

<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 EXELIS SYSTEMS CORPORATION RETIREMENT AND SAVINGS PLAN	1b Three-digit plan number (PN) ▶ 013
		1c Effective date of plan 04/01/1994
2a	Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) EXELIS INC. 1650 TYSONS BLVD. MCLEAN, VA 22102	2b Employer Identification Number (EIN) 45-2083813 2c Sponsor's telephone number 703-790-6300 2d Business code (see instructions) 333200

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.	10/16/2012	FRANK PELOSO
	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") EXELIS INC. 1650 TYSONS BLVD. MCLEAN, VA 22102	3b Administrator's EIN 45-2083813 3c Administrator's telephone number 703-790-6300
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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 ITT CORPORATION	4b EIN 13-5158950 4c PN 013
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5 Total number of participants at the beginning of the plan year	5	3122
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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	2668
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	625
d Subtotal. Add lines 6a , 6b , and 6c	6d	3293
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	3293
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	3293
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	12

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 2T 3H

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) ☒ 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) ☒ Trust (4) ☐ General assets of the sponsor
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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) ☒ 1 **A** (Insurance Information)
- (4) ☒ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service <hr/> Department of Labor Employee Benefits Security Administration <hr/> Pension Benefit Guaranty Corporation	Insurance 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. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	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 EXELIS SYSTEMS CORPORATION RETIREMENT AND SAVINGS PLAN	B Three-digit plan number (PN) ►	013
C Plan sponsor's name as shown on line 2a of Form 5500 EXELIS INC.	D Employer Identification Number (EIN) 45-2083813	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier

PRUDENTIAL RETIREMENT INSURANCE & ANNUITY CO.

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-1050034	93629	36645-001	3293	01/01/2011	12/31/2011

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	174364

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

CBIZ BENEFITS & INSURANCE SERVICES
P.O. BOX 632886
CINNCINNATI, OH 45263

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
0	174364	SERVICES TO INSURER OR PLAN	4

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	37878070
5 Current value of plan's interest under this contract in separate accounts at year end	5	54217340

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ GUARANTEED GENERAL ACCOUNT CONTRACT

b Balance at the end of the previous year	7b	33171389
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c Additions: (1) Contributions deposited during the year	7c(1)	4743236	
(2) Dividends and credits	7c(2)		
(3) Interest credited during the year	7c(3)	886545	
(4) Transferred from separate account	7c(4)	4793391	
(5) Other (specify below)	7c(5)	871796	

▶ LOAN REPAYMENTS

(6) Total additions	7c(6)	11294968
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d Total of balance and additions (add b and c(6))	7d	44466357
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	3536867	
(2) Administration charge made by carrier	7e(2)	6305	
(3) Transferred to separate account	7e(3)	2292728	
(4) Other (specify below)	7e(4)	752387	

▶ LOAN INITIATION, FORFEITURES, MISC.

(5) Total deductions	7e(5)	6588287
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f Balance at the end of the current year (subtract e(5) from d)	7f	37878070
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

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 EXELIS SYSTEMS CORPORATION RETIREMENT AND SAVINGS PLAN	B Three-digit plan number (PN) ▶	013
C Plan sponsor's name as shown on line 2a of Form 5500 EXELIS INC.	D Employer Identification Number (EIN) 45-2083813	

Part I	Service Provider Information (see instructions)
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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
PRUDENTIAL RETIREMENT INSURANCE

06-1050034

(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)

PRUDENTIAL RETIREMENT INSURANCE

06-1050034

(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?
13 15 37 50 64	NONE	39762	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
(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.	
(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.	

