Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 01/01/2010

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [X] the final return/report;
- [ ] an amended return/report;
- [X] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [ ] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
ENGINEERED AIR SYSTEMS, INC. HOURLY RATED EMPLOYEES PENSION PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 11/01/1976

2a Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
DRS SUSTAINMENT SYSTEMS, INC.

5 SYLVAN WAY
PARSIPPANY, NJ 07054

2b Employer Identification Number (EIN)
43-1275001

2c Sponsor's telephone number
973-898-1500

2d Business code (see instructions)
332900

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	01/04/2011	MATTHEW TOGLIA
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
DRS SUSTAINMENT SYSTEMS, INC.

5 SYLVAN WAY
PARSIPPANY, NJ 07054

3b Administrator's EIN
43-1275001

3c Administrator's telephone number
973-898-1500

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	202
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	0
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	0
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	0
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	0
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1G 1I

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	X	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X	**H** (Financial Information)
(2)		**I** (Financial Information – Small Plan)
(3)		**A** (Insurance Information)
(4)		**C** (Service Provider Information)
(5)	X	**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 01/01/2010

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
ENGINEERED AIR SYSTEMS, INC. HOURLY RATED EMPLOYEES PENSION PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
DRS SUSTAINMENT SYSTEMS, INC.

D Employer Identification Number (EIN)
43-1275001

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [X] 101-500 [ ] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2010

2 Assets:

a	Market value	**2a**	0
b	Actuarial value	**2b**	0

3 Funding target/participant count breakdown

			(1) Number of participants	**(2)** Funding Target
a	For retired participants and beneficiaries receiving payment	**3a**	0	0
b	For terminated vested participants	**3b**	0	0
c	For active participants:			
	(1) Non-vested benefits	**3c(1)**		0
	(2) Vested benefits	**3c(2)**		0
	(3) Total active	**3c(3)**	0	0
d	Total	**3d**	0	0

4 If the plan is at-risk, check the box and complete items (a) and (b) [ ]

a	Funding target disregarding prescribed at-risk assumptions	**4a**	
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	**4b**	

5	Effective interest rate	**5**	0.00 %
6	Target normal cost	**6**	0

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

12/01/2010
Signature of actuary — Date

PAUL F. POLCHERT — 08-02704
Type or print name of actuary — Most recent enrollment number

AON CONSULTING, INC. — 201-460-6699
Firm name — Telephone number (including area code)

301 ROUTE 17 NORTH, FOURTH FLOOR
RUTHERFORD, NJ 07070
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)		
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)		
9	Amount remaining (Item 7 minus item 8)	0	0
10	Interest on item 9 using prior year's actual return of _____%		
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		
b	Interest on (a) using prior year's effective rate of _____%		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		
12	Reduction in balances due to elections or deemed elections		
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12)	0	0

Part III Funding percentages

14	Funding target attainment percentage	14	%
15	Adjusted funding target attainment percentage	15	0.00 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	80.00 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ► 18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a	Contributions allocated toward unpaid minimum required contribution from prior years.	19a	
b	Contributions made to avoid restrictions adjusted to valuation date	19b	
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment: %	2nd segment: %	3rd segment: %	[X] N/A, full yield curve used

b Applicable month (enter code) **21b**

22 Weighted average retirement age **22**

23 Mortality table(s) (see instructions) [ ] Prescribed - combined [X] Prescribed - separate [ ] Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ..... [ ] Yes [X] No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ..... [ ] Yes [X] No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment..... [ ] Yes [X] No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	**27**	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	**28**	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	**29**	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29).....	**30**	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	**31**	

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment		
b Waiver amortization installment.....		

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	**34**	0

	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement			0

36 Additional cash requirement (item 34 minus item 35).....	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	**37**	
38 Interest-adjusted excess contributions for current year (see instructions).....	**38**	
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	**39**	0
40 Unpaid minimum required contribution for all years	**40**	0

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 01/01/2010

A Name of plan
ENGINEERED AIR SYSTEMS, INC. HOURLY RATED EMPLOYEES PENSION PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
DRS SUSTAINMENT SYSTEMS, INC.

