
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K/A

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the fiscal year ended September 30, 2010

Alion Science and Technology Corporation

(Exact name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Organization)

333-89756
(Commission File Number)

54-2061691
(IRS Employer Incorporation or
Identification No.)

1750 Tysons Boulevard
Suite 1300
McLean, VA 22101
(703) 918-4480

(Address, including Zip Code and Telephone Number, including
Area Code, of Principal Executive Offices)

Securities registered pursuant to Section 12(b) or 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
 Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
 Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.:

Large accelerated Filer Accelerated filer Non-accelerated filer Smaller Reporting Company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold as of the last business day of the registrant's most recently completed second fiscal quarter:
None

The number of shares outstanding of Alion Science and Technology Corporation common stock as of September 30, 2010 was 5,658,234.

Documents Incorporated by Reference: None

Alion Science and Technology Corporation is filing this Amendment No. 1 on Form 10-K/A to amend the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2010, filed with the Securities and Exchange Commission on December 14, 2010 (the "Form 10-K").

The Company is filing this Amendment No. 1 to incorporate the Schedule of Directors' Fees and Compensation in Part III — Item 11- Executive Compensation, which should have appeared on page 102 in the original Form 10-K. This Form 10-K/A speaks as of the original filing date of the Form 10-K, does not reflect events which may have occurred since the original filing date, and does not amend or modify any disclosure made in the Form 10-K except to incorporate the Schedule of Directors' Fees and Compensation in Part III — Item 11 — Executive Compensation. This additional disclosure does not revise or alter the Company's financial statements and any forward-looking statements contained in the Form 10-K. As required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), this Amendment No. 1 contains new certifications, effective as of the filing of this Amendment No. 1, pursuant to Rules 13a-14 and 15d-14 under the Exchange Act and Section 302 of the Sarbanes-Oxley Act of 2002.

The additional information incorporated into Item 11 — Executive Compensation is set out below and in the complete text of Part III — Item 11— Executive Compensation as filed with this Amendment.

Director Compensation

Name	Fees earned or paid in cash (\$) (1)	All other compensation (\$) (2)	Total
Edward C. ("Pete") Aldridge, Jr.	\$ 89,500	\$ 765	\$ 90,265
Leslie Armitage	\$ 101,500	\$ —	\$ 101,500
Lewis Collens	\$ 90,000	\$ 3,934	\$ 93,934
Admiral (Ret.) Harold W. Gehman, Jr.	\$ 104,000	\$ 1,009	\$ 105,009
General (Ret.) George A. Joulwan	\$ 93,000	\$ —	\$ 93,000
General (Ret.) Michael E. Ryan	\$ 95,500	\$ 2,787	\$ 98,287
David Vitale	\$ 85,000	\$ 2,838	\$ 87,838
Michael Hayden	\$ 18,500	\$ —	\$ 18,500

- (1) This column represents the total fees including the annual retainer fee to non-employee directors. The Company's employee directors do not receive any additional compensation for their services as members of the Board of Directors. For the year ended September 30, 2010, the Company's non-employee directors received an annual retainer and compensation of \$70,000, payable in quarterly installments, for their services as members of the Board of Directors. In addition, each director receives a fee of \$2,500 for in-person attendance at a Board of Directors meeting, and \$1,000 for telephone attendance at a Board of Directors meeting. The chairman of the Audit and Finance Committee receives \$7,500 per year for each year he or she serves in such capacity. The other board committee chairpersons receive \$5,000 per year for each year he or she serves in such capacity. Board committee members receive \$1,000 per committee meeting if the committee meeting occurs on a day other than the day of a full Alion Board of Directors meeting. Alion reimburses directors for reasonable travel expenses in connection with attendance at Board of Directors and board committee meetings.
- (2) The amounts included in this column represent the amount paid by the Company for travel expenses to attend Board of Directors meetings.

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PART III

Item 11. *Executive Compensation*

Compensation Discussion and Analysis

Objectives of Executive Compensation Program

Our executive compensation program's primary objective is to attract and retain qualified, energetic employees who are enthusiastic about Alion's mission and to reward them for their contributions to Alion. Our executive compensation program is designed to create strong financial incentive for our officers to increase revenue, profit, cash flow, operating efficiency and returns, which we expect will lead to increased shareholder value. We strive to promote an ownership mentality in our key leaders and our Board of Directors. We endeavor to ensure that our compensation program is perceived as fundamentally fair to all stakeholders.

The Compensation Committee of the Board of Directors (the "Compensation Committee") evaluates both performance and compensation to ensure Alion maintains its ability to attract and retain employees in key positions. We seek to compensate key employees at levels that are competitive with what our peer group companies pay similarly situated executives. The Compensation Committee believes Alion's compensation packages for named executives and other officers should include current cash and long-term incentives to reward performance as measured against established goals.

What Our Compensation Program is Designed to Reward

We believe we designed our compensation program to reward each employee's contribution to Alion. The Compensation Committee considers numerous factors including the Company's growth and financial performance in measuring named executive officers' contributions. Throughout this Form 10-K, individuals who served as the Company's Chief Executive Officer and Chief Financial Officer during fiscal year 2010, as well as the other individuals included in the Summary Compensation Table, are referred to as "named executive officers."

Roles and Responsibilities for Our Compensation Program

Role of the Compensation Committee

The Compensation Committee is responsible for establishing, implementing and monitoring adherence to Alion's compensation philosophy and for setting the individual cash and incentive compensation levels for executive officers. The Compensation Committee's responsibilities are set forth in its charter and discussed in Item 10 under "Establishment of Committees."

Role of the Chief Executive Officer

Our Chief Executive Officer makes recommendations to the Compensation Committee in evaluating Alion's executive officers, including recommendations of individual cash and incentive compensation amounts for executive officers. Dr. Atefi relies on his personal experience as Alion's Chief Executive Officer in evaluating other executive officers and on comparable compensation guidance provided by an outside compensation consultant. Dr. Atefi was not present during Committee deliberations and voting pertaining to the determination of his own compensation.

Role of the Compensation Consultant

The Compensation Committee annually retains a consultant to provide independent advice on executive compensation matters and to perform specific project-related work. In fiscal year 2010, we engaged Hewitt Associates LLC to review the compensation of our named executive officers and to provide competitive data and analysis to the Compensation Committee. They performed no other services for the Company.

Elements of Company's Executive Compensation Plan

Alion's compensation program includes several major elements. We pay our named executive officers salaries that are competitive and non-discriminatory to attract, retain, and motivate them. We offer an incentive program designed to encourage exceptional employee performance. As an employee-owned company, we offer our named executive officers the ability to invest in the future of our company through our ESOP. The Alion Science and Technology Corporation Employee Ownership, Savings and Investment Plan, includes an ESOP, which allows employees to own an interest in the company's stock, and a 401(k) salary deferral component that allows employees to have diversified retirement savings in other investments. Investments in the ESOP are indirect investments in Alion common stock. Investments in the 401(k) are investments in a variety of mutual funds. We offer fringe benefit and employee morale and wellness programs designed to attract and retain our named executive officers.

