Booz Allen Hamilton Holding Corp
Form 424B4
November 18, 2010

Filed pursuant to 424(b)(4)
Registration No. 333-167645

14,000,000 Shares

Class A Common Stock

This is an initial public offering of Class A common stock of Booz Allen Hamilton Holding Corporation. We are offering 14,000,000 shares of Class A common stock to be sold in this offering. No public market currently exists for our Class A common stock. The initial public offering price of our Class A common stock is $17.00 per share.

We have been approved to list our Class A common stock on the New York Stock Exchange under the symbol BAH.

Investing in our Class A common stock involves risks. See Risk Factors beginning on page 16 of this prospectus.

	Per Share	Total
Initial public offering price	$ 17.0000	$ 238,000,000
Underwriting discounts and commissions	$ 1.0625	$ 14,875,000
Proceeds, before expenses, to us	$ 15.9375	$ 223,125,000

The underwriters also may purchase up to 2,100,000 additional shares from us at the initial offering price less the underwriting discounts and commissions to cover over-allotments, if any.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares to purchasers on or about November 22, 2010.

Morgan Stanley **Barclays Capital**

BofA Merrill Lynch **Credit Suisse**

Stifel Nicolaus Weisel

BB&T Capital Markets	**Lazard Capital Markets**	**Raymond James**

November 16, 2010.

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You should rely only on the information contained in this prospectus or any free writing prospectus prepared by or on behalf of us or to which we have referred you. Neither we nor the underwriters have authorized anyone to provide you with additional or different information. Neither this prospectus nor any free writing prospectus is an offer to sell anywhere or to anyone where or to whom we are not permitted to offer or to sell securities under applicable law. The information in this prospectus or any free writing prospectus is accurate only as of the date of this prospectus or such free writing prospectus, as applicable.

MARKET, INDUSTRY AND OTHER DATA

Information in this prospectus about each of the U.S. government defense, intelligence and civil markets, including our general expectations concerning those markets, our position within those markets and the amount of spending by the U.S. government on private contractors in any of those markets, is based on estimates prepared using data from independent industry publications, reports by market research firms, other published independent sources, including the U.S. government, and our good faith estimates and assumptions, which are derived from such data and our knowledge of and experience in these markets. Data provided by Bloomberg Finance L.P. cited in this prospectus is based on data from the Federal Procurement Data System. Although we believe these sources are credible, we have not verified the data or information obtained from these sources. By including such market data and industry information, we do not undertake a duty to provide such data in the future or to update such data if it is updated. Our estimates, in particular as they relate to our general expectations concerning the U.S. government defense, intelligence and civil markets, have not been verified by any independent source and involve risks and uncertainties and are subject to change based on various factors, including those discussed under the caption Risk Factors.

In several places in this prospectus, we present our compound annual growth rate, or CAGR, for our revenue over the last 15 fiscal years. We calculated our CAGR as our annualized revenue growth over the 15-year period taking into account the effects of annual compounding. We believe that a 15-year CAGR is an appropriate measurement of our growth because it demonstrates the rate at which we have grown our business over a meaningful period of time. The revenue data for the first ten years of the 15-year period was derived directly from our accounting system (JAMIS) because as a privately owned company we were not required to and did not prepare comparable financial statements in accordance with U.S. Generally Accepted Accounting Principles, or GAAP, for those periods. The revenue data for the last five years of the 15-year period was derived directly from our consolidated financial statements, which were prepared in accordance with GAAP.

SUPPLEMENTAL INFORMATION

Unless the context otherwise indicates or requires, as used in this prospectus, references to: (i) we, us, our or our company refer to Booz Allen Hamilton Holding Corporation, its consolidated subsidiaries and predecessors; (ii) Booz Allen Holding or issuer refers to Booz Allen Hamilton Holding Corporation exclusive of its subsidiaries; (iii) Booz Allen Investor refers to Booz Allen Hamilton Investor Corporation, a wholly-owned subsidiary of Booz Allen Holding; (iv) Booz Allen Hamilton refers to Booz Allen Hamilton Inc., our primary operating company and a wholly-owned subsidiary of Booz Allen Holding; (v) fiscal, when used in reference to any twelve-month period ended March 31, refers to our fiscal years ended March 31; and (vi) pro forma 2009 refers to our unaudited pro forma results for the twelve months ended March 31, 2009, assuming the acquisition of Booz Allen Hamilton by Explorer Coinvest LLC, an entity controlled by The Carlyle Group and certain of its affiliated investment funds, had been completed as of April 1, 2008. Unless otherwise indicated, information contained in the prospectus is as of September 30, 2010.

We are organized and operate as a corporation. Our use of the term partnership in this prospectus reflects our collaborative culture, and our use of the term partner in this prospectus refers to our Chairman and our Executive and Senior Vice Presidents. The use of the terms partnership and partner is not meant to create any implication that we operate our company as, or have any intention to create a legal entity that is, a partnership.

Booz Allen Hamilton®, Transformation Life Cycle™, the Booz Allen Hamilton logo, and other trademarks or service marks of Booz Allen Hamilton Inc. appearing in this prospectus are property of Booz Allen Hamilton Inc. Trade names, trademarks and service marks of other companies appearing in this prospectus are the property of their respective owners.

We have made rounding adjustments to reach some of the figures included in this prospectus and, unless otherwise indicated, percentages presented in this prospectus are approximate.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider before investing in our Class A common stock. You should read the entire prospectus carefully, including the Risk Factors section and our consolidated financial statements and the notes to those statements, before making an investment decision. Some of the statements in this summary constitute forward-looking statements. See Special Note Regarding Forward-Looking Statements.

Overview

We are a leading provider of management and technology consulting services to the U.S. government in the defense, intelligence and civil markets. Founded in 1914 by Edwin Booz, we have expanded beyond our management consulting foundation to develop deep expertise in technology, engineering and analytics. We began serving the U.S. government in 1940 by advising the Secretary of the Navy in preparation for World War II. Today, our approximately 25,100 people serve substantially all of the cabinet-level departments of the U.S. government and have strong and longstanding relationships with a diverse group of other organizations at all levels of the U.S. government. We support our clients in addressing complex and pressing challenges such as combating global terrorism, improving cyber capabilities, transforming the healthcare system, improving efficiency and managing change within the government and protecting the environment. We have grown our revenue organically, without relying on acquisitions, at an 18% CAGR over the 15-year period ended March 31, 2010, reaching $5.1 billion in revenue in fiscal 2010.

We derived 98% of our revenue in fiscal 2010 from services provided to over 1,300 clients across the U.S. government under more than 4,900 contracts and task orders. Our U.S. government clients include organizations at all levels of the U.S. government, ranging from executive departments to independent agencies and offices. We have served our top ten clients, or their predecessor organizations, for an average of over 20 years. We derived 87% of our revenue in fiscal 2010 from engagements for which we acted as the prime contractor. Also during fiscal 2010, we achieved an overall win rate of 57% on new contracts and task orders for which we competed and a win rate of more than 92% on re-competed contracts and task orders for existing or related business. As of September 30, 2010, our total backlog, including funded, unfunded, and priced options, was $11.0 billion, an increase of 32% over September 30, 2009.

We attribute the strength of our client relationships, the commitment of our people, and our resulting growth to our management consulting heritage and culture, which instills our relentless focus on delivering value and enduring results to our clients. We operate our business as a single profit center, which drives our ability to collaborate internally and compete externally. Our operating model is built on (1) our dedication to client service, which focuses on leveraging our experience and knowledge to provide differentiated insights, (2) our partnership-style culture and compensation system, which fosters collaboration and the efficient allocation of our people across markets, clients and opportunities, (3) our professional development and 360-degree assessment system, which ensures that our people are aligned with our collaborative culture, core values and ethics and (4) our approach to the market, which leverages our matrix of deep domain expertise in the defense, intelligence and civil markets and our strong capabilities in strategy and organization analytics, technology and operations.

Deployment of Capabilities to Serve Clients

The diagram below illustrates the way we deploy our four capability areas, including specified areas of expertise, to serve our defense, intelligence and civil clients. Our dynamic matrix of functional capabilities and domain expertise plays a critical role in our efforts to deliver proven results to our clients.

Market Opportunity

Large Addressable Markets

We believe that the U.S. government is the world s largest consumer of management and technology consulting services. In U.S. government fiscal year 2009, we estimate that the Department of Defense and civil agencies within the U.S. government spent $93 billion on management and technology consulting services procured from private contractors. The agencies of the U.S. Intelligence Community that we serve represent an additional market.

Focus on Efficiency and Transforming Procurement Practices

There is pressure across the U.S. government to control spending while also improving services for citizens and aggressively pursuing numerous important policy initiatives. This has led to an increased focus on improving efficiency, including accomplishing more with fewer resources and reducing fraud, waste and abuse. Economic pressure has also driven an emphasis on greater accountability, transparency and spending effectiveness in U.S. government procurement practices. Recent efforts to reform procurement practices have focused on several areas, such as reducing organizational conflict of interest issues. We believe the

U.S. government will increasingly require objective management and technology consulting services in support of these efforts.

Complex Defense, Intelligence and Civil Agency Requirements

The U.S. government continually reassesses and updates its long-term priorities and develops new strategies to address the rapidly evolving and increasingly complex issues it faces. Current priorities within the U.S. government include enhancing cyber-capabilities and transforming the U.S. healthcare system. In order to deliver effective advice to support these and other priorities, service providers must possess a comprehensive knowledge of, and experience with, the participants, systems and technology employed by the U.S. government, and must also have an ability to facilitate knowledge sharing while managing varying objectives.

Major Changes Create Demand

Major changes in the government, political and overall economic landscape can be recurring in nature, such as the inauguration of a new presidential administration, or more sudden and unexpected, as was the case with the recent financial crisis and economic downturn. We believe that these types of changes will continue to create significant opportunities for us as clients seek out service providers with the flexibility to rapidly deploy intellectual capital, resources and capabilities.

Our Value Proposition to Our Clients

As a leading provider of management and technology consulting services to the U.S. government, we believe that we are well positioned to grow across markets characterized by increasing and rapid change.

Our People

Our success as a management and technology consulting firm is highly dependent upon the quality, integrity and dedication of our people.

Superior Talent Base. We have a highly educated talent base, and a significant percentage of our people hold government security clearances. We are able to renew and grow this talent base because of our commitment to professional development, our position as a leader in our markets, the high quality of our work and the appeal of our culture.

Focus on Talent Development. We continually develop our talent base by providing our people with the opportunity to work on important and complex problems, facilitating broad engagement at all levels of seniority and encouraging the development of substantive skills through continuing education.

Assessment System that Promotes Collaboration. We use our 360-degree assessment process to help promote and enforce the consistency of our collaborative culture, core values and ethics.

Core Values. Our core values, which are a key component of our success, are: client service, diversity, excellence, entrepreneurship, teamwork, professionalism, fairness, integrity, respect and trust.

Our Management Consulting Heritage

Our Approach to Client Service. Over the 70 years that we have been serving the U.S. government, we have cultivated relationships of trust with, and developed a comprehensive understanding of, our clients, which, together with our deep domain knowledge and capabilities, enable us to anticipate, identify and address their specific needs.

Partnership-Style Culture and Compensation System. We have a deeply ingrained culture of teamwork and collaboration, and we manage our company as a single profit center with a partner-style compensation system that focuses on the success of the institution over the success of the individual.

Our Client-Oriented Matrix Approach

We are able to address the complex and evolving needs of our clients and grow our business through the application of our matrix of deep domain knowledge and market-leading capabilities. Through this approach, we deploy our four key capabilities, strategy and organization, analytics, technology, and operations, across our client base. This approach enables us to quickly assemble and deploy client-focused teams comprised of people with the expertise needed to address the challenges facing our clients.

Our Strategy for Continued Growth

To serve our clients and grow our business, we intend to execute the following strategies:

Expand Our Business Base. We intend to deepen our existing client relationships, continue to help our clients rapidly respond to change and broaden our client base by leveraging our collaborative culture, our expertise and our reputation as a trusted partner and an industry leader.

Capitalize on Our Strengths in Emerging Areas. We will continue to leverage our deep domain expertise and broad capabilities to help our clients address emerging issues, including cyber, government efficiency and procurement, transformation of the healthcare system and Systems Engineering & Integration, or SE&I.

Continue to Innovate. We will continue to invest significant resources in our efforts to identify near-term developments and long-term trends that may present significant challenges or opportunities for our clients. We continue to invest in many initiatives at various stages of development, and are currently focused on cloud computing, advanced analytics, and the deployment of specialized services and capabilities in the financial sector, among others.

Our Corporate Structure

The following chart illustrates our corporate structure, including common stock ownership percentages, after giving effect to this offering.

(1) Represents 71%, 10% and 19% of the total voting power in our company, respectively, excluding shares of common stock with respect to which Carlyle has received a voting proxy pursuant to new irrevocable proxy and tag-along agreements. See Certain Relationships and Related Party Transactions Related Person Transactions Irrevocable Proxy and Tag-Along Agreements.

(2) Guarantor of the senior credit facilities and mezzanine credit facility.

(3) Refers to our senior secured loan facilities providing for a $125.0 million Tranche A term facility, $585.0 million Tranche B term facility, $350.0 million Tranche C term facility and $245.0 million revolving credit facility. As of September 30, 2010, we had $1,013.8 million outstanding under our senior credit facilities.

(4) Refers to our $550.0 million mezzanine term loan facility. As of September 30, 2010, on an as adjusted basis after giving effect to this offering and the use of the net proceeds therefrom, we would have had $252.4 million of debt outstanding under our mezzanine credit facility.

Our Principal Stockholder

Our principal stockholder is Explorer Coinvest LLC, or Coinvest, an entity controlled by The Carlyle Group and certain of its affiliated investment funds. Coinvest became our principal stockholder in our July 2008 merger transaction, which, together with the spin off of our commercial and international business and the related transactions, is referred to in this prospectus as the acquisition. See The Acquisition and Recapitalization Transaction.

The Carlyle Group is a global alternative asset manager with $90.6 billion under management committed to 66 funds as of June 30, 2010. Carlyle invests in buyouts, growth capital, real estate and leveraged finance in North America, Europe, Asia, Australia, the Middle East and North Africa, and Latin America focusing on aerospace and defense, automotive and transportation, consumer and retail, energy and power, financial services, healthcare, industrial, infrastructure, technology and business services and telecommunications and media. Since 1987, the firm has invested $61.2 billion of equity in 983 transactions for a total purchase price of $233.4 billion. Carlyle employs 888 people in 27 offices throughout the world.

As of November 16, 2010, Carlyle, through Coinvest, owned 77% of our outstanding common stock, representing 79% of the total voting power in our company. Following the completion of this offering and assuming that the underwriters do not exercise their option to purchase additional shares of Class A common stock, Carlyle will continue to own 69% of our outstanding common stock, representing 71% of the total voting power in our company, excluding shares of common stock with respect to which Carlyle has received a voting proxy pursuant to new irrevocable proxy and tag-along agreements. See Certain Relationships and Related Party Transactions Related Person Transactions Irrevocable Proxy and Tag-Along Agreements. Because of certain voting and other provisions of the stockholders agreement, as amended and restated effective November 16, 2010, Carlyle may be deemed to share beneficial ownership over shares of common stock held by other stockholders. Of the seven members currently serving on our board of directors, or the Board, four were designated by Carlyle. Under the terms of the amended and restated stockholders agreement, Carlyle has the right to designate a majority of the Board nominees for election. Carlyle also has the voting power to elect such nominees following the completion of the offering. In addition, the amended and restated stockholders agreement provides rights and restrictions with respect to certain transactions in our securities entered into by Coinvest or certain other stockholders. See Certain Relationships and Related Party Transactions Related Person Transactions Stockholders Agreement.

Company Information

We are incorporated under the laws of the state of Delaware. Our principal executive office is located at 8283 Greensboro Drive, McLean, Virginia 22102, and our telephone number is (703) 902-5000. Our website is www.boozallen.com and is included in this prospectus as an inactive textual reference only. The information contained on, or that may be accessed through, our website is not part of, and is not incorporated into, this prospectus.