D Employer Identification Number (EIN)
43-1275001

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: CORE BOND FUND

b Name of sponsor of entity listed in (a): DIVERSIFIED INVESTMENT ADVISORS

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
13-3689044-001	C	0

a Name of MTIA, CCT, PSA, or 103-12 IE: HIGH YIELD BOND

b Name of sponsor of entity listed in (a): DIVERSIFIED INVESTMENT ADVISORS

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
13-3689044-001	C	0

a Name of MTIA, CCT, PSA, or 103-12 IE: LARGE GROWTH FUND

b Name of sponsor of entity listed in (a): DIVERSIFIED INVESTMENT ADVISORS

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
13-3689044-001	C	0

a Name of MTIA, CCT, PSA, or 103-12 IE: LARGE VALUE FUND

b Name of sponsor of entity listed in (a): DIVERSIFIED INVESTMENT ADVISORS

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
13-3689044-001	C	0

a Name of MTIA, CCT, PSA, or 103-12 IE: MID GROWTH FUND

b Name of sponsor of entity listed in (a): DIVERSIFIED INVESTMENT ADVISORS

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
13-3689044-001	C	0

a Name of MTIA, CCT, PSA, or 103-12 IE: MID VALUE FUND

b Name of sponsor of entity listed in (a): DIVERSIFIED INVESTMENT ADVISORS

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
13-3689044-001	C	0

a Name of MTIA, CCT, PSA, or 103-12 IE: REAL ESTATE FUND

b Name of sponsor of entity listed in (a): DIVERSIFIED INVESTMENT ADVISORS

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
13-3689044-001	C	0

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

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b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 01/01/2010

A Name of plan
ENGINEERED AIR SYSTEMS, INC. HOURLY RATED EMPLOYEES PENSION PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
DRS SUSTAINMENT SYSTEMS, INC.

D Employer Identification Number (EIN)
43-1275001

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	94235	
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)	254269	
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)	1987740	
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	2225385	
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	4561629	0
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h	17300	
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	17300	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	4544329	0

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)		
	(B) Participants	2a(1)(B)		
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		0
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		0
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)		
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		0
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		0
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		0
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		4544329

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [X] Unqualified (2) [ ] Qualified (3) [ ] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [ ] Yes [X] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: RUBINBROWN LLP (2) EIN: 43-0765316

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e		X	500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X	
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k	X		
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☐ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)
DRS CONSOLIDATED RETIREMENT PLAN	13-2632319	004

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 01/01/2010

A Name of plan
ENGINEERED AIR SYSTEMS, INC. HOURLY RATED EMPLOYEES PENSION PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
DRS SUSTAINMENT SYSTEMS, INC.

D Employer Identification Number (EIN)
43-1275001

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): _____ _____

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3** 0

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

ENGINEERED AIR SYSTEMS, INC.
HOURLY RATED EMPLOYEES
PENSION PLAN

FINANCIAL STATEMENTS

JANUARY 1, 2010 AND DECEMBER 31, 2009

Contents

Page

Independent Auditors' Report ..... 1 - 2

Financial Statements

Statement Of Net Assets Available For Benefits 3

Statement Of Changes In Net Assets Available For Benefits 4

Notes To Financial Statements ..... 5 - 13

RubinBrown

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Independent Auditors' Report

Pension Committee
Engineered Air Systems, Inc.
Hourly Rated Employees Pension Plan

We have audited the accompanying statement of net assets available for benefits of Engineered Air Systems, Inc. Hourly Rated Employees Pension Plan (the Plan) as of January 1, 2010 and December 31, 2009, and the related statement of changes in net assets available for benefits for the one day ended January 1, 2010 and for the year ended December 31, 2009. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements, based on our audits.

