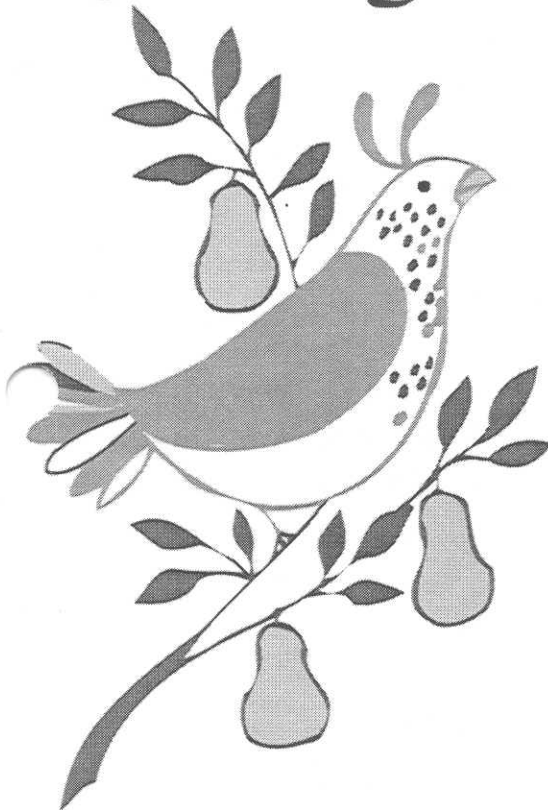


Falls Church Division Employee Update

Season's Greetings!



As we complete the first full year of operation at Falls Church, we can look back at the many changes of the last year. Consolidation of University Center, Vienna, and ISG into the current facility created significant chaos but managed to get done with hard work from many of our people. Likewise, consolidation of our fi-

nancial, cost reporting, material control, and networking systems proved to be equally as challenging and required as much effort as the move. To accomplish the consolidation, we put a lot of effort into working on our facility and although we made great progress, we have much further to go. Plans are underway to continue the upgrades in 1997. These were significant accomplishments.

However, the major accomplishments in 1996 were achieved by our business. Success can be seen in both our products and our gross order receipts (GORs). The operational deployment of DGIF II, successful OPEVAL of Enhanced Trackwolf, deployments of Cluster Sentinel and Star Window, our BGPHEs demonstration, shipment of the LRE on Tier II+, testing on HAARP, DMW installations and some significant accomplishments on our proprietary programs have enhanced our future by improving our reputation in the marketplace. From a new business view, GOR will be up 22 percent from 1996 and represents our first growth since 1992. This does not include ISG, which on September 30 won the Direct Loan Service Program, potentially a very large program. We have gone from consistent layoffs to substantial growth and have been adding new talent to Falls Church. What is particularly good about our growth is that every business area has participated in the growth and all of our current business areas have the prospect for further growth in 1997. This does not mean that 1997 will be an easy year, but I believe that we will see continued growth and new opportunities.

We have also made improvements in our processes but have not gone far enough or fast enough. Each organization will be challenged in 1997 to modify the way we do business as we must get better. Higher quality, lower cost, shorter schedules and more responsiveness are needed if

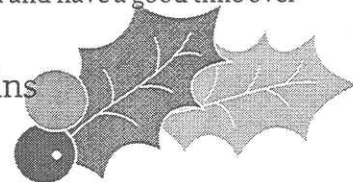
we are to succeed in the marketplace. The SEPG has made a great effort this year and our conversion to ISO 9001 has helped motivate the formation of an engineering process improvement group. Emphasis in 1997 will include not only engineering, but also all the support functions.

We will continue to face challenges next year as we begin integration of yet another culture into our melting pot, which will include ISG, APTI, ERA and Melpar (which sort of had University Center as a separate culture as well). This will require that more than ever we become something different than we have been before. By developing an attitude of "let's get the job done," and not "you did it wrong," or "this is not my job," or "we don't do it that way," we can continue to move forward. I have become excited during the last year watching the technology sharing and seeing improvements in systems and programs that would not have been made without sharing by some many talented people.

In 1997, we will continue to press forward with a culture that rewards open, honest interaction and discussion of issues, develops more trust in employees, and makes Falls Church a better place to work. Although we have had occasional setbacks in 1996, on the whole we have made progress and I have received very positive feedback from many of my fellow Falls Church employees. I am confident that we will make even more progress in 1997.

Most of all, I would like to thank each one of you for your help in getting us to where we are. I am thankful for the many new friends I have made and for the old ones that I have kept. May 1997 be a prosperous, healthy and happy year for each of you and have a good time over the holidays.

