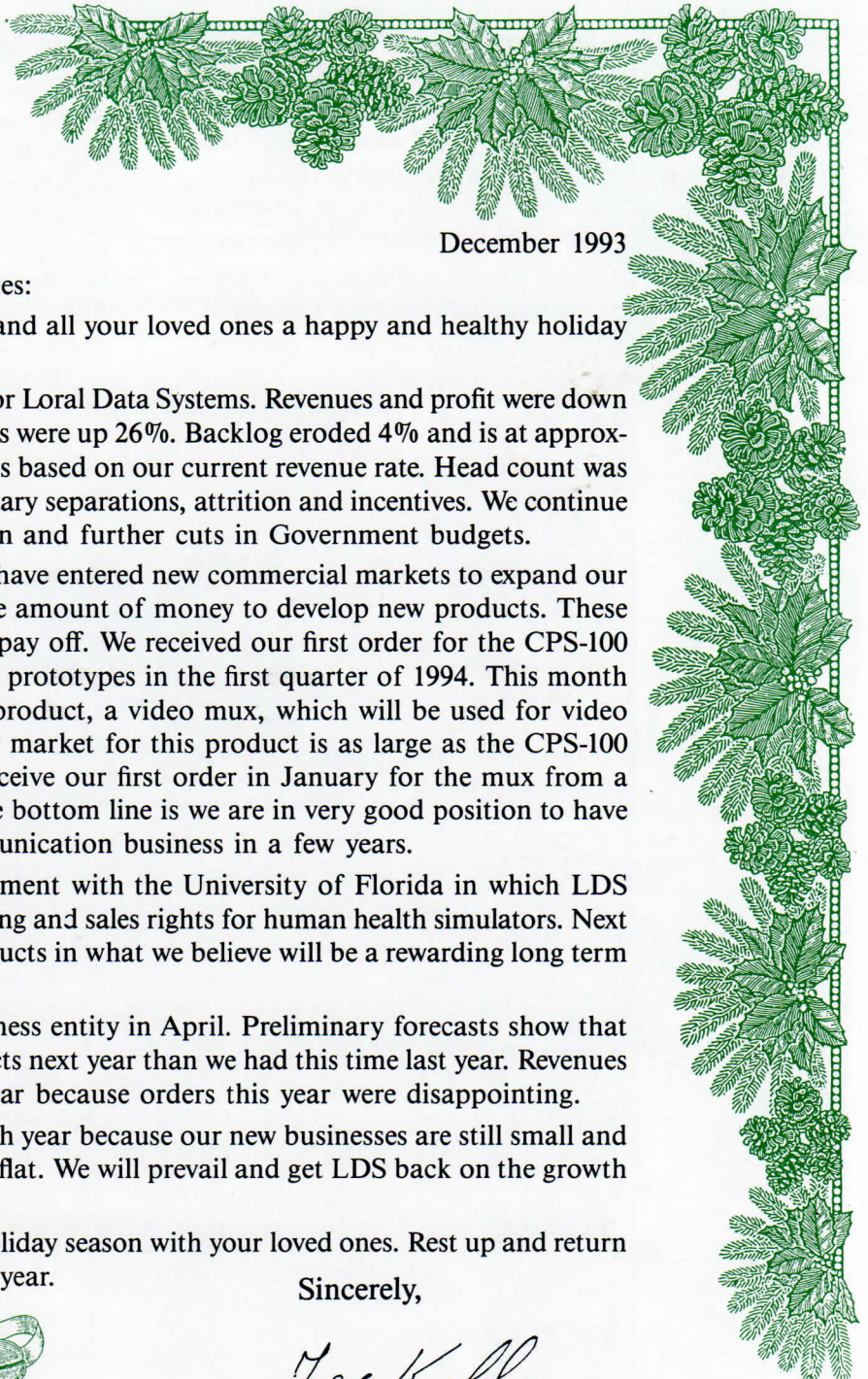


PULSE



December 1993

To All Employees and Families:

My staff and I wish you and all your loved ones a happy and healthy holiday season and new year.

1993 was a difficult year for Loral Data Systems. Revenues and profit were down from 1992 but incoming orders were up 26%. Backlog eroded 4% and is at approximately 6 months of shipments based on our current revenue rate. Head count was reduced 10% through involuntary separations, attrition and incentives. We continue to be affected by the recession and further cuts in Government budgets.

Over the past 3 years we have entered new commercial markets to expand our business. We expended a large amount of money to develop new products. These investments are beginning to pay off. We received our first order for the CPS-100 switch and will start shipping prototypes in the first quarter of 1994. This month we started to develop a new product, a video mux, which will be used for video on demand in the home. The market for this product is as large as the CPS-100 market. We believe we will receive our first order in January for the mux from a large telephone company. The bottom line is we are in very good position to have an extremely large Telecommunication business in a few years.

