

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2012</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</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>EXELIS SYSTEMS CORPORATION RETIREMENT AND SAVINGS PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>013</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>04/01/1994</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>013</u>	1c Effective date of plan <u>04/01/1994</u>	
1b Three-digit plan number (PN) ▶	<u>013</u>				
1c Effective date of plan <u>04/01/1994</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>EXELIS INC.</u> <u>1650 TYSONS BLVD.</u> <u>MCLEAN, VA 22102</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>45-2083813</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>703-790-6300</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>333200</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>45-2083813</u>	2c Sponsor's telephone number <u>703-790-6300</u>	2d Business code (see instructions) <u>333200</u>	
2b Employer Identification Number (EIN) <u>45-2083813</u>					
2c Sponsor's telephone number <u>703-790-6300</u>					
2d Business code (see instructions) <u>333200</u>					

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

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

SIGN HERE	Filed with authorized/valid electronic signature. Signature of plan administrator	<u>10/15/2013</u> Date	<u>FRANK PELOSO</u> Enter name of individual signing as plan administrator
SIGN HERE	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional) <u>DELOITTE TAX LLP</u> <u>1633 BROADWAY</u> <u>NEW YORK, NY 10019</u>			Preparer's telephone number (optional) <u>212-492-3600</u>

3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☒ Same as Plan Sponsor Address BENEFITS ADMINISTRATION COMMITTEE OF EXELIS INC. EXELIS INC.		3b Administrator's EIN 45-2083813
		3c Administrator's telephone number 703-790-6300
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN
5 Total number of participants at the beginning of the plan year		5 3293
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	2623
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	633
d Subtotal. Add lines 6a , 6b , and 6c	6d	3256
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	3256
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	3256
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	2
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2T 3H		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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) ☒ <u>1</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE A (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	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 <hr/> 2012 <hr/> This Form is Open to Public Inspection
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

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

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

(a) Name of insurance carrier

PRUDENTIAL RETIREMENT INSURANCE & ANNUITY CO.

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
<u>06-1050034</u>	<u>93629</u>	<u>36645-001</u>	<u>3256</u>	<u>01/01/2012</u>	<u>12/31/2012</u>

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 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
<u>0</u>	<u>196801</u>

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

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

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

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
<u>0</u>	<u>196801</u>	<u>SERVICES TO INSURER OR PLAN</u>	<u>4</u>

(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
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(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	38257307
5 Current value of plan's interest under this contract in separate accounts at year end	5	64573661

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

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

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

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

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

b Balance at the end of the previous year	7b	37878070
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c Additions: (1) Contributions deposited during the year	7c(1)	4854802	
(2) Dividends and credits	7c(2)		
(3) Interest credited during the year	7c(3)	844243	
(4) Transferred from separate account	7c(4)	1817995	
(5) Other (specify below)	7c(5)	781636	

▶ **LOAN REPAYMENTS TRANSFERS IN MISCELLANEOUS IN**

(6) Total additions	7c(6)	8298676
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d Total of balance and additions (add lines 7b and 7c(6))	7d	46176746
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	5343484	
(2) Administration charge made by carrier	7e(2)	6136	
(3) Transferred to separate account	7e(3)	1572982	
(4) Other (specify below)	7e(4)	996837	

▶ **LOAN INITIATIONS, TRANSFERS OUT MISCELLANEOUS OUT
FORFEITURE DEBITS**

(5) Total deductions	7e(5)	7919439
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f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	38257307
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Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(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, line 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
		2012
		This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

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

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation PRUDENTIAL RETIREMENT INSURANCE 06-1050034
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(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

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

PRUDENTIAL RETIREMENT INSURANCE

06-1050034

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 15 37 38 50 60 64	NONE	52399	Yes ☒ No ☐	Yes ☐ No ☒	0	Yes ☒ No ☐

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

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
PRUDENTIAL RETIREMENT INSURANCE	15 64	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PRUDENTIAL RETIREMENT INSURANCE 06-1050034	40.00 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/12 TO 12/31/12 GUARANTEED INCOME FUND	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection.
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

