash from financing activities	180,039	200,317
Net (decrease) increase in cash	(15,407)	99,401
Cash and cash equivalents, beginning of the period	42,788	26,130
Cash and cash equivalents, end of the period	$ 27,381	$ 125,531

See notes to condensed consolidated financial statements.

L-3 COMMUNICATIONS HOLDINGS, INC. AND
L-3 COMMUNICATIONS CORPORATION

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

L-3 Communications Holdings, Inc. ("Holdings" and together with its subsidiaries "L-3" or the "Company") is a leading merchant supplier of sophisticated secure communication systems and specialized communication products. These systems and products are critical elements of virtually all major communication, command and control, intelligence gathering and space systems. The Company's customers include the U.S. department of defense (the "DoD"), certain U.S. government intelligence agencies, major aerospace and defense contractors, foreign governments and commercial customers. The Company has two reportable segments, Secure Communication Systems and Specialized Communication Products.

Secure Communication Systems. This segment provides secure, high data rate communications systems for military and other U.S. government reconnaissance and surveillance applications. These operations are principally performed under cost plus, sole source contracts supporting long-term programs for the U.S. armed forces and classified customers. Major secure communications programs and systems include: secure data links for airborne, satellite, ground and seabased remote platforms for information collection, command and control and dissemination to users in real-time; strategic and tactical signal intelligence systems that detect, collect, identify, analyze and disseminate information and related support contracts for military and intelligence efforts; secure telephone, fax and network equipment and encryption management; communication software support services to military and related government intelligence markets; and communications systems for surface and undersea platforms and manned space flights. This segment also provides high fidelity, fully integrated simulator training products, including flight simulators, pilot training systems and training support services used by U.S. and foreign military agencies, which are principally performed under long-term fixed price contracts.

Specialized Communication Products. This segment includes three product categories: microwave components, avionics and ocean products, and telemetry, instrumentation and space products. Microwave Components includes commercial off the shelf, high performance microwave components and frequency monitoring equipment. Avionics and Ocean Products include aviation recorders, display products, antenna products, acoustic undersea warfare systems and naval power distribution, conditioning, switching and protection equipment for naval ships and submarines. Telemetry, Instrumentation and Space Products include commercial off the shelf real-time data collection and transmission products and components for missile, aircraft and space based electronic systems. The Specialized Communication Products segment provides products, systems and services used in the satellite transmission of voice, video and data through earth stations for uplink and downlink terminals. This segment also provides commercial off the shelf satellite control software, telemetry, tracking and control, mission processors, software engineering services, and Global Positioning Systems (GPS) receivers, navigation and positioning system products and subsystems to the worldwide military, civilian and commercial satellite markets.

The accompanying unaudited condensed consolidated financial statements also include those of L-3 Communications Corporation ("L-3 Communications"), which is a wholly owned subsidiary of Holdings. Holdings owns all of the authorized, issued and outstanding common stock, par value $0.01 per share, of L-3 Communications. Holdings has no operations other than through its subsidiary, L-3 Communications.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X of the Securities and Exchange Commission ("SEC"); accordingly, they do not include all of the information and notes required by generally accepted accounting principles for a complete set of financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the results for the interim periods presented have been included. The results of operations for the interim periods are not necessarily indicative of results for the full year. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of sales and costs and expenses during the reporting period. The most significant of these estimates and assumptions relate to contract estimates of sales and costs, estimates of pension and postretirement benefit obligations, recoverability of recorded amounts of fixed assets and cost in excess of net assets acquired, income taxes, litigation and environmental obligations. Actual results could differ from these estimates. For further information, these interim financial statements should be read in conjunction with the Consolidated Financial Statements of Holdings and L-3 Communications for the fiscal year ended December 31, 1999, included in their Annual Report on Form 10-K for fiscal year ended December 31, 1999.

2. ACQUISITIONS

On January 8, 1999 the Company acquired all of the outstanding common stock of Microdyne Corporation ("Microdyne") for $94,228 in cash including expenses and the repayment of assumed debt, net of cash acquired. On April 16, 1999 the Company acquired all of the outstanding common stock of Aydin Corporation ("Aydin") for $60,034 in cash, including expenses net of cash acquired. On June 30, 1999 the Company acquired all the outstanding common stock of Interstate Electronics Corporation ("IEC") from Scott Technologies Inc. for $40,610 in cash including expenses. On December 31, 1999, the Company acquired the assets of the Space and Navigation Systems business ("Space & Nav") of Honeywell International Inc. ("Honeywell") for $55,000 in cash, plus expenses, subject to adjustment based on closing date net assets, as defined.

On February 10, 2000, the Company acquired the assets of the Training Devices and Training Services ("TDTS") business of Raytheon Company for $160,000 in cash plus expenses, subject to adjustment based on closing date net working capital, as defined. Following the acquisition the Company changed the name of TDTS to L-3 Communications Link Simulation and Training ("Link Simulation and Training"). On February 14, 2000, the Company acquired the assets of Trex Communications Corporation, ("TrexCom"), for $50,210 in cash, plus expenses, subject to adjustment based on closing date net worth, as defined. The acquisitions were financed using borrowings under the Company's Senior Credit Facilities.