Except as explained in the following paragraph, we conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, and significant estimates made, by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by State Street Bank and Trust, the Trustee of the Plan, except for comparing the information with the related information included in the 2009 financial statements. We have been informed by the Plan Administrator that State Street Bank and Trust held Plan investment assets and executed investment transactions and as of and for the year ended December 31, 2009. The Plan Administrator has obtained a certification from the Trustee as of and for the year ended December 31, 2009, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

an independent member of BAKER TILLY INTERNATIONAL

Because of the significance of the information that we did not audit, we are unable to, and do not express an opinion on the Plan's financial statements as of and for the year ended December 31, 2009. The form and content of the information included in the 2009 financial statements, other than that derived from the information certified by the Trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

In our opinion, the financial statements referred to above of Engineered Air Systems, Inc. Hourly Rated Employees Pension Plan as of January 1, 2010, and for the one day then ended present fairly, in all material respects, the net assets available for benefits of the Plan as of January 1, 2010, and the changes in net assets available for benefits for the one day then ended in conformity with accounting principles generally accepted in the United States of America.

RubinBrown LLP

St. Louis, Missouri
December 22, 2010

ENGINEERED AIR SYSTEMS, INC.
HOURLY RATED EMPLOYEES PENSION PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	January 1, 2010	December 31, 2009
Assets		
Investments - At Fair Value		
Common collective trust	**$** —	$ 1,987,740
Mutual funds	—	2,225,385
Partnerships/joint ventures	—	254,269
Total Investments	—	4,467,394
Receivables		
Due from broker	—	94,235
Total Assets	—	4,561,629
Liabilities		
Accrued expenses	—	17,300
Net Assets Available For Benefits	**$** —	$ 4,544,329

ENGINEERED AIR SYSTEMS, INC.
HOURLY RATED EMPLOYEES PENSION PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	For The One Day Ended January 1, 2010	For The Year Ended December 31, 2009
Deductions From Net Assets Attributed To:		
Benefits paid directly to participants	**$ —**	$ 510,873
Administrative expenses	**—**	87,053
Total Deductions	**—**	597,926
Investment Income		
Net appreciation of investments	**—**	974,604
Dividend income	**—**	35,029
Total Investment Income	**—**	1,009,633
Net Increase In Net Assets Prior To Transfers	**—**	411,707
Transfers	**(4,544,329)**	—
Net Increase (Decrease) In Net Assets	**(4,544,329)**	411,707
Net Assets Available For Benefits - Beginning Of Year	**4,544,329**	4,132,622
Net Assets Available For Benefits - End Of Year	**$ —**	$ 4,544,329

1. Description Of Plan

The following description of the Engineered Air Systems, Inc. Hourly Rated Employees Pension Plan (the Plan) provides only general information. Participants should refer to the Plan documents for a more complete description of the Plan's provisions.

General

The Plan was a defined benefit pension plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Effective January 31, 2006, DRS Technologies, Inc. acquired Engineered Support Systems, Inc. and assumed the Plan. The Plan was then sponsored by DRS Technologies, Inc. (the Company and Plan Administrator). On October 22, 2008, DRS Technologies, Inc. was acquired by Finmeccanica of which it became a wholly owned subsidiary. The acquisitions had no impact on the operations of the Plan.

On January 1, 2010 all of the assets of the Plan were merged into the DRS Consolidated Retirement Plan.

The Plan was a noncontributory defined benefit plan covering all union hourly employees of the Company who had 1,000 credited service hours and were age 21 or older. The Plan provided for retirement, death and disability benefits. The Plan also covered former employees of a manufacturing facility which closed in April 2003. The employees were members of the collective bargaining unit represented by Lodge 1012, International Brotherhood of Boilermakers, Iron-Ship Builders, Blacksmiths, Forgers and Helpers, AFL-CIO.

Participant Vesting

Plan participants became 100% vested in their accrued benefit when the facility closed in April 2003.

Pension Benefits

Participants were eligible for monthly benefit payments upon reaching the normal retirement age of 65. Monthly benefit payments were determined by multiplying years of pension-credited service by the rate in effect when the employee was terminated.

Participants were able to elect, after attaining age 60 with 10 years of pension-credited service, to begin receiving benefits provided under the terms of the Plan. The Plan also contained provisions for postponed retirement, death, disability and automatic survivor benefits.

