

<div>Form 5500</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Annual Return/Report of Employee Benefit Plan</div> <div>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), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ Complete all entries in accordance with the instructions to the Form 5500.</div>	<div>OMB Nos. 1210-0110 1210-0089</div> <div>2011</div> <div>This Form is Open to Public Inspection</div>
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Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011	
A	This return/report is for: <div><div>☐ a multiemployer plan;</div><div>☒ a single-employer plan;</div><div>☐ a multiple-employer plan; or</div><div>☐ a DFE (specify) ____</div></div>
B	This return/report is: <div><div>☐ the first return/report;</div><div>☐ the final return/report;</div><div>☐ an amended return/report;</div><div>☐ a short plan year return/report (less than 12 months).</div></div>
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: <div><div>☒ Form 5558;</div><div>☐ automatic extension;</div><div>☐ the DFVC program;</div><div>☐ special extension (enter description)</div></div>

Part II	Basic Plan Information—enter all requested information	
1a	Name of plan DYNAMICS RESEARCH SAVINGS & INVESTMENT PLAN	1b Three-digit plan number (PN) ▶ 003
		1c Effective date of plan 05/01/1986
2a	Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) DYNAMICS RESEARCH CORPORATION 2 TECH DRIVE ANDOVER, MA 01810	2b Employer Identification Number (EIN) 04-2211809 2c Sponsor's telephone number 978-289-1675 2d Business code (see instructions) 541990

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.	08/31/2012	GERALD CARWILE
	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") DYNAMICS RESEARCH CORPORATION 2 TECH DRIVE ANDOVER, MA 01810	3b Administrator's EIN 04-2211809 3c Administrator's telephone number 978-289-1675
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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
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5 Total number of participants at the beginning of the plan year	5	2406
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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	1068
b Retired or separated participants receiving benefits.....	6b	41
c Other retired or separated participants entitled to future benefits.....	6c	1068
d Subtotal. Add lines 6a , 6b , and 6c	6d	2177
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	11
f Total. Add lines 6d and 6e	6f	2188
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	2112
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	70

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2F 2G 2J 2K 2S 2T 3D

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)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(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)** ☒ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

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

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider 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
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>DYNAMICS RESEARCH SAVINGS & INVESTMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>DYNAMICS RESEARCH CORPORATION</u>	D Employer Identification Number (EIN) <u>04-2211809</u>

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64 37 65 60	RECORDKEEPER	5385	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>AF GROWTH OF AMER R5 - AMERICAN FUN</p> <p>95-2566717</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.05%</p>		
<p>(a) Enter service provider name as it appears on line 2</p> <p>FIDELITY INVESTMENTS INSTITUTIONAL</p>		
<p>(b) Service Codes (see instructions)</p> <p>60</p>		
<p>(c) Enter amount of indirect compensation</p> <p>0</p>		
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>DAVIS NY VENTURE Y - BOSTON FINANCI 330 W. 9TH STREET KANSAS CITY, MO 66160</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.10%</p>		
<p>(a) Enter service provider name as it appears on line 2</p> <p>FIDELITY INVESTMENTS INSTITUTIONAL</p>		
<p>(b) Service Codes (see instructions)</p> <p>60</p>		
<p>(c) Enter amount of indirect compensation</p> <p>0</p>		
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>HARBOR INTL INST - PRINCIPAL SHAREH</p> <p>34-1953399</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.10%</p>		

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
INVS DEVL P MKTS INST - INVESCO CANA 5140 YONGE STREET, SUITE 900 TORONTO, ON M2N 6 CA	0.35%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
JPM MIDCAP VALUE IS - BOSTON FINANC 330 W. 9TH STREET KANSAS CITY, MO 66160	0.15%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
MSIF SMALL CO GRTH I - MORGAN STANL	0.10%	
13-3799749		