The Offering

Class A common stock offered by us	14,000,000 shares
Class A common stock outstanding after the offering	120,622,350 shares
Option to purchase additional shares of Class A common stock	The underwriters have a 30-day option to purchase an additional 2,100,000 shares of Class A common stock from us.
Proposed New York Stock Exchange symbol	BAH
Use of proceeds	We estimate that our net proceeds from the offering, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately $216.7 million. We intend to use the net proceeds from this offering to repay $210.4 million of indebtedness outstanding under our mezzanine credit facility and pay a related prepayment penalty of $6.3 million. See Use of Proceeds. Certain of the underwriters of this offering or their affiliates are lenders under our senior credit facilities and mezzanine credit facility. Accordingly, certain of the underwriters may receive net proceeds from this offering in connection with the repayment of our mezzanine credit facility. See Underwriting.
Risk factors	See Risk Factors and other information included in this prospectus for a discussion of factors you should carefully consider before deciding whether to invest in shares of our Class A common stock.
Dividend policy	We do not expect to pay dividends on our Class A common stock for the foreseeable future.
Conflicts of interest	We intend to use certain of the net proceeds of this offering to repay a portion of the mezzanine credit facility under which an affiliate of Credit Suisse Securities (USA) LLC is a lender. Since Credit Suisse Securities (USA) LLC s affiliate will receive at least 5% of the net proceeds of this offering in connection with this repayment, Credit Suisse Securities (USA) LLC, a member of the Financial Industry Regulatory Authority, or FINRA, is deemed to have a conflict of interest with us under FINRA s NASD Conduct Rule 2720. Accordingly, this offering will be conducted in compliance with the requirements of such rule. See Underwriting Conflicts of Interest.

Following this offering, we will have four classes of authorized common stock: Class A common stock, Class B non-voting common stock, Class C restricted common stock and Class E special voting common stock. As of November 16, 2010, 3,053,130, 2,028,270 and 12,348,860 shares of our Class B non-voting common stock, Class C restricted common stock and Class E special voting common stock, respectively, were outstanding. The rights of the holders of Class A common stock, Class C restricted common stock and Class E special voting common stock are identical, except with respect to participation in dividends and other distributions, vesting and conversion. Class A common stock, Class C restricted common stock and Class E special voting common stock are entitled to one vote per share on all matters voted on by our stockholders. The Class B common stock is non-voting common stock. When stock options related to our Class E common stock are exercised, we will repurchase the underlying share of Class E common stock and issue a share of Class A common stock to the option holder. See Description of Capital Stock.

The number of shares of our Class A common stock to be outstanding immediately after the offering is based on the number of shares of Class A common stock outstanding as of November 16, 2010. Such number excludes:

- 25,133,420 shares of Class A common stock reserved for issuance under our Equity Incentive Plan, including shares issuable upon the exercise of outstanding stock options;

- 11,645,679 shares of Class A common stock (excluding fractional shares which will be redeemed for cash) reserved for issuance under our Officers Rollover Stock Plan upon the exercise of outstanding stock options related to outstanding shares of our Class E special voting common stock and our mandatory repurchase of those shares in connection with such exercise; and

- 5,081,400 shares of Class A common stock issuable upon transfer of outstanding Class B non-voting common stock and Class C restricted common stock.

Unless we indicate otherwise, the information in this prospectus:

- reflects a 10-for-1 split of our outstanding common stock effected in connection with this offering. The stock split was effected to reduce the per share price of our Class A common stock to a more customary level for an initial public offering and an initial listing on a national securities exchange;

- gives effect to amendments to our certificate of incorporation and bylaws adopted in connection with this offering and the related elimination of our Class D merger rolling common stock and Class F non-voting restricted common stock;

- assumes the issuance of 14,000,000 shares of Class A common stock in this offering;

- assumes that the underwriters will not exercise their over-allotment option; and

- presents indebtedness outstanding under our senior credit facilities and our mezzanine credit facility as of any particular date net of unamortized discount.

SUMMARY OF HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables provide a summary of our historical consolidated financial and other data for the periods indicated. The summary consolidated financial data for fiscal 2008 and fiscal 2010 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary consolidated financial data as of September 30, 2010 and for the six months ended September 30, 2009 and 2010 have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected for any future period, and the unaudited interim results for the six months ended September 30, 2010 are not necessarily indicative of results that may be expected for fiscal 2011. The information below should be read in conjunction with Capitalization, Selected Historical Consolidated Financial and Other Data, Management s Discussion and Analysis of Financial Condition and Results of Operations, and the consolidated financial statements and notes thereto included in this prospectus.

As discussed in more detail under The Acquisition and Recapitalization Transaction, Booz Allen Hamilton was indirectly acquired by Carlyle on July 31, 2008. Immediately prior to the acquisition, Booz Allen Hamilton spun-off its commercial and international business and retained its U.S. government business. The accompanying consolidated financial statements included elsewhere in this prospectus are presented for (1) the Predecessor, which are the financial statements of Booz Allen Hamilton and its consolidated subsidiaries for the period preceding the acquisition, and (2) the Company, which are the financial statements of Booz Allen Holding and its consolidated subsidiaries for the period following the acquisition. Prior to the acquisition, Booz Allen Hamilton s U.S. government business is presented as the continuing operations of the Predecessor. The Predecessor s consolidated financial statements have been presented for the twelve months ended March 31, 2008 and the four months ended July 31, 2008. The operating results of the commercial and international business that was spun off by Booz Allen Hamilton effective July 31, 2008 have been presented as discontinued operations in the Predecessor consolidated financial statements and the related notes included in this prospectus. The Company s consolidated financial statements for periods subsequent to the acquisition have been presented from August 1, 2008 through March 31, 2009, for the twelve months ended March 31, 2010 and for the six months ended September 30, 2009 and 2010. The Predecessor s financial statements may not necessarily be indicative of the cost structure or results of operations that would have existed if the U.S. government business operated as a stand-alone, independent business. The acquisition was accounted for as a business combination, which resulted in a new basis of accounting. The Predecessor s and the Company s financial statements are not comparable as a result of applying a new basis of accounting. See Notes 1, 2, 4, and 24 to our consolidated financial statements for additional information regarding the accounting treatment of the acquisition and discontinued operations.

The results of operations for fiscal 2008 and the six months ended September 30, 2009 are presented as adjusted to reflect the change in accounting principle related to our revenue recognition policies as described in Management s Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Estimates and Policies.

Included in the table below are unaudited pro forma results of operations for the twelve months ended March 31, 2009, or pro forma 2009, assuming the acquisition had been completed as of April 1, 2008. The unaudited pro forma condensed consolidated results of operations for fiscal 2009 are based on our historical audited consolidated financial statements included elsewhere in this prospectus, adjusted to give pro forma effect to the acquisition. The unaudited pro forma condensed consolidated results of operations for fiscal 2009 are presented because management believes it provides a meaningful comparison of operating results enabling twelve months of fiscal 2009, adjusted for the impact of the acquisition, to be compared with fiscal 2010. The unaudited pro forma condensed consolidated financial statements are for informational purposes only and do not purport to represent what our actual results of operations would have been if the acquisition had been completed as of April 1, 2008 or that may be achieved in the future. The unaudited pro forma condensed consolidated financial information and the accompanying notes should be read in conjunction with our historical audited consolidated financial statements and related notes appearing elsewhere in this prospectus and other financial information contained in Risk Factors, The Acquisition and Recapitalization Transaction, and Management s Discussion and Analysis of Financial Condition and Results of Operations in this prospectus. See Management s Discussion and Analysis of Financial Condition and Results of Operations Results of Operations for a description of the pro forma adjustments attributable to the acquisition.

	Predecessor	The Company			
	Fiscal Year Ended March 31, 2008 (As adjusted)	Pro Forma Fiscal Year Ended March 31, 2009(1)	Fiscal Year Ended March 31, 2010	Six Months Ended September 30, 2009 (Unaudited) (As adjusted)	Six Months Ended September 30, 2010 (Unaudited)
	(In thousands, except share and per share data)				
Consolidated Statement of Operations Data:					
Revenue	$ 3,625,055	$ 4,351,218	$ 5,122,633	$ 2,508,716	$ 2,709,143
Operating costs and expenses:					
Cost of revenue	2,028,848	2,296,335	2,654,143	1,304,396	1,375,658
Billable expenses	935,459	1,158,320	1,361,229	673,292	715,529
General and administrative expenses	474,188	723,827	811,944	372,711	418,330
Depreciation and amortization	33,079	106,335	95,763	48,028	38,972
Total operating costs and expenses	3,471,574	4,284,817	4,923,079	2,398,427	2,548,489
Operating income	153,481	66,401	199,554	110,289	160,654
Interest income	2,442	5,312	1,466	819	478
Interest expense	(2,319)	(146,803)	(150,734)	(73,112)	(85,824)
Other expense, net	(1,931)	(182)	(1,292)	(762)	(947)
Income (loss) from continuing operations before income taxes	151,673	(75,272)	48,994	37,234	74,361
Income tax expense (benefit) from continuing operations	62,693	(25,831)	23,575	17,999	31,375
Income (loss) from continuing operations	88,980	$ (49,441)	25,419	19,235	42,986
Loss from discontinued operations	(71,106)				
Net income	$ 17,874		$ 25,419	$ 19,235	$ 42,986

Weighted average common shares outstanding(2)(3):										
Basic		1,757,000		105,695,340		106,477,650		105,748,260		108,432,350
Diluted		2,053,338		105,695,340		116,228,380		112,965,300		121,737,840
Earnings per share from continuing operations(2)(3):										
Basic	$	50.64	$	(0.47)	$	0.24	$	0.18	$	0.40
Diluted		43.33		(0.47)		0.22		0.17		0.35
Pro forma earnings per share from continuing operations (unaudited)(3)(4):										
Basic					$	0.26			$	0.47
Diluted						0.24				0.42
Pro forma as adjusted weighted average shares outstanding (unaudited)(3)(5):										
Basic						120,477,650				122,432,350
Diluted						130,228,380				135,737,840
Pro forma as adjusted earnings per share from continuing operations (unaudited)(3)(6):										
Basic					$	0.28			$	0.48
Diluted						0.26				0.43
Dividends declared per share (unaudited)(3)	$		$		$	5.73(7)	$	1.09	$	

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	Predecessor		The Company		
	Fiscal Year Ended March 31, 2008 (As adjusted)	Pro Forma Fiscal Year Ended March 31, 2009(1)	Fiscal Year Ended March 31, 2010	Six Months Ended September 30, 2009 (Unaudited) (As adjusted)	Six Months Ended September 30, 2010 (Unaudited)
	(In thousands, except share and per share data)				
Consolidated Statement of Cash Flow Data:					
Net cash provided by operating activities of continuing operations			$ 270,484	$ 116,755	$ 170,885
Net cash (used in) provided by investing activities of continuing operations			(10,991)	16,568	(37,573)
Net cash used in financing activities of continuing operations			(372,560)	(120,183)	(74,621)
Other Financial Data (unaudited):					
Adjusted EBITDA(8)	$ 226,874	$ 277,344	$ 368,323	$ 197,295	$ 222,876
Adjusted Net Income(8)			$ 97,001	$ 56,250	$ 70,278
Free Cash Flow(8)			$ 221,213	$ 95,043	$ 131,928

	Predecessor	The Company			
	As of March 31, 2008	As of March 31, 2009	As of March 31, 2010	As of September 30, 2009	As of September 30, 2010
Other Data (unaudited):					
Backlog (in thousands)(9)	N/A(10)	$ 7,278,782	$ 9,012,923	$ 8,351,569	$ 11,046,702
Employees	18,822	21,614	23,315	22,806	25,075

	The Company As of September 30, 2010	
	Actual	As Adjusted(11)
	(Unaudited)	
Consolidated Balance Sheet Data:		
Cash and cash equivalents	$ 366,526	$ 369,302
Working capital	632,093	641,821
Total assets	3,082,104	3,073,681

Long-term debt, net of current portion	1,453,081	1,244,393
Stockholders equity	601,299	808,517

(1) See Selected Historical Consolidated Financial and Other Data and Management s Discussion and Analysis of Financial Condition and Results of Operation Results of Operations for further information regarding our unaudited pro forma condensed consolidated results of operations.

(2) Basic earnings per share for the Company has been computed using the weighted average number of shares of Class A common stock, Class B non-voting common stock and Class C restricted common stock outstanding during the period. The Company s diluted earnings per share has been computed using the weighted average number of shares of Class A common stock, Class B non-voting common stock and Class C restricted common stock including the dilutive effect of outstanding common stock options and other stock-based awards. The weighted average number of Class E special voting common stock has not been included in the calculation of either basic earnings per share or diluted earnings per share due to the terms of such common stock.

Basic earnings per share for the Predecessor has been computed using the weighted average number of shares of Class A common stock outstanding during the period. The Predecessor s diluted earnings per share has been computed using the weighted average number of shares of Class A common stock including the dilutive effect of outstanding stock-based awards.

(3) Amounts for the Company have been adjusted to reflect a 10-for-1 split of our outstanding common stock effected in connection with this offering.

(4) Pro forma earnings per share for fiscal 2010 and the six months ended September 30, 2010 gives effect to the net reduction in interest expense related to the repayment of $85.0 million of indebtedness under our mezzanine credit facility on August 2, 2010, as if such repayment occurred on April 1, 2009.

The net reduction in interest expense for fiscal 2010 was due to cash interest savings of $11.0 million and original issue discount and debt issuance costs amortization savings of $0.5 million, partially offset by charges for acceleration of original issue discount and debt issuance costs of $4.6 million and a prepayment penalty of $2.6 million. The net reduction in interest expense was tax effected using the effective tax rate of 48.1% for fiscal 2010.

The net reduction in interest expense for the six months ended September 30, 2010 was due to cash interest savings of $6.4 million and original issue discount and debt issuance costs amortization savings of $6.9 million. The net reduction in interest expense was tax effected using the effective tax rate of 42.2% for the six months ended September 30, 2010.

(5) Includes 14,000,000 shares of Class A common stock offered by us in this offering.

(6) Pro forma as adjusted earnings per share for fiscal 2010 and the six months ended September 30, 2010 gives effect to the net reduction in interest expense related to (i) the repayment of $85.0 million of indebtedness under our mezzanine credit facility on August 2, 2010 and (ii) the use of the net proceeds from the sale of 14,000,000 shares of Class A common stock in this offering at an initial public offering price of $17.00 per share to repay borrowings under our mezzanine credit facility, as if each had occurred on April 1, 2009.

The net reduction in interest expense for fiscal 2010 was due to cash interest savings of $38.9 million and original issue discount and debt issuance costs amortization savings of $1.0 million, partially offset by charges for acceleration of original issue discount and debt issuance costs of $15.8 million and a prepayment penalty of $8.9 million. The net reduction in interest expense was tax effected using the effective tax rate of 48.1% for fiscal 2010.

The net reduction in interest expense for the six months ended September 30, 2010 was due to cash interest savings of $20.2 million and original issue discount and debt issuance costs amortization savings of $7.5 million. The net reduction in interest expense was tax effected using the effective tax rate of 42.2% for the six months ended September 30, 2010.

(7) Reflects the payment of special dividends in the aggregate amount of $114.9 million and $497.5 million to holders of record of our Class A common stock, Class B non-voting common stock and Class C restricted common stock as of July 29, 2009 and December 8, 2009, respectively.

(8) *Adjusted EBITDA* represents net income before income taxes, net interest and other expense and depreciation and amortization and before certain other items, including: (i) certain stock option-based and other equity-based compensation expenses, (ii) transaction costs, fees, losses and expenses, (iii) the impact of the application of purchase accounting and (iv) any extraordinary, unusual or non-recurring items. We prepare Adjusted EBITDA to eliminate the impact of items we do not consider indicative of ongoing operating performance due to their inherent unusual, extraordinary or non-recurring nature or because they result from an event of a similar nature.

We utilize and discuss Adjusted EBITDA because our management uses this measure for business planning purposes, including to manage the business against internal projected results of operations and measure the performance of the business generally. We view Adjusted EBITDA as a measure of our core operating business because it excludes the impact of the items described above on our results of operations as these items are generally not operational in nature. Adjusted EBITDA also provides another basis for comparing period to period results by excluding potential differences caused by non-operational and unusual, extraordinary or non-recurring items. We also present Adjusted EBITDA in this prospectus as a supplemental performance measure because we believe that this measure provides investors and securities analysts with important supplemental information with which to evaluate our performance and to enable them to assess our performance on the same basis as management.