On April 28, 2000, the Company acquired the Traffic Alert and Collision Avoidance System ("TCAS") product line from Honeywell for a purchase price of $237,000 in cash, reflecting a price reduction of $17,000 based on the preliminary closing date net assets, as defined, which is subject to a final adjustment. The TCAS acquisition was financed with borrowings under a new revolving 364 day senior credit facility. In addition, in February 2000, the Company entered into a Memorandum of Agreement ("MOA") with Thomson-CSF Sextant S.A. ("Sextant"), a subsidiary of Thomson-CSF, under which L-3 agreed to purchase the assets of TCAS from Honeywell, create a limited liability corporation for TCAS (the "TCAS LLC"), contribute 100% of the TCAS assets to TCAS LLC, and sell a 30% interest in the TCAS LLC to Sextant for a cash purchase price equal to 30% of the final purchase price paid by the Company for TCAS (approximately $71,100 based on the preliminary closing date net assets) (collectively, the "TCAS Minority Interest Transaction"). L-3 expects to maintain operating management of the TCAS LLC and to consolidate it. The MOA will terminate if the TCAS Minority Interest Transaction is not consummated by May 31, 2000. The TCAS Minority Interest Transaction is subject to regulatory approval by United States agencies and the European Union Commission and the execution of definitive agreements.

Space and Nav and TDTS historical interim financial statements for the three months ended March 31, 1999 are not readily available. However, based on preliminary statement of operations data, had the acquisitions of Aydin, IEC, Space & Nav, TrexCom and TDTS occurred on January 1, 1999, the unaudited pro forma sales would have been $399,700 for the three months ended March 31, 2000 and $406,100 for the three months ended March 31, 1999.

All of the Company's acquisitions have been accounted for as purchase business combinations and are included in the Company's results of operations from their respective effective dates. The assets and liabilities recorded in connection with the acquisitions of Space & Nav, Link Training and Simulation and TrexCom are based upon preliminary estimates of fair values for contracts in process, inventories, pension and postretirement benefit liabilities and deferred taxes. Actual adjustments will be based on the final purchase prices, audited acquired historical net assets, and the final appraisals and other analyses of fair values which are in process. Management does not expect that differences between the preliminary and final purchase price allocations will have a material impact on the Company's financial position or results of operations.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

In March, 2000 the Company completed the sale of its interest in the Network Security business which resulted in an after tax gain of $395, net of an after-tax loss on the write-down in the carrying value of certain other investments of $6,359.

3. CONTRACTS IN PROCESS

Contracts in process consist of:

	MARCH 31, 2000	DECEMBER 31, 1999
Billed receivables	$ 263,238	$ 258,054
Unbilled contract receivables, gross	214,061	125,652
Less: unliquidated progress payments	(74,022)	(10,351)
Unbilled contract receivables, net	140,039	115,301
Inventoried costs, gross	199,138	130,091
Less: unliquidated progress payments	(24,964)	(19,273)
Inventoried costs, net	174,174	110,818
Total contracts in process	$ 577,451	$ 484,173

4. DEBT

Long-term debt consists of:

	MARCH 31, 2000	DECEMBER 31, 1999
Borrowings under Senior Credit Facilities	$180,000	--
10 3/8% Senior Subordinated Notes due 2007	225,000	$225,000
8 1/2% Senior Subordinated Notes due 2008	180,000	180,000
8% Senior Subordinated Notes due 2008	200,000	200,000
Total debt	785,000	605,000
Less current portion	--	--
Long-term debt	$785,000	$605,000

Available borrowings under the Company's revolving credit facilities at March 31, 2000 were $122,559, after reductions for outstanding borrowings of $180,000 and letters of credit of $97,441.

In January 2000, the Senior Credit Facilities were amended to change the spreads on borrowings, commitment fees and letter of credit fees thereunder, as follows: on "base rate" borrowings, ranging from 0.375% to 1.25%; on "LIBOR rate" borrowings and financial letters of credit, ranging from 1.00% to

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

2.25%; on commitment fees, ranging from 0.20% to 0.50%; and, on performance letters of credit, ranging from 0.50% to 1.125%, in each case, depending on L-3 Communications' Debt to EBITDA Ratio at the time of determination.

On April 24, 2000, the Company entered into a new 364 day revolving credit facility for $300,000 (the "New 364 Day Revolving Credit Facility") that expires on April 23, 2001 and amended the Senior Credit Facilities to change the spreads on borrowings and commitment fees thereunder, as follows: on "base rate" borrowings, ranging from 0.375% to 1.75%; on "Eurodollar rate" borrowings ranging from 1.25% to 2.75%; and, on commitment fees, ranging from 0.20% to 0.50%; in each case, depending on L-3 Communications' Debt to EBITDA Ratio at the time of determination. Notwithstanding the new spreads, from April 24, 2000 until the adjustment date related to the quarter ending September 30, 2000, the spreads will be no lower than 0.75%, 1.75% and 0.25%, respectively, on "base rate" borrowings, "Eurodollar" borrowings and commitment fees. The spreads for the New 364 Day Revolving Credit Facility are the same as those under the Senior Credit Facilities. The lenders under the New 364 day Revolving Credit Facility rank pari passu with the lenders under the Senior Credit Facilities.

5. COMPREHENSIVE INCOME

Comprehensive income consists of:

	THREE MONTHS ENDED MARCH 31, 2000	THREE MONTHS ENDED MARCH 31, 1999
Net income	$10,929	$ 7,199
Foreign currency translation losses	(598)	(1,086)
Unrealized gain (loss) on investments, net of taxes	1,025	(2,072)
Comprehensive income	$11,356	$ 4,041

6. EARNINGS PER SHARE

Weighted-average shares used in the computation of earnings per share are presented in the table below.

