

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 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

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>10/01/2011</u> and ending <u>09/30/2012</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>ALION SCIENCE AND TECHNOLOGY CORP EMPLOYEE OWNERSHIP SAVINGS AND INVESTMENT PLAN</u>	1b Three-digit plan number (PN) ► <u>001</u> 1c Effective date of plan <u>12/19/2001</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>ALION SCIENCE AND TECHNOLOGY CORPORATION</u> <u>1750 TYSONS BLVD STE 1300</u> <u>MC LEAN, VA 22102-4220</u>	2b Employer Identification Number (EIN) <u>54-2061691</u> 2c Sponsor's telephone number <u>703-269-3487</u> 2d Business code (see instructions) <u>541700</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>Filed with authorized/valid electronic signature.</u>	<u>07/01/2013</u>	<u>KERRY WILSON</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>07/01/2013</u>	<u>KERRY WILSON</u>
	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)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") ALION SCIENCE AND TECHNOLOGY CORPORATION 1750 TYSONS BLVD STE 1300 MC LEAN, VA 22102-4220	3b Administrator's EIN 54-2061691 3c Administrator's telephone number 703-269-3487
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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	6587
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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	2911
b Retired or separated participants receiving benefits.....	6b	311
c Other retired or separated participants entitled to future benefits.....	6c	3554
d Subtotal. Add lines 6a , 6b , and 6c	6d	6776
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	53
f Total. Add lines 6d and 6e	6f	6829
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	6662
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	300

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 2H 2I 2J 2K 2O 2S 2T 3H 3I

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) ☒ 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 **10/01/2011** and ending **09/30/2012**

A Name of plan ALION SCIENCE AND TECHNOLOGY CORP EMPLOYEE OWNERSHIP SAVINGS AND INVESTMENT PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 ALION SCIENCE AND TECHNOLOGY CORPORATION	D Employer Identification Number (EIN) 54-2061691	

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
 PRINCIPAL LIFE INSURANCE COMPANY

(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
42-0127290	61271	803922	4811	10/01/2011	09/30/2012

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	0

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

(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	

(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	0
5 Current value of plan's interest under this contract in separate accounts at year end	5	120087158

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 ▶

b Balance at the end of the previous year	7b	
c Additions: (1) Contributions deposited during the year	7c(1)	
(2) Dividends and credits	7c(2)	
(3) Interest credited during the year	7c(3)	
(4) Transferred from separate account	7c(4)	
(5) Other (specify below)	7c(5)	
▶		
(6) Total additions	7c(6)	
d Total of balance and additions (add b and c(6))	7d	
e Deductions:		
(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	
(2) Administration charge made by carrier	7e(2)	
(3) Transferred to separate account	7e(3)	
(4) Other (specify below)	7e(4)	
▶		
(5) Total deductions	7e(5)	
f Balance at the end of the current year (subtract e(5) from d)	7f	0

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 10/01/2011 and ending 09/30/2012

A Name of plan ALION SCIENCE AND TECHNOLOGY CORP EMPLOYEE OWNERSHIP SAVINGS AND INVESTMENT PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 ALION SCIENCE AND TECHNOLOGY CORPORATION	D Employer Identification Number (EIN) 54-2061691

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
PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(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)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(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 37 50 64	CONTRACT ADMINISTRATOR	12348	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

STATE STREET GLOBAL ADVISORS

04-1867445

(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?
21	TRUSTEE	145643	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.	

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

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 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 10/01/2011 and ending 09/30/2012

A Name of plan <u>ALION SCIENCE AND TECHNOLOGY CORP EMPLOYEE OWNERSHIP SAVINGS AND INVESTMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>ALION SCIENCE AND TECHNOLOGY CORPORATION</u>	D Employer Identification Number (EIN) <u>54-2061691</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)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN MIDCAP BLEND SEP ACCT-I2</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>42-0127290-020</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>12065401</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN MONEY MARKET SA-I3</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>42-0127290-024</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>23624722</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN BOND AND MTGE SA-I5</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>42-0127290-005</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>10370188</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN DIVERSIFIED INTL SA-R6</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>42-0127290-015</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>10874867</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN LGCAP S&P 500 INDEX SA-I5</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>42-0127290-016</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>15885518</u>		
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>PRIN INTL GROWTH SEP ACCT-R6</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>42-0127290-064</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>PRIN LIFETM 2010 SEP ACCT-I3</u>				
b Name of sponsor of entity listed in (a): <u>PRINCIPAL LIFE INSURANCE COMPANY</u>				
c EIN-PN <u>42-0127290-075</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>6305382</u>		

a Name of MTIA, CCT, PSA, or 103-12 IE: [PRIN LIFETM 2020 SEP ACCT-I3](#)
b Name of sponsor of entity listed in (a): [PRINCIPAL LIFE INSURANCE COMPANY](#)

c EIN-PN 42-0127290-076	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 13354944
--	--	--

a Name of MTIA, CCT, PSA, or 103-12 IE: [PRIN LIFETM 2030 SEP ACCT-I3](#)
b Name of sponsor of entity listed in (a): [PRINCIPAL LIFE INSURANCE COMPANY](#)

c EIN-PN 42-0127290-077	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 8486655
--	--	---

a Name of MTIA, CCT, PSA, or 103-12 IE: [PRIN LIFETM 2040 SEP ACCT-I3](#)
b Name of sponsor of entity listed in (a): [PRINCIPAL LIFE INSURANCE COMPANY](#)