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="border: 1px solid black; padding: 5px; 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

A Name of plan <u>EXELIS SYSTEMS CORPORATION RETIREMENT AND SAVINGS PLAN</u>	B Three-digit plan number (PN) ►	<u>013</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>EXELIS INC.</u>	D Employer Identification Number (EIN) <u>45-2083813</u>	

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: <u>MID CAP GROWTH/ARTISAN</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-185</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>4512077</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MID CAP VALUE/WELL MGMT</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-187</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1440332</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>CORE PLUS BOND/PIMCO</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-299</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2581682</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SMALL CAP GROWTH/TIMESSQ</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-132</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2885335</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>INVESCO DYNAMICS FUND</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-096</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SMALL CAP BLEND/WHV FUND</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-254</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>1549979</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>ALLIANCEBERN INTL VALUE K</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-496</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>	

a Name of MTIA, CCT, PSA, or 103-12 IE: LARGE CAP VALUE /AJO FUND		
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.		
c EIN-PN 06-1050034-129	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1775153
a Name of MTIA, CCT, PSA, or 103-12 IE: SM CAP VAL /AMER CENT FUND		
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.		
c EIN-PN 06-1050034-126	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2272702
a Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT GOAL 2040		
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.		
c EIN-PN 06-1050034-346	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3053756
a Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT GOAL 2020		
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.		
c EIN-PN 06-1050034-344	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 4793177
a Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT GOAL 2050		
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.		
c EIN-PN 06-1050034-450	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2677520
a Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT GOAL 2030		
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.		
c EIN-PN 06-1050034-345	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 8520370
a Name of MTIA, CCT, PSA, or 103-12 IE: SA/T ROWE PR GR STK STRAT		
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.		
c EIN-PN 06-1050034-435	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3964389
a Name of MTIA, CCT, PSA, or 103-12 IE: SA/OFII GLOBAL STRATEGY		
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.		
c EIN-PN 06-1050034-308	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3181313
a Name of MTIA, CCT, PSA, or 103-12 IE: DRYDEN S & P 500 INDEX FUND		
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.		
c EIN-PN 06-1050034-123	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 4685975
a Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT GOAL 2010 FUND		
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.		
c EIN-PN 06-1050034-343	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 5064171

a Name of MTIA, CCT, PSA, or 103-12 IE: AM FUND EUROPACIFIC GROWTH**b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INC.**c** EIN-PN 06-1050034-712**d** Entity code P**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

1259409

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
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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) 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
		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 EXELIS SYSTEMS CORPORATION RETIREMENT AND SAVINGS PLAN	B Three-digit plan number (PN) ►	013
C Plan sponsor's name as shown on line 2a of Form 5500 EXELIS INC.	D Employer Identification Number (EIN) 45-2083813	

Part I	Asset and Liability Statement
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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)	301243	0
(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)		
(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)	3189542	3761237
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)	49692541	54217340
(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)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	33171389	37878070
(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	86354715	95856647

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	86354715	95856647
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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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	6862243	
(B) Participants	2a(1)(B)	9555179	
(C) Others (including rollovers)	2a(1)(C)	964768	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		17382190

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)	160897	
(F) Other	2b(1)(F)	911353	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		1072250

(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)		
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(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)		-961484
(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		17492956

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	7979969	
(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)		7979969
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		-5780
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	16835	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		16835
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		7991024

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		9501932
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: DELOITTE & TOUCHE LLP

(2) EIN: 13-3891517

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		15000000
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.			
4n			

- 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>EXELIS SYSTEMS CORPORATION RETIREMENT AND SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>013</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>EXELIS INC.</u>	D Employer Identification Number (EIN) <u>45-2083813</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>22-1211670</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): _____

Exelis Systems Corporation Retirement and Savings Plan

(formerly the ITT Systems Corporation
Retirement/Savings Plan)

Sponsor EIN: 45-2083813
Plan Number: 013

Financial Statements as of December 31, 2011 and 2010,
and for the Year Ended December 31, 2011, and
Supplemental Schedule as of December 31, 2011, and
Independent Auditors' Report

EXELIS SYSTEMS CORPORATION RETIREMENT AND SAVINGS PLAN
(formerly the ITT Systems Corporation Retirement/Savings Plan)

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Note: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.	