	THREE MONTHS ENDED MARCH 31, 2000	THREE MONTHS ENDED MARCH 31, 1999
Basic:		
Net income	$ 10,929	$ 7,199
Weighted average common shares outstanding	33,042	30,491
Basic earnings per share	$ 0.33	$ 0.24
Diluted:		
Net income	$ 10,929	$ 7,199
Common and potential common shares:		
Weighted average common shares outstanding	33,042	30,491
Assumed exercise of stock options	3,815	3,197
Assumed purchase of common shares for treasury	(2,379)	(1,804)
Common and potential common shares	34,478	31,884
Diluted earnings per share	$ 0.32	$ 0.23

7. CONTINGENCIES

The Company is engaged in providing products and services under contracts with the U.S. government and to a lesser degree, under foreign government contracts, some of which are funded by the

U.S. government. All such contracts are subject to extensive legal and regulatory requirements, and, from time to time, agencies of the U.S. government investigate whether such contracts were and are being conducted in accordance with these requirements. Under government procurement regulations, an indictment of the Company by a federal grand jury could result in the Company being suspended for a period of time from eligibility for awards of new government contracts. A conviction could result in debarment from contracting with the federal government for a specified term. Additionally, in the event that U.S. government expenditures for products and services of the type manufactured and provided by the Company are reduced, and not offset by greater commercial sales or other new programs or products, or acquisitions, there may be a reduction in the volume of contracts or subcontracts awarded to the Company.

Management continually assesses the Company's obligations with respect to applicable environmental protection laws. While it is difficult to determine the timing and ultimate cost to be incurred by the Company in order to comply with these laws, based upon available internal and external assessments, with respect to those environmental loss contingencies of which management is aware, the Company believes that even without considering potential insurance recoveries, if any, there are no environmental loss contingencies that, individually or in the aggregate, would be material to the Company's results of operations. The Company accrues for these contingencies when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

The Company has been periodically subject to litigation, claims or assessments and various contingent liabilities incidental to its business. With respect to those investigative actions, items of litigation, claims or assessments of which they are aware, management of the Company is of the opinion that the probability is remote that, after taking into account certain provisions that have been made with respect to these matters, the ultimate resolution of any such investigative actions, items of litigation, claims or assessments will have a material adverse effect on the financial position or results of operations of the Company.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

8. SEGMENT INFORMATION

The Company has two reportable segments, Secure Communication Systems and Specialized Communication Products which are described in Note 1. The Company evaluates the performance of its operating divisions and reportable segments based on sales and operating income. The table below presents sales, operating income and assets by reportable segment.

	SECURE COMMUNICATION SYSTEMS	SPECIALIZED COMMUNICATION PRODUCTS	CORPORATE	ELIMINATION OF INTERSEGMENT SALES	CONSOLIDATED TOTAL
Three Months Ended March 31, 2000:					
Sales	$162,176	$ 215,684		$(808)	$ 377,052
Operating income	19,360	15,309			34,669
Three Months Ended March 31, 1999:					
Sales	$117,514	$ 158,607		$(559)	$ 275,562
Operating income	10,794	15,373			26,167
Assets as of:					
March 31, 2000	$634,700	$1,200,996	$ 76,324		$1,912,020
December 31, 1999	381,699	1,123,487	128,585		1,633,771

9. NEW ACCOUNTING PRONOUNCEMENTS

In September 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities ("SFAS 133"), which establishes accounting and reporting standards for derivative instruments including certain derivative instruments embedded in other contracts and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value and is effective for all quarters of fiscal years beginning after September 15, 2000. The Company does not expect SFAS 133 to have a material impact on its results of operations or financial position.

10. UNAUDITED FINANCIAL INFORMATION OF L-3 COMMUNICATIONS SUBSIDIARY GUARANTORS

L-3 Communications is a wholly owned subsidiary of Holdings. The debt of L-3 Communications, including the Senior Subordinated Notes and borrowings under and amounts drawn against the Company's credit facilities are guaranteed, on a joint and several, full and unconditional basis, by certain of its wholly owned domestic subsidiaries (the "Guarantor Subsidiaries"). The foreign subsidiaries and certain domestic subsidiaries of L-3 Communications (the "Non-Guarantor Subsidiaries") do not guarantee the debt of L-3 Communications. None of the debt of L-3 Communications has been issued by its subsidiaries. There are no restrictions on the payment of dividends from the Guarantor Subsidiaries to L-3 Communications.

In lieu of providing separate unaudited interim financial statements for the Guarantor Subsidiaries, the Company has included the accompanying condensed combining financial statement data based on the Company's understanding of the interpretation and application of Rule 3-10 of SEC Regulation S-X and Staff Accounting Bulletin No. 53.