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

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MID CAP GROWTH/ARTISAN</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-185</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>5649575</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MID CAP VALUE/WELL MGMT</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-187</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>2036448</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>CORE PLUS BOND/PIMCO</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-299</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>3364617</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SMALL CAP GROWTH/TIMESSQ</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-132</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>3616557</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SMALL CAP BLEND/WHV FUND</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-254</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LARGE CAP VALUE /AJO FUND</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-129</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>2323643</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SM CAP VAL /AMER CENT FUND</u>			
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>			
c EIN-PN <u>06-1050034-126</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: RETIREMENT GOAL 2040**b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-346	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3784496
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a Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT GOAL 2020**b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-344	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 6266720
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a Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT GOAL 2050**b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-450	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3892307
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a Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT GOAL 2030**b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-345	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 10445305
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a Name of MTIA, CCT, PSA, or 103-12 IE: SA/T ROWE PR GR STK STRAT**b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-435	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 5430642
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a Name of MTIA, CCT, PSA, or 103-12 IE: SA/OFFII GLOBAL STRATEGY**b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-308	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3745915
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a Name of MTIA, CCT, PSA, or 103-12 IE: DRYDEN S & P 500 INDEX FUND**b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-123	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 5747604
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a Name of MTIA, CCT, PSA, or 103-12 IE: RETIREMENT GOAL 2010 FUND**b** Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-343	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 6498682
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection
For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012		
A Name of plan EXELIS SYSTEMS CORPORATION RETIREMENT AND SAVINGS PLAN		B Three-digit plan number (PN) ► 013
C Plan sponsor's name as shown on line 2a of Form 5500 EXELIS INC.		D Employer Identification Number (EIN) 45-2083813

Part I Asset and Liability Statement			
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)	0	308510
(2) Participant contributions	1b(2)	0	107437
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	3761237	3503355
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)	54217340	62802511
(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)	0	6069897
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	37878070	38257307
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	95856647	111049017

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	95856647	111049017
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	7388624	
(B) Participants	2a(1)(B)	10695190	
(C) Others (including rollovers)	2a(1)(C)	935636	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		19019450
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	156290	
(F) Other	2b(1)(F)	844243	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		1000533
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	36075	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		36075
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		8064367
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		233568
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		28353993

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	13079321	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		13079321
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		29903
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	52399	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		52399
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		13161623

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		15192370
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

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

(1) Name: DELOITTE & TOUCHE LLP

(2) EIN: 13-3891517

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

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

Part IV Compliance Questions

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

During the plan year:

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.).....

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.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		15000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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)

Part V Trust Information (optional)

6a Name of trust

6b Trust's EIN

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 2012 This Form is Open to Public Inspection.
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>22-1211670</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 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 lines 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 lines 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 lines 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 lines 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 lines 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 line 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 lines (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 line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Exelis Systems Corporation Retirement and Savings Plan

Sponsor EIN: 45-2083813
Plan Number: 013

Financial Statements as of December 31, 2012 and
2011, and for the Year Ended December 31, 2012,
and Supplemental Schedule as of December 31,
2012, and Independent Auditors' Report

EXELIS SYSTEMS CORPORATION RETIREMENT AND SAVINGS PLAN

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

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Exelis Systems Corporation Retirement and Savings Plan (the "Plan"), which comprise the statements of assets available for benefits as of December 31, 2012 and 2011, and the related statement of changes in assets available for benefits for the year ended December 31, 2012, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Prudential Bank & Trust, F.S.B., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained certifications from the trustee as of December 31, 2012 and 2011, and for the year ended December 31, 2012, that the information provided to the Plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

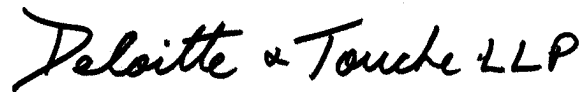
Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedule of assets (held at end of year) as of December 31, 2012 is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

Report on Form and Content in Compliance with Department of Labor Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