c EIN-PN 42-0127290-078	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 5504477
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a Name of MTIA, CCT, PSA, or 103-12 IE: [PRIN LIFETM 2050 SEP ACCT-I3](#)
b Name of sponsor of entity listed in (a): [PRINCIPAL LIFE INSURANCE COMPANY](#)

c EIN-PN 42-0127290-079	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1246861
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a Name of MTIA, CCT, PSA, or 103-12 IE: [PRIN LIFETM STR INC SA-I3](#)
b Name of sponsor of entity listed in (a): [PRINCIPAL LIFE INSURANCE COMPANY](#)

c EIN-PN 42-0127290-080	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1534550
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a Name of MTIA, CCT, PSA, or 103-12 IE: [PRIN DISC LARGE CAP BLEND SA-I2](#)
b Name of sponsor of entity listed in (a): [PRINCIPAL LIFE INSURANCE COMPANY](#)

c EIN-PN 42-0127290-092	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: [PRIN REAL ESTATE SECS SA-R6](#)
b Name of sponsor of entity listed in (a): [PRINCIPAL LIFE INSURANCE COMPANY](#)

c EIN-PN 42-0127290-095	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3200566
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a Name of MTIA, CCT, PSA, or 103-12 IE: [PRIN CAPITAL APPR SA-I3](#)
b Name of sponsor of entity listed in (a): [PRINCIPAL LIFE INSURANCE COMPANY](#)

c EIN-PN 42-0127290-119	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 7633027
--	--	---

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:

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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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
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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

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 10/01/2011 and ending 09/30/2012		
A Name of plan ALION SCIENCE AND TECHNOLOGY CORP EMPLOYEE OWNERSHIP SAVINGS AND INVESTMENT PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 ALION SCIENCE AND TECHNOLOGY CORPORATION	D Employer Identification Number (EIN) 54-2061691	

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)	532806	527384
(2) Participant contributions	1b(2)	816741	778541
(3) Other.....	1b(3)	49869	58877
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)	3464676	3740027
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)	107919080	120087158
(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)	70366059	87449394
(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)	126559547	110739578
(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	309708778	323380959

Liabilities

g Benefit claims payable	1g	0	
h Operating payables	1h	0	
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	0	
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	309708778	323380959
---	-----------	-----------	-----------

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)	0	
(B) Participants	2a(1)(B)	20259431	
(C) Others (including rollovers)	2a(1)(C)	1515683	
(2) Noncash contributions	2a(2)	13726167	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		35501281

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	105	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	115965	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		116070
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1548288	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1548288
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(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)	0	
(B) Other	2b(5)(B)	-27139738	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-27139738
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		17105507
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		14983103
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		42114511

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	28281330	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		28281330
f Corrective distributions (see instructions)	2f		1256
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	145643	
(2) Contract administrator fees	2i(2)	12348	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	1753	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		159744
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		28442330

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		13672181
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		0

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	0
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	0
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	0
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	0
e Was this plan covered by a fidelity bond?.....	X		3000000
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 10/01/2011 and ending 09/30/2012

A Name of plan <u>ALION SCIENCE AND TECHNOLOGY CORP EMPLOYEE OWNERSHIP SAVINGS AND INVESTMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ALION SCIENCE AND TECHNOLOGY CORPORATION</u>	D Employer Identification Number (EIN) <u>54-2061691</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>4365855</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>42-0127290</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)
----------------	--

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
-----------------	-------------------

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
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☒ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☒ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☒ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☒ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 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): _____



Independent Auditors' Report

***Financial Statements of Net Assets Available for Benefits as of
September 30, 2012 and 2011***

***Financial Statement of Changes in Net Assets Available for Benefits
for the Year Ended September 30, 2012***

Supplemental Schedule as of September 30, 2012

*Plan Name: Alion Science and Technology Corporation
Employee Ownership, Savings and Investment Plan*

EIN: 54-2061691

Plan Number: 001

Plan Year: October 1, 2011 to September 30, 2012

ALION SCIENCE AND TECHNOLOGY CORPORATION EMPLOYEE OWNERSHIP, SAVINGS AND INVESTMENT PLAN

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Net Assets Available for Benefits as of September 30, 2012	2
Statement of Net Assets Available for Benefits as of September 30, 2011	3
Statement of Changes in Net Assets Available for Benefits for the Year Ended September 30, 2012	4
Notes to Financial Statements	5
SUPPLEMENTAL SCHEDULE AS OF SEPTEMBER 30, 2012	
Form 5500, Schedule H, Part IV, Line 4i—Schedule of Assets (Held at End of Year)	16

NOTE: All other schedules required under 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

ESOP Committee

Alion Science and Technology Corporation
Employee Ownership, Savings and Investment Plan:

We have audited the accompanying statements of net assets available for benefits of the Alion Science and Technology Corporation Employee Ownership, Savings and Investment Plan (the "Plan") as of September 30, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year ended September 30, 2012. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of September 30, 2012 and 2011, and the changes in net assets available for benefits for the year ended September 30, 2012 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at end of year) as of September 30, 2012, is presented for the purpose 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 supplemental schedule is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and certain additional procedures, including comparing and reconciling such schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such schedule is fairly stated in all material respects in relation to the financial statements taken as a whole.

