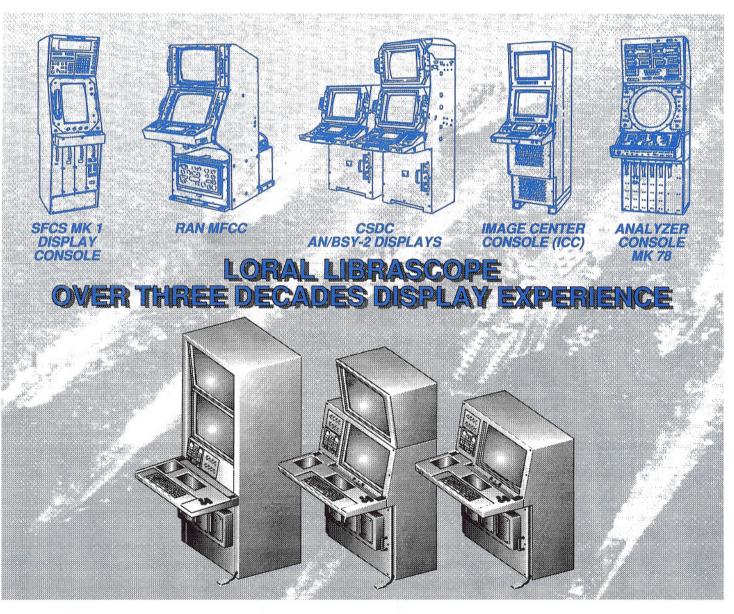
# Librazette

December, 1993

LORAL Librascope, Glendale, California





Librascope's Advanced Display System (ADS)

#### **Business Outlook '94**

# "Turning The Corner"

As you are aware, Librascope has been down-sizing the past two years because of: 1) contract terminations for the convenience of the government (CATFAE); 2) production quantity reductions (AN/BSY-2); and 3) reductions in the Defense Budget and the related cancellation of programs. In order to remain a viable business entity, we have internally adjusted to these changes. We have maintained our presence in our traditional business areas and expanded our visibility within the customer community. We have also expanded our penetration within the U.S. Army arena. We may be at a turning point.

To date, we have been aggressively working to preserve our current customer's program funding and to support our customer base politically

utilizing the Loral Corporate support.

In reflecting on our bookings performance for the Loral Fiscal Year 1994, we are currently projecting a 50 percent increase over bookings plan. This increase is due mainly to working with our traditional customers closer than ever before. We believe we are on the verge of succeeding on our current proposal efforts (AICPS, ADS and CCS Mk 2). If successful, or if any significant international business is booked prior to April 1, 1994, we could exceed our projected bookings by 100 percent.

We are developing a new business infrastructure within Librascope which will use capture teams for new program opportunities. We are making a concerted effort to establish and improve on communications awareness, cost consciousness and operational efficiency.

#### Capture Teams/Proposals

Recent capture team efforts since August include major proposal programs developed for the: 1) Advanced Integrated Chemical Protection System (AICPS); 2) Advanced Display System (ADS, see cover); and 3) Combat Control System (CCS) Mk 2 Follow-On Production. Librascope has prime contractor responsibility for all three of these programs.

AICPS - The AICPS proposal was submitted in late October and contract award is anticipated in February 1994. The government agency responsible for AICPS is the same agency that is responsible for our MICAD contract effort—the U.S. Army Chemical and Biological Defense Command at Aberdeen Proving Ground, MD. This customer is very pleased with our MICAD work and we feel very confident about our chances of winning this contract. This cornerstone program will establish Librascope as a development and production contractor in the chemical and biological warfare systems product area.

ADS - Our Advanced Display System (ADS) proposal was submitted on December 6. We have already successfully passed our technical demonstration phase of the proposal which was accomplished on December 9, in Arlington, VA. This program is for the development of the Navy's next generation surface ship and submarine workstations/displays using open architecture systems with nondevelopmental items and commercial off-the-shelf components. If successful, this program would establish Loral Librascope as a leader in the military workstation/display arena. The award date for the ADS is anticipated in February 1994.

**CCS Mk 2** - The Combat Control System Mk 2 proposal is a follow-on production build-to-print program for existing common display consoles and tactical weapon simulator equipment. This proposal will be submitted early next year.