Adjusted EBITDA as discussed in this prospectus may vary from and may not be comparable to similarly titled measures presented by other companies in our industry. Adjusted EBITDA is different from the term EBITDA as it is commonly used, and Adjusted EBITDA also varies from (i) the measure Consolidated EBITDA discussed in this prospectus under Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Indebtedness and (ii) the measures EBITDA and Bonus EBITDA discussed in this prospectus under Executive Compensation. Adjusted EBITDA is not a recognized measurement under GAAP and when analyzing our performance, investors should (i) evaluate each adjustment in our reconciliation of net income to Adjusted EBITDA and the explanatory footnotes regarding those adjustments and (ii) use Adjusted EBITDA in addition to, and not as an alternative to, operating income or net income as a measure of operating results, each as defined under GAAP.

The following table reconciles net income to Adjusted EBITDA:

	Predecessor		The Company		
	Fiscal Year Ended March 31, 2008 (As adjusted)	Pro Forma Fiscal Year Ended March 31, 2009	Fiscal Year Ended March 31, 2010	Six Months Ended September 30, 2009 (Unaudited) (As adjusted)	Six Months Ended September 30, 2010 (Unaudited)
	(In thousands)				
Net income (loss)	$ 17,874	$ (49,441)(a)	$ 25,419	$ 19,235	$ 42,986
Income tax expense (benefit)	62,693	(25,831)	23,575	17,999	31,375
Interest and other expense, net	1,808	141,673	150,560	73,055	86,293
Depreciation and amortization(b)	33,079	106,335	95,763	48,028	38,972
Certain stock-based compensation expense(c)	35,013	82,019	68,517	38,203	23,115
Transaction expenses(d)	5,301	19,512	3,415		135
Purchase accounting adjustments(e)		3,077	1,074	775	
Non-recurring items(f)	71,106				
Adjusted EBITDA	$ 226,874	$ 277,344	$ 368,323	$ 197,295	$ 222,876

(a) Represents loss from continuing operations.

(b) Includes $57.8 million and $40.6 million in pro forma 2009 and fiscal 2010, respectively, of amortization of intangible assets resulting from the acquisition. Includes $20.3 million and $14.3 million in the six months ended September 30, 2009 and 2010, respectively, of amortization of intangible assets resulting from the acquisition.

(c) Reflects (i) $35.0 million of expense in fiscal 2008 for stock rights under the Predecessor s Officer Stock Rights Plan, which were accounted for as liability awards, and (ii) $70.5 million and $49.3 million of stock-based compensation expense in pro forma 2009 and fiscal 2010, respectively, and $26.7 million and $17.0 million of stock-based compensation expense in the six months ended September 30, 2009 and 2010, respectively, for new options for Class A common stock and restricted shares, in each case, issued in connection with the acquisition under the Officers Rollover Stock Plan that was established in connection with the acquisition. Expense is based on vesting schedules from three to five years, which is dependent on whether officers were classified as retirement or non-retirement eligible at the time of the acquisition. Also reflects $11.5 million and $19.2 million of stock-based compensation expense in pro forma 2009 and fiscal 2010, respectively, and $11.5 million and $6.2 million of stock-based compensation expense in the six months ended September 30, 2009 and 2010, respectively, for Equity Incentive Plan Class A common stock options issued in connection with the acquisition under the Equity Incentive Plan that was established in connection with the acquisition.

(d) Fiscal 2008 and pro forma 2009 reflect charges related to the acquisition, including legal, tax and accounting expenses. Fiscal 2010 reflects costs related to the modification of our credit facilities, the establishment of the Tranche C term loan facility under our senior credit facilities and the related payment of special dividends. See Acquisition and Recapitalization Transaction. The six months ended September 30, 2010 reflects certain external administrative and other expenses incurred in connection with this offering.

(e) Reflects adjustments resulting from the application of purchase accounting in connection with the acquisition not otherwise included in depreciation and amortization.

(f) Reflects loss from discontinued operations.

Adjusted Net Income represents net income before: (i) certain stock option-based and other equity-based compensation expenses, (ii) transaction costs, fees, losses and expenses, (iii) the impact of the application of purchase accounting, (iv) adjustments related to the amortization of intangible assets,

(v) amortization or write-off of debt issuance costs and write-off of original issue discount, or OID, and (vi) any extraordinary, unusual or non-recurring items, in each case net of the tax effect calculated using an assumed effective tax rate. We prepare Adjusted Net Income to eliminate the impact of items, net of tax, we do not consider indicative of ongoing operating performance due to their inherent unusual, extraordinary or non-recurring nature or because they result from an event of a similar nature.

We utilize and discuss Adjusted Net Income because our management uses this measure for business planning purposes, including to manage the business against internal projected results of operations and measure the performance of the business generally. We view Adjusted Net Income as a measure of our core operating business because it excludes the items described above, net of tax, which are generally not operational in nature. We also present Adjusted Net Income in this prospectus as a supplemental performance measure because we believe that this measure provides investors and securities analysts with important supplemental information with which to evaluate our performance, long-term earnings potential and to enable them to assess our performance on the same basis as management.

Adjusted Net Income as discussed in this prospectus may vary from and may not be comparable to similarly titled measures presented by other companies in our industry. Adjusted Net Income is not a recognized measurement under GAAP and when analyzing our performance, investors should (i) evaluate each adjustment in our reconciliation of net income to Adjusted Net Income and the explanatory footnotes regarding those adjustments and (ii) use Adjusted Net Income in addition to, and not as an alternative to, operating income or net income as a measure of operating results, each as defined under GAAP.

The following table reconciles net income to Adjusted Net Income:

	The Company Fiscal Year Ended March 31, 2010	Six Months Ended September 30, 2009 (Unaudited) (As adjusted) (In thousands)	Six Months Ended September 30, 2010 (Unaudited)
Net income (loss)	$ 25,419	$ 19,235	$ 42,986
Certain stock-based compensation expense(a)	68,517	38,203	23,115
Transaction expenses(b)	3,415		135
Purchase accounting adjustments(c)	1,074	775	
Amortization of intangible assets(d)	40,597	20,275	14,319
Amortization or write-off of debt issuance costs and write-off of OID	5,700	2,439	7,918
Adjustments for tax effect(e)	(47,721)	(24,677)	(18,195)
Adjusted Net Income	$ 97,001	$ 56,250	$ 70,278

(a)

Reflects $49.3 million of stock-based compensation expense in fiscal 2010 and $26.7 million and $17.0 million of stock-based compensation expense in the six months ended September 30, 2009 and 2010, respectively, for new options for Class A common stock and restricted shares, in each case, issued in connection with the acquisition under the Officers Rollover Stock Plan that was established in connection with the acquisition. Expense is based on vesting schedules from three to five years, which is dependent on whether officers were classified as retirement or non-retirement eligible at the time of the acquisition. Also reflects $19.2 million of stock-based compensation expense in fiscal 2010 and $11.5 million and $6.2 million of stock-based compensation expense in the six months ended September 30, 2009 and 2010, respectively, for Equity Incentive Plan Class A common stock options issued in connection with the acquisition under the Equity Incentive Plan that was established in connection with the acquisition.

(b) Fiscal 2010 reflects costs related to the modification of our credit facilities, the establishment of the Tranche C term loan facility under our senior credit facilities and the related payment of special dividends. See Acquisition and Recapitalization Transaction. The six months ended September 30, 2010 reflects certain external administrative and other expenses incurred in connection with this offering.

(c) Reflects adjustments resulting from the application of purchase accounting in connection with the acquisition.

(d) Reflects amortization of intangible assets resulting from the acquisition.

(e) Reflects taxes on adjustments at an assumed marginal tax rate of 40%. See Management s Discussion and Analysis of Financial Condition and Results of Operations Factors and Trends Affecting Our Results of Operations Income Taxes and our consolidated financial statements and related footnotes included in this prospectus.

Free Cash Flow represents (i) net cash provided by operating activities of continuing operations after (ii) purchases of property and equipment, each as presented in our consolidated statements of cash flows. We utilize and discuss Free Cash Flow because our management uses this measure for business planning purposes, to measure the cash generating ability of our operating business after the impact of cash used to purchase property and equipment, and to measure our liquidity generally. We also present Free Cash Flow in this prospectus as a supplemental liquidity measure because we believe that this measure provides investors and securities analysts with important supplemental information with which to evaluate our liquidity and to enable them to assess our liquidity on the same basis as management.

Free Cash Flow as discussed in this prospectus may vary from and may not be comparable to similarly titled measures presented by other companies in our industry. Free Cash Flow is not a recognized measurement under GAAP and when analyzing our liquidity, investors should use Free Cash Flow in addition to, and not as an alternative to, cash flows, as defined under GAAP, as a measure of liquidity.

The following table reconciles net cash provided by operating activities of continuing operations to Free Cash Flow:

	The Company		
	Fiscal Year Ended March 31, 2010	Six Months Ended September 30, 2009 (Unaudited) (As adjusted)	Six Months Ended September 30, 2010 (Unaudited)
	(In thousands)		
Net cash provided by operating activities of continuing operations	$ 270,484	$ 116,755	$ 170,885
Purchases of property and equipment	(49,271)	(21,712)	(38,957)
Free Cash Flow	$ 221,213	$ 95,043	$ 131,928

(9) We define backlog to include funded backlog, unfunded backlog and priced options. Funded backlog represents the revenue value of orders for services under existing contracts for which funding is appropriated or otherwise authorized less revenue previously recognized on those contracts. Unfunded backlog represents the revenue value of orders for services under existing contracts for which funding has not been appropriated or otherwise authorized. Priced contract options represent 100% of the revenue value of all future contract option periods under existing contracts that may be exercised at our clients option and for which funding has not been appropriated or otherwise authorized. Backlog is given as of the end of each period presented. See Risk Factors Risks Relating to Our Business We may not realize the full value of our backlog, which may result in lower than expected revenue, Management s Discussion and Analysis of Financial Condition and Results of Operations Factors and Trends Affecting Our Results of Operations Sources of Revenue Contract Backlog and Business Backlog.

(10) Not available because we began to separately track information on priced options on April 1, 2008.

(11) As adjusted balance sheet data gives effect to the use of the net proceeds from the sale of 14,000,000 shares of our Class A common stock in this offering at an initial public offering price of $17.00 per share to repay borrowings under our mezzanine credit facility and pay a related prepayment penalty as described in Use of Proceeds, as if each had occurred on September 30, 2010.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should consider and read carefully all of the risks and uncertainties described below, as well as other information included in this prospectus, including our consolidated financial statements and related notes appearing at the end of this prospectus, before making an investment decision. The risks described below are not the only ones facing us. The occurrence of any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition or results of operations. In such case, the trading price of our common stock could decline, and you may lose all or part of your original investment. This prospectus also contains forward-looking statements and estimates that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks and uncertainties described below.

Risks Related to Our Business

We depend on contracts with U.S. government agencies for substantially all of our revenue. If our relationships with such agencies are harmed, our future revenue and operating profits would decline.

The U.S. government is our primary client, with revenue from contracts and task orders, either as a prime or a subcontractor, with U.S. government agencies accounting for 98% of our revenue for fiscal 2010. Our belief is that the successful future growth of our business will continue to depend primarily on our ability to be awarded work under U.S. government contracts, as we expect this will be the primary source of all of our revenue in the foreseeable future. For this reason, any issue that compromises our relationship with the U.S. government generally or any U.S. government agency that we serve would cause our revenue to decline. Among the key factors in maintaining our relationship with U.S. government agencies are our performance on contracts and task orders, the strength of our professional reputation, compliance with applicable laws and regulations, and the strength of our relationships with client personnel. In addition, the mishandling or the perception of mishandling of sensitive information, such as our failure to maintain the confidentiality of the existence of our business relationships with certain of our clients, could harm our relationship with U.S. government agencies. If a client is not satisfied with the quality or type of work performed by us, a subcontractor or other third parties who provide services or products for a specific project, clients might seek to terminate the contract prior to its scheduled expiration date, provide a negative assessment of our performance to government-maintained contractor past-performance data repositories, fail to award us additional business under existing contracts or otherwise and direct future business to our competitors. Furthermore, we may incur additional costs to address any such situation and the profitability of that work might be impaired. To the extent that our performance does not meet client expectations, or our reputation or relationships with any of our clients is impaired, our revenue and operating profits could materially decline.

U.S. government spending and mission priorities could change in a manner that adversely affects our future revenue and limits our growth prospects.

Our business depends upon continued U.S. government expenditures on defense, intelligence and civil programs for which we provide support. These expenditures have not remained constant over time and have been reduced in certain periods. Our business, prospects, financial condition or operating results could be materially harmed among other causes by the following:

- budgetary constraints affecting U.S. government spending generally, or specific agencies in particular, and changes in available funding;

a shift in expenditures away from agencies or programs that we support;

reduced U.S. government outsourcing of functions that we are currently contracted to provide, including as a result of increased insourcing;

changes in U.S. government programs that we support or related requirements;

- U.S. government shutdowns (such as that which occurred during government fiscal year 1996) or weather-related closures in the Washington, DC area (such as that which occurred in February 2010) and other potential delays in the appropriations process;

- U.S. government agencies awarding contracts on a technically acceptable/lowest cost basis in order to reduce expenditures;

- delays in the payment of our invoices by government payment offices; and

- changes in the political climate and general economic conditions, including a slowdown of the economy or unstable economic conditions and responses to conditions, such as emergency spending, that reduce funds available for other government priorities.

The Department of Defense is one of our significant clients and cost cutting, including through consolidation and elimination of duplicative organizations and insourcing, has become a major initiative for the Department of Defense. In particular, the Secretary of Defense recently announced that he has directed the Department of Defense to reduce funding for service support contractors by 10% per year for the next three years. A reduction in the amount of services that we are contracted to provide to the Department of Defense as a result of any of these related initiatives or otherwise could have a material adverse effect on our business and results of operations.

These or other factors could cause our defense, intelligence or civil clients to decrease the number of new contracts awarded generally and fail to award us new contracts, reduce their purchases under our existing contracts, exercise their right to terminate our contracts, or not exercise options to renew our contracts, any of which could cause a material decline in our revenue.

We are required to comply with numerous laws and regulations, some of which are highly complex, and our failure to comply could result in fines or civil or criminal penalties or suspension or debarment by the U.S. government that could result in our inability to continue to work on or receive U.S. government contracts, which could materially and adversely affect our results of operations.

As a U.S. government contractor, we must comply with laws and regulations relating to the formation, administration and performance of U.S. government contracts, which affect how we do business with our clients. Such laws and regulations may potentially impose added costs on our business and our failure to comply with them may lead to civil or criminal penalties, termination of our U.S. government contracts and/or suspension or debarment from contracting with federal agencies. Some significant laws and regulations that affect us include:

- the Federal Acquisition Regulation, or the FAR, and agency regulations supplemental to the FAR, which regulate the formation, administration and performance of U.S. government contracts. Specifically, FAR 52.203-13 requires contractors to establish a Code of Business Ethics and Conduct, implement a comprehensive internal control system, and report to the government when the contractor has credible evidence that a principal, employee, agent, or subcontractor, in connection with a government contract, has violated certain federal criminal law, violated the civil False Claims Act or has received a significant overpayment;

- the False Claims Act and False Statements Act, which impose civil and criminal liability for presenting false or fraudulent claims for payments or reimbursement, and making false statements to the U.S. government, respectively;

the Truth in Negotiations Act, which requires certification and disclosure of cost and pricing data in connection with the negotiation of a contract, modification or task order;

laws, regulations and executive orders restricting the use and dissemination of information classified for national security purposes and the export of certain products, services and technical data, including requirements regarding any applicable licensing of our employees involved in such work; and the Cost Accounting Standards and Cost Principles, which impose accounting requirements that govern our right to reimbursement under certain cost-based U.S. government contracts and require consistency of accounting practices over time.

In addition, the U.S. government adopts new laws, rules and regulations from time to time that could have a material impact on our results of operations.