Deloitte & Touche LLP

June 18, 2013

**ALION SCIENCE AND TECHNOLOGY CORPORATION
EMPLOYEE OWNERSHIP, SAVINGS AND INVESTMENT PLAN**

**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF SEPTEMBER 30, 2012**

	<u>Non-ESOP</u>	<u>ESOP</u>		<u>Total</u>	<u>Plan Total</u>
	<u>Allocated</u>	<u>Unallocated</u>			
Assets:					
Investments at fair value:					
Alion common stock	\$ -	\$ 110,739,578	\$ -	\$ 110,739,578	\$ 110,739,578
Mutual funds	87,449,394	-	-	-	87,449,394
Pooled separate accounts	<u>120,087,158</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,087,158</u>
 Total investments	 <u>207,536,552</u>	 <u>110,739,578</u>	 <u>-</u>	 <u>110,739,578</u>	 <u>318,276,130</u>
Receivables:					
Employer contributions	-	527,384	-	527,384	527,384
Participant contributions	696,284	82,257	-	82,257	778,541
Notes receivable from participants	3,740,027	-	-	-	3,740,027
Other contributions	<u>58,877</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,877</u>
 Total receivables	 <u>4,495,188</u>	 <u>609,641</u>	 <u>-</u>	 <u>609,641</u>	 <u>5,104,829</u>
 Net assets available for benefits	 <u>\$ 212,031,740</u>	 <u>\$ 111,349,219</u>	 <u>\$ -</u>	 <u>\$ 111,349,219</u>	 <u>\$ 323,380,959</u>

See accompanying notes to financial statements.

**ALION SCIENCE AND TECHNOLOGY CORPORATION
EMPLOYEE OWNERSHIP, SAVINGS AND INVESTMENT PLAN**

**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF SEPTEMBER 30, 2011**

	<u>Non-ESOP</u>	<u>Allocated</u>	<u>ESOP</u> <u>Unallocated</u>	<u>Total</u>	<u>Plan Total</u>
Assets:					
Investments at fair value:					
Alion common stock	\$ -	\$ 126,559,547	\$ -	\$ 126,559,547	\$ 126,559,547
Mutual funds	70,366,059	-	-	-	70,366,059
Pooled separate accounts	<u>107,919,080</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,919,080</u>
 Total investments	 <u>178,285,139</u>	 <u>126,559,547</u>	 <u>-</u>	 <u>126,559,547</u>	 <u>304,844,686</u>
Receivables:					
Employer contributions	-	532,806	-	532,806	532,806
Participant contributions	704,613	112,128	-	112,128	816,741
Notes receivable from participants	3,464,676	-	-	-	3,464,676
Other contributions	<u>49,869</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,869</u>
 Total receivables	 <u>4,219,158</u>	 <u>644,934</u>	 <u>-</u>	 <u>644,934</u>	 <u>4,864,092</u>
 Net assets available for benefits	 \$ <u>182,504,297</u>	 \$ <u>127,204,481</u>	 \$ <u>-</u>	 \$ <u>127,204,481</u>	 \$ <u>309,708,778</u>

See accompanying notes to financial statements.

ALION SCIENCE AND TECHNOLOGY CORPORATION
EMPLOYEE OWNERSHIP, SAVINGS AND INVESTMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Non-ESOP</u>	<u>Allocated</u>	<u>ESOP</u> <u>Unallocated</u>	<u>Total</u>	<u>Plan Total</u>
Additions to net assets:					
Investment income (loss):					
Net appreciation (depreciation)					
in fair value of investments:					
Alion common stock	\$ -	\$ (27,139,738)	\$ -	\$ (27,139,738)	\$ (27,139,738)
Mutual funds	16,531,391	-	-	-	16,531,391
Pooled separate accounts	17,105,507	105	-	105	17,105,612
Net investment income (loss)	<u>33,636,898</u>	<u>(27,139,633)</u>	<u>-</u>	<u>(27,139,633)</u>	<u>6,497,265</u>
Interest income on notes					
receivable from participants	<u>115,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,965</u>
Contributions:					
Employer contributions	-	13,726,167	-	13,726,167	13,726,167
Participant contributions	17,862,454	2,396,977	-	2,396,977	20,259,431
Rollover contributions	1,513,898	1,785	-	1,785	1,515,683
Total contributions	<u>19,376,352</u>	<u>16,124,929</u>	<u>-</u>	<u>16,124,929</u>	<u>35,501,281</u>
Transfers between ESOP and					
Non-ESOP	<u>474,402</u>	<u>(474,402)</u>	<u>-</u>	<u>(474,402)</u>	<u>-</u>
Total additions, net	<u>53,603,617</u>	<u>(11,489,106)</u>	<u>-</u>	<u>(11,489,106)</u>	<u>42,114,511</u>
Deductions to net assets:					
Benefits paid to participants	23,916,430	4,366,156	-	4,366,156	28,282,586
Fees (trading, loans, trustee)	159,744	-	-	-	159,744
Total deductions	<u>24,076,174</u>	<u>4,366,156</u>	<u>-</u>	<u>4,366,156</u>	<u>28,442,330</u>
Increase (decrease) in net					
assets available for benefits	<u>29,527,443</u>	<u>(15,855,262)</u>	<u>-</u>	<u>(15,855,262)</u>	<u>13,672,181</u>
Net assets available for benefits:					
Beginning of year	<u>182,504,297</u>	<u>127,204,481</u>	<u>-</u>	<u>127,204,481</u>	<u>309,708,778</u>
End of year	<u>\$ 212,031,740</u>	<u>\$ 111,349,219</u>	<u>\$ -</u>	<u>\$ 111,349,219</u>	<u>\$ 323,380,959</u>

See accompanying notes to financial statements.