#### **Navy Business**

Other Librascope near-term business opportunities from the U.S. Navy include the new Attack Submarine (NAS) program, and the Wide Aperture Array Backfit (BQG-5) program, to name just a few.

#### **Army Business**

In the U.S. Army arena, we have positioned ourselves to capture chemical and biological warfare

#### Business Outlook '94 - Continued

detection and protection systems that will be fielded in the near-term; e.g., AICPS and the Laser Biological Program. We are also focusing on Army command and control systems.

#### AI Business

Our Artificial Intelligence (AI) technology group has captured two sole source contracts within the past thirteen (13) months—the Submarine Engagement Automated Planning and Control System (SEAPACS), and the Ship Planning for all Defense Engagements (SPADE).

SEAPACS is an artifical intelligence-based system that addresses strategic, tactical and reactive ship self-defense planning. The system is designed to anticipate ship attacks and recommend an integrated sequence of defenses.

We are working through ARPA with the New Attack Submarine (NAS) office to transition this program into the new attack submarine simulator program managed by NUWC.

We are currrently making a concerted effort to expand our AI capability into the U. S. Army programs arena.

#### **International Business**

International business thrusts include a Submarine Combat System (SUBICS 900) proposal for the new Egyptian Submarine Program; a Submarine Combat System (SUBICS-900) proposal submitted to the Turkish Navy (includes in-country participation); a combat workstation proposal for the Malaysian Navy's new Off-Shore Patrol Vessels; a major spare parts proposal for the Indian Navy's SFCS Mk 1 Fire Control System; and a proposal for submarine combat control system upgrades for the Indian Navy's new Submarines 5 and 6.

#### Loral Growth

The continued growth of Loral Corporation, including the acquisitions of Loral Vought and Loral IBM, presents ever expanding possibilities for teaming and joint ventures, and also strengthens Librascope's overall position in the defense business.

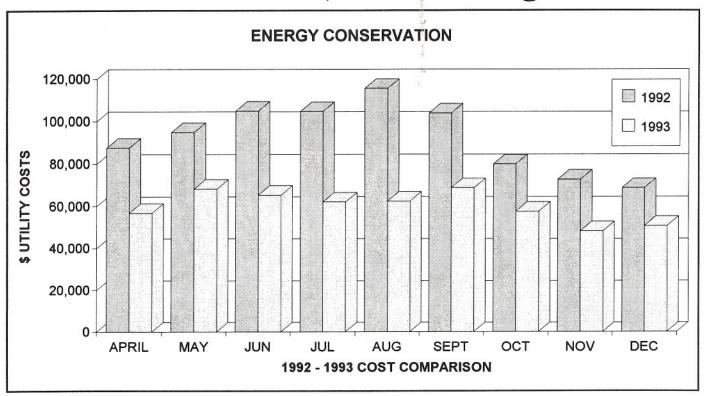
We are looking forward to the new year. It will be exciting times for all of us in addressing these challenges. Thanks to each of you for your efforts and support in 1993.

Ed Arnold President

### News Briefs

- A contract was received this month for four MK1 SRAMs (RAMdisks) and spares from Government Services, Canada. The RAMdisks will replace the aging CL107MA Magnetic Disc Memory Controllers in their MK1 MMU. ■
- Ernie Pool, Vice President, International Development, Richard Martin, Project Manager, and Steve Wallace, Sr. Contracts Administrator, recently returned from India with orders for additional spare parts for our fire control system on the Indian submarines. The Indian Navy has expressed interest in several upgrades to this system and proposals will be submitted in January.
- A refresher training session on Reporting Labor Charges was held for management and supervisors on Wednesday, December 22, in compliance with Loral Corporate training requirements. ■
- Carl Sorensen, V.P., Quality and Resource Management (Librascope's TQM coordinator), and Allen Wolff, Manager, Quality Assurance, attended the third annual Loral Corporate TQM Group meeting on December 9 and 10, in Arlington, Texas.
- Librascope employees donated over \$40,000 to the United Way of Los Angeles County in 1993. The company's per capita donation for the year was \$115, placing Librascope among the top ten companies in per capita giving!
- The annual Decorate the Wreath charity drive resulted in over 200 lbs. of food donated by employees for The Burbank Temporary Aid Center. ■
- Another tenant has signed a sublease for storage space in Building 2, bringing the total square footage rented out in that building to 13,000. (There is a total of 35,000 sq. ft. in Building 2.) ■

# - Energy Conservation Program - Yields \$293,000 In Savings



The effect of energy conservation efforts started in September, 1992, has resulted in over \$293,000 in cost savings to the Company over 1992 energy costs. Some of the energy conservation measures adopted at Librascope include:

- Installation of timers limiting air conditioning operation to business hours—systems are turned off evenings, weekends and holidays.
- Energy efficient controls have been activated for the air conditioning in Building 8.
- Lights are turned off manually in most cases; however, motion sensors were installed in low use stockrooms to limit illumination to occupied hours only.