The image shows a handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

October 15, 2013

EXELIS SYSTEMS CORPORATION RETIREMENT AND SAVINGS PLAN

STATEMENTS OF ASSETS AVAILABLE FOR BENEFITS AS OF DECEMBER 31, 2012 AND 2011

	2012	2011
ASSETS:		
Participants — directed investments at fair value:	<u>\$ 107,129,715</u>	<u>\$ 92,095,410</u>
	<u>107,129,715</u>	<u>92,095,410</u>
Receivables:		
Employer	308,510	
Participant	107,437	
Notes receivable from participants	<u>3,533,483</u>	<u>3,761,462</u>
Total receivables	<u>3,949,430</u>	<u>3,761,462</u>
ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 111,079,145</u></u>	<u><u>\$ 95,856,872</u></u>

See notes to financial statements.

EXELIS SYSTEMS CORPORATION RETIREMENT AND SAVINGS PLAN

STATEMENT OF CHANGES IN ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED DECEMBER 31, 2012

INVESTMENT ACTIVITY:

Net appreciation in fair value of investments	\$ 8,297,935	
Interest income	<u>880,318</u>	
Total net investment activity		<u>9,178,253</u>
Interest income on notes receivable from participants		<u>156,290</u>

CONTRIBUTIONS:

Participant	10,695,190	
Employer	7,388,624	
Rollovers	<u>935,636</u>	
Total contributions		<u>19,019,450</u>

DEDUCTIONS:

Benefits paid to participants	(13,079,321)	
Administrative expenses	<u>(52,399)</u>	
Total deductions		<u>(13,131,720)</u>

INCREASE IN ASSETS AVAILABLE FOR BENEFITS	15,222,273
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ASSETS AVAILABLE FOR BENEFITS — Beginning of year	<u>95,856,872</u>
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ASSETS AVAILABLE FOR BENEFITS — End of year	<u><u>\$ 111,079,145</u></u>
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See notes to financial statements.

EXELIS SYSTEMS CORPORATION RETIREMENT AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2012 AND 2011, AND FOR THE YEAR ENDED DECEMBER 31, 2012

1. DESCRIPTION OF THE PLAN

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

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

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

Eligibility — An “Eligible Employee” means an Employee described in (a) below excluding any Employee described in (b) below.

(a) An Eligible Employee is any Employee of the Employer included in a benefit group or project (i.e., SCA contract, union or management group) specified in Appendix A who satisfies either (1),(2) or, effective May 7, 2012, (3) below, but who is not otherwise excluded under (b) below:

(1) An Employee who is paid from a payroll maintained in the continental United States, Hawaii or Alaska and whose place of employment is within the continental United States, Hawaii or Alaska.

(2) An Employee who is not eligible under (1) above and is paid in United States currency and is a United States citizen or tax resident as defined in Section 7701(b) of the Internal Revenue Code (the “Code”).

(3) Effective May 7, 2012, an Employee who is not eligible under (1) above and who is not eligible under (2) above solely because he is not paid in United States currency, provided:

(A) He is paid in the currency prescribed under the applicable contract;

(B) He is a United States citizen or tax resident as defined in Section 7701(b) of the Code; and

(C) He is subject to United States employment and income taxes and his United States employment and income taxes and his contributions to employee benefit plans are calculated and deducted from pay on the basis of United States currency. If such Employee’s status is subsequently reclassified so that he is subject to employment or other residency tax obligations in his host country, he shall immediately cease to be an Eligible Employee.

(b) Notwithstanding anything contained herein to the contrary an Eligible Employee does not include:

- (1) An Employee who is eligible to participate in any other 401(k) plan sponsored by the Employer or any Affiliated Employer, including but not limited to a salaried Employee classified by the Employer as a management-benefited employee who is eligible to participate in the Exelis Salaried Investment and Savings Plan and including any employee who is eligible to participate in a multiemployer plan to which the Employer or any Affiliated Employer is obligated to remit and/or make contributions;
- (2) An Employee working in Puerto Rico;
- (3) A salaried employee who is classified as a non-Exelis management-benefited employee (non-ITT management-benefited employee prior to October 31, 2011) of Pacific Missile Range Facility ("PMRF") who is considered a temporary Employee (i.e., a CAT III employee as defined in the PMRF contract);
- (4) An Employee working for Federal Services International, LTD; or
- (5) An Employee of an Affiliated Employer, unless such Affiliated Employer has adopted the Plan pursuant to Section 12.03.