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PIM TOTAL RT INST - BOSTON FINANCIA 330 W. 9TH STREET KANSAS CITY, MO 66160	0.01%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	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 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2011</div> This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning	01/01/2011	and ending	12/31/2011
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A Name of plan DYNAMICS RESEARCH SAVINGS & INVESTMENT PLAN	B Three-digit plan number (PN)	► 003
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C Plan or DFE sponsor's name as shown on line 2a of Form 5500 DYNAMICS RESEARCH CORPORATION	D Employer Identification Number (EIN) 04-2211809
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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)
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a Name of MTIA, CCT, PSA, or 103-12 IE:	FID MGD INC PORT
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b Name of sponsor of entity listed in (a):	FIDELITY MANAGEMENT TRUST COMPANY
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c EIN-PN	04-3022712-024	d Entity code	C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	15075037
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a Name of MTIA, CCT, PSA, or 103-12 IE:	
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b Name of sponsor of entity listed in (a):	
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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)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:	
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b Name of sponsor of entity listed in (a):	
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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)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:	
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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)	
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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)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:	
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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)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:	
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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)	
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a Name of MTIA, CCT, PSA, or 103-12 IE:	
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b Name of sponsor of entity listed in (a):	
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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**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**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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 2011 This Form is Open to Public Inspection
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>DYNAMICS RESEARCH SAVINGS & INVESTMENT PLAN</u>		B Three-digit plan number (PN) <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>DYNAMICS RESEARCH CORPORATION</u>		D Employer Identification Number (EIN) <u>04-2211809</u>

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)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	5017519	5103817
(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)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	1530069	1637950
(9) Value of interest in common/collective trusts.....	1c(9)	15785617	15075037
(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)	121463190	113999449
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(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	143796395	135816253

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	143796395	135816253
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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)	3101751	
(B) Participants	2a(1)(B)	8427703	
(C) Others (including rollovers)	2a(1)(C)	933272	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		12462726
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	512	
(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)	66734	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		67246
(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)	3892474	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		3892474
(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)		

		(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)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		441467
(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)		-5642603
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		11221310

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	19193019	
(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)		19193019
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)	8433	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		8433
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		19201452

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-7980142
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

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) ☐ 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 ☐ No

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

(1) Name: **MOODY, FAMIGLIETTI & ANDRONICO** (2) EIN: **04-3077056**

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.).....		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.).....		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.)		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.).....		X	
e Was this plan covered by a fidelity bond?.....	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?		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?		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?		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.).....	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.).....		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?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		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.		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)

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 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>DYNAMICS RESEARCH SAVINGS & INVESTMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>DYNAMICS RESEARCH CORPORATION</u>	D Employer Identification Number (EIN) <u>04-2211809</u>

Part I	Distributions
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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	<u>0</u>
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): <u>04-6568107</u>		
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	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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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 (include any prior year accumulated funding deficiency not waived)	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 or other authority 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
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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. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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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.
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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): _____

- 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): _____



MOODY, FAMIGLIETTI & ANDRONICO
Certified Public Accountants & Consultants

To the Plan Administrator
Dynamics Research Corporation Savings and Investment Plan
Andover, Massachusetts

INDEPENDENT AUDITORS' REPORT

We were engaged to audit the accompanying statements of net assets available for plan benefits of the Dynamics Research Corporation Savings and Investment Plan (the "Plan") as of December 31, 2011 and 2010, and the related statement of changes in net assets available for plan benefits for the year ended December 31, 2011, and the supplemental schedule of assets held for investment purposes as of December 31, 2011. These financial statements and supplemental schedule are the responsibility of the Plan's management.

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 (ERISA), the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the trustee as of December 31, 2011 and 2010 and for the year ended December 31, 2011, that the information provided to the Plan Administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on these accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. The form and content of the information included in the financial statements and supplemental schedule, 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 ERISA.