The following unaudited condensed combining financial information present the results of operations, financial position and cash flows of (i) L-3 Communications excluding its consolidated subsidiaries (the "Parent") (ii) the Guarantor Subsidiaries, (iii) the Non-Guarantor Subsidiaries and (iv) the eliminations to arrive at the information for L-3 Communications on a consolidated basis.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	PARENT	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATIONS	CONSOLIDATED L-3 COMMUNICATIONS
CONDENSED COMBINING BALANCE SHEETS:					
AS OF MARCH 31, 2000					
Current assets:					
Cash and cash equivalents	$ 20,723	$ 4,414	$ 2,244	$ --	$ 27,381
Contracts in process	352,697	171,234	53,520	--	577,451
Other current assets	56,489	8,327	5,490	--	70,306
Total current assets	429,909	183,975	61,254	--	675,138
Property, plant and equipment, net	121,366	26,921	10,843	--	159,130
Intangibles, net	567,766	362,574	42,325	--	972,665
Other assets	66,873	12,148	26,066	--	105,087
Investment in and amounts due to and from consolidated subsidiaries	629,118	29,981	(24,356)	(634,743)	--
Total assets	$1,815,032	$615,599	$ 116,132	$ (634,743)	$1,912,020
Current liabilities:					
Accounts payable and accrued expenses	$ 190,812	$ 55,281	$ 17,427	$ --	$ 263,520
Customer advances	44,494	746	3,591	--	48,831
Other current liabilities	64,277	16,780	10,275	--	91,332
Total current liabilities	299,583	72,807	31,293	--	403,683
Other liabilities	73,712	49,932	1,219	--	124,863
Long-term debt	785,000	--	--	--	785,000
Shareholders' equity	656,737	492,860	83,620	(634,743)	598,474
Total liabilities and shareholders' equity	$1,815,032	$615,599	$ 116,132	$ (634,743)	$1,912,020
CONDENSED COMBINING BALANCE SHEETS:					
AS OF DECEMBER 31, 1999					
Current assets:					
Cash and cash equivalents	$ 34,037	$ 5,164	$ 3,587	$ --	$ 42,788
Contracts in process	264,658	162,088	57,427	--	484,173
Other current assets	24,616	10,455	5,675	--	40,746
Total current assets	323,311	177,707	66,689	--	567,707
Property, plant and equipment, net	104,087	25,005	11,879	--	140,971
Intangibles, net	399,746	377,177	44,629	--	821,552
Other assets	67,820	10,337	25,384	--	103,541
Investment in and amounts due to and from consolidated subsidiaries	644,560	23,591	(25,423)	(642,728)	--
Total assets	$1,539,524	$613,817	$ 123,158	$ (642,728)	$1,633,771
Current liabilities:					
Accounts payable and accrued expenses	$ 135,709	$ 57,924	$ 19,007	$ --	$ 212,640
Customer advances	53,345	543	2,850	--	56,738
Other current liabilities	24,798	17,230	6,900	--	48,928
Total current liabilities	213,852	75,697	28,757	--	318,306
Other liabilities	79,234	47,961	95	--	127,290
Long-term debt	605,000	--	--	--	605,000
Shareholders' equity	641,438	490,159	94,306	(642,728)	583,175
Total liabilities and shareholders' equity	$1,539,524	$613,817	$ 123,158	$ (642,728)	$1,633,771

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	PARENT	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATIONS	CONSOLIDATED L-3 COMMUNICATIONS
CONDENSED COMBINING STATEMENTS OF OPERATIONS:					
FOR THE THREE MONTHS ENDED MARCH 31, 2000					
Sales	$244,547	$94,108	$39,409	$ (1,012)	$377,052
Operating income	29,631	4,499	539	--	34,669
Interest and other income	136	25	674	--	835
Interest expense	17,463	63	62	--	17,588
Provision for income taxes	4,896	1,760	331	--	6,987
Equity in net income of consolidated subsidiaries	3,521	--	--	(3,521)	--
Net income	$ 10,929	$ 2,701	$ 820	$ (3,521)	$ 10,929
FOR THE THREE MONTHS ENDED MARCH 31, 1999					
Sales	$178,999	$78,717	$18,350	$ (504)	$275,562
Operating income (loss)	21,671	5,442	(946)	--	26,167
Interest and other income	1,004	10	--	--	1,014
Interest expense	15,391	53	31	--	15,475
Provision (benefit) for income taxes	2,734	2,079	(306)	--	4,507
Equity in net income (loss) of consolidated subsidiaries	2,649			(2,649)	--
Net income (loss)	$ 7,199	$ 3,320	$ (671)	$ (2,649)	$ 7,199

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS--CONTINUED

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	PARENT	GUARANTOR SUBSIDIARIES
CONDENSED COMBINING STATEMENTS OF CASH FLOWS:		
FOR THE THREE MONTHS ENDED MARCH 31, 2000:		
OPERATING ACTIVITIES:		
Net income	$ 10,929	$ 2,701
Depreciation, amortization, deferred taxes and noncash items	16,620	5,640
Equity in net (income) loss of consolidated subsidiaries	(3,521)	--
Changes in operating assets and liabilities	(8,216)	(7,335)
Net cash from (used in) operating activities	15,812	1,006
INVESTING ACTIVITIES:		
Acquisition of businesses, net of cash acquired	(217,670)	--
Capital expenditures, net of dispositions	(3,186)	(1,571)
Other investing activities, net	--	--
Net cash (used in) investing activities	(220,856)	(1,571)
FINANCING ACTIVITIES:		
Borrowings (repayments) under senior credit facilities, net	180,000	--
Intercompany financing activities, net	11,506	
Other financing activities, net	224	(185)
Net cash from (used in) financing activities	191,730	(185)
Net (decrease) increase in cash	(13,314)	(750)
Cash and cash equivalents, beginning of period	34,037	5,164
Cash and cash equivalents, end of period	$ 20,723	$ 4,414
FOR THE THREE MONTHS ENDED MARCH 31, 1999:		
OPERATING ACTIVITIES:		
Net income (loss)	$ 7,199	$ 3,320
Depreciation, amortization, deferred taxes and noncash items	13,173	5,308
Equity in net (income) loss of consolidated subsidiaries	(2,649)	--
Changes in operating assets and liabilities	(18,841)	(7,021)
Net cash from (used in) operating activities	(1,118)	1,607
INVESTING ACTIVITIES:		
Acquisition of businesses, net of cash acquired	(2,871)	(93,441)
Investment in consolidated subsidiaries	(92,252)	--
Capital expenditures, net of dispositions	(2,971)	(1,068)
Other investing activities, net	--	2,275
Net cash (used in) investing activities	(98,094)	(92,234)
FINANCING ACTIVITIES:		
Borrowings (repayments) under senior credit facilities, net	--	--
Contribution from Holdings	201,582	--
Intercompany financing activities, net	(5,105)	91,166
Other financing activities, net	(1,265)	--
Net cash from (used in) financing activities	195,212	91,166
Net increase (decrease) in cash	96,000	539
Cash and cash equivalents, beginning of period	23,737	459
Cash and cash equivalents, end of period	$ 119,737	$ 998