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

Participant Contributions — Participants can contribute on a pre-tax basis, as permitted by Section 401(k) of the Code, an amount from 1% to 70% of their compensation as defined by the Plan, limited by the requirements of the Code. Participants can also make Roth contributions. Roth contributions are deducted on an after taxes basis. Employees may contribute "rollover" contributions from another qualified plan upon becoming an eligible employee. Participation in employee contributions may begin the first day of the month following the completion of 30 days of employment from date of hire.

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

Participant Accounts — Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contribution, the Employer's matching contribution, and allocations of Employer non-matching contributions, and Plan earnings, and charged with withdrawals and an allocation of Plan losses and administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

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

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

Notes Receivable from Participants — Participants may borrow from their fund account balance in any whole dollar amount which must be a minimum of \$1,000 up to a maximum of the lesser of \$50,000 or 50% of the participant's vested interest in their account, reduced by the highest outstanding loan balance, if any, during the prior 12 month period. Loan terms range up to 4 years. A participant who is using loan for the purchase of a primary residence may elect to repay the loan over a period of whole years between 1 and 9. A Participant's Roth Account balance will be taken into consideration for purposes of calculating a Participant's available loan balance; however, loans may not be taken from the Participant's Roth Account. The interest rate for loans issued by the Plan shall be computed by adding one percent to the prime rate from the Wall Street Journal for the last business day of the quarter preceding the quarter in which the loan is processed. Principal and interest are paid ratably through payroll deductions. Participants may have one loan outstanding at any given time. The interest rate is determined at the time the loan is processed, and shall remain in effect for the term of the loan with the exception of loans while the participant is on leave under the Uniformed Services Employment and Reemployment Rights Act.

Payments of Benefits — On termination of employment (including death, disability, or retirement), a participant or his/her surviving spouse beneficiary may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his/her account paid in cash or as a rollover to another qualified plan or an individual retirement account, or periodic payments under one of two alternative installment options. In any case, a participant or his/her surviving spouse beneficiary whose vested account balance is more than \$5,000 may elect to keep his/her account balance in the Plan until the year in which the participant reaches/would have reached age 70½.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Risks and Uncertainties — The Plan utilizes various investment instruments, including mutual funds, pooled separate accounts and group annuity. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

Investment Valuation and Income Recognition — The Plan's investments are measured at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market members at the measurement date (i.e. an exit price). In accordance with GAAP, the guaranteed income fund is to be included at fair value in participant-directed investments in the statements of net assets available for benefits, and an additional line item is to be presented representing the adjustment from fair value to contract value. Since fair value

approximates contract value, no additional line is presented. The statement of changes in net assets available for benefits is presented on a contract value basis.

A more detailed description of the individual types of securities can be found in Note 3. During 2012 and 2011, the Plan offered investment options in various mutual funds, pooled separate accounts and a guaranteed income fund (GIF).

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

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

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

New Accounting Standards — The accounting standard initially adopted in 2011 is described below.

ASU No. 2011-04 — In May 2011, the FASB issued ASU No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*, which amends ASC 820. ASU 2011-04 also requires the categorization by level for items that are only required to be disclosed at fair value and information about transfers between Level 1 and Level 2. In addition, the ASU provides guidance on measuring the fair value of financial instruments managed within a portfolio and the application of premiums and discounts on fair value measurements. The ASU requires additional disclosure for Level 3 measurements regarding the sensitivity of fair value to changes in unobservable inputs and any interrelationships between those inputs. The effect of the adoption of ASU2011-04 had no impact on the Plan's statements of assets available for benefits and statement of changes in assets available for benefits.