Moody, Famiglietti & Andronico, LLP

Moody, Famiglietti & Andronico, LLP
August 13, 2012



MOODY, FAMIGLIETTI & ANDRONICO
Certified Public Accountants & Consultants

**DYNAMICS RESEARCH CORPORATION
SAVINGS AND INVESTMENT PLAN**

FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

Proactive certified public accounting and consulting

Statements of Net Assets Available for Plan Benefits

Dynamics Research Corporation Savings and
Investment Plan

December 31	2011	2010
Assets		
Investments at Fair Value	\$ 134,178,303	\$ 142,266,326
Notes Receivable from Participants	1,637,950	1,530,069
Net Assets Available for Plan Benefits at Fair Value	135,816,253	143,796,395
Adjustment from Fair Value to Contract Value for Fully Benefit-Responsive Investment Contracts	(371,809)	(128,352)
Net Assets Available for Plan Benefits	<u>\$ 135,444,444</u>	<u>\$ 143,668,043</u>

Statement of Changes in Net Assets
Available for Plan Benefits

Dynamics Research Corporation Savings and
Investment Plan

For the Year Ended December 31

2011

Additions to Net Assets:

Participants' Contributions	\$ 8,427,703
Interest and Dividend Income on Investments	3,892,986
Plan Sponsor's Contributions	3,101,751
Rollover Contributions	933,272
Interest Income on Notes Receivable from Participants	66,734
Total Additions	16,422,446

Deductions from Net Assets:

Distributions to Participants	19,193,019
Net Depreciation in Value of Investments	5,444,594
Administrative Expenses	8,432
Total Deductions	24,646,045

Net Decrease in Net Assets Available for Plan Benefits (8,223,599)

Net Assets Available for Plan Benefits, Beginning of Year 143,668,043

Net Assets Available for Plan Benefits, End of Year \$ 135,444,444

1. Description of the Plan:

The following description of Dynamics Research Corporation Savings and Investment Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for more complete information regarding the terms of the Plan.

General: The Plan is a defined contribution plan covering all eligible employees of Dynamics Research Corporation (the "Plan Sponsor"). The Plan was established on May 1, 1986, and was amended and restated on various dates, with the latest amendment date of April 1, 2010, to provide a systematic savings plan and retirement benefit options, including Roth IRAs, for eligible employees (the "Participants"). Employees become eligible for participation in the Plan on the entry date coinciding with the date on which the employee first performs one hour of service as an eligible employee. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

On July 1, 2011, High Performance Technologies, Inc., became a wholly owned subsidiary of Dynamics Research Corporation. The Board of Directors of the Plan Sponsor voted to merge the High Performance Technologies, Inc. 401(k) Plan ("Merged Plan") into the Dynamics Research Corporation Savings and Investment Plan (the "Plan"). Assets of the Merged Plan will be transferred into the Plan on January 1, 2012.

The Plan Sponsor has appointed an investment trustee, Fidelity Management Trust Company (the "trustee" or "Fidelity"), to hold the Plan's assets and execute investment transactions. The Plan Sponsor has appointed Fidelity Investments Institutional Operations Company as the Plan's record keeper to administer the Participants' accounts.

Contributions: The Plan provides for employee pre-tax and Roth contributions. Participants may contribute up to 70% of their pre-tax compensation, subject to limitations under federal law. Rollover contributions from other qualified plans are allowed, with the approval of the Plan Administrator.

The Plan provides that Participants who are projected to be age 50 or older by the end of the calendar year and who are making deferral contributions to the Plan may also make a catch-up contribution of \$5,500 in 2011.

The Plan Sponsor matches 100% of Participant contributions on the first 2% of Participant elective deferrals and 50% on the next 4% of Participant elective deferrals. The Plan Sponsor's elective contributions are not to exceed 6% (determined on a cumulative year-to-date basis) of a Participant's compensation. Prior to January 1, 2007, the Plan provided for "core contributions" from the Plan Sponsor, which amounted to 1.5% of Participants' eligible wages. Further, the Plan Sponsor has implemented a profit sharing component to the Plan, whereby the Plan Sponsor, at the discretion of the Board of Directors, and based upon the profitability of the Plan Sponsor, may contribute up to 2% of each employee's eligible wages.