	NON-GUARANTOR SUBSIDIARIES	ELIMINATIONS	CONSOLIDATED L-3 COMMUNICATIONS

CONDENSED COMBINING STATEMENTS OF CASH FLOWS:

FOR THE THREE MONTHS ENDED MARCH 31, 2000:

OPERATING ACTIVITIES:			
Net income	$ 820	$ (3,521)	$ 10,929
Depreciation, amortization, deferred taxes and noncash items	1,442	--	23,702
Equity in net (income) loss of consolidated subsidiaries	--	3,521	--
Changes in operating assets and liabilities	(3,921)	--	(19,472)
Net cash from (used in) operating activities	(1,659)	--	15,159
INVESTING ACTIVITIES:			
Acquisition of businesses, net of cash acquired	--	--	(217,670)
Capital expenditures, net of dispositions	316	--	(4,441)
Other investing activities, net	11,506	--	11,506
Net cash (used in) investing activities	11,822	--	(210,605)
FINANCING ACTIVITIES:			
Borrowings (repayments) under senior credit facilities, net	--	--	180,000
Intercompany financing activities, net	(11,506)	--	--
Other financing activities, net	--	--	39
Net cash from (used in) financing activities	(11,506)	--	180,039
Net (decrease) increase in cash	(1,343)	--	(15,407)
Cash and cash equivalents, beginning of period	3,587	--	42,788
Cash and cash equivalents, end of period	$ 2,244	$ --	$ 27,381

FOR THE THREE MONTHS ENDED MARCH 31, 1999:

OPERATING ACTIVITIES:			
Net income (loss)	$ (671)	$ (2,649)	$ 7,199
Depreciation, amortization, deferred taxes and noncash items	399	--	18,880
Equity in net (income) loss of consolidated subsidiaries	--	2,649	--
Changes in operating assets and liabilities	(1,734)	--	(27,596)
Net cash from (used in) operating activities	(2,006)	--	(1,517)
INVESTING ACTIVITIES:			
Acquisition of businesses, net of cash acquired	--	--	(96,312)
Investment in consolidated subsidiaries	--	92,252	--
Capital expenditures, net of dispositions	(237)	--	(4,276)
Other investing activities, net	(1,086)	--	1,189
Net cash (used in) investing activities	(1,323)	92,252	(99,399)
FINANCING ACTIVITIES:			
Borrowings (repayments) under senior credit facilities, net	--	--	--
Contribution from Holdings	--	--	201,582
Intercompany financing activities, net	6,191	(92,252)	--
Other financing activities, net	--	--	(1,265)
Net cash from (used in) financing activities	1,086	(92,252)	200,317
Net increase (decrease) in cash	2,862	--	99,401
Cash and cash equivalents, beginning of period	1,934	--	26,130
Cash and cash equivalents, end of period	$ 4,796	$ --	$ 125,531

ITEM 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

GENERAL

L-3 Communications Holdings, Inc. and its subsidiaries ("Holdings, "L-3" or "the Company") is a leading merchant supplier of sophisticated secure communication systems and specialized communication products. These systems and products are critical elements of virtually all major communication, command and control, intelligence gathering and space systems. Holdings has no other assets or liabilities and conducts no other operations other than through its wholly owned subsidiary, L-3 Communications Corporation ("L-3 Communications"). The Company's customers include the DoD, certain U.S. government intelligence agencies, major aerospace and defense contractors, foreign governments and commercial customers. The Company has two reportable segments, Secure Communication Systems and Specialized Communication Products.

The Secure Communication Systems segment provides secure, high data rate communications systems for military and other U.S. government reconnaissance and surveillance applications. These operations are principally performed under cost plus, sole source contracts supporting long term programs for the U.S. armed forces and classified customers. The Secure Communication Systems segment also provides high fidelity, fully integrated simulator training products, including flight simulators, pilot training systems and training support services used by U.S. and foreign military agencies, which are principally performed under long-term fixed price contracts. The Secure Communication Systems segment also supplies communication software support services to military and related government intelligence markets. The Specialized Communication Products segment includes three product categories: microwave components, avionics and ocean products, and telemetry, instrumentation and space products.

All domestic government contracts and subcontracts of the Company are subject to audit and various cost controls, and include standard provisions for termination for the convenience of the U.S. government. Multiyear U.S. government contracts and related orders are subject to cancellation if funds for contract performance for any subsequent year become unavailable. Foreign government contracts generally include comparable provisions relating to termination for the convenience of the relevant foreign government.

The defense industry has undergone significant changes precipitated by ongoing U.S. federal budget pressures and new roles and missions to reflect changing strategic and tactical threats. Since the mid-1980's, the overall U.S. defense budget has declined in real dollars. In response, the DoD has focused its resources on enhancing its military readiness, joint operations and the value added capability of digital command and control communications by incorporating advanced electronics to improve the performance, reduce operating costs and extend the life expectancy of its existing and future platforms. The emphasis on system interoperability, force multipliers and providing battlefield commanders with real time data is increasing the electronics content of nearly all of the major military procurement and research programs. As a result, the DoD's budget for communications and defense electronics is expected to grow.

ACQUISITIONS

On January 8, 1999, the Company acquired all of the outstanding common stock of Microdyne Corporation ("Microdyne"). On April 16, 1999, the Company acquired all of the outstanding common stock of Aydin Corporation ("Aydin"). On June 30, 1999, the Company acquired all of the outstanding common stock of Interstate Electronics Corporation ("IEC") of Scott Technologies Inc. Collectively, the acquisitions of Microdyne, Aydin and IEC comprise the "1999 Acquisitions". On December 31, 1999, the Company completed its acquisition of the assets of the Space and Navigation business ("Space & Nav") from Honeywell, for $55.0 million in cash plus expenses, subject to adjustment based on closing date net assets, as defined.