3. FAIR VALUE MEASUREMENT

Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, provides a framework for measuring fair value. This framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, as follows: Level 1, which refers to securities valued using unadjusted quoted prices from active markets for identical assets and liabilities; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available or quoted prices in an active market for similar assets and liabilities; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Asset Valuation Techniques — Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

- *Mutual funds* — Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

- *Pooled separate accounts (“PSAs”)* — Fair value is estimated based on NAV, which is used as a practical expedient to estimate fair value. There are no unfunded commitments related to the PSAs and investments in PSAs can be redeemed on a daily basis and consequently are classified as Level 2.
- *Guaranteed income fund* — Investment in the fully benefit-responsive GIF contract is stated at fair value and then adjusted to contract value. Fair value of the GIF is determined by comparing the average yields of comparable instruments in the market with the yield of the GIF. Contract value represents contributions made under the contract, plus earnings, less the withdrawals and administrative expenses. Contract value approximates fair value.

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 at December 31, 2012 and 2011. Subsequent to the issuance of the Plan’s 2011 financial statements, the Plan’s management determined that the 2011 amount related to the GIF was incorrectly included in the fixed income line. The 2011 amount has been restated from the amounts previously reported to present the GIF on a separate line in the table. Additionally, certain required disclosures regarding the GIF have been added to Note 6, Investments.

Fair Value Measurements at December 31, 2012				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Prudential Financial Group				
Pooled Separate Accounts:				
Fixed Income	\$ -	\$ 3,364,617	\$ -	\$ 3,364,617
Large Cap		13,501,888		13,501,888
International Stock		3,745,915		3,745,915
Mid Cap		7,686,023		7,686,023
Small Cap		3,616,557		3,616,557
Target Fund		30,887,511		30,887,511
Mutual Funds	6,069,897			6,069,897
Guaranteed Income Fund		38,257,307		38,257,307
Total	<u>\$ 6,069,897</u>	<u>\$ 101,059,818</u>	<u>\$ -</u>	<u>\$ 107,129,715</u>

Fair Value Measurements at December 31, 2011				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Prudential Financial Group				
Pooled Separate Accounts:				
Fixed Income	\$ -	\$ 1,581,682	\$ -	\$ 1,581,682
Large Cap		10,425,516		10,425,516
International Stock		4,440,722		4,440,722
Mid Cap		5,952,409		5,952,409
Small Cap		6,708,016		6,708,016
Target Fund		24,108,995		24,108,995
Guaranteed Income Fund		38,878,070		38,878,070
Total	\$ -	\$ 92,095,410	\$ -	\$ 92,095,410

Transfers Between Levels — The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluate the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. There were no transfers between levels for the years ended December 31, 2012 and 2011.

4. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Plan investments include shares mutual funds, PSAs and guaranteed income fund managed by Prudential. Prudential is the trustee, as defined by the Plan and, therefore, these transactions qualify as party-in-interest.

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

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

5. INFORMATION CERTIFIED BY THE TRUSTEE

The following is a summary of the unaudited information regarding the Plan as of December 31, 2012 and 2011 and for the year ended December 31, 2012 included in the Plan's financial statements and supplemental schedule, that was prepared by or derived from information prepared by Prudential, the trustee of the Plan, and furnished to the Plan administrator. The Plan administrator has obtained certifications from the trustee that such information is complete and accurate.

	2012	2011
Statements of assets available for benefits —		
Participant directed investments:	\$ 107,129,715	\$ 92,095,410
Statement of change in assets available for benefits:		
Net appreciation in fair value of investments	8,297,935	
Interest income	880,318	
Interest income on notes receivable	156,290	

All investment balances and investment information in Notes 3 and 6, except for the classification of each investment in the fair value hierarchy as of December 31, 2012 and 2011 as disclosed in Note 3.

