

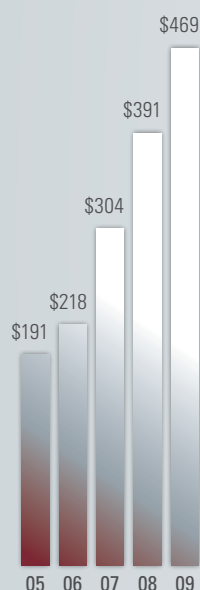


MISSION • FOCUSED • GROWTH

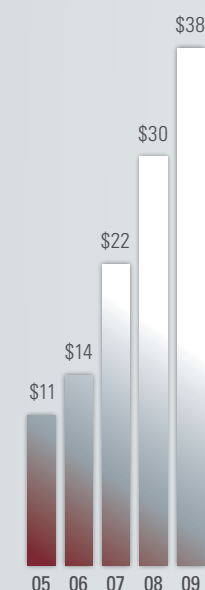
## ABOUT NCI, INC.

NCI is a leading provider of information technology (IT), engineering, logistics, and professional services and solutions to U.S. Federal Government agencies. We have the following industry-leading and globally recognized certifications: ISO 9001:2000, ISO 20000-1:2005, and CMMI Level 3 Appraisal. NCI's award-winning expertise encompasses areas critical to its customers' mission objectives, including enterprise systems management; network engineering; cybersecurity and information assurance; software development and systems engineering; program management, acquisition, and lifecycle support; engineering and logistics; health IT/medical transformation; and training and simulation. The company is a member of the Russell 2000 and S&P Small Cap 600 indexes. Headquartered in Reston, Virginia, NCI has approximately 2,800 employees and more than 100 locations worldwide.

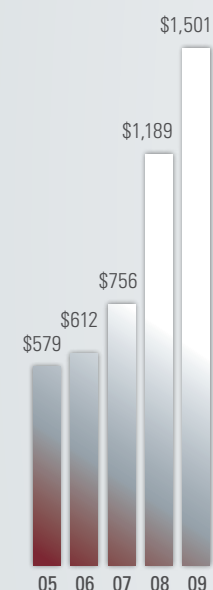
### REVENUE (IN MILLIONS)



### OPERATING INCOME (IN MILLIONS)



### TOTAL BACKLOG (IN MILLIONS)



## FINANCIAL HIGHLIGHTS

(DOLLARS IN THOUSANDS, EXCEPT EPS)

	2005	2006	2007	2008	2009
<b>OPERATING RESULTS</b>					
Revenue	\$191,319	\$218,340	\$304,420	\$ 390,596	\$ 468,910
Operating income	11,229	14,024	22,333	30,384	37,598
Net income	12,315	9,259	12,571	17,040	22,157
Pro forma net income*	6,045	N/A	N/A	N/A	N/A
Basic EPS	1.53	0.69	0.94	1.28	1.65
Diluted EPS	1.41	0.69	0.93	1.25	1.61
Pro forma basic EPS*	0.75	N/A	N/A	N/A	N/A
Pro forma diluted EPS*	0.71	N/A	N/A	N/A	N/A
<b>BALANCE SHEET SUMMARY</b>					
Cash and cash equivalents	12,323	13,930	109	1,267	1,193
Net working capital	35,602	46,320	38,563	41,146	48,073
Total assets	90,021	106,799	178,746	200,333	241,651
Total debt, including current portion	480	381	43,318	40,220	42,094
Total stockholders' equity	57,171	66,586	80,241	98,859	124,227
TOTAL BACKLOG	579,000	612,000	756,000	1,189,000	1,501,000

\* PRO FORMA FOR C CORPORATION TAX RATES, AS SHOWN ON THE CONSOLIDATED STATEMENTS OF OPERATIONS

# FIVE CORE STRENGTHS REPRESENT PLATFORMS FOR GROWTH

## 1

WE POSSESS DEEP  
UNDERSTANDING OF OUR  
CUSTOMERS' MISSIONS

For more than 20 years, we have provided mission-critical services and solutions to customers, enabling us to develop an in-depth understanding of their missions and technical needs. NCI's capabilities focus on overcoming customer challenges to help them meet their critical mission and objectives. Our strong customer relationships result from in-depth understanding of their missions, the strength of our technical solutions, and the co-location of our employees with customers. More than 75% of our staff is located on-site with our customers, imparting valuable strategic insights into their evolving mission objectives.