**ALION SCIENCE AND TECHNOLOGY CORPORATION
EMPLOYEE OWNERSHIP, SAVINGS AND INVESTMENT PLAN**

**NOTES TO FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2012 AND 2011
AND FOR THE YEAR ENDED SEPTEMBER 30, 2012**

1. PLAN DESCRIPTION AND RELATED INFORMATION

The following is a general description of Alion Science and Technology Corporation Employee Ownership, Savings and Investment Plan (the Plan). The description provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General – Alion Science and Technology Corporation (the Plan Sponsor, Alion or the Company) established the Plan in 2001 and amended and restated the Plan as of October 1, 2011. The Plan includes a tax exempt employee stock ownership plan (ESOP component) and a tax exempt 401(k) plan (non-ESOP component) under the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA) and Sections 401(a) and 401(k) of the Internal Revenue Code of 1986, as amended (IRC). The ESOP Committee, which consists of seven persons appointed by Alion's chief executive officer, administers the Plan. Two trusts hold Plan assets. State Street Bank & Trust Company (the ESOP Trustee) is the trustee for the Alion Science and Technology Corporation Employee Ownership, Savings and Investment Trust (the ESOP Trust), which holds legal title to the Alion common stock in the Plan. The ESOP Committee is the trustee for the non-ESOP component of the Plan. Principal Financial Group (Principal) is record-keeper and custodian for the Plan's ESOP and non-ESOP components.

Eligibility – Employees are immediately eligible to make pre-tax contributions to the Plan and receive matching contributions. Employees in certain benefits groups become eligible to receive Company discretionary and retirement plan contributions after one year of employment. There were 6,829 and 6,587 Plan participants at September 30, 2012 and 2011, respectively.

Contributions – Participants may elect to contribute up to 60% of their eligible compensation to the Plan, subject to statutory annual maximum limits as adjusted each year per IRC regulations. IRC annual limitations apply to all of a participant's salary reduction contributions and similar contributions under this and other plans. A participant may contribute up to 11% of his or her eligible compensation to the ESOP component. Eligible employees who do not make an election to enroll or decline to enroll within 30 days from their date of hire or rehire are automatically enrolled in the Plan with a pre-tax deferral equal to 3% of pay. An employee hired or rehired who affirmatively elects to make salary deferral contributions or who is automatically enrolled and does not provide direction as to how contributions should be invested will have such contributions invested in the applicable Principal LifeTime portfolio based on the date the employee will turn age 65. Alion matches 100% of the first 3% and 50% of the next 2% of the eligible compensation contributed by each participant. The Company also contributes 2.5% of eligible participant compensation. All contributions are in shares of Alion stock. Alion can also make an annual discretionary contribution to the Plan. Each Plan year, the Company determines what portion of its profits, if any, to contribute to the Plan. The Company made no discretionary contributions for the Plan year ended September 30, 2012. During the Plan year ended September 30, 2012, Company contributions of \$13,726,167 were provided in Alion common stock.

Participant Accounts – The ESOP Committee, as of each valuation date, allocates earnings (losses) in the ESOP component to participant accounts so that the total of all participant account balances

**ALION SCIENCE AND TECHNOLOGY CORPORATION
EMPLOYEE OWNERSHIP, SAVINGS AND INVESTMENT PLAN**

**NOTES TO FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2012 AND 2011
AND FOR THE YEAR ENDED SEPTEMBER 30, 2012**

equals the fair market value of the ESOP trust fund as of each valuation date. Each participant's 401(k) account is credited with: participant contributions; Company contributions; the participant's share of Plan earnings (losses) and appreciation (depreciation) from investing contributions; less administrative expenses. A participant is entitled to that benefit which his or her account can provide.

Voting Rights – On matters involving the approval or disapproval of any Company merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all of Alion's assets, tender offer for, or other offer to purchase, the shares of Alion's common stock or other such transactions prescribed by applicable regulation, each participant is entitled to exercise voting rights attributable to the shares of Alion common stock allocated to his or her ESOP account. In all such cases, the ESOP Trustee is required to notify the participants of such voting rights prior to the time that such rights are to be exercised. The ESOP Trustee is to vote any allocated shares for which participant instructions have not been received and any unallocated shares in accordance with ESOP Committee instructions. In all other circumstances, and except as limited by its fiduciary duties, the ESOP Trustee is to vote all shares of Company common stock as directed by the ESOP Committee.

Vesting – Each eligible participant has immediate, fully vested rights in all employee contributions, rollover contributions and Company-matching contributions. Alion retirement plan contributions to the Plan, and the earnings on such contributions, vest over a five-year period as follows:

- 25% after two years of service;
- 50% after three years of service;
- 75% after four years of service; and
- 100% after five years of service.

Investment Options – The Plan provides for investments in Alion common stock and a variety of mutual funds and pooled separate accounts. As of September 30, 2012, there were 24 non-ESOP investment options available through Principal. The Plan uses the Principal Global Investors Money Market Separate Account as the short-term investment option for the ESOP component to hold contributions until the ESOP Trustee can purchase Alion common stock. All ESOP component contributions and earnings (losses) are used to purchase shares of Alion common stock.

Loans to Participants – Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of the lesser of \$50,000 or 50% of their vested account balance, subject to certain restrictions. A participant may have no more than two loans outstanding at any time. All loans are amortized over a period not to exceed five years, except for loans to purchase or construct a primary residence which are permitted to be repaid over a maximum of fifteen years. Participant loans are secured by the balance in the participant's account and bear a reasonable rate of interest that provides a return commensurate with the prevailing interest rate charged on similar loans by persons in the business of lending money. Participants repay loan principal and interest ratably through payroll deductions.