Base Salary

Alion pays each named executive officer a base salary for services rendered during the fiscal year. This fixed annual amount for performing specific job responsibilities is the minimum income the named executive officer may receive in any given year. Each Alion executive's base salary is determined by his or her responsibilities and performance as well as comparative compensation levels for the executive's peers. The Compensation Committee determines the Chief Executive Officer's base salary, including periodic changes, and determines base salaries and changes, for other named executive officers following recommendations by the Chief Executive Officer.

Base salaries for our named executive officers for the 2010 fiscal year were:

Named Executive Officer	Fiscal 2010 Base Salary
Bahman Atefi	\$ 700,000
Stacy Mendler	\$ 400,000
Michael Alber	\$ 325,000
Scott Fry	\$ 350,000
David Ohle	\$ 350,000
James Fontana*	\$ 280,000

* Mr. Fontana resigned as General Counsel and Secretary on December 8, 2009.

Each year, the Compensation Committee utilizes salary survey information provided by its outside compensation consultant for appropriate salary data for Alion's senior positions.

In reviewing base salaries for our named executive officers, the Compensation Committee considers:

- market data provided by the Company's outside compensation consultant;
- the executive's compensation, individually and relative to other officers;
- the executive's individual performance; and
- Alion's financial and operating results.

The Compensation Committee and its outside consultant use publicly available data from other professional services government contracting companies to benchmark compensation for Alion's named executive officers. The benchmark companies include some of the publicly-traded companies Alion uses in its market analyses to calculate enterprise value for goodwill impairment testing. The Compensation Committee compares Alion data to median data for the benchmark group in evaluating total named executive officer compensation and individual elements of total compensation. Among other factors, the Compensation Committee evaluates base salaries, total cash compensation and various types of long term incentive compensation provided to named executives at benchmark companies in making decisions about the components and levels of compensation for Alion's named executive officers. The Compensation Committee sets these levels of total compensation to be within the range of the peer companies.

For fiscal 2010, the Compensation Committee reviewed a peer group of companies from the information technology, professional services, and defense and aerospace industries. In its analysis, the Compensation Committee compared data for the selected peer group with data from several broader, national compensation surveys and Alion's current executive compensation levels. The following companies made up the compensation peer group.

Argon ST Inc.	DynCorp International Inc.	ManTech International Corp.	Stanley, Inc.
CACI International Inc.	Harris Corp.	Maximus Inc	VSE Corp.
CIBER Inc.	Heico Corp.	NCI, Inc.	
Cubic Corp.	ICF International, Inc.	Orbital Sciences Corp.	
Dynamics Research Corp.	IHS Inc.	SRA International Inc.	

Annual Bonus

We use annual bonuses in our compensation program to motivate and reward our named executive officers for current, short term performance such as meeting annual financial performance goals, and achieving certain milestones and other non-financial performance goals within a given year. The Compensation Committee believes it is important to encourage and reward both short-term and long-term performance. The Compensation Committee has the discretion to set goals and objectives it believes are consistent with creating shareholder value, including financial measures, operating objectives, growth goals and other measures. Objectives may be based upon Alion achieving revenue or earnings targets as well as other financial and business objectives. Revenue growth and profitability are weighted as the most significant factors. The Compensation Committee evaluates achievement of objectives following the end of each year and makes annual bonus awards based on this assessment. The Compensation Committee considers individual achievement and also relies on the Chief Executive Officer's recommendations with respect to other executive officers.

Long-term Incentives/Awards

We use our long-term incentives to motivate, retain and reward our named executive officers for both short-term and sustained performance. The Compensation Committee establishes performance-based award opportunities specific to Alion's financial performance and the specific business unit and/or corporate department an individual leads.

Long-Term Incentive Plan

Effective November 1, 2008, we established the Alion Science and Technology Corporation Long-Term Incentive Plan ("LTIP"). The LTIP provides for award opportunities based on the achievement of predefined individual performance goals established by the Compensation Committee. LTIP awards are settled in cash. Our named executive officers and other key employees are eligible to receive LTIP awards.

We established the LTIP to:

- provide certain employees an incentive for excellence in achieving certain Company and business unit or departmental goals;
- facilitate key employee retention and recruitment;
- provide at-risk awards contingent on achievement of selected performance criteria over an extended period; and
- provide a meaningful incentive to achieve long-term growth and improve profitability.

Under the LTIP, our Compensation Committee is responsible for:

- selecting individuals to participate in the LTIP from certain of our key employees;
- determining the period during which a participant must achieve his or her performance goals, ("performance period");
- setting each participant's award opportunities with respect to a given performance period; and
- establishing the conditions for vesting of awards.

Following consultation with the outside compensation consultant retained by the Compensation Committee, we determined Alion needed a non-equity based compensation plan to motivate and appropriately reward named executive officers and other key employees. Subject to certain limitations, LTIP compensation costs are allowable indirect expenses that can be reimbursed through government contracts. We do not expect to recover all LTIP compensation costs. Our LTIP is intended to differ from our prior equity-based compensation plans which were not an allowable indirect expense and could not be reimbursed through our government contracts.

The Board of Directors adopted separate forms of LTIP award agreements. In 2010, the Board of Directors established Category G LTIP awards. Each of our named executive officers, except for Mr. Fontana, received a Category G award in 2010. Category G LTIP grants vest over a three year period ending November 15, 2013. In 2008, the Board of Directors established five initial LTIP award categories for named executive officers. (See our discussion below of 2009 compensation and LTIP awards).

Performance goals under these award agreements include, among others, reaching certain company-planned revenue targets; achieving certain levels of Consolidated EBITDA (as determined for our debt covenants); achieving certain levels of reporting unit revenue and net income; complying with debt covenants; and achieving targeted levels of days' sales outstanding. One third of each three-year grant relates to each annual performance cycle during the term of the grant.

Subject to the Compensation Committee's discretion, each executive's performance is evaluated at the end of each year, and then at the end of the three-year performance cycle, a recipient may receive anywhere from 50% to 150% of the target amount up through the end of a performance cycle depending on whether the individual and the company achieve performance goals, or substantially under- or over-achieve performance goals. The 50% floor was established in order to foster executive retention, while the 150% ceiling is intended to reward outstanding performance. Subject to the annual evaluations on this percentage-based scale, each earned award vests in full on its vesting date, provided that the named executive officer is still employed with us.

The following table sets forth the target amounts approved by our Compensation Committee and Board of Directors, for each of our named executive officers under each of the above-mentioned categories of LTIP award agreements with respect to all performance cycles covered by such award agreements. Consistent with the design of the LTIP, the Compensation Committee and the Board of Directors approved LTIP awards to senior corporate officers in addition to our named executive officers listed below.