Terry Collins



Turkey Trot Closes Out '96

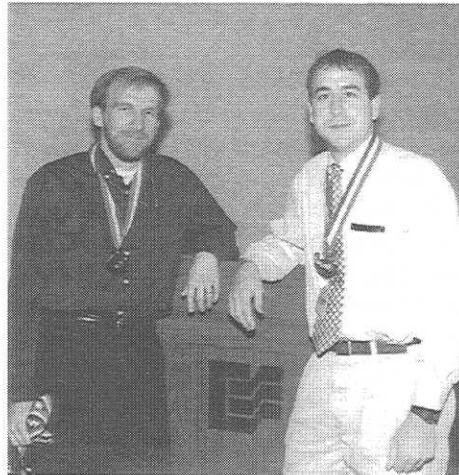


The Facilitators, 1996 Turkey Trot walking champions, included (from left) Kelly Krause, Norma Lofgren, Joe Dahle, Pol Atienza, Dave Ross and Khandu Patel.

Fifteen walking teams and one running team turned out in November for the 1996 Turkey Trot, this year's last Health Center-sponsored wellness activity. Participants in the three-week event logged over 2,600 miles before and after work and during lunch.

Health Center Coordinator Rosalie Georgeadis awarded top honors to the Facilitators (a.k.a. "That Obsessed Team") whose five walkers and one alternate racked up 702.1 miles. Facilitator Norma Lofgren was recognized for walking 180 miles during the Turkey Trot. Eldon Mack received an award for posting the highest running mileage for the Delta Force Turbos.

Turkey Trot registrants donated canned items to Food for Others, a local food bank. □



The Turkey Trot team award for running went to Eldon Mack (left) and Wiley Peck of the Delta Force Turbos.

United Way Campaign Tops \$72K

Falls Church employees contributed \$72,752.14 during the recently completed 1996 United Way campaign. Contributions to the United Way of the National Capital Area are earmarked for various services throughout the metropolitan Washington area. Congratulations to all raffle winners and thank you to all campaign contributors. Prize winners are listed below. □

Bill Anderson
Jeff Anderson
Joe Baran
Glenn Bartholomew
Ben Basham
Art Beverly
Debra Bratton
Frank Bucci
Mike Cianciosi
Fred Clark
Steve Cowans
Manny Cunha
Kim Dice
Chip Edwards

Pat Flanagan
Merri Glover
Talvin Green
John Hale
Win Harrington
Phil Hepler
Jim Jopke
Jennifer Hopkins
Richard Hunter
Thomas Ireland
Charles Jones
Bob Kettig
Rebecca Kreider
Sarah Lanham

Kay Lingane
Norma Lofgren
Nancy Lovell
Craig Matter
Joe Mazzu
Ethel Minnick
John Monahan
Teresa Nguyen
Steve Norwood
Chuck Otzel
Sharlene Pemberton
Phil Ragsdale
Bill Rinard
Jon Sampson

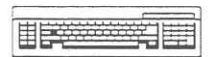
Daphne Sellers
Debbie Shows
Rothwell Sketchley
Lynette Spalding
Ralph Stephens
Tony Stratton
Lex Thornton
Loretta Warner
Lois Wenzell
Jeff Widor
Pak Yong

RS Hosts Recognition Event



Ed Melendez (left) tops off a sundae for Mike Cassidy during a recent Reconnaissance Systems (RS) special recognition event. RS managers treated recipients of "Kudos" cards to an ice cream social on December 6 in appreciation of their contributions to the RS group. RS managers regularly distribute Kudos cards as a way of immediately recognizing good work. Cards are then redeemed by cardholders at events such as the recent ice cream party.

Microsoft Word Tip of the Month by Lois Wenzell



Q: How do I create a side-by-side list of bullets in Microsoft Word?

A: You can either change a section of a document to two columns or insert a table with two columns. For the occasional side-by-side bullet, you may choose to create a shortcut key for the bullet. Under the Insert Menu, select "Symbol," and choose the appropriate bullet symbol. Select "Shortcut Key" and CONTROL+8 (or a similar shortcut). Then select "Assign." If your keystroke shortcut has already been assigned, you will be prompted to choose a different one. To complete the shortcut selection, select "Insert" or "Close." Now set the tabs for bullets and text. (Mac users may achieve the same result by assigning OPTION+8 as the shortcut.)

NOTE: Lois's Microsoft Word timesavers and shortcuts appear regularly in *Employee Update*. If you have a Word question, e-mail Lois at lwenzell@fc.