INDEPENDENT AUDITORS' REPORT

To the Trustees of and Participants in the
Exelis Systems Corporation Retirement and Savings Plan

We were engaged to audit the financial statements of the Exelis Systems Corporation Retirement and Savings Plan (formerly the ITT Systems Corporation Retirement/Savings Plan) (the "Plan") as of December 31, 2011 and 2010, and for the year ended December 31, 2011, and supplemental schedule as of December 31, 2011, as listed in the table of contents. 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, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5 which was certified by Prudential Bank & Trust, F.S.B., the trustee of the Plan, except for comparing the 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 certifications from the trustee that the information as of December 31, 2011 and 2010, and for the year ended December 31, 2011, 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 express, and we do not express, an opinion on the accompanying financial statements and supplemental schedule. The supplemental schedule is presented for the purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. 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 the Employee Retirement Income Security Act of 1974.

Deloitte & Touche LLP

October 12, 2012

EXELIS SYSTEMS CORPORATION RETIREMENT AND SAVINGS PLAN
(formerly the ITT Systems Corporation Retirement/Savings Plan)

STATEMENTS OF ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS:		
Participants — directed investments at fair value —		
Pooled separate accounts	<u>\$92,095,410</u>	<u>\$82,863,930</u>
Receivables:		
Employer		301,243
Notes receivable from participants	<u>3,761,462</u>	<u>3,195,547</u>
Total receivables	<u>3,761,462</u>	<u>3,496,790</u>
ASSETS AVAILABLE FOR BENEFITS	<u>\$95,856,872</u>	<u>\$86,360,720</u>

See notes to financial statements.

EXELIS SYSTEMS CORPORATION RETIREMENT AND SAVINGS PLAN
(formerly the ITT Systems Corporation Retirement/Savings Plan)

STATEMENT OF CHANGES IN ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR DECEMBER 31, 2011

INVESTMENT ACTIVITY:

Net depreciation in fair value of investments	\$ (961,484)
Interest income	<u>911,353</u>
Total net investment activity	<u>(50,131)</u>

INTEREST INCOME ON NOTES RECEIVABLE
FROM PARTICIPANTS

160,897

CONTRIBUTIONS:

Participant	9,555,179
Employer	6,862,243
Rollovers	<u>964,768</u>
Total contributions	<u>17,382,190</u>

DEDUCTIONS:

Benefits paid to participants	(7,979,969)
Administrative expenses	<u>(16,835)</u>
Total deductions	<u>(7,996,804)</u>

INCREASE IN ASSETS AVAILABLE FOR BENEFITS

9,496,152

ASSETS AVAILABLE FOR BENEFITS — Beginning of year

86,360,720

ASSETS AVAILABLE FOR BENEFITS — End of year

\$95,856,872

See notes to financial statements.

EXELIS SYSTEMS CORPORATION RETIREMENT AND SAVINGS PLAN

(formerly the ITT Systems Corporation Retirement/Savings Plan)

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2011 AND 2010, AND FOR THE YEAR ENDED DECEMBER 31, 2011

1. DESCRIPTION OF THE PLAN

The following description of the Exelis Systems Corporation Retirement and Savings Plan (formerly the ITT Systems Corporation Retirement/Savings Plan) (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan document for more-complete information.

On October 31, 2011, ITT Corporation (ITT) completed the previously announced spin-off (the “Spin-off”) of Exelis Inc. (the “Company” or the “Plan Sponsor”) and Xylem Inc., formerly ITT’s Defense & Information Solutions and Fluid Technology segments, respectively. Prior to October 31, 2011, ITT sponsored the Plan. The sponsorship of the Plan was transferred from ITT to the Company at Spin-off and the Company became the new sponsor of the Plan, and the Plan was renamed the Exelis Systems Corporation Retirement and Savings Plan.

General — The Plan is a defined contribution plan sponsored by the Company. An “Eligible Employee” (defined below) shall become a “Participant” on the day he or she becomes an Eligible Employee as defined in the “Eligibility” section below. Prudential Bank & Trust, F.S.B. (“Prudential” or the “Trustee”) is the Trustee of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Eligibility — An Eligible Employee means an employee described in (a) below, excluding any employee described in (b) below:

- (a) An Eligible Employee is any employee of the “Employer” included in a benefit group or project (i.e., SCA contract, union, or management group) who satisfies either (1) or (2) below, but who is not otherwise excluded under (b) below:
 - (1) An employee who is paid from a payroll maintained in the continental United States, Hawaii, or Alaska and whose place of employment is within the continental United States, Hawaii, or Alaska.
 - (2) An employee who is not eligible under (1) above and is paid in United States currency and is a United States citizen or tax resident as defined in Section 7701(b) of the Internal Revenue Code (the “Code”).
- (b) Notwithstanding anything contained herein to the contrary, an Eligible Employee does not include:
 - (1) An employee who is eligible to participate in any other 401(k) plan sponsored by the Employer or any “Affiliated Employer,” including but not limited to a salaried employee classified by the Employer as a management-benefited employee who is eligible to participate in the Exelis Salaried Investment and Savings Plan
 - (2) An employee working in Puerto Rico

- (3) A salaried employee who is classified as a non-Exelis management-benefited employee (non-ITT management-benefited employee prior to October 31, 2011) of Pacific Missile Range Facility (PMRF) who is considered a temporary employee (i.e., a CAT III employee as defined in the PMRF contract)
- (4) An employee working for Federal Services International, LTD
- (5) An employee of an Affiliated Employer, unless such Affiliated Employer has adopted the Plan pursuant to Section 12.03."

Contributions — Under the provisions of Plan, allowable contributions are outlined as follows:

Participant Contributions — Participants can contribute on a pretax basis, as permitted by Section 401(k) of the Code, an amount from 1% to 25% of their compensation as defined by the Plan, limited by the requirements of the Code. Participants can also make "Roth Account" contributions. Roth Account contributions are deducted on an after-tax basis. Employees may contribute "rollover" contributions from another qualified plan upon becoming an Eligible Employee. Participant contributions may begin the first day of the month following the completion of 30 days of employment from date of hire.

Employer Contributions — The Company may make a contribution to the Plan on behalf of each Participant in an amount equal to the specifications outlined in Appendix A of the Plan document. The governing contract or collective bargaining agreement will dictate the amount of the Employer-matching and Employer nonmatching contributions. Participation in Employer nonmatching contributions begins on an employee's date of hire, if applicable. Participation in the Employer-matching contributions, if applicable, begins on the same date as Participant contributions.

Participant Accounts — Individual accounts are maintained for each Participant. Each Participant's account is credited with the Participant's contribution, the Employer-matching contribution, and allocations of Employer nonmatching contributions, and Plan earnings, and charged with withdrawals and an allocation of Plan losses and administrative expenses. 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.

Investment Options — Participants designate the funds in which their contributions and Employer contributions are to be invested. All investments are participant-directed.

Vesting — The Participant's interest in their contributions and Employer contributions is fully vested at all times.

Loans to Participants — Participants may borrow from their fund account balance in any whole dollar amount which must be a minimum of \$1,000 up to a maximum of the lesser of \$50,000 or 50% of the Participant's vested interest in their account, reduced by the highest outstanding loan balance, if any, during the prior 12-month period. Loan terms range up to four years. A Participant who is using loan for the purchase of a primary residence may elect to repay the loan over a period of whole years between one and nine. A Participant's Roth Account balance will be taken into consideration for purposes of calculating a Participant's available loan balance; however, loans may not be taken from the Participant's Roth Account. The interest rate for loans issued by the Plan shall be computed by adding one percent to the prime rate from the *Wall Street Journal* for the last business day of the quarter preceding the quarter in which the loan is processed. Principal and interest are paid ratably through payroll deductions. Participants may have one loan outstanding at any given time. The interest rate is determined at the time the loan is processed, and shall remain in effect for the term of the loan with the exception of loans while the Participant is on Unformed Services Employment and Reemployment Rights Act of 1994 leave.

Payments of Benefits — On termination of employment (including death, disability, or retirement), a participant or his/her surviving spouse beneficiary may elect to receive a lump-sum amount equal to the value of the Participant's vested interest in his/her account paid in cash or as a rollover to another qualified plan or an individual retirement account, or periodic payments under one of two alternative installment options. In any case, a Participant or his/her surviving spouse beneficiary whose vested account balance is more than \$5,000 may elect to keep his/her account balance in the Plan until the year in which the Participant reaches or would have reached age 70-and-one-half.