Name	Total 2010 Category G LTIP Awards
Bahman Atefi	\$ 1,000,000
Stacy Mendler	\$ 350,000
Michael Alber	\$ 200,000
Scott Fry	\$ 250,000
David Ohle	\$ 150,000
James Fontana	—

The ranges reflect participation levels determined for each named executive officer in the LTIP based on market information provided to us by our compensation consultant. Each named executive officer's participation level is based on his or her specific position, responsibilities, accountabilities and impact within our company. We vet these target participation levels against the participation levels of similarly situated executive officers at peer companies.

Phantom Stock Plans

Phantom stock refers to hypothetical shares of Alion common stock. Each recipient of a phantom stock award receives a grant of a specified number of shares. Recipients, upon vesting, are generally entitled to receive cash equal to the number of hypothetical vested shares times the current value of Alion common stock, based on the most recent stock valuation performed for the ESOP Trust. Phantom stock may increase or decrease in value over time, resulting in cash payments greater or less than the phantom stock's grant date value. The Compensation Committee administers Alion's phantom stock plans and is authorized to grant phantom stock to the named executive officers.

Stock Appreciation Rights (SAR) Plan

2004 SAR Plan. In January 2005, the Board of Directors adopted the Alion Science and Technology Corporation 2004 Stock Appreciation Rights Plan (the 2004 SAR Plan), to comply with the deferred compensation provisions of the American Jobs Creation Act of 2004. The 2004 SAR Plan is administered by the Compensation Committee or its delegate (the administrative committee). The 2004 SAR Plan has a 10-year term and permits grants to Alion directors, officers, employees and consultants. Under the 2004 SAR Plan, the Chief Executive Officer has the authority to award SARs, as he deems appropriate; however, awards to executive officers are subject to the approval of the administrative committee of the Plan.

Severance/Change in Control and Provisions in Employment Agreements

We maintain employment agreements with certain named executive officers to help ensure they will perform their roles for an extended period of time. These agreements provide for severance payments if an executive's employment is terminated under certain conditions, such as following a change of control or a termination "without cause" as defined in the agreements.

Change in Control

As part of our normal course of business, we engage in discussions with other companies about possible collaborations and/or other ways to work together to further our respective long-term objectives. Many larger, established companies consider companies at stages of development similar to ours as potential acquisition targets. In certain circumstances, a potential merger, acquisition or material investment could be in the best interests of our shareholders. We provide severance compensation if an executive's employment is terminated following a change in control transaction. We do this to promote the ability of our senior executives to act in the best interests of our stockholders even though their employment could be terminated as a result of a transaction.

Termination without Cause

If we terminate the employment of a named executive officer without cause as defined in his or her employment agreement, we are obligated to continue to pay certain amounts as described below under Other Potential Post-Termination Payments. This provides us with flexibility to make a change in senior management if such a change is in the best interests of Alion and its shareholders.

Health and Welfare Benefits

Alion provides all its named executive officers a comprehensive, balanced, and flexible fringe benefit program. Our fringe benefit program's design plays an important role in attracting new employees and retaining our named executive officers. We review industry-wide fringe benefit packages annually to ensure that Alion's fringe benefit program continues to provide the best value to our named executive officers. Benefits include medical, prescription drug, vision and dental coverage; life insurance; accidental death and dismemberment insurance, short and long-term disability insurance; business travel accident, kidnap and ransom insurance; an employee assistance program and flexible spending accounts for medical expense reimbursement and child care. Alion provides worker's compensation insurance and unemployment benefits required by law to all employees, including named executive officers. We purchase worker's compensation insurance and are self-insured for unemployment payments. Our plans do not discriminate in favor of our named executive officers. Alion provides the major portion of its fringe benefit program as a core package of standard benefits supplemented by a set of employee-selected optional benefits. All eligible employees, including named executive officers contribute to the cost of certain benefits at the same rates and in the same manner.

KSOP

Alion's KSOP is a qualified retirement plan that includes an ESOP and a 401(k). The ESOP Trust owns all of the Company's outstanding shares of common stock. Alion makes retirement plan contributions to both the ESOP and 401(k) components on behalf of all eligible employee KSOP participants. The Company also makes matching contributions on behalf of eligible employees, in the ESOP component, based on their pre-tax Alion salary deferrals. Named Executive Officers do not receive preferential KSOP benefits.

Compensation Risk Assessment

The Compensation Committee believes that the design and mix of our compensation program appropriately encourages our employees to focus on the creation of long-term shareholder value while also serving to attract, retain and motivate needed talent. We believe our approach to setting company and individual goals with target payouts at multiple performance levels encourages a level of risk-taking behavior consistent with our business. We also believe we have allocated our compensation among base salary, annual cash incentives and long-term incentive compensation in such a way as not to encourage excessive risk-taking.

In its discussions, the Compensation Committee noted the following attributes of our compensation program.

There is a balance between short- and long-term financial and strategic objectives, intended to reward managers for continuous improvement in revenue and operating income and growth in shareholder value.

A significant portion of management compensation is "at risk" and depends on achieving specific company-wide strategic operational and financial goals, as well as individual performance goals that can be objectively determined. These corporate goals have pre-established minimum, target and stretch performance levels, with individual metrics and overall maximums.

The Compensation Committee considers other qualitative matters in determining annual performance payments and achievement of long term incentive goals.

Our named executives' ongoing long term compensation grants vest over a three year period with annual performance evaluations for each year of a grant. Some executives have grants with performance goals only measured at the end of a three-year period. We believe this encourages our executives to focus on Alion's long term performance.

Based on this review and currently known facts and circumstances, the Compensation Committee believes Alion's compensation policies and practices, individually and in the aggregate, do not create known risks that are reasonably likely to materially adversely affect the Company.

Summary Compensation Table Fiscal Year 2010

The following table sets forth all compensation with respect to our Chief Executive Officer and our other named executive officers for the year ended September 30, 2010.

<u>Name and Principal Position</u>	<u>Salary</u>	<u>Bonus</u>	<u>Long-Term Incentive Plan Awards</u>	<u>Non-Equity Incentive Plan Compensation</u>	<u>All other Compensation</u>	<u>Total</u>
Bahman Atefi Chief Executive Officer and President	\$ 718,940	\$ —	\$ 1,000,000	\$ 700,000	\$ 124,689	\$ 2,543,629
Stacy Mendler Chief Operating Officer and Executive Vice President	\$ 411,601	\$ —	\$ 350,000	\$ 300,000	\$ 86,127	\$ 1,147,728
Michael Alber Senior Vice President and Chief Financial Officer	\$ 320,735	\$ 50,000	\$ 200,000	\$ 200,000	\$ 53,916	\$ 824,651
Scott Fry Engineering and Integration Solutions Sector, Senior Vice President	\$ 362,228	\$ —	\$ 250,000	\$ 220,000	\$ 60,777	\$ 893,005
David Ohle Defense Operations Integration Sector, Senior Vice President	\$ 348,241	\$ —	\$ 150,000	\$ 220,000	\$ 52,233	\$ 770,473
James Fontana Senior Vice President, General Counsel and Secretary	102,274	\$ —	\$ —	\$ —	\$ 392,586	\$ 494,860

Bonuses include non-incentive based cash bonuses, such as special performance bonuses, paid to Named Executive Officers.