On February 10, 2000, the Company acquired the assets of the Training Devices and Training Services ("TDTS") business of the Raytheon Company for $160.0 million in cash plus expenses, subject to adjustment based on closing date net working capital, as defined. Following the acquisition the Company changed the name of TDTS to L-3 Communications Link Simulation and Training. On February 14, 2000, the Company acquired the assets of Trex Communications Corporation ("TrexCom") for $50.2 million in cash, plus expenses, subject to adjustment based on closing date net worth, as defined. The acquisitions were financed using borrowings under the Company's Senior Credit Facilities.

On April 28, 2000, the Company acquired the Traffic Alert and Collision Avoidance System ("TCAS") product line from Honeywell for a purchase price of $237.0 million in cash, reflecting a price reduction of $17.0 million based on the preliminary closing date net assets, as defined, which is subject to a final adjustment. The TCAS acquisition was financed with borrowings under a new revolving 364 day senior credit facility. In addition, in February 2000, the Company entered into a Memorandum of Agreement ("MOA") with Thomson-CSF Sextant S.A. ("Sextant"), a subsidiary of Thomson-CSF, under which L-3 agreed to purchase the assets of TCAS from Honeywell, create a limited liability corporation for TCAS (the "TCAS LLC"), contribute 100% of the TCAS assets to TCAS LLC, and sell a 30% interest in the TCAS LLC to Sextant for a cash purchase price equal to 30% of the final purchase price paid by the Company for TCAS (approximately $71.1 million based on the preliminary closing date net assets)(collectively, the "TCAS Minority Interest Transaction"). L-3 expects to maintain operating management of the TCAS LLC and to consolidate it. The MOA will terminate if the TCAS Minority Interest Transaction is not consummated by May 31, 2000. The TCAS Minority Interest Transaction is subject to regulatory approval by United States agencies and the European Union Commission and the execution of definitive agreements.

RESULTS OF OPERATIONS

The following information should be read in conjunction with the Condensed Consolidated Financial Statements as of March 31, 2000, which reflect the results of operations of the Company's acquisitions from their respective effective dates. Accordingly, the results of operations for the three months ended March 31, 2000 and 1999 are significantly affected by the timing of those acquisitions. The table below provides selected statement of operations data for the Company for the three-month period ended March 31, 2000 (the "2000 First Quarter") and the three-month period ended March 31, 1999 (the "1999 First Quarter"). Prior year reported segment information has been restated to conform to the 2000 presentation of the Company's reportable segments.

	THREE MONTHS ENDED MARCH 31,	
	2000	1999
	(in millions)	
Sales(1):		
Secure Communication Systems	$ 162.1	$ 117.4
Specialized Communication Products	215.0	158.2
Total	$ 377.1	$ 275.6
Operating income:		
Secure Communication Systems	$ 19.4	$ 10.8
Specialized Communication Products	15.3	15.4
Total	$ 34.7	$ 26.2
Depreciation and amortization expenses included in operating income:		
Secure Communication Systems	$ 5.4	$ 4.5
Specialized Communication Products	10.3	8.2
Total	$ 15.7	$ 12.7
EBITDA(2)		
Secure Communication Systems	$ 24.8	$ 15.3
Specialized Communication Products	25.6	23.6
Total	$ 50.4	$ 38.9

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(1) Sales are after intersegment eliminations. See Note 8 to the Unaudited Condensed Consolidated Financial Statements.

(2) EBITDA is defined as operating income plus depreciation expense and amortization expense (excluding the amortization of debt issuance costs). EBITDA is not a substitute for operating income, net income or cash flows from operating activities as determined in accordance with generally accepted accounting principles as a measure of profitability or liquidity. EBITDA is presented as additional information because the Company believes it to be a useful indicator of the Company's ability to meet debt service and capital expenditure requirements. EBITDA as defined by the Company may differ from similarly named measures used by other entities.

THREE MONTHS ENDED MARCH 31, 2000 COMPARED WITH THREE MONTHS ENDED MARCH 31, 1999

Sales increased $101.5 million to $377.1 million in 2000 First Quarter compared with $275.6 million in the 1999 First Quarter, and was comprised of sales growth of $44.7 million for the Secure Communications Systems segment and $56.8 million for the Specialized Communications Products segment. Operating income increased $8.5 million to $34.7 million, and operating income as a percentage of sales ("operating margin") declined to 9.2% from 9.5% for the reasons described below under the reportable segments discussion. 2000 First Quarter depreciation and amortization expenses increased $3.0 million to $15.7 million, reflecting increased goodwill amortization associated with acquisitions and additional depreciation related to acquisition and capital expenditures. EBITDA increased $11.5 million to $50.4 million. EBITDA as a percentage of sales ("EBITDA margin") declined to 13.4% from 14.1%. Basic earnings per common share ("EPS") and diluted EPS grew 37.5% to $0.33 and 39.1% to $0.32, respectively. Basic weighted-average common shares outstanding and diluted weighted-average common shares outstanding increased 8.4% and 8.1%, respectively, because of the shares of common stock issued in connection with the February 1999 Common Stock Offering.

Interest expense increased $2.1 million to $17.6 million in the 2000 First Quarter because of the borrowings made under the Senior Credit Facilities to finance acquisitions during the 2000 First Quarter. The income tax provision for the 2000 First Quarter reflects the Company's estimated effective income tax rate for the year ending December 31, 2000 of 39.0%, compared with the effective tax rate of 38.5% for the 1999 First Quarter.