Employees hired on or after July 1, 2007 are eligible to enroll in the Plan at any time, from their first day of hire, and may also receive Plan Sponsor matching contributions as of this date. However, employees who do not enroll in the Plan within 45 days will automatically be enrolled in the Plan. During the 45 day window, employees may make a voluntary election to enroll in the Plan at a different contribution rate or may opt out of participation. If no action is taken, 3% of pre-tax wages will be deducted from their pay beginning on the next pay period following the 45 day window (45 days from the date of hire). Employees who do not make an investment election will be automatically invested in the Fidelity Freedom Fund that has a target retirement date closest to the year they might retire based on their current age and assuming a normal retirement age of 65. Employees who elect to be enrolled by the auto enrollment feature will have the opportunity to access their accounts and make changes in investments, contributions levels, etc.

Participant Accounts: Each Participant's account is credited with the Participant's contributions and allocations of (a) the Plan Sponsor's contributions, (b) Plan earnings or losses, and (c) charged with an allocation of administrative expenses, if any. Allocations are based on Participant earnings or account balances, as defined. The benefit to which a Participant is entitled is the benefit that can be provided from the Participant's vested account.

Vesting: Participants are immediately vested 100% in their contributions plus actual earnings thereon. Vesting in the Plan Sponsor's matching, core, and profit sharing contributions, plus actual earnings

1. Description of the Plan (Continued):

thereon, is based on years of continuous service according to the following vesting schedule:

<u>Years of Service from Date of Hire</u>	<u>Vested Percentage of Matching Contributions</u>	<u>Vested Percentage of Core Contributions</u>	<u>Vested Percentage of Profit Sharing Contributions</u>
1	25%	0%	0%
2	100%	0%	0%
3		0%	100%
4		0%	
5		100%	

Notes Receivable from Participants: Eligible Participants may borrow from their Plan accounts in amounts attributable to the Participant's vested balance, for a maximum term of five years. If the loan is for the purchase of a principal residence, the term of the loan may be extended. A Participant may borrow a maximum of 50% of his or her eligible balance up to \$50,000, reduced by the excess of the highest outstanding loan amount during the immediately preceding twelve-month period over the total outstanding loan balance on the date of the new loan. The loan balance is secured by the Participant's account and the interest rate is fixed at the inception of the loan in an amount equal to the prevailing interest rate charged by commercial lending institutions for loans of a similar nature. The interest rates charged on loans outstanding as of December 31, 2011, range from 4.00% to 9.25%, per annum, and the loans mature on various dates through March 2031.

Benefits and Withdrawals: The vested benefits are paid to the Participants or their beneficiaries upon the Participants' retirement, death, disability or termination of employment with the Plan Sponsor. In the event of the above, the Participants or their beneficiaries will receive a lump sum distribution if the account has a value of less than \$5,000. Participants whose accounts exceed \$5,000 may elect a lump sum distribution or leave their vested balance in the Plan.

Hardship withdrawals are allowed under the provisions of the Plan and cannot exceed the amount required to meet the immediate financial need created by the hardship. The Participants will be suspended from making contributions for a period of six months after the hardship withdrawal.

Forfeited Accounts: Forfeited amounts related to Plan Sponsor matching, core, and profit sharing contributions are used to reduce future Plan Sponsor contributions and expenses. Forfeited amounts are also used to reinstate rehired Participants' previously forfeited amounts. During the year ended December 31, 2011, the Plan Sponsor used \$330,000 in forfeitures to reduce its discretionary matching contributions. As of December 31, 2011, the Plan had forfeitures available to offset future Plan Sponsor matching contributions in the amount of \$17,304.

Plan Investments: The Plan's investments are held by Fidelity in various mutual funds, money market accounts and a fully benefit-responsive contract. Participants have the option to allocate their contributions and the Plan Sponsor's contributions in their individual accounts among various investment alternatives and to make transfers as specified in the Plan document.

2. Significant Accounting Policies:

Basis of Accounting: The financial statements of the Plan are prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Fair Value: Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. In order to measure fair value, the Plan uses a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

The fair value hierarchy is as follows:

Level 1 - Inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that management has the ability to access.