We have signed an agreement with the University of Florida in which LDS received exclusive manufacturing and sales rights for human health simulators. Next year we will ship the first products in what we believe will be a rewarding long term medical electronics business.

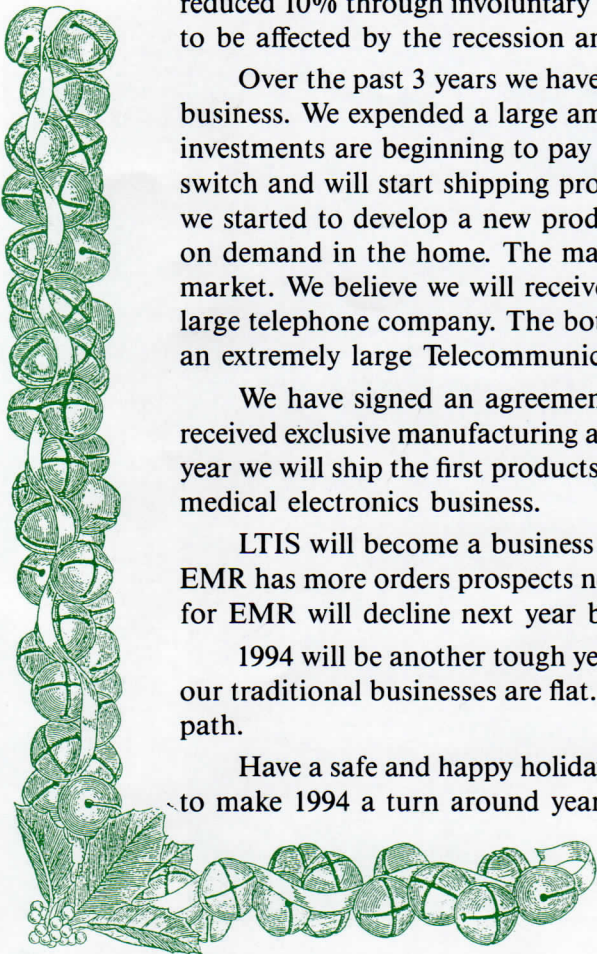
LTIS will become a business entity in April. Preliminary forecasts show that EMR has more orders prospects next year than we had this time last year. Revenues for EMR will decline next year because orders this year were disappointing.

1994 will be another tough year because our new businesses are still small and our traditional businesses are flat. We will prevail and get LDS back on the growth path.

Have a safe and happy holiday season with your loved ones. Rest up and return to make 1994 a turn around year.

Sincerely,

Joe Keller



RECENT SYSTEMS DELIVERIES...

TELEMETRY WINS EDWARDS AIR FORCE BASE PROGRAM

The long awaited Telemetry PreProcessor (TPP) contract for the Air Force Flight Test Center (AFFTC) at Edwards AFB, CA, has been awarded to Loral Data Systems. The contract is for a 5 year period and valued at over \$6 Million. It is anticipated that more than 12 systems will be procured over that time, as well as training, maintenance and follow-on work.

The TPP is the initial phase and cornerstone to the development of the Advanced Data Acquisition and Processing System (ADAPS) program for the AFFTC. The ADAPS development program encompasses the AFFTC Test and Evaluation mission requirement for realtime data processing and display, post-flight processing, and post-test analysis. ADAPS development mandated the use of open, distributed system architectures consisting of functional components, integrated into a system using widely accepted DoD and industry

standard interfaces. ADAPS will be the next generation system at the AFFTC, replacing the existing Integrated Flight Data Analysis and Processing System (IFDAPS), supporting future advanced flight test programs, such as the Lockheed/Boeing F-22.

The TPP that will be integrated into the ADAPS system is the EMR 8715-based O/S90. After a lengthy evaluation period, including a Live Test Demonstration of deliverable equipment, the O/S90 was selected based upon the best technical proposal and best price. Some of the high performance requirements of the TPP specification will also result in some enhancements to the O/S90, including EMR 8715 in-box bit syncs and a new-technology DPU 2. Another phase of the ADAPS program development that will fit well in the O/S90 architecture is the High Speed I/O Processor. Hopefully this requirement will result in a contract modification and be added to the TPP contract.



EAST MEETS WEST AT LDS

Contributed by **Gerald Godbee**, Product Support Engineer, Aviation Recorders Division

Several employees of China Eastern Airlines and the Chinese Civil Aviation Authority visited Loral Data Systems from June 26 through July 16 for cockpit voice recorder (CVR), digital flight recorder (DFR) and solid state flight data recorder (SSFDR) training.

The group's ability to speak English was very limited. Mr. YouYing Lu from China Eastern Airlines was the most proficient, so he served as interpreter for the five other visitors. The three week training session was much more challenging because of the language barrier!

Rick Farina, his wife Angie and children Stephanie and Christopher, my daughter Pamela and I met our guests at the airport the morning of June 26. It had taken them 40 hours to fly from China to Sarasota. Three of them had never been in the U.S. before.