Our performance under our U.S. government contracts and our compliance with the terms of those contracts and applicable laws and regulations are subject to periodic audit, review and investigation by various agencies of the U.S. government, and the current environment has led to increased regulatory scrutiny and sanctions for non-compliance by such agencies generally. In addition, from time to time we report potential or actual violations of applicable laws and regulations to the relevant governmental authority. Any such report of a potential or actual violation of applicable laws or regulations could lead to an audit, review or investigation by the relevant agencies of the U.S. government. If such an audit, review or investigation uncovers a violation of a law or regulation, or improper or illegal activities relating to our U.S. government contracts, we may be subject to civil or criminal penalties or administrative sanctions, including the termination of contracts, forfeiture of profits, the triggering of price reduction clauses, suspension of payments, fines and suspension or debarment from contracting with U.S. government agencies. Such penalties and sanctions are not uncommon in the industry and there is inherent uncertainty as to the outcome of any particular audit, review or investigation. If we incur a material penalty or administrative sanction or otherwise suffer harm to our reputation, our profitability, cash position and future prospects could be materially and adversely affected. Further, if the U.S. government were to initiate suspension or debarment proceedings against us or if we are indicted for or convicted of illegal activities relating to our U.S. government contracts following an audit, review or investigation, we may lose our ability to be awarded contracts in the future or receive renewals of existing contracts for a period of time which could materially and adversely affect our results of operations or financial condition. We could also suffer harm to our reputation if allegations of impropriety were made against us, which would impair our ability to win awards of contracts in the future or receive renewals of existing contracts.

We derive a majority of our revenue from contracts awarded through a competitive bidding process, and our revenue and profitability may be adversely affected if we are unable to compete effectively in the process or if there are delays caused by our competitors protesting major contract awards received by us.

We derive a majority of our revenue from U.S. government contracts awarded though competitive bidding processes. We do not expect this to change for the foreseeable future. Our failure to compete effectively in this procurement environment would have a material adverse effect on our revenue and profitability.

The competitive bidding process involves risk and significant costs to businesses operating in this environment, including:

the necessity to expend resources, make financial commitments (such as procuring leased premises) and bid on engagements in advance of the completion of their design, which may result in unforeseen difficulties in execution, cost overruns and, in the case of an unsuccessful competition, the loss of committed costs;

the substantial cost and managerial time and effort spent to prepare bids and proposals for contracts that may not be awarded to us;

the ability to accurately estimate the resources and costs that will be required to service any contract we are awarded;

the expense and delay that may arise if our competitors protest or challenge contract awards made to us pursuant to competitive bidding, and the risk that any such protest or challenge could result in the resubmission of bids on modified specifications, or in termination, reduction, or modification of the awarded contract; and

any opportunity cost of bidding and winning other contracts we might otherwise pursue.

In circumstances where contracts are held by other companies and are scheduled to expire, we still may not be provided the opportunity to bid on those contracts if the U.S. government determines to extend the existing contract. If we are unable to win particular contracts that are awarded through the competitive bidding process, we may not be able to operate in the market for services that are provided under those contracts for the duration of those contracts to the extent that there is no additional demand for such services. An inability to consistently win new contract awards over any extended period would have a material adverse effect on our business and results of operations.

It can take many months for the relevant U.S. government agency to resolve protests by one or more of our competitors of contract awards we receive. The resulting delay in the start up and funding of the work under these contracts may cause our actual results to differ materially and adversely from those anticipated.

We may lose GSA schedules or our position as a prime contractor on one or more of our GWACs.

We believe that one of the key elements of our success is our position as the holder of ten General Services Administration Multiple Award schedule contracts, or GSA schedules, and as a prime contractor under four government-wide acquisition contract vehicles, or GWACs, as of September 30, 2010. GSA schedules are administered by the General Services Administration and support a wide range of products and services. GWACs are used to procure IT products and services and are administered by the agency soliciting the services or products. Our ability to maintain our existing business and win new business depends on our ability to maintain our position as a GSA schedule contractor and a prime contractor on GWACs. The loss of any of our GSA schedules or our prime contractor position on any of our contracts could have a material adverse effect on our ability to win new business and our operating results. In addition, if the U.S. government elects to use a contract vehicle that we do not hold, we will not be able to compete for work under that contract vehicle as a prime contractor.

We may earn less revenue than projected, or no revenue, under certain of our contracts.

Many of our contracts with our clients are indefinite delivery, indefinite quantity, or ID/IQ, contracts, including GSA schedules and GWACs. ID/IQ contracts provide for the issuance by the client of orders for services or products under the contract, and often contain multi-year terms and unfunded ceiling amounts, which allow but do not commit the U.S. government to purchase products and services from contractors. Our ability to generate revenue under each of these types of contracts depends upon our ability to be awarded task orders for specific services by the client. ID/IQ contracts may be awarded to one contractor (single award) or several contractors (multiple award). Multiple contractors must compete under multiple award ID/IQ contracts for task orders to provide particular services, and contractors earn revenue only to the extent that they successfully compete for these task orders. In fiscal 2008, pro forma 2009 and fiscal 2010, our revenue under our GSA schedules and GWACs accounted for 29%, 27% and 23%, respectively, of our total revenue. A failure to be awarded task orders under such contracts would have a material adverse effect on our results of operations and financial condition.

Our earnings and profitability may vary based on the mix of our contracts and may be adversely affected by our failure to accurately estimate or otherwise recover the expenses, time and resources for our contracts.

We enter into three general types of U.S. government contracts for our services: cost-reimbursable, time-and-materials and fixed-price. For fiscal 2010, we derived 50% of our revenue from cost-reimbursable contracts, 38% from time-and-materials contracts and 12% from fixed-price contracts. For the six months ended September 30, 2010, we derived 51% of our revenue from cost-reimbursable contracts, 36% from time-and-materials contracts and 13% from fixed-price contracts.

Each of these types of contracts, to varying degrees, involves the risk that we could underestimate our cost of fulfilling the contract, which may reduce the profit we earn or lead to a financial loss on the contract and adversely affect our operating results.

Under cost-reimbursable contracts, we are reimbursed for allowable costs up to a ceiling and paid a fee, which may be fixed or performance-based. If our actual costs exceed the contract ceiling or are not allowable under the terms of the contract or applicable regulations, we may not be able to recover those costs. In particular, there is increasing focus by the U.S. government on the extent to which government contractors, including us, are able to receive reimbursement for employee compensation.

Under time-and-materials contracts, we are reimbursed for labor at negotiated hourly billing rates and for certain allowable expenses. We assume financial risk on time-and-materials contracts because our costs of performance may exceed these negotiated hourly rates.

Under fixed-price contracts, we perform specific tasks for a pre-determined price. Compared to time-and-materials and cost-reimbursable contracts, fixed-price contracts generally offer higher margin opportunities because we receive the benefits of any cost savings, but involve greater financial risk because we bear the impact of any cost overruns. The U.S. government has indicated that it intends to increase its use of fixed price contract procurements. In addition, the Department of Defense recently adopted purchasing guidelines that mark a shift towards fixed-priced procurement contracts. Because we assume the risk for cost overruns and contingent losses on fixed-price contracts, an increase in the percentage of fixed-price contracts in our contract mix would increase our risk of suffering losses.

Additionally, our profits could be adversely affected if our costs under any of these contracts exceed the assumptions we used in bidding for the contract. We have recorded provisions in our consolidated financial statements for losses on our contracts, as required under GAAP, but our contract loss provisions may not be adequate to cover all actual losses that we may incur in the future.

Our professional reputation is critical to our business, and any harm to our reputation could decrease the amount of business the U.S. government does with us, which could have a material adverse effect on our future revenue and growth prospects.

We depend on our contracts with U.S. government agencies for substantially all of our revenue and if our reputation or relationships with these agencies were harmed, our future revenue and growth prospects would be materially and adversely affected. Our reputation and relationship with the U.S. government is a key factor in maintaining and growing revenue under contracts with the U.S. government. Negative press reports regarding poor contract performance, employee misconduct, information security breaches or other aspects of our business, or regarding government contractors generally, could harm our reputation. If our reputation with these agencies is negatively affected, or if we are suspended or debarred from contracting with government agencies for any reason, such actions would decrease the amount of business that the U.S. government does with us, which would have a material adverse effect on our future revenue and growth prospects.

We use estimates in recognizing revenue and if we make changes to estimates used in recognizing revenue, our profitability may be adversely affected.

Revenue from our fixed-price contracts is primarily recognized using the percentage-of-completion method with progress toward completion of a particular contract based on actual costs incurred relative to total estimated costs to be incurred over the life of the contract. Revenue from our cost-plus-award-fee contracts are based on our estimation of award fees over the life of the contract. Estimating costs at completion and award fees on our long-term contracts is complex and involves significant judgment. Adjustments to original estimates are often required as work progresses, experience is gained and additional information becomes known, even though the scope of the work required under the contract may not change. Any adjustment as a result of a change in estimate is recognized as events become known.

In the event updated estimates indicate that we will experience a loss on the contract, we recognize the estimated loss at the time it is determined. Additional information may subsequently indicate that the loss is more or less than initially recognized, which requires further adjustments in our consolidated financial statements. Changes in the underlying assumptions, circumstances or estimates could result in adjustments that could have a material adverse effect on our future results of operations.

We may not realize the full value of our backlog, which may result in lower than expected revenue.

As of September 30, 2010, our total backlog was $11.0 billion, of which $3.1 billion was funded. We define backlog to include the following three components:

Funded Backlog. Funded backlog represents the revenue value of orders for services under existing contracts for which funding is appropriated or otherwise authorized less revenue previously recognized on these contracts.

Unfunded Backlog. Unfunded backlog represents the revenue value of orders for services under existing contracts for which funding has not been appropriated or otherwise authorized.

Priced Options. Priced contract options represent 100% of the revenue value of all future contract option periods under existing contracts that may be exercised at our clients option and for which funding has not been appropriated or otherwise authorized.

Backlog does not include any task orders under ID/IQ contracts, including GWACs and GSA schedules, except to the extent that task orders have been awarded to us under those contracts.

We historically have not realized all of the revenue included in our total backlog, and we may not realize all of the revenue included in our total backlog in the future. There is a somewhat higher degree of risk in this regard with respect to unfunded backlog and priced options. In addition, there can be no assurance that our backlog will result in actual revenue in any particular period. This is because the actual receipt, timing and amount of revenue under contracts included in backlog are subject to various contingencies, including congressional appropriations, many of which are beyond our control. In particular, delays in the completion of the U.S. government s budgeting process and the use of continuing resolutions could adversely affect our ability to timely recognize revenue under our contracts included in backlog. Furthermore, the actual receipt of revenue from contracts included in backlog may never occur or may be delayed because: a program schedule could change or the program could be canceled; a contract s funding or scope could be reduced, modified or terminated early, including as a result of a lack of appropriated funds or as a result of cost cutting initiatives and other efforts to reduce U.S. government spending such as initiatives recently announced by the Secretary of Defense; in the case of funded backlog, the period of performance for the contract has expired; in the case of unfunded backlog, funding may not be made available; or, in the case of priced options, our clients may not exercise their options. In addition, headcount growth is the primary means by which we are able to recognize revenue growth. Any inability to hire additional appropriately qualified personnel or failure to timely and effectively deploy such additional personnel against funded backlog could negatively affect our ability to grow our revenue. Furthermore, even if our backlog results in revenue, the contracts may not be profitable.

We may fail to attract, train and retain skilled and qualified employees with appropriate security clearances, which may impair our ability to generate revenue, effectively serve our clients and execute our growth strategy.

Our business depends in large part upon our ability to attract and retain sufficient numbers of highly qualified individuals who may have advanced degrees in areas such as information technology as well as appropriate security clearances. We compete for such qualified personnel with other U.S. government contractors, the U.S. government and private industry, and such competition is intense. Personnel with the requisites skills, qualifications or security clearance may be in short supply or generally unavailable. In addition, our ability to recruit, hire and internally deploy former employees of the U.S. government is subject to complex laws and regulations, which may serve as an impediment to our ability to attract such former employees, and failure to comply with these laws and regulations may expose us and our employees to civil or criminal penalties. If we are unable to recruit and retain a sufficient number of qualified employees, our ability to maintain and grow our business and to effectively serve our clients could be limited and our future revenue and results of operations could be materially and adversely affected. Furthermore, to the extent that we are unable to make necessary permanent hires to appropriately serve our clients, we could be required to engage larger numbers of contracted personnel, which could reduce our profit margins.

If we are able to attract sufficient numbers of qualified new hires, training and retention costs may place significant demands on our resources. In addition, to the extent that we experience attrition in our employee ranks, we may realize only a limited or no return on such invested resources, and we would have to expend additional resources to hire and train replacement employees. The loss of services of key personnel could also impair our ability to perform required services under some of our contracts and to retain such contracts, as well as our ability to win new business.

We may fail to obtain and maintain necessary security clearances which may adversely affect our ability to perform on certain contracts.

Many U.S. government programs require contractors to have security clearances. Depending on the level of required clearance, security clearances can be difficult and time-consuming to obtain. If we or our employees are unable to obtain or retain necessary security clearances, we may not be able to win new business, and our existing clients could terminate their contracts with us or decide not to renew them. To the extent we are not able to obtain and maintain facility security clearances or engage employees with the required security clearances for a particular contract, we may not be able to bid on or win new contracts, or effectively rebid on expiring contracts, as well as lose existing contracts, which may adversely affect our operating results and inhibit the execution of our growth strategy.

Our profitability could suffer if we are not able to timely and effectively utilize our professionals.

The cost of providing our services, including the utilization rate of our professionals, affects our profitability. Our utilization rate is affected by a number of factors, including:

- our ability to transition employees from completed projects to new assignments and to hire, assimilate and deploy new employees;
- our ability to forecast demand for our services and to maintain and deploy headcount that is aligned with demand;
- our ability to manage attrition; and
- our need to devote time and resources to training, business development and other non-chargeable activities.

If our utilization rate is too low, our profit margin and profitability could suffer. Additionally, if our utilization rate is too high, it could have a material adverse effect on employee engagement and attrition, which would in turn have a material adverse impact on our business.

We may lose one or more members of our senior management team or fail to develop new leaders which could cause the disruption of the management of our business.

We believe that the future success of our business and our ability to operate profitably depends on the continued contributions of the members of our senior management and the continued development of new members of senior management. We rely on our senior management to generate business and execute programs successfully. In addition, the relationships and reputation that many members of our senior management team have established and maintain with our clients are important to our business and our ability to identify new business opportunities. We do not have any employment agreements providing for a specific term of employment with any member of our senior management. The loss of any member of our senior management or our failure to continue to develop new members could impair our ability to identify and secure new contracts, to maintain good client relations and to otherwise manage our business.

Our employees or subcontractors may engage in misconduct or other improper activities which could harm our ability to conduct business with the U.S. government.

We are exposed to the risk that employee or subcontractor fraud or other misconduct could occur. Misconduct by employees or subcontractors could include intentional or unintentional failures to comply with U.S. government procurement regulations, engaging in unauthorized activities or falsifying time records. Employee or subcontractor misconduct could also involve the improper use of our clients sensitive or classified information or the failure to comply with legislation or regulations regarding the protection of sensitive or classified information. It is not always possible to deter employee or subcontractor misconduct, and the precautions we take to prevent and detect this activity may not be effective in controlling unknown or unmanaged risks or losses, which could materially harm our business. As a result of such misconduct, our employees could lose their security clearance and we could face fines and civil or criminal penalties, loss of facility clearance accreditation and suspension or debarment from contracting with the U.S. government, as well as reputational harm, which would materially and adversely affect our results of operations and financial condition.

We face intense competition from many competitors, which could cause us to lose business, lower prices and suffer employee departures.

Our business operates in a highly competitive industry, and we generally compete with a wide variety of U.S. government contractors, including large defense contractors, diversified service providers and small businesses. We also face competition from entrants into our markets including companies divested by large prime contractors in response to increasing scrutiny of organizational conflicts of interest issues. Some of these companies possess greater financial resources and larger technical staffs, and others have smaller and more specialized staffs. These competitors could, among other things:

- divert sales from us by winning very large-scale government contracts, a risk that is enhanced by the recent trend in government procurement practices to bundle services into larger contracts;
- force us to charge lower prices in order to win or maintain contracts;
- seek to hire our employees; or
- adversely affect our relationships with current clients, including our ability to continue to win competitively awarded engagements where we are the incumbent.

If we lose business to our competitors or are forced to lower our prices or suffer employee departures, our revenue and our operating profits could decline. In addition, we may face competition from our subcontractors who, from time to time, seek to obtain prime contractor status on contracts for which they currently serve as a subcontractor to us. If one or more of our current subcontractors are awarded prime contractor status on such contracts in the future, it could divert sales from us and could force us to charge lower prices, which could have a material adverse effect on our revenue and profitability.

Our failure to maintain strong relationships with other contractors, or the failure of contractors with which we have entered into a sub- or prime contractor relationship to meet their obligations to us or our clients, could have a material adverse effect on our business and results of operations.