♦ Over 600 eight foot fluorescent tubes were removed from Building 17.

"These efforts have greatly impacted our energy bills," said Kim Jones, Manager, Facilities.

"This represents the first phase of our energy conservation program—capturing those savings which require minimum investment. Further savings will require more effort and capital investment—the natural second phase of any energy management program.

"Thanks to all employees and the Security department for turning lights off, and to the Maintenance Department for their part in implementing the first phase of this program."

#### **Recycling Update:**

#### Thanks "Team Librascope"!

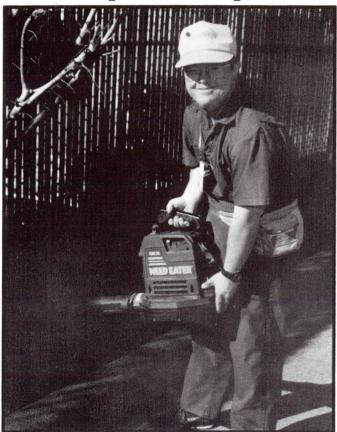
Together we have recycled over 7 tons of materials since the beginning of the improved Recycling Program! The materials being recycled include all types of paper, glass and cans.

"We have expanded the program with your suggestions," said Kim Jones, Manager, Facilities. "Our motto is—if you will save it—we will haul it! We expect to save

50% of our waste disposal costs over FY 92!"

Employees can submit their suggestions for further improvement of the program by calling Kim Jones, X-1180.

## Community Involvement Helps Librascope!



Grady England, of the Glendale Self Aid Workshop, along with young adults from the City of Glendale Youth Partnership, perform gardening services at Librascope—providing quality service at a reasonable price. Sue Mandeville, Supervisor, Maintenance, states, "Since obtaining these services, we have cleaned up our facility, and at the same time, we are providing individuals with beneficial job experience."

Grady performs his gardening services on a part-time basis—20 hours a week. The Youth Partnership personnel perform their work on

weekends.

## 1994 FICA & SDI Tax Information . . .

The 1994 FICA social security taxable wage base will be \$60,600, an increase of \$3,000 over the 1993 base of \$57,600. The Medicare taxable wage base (the amount to which the 1.45% Hospital Insurance portion of the FICA tax applies) has increased from \$135,000 to—no limit—taxable to all earnings.

For SDI purposes, the tax base remains the same —\$31,767. The maximum amount of SDI tax payable by an employee will be \$412.97. ■

#### Standards of Conduct

It is Loral Librascope's express policy that all dealings with the U. S. Government be conducted with the highest level of ethical behavior and in complete compliance with the spirit of the law.

No employee shall engage in any conduct which violates the law or even gives the appearance of impropriety. Anyone suspecting any violations should notify:

- Your Supervisor or Department Manager or:
- The Librascope Ombudsman, Carl Sorensen 818-502-7641 or X-1641
   or:
- The Librascope HOTLINE Number 818-502-7085 or X-1085
- The Loral Corporate Ombudsman Sr. Vice President and Controller 1-212-697-1105 (call collect)
- An Independent Ombudsman, Robert Gregg 1-800-842-2651
- \* All information will be treated confidentially.

#### Copyright Infringement Policy "In Force" At Librascope

It is the policy of Loral Corporation that copyrighted computer software licensed for use by an individual or organization, is not to be duplicated for use by any other individual organization, except as provided for in the license. This policy also applies to copyrighted documentation associated with that software product.

Computer software covered by this policy includes applications and systems which operate on mainframes, minicomputers, workstations

and personal computers.