Non-Equity Incentive compensation includes cash bonuses awarded to our named executive officers for fiscal 2010 service. Other compensation includes the following: 401(k) matching and profit sharing contributions under Alion's KSOP; Company contributions for long and short term disability; amounts paid for life insurance premiums; amounts paid or reimbursed with respect to health and welfare; amounts paid or reimbursed with respect to social club membership; amounts paid or reimbursed with respect to leased cars; and termination related payments for previously unreported vested Phantom Stock exercised.

Mr. Fontana resigned as Senior Vice President and Secretary on December 8, 2009.

All Other Compensation Fiscal Year 2010

Name and Principal Position	Company Matching Contributions Under Alion's KSOP	Health and Welfare Benefits	Long and Short Term Disability Paid by the Company	Club Membership Fees
Bahman Atefi	\$ 15,925	\$ 67,249	\$ 5,130	\$ 5,490
Stacy Mendler	\$ 15,925	\$ 41,794	\$ 3,354	\$ —
Michael Alber	\$ 6,213	\$ 27,516	\$ 2,901	\$ —
Scott Fry	\$ 11,129	\$ 20,231	\$ 3,069	\$ —
David Ohle	\$ 6,125	\$ 23,767	\$ 3,066	\$ —
James Fontana	\$ 1,408	\$ 19,917	\$ 1,109	\$ —

All Other Compensation Fiscal Year 2010 (continued)

Name and Principal Position	Term Life Insurance Paid by the Company	Leased Cars	Termination Related Payment(1)	Total
Bahman Atefi	\$ 457	\$ 30,438	\$ —	\$ 124,689
Stacy Mendler	\$ 359	\$ 24,695	\$ —	\$ 86,127
Michael Alber	\$ 289	\$ 16,998	\$ —	\$ 53,916
Scott Fry	\$ 318	\$ 26,030	\$ —	\$ 60,777
David Ohle	\$ 318	\$ 18,957	\$ —	\$ 52,233
James Fontana	\$ 153	\$ —	\$ 370,000	\$ 392,586

Summary Compensation Table Fiscal Year 2009

The following table sets forth all compensation with respect to our Chief Executive Officer and other named executive officers, whose total salary and bonus exceeded \$100,000 for the year ended September 30, 2009.

<u>Name and Principal Position</u>	<u>Salary</u>	<u>Bonus</u>	<u>Long-Term Incentive Plan Awards</u>	<u>Non-Equity Incentive Plan Compensation</u>	<u>All other Compensation</u>	<u>Total</u>
Bahman Atefi Chief Executive Officer and President	\$ 644,187	\$ —	\$ 1,000,000	\$ 650,000	\$ 103,866	\$ 2,398,053
Stacy Mendler Chief Operating Officer and Executive Vice President	\$ 367,307	\$ —	\$ 350,000	\$ 250,000	\$ 84,838	\$ 1,052,145
Michael Alber Senior Vice President and Chief Financial Officer	\$ 303,000	\$ —	\$ 200,000	\$ 200,000	\$ 44,277	\$ 747,277
Scott Fry Engineering and Integration Solutions Sector, Senior Vice President	\$ 339,824	\$ 256,444	\$ 250,000	\$ 250,000	\$ 66,409	\$ 1,162,677
James Fontana Senior Vice President, General Counsel and Secretary	\$ 288,803	\$ 637,176	\$ —	\$ 90,000	\$ 74,987	\$ 1,090,966

Bonuses include non-incentive based cash bonuses, such as special performance bonuses, paid to Named Executive Officers. There were no phantom stock grants in fiscal 2009. In fiscal 2009, Named Executive Officers forfeited previously vested phantom stock awards. The Company recognized credits to stock-based compensation expense for: Dr. Atefi \$2,466,756; Ms. Mendler \$1,137,091; Mr. Alber \$26,600; Mr. Fry \$465,300; and Mr. Fontana \$748,222.

Non-Equity Incentive compensation includes cash bonuses awarded to our named executive officers for fiscal 2009 service. Other compensation includes the following: 401(k) matching and profit sharing contributions under Alion's KSOP; Company contributions for long and short term disability; amounts paid for life insurance premiums; amounts paid or reimbursed with respect to health and welfare; amounts paid or reimbursed with respect to social club membership; amounts paid or reimbursed with respect to leased cars; and termination related payments for previously unreported vested Phantom Stock exercised.

Mr. Fontana resigned as Senior Vice President and Secretary on December 8, 2009.

All Other Compensation Fiscal Year 2009

Name and Principal Position	Company Matching Contributions Under Alion's KSOP	Health and Welfare Benefits	Long and Short Term Disability Paid by the Company	Club Membership Fees
Bahman Atefi	\$ 14,950	\$ 52,228	\$ 5,234	\$ 5,410
Stacy Mendler	\$ 14,950	\$ 37,572	\$ 3,574	\$ 1,647
Michael Alber	\$ 5,750	\$ 15,074	\$ 3,119	\$ 1,029
Scott Fry	\$ 14,242	\$ 19,107	\$ 3,385	\$ —
James Fontana	\$ 15,391	\$ 33,918	\$ 3,031	\$ 500

All Other Compensation Fiscal Year 2009 (continued)

Name and Principal Position	Term Life Insurance Paid by the Company	Leased Cars	Termination Related Payment(1)	Total
Bahman Atefi	\$ 810	\$ 25,234	\$ —	\$ 103,866
Stacy Mendler	\$ 598	\$ 26,497	\$ —	\$ 84,838
Michael Alber	\$ 475	\$ 18,830	\$ —	\$ 44,277
Scott Fry	\$ 548	\$ 29,127	\$ —	\$ 66,409
James Fontana	\$ 451	\$ 21,696	\$ —	\$ 74,987

In 2009, the Board of Directors adopted the following separate forms of LTIP award agreements. Some named executive officers were eligible to receive awards under more than one of these agreements. The forms of LTIP award agreements provide for the following:

Form of Award Agreement	Date of Grant	Performance Cycles	Minimum/Maximum Award Amount	Vesting Date
Category A	November 1, 2008	November 1, 2008 until performance goals achieved	N/A	Date performance goals achieved
Category B	November 1, 2008	November 1, 2008-October 31, 2009	80%/120%	November 15, 2009
Category C	November 1, 2008	November 1, 2008-October 31, 2009 November 1, 2009-October 31, 2010	50%/150%	November 15, 2010
Category D	November 1, 2008	November 1, 2008-October 31, 2009 November 1, 2009-October 31, 2010 November 1, 2010-October 31, 2011	50%/150%	November 15, 2011
Category E	November 1, 2008	November 1, 2009-October 31, 2011	50%/150%	November 15, 2011
Category F	November 1, 2009	November 1, 2009-October 31, 2012	50%/150%	November 15, 2012

Performance goals under these award agreements include, among others, reaching certain company-planned revenue targets; achieving certain levels of Consolidated EBITDA (as determined for our debt covenants); achieving certain levels of reporting unit revenue and net income; complying with debt covenants; and achieving targeted levels of days' sales outstanding. For two-year grants, one half of the awarded amount relates to each performance cycle during the term of the grant, and for three year-grants, one third of the awarded amount relates to each performance cycle during the term of the grant.