Notwithstanding any provision of the Plan to the contrary, no withdrawal may be made from the Participant's Roth Account unless the withdrawal is made after the close of the five-consecutive-calendar-year period that began on the first day of the first calendar year in which the Participant made a Roth contribution to the Plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties — The Plan utilizes various investment instruments, including pooled separate accounts, which include guaranteed investment contracts. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. 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 that such change could materially affect the amounts reported in the financial statements.

Investment Valuation and Income Recognition — The Plan's investments are measured at 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 members at the measurement date (i.e., an exit price). A more-detailed description of the individual types of securities can be found in Note 3.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Administrative Expenses — The Plan Sponsor provides accounting and other administrative services to the Plan at no charge. Administrative expenses are paid by the Plan or the Company in accordance with the Plan document.

Participant Loans — Participants may borrow from their account balance in any whole dollar amount which must be at a minimum of \$1,000 up to a maximum of the lesser of \$50,000 or 50% of the participant's vested interest in their account, reduced by the highest outstanding loan balance, if any, during the prior 12-month period. Loan terms range up to five years. A participant who is using a loan for the purchase of a primary residence may elect to repay the loan over a period of whole years between one and 15. Participants may have two loans outstanding at the same time. The loans are collateralized by the balance in the participant's account and bear interest which is based on the prime rate as published in the Wall Street Journal on the last business day of the prior quarter plus 1%. Principal and

interest are paid ratably through payroll deductions. The interest rate is determined at the time the loan is processed, and shall remain in effect for the term of the loan.

Benefits Paid to Participants — Benefit payments to participants are recorded upon distribution. Additionally, for loans declared in default the principle and accrued interest are recorded as a distribution.

New Accounting Standard — ASU No. 2010-06, *Fair Value Measurements and Disclosures* — In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-06, *Fair Value Measurements and Disclosures*, which amends ASC 820, *Fair Value Measurements and Disclosures*, adding a new disclosure requirement to provide Level 3 activity of purchases, sales, issuances, and settlements on a gross basis. This requirement was effective for fiscal years beginning after December 15, 2010. The adoption in 2011 did not materially affect the Plan's financial statements.

New Accounting Standard Not Yet Effective —

ASU No. 2011-04 — In May 2011, the FASB issued ASU No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*, which amends ASC 820. ASU 2011-04 also requires the categorization by level for items that are only required to be disclosed at fair value, and information about transfers between Level 1 and Level 2. In addition, the ASU provides guidance on measuring the fair value of financial instruments managed within a portfolio and the application of premiums and discounts on fair value measurements. The ASU requires additional disclosure for Level 3 measurements regarding the sensitivity of fair value to changes in unobservable inputs and any interrelationships between those inputs. The new guidance is effective for reporting periods beginning after December 15, 2011. Management does not believe the adoption will have a material effect on the statement of net assets available for benefits and statement of changes in net assets available for benefits.

3. FAIR VALUE MEASUREMENT

The following is a description of the valuation methodologies and inputs used to measure fair value for major categories of investments.

Pooled Separate Accounts — Fair value is estimated based on net asset value (NAV). While NAV for a pooled separate account (PSA) is quoted in a market that is not active, classification in the fair value hierarchy is based on the observability of the investments held in the PSA. Accordingly, the Plan has classified PSAs based on the lowest level input that is significant to NAV. There are no unfunded commitments related to the PSAs and investments in PSAs can be redeemed on a daily basis.

In measuring Plan assets at fair value, a fair value hierarchy is applied which categorizes and prioritizes the inputs used to estimate fair value into three levels. The fair value hierarchy is based on maximizing the use of observable inputs and minimizing the use of unobservable inputs when measuring fair value. Classification within the fair value hierarchy is based on the lowest-level input that is significant to the fair value measurement. The three levels of the fair value hierarchy are defined as follows:

- *Level 1* inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

- *Level 2* inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices (in nonactive markets or in active markets for similar assets or liabilities), inputs other than quoted prices that are observable, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- *Level 3* inputs are unobservable inputs for the assets or liabilities.

The Plan's policy is to recognize significant transfers between levels at the beginning of the reporting period.