## 2

WE HOLD KEY PRIME  
CONTRACT VEHICLES

As a result of our business development focus on securing key contracts, we are a prime contractor on 21 multi-year Government Wide Acquisition Contracts (GWACs), agency-specific Indefinite Delivery/Indefinite Quantity (IDIQ) contracts, and other Multiple-Award Contracts (MACs) that enable us to bid on hundreds of millions of dollars of business each year against a discrete number of other pre-qualified companies. Holding prime positions on contract vehicles provides us an advantage as we seek to expand services to our customers. Revenue under our prime GWAC task orders accounted for approximately 76% of our total revenue for 2009. We aggressively pursue task orders under these vehicles to maximize our revenue and strengthen our customer relationships.

## 3

WE PROVIDE HIGH-END IT  
SERVICES AND SOLUTIONS

We have expanded our market presence through strategic acquisitions and the growing credentials of our highly qualified management team and staff providing a rich suite of services, including high-end IT capabilities, engineering services, and professional services. During 2009, we completed the acquisition of TRS Consulting, Inc. (TRS), a provider of high-end IT and software development services to the Intelligence Community. We leverage our service offerings across eight core capabilities: enterprise systems management; network engineering; cybersecurity and information assurance; software development and systems engineering; program management, acquisition, and lifecycle support; engineering and logistics; health IT/medical transformation; and training and simulation. We have the agility, position, and determination to focus on expanding market segments within the Federal IT and professional services markets.

## 4

WE DEMONSTRATE A PROVEN  
ABILITY TO WIN BUSINESS

We have strong, long-term relationships with our customers, as evidenced by our record of winning and retaining business. During 2009, we were awarded task orders and single-award contracts with a total value of approximately \$767 million. Our success in winning business is based, in part, on our ability to anticipate customers' emerging requirements, which enables us to develop stronger technical proposals. We also believe our strong past performance record positions us to expand the level of services we provide to our customers.

## 5

WE DRIVE VALUE THROUGH  
OUR HIGHLY SKILLED  
EMPLOYEES AND  
MANAGEMENT TEAM

Federal Government agencies are seeking more efficient, effective solutions and technology services in response to increasing economic challenges. We leverage our experience across customer bases to develop cost-effective, efficient technology solutions. The significant investments made in our management, employees, and infrastructure support our growth and profitability strategies. We deliver services through a highly skilled workforce of approximately 2,800 employees, of which 75% possess at least one Federal Government security clearance. Our senior managers average more than 25 years of experience with Federal Government agencies, the U.S. military, and Federal Government contractors. Members of our management team have experience growing businesses organically, as well as through acquisitions.

## MESSAGE FROM THE CHAIRMAN AND THE PRESIDENT



“AS WE CELEBRATE OUR 20TH ANNIVERSARY, WE ARE PROUD OF THE REPUTATION WE HAVE ESTABLISHED FOR DELIVERING ON OUR PROMISES TO OUR CUSTOMERS, EMPLOYEES, AND STOCKHOLDERS. SOLIDLY ON COURSE TO ACHIEVE OUR IPO GOALS, WE NOW RESET OUR SIGHTS ON A \$1 BILLION ANNUAL REVENUE LEVEL WITHIN THE NEXT THREE TO FIVE YEARS.”

CHARLES K. NARANG, CHAIRMAN AND CEO

We are delighted to report that 2009 was another stellar year of record financial and operational results. Revenue, operating income, earnings per share, contract awards, and total backlog all reached the highest levels since the company's inception in 1989. As we celebrate our 20th anniversary, we are proud of the reputation we have established for delivering on our promises to our customers, employees, and stockholders. In these 20 years, we have grown from a small firm with a handful of staff to more than 2,800 highly skilled employees supporting U.S. Federal customers worldwide.

Important milestones along the way included the transition from a small business in the late 1990s to a highly successful mid-tier company providing state-of-the-art information technology (IT) services to a wide-ranging set of important U.S. Federal customers. Another important milestone occurred in 2005 with our initial public offering (IPO). Our performance as a public company has been exceptional, as indicated by nearly tripling our stock price since our IPO. Performance and delivering on promises continue to be our focus. The vision at our IPO was to build a company that would: deliver annual revenue of \$500 million by 2010, consistently achieve 10% to 15% organic growth per year, complement the organic growth with strategic acquisitions to augment our customer and contract base, and expand our operating margins to the 8% to 9% level within a three- to five-year period.

Our 2009 results demonstrate that we are solidly on course to achieve our IPO goals. We ended 2009 with \$469 million of revenue; organic growth since our IPO has averaged a very strong and consistent 14%; during the

first four years, we completed four acquisitions that have provided a broader platform for growth with expanded service offerings; and our margins have grown by 200 basis points to 7.7%.