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

6. INVESTMENTS

The Plan's investments that represented 5% or more of the Plan's assets available for benefits as of December 31, 2012 and 2011 are as follows:

	2012	2011
* Guaranteed Income Fund, 687,668 and 696,339 shares, respectively	\$ 38,257,307	\$ 37,878,070
* Retirement Goal 2030, 538,489 and 499,750 shares, respectively	10,445,305	8,520,371
* Retirement Goal 2010, 360,863 and 303,101 shares, respectively	6,498,682	5,064,171
* Retirement Goal 2020, 323,183 and 499,750 shares, respectively	6,266,720	4,793,177
* Dryden S&P 500 Index Fund, 60,805 shares	5,747,604	**
* Mid Cap Growth, 295,942 shares	5,649,575	**

* Permitted party-in-interest

** Not over 5%

During the year ended December 31, 2012, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$8,297,935 as follows:

Fixed Income	\$ 265,177
Large Cap	1,807,390
International Stock	644,712
Mid Cap	1,242,758
Small Cap	958,514
Target Fund	3,145,816
Mutual Funds	<u>233,568</u>
Net appreciation in fair value of investments	<u>\$ 8,297,935</u>

Investment Contract with Insurance Company

The Plan has a guaranteed income fund contract with Prudential that represents 35.71% of total investments. Amounts contributed to the contract are deposited into Prudential's general account. Contract value represents all amounts contributed to the general account under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. At December 31, 2012 and 2011, fair value of the GIF approximated contract value as reported to the Plan by Prudential. Plan management believes that the occurrence of events that would cause the Plan to transact at less than contract value is not probable at December 31, 2012. Prudential may not terminate the contract at any amount less than contract value.

Interest is credited on contract balances using a single "portfolio rate" approach. Under this methodology, a single interest crediting rate is applied to all contributions made to the product regardless of the timing of those contributions. Interest crediting rates are reviewed on a semi-annual basis for resetting.

The following factors are considered in setting the rate; economic and market conditions, the general interest rate environment and both the expected and actual experience of a reference portfolio within the issuer's general account. These rates are established without the use of a specific formula. The minimum crediting rate under the contract is 1.50%.

Limitations on the Ability of the GIF to Transact at Contract Value

Pool Transfer Limitation — Whenever an amount to be transferred, distributed, or disbursed from the general account exceeds 10% of the total assets in the general account on January 1 of the year of the transfer, distribution, or disbursement, the amount may be deferred by Prudential. Interest will be credited on deferred amounts.

Discontinuance Transfer Limitation — In the event the GIF is discontinued there may be a deferral of distributed amounts. Distributions in excess of 10% of the general account balance may be deferred.

	2012	2011
Average Yields:		
Average yield earned by the Plan (1)	2.2 %	2.6 %
Average yield credited to participants (2)	2.2	2.6

- (1) Computed by dividing the earnings credited to the Plan on the last day of the Plan year by the end of Plan year fair value and then annualizing the result.
- (2) Computed by dividing the earnings credited to the participants on the last day of the Plan year by the end of the Plan year fair value and then annualizing the result.

7. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of assets available for benefits per the Statements of Assets Available for Benefits to the net assets available for benefits per Form 5500 as of December 31, 2012 and 2011:

	2012	2011
Assets available for benefits from the Statements of Assets Available for Benefits	\$ 111,079,145	\$ 95,856,872
Less: Amounts deemed distributed for tax purposes	<u>(30,128)</u>	<u>(225)</u>
Assets available for benefits from Form 5500	<u>\$ 111,049,017</u>	<u>\$ 95,856,647</u>

The following is a reconciliation of the increase in assets from the Statement of Changes in Assets Available for Benefits to the Form 5500 for the year ended December 31, 2012:

Increase in assets available for benefits from the Statement of Changes in Assets Available for Benefits	\$ 15,222,273
Add: Amounts deemed distributed for tax purposes, December 31, 2011	225
Less: Amounts deemed distributed for tax purposes, December 31, 2012	<u>(30,128)</u>
Net income from Form 5500	<u>\$ 15,192,370</u>

8. PLAN TERMINATION

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

9. FEDERAL INCOME TAX STATUS

The Internal Revenue Service ("IRS") has determined and informed the Plan administrator by a letter dated October 16, 2012, that the Plan is qualified and therefore is tax-exempt, under the appropriate sections of the Code.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is not subject to income tax examinations for years prior to 2011 because of the Spin-off. The Company became the Plan's sponsor effective October 31, 2011. ITT, the prior sponsor of the Plan, may be subject to income tax examinations for years prior to 2011. The Company and ITT entered into a Tax Matters Agreement, which generally provides that ITT shall indemnify the Company for consolidated income taxes relating to any pre Spin-off period up to a certain amount.