Death And Disability Benefits

If a participant died after becoming vested, the participant's surviving spouse was entitled to a survivor life annuity equal to the annuity which would have been payable to the surviving spouse under an Automatic Survivor Benefit, commencing on the date the participant would have become eligible for a retirement benefit had the participant lived.

Active participants who became totally disabled after completion of 15 years of pension-credited service received monthly disability benefits. Disability benefits were paid until the participant ceased to be disabled, as defined by the Plan, died, or reached age 65, whichever occurred first.

Contributions

Contributions from the Company were accrued based upon amounts required to be funded under provisions of ERISA or, if greater, amounts actually contributed for the year. No voluntary employee contributions were permitted. The Plan was in compliance with applicable ERISA minimum funding requirements for the Plan for the one day ended January 1, 2010 and for the year ended December 31, 2009.

2. Summary Of Significant Accounting Policies

Basis Of Accounting

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

Estimates And Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require the Plan Administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements and the reported amounts of additions to and deductions from net assets during the reporting period. Actual results could differ from those estimates.

Payment Of Benefits

Benefit payments to participants were recorded when paid.

Valuation Of Investments And Income Recognition

Investments were recorded at fair value. See Note 5 for fair value measurement discussion.

The Plan recognized income when earned and purchases and sales of investments were recorded on a trade-date basis.

Plan Administration

Pension-related expenses were paid directly from Plan assets.

Actuarial Present Value Of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, which are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits included benefits expected to be paid to (a) retired or terminated participants with vested rights or their beneficiaries, (b) beneficiaries of vested participants who have died and (c) present employees or their beneficiary based on service rendered to the valuation date. Benefits to be provided via annuity contracts were excluded from Plan assets and accumulated plan benefits.

The actuarial value of accumulated plan benefits was certified by the Plan's consulting actuaries. The amount was the result of applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The Plan merged with the DRS Consolidated Retirement Plan on January 1, 2010, so there is no actuarial valuation required as of January 1, 2010 for the Plan. The significant actuarial assumptions used in the valuation as of January 1, 2009 were as follows:

Interest Rate	7.25%
Discount Rate	8.28%
Mortality	RP-2000 IRS PPA Non-Annuitant (pre-retirement) and Annuitant (post-retirement) tables
Retirement Age	60-65

The foregoing assumptions were based on the presumption that the Plan would continue. Actual results could have differed from assumptions used. Furthermore, different actuarial assumptions and/or other factors might be applicable in determining the actuarial present value of accumulated plan benefits to the new plan.

A summary of the actuarial present value of accumulated plan benefits as of January 1, 2009 were:

Vested Benefits:	
Participants currently receiving payments	$ 4,156,062
Other participants	1,284,343
Total Actuarial Present Value Of Accumulated Plan Benefits	$ 5,440,405

The changes in the actuarial present value of accumulated plan benefits during the valuation year ended January 1, 2009 were:

Actuarial Present Value Of Accumulated Plan Benefits - Beginning Of Year	$ 5,603,140
Increase (Decrease) During The Period Attributable To:	
Benefits accumulated and actuarial experience	(235,645)
Benefits paid	(491,655)
Change in actuarial assumptions	162,433
Increase for interest due to decrease in discount period	402,132
Net Change	(162,735)
Actuarial Present Value Of Accumulated Plan Benefits - End Of Year	$ 5,440,405

3. Investments - Certified

Plan investments were held by State Street Bank and Trust (the Trustee) which had entered into a trust agreement with the Plan Administrator. Diversified Investment Advisors was the servicing agent for the Trustee. The Plan Administrator received a certification from the Trustee as of and for the year ended December 31, 2009.

Financial information related to the Plan's investments and investment earnings for 2009 are included in the accompanying financial statements and are based on information that has been certified as complete and accurate by the Trustee.