Maintaining strong relationships with other U.S. government contractors, who may also be our competitors, is important to our business and our failure to do so could have a material adverse effect on our business, prospects, financial condition and operating results. To the extent that we fail to maintain good relations with our subcontractors or other prime contractors due to either perceived or actual performance failures or other conduct, they may refuse to hire us as a subcontractor in the future or to work with us as our subcontractor. In addition, other contractors may choose not to use us as a subcontractor or choose not to perform work for us as a subcontractor for any number of additional reasons, including because they choose to establish relationships with our competitors or because they choose to directly offer services that compete with our business.

As a prime contractor, we often rely on other companies to perform some of the work under a contract, and we expect to continue to depend on relationships with other contractors for portions of our delivery of services and revenue in the foreseeable future. If our subcontractors fail to perform their contractual obligations, our operating results and future growth prospects could be impaired. There is a risk that we may have disputes with our subcontractors arising from, among other things, the quality and timeliness of work performed by the subcontractor, client concerns about the subcontractor, our failure to extend existing task orders or issue new task orders under a subcontract, or our hiring of a subcontractor s personnel. In addition, if any of our subcontractors fail to deliver the agreed-upon supplies or perform the agreed-upon services on a timely basis, our ability to fulfill our obligations as a prime contractor may be jeopardized. Material losses could arise in future periods and subcontractor performance deficiencies could result in a client terminating a contract for default. A termination for default could expose us to liability and have an adverse effect on our ability to compete for future contracts and orders.

We estimate that revenue derived from contracts under which we acted as a subcontractor to other companies represented 13% of our revenue for fiscal 2010. As a subcontractor, we often lack control over fulfillment of a contract, and poor performance on the contract could tarnish our reputation, even when we perform as required, and could cause other contractors to choose not to hire us as a subcontractor in the future. In addition, if the U.S. government terminates or reduces other prime contractors programs or does not award them new contracts, subcontracting opportunities available to us could decrease, which would have a material adverse effect on our financial condition and results of operations.

Adverse judgments or settlements in legal disputes could result in materially adverse monetary damages or injunctive relief and damage our reputation.

We are subject to, and may become a party to, a variety of litigation or other claims and suits that arise from time to time in the ordinary course of our business. For example, over time, we have had disputes with current and former employees involving alleged violations of civil rights, wage and hour, and worker s compensation laws. Further, as more fully described under Business Legal Proceedings, six former officers and stockholders of the Predecessor who had departed the firm prior to the acquisition have filed suits against our company and certain of our current and former directors and officers. Each of the suits arises out of the acquisition and alleges that the former stockholders are entitled to certain payments that they would have received if they had held their stock at the time of acquisition. The results of litigation and other legal proceedings are inherently uncertain and adverse judgments or settlements in some or all of these legal disputes may result in materially adverse monetary damages or injunctive relief against us. Any claims or litigation, even if fully indemnified or insured, could damage our reputation and make it more difficult to compete effectively or obtain adequate insurance in the future. The litigation and other claims described in this prospectus under the caption Business Legal Proceedings are subject to future developments and management s view of these matters may change in the future.

Systems that we develop, integrate or maintain could experience security breaches which may damage our reputation with our clients and hinder future contract win rates.

Many of the systems we develop, integrate or maintain involve managing and protecting information involved in intelligence, national security and other sensitive or classified government functions. A security breach in one of these systems could cause serious harm to our business, damage our reputation and prevent us from being eligible for further work on sensitive or classified systems for U.S. government clients. Damage to our reputation or limitations on our eligibility for additional work or any liability resulting from a security breach in one of the systems we develop, install or maintain could have a material adverse effect on our results of operations.

Internal system or service failures could disrupt our business and impair our ability to effectively provide our services to our clients, which could damage our reputation and have a material adverse effect on our business and results of operations.

We create, implement and maintain information technology and engineering systems, and provide services that are often critical to our clients operations, some of which involve classified or other sensitive information and may be conducted in war zones or other hazardous environments. We are subject to systems failures, including network, software or hardware failures, whether caused by us, third-party service providers, intruders or hackers, computer viruses, natural disasters, power shortages or terrorist attacks. Any such failures could cause loss of data and interruptions or delays in our or our clients businesses and could damage our reputation. In addition, the failure or disruption of our communications or utilities could cause us to interrupt or suspend our operations, which could have a material adverse effect on our business and results of operations.

If our systems, services or other applications have significant defects or errors, are subject to delivery delays or fail to meet our clients expectations, we may:

- lose revenue due to adverse client reaction;
- be required to provide additional services to a client at no charge;
- receive negative publicity, which could damage our reputation and adversely affect our ability to attract or retain clients; or
- suffer claims for substantial damages.

In addition to any costs resulting from contract performance or required corrective action, these failures may result in increased costs or loss of revenue if they result in clients postponing subsequently scheduled work or canceling or failing to renew contracts.

Our errors and omissions insurance coverage may not continue to be available on reasonable terms or in sufficient amounts to cover one or more large claims, or the insurer may disclaim coverage as to some types of future claims. The successful assertion of any large claim against us could seriously harm our business. Even if not successful, these claims could result in significant legal and other costs, may be a distraction to our management and may harm our client relationships. In certain new business areas, we may not be able to obtain sufficient insurance and may decide not to accept or solicit business in these areas.

The growth of our business entails risks associated with new relationships, clients, capabilities, service offerings and maintaining our collaborative culture.

We are focused on growing our presence in our addressable markets by: expanding our relationships with existing clients, developing new clients by leveraging our core competencies, creating new capabilities to address our clients emerging needs and undertaking business development efforts focused on identifying near-term developments and long-term trends that may pose significant challenges for our clients. These efforts entail inherent risks associated with innovation and competition from other participants in those areas and potential failure to help our clients respond to the challenges they face. As we attempt to develop new relationships, clients, capabilities and service offerings, these efforts could harm our results of operations due to, among other things, a diversion of our focus and resources, actual costs and opportunity costs of pursuing these opportunities in lieu of others, and these efforts could be unsuccessful. In addition, our ability to grow our business by leveraging our operating model to efficiently and effectively deploy our people across our client base is largely dependent on our ability to maintain our collaborative culture. To the extent that we are unable to maintain our culture for any reason, we may be unable to grow our business. Any such failure could have a material adverse effect on our business and results of operations.

We and our subsidiaries may incur debt in the future, which could substantially reduce our profitability, limit our ability to pursue certain business opportunities, and reduce the value of your investment.

In connection with the acquisition and the recapitalization transaction, which refers to the December 2009 payment of a special dividend and repayment of a portion of the deferred payment obligation and the related amendments to our credit agreements, and as a result of our business activities, we have incurred a substantial amount of debt. As of September 30, 2010, on an as adjusted basis after giving effect to this offering and the use of the net proceeds therefrom as described in Use of Proceeds, we would have had approximately $1,266.2 million of debt outstanding. The instruments governing our indebtedness may not prevent us or our subsidiaries from incurring additional debt in the future or other obligations that do not constitute indebtedness, which could increase the risks described below and lead to other risks. In addition, we may, at our option and subject to certain closing conditions including pro forma compliance with financial covenants, increase the borrowing capacity under our senior credit facilities without the consent of any person other than the institutions agreeing to provide all or any portion of such increase, to an amount not to exceed

$100.0 million. The amount of our debt or such other obligations could have important consequences for holders of our Class A common stock, including, but not limited to:

- our ability to satisfy obligations to lenders may be impaired, resulting in possible defaults on and acceleration of our indebtedness;

- our ability to obtain additional financing for refinancing of existing indebtedness, working capital, capital expenditures, product and service development, acquisitions, general corporate purposes and other purposes may be impaired;

- a substantial portion of our cash flow from operations could be dedicated to the payment of the principal and interest on our debt;

- we may be increasingly vulnerable to economic downturns and increases in interest rates;

- our flexibility in planning for and reacting to changes in our business and the industry may be limited; and

- we may be placed at a competitive disadvantage relative to other firms in our industry.

Our credit facilities contain financial and operating covenants that limit our operations and could lead to adverse consequences if we fail to comply with them.

Our senior credit facilities and our mezzanine credit facility, which we refer to together as our credit facilities, contain financial and operating covenants relating to, among other things, interest coverage and leverage ratios, as well as limitations on mergers, consolidations and dissolutions, sales of assets, investments and acquisitions, indebtedness and liens, dividends, repurchase of shares of capital stock and options to purchase shares of capital stock, transactions with affiliates, sale and leaseback transactions and restricted payments. The revolving credit facility and the Tranche A term facility mature on July 31, 2014. The Tranche B term facility and Tranche C term facility mature on July 31, 2015. Our mezzanine credit facility matures on July 31, 2016. Failure to meet these financial and operating covenants could result from, among other things, changes in our results of operations, the incurrence of debt, or changes in general economic conditions, which may be beyond our control. These covenants may restrict our ability to engage in transactions that we believe would otherwise be in the best interests of our stockholders, which could harm our business and operations.

Many of our contracts with the U.S. government are classified or subject to other security restrictions, which may limit investor insight into portions of our business.

For fiscal 2010 and the six months ended September 30, 2010, we derived a substantial portion of our revenue from contracts with the U.S. government that are classified or subject to security restrictions which preclude the dissemination of certain information. Because we are limited in our ability to provide details about these contracts, the various risks associated with these contracts or any dispute or claims relating to such contracts, you will have less insight into a substantial portion of our business and therefore may be less able to fully evaluate the risks related to that portion of our business.

If we cannot collect our receivables or if payment is delayed, our business may be adversely affected by our inability to generate cash flow, provide working capital or continue our business operations.

We depend on the timely collection of our receivables to generate cash flow, provide working capital and continue our business operations. If the U.S. government or any prime contractor for whom we are a subcontractor fails to pay or delays the payment of invoices for any reason, our business and financial condition may be materially and adversely affected. The U.S. government may delay or fail to pay invoices for a number of reasons, including lack of appropriated funds, lack of an approved budget, or as a result of audit findings by government regulatory agencies. Some prime contractors for whom we are a subcontractor have significantly fewer financial resources than we do, which may increase the risk that we may not be paid in full or that payment may be delayed.

Recent efforts by the U.S. government to revise its organizational conflict of interest rules could limit our ability to successfully compete for new contracts or task orders, which would adversely affect our results of operations.

Recent efforts by the U.S. government to reform its procurement practices have focused, among other areas, on the separation of certain types of work to facilitate objectivity and avoid or mitigate organizational conflicts of interest and the strengthening of regulations governing organizational conflicts of interest. Organizational conflicts of interest may arise from circumstances in which a contractor has:

- impaired objectivity;
- unfair access to non-public information; or
- the ability to set the ground rules for another procurement for which the contractor competes.

A focus on organizational conflicts of interest issues has resulted in legislation and a proposed regulation aimed at increasing organizational conflicts of interest requirements, including, among other things, separating sellers of products and providers of advisory services in major defense acquisition programs. In addition, we expect the U.S. government to adopt a FAR rule to address organizational conflicts of interest issues that will apply to all government contractors, including us, in Department of Defense and other procurements. A future FAR rule may also increase the restrictions in current organizational conflicts of interest regulations and rules. To the extent that proposed and future organizational conflicts of interest laws, regulations, and rules, limit our ability to successfully compete for new contracts or task orders with the U.S. government, either because of organizational conflicts of interest issues arising from our business, or because companies with which we are affiliated, including through Carlyle, or with which we otherwise conduct business, create organizational conflicts of interest issues for us, our results of operations could be materially and adversely affected.

Acquisitions could result in operating difficulties or other adverse consequences to our business.

As part of our future operating strategy, we may choose to selectively pursue acquisitions. This could pose many risks, including:

- we may not be able to identify suitable acquisition candidates at prices we consider attractive;
- we may not be able to compete successfully for identified acquisition candidates, complete acquisitions or accurately estimate the financial effect of acquisitions on our business;
- future acquisitions may require us to issue common stock or spend significant cash, resulting in dilution of ownership or additional debt leverage;
- we may have difficulty retaining an acquired company s key employees or clients;
- we may have difficulty integrating acquired businesses, resulting in unforeseen difficulties, such as incompatible accounting, information management, or other control systems, and greater expenses than expected;
- acquisitions may disrupt our business or distract our management from other responsibilities;
- as a result of an acquisition, we may incur additional debt and we may need to record write-downs from future impairments of intangible assets, each of which could reduce our future reported earnings; and

we may have difficulty integrating personnel from the acquired company with our people and our core values.

In connection with any acquisition that we make, there may be liabilities that we fail to discover or that we inadequately assess, and we may fail to discover any failure of a target company to have fulfilled its contractual obligations to the U.S. government or other clients. Acquired entities may not operate profitably or result in improved operating performance. Additionally, we may not realize anticipated synergies, business growth opportunities, cost savings and other benefits we anticipate, which could have a material adverse effect on our business and results of operations.

Risks Related to Our Industry

Our U.S. government contracts may be terminated by the government at any time and may contain other provisions permitting the government to discontinue contract performance, and if lost contracts are not replaced, our operating results may differ materially and adversely from those anticipated.

U.S. government contracts contain provisions and are subject to laws and regulations that provide government clients with rights and remedies not typically found in commercial contracts. These rights and remedies allow government clients, among other things, to:

- terminate existing contracts, with short notice, for convenience as well as for default;
- reduce orders under or otherwise modify contracts;
- for contracts subject to the Truth in Negotiations Act, reduce the contract price or cost where it was increased because a contractor or subcontractor furnished cost or pricing data during negotiations that was not complete, accurate and current;
- for some contracts, (i) demand a refund, make a forward price adjustment or terminate a contract for default if a contractor provided inaccurate or incomplete data during the contract negotiation process and (ii) reduce the contract price under certain triggering circumstances, including the revision of price lists or other documents upon which the contract award was predicated;
- terminate our facility security clearances and thereby prevent us from receiving classified contracts;
- cancel multi-year contracts and related orders if funds for contract performance for any subsequent year become unavailable;
- decline to exercise an option to renew a multi-year contract or issue task orders in connection with ID/IQ contracts;
- claim rights in solutions, systems and technology produced by us, appropriate such work-product for their continued use without continuing to contract for our services and disclose such work-product to third parties, including other U.S. government agencies and our competitors, which could harm our competitive position;
- prohibit future procurement awards with a particular agency due to a finding of organizational conflicts of interest based upon prior related work performed for the agency that would give a contractor an unfair advantage over competing contractors, or the existence of conflicting roles that might bias a contractor s judgment;
- subject the award of contracts to protest by competitors, which may require the contracting federal agency or department to suspend our performance pending the outcome of the protest and may also result in a requirement to resubmit offers for the contract or in the termination, reduction or modification of the awarded contract; and
- suspend or debar us from doing business with the U.S. government.

If a U.S. government client were to unexpectedly terminate, cancel or decline to exercise an option to renew with respect to one or more of our significant contracts, or suspend or debar us from doing business with the

U.S. government, our revenue and operating results would be materially harmed.

The U.S. government may revise its procurement, contract or other practices in a manner adverse to us.

The U.S. government may:

- revise its procurement practices or adopt new contract laws, rules and regulations, such as cost accounting standards, organizational conflicts of interest and other rules governing inherently governmental functions at any time;

reduce, delay or cancel procurement programs resulting from U.S. government efforts to improve procurement practices and efficiency;

limit the creation of new government-wide or agency-specific multiple award contracts;

face restrictions or pressure from government employees and their unions regarding the amount of services the U.S. government may obtain from private contractors;

award contracts on a technically acceptable/lowest cost basis in order to reduce expenditures, and we may not be the lowest cost provider of services;

change the basis upon which it reimburses our compensation and other expenses or otherwise limit such reimbursements; and

at its option, terminate or decline to renew our contracts.

In addition, any new contracting methods could be costly or administratively difficult for us to implement and could adversely affect our future revenue. Any such changes to the U.S. government s procurement practices or the adoption of new contracting rules or practices could impair our ability to obtain new or re-compete contracts and any such changes or increased associated costs could materially and adversely affect our results of operations.

The U.S. government may prefer minority-owned, small and small disadvantaged businesses; therefore, we may not win contracts we bid for.

As a result of the Small Business Administration set-aside program, the U.S. government may decide to restrict certain procurements only to bidders that qualify as minority-owned, small or small disadvantaged businesses. As a result, we would not be eligible to perform as a prime contractor on those programs and would be restricted to a maximum of 49% of the work as a subcontractor on those programs. An increase in the amount of procurements under the Small Business Administration set-aside program may impact our ability to bid on new procurements as a prime contractor or restrict our ability to recompete on incumbent work that is placed in the set-aside program.