**ALION SCIENCE AND TECHNOLOGY CORPORATION
EMPLOYEE OWNERSHIP, SAVINGS AND INVESTMENT PLAN**

**NOTES TO FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2012 AND 2011
AND FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Payment of Benefits

Non-ESOP Component

For any event that may result in a distribution of benefits, a participant's benefit is distributed in a single, lump sum payment in cash and is recorded when paid.

ESOP Component

Distributions from the ESOP component are in the form of shares of Alion common stock. Participants can hold or immediately sell distributed shares to the Company. The Company is legally obligated to repurchase shares of its common stock from terminating participants subject to specific rules regarding distributions. The Plan normally pays distributions in substantially equal, annual cash payment installments not to exceed five years.

Distributions as a result of retirement, death, and/or disability begin the earlier of:

- a. the first valuation of the Company's common stock following the participant's retirement, death, and/or disability; or
- b. one year after the end of the Plan year in which the participant's death, disability or retirement occurs.

Distributions as a result of resignation, dismissal, or layoff begin

- a. the sixth Plan year following the participant's resignation, dismissal, or layoff; or
- b. the first valuation of the Company's common stock following the participant's sixty-fifth birthday.

Effective as of May 11, 2011, participants who enter government service may, in limited circumstances, request a lump sum distribution of Alion common stock.

Special Price Protection – A limited number of initial participants who were 55 years of age or older as of December 31, 2002 who requested a distribution prior to January 1, 2008 due to death, disability, or separation from service on or after reaching age 60, can require Alion to purchase the stock allocated to their accounts at the greater of the then-current fair market value of a share of Alion common stock or \$10.00. Special price protection only applies to shares purchased in December 2002.

Diversification –Any participant who is at least age 55 with 10 or more years of participation in the Plan can diversify a portion of his or her ESOP account to other investment options. In each of the first five years thereafter, a participant may diversify up to 25% of his or her ESOP shares, less any shares previously diversified. In the sixth year, the percentage increases to 50%. Years of participation in the Human Factors Applications, Inc. Profit Sharing & 401(k) Plan, Innovative Technology Solutions Corporation 401(k) Profit Sharing Plan and Trust, and John J. McMullen Associates, Inc. Employee Stock Ownership Plan are counted for purposes of diversification.

**ALION SCIENCE AND TECHNOLOGY CORPORATION
EMPLOYEE OWNERSHIP, SAVINGS AND INVESTMENT PLAN**

**NOTES TO FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2012 AND 2011
AND FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Forfeitures – Alion can use terminated employees’ non-vested account balances to reduce future Company contributions and/or pay administrative expenses. Terminated employees forfeited \$125,401 in ESOP and \$179,537 in non-ESOP account balances during the year ended September 30, 2012. Alion used the forfeitures to reduce Plan contributions and to pay Plan expenses.

Termination – Although it has not expressed any intent to do so, Alion has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to ERISA requirements. If the Company were to terminate the Plan, participants would become 100% vested in all Plan account balances. Alion would be required to obtain Internal Revenue Service (IRS) approval to terminate the Plan. Following IRS approval, the Plan would distribute benefits in accordance with Plan distribution provisions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Use of Estimates – The accompanying financial statements are prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan’s management to use 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.

Investment Valuation and Income Recognition – Shares of Alion common stock are valued semi-annually at March 31 and September 30. The estimated fair value of Alion common stock for all purposes under the Plan is determined by the ESOP Trustee based upon a valuation performed by an independent appraiser. Quoted market prices are used to value the mutual funds. The units of pooled separate accounts are stated at fair value as determined by the issuer of the account based on the fair value of the underlying investments. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest is recorded on the accrual basis. Management fees and operating expenses charged to the Plan for investments in the mutual funds and pooled separate accounts are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Subsequent Events – Subsequent events were evaluated through June 18, 2013, the date the financial statements were available to be issued.

Participant Loans – Participant loans are carried at unpaid principal plus accrued interest. ERISA rules require the Plan to report participant loans as plan investments; accordingly these loans are included in Form 5500, Part IV, Schedule H, Line 4(i) Schedule of Assets (Held at End of Year) as well as Form 5500, Part I, Line c (8) Participant Loans.

Administration of Plan Assets – The Plan’s assets, which consist of Alion common stock, mutual funds, pooled separate accounts, participant loans and a contribution receivable, are held by the ESOP Trustee, State Street Bank & Trust Company, and the record-keeper and custodian of the non-ESOP component, Principal. Certain administrative functions are performed by Alion officers or employees who receive no compensation from the Plan. Administrative and trustee expenses are

**ALION SCIENCE AND TECHNOLOGY CORPORATION
EMPLOYEE OWNERSHIP, SAVINGS AND INVESTMENT PLAN**

**NOTES TO FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2012 AND 2011
AND FOR THE YEAR ENDED SEPTEMBER 30, 2012**

to be paid by the Plan. However, the Company may pay for administrative and trustee expenses at its own discretion. For the year ended September 30, 2012, the Company paid all administrative and trustee expenses with the exception of trustee expenses in the amount of \$145,608 which were paid from the Plan's non-ESOP forfeitures account. The IRC requires the Plan to return excess contributions.

Recently Issued Accounting Pronouncements –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 requires categorizing by level items only required to be disclosed at fair value. It requires disclosure about transfers between Level 1 and Level 2. ASU 2011-04 provides guidance on measuring fair value of financial instruments managed within a portfolio including treatment of premiums and discounts. ASU 2011-04 is effective for reporting periods beginning after December 15, 2011. Plan management believes adoption will not have a material effect on the statement of net assets available for benefits or the statement of changes in net assets but has not determined the impact on financial statement disclosures.