The 2009 investment information has not been audited by the Plan's independent auditors. The individual investments that represented 5% or more of the Plan's net assets at December 31, 2009 were as follows:

Investments At Fair Value	
Common Collective Trust	
Diversified Investments	
Core Bond Fund	$ 468,750
Large Value Fund	270,742
Mid Cap Growth Fund	258,127
Large Growth Fund	394,858
Real Estate Fund	345,128
Mutual Funds	
GE Institutional Investments	
U.S. Equity Investment	410,849
S&P 500 Index Investment	403,734
Small Cap Equity	285,031
International Equity Investment	1,125,771

The Plan's investments, including gains and losses on investments bought and sold, as well as held for the year ended December 31, 2009, appreciated in value as follows:

Net Appreciation Of Investments:	
Value Of Investments:	
Common collective trust	$ 440,144
Mutual funds	459,047
Net Appreciation Of Investments	$ 899,191

4. Investments - Audited

The Plan's investment as of and for the one day ended January 1, 2010 and as of and for the year ended December 31, 2009 for the Palisade Capital Management LLC partnership/joint venture interests have been audited by the Plan's independent auditors and is summarized below:

	January 1, 2010	December 31, 2009	
Net Assets Available For Benefits			
Investments At Fair Value:			
Partnership/joint venture interests	**$ —**	$ 254,269	*
Common Collective Trust	—	**	
Mutual Funds	—	**	

* Investment represents 5% or more of assets at the end of the respective Plan year.
** Investment was not audited as of December 31, 2009, see Note 3.

Net Appreciation Of Investments:			
Partnership/joint venture	**$ —**	$ 75,413	
Common collective trust	—	**	
Mutual funds	—	**	

** Investment was not audited as of December 31, 2009, see Note 3.

5. Fair Value Measurements

The Plan followed accounting standards relating to fair value measurements, which establish a framework for measuring fair value. This framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;

- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Common Collective Trust

Stated at fair value as determined by the issuer of the common collective trust fund based on the fair market value of the underlying investments.

Mutual Funds

Valued at the net asset value of shares held by the Plan at year end.

Partnership/Joint Venture

Valued at the closing price of underlying investments reported on the active market on which the individual securities are traded.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of:

	December 31, 2009			
	Level 1	**Level 2**	**Level 3**	**Total**
Common collective trust	$ —	$ 1,987,740	$ —	$ 1,987,740
Mutual funds	2,225,385	—	—	2,225,385
Partnerships/joint ventures	—	254,269	—	254,269
Total assets at fair value	$ 2,225,385	$ 2,242,009	$ —	$ 4,467,394

There have been no changes in the methodologies used at December 31, 2009.

6. Income Tax Status

The Plan applied for a new determination letter with the Internal Revenue Service (IRS) prior to the merger on January 1, 2010. The Plan Sponsor received a favorable determination letter for the Plan from the IRS dated October 25, 2010, which indicated the Plan qualified under Section 401(a) and the trust is exempt from federal income taxes under the provisions of Section 501(a) of the Code. Prior to the receipt of this letter the Plan had a favorable determination letter dated September 19, 2002. The Plan had been amended since receiving the 2002 letter. However, the Plan Administrator and the Plan's tax advisor believe that the Plan was designed and was being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes was included in the Plan's financial statements.

7. Transactions With Parties-In-Interest

Certain Plan investments during the one day ended January 1, 2010 and the year ended December 31, 2009 were held by Diversified Investment Advisors, G. E. Asset Management Corporation and Palisade Capital Management LLC for which the Plan was charged normal and customary fees. These transactions qualify as party-in-interest transactions, and are allowable under ERISA regulations.

8. Transfers

For the one day ended January 1, 2010, net assets of $4,544,329 were transferred from the Plan to the DRS Consolidated Retirement Plan. The transfer included accrued expenses of $17,300 and receivables due from broker of $94,235.

9. Subsequent Events

Management has evaluated subsequent events through December 22, 2010, the date which the financial statements were available for issue.

DRS TECHNOLOGIES

A Finmeccanica Company

October 6, 2010

Employee Benefits Security Administration
P.O. Box 7043
Lawrence, KS 66044-7043

Re: DRS Sustainment Systems, Inc. Engineered Air Systems, Inc. Hourly Rated Employees Pension Plan 2010 Form 5500

Dear Sir/Madam:

In connection with the indicated filing for the above-captioned plan (the "Plan"), we hereby request relief from any late filing penalties for the failure to file Form 5500 no later than August 31, 2010.

