

EMPLOYEE UPDATE

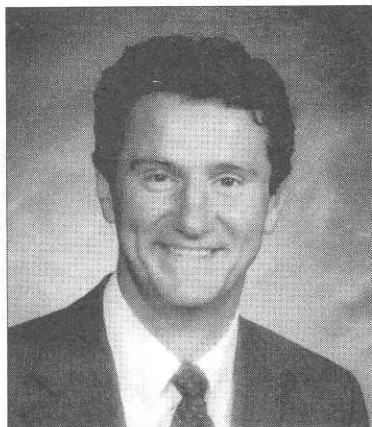
E-Systems, Inc.

Falls Church Division

November 1995

Collins at Helm of New Division

Citing the need for "extraordinary actions from those organizations who will survive and grow in today's defense electronics marketplace," E-Systems Chairman and CEO Lowell Lawson announced the consolidation of ERA and Melpar into a single division on September 11. The new organization, known as the Falls Church Division,



is headed by Dr. Terry Collins, formerly Vice President and General Manager of ERA. Dr. Larrie Judd has joined the staff of E-Systems Senior Vice President Dr. Terry Heil.

Noting the heritage of both ERA and Melpar, Terry called attention to their contributions to the nation's defense. "We

should not look at the consolidation as losing this heritage," he said, "but rather as an opportunity for creating an organization which has more potential for continuing the successes that both divisions have had in the past."

While expressing optimism about the opportunities generated by the consolidation,

Terry also urged all employees to contribute toward building an efficient, competitive team. "Individual objectives can only be achieved if we are successful as a combined unit," he said. "We have the combined talent and energy to make the new division an exciting place to be."

Ideas for Improvement Benefit All

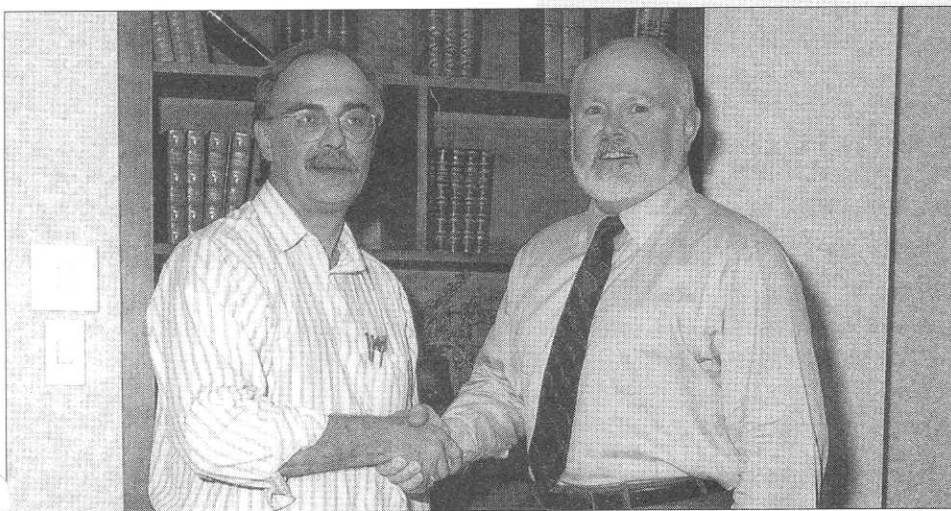
Two E-Teamers were named October winners of the Continuous Improvement Working Group (CIWG) Suggestion-of-the-Month competition. Neema Nene and Nathan Posey enjoyed special parking privileges for a month in appreciation for their improvement initiatives.

Neema's suggestion, "Why Sell CMIS?," proposed licensing an in-house product and collecting the royalties rather than selling it.

Nathan's proposal, "Floor/Room Locator Signs," included suggestions that would enable employees to find offices more easily.

The CIWG invites all employees to submit suggestions for improvement, proposals for cost avoidance and cost reduction or recommendations for reengineering and streamlining Division business processes. A new publication, *Employee Process Improvement Awards Handbook*, contains proposal guidelines. For more information, contact Wiley Peck at extension 2372.