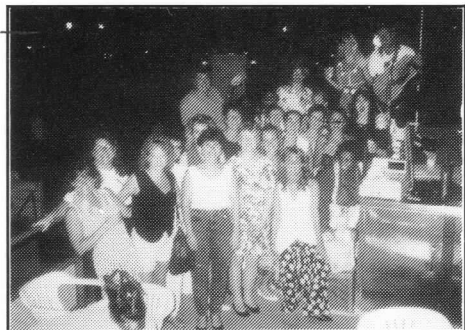
Because our Chinese guests were not allowed to drive in the U.S., I rented a seven passenger van so I could transport them for the duration of their stay. Through the generosity of a member of my church, we were able to provide them with bicycles so they could get around somewhat on their own. They even biked as far as Sarasota Square Mall. In China, they told me, none of them has a car. They get to work either by bus or bicycle.

The Chinese attended church and an after-service picnic on July 4th with my family and me. Our pastor recognized them as honored guests and even found a Republic of China flag which he displayed to welcome them in a special way. The holiday was topped off with a visit to the fireworks display at Island Park.

LDS Ladies Cruise on Le Barge

On Thursday evening, August 26, 25 LDS employees and friends gathered at Island Park pier to board Le Barge for a two-hour sunset cruise on Sarasota Bay.

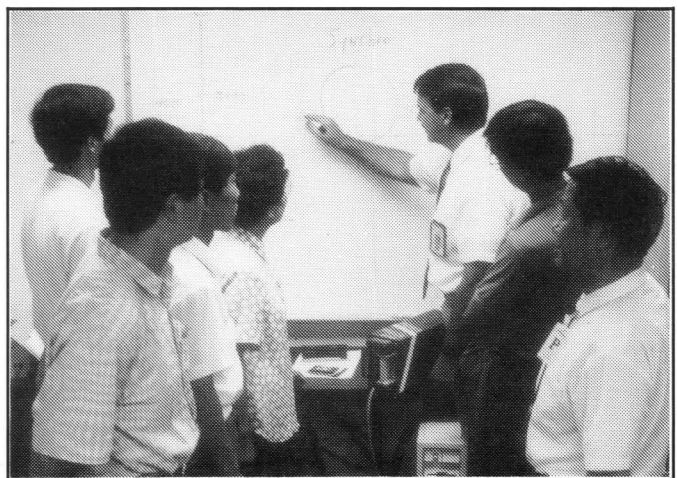
Fresh bay breezes, smooth water, a beautiful sunset and pleasant camaraderie made "Ladies Night Out" an evening to remember.



Naturally, many of our conversations revolved around children. In China, a couple is allowed only one child. If they have a second child, their taxes are greatly increased and the second child is not accepted in society. Isn't it great that we live in a free country where we are not penalized by the government for the number of children we elect to have!

During the three week visit, the Chinese and my family became close friends. My oldest daughter, Pamela, has written each of them a letter and is excited to have pen pals in another country. We dined out several times and our guests definitely preferred the Asia and Sai Woo Restaurants to Steak & Ale!

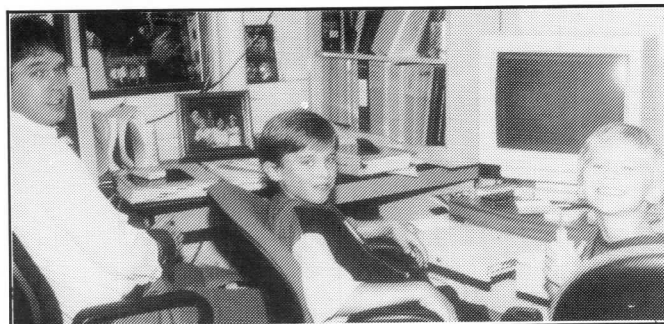
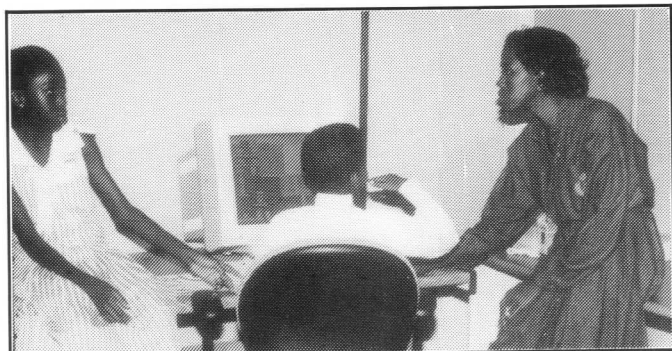
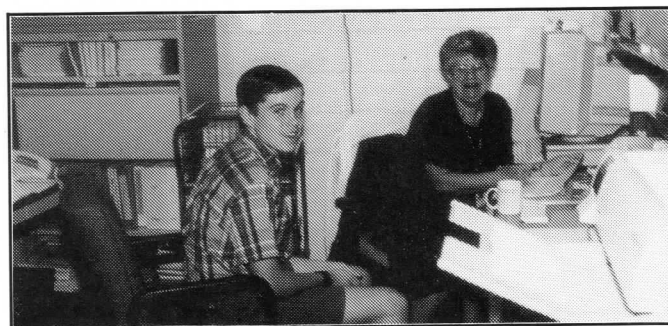
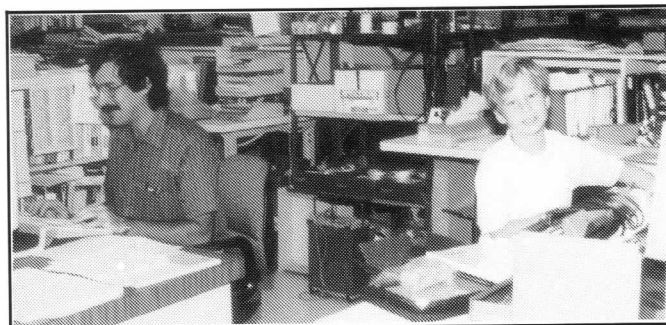
On their departure day I was saddened to see our new friends leave, but at the same time I felt good because I had been given the opportunity by Carl Palkovich to serve our company and our country in a small way by seeing to our visitors' needs. I believe China Eastern Airlines will become a valued customer due in part to the courtesy we all showed them during their training at LDS.