The Plan, along with other plans maintained by the Plan sponsor or one of its affiliates, was consolidated into a new plan, the DRS Consolidated Retirement Plan (the "Consolidated Plan"), effective January 1, 2010. Form 5558, Application for Extension of Time To File Certain Employee Plan Returns, was filed for the 2009 Plan year ending December 31, 2009 for the Plan, requesting an extension to file until October 15, 2010. In accordance with what we understand to be Internal Revenue Service guidance and with Treasury advice on funding and Schedule B (now Schedule SB) filings for mergers occurring on the first day of a plan year (see Section 4.06(7) of Revenue Procedure 2000-40), we had intended not to file 2010 Forms 5500 for the Plan and the other merging plans but only to file one 2010 Form 5500 for the Consolidated Plan.

However in the course of preparing the 2009 Form 5500 after having requested an extension, we discovered that we could not prepare a "final" filing because there were assets remaining at December 31, 2009. Based on the advice of our independent qualified public accountant, we prepared such final filing for the one-day 2010 Plan year (January 1, 2010). Since our extension request did not encompass this one-day filing, that filing was technically due no later than August 31, 2010. Our request for relief is predicated on the technical nature of the lateness, the guidance cited above with respect to Schedule (S)B (Form 5500 and Schedule (S)B cannot be filed for different periods) and the fact that the possible need for a one-day 2010 filing did not become apparent until work began on the 2009 filing, which was after the deadline without extension for the one-day 2010 Plan year.

Please let us know if you require any additional information concerning this request.

Very truly yours,

Plan Administrator

DRS Technologies, Inc.
5 Sylvan Way
Parsippany, NJ 07054
Tel: 973.898.1500 Fax 973.451.3531 www.drs.com

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Effective January 1, 2010, the Engineered Air Systems , Inc. Hourly Rated Employees Pension Plan was merged into the DRS Consolidated Retirement Plan.

Schedule SB, Part V – Summary of Plan Provisions

Engineered Air Systems, Inc. Hourly Rated Employees Pension Plan
EIN/PN: 43-1275001 / 001

The following summary describes principal plan provisions assumed in calculating the cost of your pension plan.

Eligibility

All employees covered by a collective bargaining agreement of the Company, shall be eligible to participate in the Plan on the January 1st or July 1st coincident with or next following attainment of age 21 and completion of one year of service (1,000 hours).

Service

Service after January 1, 1976 was determined based on the following table:

Hours During Calendar Year	Credited Service	Eligibility Service
Under 85	0 year	0 year
85 - 254	0.1 year	0.1 year
255 - 424	0.2 year	0.2 year
425 - 594	0.3 year	0.3 year
595 - 764	0.4 year	0.4 year
765 - 934	0.5 year	0.5 year
935 - 999	0.6 year	0.6 year
1000 - 1104	0.6 year	1.0 year
1105 - 1274	0.7 year	1.0 year
1275 - 1444	0.8 year	1.0 year
1445 - 1614	0.9 year	1.0 year
1615 or more	1.0 year	1.0 year

Normal Retirement Date

Normal Retirement Date is the later of the last day of the month of attainment of age 65 and 5 Years of Eligibility Service.

Early Retirement

Attainment of age 60 and completion of 10 Years of Credited Service.

Disability Retirement

Completion of 10 years of Credited Service and entitled to Social Security disability benefit.

Normal Retirement Benefit

The amount of annual Normal Retirement benefit is $31 (effective May 1, 2002) times Credited Service.

Delayed Retirement

Accrued benefit determined under the same formula for Normal Retirement.

Early Retirement Benefit

Accrued benefit payable at normal retirement date and determined under the same formula as for normal retirement, reduced ½% for each month the benefit commencement date precedes the Normal Retirement Date.

Disability Retirement Benefit

Accrued benefit determined under the same formula as of Normal Retirement.

Death Benefit

The participant may elect a monthly survivor benefit payable to his spouse upon his death after attaining eligibility for a vested benefit. The benefit payable is 50% of the participant's reduced 50% joint and survivor pension based upon Credited Service to date of death and beginning at the time when the participant would have reached his early retirement date. The participant's pension is reduced by ½ of 1% for each year during which the option is in effect.