3. INVESTMENTS AND INCOME

The fair values of the investments representing five percent or more of the Plan's net assets available for benefits at September 30, 2012 or 2011 were as follows:

	September 30,	
	2012	2011
Alion common stock	\$ 110,739,578	\$ 126,559,547
Principal Money Market Separate Account	23,624,722	31,492,498
Fidelity Contra Fund	16,406,504	*

The Plan's investment in Company common stock as of September 30, 2012 and 2011 has been delineated as follows:

	September 30,	
	2012	2011
Alion Science and Technology Corporation common stock - number of shares	<u>6,731,889</u>	<u>6,041,029</u>
Cost	\$ <u>152,336,527</u>	\$ <u>140,657,982</u>
Fair value	\$ <u>110,739,578</u>	\$ <u>126,559,547</u>

The Plan investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value for the year ended September 30, 2012 as follows:

**ALION SCIENCE AND TECHNOLOGY CORPORATION
EMPLOYEE OWNERSHIP, SAVINGS AND INVESTMENT PLAN**

**NOTES TO FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2012 AND 2011
AND FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Mutual funds:	Domestic stock	\$ 12,792,867
	International stock	364,312
	Fixed income	177
	Bond	3,374,035
	Total mutual funds	<u>16,531,391</u>
Pooled separate accounts:	Domestic stock	8,059,061
	Balanced	5,877,485
	International stock	1,741,645
	Fixed income	(10,944)
	Bond	822,543
	Real estate	615,822
	Total pooled separate accounts	<u>17,105,612</u>
	Alion common stock	<u>(27,139,738)</u>
	Total	<u>\$ 6,497,265</u>

* Investment did not exceed five percent or more of net assets available for benefits at September 30, 2011.

4. FAIR VALUE MEASUREMENTS

The Plan adopted ASC 820 – *Fair Value Disclosures* for all financial assets and liabilities recognized or disclosed at fair value in the financial statements. The Plan adopted the provisions of ASC 820 for nonfinancial assets and liabilities recognized or disclosed at fair value in the financial statements on a recurring basis; no such assets or liabilities exist at the balance sheet date.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. It establishes a fair value hierarchy and a framework which requires categorizing assets and liabilities into one of three levels based on the assumptions (inputs) used in valuing the asset or liability. Level 1 provides the most reliable measure of fair value, while Level 3 generally requires significant management judgment. Level 1 inputs are unadjusted, quoted market prices in active markets for identical assets or liabilities. Level 2 inputs are observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets. Level 3 inputs include unobservable inputs that are supported by little, infrequent, or no market activity and reflect management's own assumptions about inputs used in pricing the asset or liability. The Plan's management uses the following valuation techniques to measure fair value.

Level 1 primarily consists of financial instruments, such as overnight bank re-purchase agreements or money market mutual funds whose value is based on quoted market prices published by a financial institution, an exchange fund, exchange-traded instruments and listed equities.

**ALION SCIENCE AND TECHNOLOGY CORPORATION
EMPLOYEE OWNERSHIP, SAVINGS AND INVESTMENT PLAN**

**NOTES TO FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2012 AND 2011
AND FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Level 2 assets include pooled separate investment accounts and U.S. Government and agency securities whose valuations are based on market prices from a variety of industry-standard data providers or pricing that considers various assumptions, including time value, yield curve, volatility factors, credit spreads, default rates, loss severity, current market and contractual prices for the underlying instruments, and broker and dealer quotes. All are observable in the market or can be derived principally from or corroborated by observable market data for which the Plan is able to obtain independent external valuation information.

Level 3 consists of unobservable inputs. The Plan's investment in Alion common stock is classified as a Level 3 asset. Assets and liabilities are considered Level 3 when their fair value inputs are unobservable or not available, including situations involving limited market activity, where determination of fair value requires significant judgment or estimation. There is no public market for Alion common stock. Thus, there are no publicly observable inputs (share prices) for transactions in Alion common stock.

The following table sets forth by level, within the fair value hierarchy, a summary of the Plan's investments measured at fair value on a recurring basis as of September 30, 2012:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Domestic stock	\$ 56,963,750	\$ -	\$ -	\$ 56,963,750
International stock	2,866,740	-	-	2,866,740
Fixed income	1,703,034			1,703,034
Bond	25,915,870	-	-	25,915,870
Total mutual funds	<u>87,449,394</u>	<u>-</u>	<u>-</u>	<u>87,449,394</u>
Pooled separate accounts:				
Domestic stock	-	35,583,946	-	35,583,946
Balanced	-	36,432,869	-	36,432,869
International stock	-	10,874,867	-	10,874,867
Fixed income	-	23,624,722	-	23,624,722
Bond	-	10,370,188	-	10,370,188
Real estate	-	3,200,566	-	3,200,566
Total pooled separate accounts	<u>-</u>	<u>120,087,158</u>	<u>-</u>	<u>120,087,158</u>
Alion common stock	<u>-</u>	<u>-</u>	<u>110,739,578</u>	<u>110,739,578</u>
Total investments, at fair value	<u>\$ 87,449,394</u>	<u>\$ 120,087,158</u>	<u>\$ 110,739,578</u>	<u>\$ 318,276,130</u>

ALION SCIENCE AND TECHNOLOGY CORPORATION
EMPLOYEE OWNERSHIP, SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2012 AND 2011
AND FOR THE YEAR ENDED SEPTEMBER 30, 2012