LDS EMPLOYEES BRING THEIR KIDS TO WORK

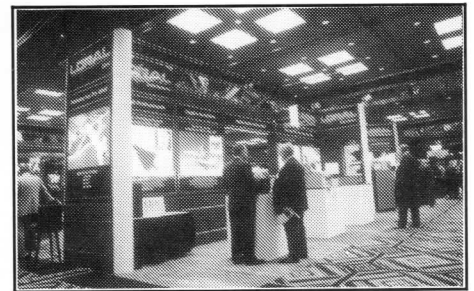
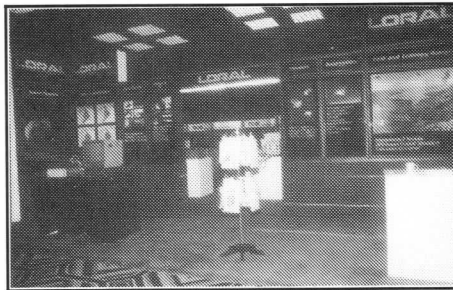
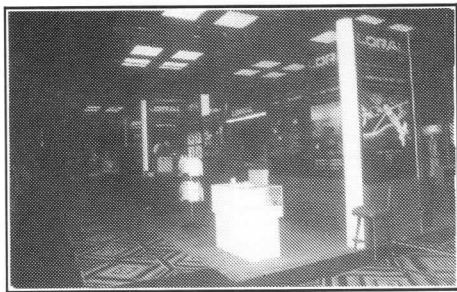
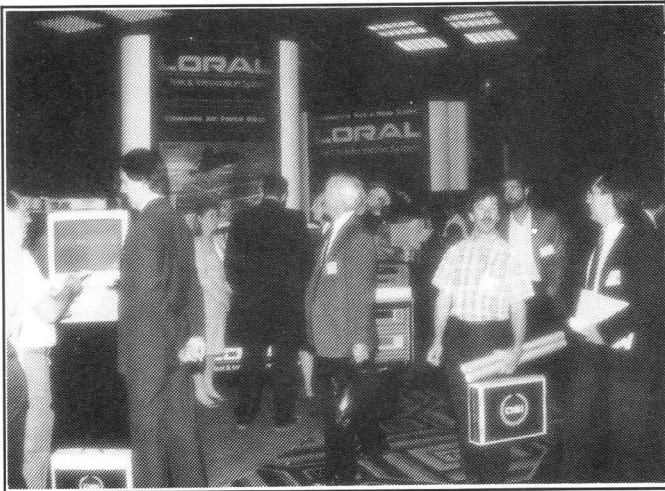


Wednesday, August 18 marked our first annual BRING YOUR KIDS TO WORK DAY. Approximately 200 kids ranging in age from pre-school to high school shadowed their parent(s) throughout the day, learning what Mom or Dad really does at work. Spirits soared as employees got to show off their children to their co-workers while showing off their job skills to their kids. We're all looking forward to next year's event!



ITC/USA/93

Loral attended the twenty-ninth annual International Telemetry Conference held in Las Vegas at the Riviera Hotel and Convention Center, October 25 thru 29. In attendance were Loral Data Systems' Instrumentation Recorder Group, Loral Conic, and Loral Test & Information Systems (consisting of Loral Instrumentation in San Diego and Loral Data Systems EMR Telemetry in Sarasota). LTIS shared a 20'x40' booth and adjacent to them were Conic and Instrumentation Recorders in a 10'x30' booth each. In all Loral had a 20'x70' booth. The show was a success for all divisions.