Savings Bond Winner



Principal Software Analyst Mark Stephens (left) has been named the winner of the 1995 U.S. Savings Bond Drive Corporate Grand Prize (airfare and hotel accommodations for two to anywhere in the continental United States). Congratulating Mark on his prize is E-Systems Senior Vice President Dr. Terry Heil.

Raytheon Stock Splits

Raytheon Company's Board of Directors approved a two-for-one split in the Company's common stock during a September 27 meeting at the Garland Division of E-Systems in Garland, Texas. The additional shares resulting from the split were distributed to shareholders of record as of October 9, 1995.

The Board also declared a regular quarterly dividend of 37.5 cents per share, payable October 30, 1995, to stockholders of record. The effective dividend, 18.75 cents per share, reflects the two-for-one stock split.

Fall Festival Celebrates New Division

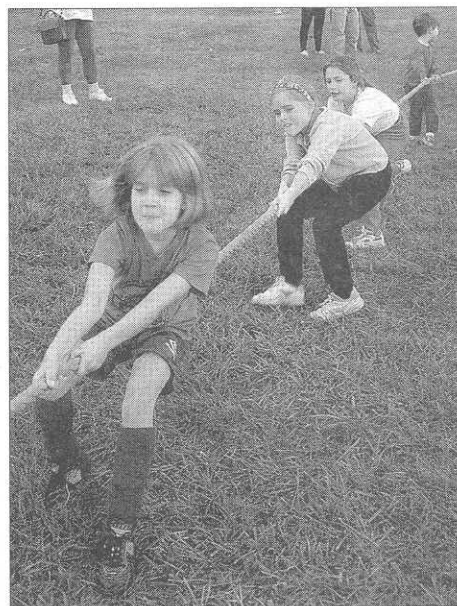


Festival participants monitor volleyball game from a safe distance.

On Saturday, October 18, employees and their families converged on the Falls Church facility for the Falls Church Division Fall Festival. The array of fun, food and entertainment marked the recent consolidation of ERA and Melpar.

Yes, it rained, but only during lunch and the magic show—both of which took place indoors. Spectators as well as participants agreed that the rain (and the resulting mud) greatly enhanced the total tug-of-war experience. (Just ask Celeste Peterson.) Other activities included volleyball, water balloons, face painting and music.

Festival coordinator Lori Love noted the efforts of the Facilities team (Paul Day, Dane Hughes, Charlie Jones and Herb Morris) who assisted with setup and cleanup. "Without their help," said Lori, "the event would not have been as successful as it was." Lori also thanked Amy Behrman, Rosalie Georgeadis, Liz MacDonald and Barbara Quantrille who served on the festival planning committee.



Young tug-of-war enthusiasts show the adults how it's done.

Mark Your Calendar

December

Holiday Craft Show

11:30 a.m.—1:00 p.m. in the Falls Church Cafeteria.

CONTACT: Dave Ross, extension 2005.

December 11–15

Campaign

1995 Children's Hospital Fund Drive. Contact Barbara Quantrille, extension 4488.

December 15

Share the Warmth

Air Force Systems is participating in WUSA-Channel 9's "Share the Warmth" Coat Drive which will benefit needy families in the metro area. Employees may drop off used coats of all sizes at the Senior Year Configuration Management Operations Office in the Falls Church facility.

CONTACT: Tammie Shillingburg, extension 2083, or Heather Hixson, extension 2555.

December 16

Holiday Party

7:30 p.m.—12:00 a.m., Doubletree Hotel, Tyson's Corner. Look for your personal invitation in the mail.

CONTACT: Debbie Delmar, extension 1612.

Name That Newsletter

Human Resources invites employees to help name the Falls Church Division newsletter. The employee whose suggestion is chosen will receive an E-Systems sports bag from the Employee Store. To submit a suggestion, send this form to Alice Ross at Mail Stop M116 **by December 6, 1995**. You may also send your suggestion via e-mail to **aross@fc**.

By the way, did you ever wonder what other E-Systems Divisions call their newsletters? Both Greenville and ECI publish *The Communicator*. HRB's newsletter is called *The Networker*, and Montek's is *The Messenger*.

EMPLOYEE NEWSLETTER SUGGESTION FORM (Please print.)

Suggested Newsletter Name _____

Employee Name _____ Extension _____