Level 2 - Inputs utilize data points that are observable such as quoted prices, interest rates and yield curves.

Level 3 - Inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

2. Significant Accounting Policies (Continued):

Investment Valuation and Income Recognition: Investments in mutual funds and money market accounts, other than collective trusts, are stated at fair value utilizing quoted market prices in active markets as of December 31, 2011 and 2010, and are classified within Level 1 of the fair value hierarchy. Investments in collective trusts (fully benefit-responsive contracts) are stated at contract value and are classified within Level 2 of the fair value hierarchy. An adjustment to contract value from fair value is shown for the fully benefit-responsive contracts. Interest and dividend income is recorded as earned. Purchases and sales of securities are reflected on a trade date basis.

The cumulative change in investment values at the beginning and end of each Plan year is reflected in the statement of changes in net assets available for plan benefits as net appreciation (depreciation) in value of investments and consists of realized gains (losses) and unrealized appreciation (depreciation) on those investments.

Notes Receivable from Participants: Loans to Participants are valued at their unpaid principal balance plus any accrued but unpaid interest and are classified as notes receivable from participants. No allowance for credit losses has been recorded as of December 31, 2011 and 2010. If a Participant ceases to make loan repayments and the Plan Administrator deems the Participant loan to be a distribution, the Participant loan balance is reduced and a benefit payment is recorded.

Fully Benefit-Responsive Investment Contracts: Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount Participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in investment contracts through the Managed Income Portfolio, which is a common collective trust. The statements of net assets available for plan benefits present the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for plan benefits is prepared on a contract value basis.

Payment of Benefits: Benefits are recorded when paid.

Expenses: Administrative expenses of the Plan are paid by the Plan Sponsor. The loan setup fees are paid for by the Participants while all other Plan expenses are paid by the Plan Sponsor.

Plan Exposure to Market and Credit Risk: The Plan provides for investment in various mutual funds and other investment securities that, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Further, due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect Participants' account balances and the amounts reported in the accompanying financial statements.

Use of Estimates: Management has used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in its preparation of the financial statements in accordance with GAAP. Actual results experienced by the Plan may differ from those estimates.

Subsequent Events: The Plan Administrator has evaluated subsequent events spanning the period from December 31, 2011 through August 13, 2012, the latter representing the issuance date of these financial statements.

3. Party-in-Interest Transactions:

Certain Plan investments are managed by Fidelity, trustee of the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment management services amounted to \$8,432 for the year ended December 31, 2011.

4. Tax Status:

The Internal Revenue Service has determined and informed the Plan Sponsor by a letter dated November 3, 2011, that the Plan and related trust are designed in accordance with the applicable provisions of the Internal Revenue Code. The Plan has been amended since receiving the determination letter; however, the Plan Administrator believes that the Plan and the related trust are currently being operated in compliance with the applicable provisions of the

4. Tax Status (Continued):

Internal Revenue Code. Therefore, the Plan Sponsor is of the opinion that the Plan and the related trust were tax exempt as of and for the year ended December 31, 2011.

GAAP requires plan management to evaluate tax positions taken by the Plan and to recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan Administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2011 or 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2008.

5. Plan Termination:

While it is the intention of the Plan Sponsor to continue the Plan indefinitely, the Plan Sponsor reserves the right to terminate or amend the Plan at any time subject to the provisions of ERISA. In the event of termination, the accounts of all Participants shall become fully vested and Plan assets shall become fully vested and Plan assets shall be distributed in accordance with the terms of the Plan. The Plan Sponsor may elect to continue to have the Plan's assets held by the trustee until such time as the Participants terminate their employment with the Plan Sponsor.

6. Information Certified by the Trustee:

The Plan's investments and investment transactions were certified by Fidelity, the trustee of the Plan, as complete and accurate as of December 31, 2011 and 2010 and for the year ended December 31, 2011. Therefore, in accordance with the request of the Plan Administrator and as allowed under 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, this information was not subjected to auditing procedures generally accepted in the United States of America by the Plan's independent public accountants, except for comparing such information to related information included in the financial statements and supplemental schedule. The following is a summary of the unaudited information regarding the Plan, which was prepared by or derived from information prepared by the trustee and furnished to the Plan Administrator.