With the initial IPO goals now clearly achievable, we now reset our sights on a \$1 billion annual revenue level within the next three to five years. Our fundamental strategy of 10% to 15% organic growth remains intact as we move into a new era of growth. We believe we are well positioned in markets that will support our long-term growth objectives. We will continue to focus exclusively on the Federal marketplace with substantial offerings in high-end IT, engineering, logistics, and professional services. Highlights for 2009 include:

### **Delivered record financial results.**

During 2009, our revenue grew 20% to a record \$469 million. This represents a 20% year-over-year growth rate, and an organic growth rate of 16%. We reported an operating margin of 8%, or 7.7% on an adjusted basis after excluding two one-time items, and our reported diluted earnings per share increased 30% to \$1.61 per share, or 24% to \$1.55 on an adjusted basis.

### **Won significant new business.**

Our organic growth has been fueled by strong new business awards. In 2009, we booked \$767 million of awards, which equates to a 1.6 times book-to-bill ratio. This ratio equals our 2008 performance and is a clear indicator of our outstanding ability to compete for and win new business in a highly competitive marketplace. These awards produced a record total backlog of \$1.5 billion at year-end and positions us well as we enter 2010.

Fueling our new business success has been our use of our Government Wide Acquisition Contract (GWAC) vehicles. Our portfolio of 21 prime GWAC vehicles and prime agency-specific Indefinite Delivery/Indefinite Quantity (IDIQ) contract vehicles provides us excellent access to customers and opportunities to bid and win new awards. In 2009, we won significant new business awards on our Air Force NETCENTS, Air Force DESP II, Army ITES-2S, Army TEIS, Army PEO Soldier, Navy SeaPort-e, OPM TMA, and several GSA contract vehicles.

**Won major recompetete award.**

In December, we were awarded the \$309 million U.S. Army PEO STRI recompetete program. We won the original PEO STRI contract in August 2005. The new contract is for a higher value, has a longer period of performance, and includes support for two other Army customers—at Fort Belvoir and at Fort Carson, where NCI was already the incumbent. NCI had won both Fort Belvoir and Fort Carson in the third quarter of 2008. This competitively awarded, firm-fixed price ITES-2S task order has a stated value of \$309 million with a ceiling value of \$495 million and a seven-year period of performance.

The PEO STRI contract is an excellent example of Army customers looking for ways to modernize their IT enterprises, improve services, and reduce costs through consolidating contracts and activities. NCI identified this potential modernization and consolidation opportunity several years ago and sought roles on the Fort Carson and Fort Belvoir contracts to strategically position NCI in advance of the procurement and thus achieve a dominant position in the competition. Our success in winning this major procurement

reflects well on our proven performance in supporting these customers and in achieving a thorough understanding of our customers' missions and priorities.

**Added important new customers.**

Our GWAC contract vehicles provide us the opportunity to expand our service offerings across a broad set of customers. In 2009, we were pleased to have won new business with new customers, including: the U.S. Army Forces Command (FORSCOM); U.S. Army Reserve Command; U.S. Army XVIII Airborne Corps; U.S. Central Command (USCENTCOM); the Naval Postgraduate School; Wilford Hall Medical Center, San Antonio Military Medical Center (SAMMC)-South; the William Beaumont Army Medical Center at Fort Bliss; the Food and Drug Administration; and the Centers for Disease Control and Prevention.

**Established significant platforms for growth.**

Since our founding, we have always placed our customers' missions above all else and have consistently strived for total customer satisfaction. We have focused on what we believe are the right customers, the right markets, and the right service offerings to build a quality organization. We have consistently followed a business strategy that provides for sustainable, long-term growth opportunities. More recently, we have been focusing on what we call "platforms for growth." These growth platforms align areas of deep technical expertise with favorable trends in the marketplace to deliver on our long-term financial goals. Our platforms for growth focus on key Federal IT and professional services markets, and we believe they will help us achieve expanded near-term business opportunities, consistent long-term

organic growth, and margin expansion. We have highlighted several of our platforms for growth on pages 10 through 14, including: Cybersecurity, Base Realignment and Closure (BRAC), Enterprise Systems Management, Open Source and Agile Software Development, and Integrated Logistics and Supply Chain Management.

An outstanding example of one of our new platforms for growth is at Fort Bragg, NC. Fort Bragg is the home of the Airborne and Special Operations Forces, including the XVIII Airborne Corps, the 82nd Airborne Division, and the Special Operations Command. Their mission is to maintain the XVIII Airborne Corps as a strategic crisis response force, manned and trained to deploy rapidly by air, sea, and land anywhere in the world. Soon Fort Bragg will also be the home of FORSCOM. FORSCOM is the largest command in the Army and the Army's force provider to joint combatant commands worldwide. Currently, headquartered at Fort McPherson, GA, FORSCOM will move to Fort Bragg in 2011, consistent with the congressionally mandated BRAC legislation. Moving with FORSCOM is the U.S. Army Reserve Command.