A lump sum death benefit equal to $3,000 is payable if the retired participant dies within the calendar month after the month during which his group term life insurance coverage terminates. If death occurs after this period, the benefit is reduced 2% each month to a minimum death benefit of $1,000. If death occurs while the Company's group term life insurance is still in effect, there is no plan benefit.

Normal Form of Payment

The Normal Form of Payment is an annuity paid in monthly installments for life.

Summary of Plan Provisions

Optional Methods of Settlement

50%, 75% or 100% Joint & Survivor Annuity.

Amendment or Termination of Plan

The Employer reserves the right to amend or terminate the Plan at any time. Generally, the Pension Benefit Guaranty Corporation reserves the right to terminate the Plan if the Employer fails to meet the minimum funding standards or is unable to pay benefits when due.

If the Plan is terminated, the Plan assets will be distributed among the Plan participants based upon a priority allocation procedure, and the Employer shall be liable for any unfunded vested benefits to the extent required by law.

Parties to the Plan

The following Companies are parties to the Plan:

This is a single Plan covering the employees of these Companies subject to the eligibility rules outlined above. Trust Fund assets are available to pay plan benefits for participants employed by any one of these Companies.

Additional Information

The above description is a summary only; for additional details, reference should be made to the formal Plan document.

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ File as an attachment to Form 5500 or 5500-SF.

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 01/01/2010

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan

ENGINEERED AIR SYSTEMS, INC. HOURLY RATED EMPLOYEES PENSION PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

DRS SUSTAINMENT SYSTEMS, INC.

D Employer Identification Number (EIN)

43-1275001

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [X] 101-500 [ ] More than 500

Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2010

2 Assets:

a	Market value	2a	0
b	Actuarial value	2b	0

3 Funding target/participant count breakdown

			(1) Number of participants	(2) Funding Target
a	For retired participants and beneficiaries receiving payment	3a	0	0
b	For terminated vested participants	3b	0	0
c	For active participants:			
	(1) Non-vested benefits	3c(1)		0
	(2) Vested benefits	3c(2)		0
	(3) Total active	3c(3)	0	0
d	Total	3d	0	0

4 If the plan is at-risk, check the box and complete items (a) and (b) [ ]

a	Funding target disregarding prescribed at-risk assumptions	4a	
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b	

5	Effective interest rate	5	.00 %
6	Target normal cost	6	0

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Paul F Polchert

Signature of actuary

12/01/2010

Date

PAUL F. POLCHERT

Type or print name of actuary

08-02704

Most recent enrollment number

AON CONSULTING, INC.

Firm name

(201)460-6699

Telephone number (including area code)

301 ROUTE 17 NORTH, FOURTH FLOOR

RUTHERFORD NJ 07070

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (item 13 from prior year)		
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)		
9	Amount remaining (Item 7 minus item 8)	0	0
10	Interest on item 9 using prior year's actual return of _____%		
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		
b	Interest on (a) using prior year's effective rate of _____%		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		
12	Reduction in balances due to elections or deemed elections		
13	Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	0	0

Part III Funding percentages

14	Funding target attainment percentage	14	%
15	Adjusted funding target attainment percentage	15	.00 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	80.00 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ► 18(b)	0	18(c) 0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a	Contributions allocated toward unpaid minimum required contribution from prior years	19a	
b	Contributions made to avoid restrictions adjusted to valuation date	19b	
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	

20 Quarterly contributions and liquidity shortfalls.

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used

b Applicable month (enter code) — **21b**

22 Weighted average retirement age — **22**

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment ☐ Yes ☒ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	**28**	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	**29**	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	**30**	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	**31**	

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment		
b Waiver amortization installment		

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	**34**	0

	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement			0

36 Additional cash requirement (item 34 minus item 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	**37**	
38 Interest-adjusted excess contributions for current year (see instructions)	**38**	
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	**39**	0
40 Unpaid minimum required contribution for all years	**40**	0