The following table sets forth by level, within the fair value hierarchy, a summary of the Plan's investments measured at fair value on a recurring basis as of September 30, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Domestic stock	\$ 46,679,877	\$ -	\$ -	\$ 46,679,877
International stock	2,123,350	-	-	2,123,350
Bond	21,562,832	-	-	21,562,832
Total mutual funds	<u>70,366,059</u>	<u>-</u>	<u>-</u>	<u>70,366,059</u>
Pooled separate accounts:				
Domestic stock	-	26,999,157	-	26,999,157
Balanced	-	28,017,087	-	28,017,087
International stock	-	10,071,641	-	10,071,641
Fixed income	-	31,492,498	-	31,492,498
Bond	-	9,457,310	-	9,457,310
Real estate	-	1,881,387	-	1,881,387
Total pooled separate accounts	<u>-</u>	<u>107,919,080</u>	<u>-</u>	<u>107,919,080</u>
Alion common stock	<u>-</u>	<u>-</u>	<u>126,559,547</u>	<u>126,559,547</u>
Total investments, at fair value	\$ <u>70,366,059</u>	\$ <u>107,919,080</u>	\$ <u>126,559,547</u>	\$ <u>304,844,686</u>

In its fiduciary capacity, the ESOP Trustee is independent of Alion and its management. Consistent with its fiduciary responsibilities, the ESOP Trustee retains an independent third party valuation firm to assist it in determining the fair market value (share price) at which the Plan may acquire or dispose of investments in Alion common stock as all transactions involve related parties.

The ESOP Trust holds all of Alion's outstanding common stock. At each semi-annual valuation date, the Plan adjusts the reported value of its Alion common stock holdings to reflect their current fair value. The Plan's management estimates the value of the ESOP Trust's holdings based in part on information contained in the independent third-party valuation report and on the price(s) at which the ESOP Trust and the Company bought or sold shares of Alion common stock. The valuation report prepared for the ESOP Trustee includes discounted cash flow and market multiple analyses based on significant inputs and assumptions such as estimated future revenue and revenue growth; estimated future operating margins; observable market multiples for comparable companies; and a discount rate consistent with a market-based weighted average cost of capital. There was no change to the methods used to determine fair value for any period presented. The estimated fair value of the Plan's Alion common stock holdings was \$110,739,578 and \$126,559,547 at September 30, 2012 and 2011, respectively.

**ALION SCIENCE AND TECHNOLOGY CORPORATION
EMPLOYEE OWNERSHIP, SAVINGS AND INVESTMENT PLAN**

**NOTES TO FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2012 AND 2011
AND FOR THE YEAR ENDED SEPTEMBER 30, 2012**

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 investment in Alion Science and Technology common stock for the year ended September 30, 2012:

	Alion Science and Technology Common Stock
Balance as of October 1, 2011	\$ 126,559,547
Common stock acquired	16,125,034
Change in contributions receivable	35,293
Transfers and distributions	(4,840,558)
Changes in fair value	(27,139,738)
Balance as of September 30, 2012	\$ 110,739,578

5. NON PARTICIPANT-DIRECTED INVESTMENTS

Information about the net assets and the significant components of the changes in net assets relating to the non-participant-directed investments as of September 30, 2012 and 2011 and for the year ended September 30, 2012, is as follows:

	2012	September 30, 2011
Net Assets - Alion Science and Technology Corporation common stock	\$ 110,739,578	\$ 126,559,547

	September 30, 2012
Changes in net assets:	
Contributions	\$ 16,123,144
Change in contributions receivable	35,293
Rollovers	1,785
Transfer between ESOP and Non-ESOP	(474,402)
Interest	105
Net depreciation	(27,139,738)
Benefits paid to participants	(4,366,156)
Total change in net assets	\$ (15,819,969)

6. FEDERAL INCOME TAX STATUS

The IRS informed Alion by letter dated April 7, 2010, that it determined the Plan, amended and restated effective as of October 1, 2006, and subsequently amended on June 1, 2009, and the related trusts, are designed in accordance with applicable sections of the IRC. The Plan was amended and restated effective as of October 1, 2011. The Company filed an application with the IRS on

**ALION SCIENCE AND TECHNOLOGY CORPORATION
EMPLOYEE OWNERSHIP, SAVINGS AND INVESTMENT PLAN**

**NOTES TO FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2012 AND 2011
AND FOR THE YEAR ENDED SEPTEMBER 30, 2012**

January 17, 2012, to request a determination letter that the amended and restated Plan and related trusts are designed in accordance with applicable sections of the IRC. The Company and the Plan administrator believe the Plan is designed and is currently being operated in compliance with applicable IRC requirements and that no provision for income taxes is necessary.

On January 17, 2012, the Company filed an application under the IRS Voluntary Correction Program regarding allowing optional eligible rollover distributions to non-spouse beneficiaries prior to the date it became mandatory under the Worker, Retiree, and Employer Recovery Act of 2008.

Tax Uncertainties -- Based on the latest available information and the guidance in ASC Topic 740, *Income Taxes*, Plan management periodically assesses the Plan's tax liabilities and contingencies for all periods open to examination by tax authorities. Where Plan management believes there is more than a 50 percent chance a tax position will not be sustained, the Plan records its best estimate of the resulting tax liability, including interest. Plan management has analyzed the Plan's tax positions and has concluded that as of September 30, 2012, the Plan has not taken, nor is it expected to take, any uncertain position that would require it to recognize or disclose a liability in its financial statements.

The Plan is subject to routine federal and/or state income tax audits; no audits for any tax year are in progress. Based on the most recent IRS determination letter, Plan management believes the Plan is no longer subject to examination for years prior to 2010.