LDS Employees Celebrate Milestone Anniversaries

The evening of July 15th was a very special occasion for LDS employees celebrating 20, 25, 30, 35 and 40 years of service January through July, 1993.

A banquet honoring these award recipients, guests, supervisors and executive staff was held at the Meadows Country Club.

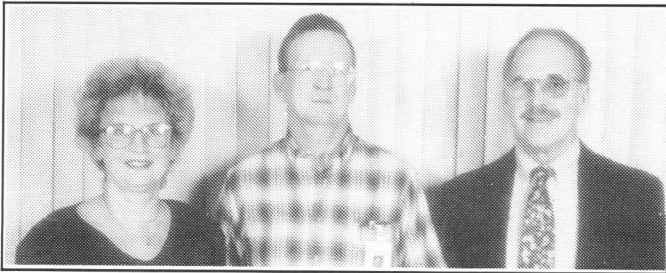
After cocktails, hors d'oeuvres and a scrumptious dinner, each honoree was presented with a timepiece (20 years of service) or plaque commemorating his/her milestone anniversary.

As the saying goes, "a good time was had by all."

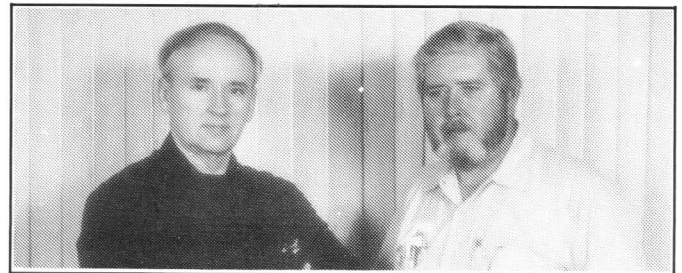


Back row, L to R: Joe Keller, Joe Lehmann, Simon Ford, Gary Snyder, Ed Annaratone and John Kerwin. Front row, L to R: Susan Carrico, Roger Mort, Charlie Grouse, Sue Sutherland, Joan Stabenow and Richard Healy. Not pictured: George Phillips, Delta Wildermuth, Bud Lang, John Brisbin, Jr., Don Parker and Mike Hutchinson.

Anniversary Celebrations – April-September 1993



Pat Bowers, John Belt and Graham Hildebrand, all 30 years.



Terry Honeycutt and Joe Thompson, 25 years.



Charlie Grouse, 30 years; Don Parker, 40 years; Simon Ford, 25 years; Bud Lang, 30 years; John Brisbin, 30 years; Joe Lehmann, 35 years.



Richard Healy, Gary Snyder, Susan Carrico, Mike Hutchenson and John Kerwin, all 20 years.



Robert Moore, Miriam Smith, Monica Laskowsky, Ann Mongillo and Ray Thomas, all 20 years.



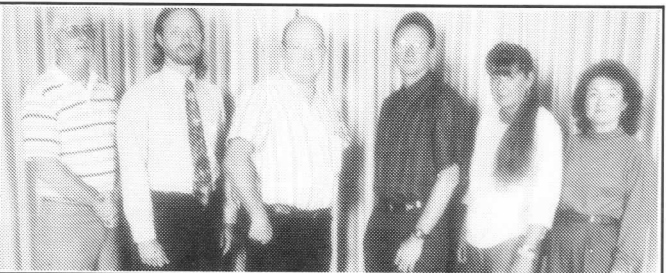
John Brown and Harry Durrett, both 30 years; and Gary Schumacher, 15 years.



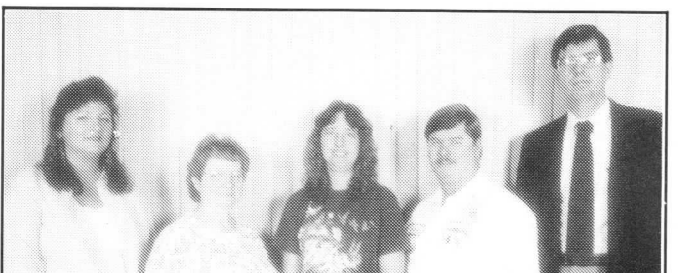
Debbie Berry, Linda Altice, Shirley Huckaby, Mike Rhodes and Pam Griggs, all 15 years.



Fuad Ali, Bill Vernooy, Greg Williams and Liz Parks, all 15 years.