Librascope is committed to the implementation of this policy, including: a) tracking the installation and use of all software and associated documentation acquired by the Company; b) use of disciplinary means to discourage duplication of licensed software, including warnings, official reprimands, suspensions and dismissal; c) periodic audits of remote computational resources; e.g., workstations or PC's, to ensure that duplicates of licensed software packages are not being operated on that resource.



# For Computer Problems Call . . .

#### Voice Mail - X-1009

For Emergency Service call the Pager Hotlines

...PC's & Mac's

603-7078

... for Network Equipment 603-7104

To Use a Pager Number:

Dial the number
Wait for the call to be answered (series of beeps)
Enter your extension

Wait for another series of beeps Hang up.

#### Winners in Lockheed Federal Credit Union's ATM Promotion

Five Librascope employees were winners in a ATM promotion sponsored by the Lockheed Federal Credit Union (FCU) during the months of September and October. Drawings were held for all persons using the ATM machine at Librascope during those months. The winners were: Kaye Campbell and Bob Jashinsky each won a \$20 gift certificate to Music Plus; Betty Kent and Nancy Laughlin won \$20 gift certificates to the Burbank Media City Center; and Melba Puryear received a \$20 gift certificate to Stuart Anderson's Black Angus Restaurant.

The Lockheed FCU thanks to all employees who participated in the promotion. Located in the lobby of Bulding 8, the Credit Union's ATM is available 24 hours a day, seven days a week for withdrawals, transfers and balance inquiries (no

deposits can be accepted at this ATM).

For more information on Credit Union services or on becoming a member, contact Judy Kemple at X-1242, or call (800) 328-LFCU. ■

#### Environmental/Safety News

by Heidi Fowers Environmental Health & Safety Engineer

#### Radioactive Materials:

Radioactive materials are now at Librascope as part of the MICAD program. The chemical agent detectors in the system have a small radioactive source as part of its chemical detection system. These radiation sources are located in a marked, locked cabinet inside the MICAD Software Lab, and a sign is posted outside the room. As a result, the Company has developed a Radiation Safety program for all of those involved with the system. Only persons who have completed the required safety training for radioactive materials are allowed inside this controlled area. There is no radiation exposure to persons outside of the controlled area.

#### Storm Water Pollution:

In order to be environmentally conscious and in compliance with the Environmental Protection Agency (EPA) and other regulations, Librascope has initiated a Storm Water Pollution Prevention program to help prevent storm water pollution.

At Librascope, all outdoor drains are part of the storm water system. All materials and chemicals which are washed into the storm drain system flow directly into the surface waters without any treatment. In Glendale this pollution flows to the Los Angeles River which flows to the ocean. Dumping anything into any storm drain at Librascope is prohibited. Note: Dumping one quart of motor oil down a storm drain contaminates 250,000 gallons of water!

Note: Employees are encouraged to notify Heidi regarding any potential environmental problems at Librascope—X-1052.

#### **Aetna Member Services**

Open Monday thru Friday 8:00 A.M. - 7:00 P.M. EST

1-800-345-5839

#### They Gave the Gift of Life!



**Blood Donors Terri Miyamoto and Michael Pelatt** joined other Librascope employees in giving the "gift of life" at the Company's annual blood drive conducted by the American Red Cross. Other donors included: Carey Sublette, Blake Kelly, David Evanoff, Charles Gillikin, Stig Ronngren, Nancy Laughlin, Bob Barrett, Kevin Kofler, Dana Thompson, Earl Valdez, Steve Hirschberg, Steven Mitchell, Diane Howe, Maria Vega, Tom Wilder, Don Barton, and Judy Kemple from the Credit Union office.

#### Libra-Sports

#### Librascope Golf Club -

Librascope retiree, Carl Culver, was named Player of the Year and Club Champion, at the club's final tournament and banquet held at the San Dimas Golf Course and Country Club. Results of the election of club officers for 1994 are: President, Barry Commons; Vice President, Tim Cooke; Secretary/Treasurer, Patty Klohoker; Handicap Chairman, Clay Newell; Tournament Chairman, Keith Weideman; Flight Play Chairman, Ron Maas.

The next tournament is scheduled for January 22 at the Upland Hills Country Club. Employees and their families are invited to join the Golf Club. For membership and tournament information, call Barry Commons at X-1218.