10. SUBSEQUENT EVENTS

For the year ended December 31, 2012, subsequent events were evaluated through October 15, 2013, the date the financial statements were available to be issued.

* * * * *

SUPPLEMENTAL SCHEDULE

EXELIS SYSTEMS CORPORATION RETIREMENT AND SAVINGS PLAN

FORM 5500, SCHEDULE H, PART IV, LINE 4i — SCHEDULE OF ASSETS
(HELD AT END OF YEAR)
AS OF DECEMBER 31, 2012

EIN #45-2083813
Plan #013

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
*	PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY:			
	Group Annuity	Guaranteed Income Fund	**	\$ 38,257,307
	Pooled Separate Accounts	Dryden S&P 500 Index Fund	**	5,747,604
	Pooled Separate Accounts	Retirement Goal 2040	**	3,784,496
	Pooled Separate Accounts	T Rowe Price Growth Stock	**	5,430,642
	Pooled Separate Accounts	Core Plus Bond/ PIMCO	**	3,364,617
	Pooled Separate Accounts	Small Capital Growth/Timessquare	**	3,616,557
	Mutual Funds	AM Fund EuroPacific Growth	**	1,771,150
	Pooled Separate Accounts	Retirement Goal 2020	**	6,266,720
	Mutual Funds	Small Cap Value Select	**	2,799,183
	Mutual Funds	Small Cap Index	**	1,499,564
	Pooled Separate Accounts	Oppenheimer Global Fund	**	3,745,915
	Pooled Separate Accounts	Middle Capital Value/Well Management	**	2,036,448
	Pooled Separate Accounts	Middle Capital Growth/Artisan	**	5,649,575
	Pooled Separate Accounts	Large Capital Value/John A. Levin	**	2,323,643
	Pooled Separate Accounts	Retirement Goal 2050	**	3,892,307
	Pooled Separate Accounts	Retirement Goal 2030	**	10,445,305
	Pooled Separate Accounts	Retirement Goal 2010	**	<u>6,498,682</u>
	Total Investments			107,129,715
*	PARTICIPANT LOANS — Participant loans receivable			
		Loans to participants with interest rates ranging between 4.25% and 9.25% with various dates of maturity from January 27, 2012 through May 5, 2021 (net of deemed distributions of \$30,128)	**	<u>3,503,355</u>
	TOTAL ASSETS			<u><u>\$ 110,633,070</u></u>

* Represents a party-in-interest

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

See accompanying independent auditors report

Form 5500Department of the Treasury
Internal Revenue ServiceDepartment 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**2012****This Form is Open to Public Inspection****Part I Annual Report Identification Information**

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

- 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 Exelis Systems Corporation Retirement and Savings Plan**1b** Three-digit plan number (PN) ► 013**1c** Effective date of plan 04/01/1994**2a** Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)
Exelis Inc.**2b** Employer Identification Number (EIN)
45-2083813**2c** Sponsor's telephone number
(703) 790-6300**2d** Business code (see instructions)
333200

1650 Tysons Blvd.

McLean

VA 22102

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		10/10/13	Frank Peloso
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE		10/10/13	Greg Kudla
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional) Deloitte Tax LLP 1633 Broadway New York NY 10019			Preparer's telephone number (optional) (212) 492-3600