In certain instances, fair value is estimated using quoted market prices obtained from an external pricing service. In obtaining such data from the pricing service, the Plan has evaluated the methodologies used to develop the estimate of fair value in order to evaluate whether such valuations are representative of fair value, including NAV. Additionally, in certain circumstances, the Plan may adjust NAV reported by an asset manager when sufficient evidence indicates NAV is not representative of fair value.

In September 2009, the FASB provided investors with a practical expedient for measuring fair value of investments in certain entities that calculate NAV. The practical expedient enables the Plan holding investments in certain entities that calculate NAV per share or its equivalent for which the fair value is not readily determinable, to measure the fair value of such investments on the basis of that NAV per share or its equivalent without adjustment. No adjustments to the NAV reported by an asset manager have been recorded.

The following tables set forth by level within the fair value hierarchy a summary of the Plan's investments measured at fair value on a recurring basis at December 31, 2011 and 2010:

Fair Value Measurements at December 31, 2011				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Prudential Financial Group				
PSAs:				
Fixed Income (a)	\$ -	\$40,459,752	\$ -	\$40,459,752
Large Cap (b)		10,425,516		10,425,516
International Stock (b)		4,440,722		4,440,722
Mid Cap (b)		5,952,409		5,952,409
Small Cap (b)		6,708,016		6,708,016
Target Fund (c)		24,108,995		24,108,995
Total	<u>\$ -</u>	<u>\$92,095,410</u>	<u>\$ -</u>	<u>\$92,095,410</u>

Fair Value Measurements at December 31, 2010				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Prudential Financial Group				
PSAs:				
Fixed Income (a)	\$ -	\$ 35,888,767	\$ -	\$ 35,888,767
Large Cap (b)		10,209,883		10,209,883
International Stock (b)		4,687,467		4,687,467
Mid Cap (b)		5,482,476		5,482,476
Small Cap (b)		6,338,639		6,338,639
Target Fund (c)		20,256,698		20,256,698
Total	\$ -	\$ 82,863,930	\$ -	\$ 82,863,930

(a) The fund invests in public equity and fixed-income markets.

(b) The funds seek long-term growth of capital.

(c) The funds seek to provide total return.

4. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Plan investments include shares of PSAs managed by the Trustee, as defined by the Plan, and therefore, these transactions qualify as party in interest.

Certain administrative functions are performed by the officers and employees of the Company (who may also be participants in the Plan) at no cost to the Plan.

These transactions are not deemed prohibited party-in-interest transactions because they are covered by statutory or administrative exceptions from the Code and ERISA's rules on prohibited transactions.

5. INFORMATION CERTIFIED BY THE TRUSTEE

The following is a summary of the unaudited information regarding the Plan as of December 31, 2011 and 2010, and for the year ended December 31, 2011, included in the Plan's financial statements and supplemental schedule, that was prepared by or derived from information prepared by Trustee of the Plan, and furnished to the Plan administrator. The Plan administrator has obtained certifications from the Trustee that such information is complete and accurate.

	2011	2010
Statements of assets available for benefits:		
Participant-directed investments — PSAs — at fair value	\$ 92,095,410	\$ 82,863,930
Statement of change in assets available for benefits:		
Net depreciation in fair value of investments	\$ (961,484)	
Interest income	911,353	
Interest income on notes receivable	160,897	

All investment balances and investment information in Notes 3 and 6, except for the classification of each investment in the fair value hierarchy as of December 31, 2011 and 2010, as disclosed in Note 3.

All investment balances and information included in the supplemental schedule of assets (held at end of year).

6. INVESTMENTS

The Plan's investments that represented 5% or more of the Plan's assets available for benefits as of December 31, 2011 and 2010, are as follows:

	2011	2010
* Guaranteed Income Fund, 696,339 and 625,417 shares, respectively	\$37,878,070	\$33,171,389
* Retirement Goal 2030, 499,750 and 441,477 shares, respectively	8,520,371	7,488,786
* Retirement Goal 2010, 303,101 shares	5,064,171	**
* Retirement Goal 2020, 499,750 shares	4,793,177	**
* Permitted party-in-interest		
** Not over 5%		

During the year ended December 31, 2011, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