Our contracts, performance and administrative processes and systems are subject to audits, reviews, investigations and cost adjustments by the U.S. government, which could reduce our revenue, disrupt our business or otherwise materially adversely affect our results of operations.

U.S. government agencies routinely audit, review and investigate government contracts and government contractors administrative processes and systems. These agencies review our performance on contracts, pricing practices, cost structure and compliance with applicable laws, regulations and standards, including applicable government cost accounting standards. For example, we recently responded to an August 5, 2010 Notice of Intent to Disallow Costs from the Defense Contract Management Agency, to disallow approximately $17 million of subcontractor labor costs relating to services provided in fiscal 2005. These agencies also review our compliance with government regulations and policies and the Defense Contract Audit Agency, or the DCAA, audits, among other areas, the adequacy of our internal control systems and policies, including our purchasing, property, estimating, compensation and management information systems. In particular, over time the DCAA has increased and may continue to increase the proportion of employee compensation that it deems unallowable and the size of the employee population whose compensation is disallowed, which will continue to materially and adversely affect our results of operations or financial condition. Any costs found to be unallowable under a contract will not be reimbursed, and any such costs already reimbursed must be refunded. Moreover, if any of the administrative processes and systems are found not to comply with government imposed requirements, we may be subjected to increased government scrutiny and approval that could delay or otherwise adversely affect our ability to compete for or perform contracts. Unfavorable U.S. government audit, review or investigation results could subject us to civil or criminal penalties or administrative sanctions, and could harm our reputation and relationships with our clients and impair our ability to be awarded new contracts. For example, if our invoicing system were found to be inadequate following an audit by the DCAA, our ability to directly invoice U.S. government payment offices could be eliminated. As a result, we would be required to submit each invoice to the DCAA for approval prior to payment, which could materially increase our accounts receivable days sales outstanding and adversely affect our cash flow. An unfavorable outcome to an audit, review or investigation by any U.S. government agency could materially and adversely affect our relationship with the U.S. government. If a government investigation uncovers improper or illegal activities, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeitures of profits, suspension of payments, fines and suspension or debarment from doing business with the U.S. government. In addition, we could suffer serious reputational harm if allegations of impropriety were made against us. Provisions that we have recorded in our financial statements as a compliance reserve may not cover actual losses. Furthermore, the disallowance of any costs previously charged could directly and negatively affect our current results of operations for the relevant prior fiscal periods, and we could be required to repay any such disallowed amounts. Each of these results could materially and adversely affect our results of operations or financial condition.

A delay in the completion of the U.S. government s budget process could result in a reduction in our backlog and have a material adverse effect on our revenue and operating results.

On an annual basis, the U.S. Congress must approve budgets that govern spending by each of the federal agencies we support. When the U.S. Congress is unable to agree on budget priorities, and thus is unable to pass the annual budget on a timely basis, the U.S. Congress typically enacts a continuing resolution. A continuing resolution allows government agencies to operate at spending levels approved in the previous budget cycle. On September 30, 2010, President Obama signed a continuing resolution passed by the U.S. Congress into law. Under this continuing resolution, funding may not be available for new projects. In addition, when government agencies operate on the basis of a continuing resolution, they may delay funding we expect to receive on contracts we are already performing. Any such delays would likely result in new business initiatives being delayed or cancelled and a reduction in our backlog, and could have a material adverse effect on our revenue and operating results.

Risks Related to Our Common Stock and This Offering

Booz Allen Holding is a holding company with no operations of its own, and it depends on its subsidiaries for cash to fund all of its operations and expenses, including to make future dividend payments, if any.

The operations of Booz Allen Holding are conducted almost entirely through its subsidiaries and its ability to generate cash to meet its debt service obligations or to pay dividends is highly dependent on the earnings and the receipt of funds from its subsidiaries via dividends or intercompany loans. We do not currently expect to declare or pay dividends on our Class A common stock for the foreseeable future; however, to the extent that we determine in the future to pay dividends on our Class A common stock, none of our subsidiaries will be obligated to make funds available to us for the payment of dividends. Further, our credit facilities significantly restrict the ability of our subsidiaries to pay dividends or otherwise transfer assets to us. In addition, Delaware law may impose requirements that may restrict our ability to pay dividends to holders of our common stock.

Our principal stockholder could exert significant influence over our company.

As of November 16, 2010, Carlyle, through Coinvest, owned in the aggregate shares of our common stock representing 79% of our outstanding voting power. After completion of this offering, Carlyle will own in the aggregate shares of our common stock representing 71% of our outstanding voting power, or 70% if the underwriters exercise their over-allotment option in full (in each case, excluding shares of common stock with respect to which Carlyle has received a voting proxy pursuant to new irrevocable proxy and tag-along agreements). Under the terms of the new irrevocable proxy and tag-along agreements Carlyle will be able to exercise voting power over shares of our common stock owned by a number of other stockholders, including our executive officers, with respect to the election and removal of directors and change of control transactions. See Certain Relationships and Related Party Transactions Related Person Transactions Irrevocable Proxy and Tag-Along Agreements. As a result, Carlyle will have a controlling influence over all matters presented to our stockholders for approval, including election and removal of our directors and change of control transactions.

In addition, Coinvest is a party to the amended and restated stockholders agreement pursuant to which Carlyle has the right to nominate a majority of the members of our Board and to exercise control over matters requiring stockholder approval and our policy and affairs, for example, by being able to direct the use of proceeds received from this and future security offerings. See Certain Relationships and Related Party Transactions Related Person Transactions Stockholders Agreement. In addition, following the consummation of this offering, we will be a controlled company within the meaning of the New York Stock Exchange rules and, as a result, currently intend to rely on exemptions from certain corporate governance requirements. The concentrated holdings of funds affiliated with Carlyle, certain provisions of the amended and restated stockholders agreement entered into in connection with this offering and the presence of Carlyle s nominees on our Board may result in a delay or the deterrence of possible changes in control of our company, which may reduce the market price of our common stock. The interests of Carlyle may not always coincide with the interests of the other holders of our common stock.

Carlyle is in the business of making investments in companies, and may from time to time in the future acquire controlling interests in businesses engaged in management and technology consulting that complement or directly or indirectly compete with certain portions of our business. If Carlyle pursues such acquisitions in our industry, those acquisition opportunities may not be available to us. In addition, to the extent that Carlyle acquires a controlling interest in one or more companies that provide services or products to the U.S. government, our affiliation with any such company through Carlyle could create organizational conflicts of interest and similar issues for us under federal procurement laws and regulations. See Risk Related to Our Business Recent efforts by the U.S. government to revise its organizational conflicts of interest rules could limit our ability to successfully compete for new contracts or task orders, which would adversely affect our results of operations. We urge you to read the discussions under the headings Certain Relationships and Related Party Transactions and Security Ownership of Certain Beneficial Owners and Management for further information about the equity interests held by Carlyle and members of our senior management.

Investors in this offering will experience immediate dilution in net tangible book value per share.

The initial public offering price per share will significantly exceed the net tangible book value per share of our common stock. As a result, investors in this offering will experience immediate dilution of $21.76 in net tangible book value per share based on an initial public offering price of $17.00 per share. This dilution occurs in large part because our earlier investors paid substantially less than the initial public offering price when they purchased their shares. Investors in this offering may also experience additional dilution as a result of shares of Class A common stock that may be issued in connection with a future acquisition. Accordingly, in the event that we are liquidated, investors may not receive the full amount or any of their investment.

Our financial results may vary significantly from period to period as a result of a number of factors many of which are outside our control, which could cause the market price of our Class A common stock to decline.

Our financial results may vary significantly from period to period in the future as a result of many external factors that are outside of our control. Factors that may affect our financial results include those listed in this Risk Factors section and others such as:

- any cause of reduction or delay in U.S. government funding (e.g., changes in presidential administrations that delay timing of procurements);
- fluctuations in revenue earned on existing contracts;
- commencement, completion or termination of contracts during a particular period;
- a potential decline in our overall profit margins if our other direct costs and subcontract revenue grow at a faster rate than labor-related revenue;

strategic decisions by us or our competitors, such as changes to business strategy, strategic investments, acquisitions, divestitures, spin offs and joint ventures;

a change in our contract mix to less profitable contracts;

changes in policy or budgetary measures that adversely affect U.S. government contracts in general;

variable purchasing patterns under U.S. government GSA schedules, blanket purchase agreements, which are agreements that fulfill repetitive needs under GSA schedules, and ID/IQ contracts;

changes in demand for our services and solutions;

fluctuations in our staff utilization rates;

seasonality associated with the U.S. government s fiscal year;

an inability to utilize existing or future tax benefits, including those related to our NOLs or stock-based compensation expense, for any reason, including a change in law;

alterations to contract requirements; and

adverse judgments or settlements in legal disputes.

A decline in the price of our Class A common stock due to any one or more of these factors could cause the value of your investment to decline.

A majority of our outstanding indebtedness is secured by substantially all of our consolidated assets. As a result of these security interests, such assets would only be available to satisfy claims of our general creditors or to holders of our equity securities if we were to become insolvent to the extent the value of such assets exceeded the amount of our indebtedness and other obligations. In addition, the existence of these security interests may adversely affect our financial flexibility.

Indebtedness under our senior credit facilities is secured by a lien on substantially all of our assets. Accordingly, if an event of default were to occur under our senior credit facilities, the senior secured lenders under such facilities would have a prior right to our assets, to the exclusion of our general creditors in the event of our bankruptcy, insolvency, liquidation or reorganization. In that event, our assets would first be used to repay in full all indebtedness and other obligations secured by them (including all amounts outstanding under our senior credit facilities), resulting in all or a portion of our assets being unavailable to satisfy the claims of our unsecured indebtedness. Only after satisfying the claims of our unsecured creditors and our subsidiaries unsecured creditors would any amount be available for our equity holders. The pledge of these assets and other restrictions may limit our flexibility in raising capital for other purposes. Because substantially all of our assets are pledged under these financing arrangements, our ability to incur additional secured indebtedness or to sell or dispose of assets to raise capital may be impaired, which could have an adverse effect on our financial flexibility. As of September 30, 2010, we had $1,013.8 million of indebtedness outstanding under our senior credit facilities and had $221.7 million of capacity available for additional borrowings under the revolving portion of our senior credit facilities (excluding the $21.3 million commitment by the successor entity to Lehman Brothers Commercial Bank). In addition, we may, at our option and subject to certain closing conditions including pro forma compliance with financial covenants, increase the senior credit facilities without the consent of any person other than the institutions agreeing to provide all or any portion of such increase, in an amount not to exceed $100.0 million. See Description of Certain Indebtedness Senior Credit Facilities Guarantees; Security.

Our Class A common stock has no prior public market, and our stock price could be volatile and could decline after this offering.

Before this offering, our Class A common stock had no public market. We will negotiate the initial public offering price per share with the representatives of the underwriters and, therefore, that price may not be indicative of the market price of our common stock after the offering. We cannot assure you that an active public market for our Class A common stock will develop after this offering or if it does develop, it may not be sustained. In the absence of a public trading market, you may not be able to liquidate your investment in our common stock. In addition, the market price of our common stock could be subject to significant fluctuations after this offering. Among the factors that could affect our stock price are:

quarterly variations in our operating results;

changes in contract revenue and earnings estimates or publication of research reports by analysts;

speculation in the press or investment community;

investor perception of us and our industry;

strategic actions by us or our competitors, such as significant contracts, acquisitions or restructurings;

actions by institutional stockholders or other large stockholders, including future sales;

our relationship with U.S. government agencies;

changes in U.S. government spending;

changes in accounting principles; and

general economic market conditions.

In particular, we cannot assure you that you will be able to resell your shares at or above the initial public offering price. The stock markets have experienced extreme volatility in recent years that has been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our Class A common stock. In the past, following periods of volatility in the market price of a company s securities, class action litigation has often been instituted against the company. Any litigation of this type brought against us could result in substantial costs and a diversion of our management s attention and resources, which would harm our business, operating results and financial condition.

Fulfilling our obligations incident to being a public company, including with respect to the requirements of and related rules under the Sarbanes Oxley Act of 2002, will be expensive and time consuming and any delays or difficulty in satisfying these obligations could have a material adverse effect on our future results of operations and our stock price.

As a private company, we have not been subject to the requirements of the Sarbanes-Oxley Act of 2002. As a public company, the Sarbanes-Oxley Act of 2002 and the related rules and regulations of the Securities and Exchange Commission, or the SEC, as well as the New York Stock Exchange rules, will require us to implement additional corporate governance practices and adhere to a variety of reporting requirements and complex accounting rules. Compliance with these public company obligations will require us to devote significant management time and will place significant additional demands on our finance and accounting staff and on our financial, accounting and information systems. We expect to hire additional accounting and financial staff with appropriate public company reporting experience and technical accounting knowledge. Other expenses associated with being a public company include increased auditing, accounting and legal fees and expenses, investor relations expenses, increased directors fees and director and officer liability insurance costs, registrar and transfer agent fees, listing fees, as well as other expenses.

In particular, upon completion of this offering, the Sarbanes-Oxley Act of 2002 will require us to document and test the effectiveness of our internal control over financial reporting in accordance with an established internal control framework, and to report on our conclusions as to the effectiveness of our internal controls. It will also require an independent registered public accounting firm to test our internal control over financial reporting and report on the effectiveness of such controls for fiscal 2012 and subsequent years. In addition, upon completion of this offering, we will be required under the Securities Exchange Act of 1934, as amended, or the Exchange Act, to maintain disclosure controls and procedures and internal control over financial reporting. Any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations. If we are unable to conclude that we have effective internal control over financial reporting, or if our independent registered public accounting firm is unable to provide us with an unqualified report regarding the effectiveness of our internal control over financial reporting as of March 31, 2012 and in future periods, investors could lose confidence in the reliability of our financial statements. This could result in a decrease in the value of our common stock. Failure to comply with the Sarbanes-Oxley Act of 2002 could potentially subject us to sanctions or investigations by the SEC, the New York Stock Exchange, or other regulatory authorities.

Provisions in our organizational documents and in the Delaware General Corporation Law may prevent takeover attempts that could be beneficial to our stockholders.

Our amended and restated certificate of incorporation and amended and restated bylaws include a number of provisions that may have the effect of delaying, deterring, preventing or rendering more difficult a change in control of Booz Allen Holding that our stockholders might consider in their best interests. These provisions include:

establishment of a classified Board, with staggered terms;

granting to the Board the sole power to set the number of directors and to fill any vacancy on the Board;

limitations on the ability of stockholders to remove directors if a group, as defined under Section 13(d)(3) of the Exchange Act, ceases to own more than 50% of our voting common stock;

granting to the Board the ability to designate and issue one or more series of preferred stock without stockholder approval, the terms of which may be determined at the sole discretion of the Board;

a prohibition on stockholders from calling special meetings of stockholders;

the establishment of advance notice requirements for stockholder proposals and nominations for election to the Board at stockholder meetings;

requiring approval of two-thirds of stockholders to amend the bylaws; and

prohibiting our stockholders from acting by written consent if a group ceases to own more than 50% of our voting common stock.

These provisions may prevent our stockholders from receiving the benefit from any premium to the market price of our common stock offered by a bidder in a takeover context. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if the provisions are viewed as discouraging takeover attempts in the future. In addition, we have opted out of Section 203 of the Delaware General Corporation Law, which would have otherwise imposed additional requirements regarding mergers and other business combinations, until Coinvest and its affiliates no longer own more than 20% of our Class A common stock. After such time, we will be governed by Section 203.

Our amended and restated certificate of incorporation and amended and restated by-laws may also make it difficult for stockholders to replace or remove our management. These provisions may facilitate management entrenchment that may delay, deter, render more difficult or prevent a change in our control, which may not be in the best interests of our stockholders.

See Description of Capital Stock for additional information on the anti-takeover measures applicable to us.

Sales of outstanding shares of our common stock into the market in the future could cause the market price of our common stock to drop significantly.

Immediately following this offering, Carlyle will own 95,660,000 shares of our Class A common stock, or 79% of our outstanding Class A common stock. If the underwriters exercise their overallotment option in full, Carlyle will own 78% of our outstanding Class A common stock. If Carlyle sells, or the market perceives that Carlyle intends to sell, a substantial portion of its beneficial ownership interest in us in the public market, the market price of our Class A common stock could decline significantly. The sales also could make it more difficult for us to sell equity or equity-related securities at a time and price that we deem appropriate.