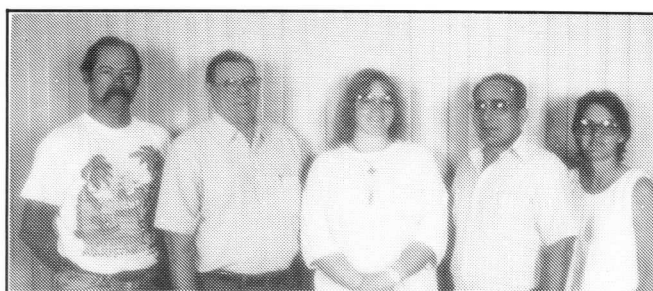
Jack Routsong, Robin Speidel, Pete Richardson, Greg Parks, Sandy Halverson, Mary Evans, all 15 years.



Terri Hughes, Kathleen Ling, Becky Ellard, John Elliott and Thad McCulloch, all 15 years.



John Burr, Wayne Sarnie, Joe Yourkoski, Sam Virts, Patty Lehman, Chuck Berster and Gary Wilson, all 15 years.



Walter Holmes, Robert Williams, Teresa Smith, Fran Levanti and Rita McCrea, all 15 years.



Fred Paine and Dale Woodland, 15 years.



Mike O'Brien, 10 years; Joe Keller, 20 years; Linda Morrison 15 years; Ron Zoerner, 10 years; Mike Harris, 10 years.



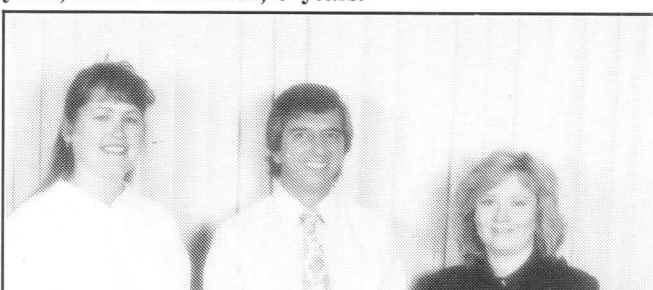
Kevin McGreevy, 5 years; Janet Taylor, 5 years; Dale Dennis, 30 years.



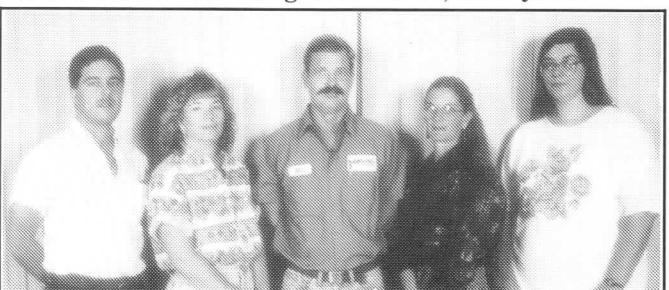
Jon Mather, 10 years; Marie Keeney, 5 years; Brian Nitz, years; Anna Goldstein, 5 years.



James McCutcheon, Serita Bowers, Wanda McCarter, Cynthia Elliott and Bridgett Christian, all 5 years.



Teri Vokus, John Ramsay and Peggy Browning, all 5 years



Brian Levanti, Wendy York, Michael Schlubatis, Susan Maynard and Brenda Hepburn, all 5 years.



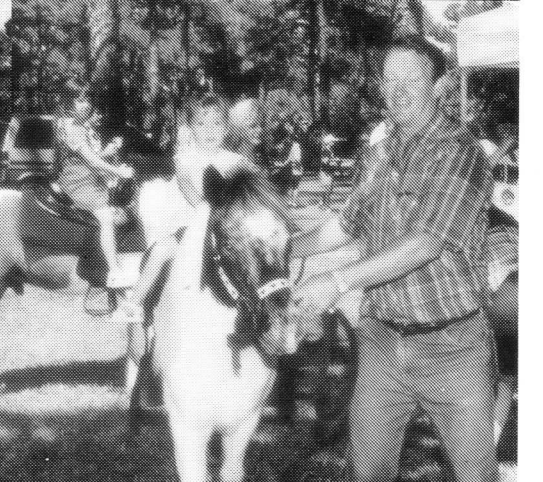
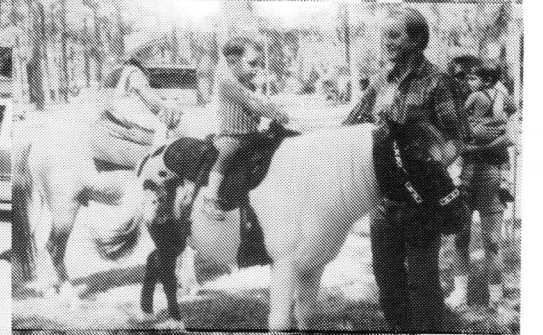
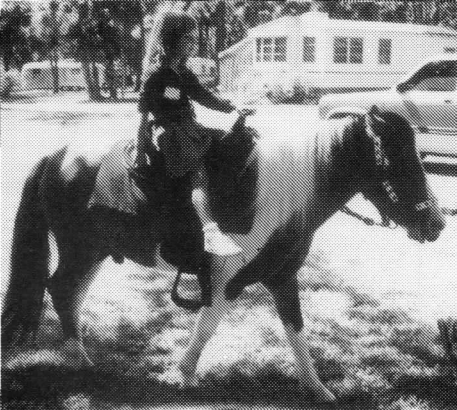
Debbie Bowen, Jean Henry, Keith Brocker, Ronald Youn, and Thomas Bridges, all 5 years.