	2011	2010
Statements of Net Assets Available for Plan Benefits:		
Investments at Fair Value*	\$ 133,806,494	\$ 142,137,974
Statement of Changes in Net Assets Available for Plan Benefits:		
Net Depreciation in Value of Investments	\$ (5,444,594)	
Interest and Dividend Income on Investments	3,892,986	

*Investments in fully benefit-responsive contracts were certified at contract value. All other investments were certified at fair value by the trustee.

Additionally, information related to assets of the Plan as of December 31, 2011 and 2010 within Note 7 of the financial statements and Schedule H, Line 4i Supplemental Schedule of Assets Held for Investment Purposes at End of Year, with the exception of Notes Receivable from Participants, was certified by the trustee.

7. Investments:

Investments, all of which are participant-directed, that represent 5% or more of the Plan's net assets as of December 31, 2011 and 2010, are summarized as follows:

	2011	2010
Mutual Funds:		
Fidelity Growth Company Fund - Class K	\$ 27,583,440	
Balanced Fund	8,811,086	
Low Price Stock	8,445,873	
Harbor International	8,379,016	
Equity Income A	8,288,975	
Collective Trusts:		
Managed Income Portfolio*	15,075,038	
Mutual Funds:		
Growth Company Fund	\$	17,530,588
Magellan K		13,099,640
Equity Income A		10,685,584
Balanced Fund		9,947,531
Low Price Stock		9,439,890
Diversified International K		7,560,887
Collective Trusts:		
Managed Income Portfolio*		15,785,617

* The contract value amounts to \$14,703,229 and \$15,657,265 at December 31, 2011 and 2010, respectively.

The Plan's investments held at Fidelity (including gains and losses on investments bought and sold, as well as held during the year) (depreciated) appreciated in value by \$(5,444,594), of which \$5,642,604 is attributable to mutual funds and \$198,010 is attributable to common collective trusts.

8. Fair Value:

The following table sets forth, by level within the fair value hierarchy, the Plan investment assets at fair value, as of December 31, 2011 and 2010. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Investment Assets at Fair Value as of December 31, 2011				
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash Equivalents:				
Money Market Funds	\$ 5,103,817	\$ 5,103,817	\$ -	\$ -
Mutual Funds:				
Domestic Equity Funds	61,044,801	61,044,801	-	-
Life Cycle Funds	21,875,962	21,875,962	-	-
Bond Funds	13,423,374	13,423,374	-	-
International Funds	8,844,225	8,844,225	-	-
Balanced Funds	8,811,086	8,811,086	-	-
Collective Trusts	15,075,038	-	15,075,038	-
Total Investments	\$ 134,178,303	\$ 119,103,265	\$ 15,075,038	\$ -

Investment Assets at Fair Value as of December 31, 2010				
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash Equivalents:				
Money Market Funds	\$ 5,017,519	\$ 5,017,519	\$ -	\$ -
Mutual Funds:				
Domestic Equity Funds	67,359,662	67,359,662	-	-
Life Cycle Funds	20,151,045	20,151,045	-	-
Bond Funds	12,510,291	12,510,291	-	-
International Funds	11,494,661	11,494,661	-	-
Balanced Funds	9,947,531	9,947,531	-	-
Collective Trusts	15,785,617	-	15,785,617	-
Total Investments	\$ 142,266,326	\$ 126,480,709	\$ 15,785,617	\$ -

9. Reconciliation of Financial Statements to Form 5500:

As of December 31, 2011 and 2010, the adjustment from fair value to contract value for fully benefit-responsive investment contracts has been excluded from the Plan's Form 5500 and included in the Plan's net assets available for plan benefits.