Included in interest and other income for the 2000 First Quarter is a net gain of $0.6 million ($0.4 million after taxes) or $0.01 per diluted share, consisting of an after-tax gain of $6.8 million on the sale of the Company's interest in the Network Security business, which was largely offset by an after-tax loss of $6.4 million on the write-down in the carrying value of certain other investments. Excluding this net gain, diluted EPS would have been $0.31 per share, an increase of 43.5% over 1999 First Quarter diluted EPS.

Sales of Secure Communication Systems segment increased $44.7 million or 38.1% to $162.1 million in 2000 First Quarter compared with the 1999 First Quarter. Operating income increased $8.6 million to $19.4 million. Operating margin increased to 11.9% from 9.2%. The increase in sales was primarily attributable to the Link Simulation and Training acquisition and increased volume on secure telephone equipment (STE) and high data rate communications systems, partially offset by lower sales on the U-2 Support Program and communication subsystems for the International Space Station (ISS). The increase in operating margin was principally attributable to improved margins on military communication systems and high data rate communication systems arising from cost reductions and improved operating efficiencies, partially offset by lower margins on the Link Training and Simulation business acquired during February 2000. EBITDA increased $9.5 million to $24.8 million in 2000 First Quarter and EBITDA margin improved to 15.3% from 13.0%. The increases in EBITDA and EBITDA margin were primarily attributable to the items affecting the trends in operating income.

Sales of the Specialized Communication Products segment increased $56.8 million or 35.9% to $215.0 million in 2000 First Quarter compared with the 1999 First Quarter. Operating income was essentially flat at $15.3 million and operating margin declined to 7.1% from 9.7%. The increase in sales was principally attributable to the Aydin, IEC, Space & Nav and TrexCom acquisitions and volume increases on ocean products, naval power control and conversion systems, and display products, that were partially offset by decreased shipments on microwave components and space and satellite control components. The decrease in operating margin was principally attributable to lower margins on the recently acquired Space & Nav and TrexCom businesses which were not included in the 1999 First Quarter due to timing of those acquisitions and on telemetry products, partially offset by improved margins on ocean products and aviation recorders arising from sales volume increases. EBITDA increased $2.0 million to $25.6 million and EBITDA margin declined to 11.9% from 14.9%. The changes in EBITDA and EBITDA margin were primarily attributable to the items affecting the trends in operating income.

LIQUIDITY AND CAPITAL RESOURCES

BALANCE SHEET

Contracts in process increased $93.3 million from December 31, 1999 to March 31, 2000, of which $75.2 million was related to businesses acquired during the 2000 First Quarter. The remaining increase in contracts in process was principally attributable to increases in inventory because of production on certain programs and products in advance of sales expected to occur later in 2000, partially offset by a reduction in billed contract receivables before acquired balances resulting from collections exceeding billings consistent with the record sales recorded during the quarter ended December 31, 1999. The increases from December 31, 1999 to March 31, 2000 in current deferred tax assets, property, plant and equipment, intangibles, accrued employment costs, accrued expenses and other current liabilities was related to acquired businesses net of amortization expense. The increase in accounts payable was principally related to balances of acquired businesses, partially offset by the timing of payments to vendors.

STATEMENT OF CASH FLOWS

The following table provides cash flow statement data for the Company.

	THREE MONTHS ENDED MARCH 31,	
	2000	1999
	(in millions)	
Net cash (used in) from operating activities	$ 15.2	$ (1.5)
Net cash (used in) investing activities	(210.6)	(99.4)
Net cash from financing activities	180.0	200.3

OPERATING ACTIVITIES

During the 2000 First Quarter, L-3 generated $15.2 million of cash in its operating activities, a increase of $16.7 million compared with the 1999 First Quarter, principally as a result of improvements of $8.5 million in earnings adjusted for non-cash items and a net change in working capital excluding the effects of acquisitions of $19.4 million in the 2000 First Quarter compared with $27.6 million in the 1999 First Quarter. The Company expects its rate of increase in working capital to decline during the remainder of 2000, and as a result cash flow is expected to improve.

INVESTING ACTIVITIES

The Company continued to pursue its acquisition strategy during the 2000 First Quarter and acquired several businesses for an aggregate cash purchase prices of $217.7 million, as compared to $96.3 million in the 1999 First Quarter.

The Company makes capital expenditures for improvement of manufacturing facilities and equipment. The Company expects that its capital expenditures for 2000 will be approximately $40.0 million.

In March 2000, the Company sold its interest in the Network Security business for net proceeds of $13.4 million.

FINANCING ACTIVITIES

On February 4, 1999, Holdings sold 5.0 million shares of common stock in a public offering for $42.00 per share (the "February 1999 Common Stock Offering"); the net proceeds of $201.5 million were contributed to the Company and partially used to repay borrowings made in January 1999 under the Senior Credit Facilities to finance the Microdyne acquisition.

At March 31, 2000, available borrowings under the revolving credit facilities were $122.6 million after reductions for borrowings of $180,000 thereunder and outstanding letters of credit of $97.4 million.

On April 24, 2000 the Company entered into a new 364 day revolving senior credit facility for $300.0 million (the "New 364 Day Revolving Credit Facility") that expires on April 23, 2001, and on April 28, 2000 borrowed $237.0 million thereunder to finance the TCAS acquisition. Additionally, on April 24, 2000 the Company amended the Senior Credit Facilities to change the spreads on borrowings and commitment fees thereunder. The spreads on the New 364 Day Revolving Credit Facility are the same as those under the Senior Credit Facilities, and the lenders under the New 364 Day Revolving Credit Facility rank pari passu with the lenders under the Senior Credit Facilities. See Note 4 to the Condensed Consolidated Financial Statements.

