

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name L-3 Communications Holdings, Inc.		2 Issuer's employer identification number (EIN) 13-3937434	
3 Name of contact for additional information Tax Department	4 Telephone No. of contact 212-697-1111	5 Email address of contact Tax.Department@L-3com.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 600 3rd Avenue		7 City, town, or post office, state, and Zip code of contact New York, NY 10016	
8 Date of action July 17, 2012		9 Classification and description Common stock distribution	
10 CUSIP number 502424104	11 Serial number(s)	12 Ticker symbol EGL	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ L-3 Communications Holdings, Inc. (LLL) distributed approximately 16,118,340 shares of common stock of Engility Holdings, Inc. (EGL) after the New York Stock Exchange (NYSE) market closing on July 17, 2012 to holders of record of LLL common stock. The record date was as of the close of business on the NYSE on July 16, 2012. In the distribution, LLL stockholders received one share of EGL common stock for every six shares of LLL common stock held. LLL stockholders also received cash in lieu of any fractional share of EGL. As a result of the distribution, EGL became an independent, publicly traded company.

LLL CUSIP Number: 502424104 Ticker Symbol: LLL (NYSE)

EGL CUSIP Number: 29285W104 Ticker Symbol: EGL (NYSE)

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ Pursuant to Section 358 of the Internal Revenue Code, each LLL stockholder will need to allocate the tax basis in LLL shares immediately before the distribution between shares of LLL common stock and the shares of EGL common stock received in the distribution.

Based on the high and low prices on July 18, 2012 (as described below), 96.02% of the pre-distribution tax basis in LLL shares should be allocated to LLL common stock and 3.98% should be allocated to EGL common stock received in the distribution.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ For U.S. tax purposes, the allocation of tax basis between shares of LLL common stock and EGL common stock is based on their relative fair market values (FMV) at the time of the distribution. See Treas. Reg. Sec. 1.358-2(a)(2)(iv). There are many potential ways to determine the FMV of LLL and EGL common stock. One approach may be to use the unadjusted averages of the high and low trading prices of LLL and EGL common stock on the NYSE on the trading day after the distribution. Such averages were \$70.57 for LLL and \$17.53 for EGL on July 18, 2012. If this method is used, the pre-distribution tax basis in LLL shares would be allocated 96.02% to LLL shares and 3.98% to EGL shares. See example below which assumes pre-distribution tax basis of \$50 per share in 60 shares of LLL common stock:

	No. of Shares	Avg NYSE Trading Price on 7/18/12	Total FMV at 7/18/12	% of Total FMV at 7/18/12	Allocated Tax Basis
LLL Common Stock	60	\$70.57	\$4,233.90	96.02%	\$2,880.73 (96.02% of \$3,000)
EGL Common Stock	10	\$17.53	\$175.30	3.98%	\$119.27 (3.98% of \$3,000)
Total			\$4,409.20	100.00%	\$3,000.00

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ For U.S. tax purposes, the distribution is a tax free spin-off under Section 355. Pre-distribution basis in LLL shares is allocated between LLL shares and EGL shares under Treas. Reg. Sec. 1.358-2(a)(2)(iv), in accordance with Sections 358(a) through 358(c). Pursuant to Section 355(a), no gain or loss will be recognized by LLL stockholders as a result of the distribution. Under Sections 1001 and 1221, in general, the receipt by LLL stockholders of cash in lieu of a fractional share of EGL will be treated as if the fractional share had been distributed to the LLL stockholder in the distribution and then had been disposed of by such stockholder (in a sale or exchange) for the amount of such cash. Under Section 1223(1), the holding period of a LLL stockholder in EGL stock received in the distribution will include the holding period of the pre-distribution LLL stock with respect to which the distribution of the EGL stock was made.

18 Can any resulting loss be recognized? ▶ The treatment, described above, of cash received in lieu of a fractional EGL share could result in a loss. In general, such loss can be recognized. Otherwise, no gain or loss will be recognized by LLL stockholders upon receipt of EGL stock.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The distribution of EGL common stock occurred in calendar year 2012.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶  Date ▶ 8/23/12

Print your name ▶ Lawrence Van Blerkom Title ▶ Vice President - Tax

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	