The following is a reconciliation of net assets available for plan benefits per the financial statements to the Form 5500 as of December 31, 2011 and 2010:

	2011	2010
Net Assets Available for Plan Benefits, Per Financial Statements	\$ 135,444,444	\$ 143,668,043
Less: Adjustment from Fair Value to Contract Value for Fully Benefit-Responsive Investment Contract	<u>371,809</u>	<u>128,352</u>
Net Assets Available for Plan Benefits, Per Form 5500	<u>\$ 135,816,253</u>	<u>\$ 143,796,395</u>

The following is a reconciliation of the net decrease in net assets available for plan benefits per the financial statements to Form 5500 for the year ended December 31, 2011:

Net Decrease in Net Assets Available for Plan Benefits, Per Financial Statements	\$ (8,223,599)
Less: Prior Year Adjustment from Fair Value to Contract Value for Fully Benefit-Responsive Investment Contract	(128,352)
Plus: Current Year Adjustment from Fair Value to Contract Value for Fully Benefit-Responsive Investment Contract	<u>371,809</u>
Net Decrease in Net Assets Available for Plan Benefits, Per Form 5500	<u>\$ (7,980,142)</u>

Assets held by the Plan for investment purposes as of December 31, 2011, are summarized as follows:

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
		<u>Cash Equivalents:</u>		
		Retirement Government Money Market Portfolio	**	\$ 5,103,817
		<u>Mutual Funds:</u>		
*	Fidelity	Fidelity Growth Company Fund - Class K	**	27,583,440
*	Fidelity	Balanced Fund	**	8,811,086
*	Fidelity	Low Price Stock	**	8,445,873
*	Fidelity	Harbor International	**	8,379,016
*	Fidelity	Equity Income A	**	8,288,975
*	Fidelity	Spartan US Bond Index Fund - Institutional Class	**	6,463,057
	PIMCO	Total Return Administrative	**	5,696,941
*	Fidelity	Freedom K 2020	**	5,556,720
*	Fidelity	Fidelity Contrafund - Class K	**	4,770,986
*	Fidelity	Freedom K 2030	**	3,316,104
*	Fidelity	Freedom K 2040	**	2,538,180
*	Fidelity	Freedom K 2025	**	2,527,765
	JP Morgan	JP Morgan Mid Cap Value Instl CL	**	2,174,132
*	Fidelity	Freedom K 2010	**	1,916,598
*	Fidelity	Spartan Extended Market Index Fund	**	1,732,227
*	Fidelity	Spartan US Equity Index	**	1,693,367
*	Fidelity	MSIF Small Company Growth Fund	**	1,607,541
*	Fidelity	Freedom K 2045	**	1,533,514
*	Fidelity	ABF Small Cap Value Institutional Class	**	1,490,996
*	Fidelity	Freedom K 2035	**	1,360,456
*	Fidelity	Freedom K 2015	**	1,283,327
*	Fidelity	High Income	**	1,263,376
	American Funds	AF Growth Fund of America	**	1,207,485
*	Fidelity	ABF Large Cap Value Institutional Class	**	1,138,794
*	Fidelity	Freedom K 2050	**	937,083
*	Fidelity	Freedom K Income	**	593,596
*	Fidelity	Davis New York Venture Y	**	413,650
*	Fidelity	Spartan International Index	**	368,601
*	Fidelity	Leveraged Company Stock	**	253,780
*	Fidelity	Freedom K 2000	**	215,113
*	Fidelity	Vanguard Growth Index Fund Signal Shares	**	181,486
*	Fidelity	Freedom K 2005	**	97,506
*	Fidelity	Invesco Developing Markets Fund Institutional Class	**	96,608
		Vanguard Value Index Fund Signal Shares	**	62,069
		<u>Collective Trusts:</u>		
*	Fidelity	Managed Income Portfolio	**	15,075,038
		Investments at Fair Value		<u>\$ 134,178,303</u>
*	Participants	Notes Receivable from Participants, with interest rates ranging from 4.00% to 9.25%, maturing through March 2031	**	<u>\$ 1,637,950</u>

(*) Represents a party-in-interest to the Plan.

(**) Cost information may be omitted for the participant-directed transactions under an individual account plan.