Subject to the Compensation Committee's discretion, and as set forth in the table above, a recipient may receive from 50% to 150% of the target amount up through the end of a performance cycle depending on whether the individual achieves performance goals, or substantially under- or over-achieves performance goals. Each earned award vests in full on its vesting date, provided that the named executive officer is still employed with us.

The following table sets forth the target amounts approved by our Compensation Committee and Board of Directors, in 2009 for each of our named executive officers under each of the above-mentioned categories of LTIP award agreements with respect to all performance cycles covered by such award agreements. Consistent with the design of the LTIP, the Compensation Committee and the Board of Directors approved LTIP awards to senior corporate officers in addition to our named executive officers listed below.

Name	Category A	Category B	Category C	Category D	Category E	Category F
Bahman Atefi	\$ 998,223	\$ 934,910	\$ 1,738,830	—	\$ 800,000	\$ 1,000,000
Stacy Mendler	\$ 479,559	\$ 411,360	\$ 725,782	—	\$ 300,000	\$ 350,000
Scott Fry	—	\$ 233,125	\$ 191,511	—	\$ 250,000	\$ 250,000
Michael Alber	—	—	—	\$ 94,646	\$ 150,000	\$ 200,000

The ranges reflect participation levels determined for each named executive officer in the LTIP based on market information provided to us by our compensation consultant. Each named executive officer's participation level was based on his or her specific position, responsibilities, accountabilities and impact within our company. We vetted these target participation levels against the participation levels of similarly situated executive officers at peer companies.

Summary Compensation Table Fiscal Year 2008

The following table sets forth all compensation with respect to our Chief Executive Officer and our other named executive officers, whose total salary and bonus exceeded \$100,000 for the year ended September 30, 2008.

Summary Compensation Table Fiscal Year 2008							
<u>Name and Principal Position</u>	<u>Salary</u>	<u>Bonus</u>	<u>Phantom Stock Awards</u>	<u>SAR Awards</u>	<u>Non-Equity Incentive Plan Compensation</u>	<u>All other Compensation</u>	<u>Total</u>
Bahman Atefi Chief Executive Officer and President	\$604,749	\$ —	\$1,630,296	\$ —	\$ 500,000	\$ 146,488	2,881,533
Stacy Mendler Chief Operating Officer and Executive Vice President	\$333,185	\$ —	\$ 759,346	\$ —	\$ 200,000	\$ 100,071	1,392,602
Michael Alber Senior Vice President and Chief Financial Officer	\$220,000	\$95,000	\$ 15,836	\$ 3,000	\$ 150,000	\$ 29,910	513,746
Scott Fry Engineering and Integration Solutions Sector Senior Vice President	\$316,171	\$ —	\$ 183,937	\$ —	\$ 225,000	\$ 51,263	776,371

Bonuses include non-incentive based cash bonuses, such as sign-on bonuses paid to Named Executive Officers.

Non-Equity Incentive compensation includes cash bonuses awarded to our named executive officers for fiscal 2008 service. Other compensation includes the following: 401(k) matching and profit sharing contributions under Alion's KSOP; Company contributions for long and short term disability; amounts paid for life insurance premiums; amounts paid or reimbursed with respect to health and welfare; amounts paid or reimbursed with respect to social club membership; and amounts paid or reimbursed with respect to leased cars.

All Other Compensation Fiscal Year 2008

<u>Name and Principal Position</u>	<u>Company Matching Contributions Under Alion's KSOP</u>	<u>Health and Welfare Benefits</u>	<u>Long and Short Term Disability Paid by the Company</u>	<u>Club Membership Fees</u>
Bahman Atefi	\$ 14,625	\$ 94,337	\$ 4,840	\$ 5,120
Stacy Mendler	\$ 14,625	\$ 55,208	\$ 3,210	\$ —
Michael Alber	\$ —	\$ 12,530	\$ 2,421	\$ —
Scott Fry	\$ 10,228	\$ 13,748	\$ 3,108	\$ —

All Other Compensation Fiscal Year 2008 (continued)

<u>Name and Principal Position</u>	<u>Term Life Insurance Paid by the Company</u>	<u>Leased Cars</u>	<u>Settlement</u>	<u>Total</u>
Bahman Atefi	\$ 735	\$ 26,831	\$ —	\$ 146,488
Stacy Mendler	\$ 531	\$ 26,497	\$ —	\$ 100,071
Michael Alber	\$ 356	\$ 14,603	\$ —	\$ 29,910
Scott Fry	\$ 512	\$ 23,667	\$ —	\$ 51,263

Phantom Stock Plans

Executive Phantom Stock Plan

On November 9, 2004, the Company's Compensation Committee approved, and the full Board of Directors adopted, The Alion Science and Technology Corporation Performance Shares and Retention Phantom Stock Plan (the Second Phantom Stock Plan) to comply with the requirements of the American Jobs Creation Act. The Second Phantom Stock Plan permits awards of retention share phantom stock and performance share phantom stock. A retention award is for a fixed number of shares determined at the date of grant. A performance award is for an initial number of shares subject to change at the vesting date. Performance phantom shares are subject to forfeiture for failure to achieve a specified threshold value for a share of the Company's common stock as of the vesting date. If the value of a share of the Company's common stock equals the threshold value but does not exceed the target value, the number of performance shares in a given grant may be decreased by a specified percentage (generally up to 50 percent). If the value of a share of the Company's common stock exceeds a pre-established target price on the vesting date, the number of performance shares in a given grant may be increased by a specified percentage (generally up to 20%).

Vesting. Performance share awards vest three years from date of grant (unless otherwise provided in an individual award agreement) and retention share awards vest as specified in each individual award agreement, provided that the grantee is still employed by the Company. Accelerated vesting is provided in the event of death, disability, involuntary termination without cause, or upon a change in control of the Company or in other circumstances, unless the individual award agreement provides otherwise.