FALL FUNDRAISER

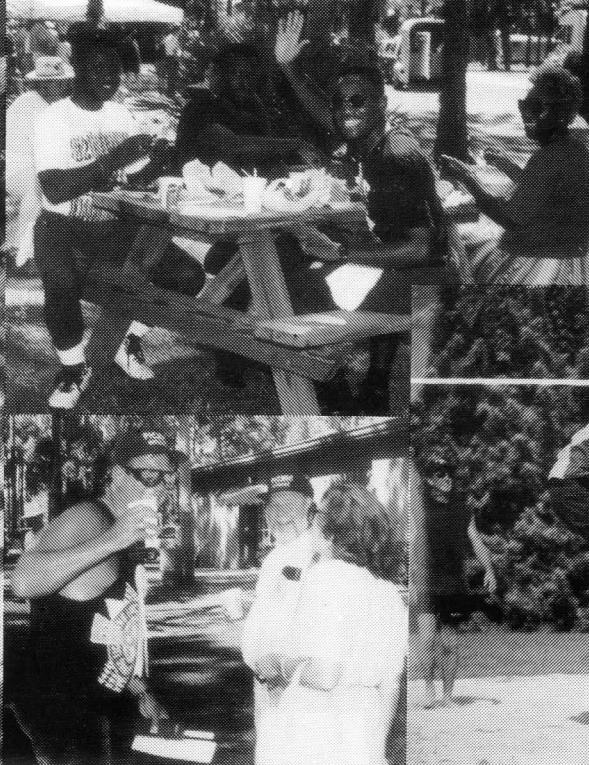
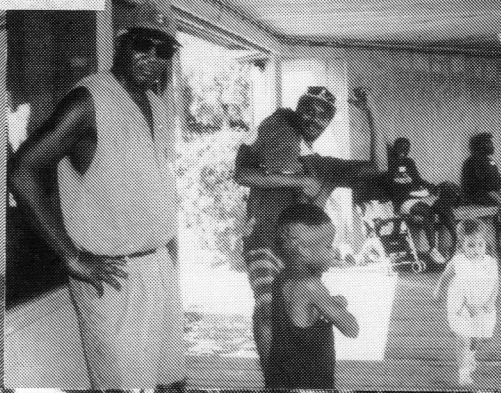
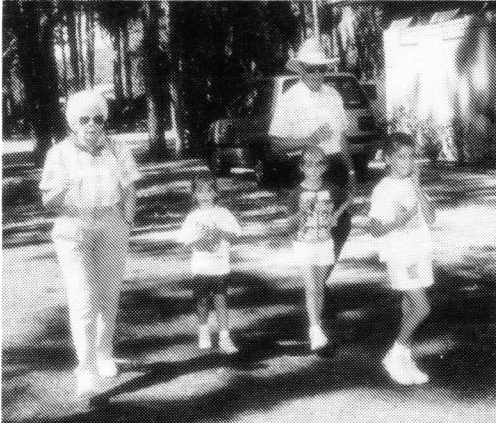
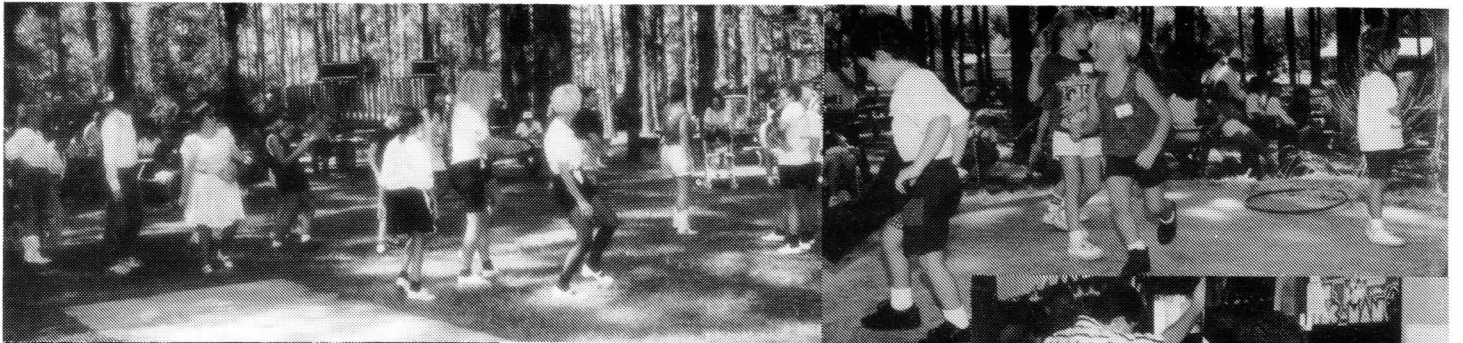
October 9, 1993