Prudential Financial Group PSAs:	
Fixed Income	\$ 42,452
Large Cap	75,964
International Stock	(582,305)
Mid Cap	(297,181)
Small Cap	(265,517)
Target Fund	<u>65,103</u>
Net depreciation in fair value of investments	<u>\$ (961,484)</u>

7. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of loans receivable per the Statements of Assets Available for Benefits to participant loans receivable from the Form 5500 as of December 31, 2011 and 2010:

	2011	2010
Participant loans receivable from the Statements of Assets Available for Benefits	\$ 3,761,462	\$ 3,195,547
Less — Amounts deemed distributed for tax purposes	<u>(225)</u>	<u>(6,005)</u>
Participant loans receivable from Form 5500	<u>\$ 3,761,237</u>	<u>\$ 3,189,542</u>
Deemed distributions from the Statement of Changes in Assets Available for Benefits	\$ -	
Add — Amounts deemed distributed for tax purposes, December 31, 2011	225	
Less — Amounts deemed distributed for tax purposes, December 31, 2010	<u>(6,005)</u>	
Deemed distributions to participants from Form 5500	<u>\$ (5,780)</u>	

The following is a reconciliation of investments, at fair value, from the Statements of Assets Available for Benefits to the investments from Form 5500 as of December 31, 2011 and 2010:

	2011	2010
Assets available for benefits from the Statements of Assets Available for Benefits	\$ 95,856,872	\$ 869,360,720
Less — Amounts deemed distributed for tax purposes	<u>(225)</u>	<u>(6,005)</u>
Assets available for benefits from Form 5500	<u>\$ 95,856,647</u>	<u>\$ 869,354,715</u>

The following is a reconciliation of the increase in assets from the Statement of Changes in Assets Available for Benefits to the Form 5500 for the year ended December 31, 2011:

Increase in assets available for benefits from the Statement of Changes in Assets Available for Benefits	\$ 9,496,153
Add — Amounts deemed distributed for tax purposes, December 31, 2011	6,005
Less — Amounts deemed distributed for tax purposes, December 31, 2011	<u>(225)</u>
Net income from Form 5500	<u>\$ 9,501,933</u>

8. PLAN TERMINATION

Although it has not expressed to do so, the Company has the right to terminate the Plan. At the time of termination, the Plan shall be valued and distributions to participants shall be made.

9. FEDERAL INCOME TAX STATUS

The Internal Revenue Service has determined and informed the Plan administrator by a letter dated November 16, 2011, that the Plan is qualified, and therefore is tax-exempt, under the appropriate sections of the Code.

GAAP requires Plan management to evaluate tax positions taken by the Plan and 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 IRS. 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 not subject to income tax examinations for years prior to 2011 because of the Spin-off. The Company became the Plan's sponsor effective October 31, 2011. ITT, the prior sponsor of the Plan, may be subject to income tax examinations for years prior to 2011. The Company and ITT entered into a Tax Matters Agreement, which generally provides that ITT shall indemnify the Company for consolidated income taxes relating to any pre Spin-off period up to a certain amount.

10. SUBSEQUENT EVENTS

For the year ended December 31, 2011, subsequent events were evaluated through October 12, 2012, the date the financial statements were available to be issued. Effective April 2, 2012, Participants can contribute on a pre-tax basis, as permitted by Section 401(k) of the Code, an amount up to 70% of their compensation as defined by the Plan, limited by the requirements of the Code.

* * * * *

SUPPLEMENTAL SCHEDULE

EXELIS SYSTEMS CORPORATION RETIREMENT AND SAVINGS
(formerly the ITT Systems Corporation Retirement/Savings Plan)

EIN # 45-2083813
Plan # 013

FORM 5500, SCHEDULE H, PART IV, LINE 4i — SCHEDULE OF ASSETS — (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2011