Payments. Grants are to be paid out on the "payment date" specified in the award agreement, which is generally five years and sixty days from the date of grant, unless the award holder elected to accelerate payment by filing an election no later than December 31, 2005, or elects to defer the proceeds of phantom stock into the Alion Science and Technology Corporation Executive Deferred Compensation Plan, as described below.

Amendment. In November 2005, the Board of Directors amended the Second Phantom Stock Plan to permit employees to make a one-time election to receive payment for phantom shares as they vest each year or when fully vested. An award holder who does not make an acceleration election as described above may elect to defer the proceeds of phantom stock into the Alion Science and Technology Corporation Executive Deferred Compensation Plan for a 5 year period, if he or she is eligible for the plan, by filing a deferral election with the Company at least one year in advance of the payment event.

As of September 30, 2010, the Company had granted 340,312 shares of retention incentive phantom stock and 213,215 shares of performance incentive phantom stock of the Company pursuant to the Second Phantom Stock Plan. The performance-based grants were fixed based on the September 30, 2008 share price.

Director Phantom Stock Plan

In November 9, 2005, the Company's Compensation Committee approved, and the full Board of Directors adopted, the Alion Science and Technology Corporation Board of Directors Phantom Stock Plan (the Director Phantom Stock Plan). The Director Phantom Stock Plan provides for annual awards of shares of phantom stock to non-employee directors of the Company. In 2008 and 2009, the number of shares of phantom stock granted to each non-employee director was equal to the quotient obtained by dividing \$35,000 by the fair market value of one share of the Company's stock as of the date of the award rounded up to the next highest whole number. There were no grants to directors in fiscal 2010 or 2009. Fair market value is determined by the Compensation Committee in its sole discretion using the most recent valuation of the Company's common stock made by an independent appraisal that meets the requirements of IRC Section 401(a)(28)(C), as of a date that is no more than 12 months before the date of the award.

Vesting. Grants under the Director Phantom Stock Plan vest in one-third increments each year for three years from the date of the award. Vesting of an award accelerates upon a grantee's death or disability or upon a change of control of the Company or in other circumstances.

Payments. Before each award is granted (or within 30 days of the grant date for an individual who becomes a director on the grant date), a director may elect whether to receive payment for phantom shares as they vest, or when the award is fully vested. A director who elects to receive payment when an award has fully vested may elect to defer the proceeds of the award into the Alion Science and Technology Director Deferred Compensation Plan provided the election is made no later than one year before the award fully vests. All payments made under the awards are required to be in cash. As of September 30, 2010, the Company had granted 20,779 shares of phantom stock under the Director Phantom Stock Plan.

Under the three phantom stock plans, members of the Company's Compensation Committee who are eligible to receive phantom stock or who have been granted phantom stock may vote on any matters affecting the administration of the plan or the grant of phantom stock, except that a member cannot act upon the granting of phantom stock to himself or herself. These voting provisions also apply to members of the Company's Board of Directors when the board resolves to act under the plans.

When granted, phantom stock provides the employee with the right to receive payment upon exercise of the phantom stock. The terms of each phantom stock grant are evidenced in a phantom stock agreement which determines the:

- Date of grant;
- Number of shares of the phantom stock awarded; and
- Provisions governing vesting of the phantom stock awarded.

The plans also provide that phantom stock awarded at different times need not contain similar provisions.

Under the plans, the payment that the Company will make upon the vesting of phantom stock is intended to be made in one lump sum within 60 days of the date of vesting unless a later date is set forth in an individual award agreement. The Compensation Committee, or the Company's Board of Directors, if it resolves to do so, may delay payment for five years. If the payment is delayed, it will include interest accrued at the prime rate as of the date of vesting until the payment date. The Company expects the Compensation Committee, or the Board of Directors if it resolves to do so, to examine the Company's available cash and anticipated cash needs in determining whether to delay payment. Under limited circumstances, payments from the exercise of phantom stock may be rolled over into any non-qualified deferred compensation plan.

No voting or other rights associated with ownership of the Company's common stock are given to phantom stockholders. References to shares of common stock under the plan are for accounting and valuation purposes only. As a result, an individual who receives phantom stock does not have any of the rights of a stockholder as a result of a grant of phantom stock.

The phantom stock plans permit the Compensation Committee to defer payments if it determines that payment is administratively impracticable or would jeopardize the solvency of the Company (provided that such impracticability or insolvency was unforeseeable as of the grant date), or if the payment would violate a loan covenant or similar contract, or not be deductible under Section 162(m) of the Internal Revenue Code or if the payment would violate U.S. securities laws or other applicable law.

The phantom stock plans contain a provision to prevent an award to a person who is or would become (if the award were made) a “disqualified person” for as long as the Company maintains the ESOP. For this purpose, “disqualified person” means any individual who directly or beneficially (such as under the Alion ESOP) holds at least 10% of Alion equity, including outstanding common stock and “synthetic equity”, such as SARs or phantom stock. Any award that violates this provision is void.

Subject to adjustments for merger or other significant corporate transactions or special circumstances, the shares of common stock that may be used for awards under the phantom stock plans of the Company shall not exceed 2,000,000 shares (whether or not such awards have expired, terminated unexercised, or become unexercisable, or have been forfeited or otherwise terminated, surrendered or cancelled).

The number of shares of the Company’s common stock used for reference purposes with respect to outstanding grants of phantom stock for the last three fiscal years is as follows:

<u>Date of Issuance</u>	<u>Shares Issued</u>	<u>Cumulative Shares Issued</u>	<u>Cumulative Shares Authorized under all Plans</u>
November 2007	6,993 ⁽¹⁾	20,779	2,000,000 ⁽¹⁾

(1) Number of shares authorized under the Executive and Director Phantom Stock Plans as periodically amended and approved by the Compensation Committee of Alion’s Board of Directors.

The following table sets forth information regarding phantom stock granted in the last three fiscal years to the Named Executive Officers pursuant to the Second phantom stock plans.