After this offering, 120,622,350 shares of our Class A common stock will be outstanding. Of these shares, 14,000,000 shares of our Class A common stock sold in this offering will be freely tradable, without restriction, in the public market unless purchased by our affiliates (as that term is defined by Rule 144 under the Securities Act of 1933, or Securities Act) and all of the remaining shares of Class A common stock, as well as outstanding shares of our Class B non-voting common stock, Class C restricted common stock and Class E special voting common stock, subject to certain exceptions, will be subject to a 180-day lock-up by virtue of either contractual lock-up agreements or pursuant to the terms of the amended and restated stockholders agreement. Morgan Stanley & Co. Incorporated and Barclays Capital Inc. may, in their discretion, permit our directors, officers and current stockholders who are subject to these lock-ups to sell shares prior to the expiration of the 180-day lock-up period. In addition, any Class A common stock purchased by participants in our directed share program pursuant to which the underwriters have reserved, at our request, up to 10% of the Class A common stock offered by this prospectus for sale to certain of our senior personnel and individuals employed by or associated with our affiliates, will be subject to a 180-day lock-up restriction. See Shares of Common Stock Eligible for Future Sale Lock-Up Agreements. After the lock-up agreements pertaining to this offering expire, up to an additional 99,539,470 shares of our Class A common stock, all of which are held by directors, executive officers and other affiliates, will be restricted securities within the meaning of Rule 144 under the Securities Act eligible for resale in the public market subject to volume, manner of sale and holding period limitations under Rule 144 under the Securities Act. The remaining 7,082,880 shares of Class A common stock outstanding will also be restricted securities within the meaning of Rule 144 under the Securities Act eligible for resale in the public market subject to applicable volume, manner of sale, holding period and other limitations of Rule 144 as well as pursuant to an exemption from registration under Rule 701 under the Securities Act. After the lock-up agreements relating to this offering expire, 16,727,079 shares of our Class A common stock will be issuable upon (1) transfer of our Class B non-voting common stock and Class C restricted common stock and (2) the exercise of outstanding stock options relating to our outstanding Class E special voting common stock. In addition, the 25,133,420 shares of our Class A common stock underlying options that are either subject to the terms of our Equity Incentive Plan or reserved for future issuance under our Equity Incentive Plan will become eligible for sale in the public market to the extent permitted by the provisions of various option agreements, the lock-up agreements and Rules 144 and 701 under the Securities Act to the extent such shares are not otherwise registered for sale under the Securities Act. If these additional shares are sold, or if it is perceived that they will be sold, in the public market, the price of our Class A common stock could decline substantially. 5,172,923 of the options granted under our Officers Rollover Stock Plan and Equity Incentive Plan will become exercisable on June 30, 2011 and the shares of Class A common stock underlying such options issued upon exercise thereof will be freely transferable upon issuance. For additional information, see Shares of Common Stock Eligible for Future Sale.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the sections entitled Prospectus Summary, Risk Factors, Management s Discussion and Analysis of Financial Condition and Results of Operations and Business, contains forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as may, will, could, should, expects intends, plans, anticipates, believes, estimates, predicts, potential, continue, or the negative of these terr comparable terminology. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give you no assurance these expectations will prove to have been correct. These forward-looking statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks and other factors include:

- any issue that compromises our relationships with the U.S. government or damages our professional reputation;
- changes in U.S. government spending and mission priorities that shift expenditures away from agencies or programs that we support;
- the size of our addressable markets and the amount of U.S. government spending on private contractors;
- failure to comply with numerous laws and regulations;
- our ability to compete effectively in the competitive bidding process and delays caused by competitors protests of major contract awards received by us;
- the loss of GSA schedules or our position as prime contractor on GWACs;
- changes in the mix of our contracts and our ability to accurately estimate or otherwise recover expenses, time and resources for our contracts;
- our ability to generate revenue under certain of our contracts;
- our ability to realize the full value of our backlog and the timing of our receipt of revenue under contracts included in backlog;
- changes in estimates used in recognizing revenue;
- any inability to attract, train or retain employees with the requisite skills, experience and security clearances;
- an inability to hire, assimilate and deploy enough employees to serve our clients under existing contracts;
- an inability to effectively and timely utilize our employees and professionals;
- failure by us or our employees to obtain and maintain necessary security clearances;
- the loss of members of senior management or failure to develop new leaders;

misconduct or other improper activities from our employees or subcontractors;

increased competition from other companies in our industry;

failure to maintain strong relationships with other contractors;

inherent uncertainties and potential adverse developments in legal proceedings, including litigation, audits, reviews and investigations, which may result in materially adverse judgments, settlements or other unfavorable outcomes;

internal system or service failures and security breaches;

risks related to our indebtedness and credit facilities which contain financial and operating covenants;

the adoption by the U.S. government of new laws, rules and regulations, such as those relating to organizational conflicts of interest issues;

an inability to utilize existing or future tax benefits, including those related to our NOLs and stock-based compensation expense, for any reason, including a change in law;

variable purchasing patterns under U.S. government GSA schedules, blanket purchase agreements and ID/IQ contracts; and

other risks and factors listed under Risk Factors and elsewhere in this prospectus.

In light of these risks, uncertainties and other factors, the forward-looking statements contained in this prospectus might not prove to be accurate and you should not place undue reliance upon them. All forward-looking statements speak only as of the date made and we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of 14,000,000 shares of our Class A common stock being offered by us pursuant to this prospectus at an initial public offering price of $17.00 per share will be approximately $216.7 million, after deducting estimated underwriting discounts, commissions and estimated offering expenses payable by us.

We intend to use the net proceeds we receive from the sale of our Class A common stock to repay $210.4 million of our mezzanine credit facility and pay a $6.3 million prepayment penalty related to our repayment under our mezzanine credit facility. Our mezzanine credit facility was entered into in connection with the acquisition and amended in connection with the recapitalization transaction. Our mezzanine credit facility consists of a term loan facility in an aggregate principal amount of up to $550.0 million that matures on July 31, 2016. On July 31, 2008, we borrowed $550.0 million under our mezzanine credit facility. As of September 30, 2010, outstanding borrowings under our mezzanine credit facility were $461.2 million and bore an interest rate at 13%. Certain of the underwriters of this offering or their affiliates are lenders under our mezzanine credit facility. Accordingly, certain of the underwriters will receive net proceeds from this offering in connection with the repayment of our mezzanine credit facility. See Underwriting.

DIVIDEND POLICY

We do not currently expect to declare or pay dividends on our Class A common stock for the foreseeable future. Instead, we anticipate that all of our earnings in the foreseeable future will be used for the operation and growth of our business. Our ability to pay dividends to holders of our Class A common stock is limited by covenants in the credit agreements governing our senior credit facilities and our mezzanine credit facility. Any future determination to pay dividends on our Class A common stock is subject to the discretion of our Board and will depend upon various factors then existing, including our results of operations, financial condition, liquidity requirements, restrictions that may be imposed by applicable laws and our contracts, as well as economic and other factors deemed relevant by our Board. To the extent that the Board declares any future dividends, holders of Class A common stock, Class B non-voting common stock, and Class C restricted common stock will share the dividend payment equally.

On July 27, 2009, we declared a special cash dividend on all issued and outstanding shares of Class A common stock, Class B non-voting common stock, and Class C restricted common stock in the aggregate amount of $114.9 million payable to holders of record as of July 29, 2009. On December 7, 2009, we declared another special cash dividend on all issued and outstanding shares to the same equity classes described above in the aggregate amount of $497.5 million payable to the holders of record as of December 8, 2009. Of these amounts, approximately $548.1 million was paid to Coinvest according to its ownership of our Class A common stock. See The Acquisition and Recapitalization Transaction. We do not currently intend to declare or pay any similar special dividends in the foreseeable future.

CAPITALIZATION

The following table sets forth our capitalization on a consolidated basis as of September 30, 2010:

on an actual basis; and

on an as adjusted basis to give effect to the sale by us of 14,000,000 shares of our Class A common stock in this offering at the initial public offering price of $17.00 per share (and after deducting estimated underwriting discounts and commissions and offering expenses payable by us) and the use of the net proceeds therefrom as described in Use of Proceeds.

The table below excludes the Class D merger rolling common stock, par value $0.01, and the Class F non-voting restricted common stock, par value $0.01, each of which had 600,000 authorized shares and no shares issued and outstanding as of September 30, 2010. Our amended and restated certificate of incorporation eliminated the Class D merger rolling common stock and the Class F non-voting restricted common stock. The table below reflects the par value and number of authorized shares under our amended and restated certificate of incorporation.

You should read this table in conjunction with the sections of this prospectus entitled Selected Historical Consolidated Financial and Other Data, Management s Discussion and Analysis of Financial Condition and Results of Operations, Description of Certain Indebtedness and our consolidated financial statements and related notes included elsewhere in this prospectus.

	As of September 30, 2010	
	Actual	As Adjusted (Unaudited)
	(In thousands, except share and per share amounts)	
Cash and cash equivalents	$ 366,526	$ 369,302
Debt(1)(2)	$ 1,554,931	$ 1,346,243
Stockholders equity:		
Class A common stock, par value $0.01 per share, 600,000,000 shares authorized: (i) Actual: 106,622,350 shares issued and outstanding and (ii) As Adjusted: 120,622,350 shares issued and outstanding	1,066	1,206
Class B non-voting common stock, par value $0.01 per share, 16,000,000 shares authorized: (i) Actual: 3,053,130 shares issued and outstanding and (ii) As Adjusted: 3,053,130 shares issued and outstanding	31	31
Class C restricted common stock, par value $0.01 per share, 5,000,000 shares authorized: (i) Actual: 2,028,270 shares issued and outstanding and (ii) As Adjusted: 2,028,270 shares issued and outstanding	20	20
Class E special voting common stock, par value $0.003 per share, 25,000,000 shares authorized: (i) Actual: 12,348,860 shares issued and outstanding and (ii) As Adjusted: 12,348,860 shares issued and outstanding	37	37

Preferred Stock, par value $0.01 per share, 54,000,000 shares authorized: (i) Actual: no shares issued and outstanding and (ii) As Adjusted: no shares issued and outstanding		
Additional paid-in capital	574,177	790,780
Retained earnings(2)	29,622	20,097
Accumulated other comprehensive loss	(3,654)	(3,654)
Total stockholders equity	$ 601,299	$ 808,517
Total capitalization	$ 2,156,230	$ 2,154,760

(1) Actual debt reflects (i) long-term debt of $1,453.1 million, (ii) current portion of long-term debt of $21.9 million and (iii) the deferred payment obligation of $80.0 million.

Long-term debt, net of current portion includes borrowings under our senior credit facilities and our mezzanine credit facility. For a description of these facilities, see Description of Certain Indebtedness. Loans under our senior credit facilities and our mezzanine credit facility were issued with original issue discount and are presented net of unamortized discount of $17.0 million as of September 30, 2010.

The $80.0 million deferred payment obligation is comprised of a $15.9 million deferred payment obligation balance as of September 30, 2010, and contingent tax claims in the amount of $64.1 million related to the deferred payment obligation, but does not include $6.6 million of accrued interest related to the deferred payment obligation. See The Acquisition and Recapitalization Transaction The Acquisition The Merger.

(2) As adjusted debt and retained earnings also reflects the impact of charges for acceleration of original issue discount and the write-off of certain deferred financing costs related to the use of net proceeds from the sale of 14,000,000 shares of our Class A common stock in this offering at an initial public offering price of $17.00 per share to repay borrowings under our mezzanine credit facility.

DILUTION

If you invest in our Class A common stock, your interest will be diluted to the extent of the difference between the initial public offering price per share of our Class A common stock and the adjusted net tangible book value per share of our Class A common stock, Class B non-voting common stock and Class C restricted common stock immediately after this offering.

Net tangible book value (deficit) per share represents the amount of total book value of our total tangible assets less our total liabilities divided by the number of shares of our Class A common stock then outstanding. The net tangible book value of our Class A common stock, Class B non-voting common stock and Class C restricted common stock as of September 30, 2010 was a deficit of $805.5 million, or approximately $7.21 per share.

After giving effect to the issuance and sale of 14,000,000 shares of our Class A common stock offered by us at the initial public offering price of $17.00 per share and the use of the net proceeds therefrom and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, the pro forma net tangible book value (deficit) of our Class A common stock, Class B non-voting common stock and Class C restricted common stock after this offering would have been a deficit of approximately $598.3 million, or approximately $4.76 per share. This represents an immediate increase in net tangible book value (deficit) of approximately $2.45 per share to existing stockholders and an immediate dilution of approximately $21.76 per share to new investors purchasing shares in this offering.

The following table illustrates this per share dilution:

	Per Share
Initial public offering price	17.00
Net tangible book value (deficit) as of September 30, 2010	(7.21)
Increase attributable to this offering	2.45
Pro forma net tangible book value (deficit), as adjusted to give effect to this offering	(4.76)
Dilution in pro forma net tangible book value to new investors in this offering	21.76

The following table summarizes, as of September 30, 2010, the total number of shares of Class A common stock purchased from us, the total consideration paid to us, and the weighted average price per share paid to us, by our existing stockholders and by the investors purchasing shares of Class A common stock in this offering at our initial public offering price of $17.00 per share.

	Shares Purchased		Total Consideration		Weighted Average Price
	Number	Percent	Amount	Percent	per Share
	(In thousands, other than shares and percentages)				
Existing stockholders	106,622,350	88.39%	$ 575,331	70.74%	$ 5.40
New investors	14,000,000	11.61	238,000	29.26	17.00

Total	120,622,350	100.00%	$ 813,331	100.00%	$ 6.74

The foregoing discussion and tables give effect to the issuance of our Class A common stock upon exercise of all outstanding stock options held by directors and officers as of September 30, 2010 and the conversion of our Class B non-voting common stock and Class C restricted common stock into Class A common stock. As of September 30, 2010, there were outstanding stock options granted under our Officers Rollover Stock Plan and our Equity Incentive Plan to purchase, subject to vesting, up to 11,645,679 shares (excluding fractional shares which will be redeemed for cash) and 12,118,230 shares, respectively, of our Class A common stock at a weighted average exercise price of $0.01 per share and $6.06 per share, respectively. As of September 30, 2010, there were 3,053,130 shares issued and outstanding and 2,028,270 shares issued and outstanding of Class B non-voting common stock and Class C restricted common stock, respectively.

In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of such securities could result in further dilution to our stockholders.

THE ACQUISITION AND RECAPITALIZATION TRANSACTION

The Acquisition

On July 31, 2008, or the Closing Date, Booz Allen Hamilton completed the separation of its U.S. government consulting business from its commercial and international consulting business, the spin off of the commercial and international business, and the sale of 100% of its outstanding common stock to Booz Allen Holding, which was majority owned by Carlyle. Our company is a corporation that is the successor to the government business of Booz Allen Hamilton following the separation.

The separation of the commercial and international business from the government business was accomplished pursuant to a series of transactions under the terms of a spin off agreement, dated as of May 15, 2008, by and among Booz Allen Hamilton and Booz & Company, or Spin Co., and certain of its subsidiaries. As a result of the spin off and related transactions, former stockholders of Booz Allen Hamilton that had been engaged in the commercial and international business, or the commercial partners, became the owners of Spin Co., which held the commercial and international business. The spin off agreement contains a three-year non-compete provision, ending July 31, 2011, during which both Spin Co. and Booz Allen Hamilton are prohibited, with certain exceptions, from engaging in business in the other company s principal markets.

Following the spin off, Booz Allen Hamilton was indirectly acquired by Carlyle pursuant to an Agreement and Plan of Merger, dated as of May 15, 2008, and subsequently amended, by and among Booz Allen Hamilton, Booz Allen Holding (formerly known as Explorer Holding Corporation), which was majority owned by Carlyle, Booz Allen Investor (formerly known as Explorer Investor Corporation), a wholly owned subsidiary of Booz Allen Holding, Explorer Merger Sub Corporation, a wholly-owned subsidiary of Booz Allen Investor, and Spin Co. Under the terms of the merger agreement, the acquisition of Booz Allen Hamilton was achieved through the merger of Explorer Merger Sub Corporation into Booz Allen Hamilton, with Booz Allen Hamilton as the surviving corporation. As a result of the merger, Booz Allen Hamilton became a direct subsidiary of Booz Allen Investor and an indirect wholly-owned subsidiary of Booz Allen Holding.