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Cost	Current Value
* Prudential Retirement Insurance and Annuity Company:				
	Pooled separate accounts	Guaranteed Income Fund	**	\$37,878,070
	Pooled separate accounts	Dryden S&P 500 Index Fund	**	4,685,975
	Pooled separate accounts	Retirement Goal 2040	**	3,053,756
	Pooled separate accounts	T Rowe Price Growth Stock	**	3,964,389
	Pooled separate accounts	Core Plus Bond/ PIMCO	**	2,581,682
	Pooled separate accounts	Small Capital Growth/Timessquare	**	2,885,335
	Pooled separate accounts	AM Fund EuroPacific Growth	**	1,259,409
	Pooled separate accounts	Retirement Goal 2020	**	4,793,177
	Pooled separate accounts	SM VAL/ MEA Fund	**	2,272,702
	Pooled separate accounts	Small Capital Blended/WHV	**	1,549,979
	Pooled separate accounts	Oppenheimer Global Fund	**	3,181,313
	Pooled separate accounts	Middle Capital Value/Well Management	**	1,440,332
	Pooled separate accounts	Middle Capital Growth/Artisan	**	4,512,077
	Pooled separate accounts	Large Capital Value/John A. Levin	**	1,775,153
	Pooled separate accounts	Retirement Goal 2050	**	2,677,519
	Pooled separate accounts	Retirement Goal 2030	**	8,520,371
	Pooled separate accounts	Retirement Goal 2010	**	<u>5,064,171</u>
	Total investments			92,095,410
* Participant loans — participant loans receivable		Loans to participants with interest rates ranging between 4.25% and 9.25% with various dates of maturity from January 6, 2012 through May 18, 2020 — net of deemed distributions of \$225	**	<u>3,761,237</u>
	TOTAL ASSETS			<u>\$95,856,647</u>

* Represents a party in interest

** Cost information is not required for participant-directed investments, and therefore, is not included.

See accompanying independent auditors report

Plan Name	Exelis Systems Corporation Retirement and Savings Plan
Plan Sponsor EIN	45-2083813
ERISA Plan #	013
Plan Year Ending	12/31/2011

The required attachment marked with an “X” in the Attachment column is included within the Accountant’s Opinion attachment to Sch. H, Part III, Line 3, which consists of the entire audit report issued by the plan’s Independent Qualified Public Accountant (IQPA).

Form / Schedule	Line #	Description	Attachment
5500 Sch. H	Line 3	Financial statements used in formulating the IQPA's opinion	X
5500 Sch. H	Line 4i	Schedule of Assets (Held at End of Year)	X
5500 Sch. H	Line 4i	Schedule of Assets (Acquired and Disposed of Within Year)	
5500 Sch. H	Line 4j	Schedule of Reportable Transactions	
5500 Sch. H	Line 4a	Schedule of Delinquent Participant Contributions	

Plan Name	Exelis Systems Corporation Retirement and Savings Plan
Plan Sponsor EIN	45-2083813
ERISA Plan #	013
Plan Year Ending	12/31/2011

The required attachment marked with an “X” in the Attachment column is included within the Accountant’s Opinion attachment to Sch. H, Part III, Line 3, which consists of the entire audit report issued by the plan’s Independent Qualified Public Accountant (IQPA).

Form / Schedule	Line #	Description	Attachment
5500 Sch. H	Line 3	Financial statements used in formulating the IQPA's opinion	X
5500 Sch. H	Line 4i	Schedule of Assets (Held at End of Year)	X
5500 Sch. H	Line 4i	Schedule of Assets (Acquired and Disposed of Within Year)	
5500 Sch. H	Line 4j	Schedule of Reportable Transactions	
5500 Sch. H	Line 4a	Schedule of Delinquent Participant Contributions	

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 4085 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). Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2011 This Form Is Open to Public Inspection
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Part I Annual Report Identification Information	
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ 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 <u>Exelis Systems Corporation Retirement and Savings Plan</u>	1b Three-digit plan number (PN) <u>013</u> <u>04/01/1994</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>Exelis Inc.</u> <u>1650 Tysons Blvd.</u> <u>McLean VA 22102</u>	2b Employer Identification Number (EIN) <u>45-2083813</u> 2c Sponsor's telephone number <u>(703) 790-6300</u> 2d Business code (see instructions) <u>333200</u>

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		<u>10/10/12</u>	Frank Peloso
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		<u>12/15/12</u>	Greg Kudla
	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

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)
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