<u>Name</u>	<u>Number of shares</u>	<u>Grant Date</u>	<u>Grant Type</u>	<u>Full vesting period</u>	<u>Period(s) until payout</u>
Bahman Atefi	17,478	November 2007	Retention	November 2010 ⁽¹⁾	November 2010 ⁽¹⁾⁽⁴⁾
Michael Alber	1,248 1,219	January 2008 May 2008	Retention Retention	January 2011 ⁽¹⁾ May 2011 ⁽¹⁾	January 2011 ⁽¹⁾⁽⁴⁾ May 2011 ⁽¹⁾⁽⁴⁾
Stacy Mendler	4,994	November 2007	Retention	November 2010 ⁽¹⁾	November 2010 ⁽¹⁾⁽⁴⁾
Robert Goff	4,994	November 2007	Retention	November 2010 ⁽¹⁾	November 2010 ⁽¹⁾
Scott Fry	4,994	November 2007	Retention	November 2010 ⁽¹⁾	November 2010 ⁽¹⁾⁽⁴⁾
Jim Fontana	2,497	February 2007	Retention	November 2010 ⁽¹⁾	November 2010 ⁽¹⁾⁽⁴⁾

- (1) The Second Phantom Stock Plan, permits performance- and/or retention-based phantom stock awards. Performance-based phantom stock vested three years after the grant date; retention-based phantom stock vested as specified in individual agreements. Performance- and retention-based phantom stock awards for vested shares were paid as specified in individual agreements.
- (2) Phantom Stock grants issued in February and November 2003 fully vested on the fifth year from the grant date
- (3) Initially, recipients were to be paid commencing on the fifth year from the grant date. In November 2005, the Phantom Stock Plan was amended to permit employees to make a one-time election to receive payment for phantom shares as they vested each year or when fully vested. Dr. Atefi and Ms. Mendler made this election; Mr. Goff did not.
- (4) In December 2008, Dr. Atefi, Ms. Mendler, Mr. Fry and Mr. Fontana forfeited their right to receive payment for certain vested, unpaid phantom stock awards. Along with Mr. Alber, they also forfeited all phantom stock awards that had not yet vested.

Stock Appreciation Rights (SAR) Plans

2004 SAR Plan

On January 13, 2005, the Company's Board of Directors adopted the Alion Science and Technology Corporation 2004 Stock Appreciation Rights Plan (the 2004 SAR Plan), to comply with the deferred compensation provisions of the American Jobs Creation Act of 2004. The 2004 SAR Plan is administered by the Compensation Committee or its delegate (the administrative committee). The 2004 SAR Plan has a 10-year term and permits grants to Alion directors, officers, employees and consultants. Under the 2004 SAR Plan, the chief executive officer has the authority to award SARs, as he deems appropriate; however, awards to executive officers are subject to the approval of the administrative committee of the 2004 SAR Plan. Outstanding SAR awards cannot exceed the equivalent of 12 percent of the Company's outstanding shares of common stock on a fully diluted basis (assuming the exercise of any outstanding options, warrants and rights including, without limitation, SARs, and assuming the conversion into stock of any outstanding securities convertible into stock), which amount may be adjusted in the event of a merger or other significant corporate transaction or in other special circumstances. The plan does not permit awards to a "disqualified person."

Vesting. Awards to employees vest ratably over four years and awards to directors vest ratably over each director's term of service. The 2004 SAR Plan contains a provision for accelerated vesting in the event of death, disability or a change in control of the Company or in other special circumstances.

Payments. SARs are normally paid on the first anniversary of the date the award becomes fully vested, or earlier upon the SAR holder's death, disability or termination of service, or a change in control. The 2004 SAR Plan permits eligible awardees to defer SAR payments into the Alion Science and Technology Corporation Executive Deferred Compensation Plan for a 5-year period, by filing a deferral election at least one year in advance of the payment event. The 2004 SAR Plan permits the Compensation Committee to defer payments if it determines payment is administratively impracticable or would jeopardize the solvency of the Company (provided that such impracticability or insolvency was unforeseeable as of the grant date); if the payment would violate a loan covenant or similar contract, or would not be deductible under Section 162(m) of the Internal Revenue Code; or if the payment would violate U.S. securities or other applicable laws.

A grantee under the 2004 SAR Plan has the right to receive payment for vested SARs equal to the difference between the appraised value of a share of Alion common stock as of the grant date and the appraised value of a share of Alion common stock as of the exercise date per the most recent valuation of the common stock held by the ESOP Trust.

Amendment. In November 2005, the Board of Directors amended the 2004 SAR Plan to eliminate the timely exercise requirement for an employee to receive payment for vested SARs. Subject to certain restrictions, our Board of Directors may amend or terminate either SAR plan at any time. As of September 30, 2010, approximately 880,000 SARs were outstanding.

Grants of Plan-Based Awards

There were no grants of plan-based awards to named executive officers during fiscal year 2010.

Outstanding Equity Awards at Fiscal Year-End

The following table lists SAR awards held by named executive officers during fiscal year 2010. There are no outstanding named executive officer Phantom Stock awards.

<u>Name</u>	<u>Number of securities underlying unexercised SARs (#)</u> <u>Exercisable</u>	<u>Number of securities underlying unexercised SARs (#)</u> <u>Unexercisable</u>	<u>SAR exercise price (\$)</u>	<u>SAR expiration date</u>
Michael Alber (1)	—	5,000	40.05	12/13/13

(1) In December 2007, Mr. Alber was awarded 5,000 SARs at the exercise price of \$40.05 per share, all of which were outstanding as of September 30, 2010.

SAR Exercises

The table below lists SARs exercised by the named executive officers during fiscal year 2010. There were no SAR or Phantom Stock grants to named executive officers in fiscal 2010.

Name	SAR Awards	
	Number of shares acquired on exercise (#)	Value realized on exercise (\$)
Scott Fry	4,000	\$ 58,240

Mr. Fry held 4,000 SARs issued at \$19.94 per share that he exercised at \$34.50 per share.

Deferred Compensation Plans

We maintain two Deferred Compensation Plans. One plan, the Executive Deferred Compensation Plan, covers members of management and other highly compensated officers of the Company. The other plan, the Directors Deferred Compensation Plan, covers members of the Company's Board of Directors.

Each plan permits an individual to make a qualifying election to forego current payment and defer a portion of his or her compensation. Officers may defer up to 50% of their annual base salary and up to 100% of bonus and/or stock-based compensation payments. Directors may defer up to 100% of their fees and their stock-based compensation payments.

Each Plan permits an individual to defer payment to a specified future date and to specify whether deferrals are to be paid in a lump sum or installments. Under certain limited circumstances, deferrals may be paid out early or further deferred. Typically, individuals may only make one qualifying deferral election per year.

Scott Fry is the only named executive officer who elected to defer compensation to a non-tax-qualified defined contribution plan during fiscal year 2010.

Name	Executive Contributions in Last FY (\$)	Registrant Contributions in Last FY (\$)	Aggregate Earnings in Last FY (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Last FYE (\$)
Scott Fry	\$ —	\$ —	\$ 31,191	\$ —	\$ 352,442

Other Potential Post-Termination Payments

We have agreements and arrangements with several named executive officers to provide payments and certain benefits in the event their employment is terminated without cause or we have a change in control.

Employment Agreements. We have employment agreements with four named executive officers, which provide that if the officer is involuntarily terminated without cause or terminated following a change in control, he or she will be entitled to receive a lump sum cash payment as set forth in his or her individual agreement. Named executive officers are entitled to receive Consolidated Omnibus Budget Reconciliation Act ("COBRA") benefits for 18 months following termination plus up to \$25,000 in outplacement services up through December 31 of the second calendar year following an officer's separation from service.