#### Men's Basketball Team -

Bill Dunaway, team manager, announced the recruitment of Matt Fordin, from Encore Catering, to play on the Librascope team. Matt (6'8") stands eye-to-eye with team player Paul Denzer—we can't lose! Other players include: Ken Mandeville, Charlie Gillikin, Steve Wallace, Brent Derksen, Bob Barrett, and Gary Mellor. The team's first game is on January 5, 9 pm, at Glendale High School.

#### **Employee Briefs**

Pat Burk, Sr. Q.C. Engineer, and wife Adele, are happy to announce that Baby Tabetha Christy is home from the hospital and doing just fine! Tabetha was born prematurely on September 2—at 26 weeks—and weighed only 1 lb 14 oz. She remained in the hospital through November 13, and required blood transfusions during her entire stay in the hospital. An urgent appeal for 0+ or 0- blood resulted in over twenty Librascope blood donors. The hospital was overwhelmed by the response of donors. Tabetha, happy at home, now weighs 7 lbs! Pat and Adele want to give their special "thanks" to everyone who responded in their time of need. ■

Steve Lebit, Manager, Compensation & Benefits, has received a professional designation in benefits—qualifying him as a Certified Employee Benefits Specialist. Lebit had to successfully complete a series of ten exams over a four year period to receive this special designation.

James Wolff, son of Allen Wolff, Manager, Quality Assurance, earned his Eagle Scout award in September. A member of Troop 141 of Monrovia, James has been in Scouting since



1984. James also graduated from Pasadena High School in June where he received the California Scholarship Federation Award for academics. He is currently attending the University of California at Santa Barbara, studying Communications. Allen's other son, Neal, is also an Eagle Scout and is a Junior at UCSB majoring in Electrical Engineering.

Ivan and Alice Chan, are the proud parents of a baby boy—Nolan Cory—born August 16. Both are employed at Librascope. Ivan is a Sr. Staff Engineer and Alice is a Program Research Specialist. ■

Adriana Mardirosian, Sr. Staff Engineer, has received her Masters in Business Administration from Pepperdine University. ■

#### Libravets - Sept. thru Dec.



Bruce Perkin 35 Years Product Engineering



Hazel Weeks 30 Years Management Info. Systems



Larry Fox 25 Years Programs Mgmt. Admin.



**Iack Kite** 20 Years Mechanical Engineering



Engineer.

Promotions . . .

Paul Perillard from Senior Designer to Design Specialist; Daniel Schache from Design Specialist to Packaging Design

#### Disneyland Savings for Librascope Employees

Disneyland Park and the Magic Kingdom Club has announced a fantastic new benefit for Southern California Club Members—now through June 30, 1994. Tickets for adults or children are only \$21 with proof of Southern California residency (within zip codes 90000-93599) along with a valid Magic Kingdom Club membership card—a savings of \$9 —excluding December 26-31, 1993 when regular Club discount applies. (General public, non-Southern California resident price is \$30.)

In addition, club members will save 15% on lunch and dinner shows at the all-new Aladdin's Oasis, and 15% when dining between 2-5 pm at the Blue Bayou restaurant.

Disneyland is open December 24: 8 am to 7 pm; December 25-30: 8 am to midnight; December 31: 8 am to 3 am; January 1 and 2: 9 am to midnight. For up-to-the-minute information on Park hours and show schedules—call 714-999-4565.

Magic Kingdom Club membership cards are available in the Employee Services Office.

#### More Libravets . . .

15 Years: Aaron Bowers, Sharon Neelands 10 Years: James Phillips, Douglas Dunnet,

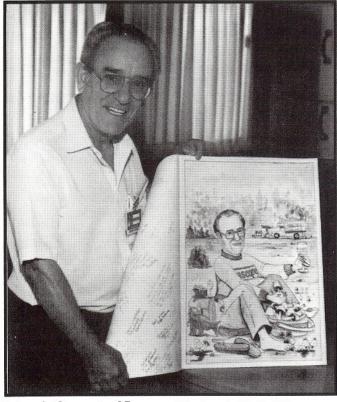
James McLaughlin, Steve Hirschberg

**5 Years:** Ivan Chan, Brad Hummel, Murray

Kesselman, Blake Kelly, Satish Bondale,

Chris Pearson.

#### Retirements . . .



Joseph Cannata, 35 years, Electronic Technician

Not Pictured: Nelda Arata, 35 years, Production Wirer