Place:
Royal Coachman Resort

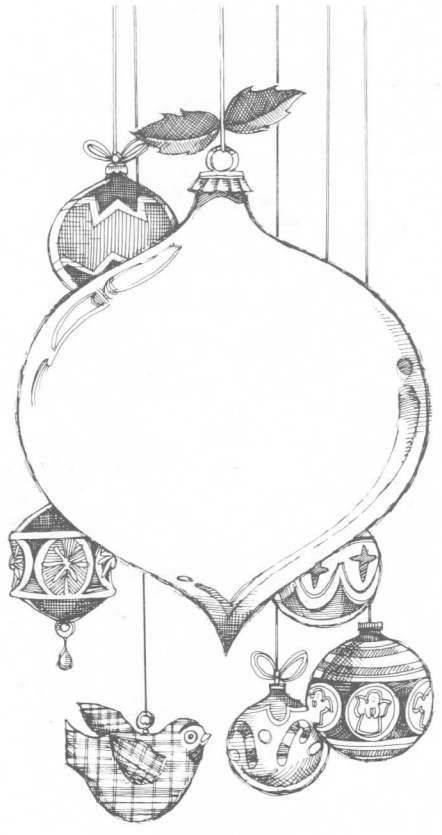








Holiday Greetings



PULSE is published quarterly for the employees of Loral Data Systems.

LORAL
Data Systems

**P.O. Box 3041
Sarasota, FL 34230
(813) 371-0811**

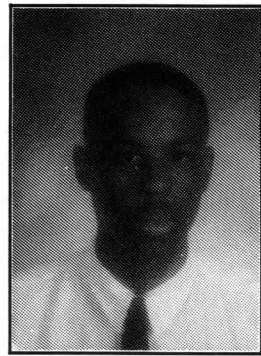
Jim Horvath, Managing Editor

LORAL DATA SYSTEMS IS AN EQUAL OPPORTUNITY EMPLOYER M/F/H/V

STEP UP!

by Greg Alexandea

This summer I was one of thirteen college (18-25) aged students who had the opportunity to participate in the Step Up! program.



For six years the Manasota Industry Council, Sarasota Herald-Tribune and WWSB-TV channel 40, have sponsored the Step Up! program. Step Up! gives minority college students the chance to intern at various companies around Sarasota and Manatee counties. This year 13 students were chosen to work full time for companies such as Loral Data Systems, WWSB, Herald-Tribune, Bradenton Herald, MIC, Authur Anderson & Co., Kerkering Barbanio & Co., Manasota County Govt., Sarasota County Govt., Beall's Department Store, Barnett Bank of Sarasota County, Barnett Bank of Manasota County and the Suncoast Manor.

Each of the prospective interns had to go through an extensive screening process that ended with an interview with a six person board made up of representatives from the MIC, NAACP, WWSB-TV, the Herald Tribune, and the National Hispanic Alliance Association. The board members pick the students they feel are the most capable and then place them with the companies they feel would benefit the most by employing them during the summer.

In addition to the 8 weeks of employment, the students attended weekly seminars after work on Wednesdays. There they learned many valuable lessons ranging from office protocol and stereotyping in the office, to how to conduct yourself during an interview.

Eddie Anson is the program coordinator and Niles Williams is the program counselor. They are in their sixth and fifth year respectively. They work the closest with the students and keep in touch with them after they graduate from Step Up!

It is because of them that I hope to someday follow in their footsteps and give back to the minority youth of tomorrow as they have given back to me!!

EMPLOYEE ETHICS RESPONSIBILITIES

To comply with Loral's Code of Ethics to report

- If requested to engage in any activity contrary to the policy
- If you have reason to believe any other employee or representative of the company is engaged in conduct contrary to the policy

Channels for Reporting:

- His/her supervisor
- Supervisor's manager
- Person designated within the division for investigating reports

Compliance matters:

- Mark Mustico, SPS Group
- Dave Taylor, All Others

Security matters:

- Dennis Potoka, All Groups

Calling the Division Hotline #6869
Calls may be anonymous. All hotline calls will be handled confidentially. You may call back to learn what action was taken.

Calling/writing Loral Corp. Vice President & Controller:
Bob Lapenta
600 Third Ave., NY, NY 10016
(212) 697-1105

Calling/writing Independent Ombudsman:
Robert Gregg
c/o Hazel, Thomas, Fiske, Beckhorn, and Hanes
3110 Fairview Park Dr., Ste. 1400
Falls Church, VA 22042
1-800-842-2651