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

Form 5500 (2012)
v. 120126

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN		
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:		3c Administrator's telephone number		
a Sponsor's name		4b EIN		
5 Total number of participants at the beginning of the plan year		4c PN		
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a, 6b, 6c, and 6d).		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;">5</td> <td style="width: 95%; text-align: right;">3,293</td> </tr> </table>	5	3,293
5	3,293			
a Active participants		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;">6a</td> <td style="width: 95%; text-align: right;">2,623</td> </tr> </table>	6a	2,623
6a	2,623			
b Retired or separated participants receiving benefits		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;">6b</td> <td style="width: 95%; text-align: right;">0</td> </tr> </table>	6b	0
6b	0			
c Other retired or separated participants entitled to future benefits		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;">6c</td> <td style="width: 95%; text-align: right;">633</td> </tr> </table>	6c	633
6c	633			
d Subtotal. Add lines 6a, 6b, and 6c		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;">6d</td> <td style="width: 95%; text-align: right;">3,256</td> </tr> </table>	6d	3,256
6d	3,256			
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;">6e</td> <td style="width: 95%; text-align: right;">0</td> </tr> </table>	6e	0
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f Total. Add lines 6d and 6e.		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;">6f</td> <td style="width: 95%; text-align: right;">3,256</td> </tr> </table>	6f	3,256
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g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;">6g</td> <td style="width: 95%; text-align: right;">3,256</td> </tr> </table>	6g	3,256
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h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;">6h</td> <td style="width: 95%; text-align: right;">2</td> </tr> </table>	6h	2
6h	2			
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;">7</td> <td style="width: 95%;"></td> </tr> </table>	7	
7				
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2T 3H				
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:				

9a Plan funding arrangement (check all that apply) <table style="width: 100%;"> <tr> <td style="width: 5%;">(1)</td> <td style="width: 5%;">☒</td> <td>Insurance</td> </tr> <tr> <td>(2)</td> <td>☐</td> <td>Code section 412(e)(3) insurance contracts</td> </tr> <tr> <td>(3)</td> <td>☒</td> <td>Trust</td> </tr> <tr> <td>(4)</td> <td>☐</td> <td>General assets of the sponsor</td> </tr> </table>	(1)	☒	Insurance	(2)	☐	Code section 412(e)(3) insurance contracts	(3)	☒	Trust	(4)	☐	General assets of the sponsor	9b Plan benefit arrangement (check all that apply) <table style="width: 100%;"> <tr> <td style="width: 5%;">(1)</td> <td style="width: 5%;">☒</td> <td>Insurance</td> </tr> <tr> <td>(2)</td> <td>☐</td> <td>Code section 412(e)(3) insurance contracts</td> </tr> <tr> <td>(3)</td> <td>☒</td> <td>Trust</td> </tr> <tr> <td>(4)</td> <td>☐</td> <td>General assets of the sponsor</td> </tr> </table>	(1)	☒	Insurance	(2)	☐	Code section 412(e)(3) insurance contracts	(3)	☒	Trust	(4)	☐	General assets of the sponsor			
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)																												
a Pension Schedules <table style="width: 100%;"> <tr> <td style="width: 5%;">(1)</td> <td style="width: 5%;">☒</td> <td>R (Retirement Plan Information)</td> </tr> <tr> <td>(2)</td> <td>☐</td> <td>MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary</td> </tr> <tr> <td>(3)</td> <td>☐</td> <td>SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary</td> </tr> </table>	(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 <table style="width: 100%;"> <tr> <td style="width: 5%;">(1)</td> <td style="width: 5%;">☒</td> <td>H (Financial Information)</td> </tr> <tr> <td>(2)</td> <td>☐</td> <td>I (Financial Information - Small Plan)</td> </tr> <tr> <td>(3)</td> <td>☒</td> <td>A (Insurance Information)</td> </tr> <tr> <td>(4)</td> <td>☒</td> <td>C (Service Provider Information)</td> </tr> <tr> <td>(5)</td> <td>☒</td> <td>D (DFE/Participating Plan Information)</td> </tr> <tr> <td>(6)</td> <td>☐</td> <td>G (Financial Transaction Schedules)</td> </tr> </table>	(1)	☒	H (Financial Information)	(2)	☐	I (Financial Information - Small Plan)	(3)	☒	A (Insurance Information)	(4)	☒	C (Service Provider Information)	(5)	☒	D (DFE/Participating Plan Information)	(6)	☐	G (Financial Transaction Schedules)
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Plan Name	Exelis Systems Corporation Retirement And Savings Plan
Plan Sponsor EIN	45-2083813
ERISA Plan #	013
Plan Year Ending	12/31/2012

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

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

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