The Merger

Booz Allen Investor and its affiliates paid the purchase price (subject to adjustments for transaction expenses, indebtedness, fluctuations in working capital and other items) in consideration for the government business through current and deferred cash payments, stock and options in Booz Allen Holding exchanged for Booz Allen Hamilton stock and options, and the assumption or payment by Booz Allen Investor of certain indebtedness.

The Booz Allen Hamilton partners working in the government business, or the government partners, were required to exchange a portion of their stock and options in Booz Allen Hamilton for stock and options in Booz Allen Holding, and the commercial partners were able to exchange a portion of their stock in Booz Allen Hamilton for non-voting stock in Booz Allen Holding. These exchanges were completed on July 30, 2008, and as a result, the government partners and commercial partners held 19% and 2%, respectively, of the common stock of Booz Allen Holding on the Closing Date, with Carlyle, through Coinvest, beneficially owning the remainder.

All of the remaining stock of Booz Allen Hamilton outstanding immediately prior to the merger (other than the stock of Booz Allen Hamilton held by Booz Allen Holding as a result of the exchanges described above) was converted into the right to receive the cash portion of the purchase price. Subject to the escrows and the deferred payment described below, the cash portion of the purchase price was distributed to the government partners and the commercial partners shortly after the merger.

The purchase price consideration of $1,828.0 million was comprised of the following significant components: $1,625.9 million paid to shareholders in cash, transaction costs of $24.0 million, fair value of stock options granted under our Officers Rollover Stock Plan of $79.7 million, and fair value of our deferred payment obligation of $98.4 million.

The payment of $158.0 million of the cash consideration to the government partners and the commercial partners was structured as a deferred payment obligation of Booz Allen Investor to such partners and Booz Allen Investor is obligated to pay this amount (plus interest at a rate of 5% per six months) to the partners, on a pro rata basis, 81/2 years after the consummation of the merger or, in certain circumstances, earlier. A total of $78.0 million of the deferred payment obligation, plus $22.4 million of accrued interest, was repaid on December 11, 2009. See Recapitalization Transaction. As of September 30, 2010, up to $80.0 million of the deferred payment obligation may be reduced to offset any claims under the indemnification provisions of the merger agreement described below.

On the Closing Date, $90.0 million of the cash consideration was deposited into escrow to fund certain purchase price adjustments, future indemnification claims under the merger agreement and for certain other adjustments. As of September 30, 2010 of the $90.0 million placed in escrow, approximately $33.8 million, which includes accrued interest, remains in escrow to cover indemnification claims relating to losses that may be incurred from outstanding litigation associated with the merger and certain outstanding pre-closing tax claims and certain claims that may arise with respect to certain pre-closing matters including taxes or government contracts.

Financing of the Merger

To fund the aggregate consideration for the acquisition, to repay certain indebtedness in connection with the acquisition and to provide working capital, Booz Allen Investor and Booz Allen Hamilton entered into a series of financing transactions, which included:

- entry into our senior credit facilities, and the incurrence of $125.0 million of term loans under the Tranche A term facility of the senior credit facilities and $585.0 million under the Tranche B term facility under our senior credit facilities;
- entry into our mezzanine credit facility, and the incurrence of $550.0 million of term loans thereunder; and
- an equity contribution from Coinvest of approximately $956.5 million.

Indemnification Under the Merger Agreement

From and after the Closing Date, Booz Allen Holding and its subsidiaries (including Booz Allen Hamilton) are indemnified under the merger agreement against losses arising from (a) breach of certain representations and warranties regarding Booz Allen Hamilton s capitalization, corporate authorization, financial statements, internal accounting controls, employee benefits, and DCAA audits and similar government contracts investigations and claims, (b) the failure of the sellers to perform certain covenants and agreements in the merger agreement and the spin off agreement, (c) the failure to assume and satisfy amounts owed under the spin off agreement or certain ancillary agreements if and to the extent that Spin Co. is insolvent or bankrupt, and (d) any restructuring costs of Booz Allen Hamilton related to the termination of transition services to Spin Co. after the Closing Date. In addition, the merger agreement provides Booz Allen Holding and its subsidiaries (including Booz Allen Hamilton) with indemnification for (i) certain pre-closing taxes and (ii) the amount of certain compensation deductions resulting from any Booz Allen Hamilton options exercised after the signing of the merger agreement and prior to July 30, 2008. These indemnification rights are subject to the various limitations, including time and dollar amounts, and the sole recourse of Booz Allen Holding and its subsidiaries with respect to any indemnification amounts owed to them under the merger agreement are the escrow funds available for indemnification and offset against Booz Allen Investor s obligation to pay a portion of the deferred payment obligation.

Spin Off Agreement

In addition to governing the split of the commercial and international business from the government business, the spin off agreement sets forth certain restrictions and guidelines for the interaction and operation of the government business and the commercial and international business after the Closing Date, including, for a period of three years following the Closing Date (subject to certain exceptions), Spin Co. agreed that it and its subsidiaries would not (i) provide, sell, or offer to sell or advertise certain types of consulting services provided by the government business, (ii) assist, advise, engage or participate in providing such services to certain scheduled competitors of Booz Allen Hamilton, (iii) have certain interests in such competitors, (iv) knowingly permit its names to be used by such competitors in connection with providing any services other than permitted services or (v) provide any services of any type to a scheduled list of direct competitors or their subsidiaries or successors;

for a period of three years following the Closing Date (subject to certain exceptions), Booz Allen Hamilton agreed that it and its subsidiaries would not (i) provide, sell, or offer to sell or advertise any services other than certain types of consulting services (including cyber-security services) provided by the government business, (ii) assist or advise certain scheduled competitors of Spin Co. in providing services other than such consulting services provided by the government business, (iii) have certain interests in such competitors, or (iv) knowingly permit its names to be used by such competitors in connection with providing any services other than such consulting services provided by the government business;

for a period of three years following the Closing Date, Booz Allen Hamilton and Spin Co. agreed not to solicit or attempt to solicit any client or business relation of the other party to cease or adversely change their business relationship with the other party or its subsidiaries;

for a period of three years following the Closing Date, Booz Allen Hamilton and Spin Co. agreed not to hire or attempt to hire any person who was at Closing an officer, director, employee, consultant or agent of the other party (subject to certain exceptions);

until the earlier of the fifth anniversary of the Closing Date or a change in control of the other party, Booz Allen Hamilton and Spin Co. agreed that they and their subsidiaries would not, in the case of Spin Co., hire or attempt to hire any person who was or is a stockholder of Booz Allen Hamilton (other than a commercial partner); and in the case of Booz Allen Hamilton, hire or attempt to hire any person who was, on or prior to the Closing Date, a commercial partner, or is then, a stockholder of Spin Co. (subject to certain exceptions); and

for a period of three years following the Closing Date, Spin Co. agreed that it and its subsidiaries would not directly or indirectly acquire a competitor of Booz Allen Hamilton.

Indemnification under the Spin Off Agreement

Under the Spin Off Agreement, Booz Allen Hamilton has agreed to indemnify Spin Co. from all losses arising out of breaches of the Spin Off Agreement or certain related agreements, certain employee benefit matters, and for liabilities and obligations arising out of the government business, and Spin Co. has agreed to indemnify Booz Allen Hamilton from all losses arising out of breaches of the Spin Off Agreement or certain related agreements, certain employee benefit matters, and for liabilities and obligations arising out of the commercial and international business. Spin Co. has also agreed to indemnify Booz Allen Hamilton for increases in pre-closing taxes if a majority of Spin Co. s shares or a majority of its assets are sold to a third party within three years of the Closing Date at a price in excess of the allocable portion of the agreed-upon fair market value of the Spin Co. shares and a taxing authority successfully asserts that the fair market value of such shares at the time of the spin off was in excess of the agreed-upon fair market value. Furthermore, each of Spin Co. and Booz Allen Hamilton has generally agreed to indemnify the other from the recapture of dual consolidated losses which result from an action of the indemnifying party or its affiliates.

Recapitalization Transaction

On December 11, 2009, in order to facilitate the payment of a special dividend and the repayment of a portion of the deferred payment obligation, Booz Allen Investor and Booz Allen Hamilton entered into a series of amendments to the credit agreements governing our senior credit facilities and mezzanine credit facility. The credit agreement governing our senior credit facilities was amended to, among other things, add the Tranche C term facility under our senior credit facilities, increase commitments under the revolving credit facility under our senior credit facilities from $100.0 million to $245.0 million, and add a specific exception to the restricted payments covenant to permit the payment of the special dividend. In addition to consenting to such amendments, the lenders under the senior credit facilities also consented to the amendment of the credit agreement governing the mezzanine credit facility discussed below. In exchange for such consents, each consenting lender received a non-refundable cash fee equal to 0.1% of the sum of the aggregate principal amount of such lender s Tranche A and B term loans outstanding and such lender s existing revolving commitment. In addition, each lender providing an increased commitment under the revolving credit facility received a non-refundable cash fee equal to 1.5% of such lender s additional revolving commitment. The credit agreement governing our mezzanine credit facility was amended to, among other things add a specific exception to the restricted payments covenant to permit the payment of the special dividend, to increase the amount of senior credit facilities debt permitted under the debt covenant to permit the incurrence of loans under the Tranche C term facility and the increase in commitments under the revolving credit facility. In addition, the premiums payable upon the prepayment of the loans were increased, and a 1.0% premium was added with respect to payments of the loans at maturity. In exchange for consenting to such amendments, each consenting lender received a non-refundable cash fee equal to 1.0% of the aggregate principal amounts of such lender s outstanding loans. Using cash on hand and $341.3 million in net proceeds from the increased term loan facility, Booz Allen Hamilton paid a special dividend of $650.0 million on its common stock, all of which was paid to Booz Allen Investor, its sole stockholder. Booz Allen Investor in turn used the proceeds of the special dividend (i) to repay approximately $100.4 million of the deferred payment obligation, including $22.4 million in accrued interest, in accordance with the terms of the merger agreement and (ii) to pay a special dividend of approximately $549.6 million on its common stock, all of which was paid to Booz Allen Holding, its sole stockholder. Booz Allen Holding in turn declared a special dividend of $497.5 million payable on its outstanding Class A common stock, Class B non-voting common stock and Class C restricted common stock, approximately $444.1 million of which was paid to Coinvest and the remainder of which was paid to the other stockholders of Booz Allen Holding. The aforementioned transactions are referred to in this prospectus as the recapitalization transaction.

As required by the Officers Rollover Stock Plan and the Equity Incentive Plan, the exercise price per share of each outstanding option was reduced in an amount equal to the reduction in the value of the common stock as a result of the dividend. Because the reduction in share value exceeded the exercise price for certain of the options granted under the Officers Rollover Stock Plan, the exercise price for those options was reduced to the par value of the shares issuable on exercise, and the holders became entitled to receive on the option s fixed exercise date a cash payment equal to the excess of the reduction in share value as a result of the dividend over the reduction in exercise price, subject to vesting of the relation options. As of September 30, 2010, the total obligations for these cash payments was $47.4 million.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA

The selected consolidated statements of operations data for fiscal 2008, the four months ended July 31, 2008, the eight months ended March 31, 2009 and fiscal 2010, and the selected consolidated balance sheet data as of March 31, 2009 and 2010 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected consolidated balance sheet data as of March 31, 2008 has been derived from audited consolidated financial statements which are not included in this prospectus. The selected consolidated statements of operations data for fiscal 2006 and 2007 and the selected consolidated balance sheet data as of March 31, 2006 and 2007 have been derived from our unaudited consolidated financial statements which are not included in this prospectus. The selected consolidated statements of operations data for the six months ended September 30, 2009 and 2010 and the selected consolidated balance sheet data as of September 30, 2010 have been derived from our unaudited consolidated financial statements included in this prospectus. The unaudited financial statements have been prepared on the same basis as the audited financial statements and, in the opinion of our management, include all adjustments necessary for a fair presentation of the information set forth herein. Our historical results are not necessarily indicative of the results that may be expected for any future period, and the unaudited interim results for the six months ended September 30, 2010 are not necessarily indicative of results that may be expected for fiscal 2011. The selected financial data should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes included elsewhere in this prospectus.

As discussed in more detail under The Acquisition and Recapitalization Transaction, Booz Allen Hamilton was indirectly acquired by Carlyle on July 31, 2008. Immediately prior to the acquisition, Booz Allen Hamilton spun off its commercial and international business and retained its U.S. government business. The accompanying consolidated financial statements are presented for (1) the Predecessor, which are the financial statements of Booz Allen Hamilton and its consolidated subsidiaries for the period preceding the acquisition, and (2) the Company, which are the financial statements of Booz Allen Holding and its consolidated subsidiaries for the period following the acquisition. Prior to the acquisition, Booz Allen Hamilton s U.S. government business is presented as the continuing operations of the Predecessor. The Predecessor s consolidated financial statements have been presented for the twelve months ended March 31, 2008 and the four months ended July 31, 2008. The operating results of the commercial and international business that was spun off by Booz Allen Hamilton effective July 31, 2008 have been presented as discontinued operations in the Predecessor consolidated financial statements and the related notes included in this prospectus. The Company s consolidated financial statements for periods subsequent to the acquisition have been presented from August 1, 2008 through March 31, 2009, for the twelve months ended March 31, 2010 and for the six months ended September 30, 2009 and 2010. The Predecessor s financial statements may not necessarily be indicative of the cost structure or results of operations that would have existed if the U.S. government business operated as a stand-alone, independent business. The acquisition was accounted for as a business combination, which resulted in a new basis of accounting. The Predecessor s and the Company s financial statements are not comparable as a result of applying a new basis of accounting. See Notes 1, 2, 4, and 24 to our consolidated financial statements for additional information regarding the accounting treatment of the acquisition and discontinued operations.

Additionally, the results of operations and balance sheet data for fiscal 2006, fiscal 2007, fiscal 2008, the four months ended July 31, 2008, the eight months ended March 31, 2009, the six months ended September 30, 2009 and as of March 31, 2006, 2007, 2008 and 2009 are presented as adjusted to reflect the change in accounting principle related to our revenue recognition policies as described in Management s Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Estimates and Policies.

Included in the table below are unaudited pro forma results of operations for the twelve months ended March 31, 2009, or pro forma 2009, assuming the acquisition had been completed as of April 1, 2008. The unaudited pro forma condensed consolidated results of operations for fiscal 2009 are based on our historical audited consolidated financial statements included elsewhere in this prospectus, adjusted to give pro forma effect to the acquisition. The unaudited pro forma condensed consolidated results of operations for fiscal 2009 are presented because management believes it provides a meaningful comparison of operating results enabling twelve months of fiscal 2009, adjusted for the impact of the acquisition, to be compared with fiscal 2010. The unaudited pro forma condensed consolidated financial statements are for informational purposes only and do not purport to represent what our actual results of operations would have been if the acquisition had been completed as of April 1, 2008 or that may be achieved in the future. The unaudited pro forma condensed consolidated financial information and the accompanying notes should be read in conjunction with our historical audited consolidated financial statements and related notes appearing elsewhere in this prospectus and other financial information contained in Risk Factors, The Acquisition and Recapitalization Transaction, and Management s Discussion and Analysis of Financial Condition and Results of Operations in this prospectus. See Management s Discussion and Analysis of Financial Condition and Results of Operations Results of Operations for a description of the pro forma adjustments attributable to the acquisition.

	Predecessor					**The Company**			
						Pro Forma			
	Fiscal Year Ended March 31,			**Four Months Ended July 31,**	**Eight Months Ended March 31,**	**Fiscal Year Ended March 31,**	**Fiscal Year Ended March 31,**	**Six Mo[nths] Ended Septe[mber]**	
	2006	**2007**	**2008**	**2008**	**2009**	**2009(1)**	**2010**	**2009**	
	(Unaudited) (As adjusted)	**(Unaudited) (As adjusted)**	**(As adjusted)**	**(As adjusted)**	**(As adjusted)**			**(Unaudited) (As adjusted)**	**(**
	(In thousands, except share and per share data)								
ata:									
ts	$ 2,902,513	$ 3,209,211	$ 3,625,055	$ 1,409,943	$ 2,941,275	$ 4,351,218	$ 5,122,633	$ 2,508,716	$
ue	1,572,817	1,813,295	2,028,848	722,986	1,566,763	2,296,335	2,654,143	1,304,396	
nses	820,951	815,421	935,459	401,387	756,933	1,158,320	1,361,229	673,292	
e	409,576	421,921	474,188	726,929					