7. RELATED-PARTY TRANSACTIONS

The Plan holds Alion Science and Technology Corporation common stock. Alion Science and Technology Corporation is the employer and Plan sponsor. Any transactions in its common stock qualify as party-in-interest transactions. There were 6,731,889 shares of Alion common stock outstanding at September 30, 2012 valued at \$110,739,578. There were 6,041,029 shares outstanding at September 30, 2011 valued at \$126,559,547.

Certain Plan investments are units of pooled separate accounts provided through Principal which is the record-keeper and custodian for the non-ESOP component of the Plan. Transactions in these investments qualify as party-in-interest transactions. Investment fund earnings and losses posted to each Plan participant's account are net of investment management fees charged by each investment fund under the Plan.

8. RISKS AND UNCERTAINTIES

The Plan provides for various investments in cash and cash equivalents, mutual funds, pooled separate accounts and Alion common stock. In general, such investment securities are exposed to various risks, such as significant world events, interest rate, credit, and overall market volatility risks. 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 changes could materially affect the amounts reported in the statements of net assets available for benefits.

**ALION SCIENCE AND TECHNOLOGY CORPORATION
EMPLOYEE OWNERSHIP, SAVINGS AND INVESTMENT PLAN**

**NOTES TO FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2012 AND 2011
AND FOR THE YEAR ENDED SEPTEMBER 30, 2012**

9. PLAN AMENDMENTS

There were no Plan amendments in the year ended September 30, 2012.

FORM 5500, SCHEDULE H, PART IV, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)

PLAN NAME: ALION SCIENCE AND TECHNOLOGY CORPORATION EMPLOYEE OWNERSHIP, SAVINGS AND INVESTMENT PLAN

EIN: 54-2061691; PLAN NUMBER: 001; PLAN YEAR: 10/01/2011 TO 09/30/2012

(a)	(b)	(c)	(d)	(e)
Notes	Identity of issue/borrower, lessor, or similar party	Description of investment, including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current value
(1)	Alion Science and Technology Corporation	Common stock, 6,731,889 shares	\$ 152,336,527	\$ 110,739,578
	Total ESOP Investments			110,739,578
(1)	Principal Money Market Separate Account	Pooled Separate Account	(2)	23,624,722
(1)	Principal Bond and Mortgage Separate Account	Pooled Separate Account	(2)	10,370,188
(1)	Principal Lifetime Strategic Income Separate Account	Pooled Separate Account	(2)	1,534,550
(1)	Principal Lifetime 2010 Separate Account	Pooled Separate Account	(2)	6,305,382
(1)	Principal Lifetime 2020 Separate Account	Pooled Separate Account	(2)	13,354,944
(1)	Principal Lifetime 2030 Separate Account	Pooled Separate Account	(2)	8,486,655
(1)	Principal Lifetime 2040 Separate Account	Pooled Separate Account	(2)	5,504,477
(1)	Principal Lifetime 2050 Separate Account	Pooled Separate Account	(2)	1,246,861
(1)	Edge Asset Mgmt, Inc. Captial Appreciation Sep Account	Pooled Separate Account	(2)	7,633,027
(1)	Principal Large Cap S&P 500 Index Separate Account	Pooled Separate Account	(2)	15,885,518
(1)	Principal Mid Cap Blend Separate Account	Pooled Separate Account	(2)	12,065,401
(1)	Principal Real Estate Securities Separate Account	Pooled Separate Account	(2)	3,200,566
(1)	Principal Diversified International Separate Account	Pooled Separate Account	(2)	10,874,867
	Non-ESOP Pooled Separate Accounts Investments		(2)	120,087,158
	Vanguard Prime Money Market Investor Fund	Mutual Fund	(2)	1,703,034
	Fidelity Capital & Income Fund	Mutual Fund	(2)	15,658,546
	PIMCO Total Return Institutional Fund	Mutual Fund	(2)	10,257,324
	BlackRock Basic Value I Fund	Mutual Fund	(2)	6,418,237
	American Funds Growth Fund of America R4 Fund	Mutual Fund	(2)	13,097,884
	Fidelity Contra Fund	Mutual Fund	(2)	16,406,504
	Goldman Sachs Large Cap Value A Fund	Mutual Fund	(2)	1,216,896
	Eagle Mid Cap Growth I Fund	Mutual Fund	(2)	6,700,469
	Goldman Sachs Mid Cap Value A Fund	Mutual Fund	(2)	4,015,041
	Oppenheimer Main Street Small Cap Y Fund	Mutual Fund	(2)	9,108,719
	Oakmark International I Fund	Mutual Fund	(2)	2,866,740
	Non-ESOP Mutual Funds Investments		(2)	87,449,394
(1)	Various Participants	Loans (436 loans maturing 2012-2027 at interest rates of 3.25%-8.25%)*	(2)	3,740,027
	Total Non-ESOP Investments		(2)	211,276,579
	Grand Total ESOP and Non-ESOP Investments			\$ 322,016,157

(1) Represents party-in-interest.

(2) Cost information omitted for participant-directed investments

* Net of \$274,017 in deemed loan distributions.

See accompanying Independent Auditors' Report.

FORM 5500, SCHEDULE H, PART IV, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)

PLAN NAME: ALION SCIENCE AND TECHNOLOGY CORPORATION EMPLOYEE OWNERSHIP, SAVINGS AND INVESTMENT PLAN

EIN: 54-2061691; PLAN NUMBER: 001; PLAN YEAR: 10/01/2011 TO 09/30/2012

(a)	(b)	(c)	(d)	(e)
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Notes	issue/borrower,	maturity date, rate of interest,	Cost	value
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See accompanying Independent Auditors' Report.