Long Term Incentive and Deferred Compensation Plans. Under the terms of our long term incentive and deferred compensation plans, all unvested awards held by the named executive officers, are subject to accelerated vesting following termination.

The table below lists estimated potential cash payments and benefits, and accelerated vested LTIP awards to be received by named executive officers per their employment agreements and our plans, assuming a change in control of Alion occurred on the last business day of fiscal 2010.

<u>Name</u>	<u>Severance Amount</u> (a)	<u>Early Vesting of LTIP Awards</u> (b)	<u>Other</u> (c)	<u>Total</u> (d)
Bahman Atefi	\$ 2,870,000	\$ 786,667	\$ 25,000	\$ 3,681,667
Stacy Mendler	\$ 1,087,500	\$ 295,000	\$ 25,000	\$ 1,407,500
Michael Alber	\$ 535,000	\$ 242,607	\$ 25,000	\$ 802,607
Scott Fry	\$ 580,000	\$ 247,917	\$ 25,000	\$ 852,917
Walter Buchanan	\$ 485,000	\$ 74,375	\$ 25,000	\$ 584,375

(a) Based on a percentage of the executive's annual salary and bonus he or she would have earned as of such date based upon the bonus actually paid for fiscal 2010 performance.

<u>Name</u>	<u>Salary</u>	<u>Bonus</u>
Bahman Atefi	200%	200%
Stacy Mendler	150%	150%
Michael Alber	100%	100%
Scott Fry	100%	100%
Walter Buchanan	100%	100%

(b) This is the value as of September 2010 of vested LTIP awards not yet payable and LTIP not yet vested. This does not include unvested Category E and F awards as no Named Executive Officer has yet completed 18 months of post-award service. These amounts would be paid if termination were to occur within one year after execution of a definitive change in control agreement if such transaction were subsequently consummated.

(c) This is the value of outplacement services (not to exceed \$25,000) to be provided by a firm selected by Alion and paid by the Company. No such outplacement services will be provided beyond December 31 of the second calendar year following the calendar year in which the executive separates from service.

Alion is also obligated to pay the executive, if he or she is eligible for and elects to receive, medical and/or dental benefits under COBRA for the individual and/or any qualifying beneficiaries. Alion will pay the amount by which the COBRA premium exceeds the premium payable by the executive for the same level of coverage immediately prior to termination.

(d) This is the maximum the executive could receive, including payment for accelerated LTIP award vesting, in the event of a termination occurring within one year following execution of a definitive change in control agreement, if such transaction is subsequently consummated.

Director Compensation

Name	Fees earned or paid in cash (\$) (1)	All other compensation (\$) (2)	Total
Edward C. ("Pete") Aldridge, Jr.	\$ 89,500	\$ 765	\$ 90,265
Leslie Armitage	\$ 101,500	\$ —	\$ 101,500
Lewis Collens	\$ 90,000	\$ 3,934	\$ 93,934
Admiral (Ret.) Harold W. Gehman, Jr.	\$ 104,000	\$ 1,009	\$ 105,009
General (Ret.) George A. Joulwan	\$ 93,000	\$ —	\$ 93,000
General (Ret.) Michael E. Ryan	\$ 95,500	\$ 2,787	\$ 98,287
David Vitale	\$ 85,000	\$ 2,838	\$ 87,838
Michael Hayden	\$ 18,500	\$ —	\$ 18,500

- (1) This column represents the total fees including the annual retainer fee to non-employee directors. The Company's employee directors do not receive any additional compensation for their services as members of the Board of Directors. For the year ended September 30, 2010, the Company's non-employee directors received an annual retainer and compensation of \$70,000, payable in quarterly installments, for their services as members of the Board of Directors. In addition, each director receives a fee of \$2,500 for in-person attendance at a Board of Directors meeting, and \$1,000 for telephone attendance at a Board of Directors meeting. The chairman of the Audit and Finance Committee receives \$7,500 per year for each year he or she serves in such capacity. The other board committee chairpersons receive \$5,000 per year for each year he or she serves in such capacity. Board committee members receive \$1,000 per committee meeting if the committee meeting occurs on a day other than the day of a full Alion Board of Directors meeting. Alion reimburses directors for reasonable travel expenses in connection with attendance at Board of Directors and board committee meetings.
- (2) The amounts included in this column represent the amount paid by the Company for travel expenses to attend Board of Directors meetings.

Compensation Committee Interlocks and Insider Participation

The members of the Compensation Committee are Harold Gehman (Chairman), Leslie Armitage, Lewis Collens, George Joulwan, and Pete Aldridge. None of the members, during the fiscal year, was an officer or employee of our Company, formerly an officer of the Company or involved in a related party transaction. Dr. Atefi is a member of the board of trustees of IIT where Mr. Collens was the President until July 2007. Dr. Atefi is the President and Chief Executive Officer of the Company.

Compensation Committee Report

The Compensation, Committee of the Company has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Annual Report.

THE COMPENSATION COMMITTEE

Harold Gehman, Jr., Chairman
Pete Aldridge, Jr., Committee Member
Leslie Armitage, Committee Member
Lewis Collens, Committee Member
George Joulwan, Committee Member

(c) Exhibits

Exhibit No.	Description
31.1	Certification of Chief Executive Officer of Alion Science and Technology Corporation pursuant to Rule 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
31.2	Certification of Chief Financial Officer of Alion Science and Technology Corporation pursuant to 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
32.1	Certification of Chief Executive Officer of Alion Science and Technology Corporation, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer of Alion Science and Technology Corporation, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ALION SCIENCE AND TECHNOLOGY CORPORATION
(Registrant)

Date: March 7, 2011

By: /s/ MICHAEL J. ALBER _____
Michael J. Alber
Principal Financial Officer

**CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002
FOR THE CHIEF EXECUTIVE OFFICER**

I, Bahman Atefi, certify that:

1. I have reviewed this annual report on Form 10-K/A for the fiscal year ended September 30, 2010, of Alion Science and Technology Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 7, 2011

/s/ Bahman Atefi

Name: Bahman Atefi

Title: Chief Executive Officer

**CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002
FOR THE CHIEF FINANCIAL OFFICER**

I, Michael J. Alber, certify that:

1. I have reviewed this annual report on Form 10-K/A for the fiscal year ended September 30, 2010, of Alion Science and Technology Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 7, 2011

/s/ Michael J. Alber

Name: Michael J. Alber

Title: Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Alion Science and Technology Corporation (the "Corporation") on Form 10-K/A for the fiscal year ended September 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bahman Atefi, Chief Executive Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

Date: March 7, 2011

/s/ Bahman Atefi

Name: Bahman Atefi

Title: Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Alion Science and Technology Corporation (the "Corporation") on Form 10-K/A for the fiscal year ended September 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael J. Alber, Chief Financial Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

Date: March 7, 2011

/s/ Michael J. Alber

Name: Michael J. Alber

Title: Chief Financial Officer