The Senior Credit Facilities and the Senior Subordinated Notes contain financial covenants which remain in effect so long as any amount is owed or any commitment to lend exists thereunder by L-3 Communications. As of March 31, 2000, L-3 Communications had been in compliance with these covenants at all times. The borrowings under the Senior Credit Facilities are guaranteed by Holdings and by substantially all of the Company's subsidiaries. The payments of principal and premium, if any, and interest on the Senior Subordinated Notes are unconditionally guaranteed, on an unsecured senior subordinated basis, jointly and severally, by substantially all of the subsidiaries of L-3 Communications, all of which guarantor subsidiaries are wholly owned.

Based upon the current level of operations, management believes that the Company's cash from operating activities, together with available borrowings under the Senior Credit Facilities, will be adequate to meet its anticipated requirements for working capital, capital expenditures, research and development expenditures, program and other discretionary investments, and interest payments for the foreseeable future including at least the next three years. There can be no assurance, however, that the Company's business will continue to generate cash flow at or above current levels or that currently anticipated improvements will be achieved. If the Company is unable to generate sufficient cash flow from operations in the future to service its debt, it may be required to sell assets, reduce capital expenditures, refinance all or a portion of its existing debt or obtain additional financing. The Company's ability to make scheduled principal payments, to pay interest on or to refinance its indebtedness depends on its future performance and financial results, which, to a certain extent, are subject to general conditions in or affecting the defense industry and to general economic, political, financial, competitive, legislative and regulatory factors beyond its control. There can be no assurance that sufficient funds will be available to enable the Company to service its indebtedness, or make necessary capital expenditures and program and discretionary investments.

CONTINGENCIES

See Note 7 to the Condensed Consolidated Financial Statements.

RECENTLY ISSUED AND PROPOSED ACCOUNTING STANDARDS

In September 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities ("SFAS 133"), which establishes accounting and reporting standards for derivative instruments including certain derivative instruments embedded in other contracts and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value and is effective for all quarters of fiscal years beginning after September 15, 2000. The Company does not expect SFAS 133 to have a material impact on its results of operations or financial position.

YEAR 2000

The Company has not experienced any impact to its business since the Year 2000 roll-over either internally or from its customers and infrastructure suppliers. The planned phases of the Year 2000 efforts have been completed with total cost for all the efforts of $18.7 million which included $6.2 million of capitalized costs. Although the Company has experienced no failures in infrastructure systems and in the customer and supply chains since the Year 2000 roll-over, the likelihood and effect of such failure cannot be estimated, but such a failure could potentially result in a material adverse impact on results of operations, liquidity or financial position of the Company. The Year 2000 effort costs reflected above could change in the event of any unknown Year 2000 related occurrence during the remainder of the year ending December 31, 2000.

FORWARD-LOOKING STATEMENTS

Certain of the matters discussed concerning our operations, cash flows, financial position, economic performance, and financial condition, including in particular, the likelihood of our success in developing and expanding our business and the realization of sales from backlog, include forward-looking statements within the meaning of section 27A of the Securities Act and Section 21E of the Exchange Act. 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. Although we believe that these statements are based upon reasonable assumptions, including projections or orders, sales, operating margins, earnings, cash flow, research and development costs, working capital, capital expenditures and other projections, they are subject to several risks and uncertainties, and therefore, we can give no assurance that these statements will be achieved. Such statements will also be influenced by factors such as our dependence on the defense industry and the defense budget; our reliance on contracts with a limited number of agencies of, or contractors to, the U.S. government business risks peculiar to that industry including changing priorities or reductions in the U.S. government and the possibility of termination of government contracts by unilateral government action or for failure to perform; the ability to obtain or the timing of obtaining future government contracts; the availability of government funding and customer requirements; economic conditions, competitive environment, international business and political conditions, timing of international awards and contracts; our extensive use of fixed price contracts as compared to cost plus contracts; our ability to identify future acquisition candidates or to integrate acquired operations; the rapid change of technology in the communication equipment industry; the high level of competition in the communications equipment industry; our introduction of new products into commercial markets or our investments in commercial products or companies; the significant amount of out debt and the restrictions contained in our debt agreements; Year 2000 issues; collective bargaining labor disputes; pension, environmental or legal matters or proceedings and various other market, competition and industry factors, many of which are beyond our control. Investors are cautioned that any such statements are not guarantees of future performance and the actual results or developments may differ materially from the expectations expressed in the forward-looking statements.

As for the forward-looking statements that relate to the future financial results and other projections, actual results will be different due to the inherent nature of projections and may be better or worse than projected. Given these uncertainties, you should not place any reliance on these forward-looking statements. These forward-looking statements also represent our estimates and assumptions only as of the date that they were made. We expressly disclaim a duty to provide updates to these forward-looking statements, and the estimates and assumptions associated with them, after the date of this filing to reflect events or changes or circumstances or changes in expectations or the occurrence of anticipated events.

ITEM 3.

QUANTITIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See Part II, Item 7, "Management's Discussion and Analysis of Results of Operations and Financial Condition--Liquidity and Capital Resources--Market Risks", of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1999 for a discussion of the Company's exposure to market risks. There was no significant change in those risks during the three months ended March 31, 2000.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

*11	L-3 Communications Holdings, Inc. Computation of Basic Earnings Per Share and Diluted Earnings Per Share
27	Financial Data Schedule

* The information required on this exhibit is presented in Note 6 to the Condensed Consolidated Financial Statements as of March 31, 2000 in accordance with the provisions of FASB SFAS No. 128, Earnings Per Share.

(b) Reports on Form 8-K

Report filed on February 25, 2000 regarding the acquisition of Training Devices and Training Services business of Raytheon Company.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

L-3 Communications Holdings, Inc. and
L-3 Communications Corporation

Registrants

Date: May 15, 2000

/s/ Robert V. LaPenta

Name: Robert V. LaPenta
Title: President and Chief Financial Officer
(Principal Financial Officer)

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