Before 2009, NCI had no contracts or work with these important customers. Using our platform for growth business model, we focused on a series of opportunities to establish NCI a solid platform on which to grow in this market. As a result, we won several programs with a value in excess of \$60 million that position us extremely well, including: the FORSCOM BRAC TEIS program, the Fort Bragg Data Center Infrastructure BRAC task order, and the Fort Bragg Network Enterprise Center task order. As is evident, the Fort Bragg growth platform provided



“OUR FUNDAMENTAL STRATEGY OF 10% TO 15% ORGANIC GROWTH REMAINS INTACT AS WE MOVE INTO A NEW ERA OF GROWTH. OUR PORTFOLIO OF 21 PRIME GWAC VEHICLES AND PRIME AGENCY-SPECIFIC IDIQ CONTRACT VEHICLES PROVIDES US EXCELLENT ACCESS TO CUSTOMERS AND OPPORTUNITIES TO BID AND WIN NEW AWARDS.”

TERRY W. GLASGOW, PRESIDENT

access to new customers and leverages several different but related growth opportunities—BRAC, Cybersecurity, Enterprise Systems Management, and Enterprise Consolidation.

**Acquired TRS Consulting, Inc.**

In July 2009, we closed on a strategic acquisition with the purchase of TRS Consulting, Inc. TRS offers unique capabilities that have strengthened our position with a targeted Intelligence Community customer. The TRS acquisition is consistent with our strategy to selectively acquire companies that possess strong management teams, have access to growing Federal Government markets, offer technologies that we can leverage, and show a track record of strong financial performance. TRS has a sterling reputation with its customers, and we are pleased to welcome them to NCI.

**Entering 2010 focused, financially strong, and confident.**

The markets we operate in today are dynamic and rewarding. The Federal Government continues to be among the world’s largest consumer of IT services and solutions. Despite the uncertain economic environment and the new administration’s priorities, Federal IT spending continues to rise, and we believe there will be significant market opportunities for providers of IT services and solutions to the Federal Government in the foreseeable future. Areas of particular interest are IT transformational initiatives that will provide, for example, cost savings; operational, process, or energy efficiencies; or improved information sharing. Cybersecurity and information assurance remain top priorities in response to the ever-increasing threat to our national information infrastructure. The new adminis-

tration’s commitment to create an unprecedented level of openness in Government will continue to support the need for IT services and solutions.

Because of these factors, we believe we will continue to see favorable market conditions in 2010 and beyond. We believe we have invested wisely in areas that will support our growth in our targeted market areas. We enter 2010 focused, financially strong, and looking forward to another prosperous year. Moreover, we are confident in our business model, the strength of our markets, and our ability to succeed. As we previously mentioned, we are reaffirming our goal of a 10% to 15% organic growth rate and our goal of reaching the \$1 billion revenue mark within the next three to five years. As proud as we are of what our company has achieved so far, we are convinced that NCI’s greatest accomplishments are still to come.

CHARLES K. NARANG  
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

TERRY W. GLASGOW  
PRESIDENT



## CAPABILITIES

NCI's capabilities are centered on overcoming our customers' challenges to help them meet their critical mission and objectives. As our comprehensive offerings will demonstrate, we are a full lifecycle capabilities company. We provide full lifecycle IT specialties, complemented by our professional services. Our company capabilities have grown in response to market drivers, which reflect our dedication to meeting our customers' needs.

## BUSINESS SOLUTIONS AND OFFERINGS

We believe our success is a direct result of our unwavering commitment to total customer satisfaction and our deeply embedded culture focusing on our customers' missions and delivering on operational objectives. Our stellar 2009 performance, with significant year-end successes, established a strong organic growth foundation to build on for 2010. With the additional array of professional services, we have the agility, position, and determination to focus on expanding market segments within the Federal IT and professional services markets. We are extending our core capabilities in line with key market drivers and investing in a robust set of business solutions and offerings, including: IT consolidation/modernization; cybersecurity and information assurance; geospatial search and visualization; information operations/warfare; open source software and agile software development; program management, acquisition, and lifecycle support; sustainment engineering and obsolescence management; health IT/medical transformation; and training and simulation.

# OUR EIGHT CORE CAPABILITIES

## 1

### ENTERPRISE SYSTEMS MANAGEMENT



We design, install, and manage complex, mission-critical enterprise systems for our customers, increasing the reliability, security, and efficiency of their IT operations while meeting stringent mission requirements. As part of our overall network operation and management services, we continually analyze and monitor enterprise system components and create systems that can adapt to rapidly changing needs. We employ a knowledge-centric service delivery assurance methodology designed to keep customer mission-critical systems at peak performance. This methodology utilizes network and traffic simulations to identify potential changes in performance or possible security issues within a particular network, allowing our engineers to protect customers' systems and data. Our network engineers are trained and certified in the leading commercial enterprise tools and combine that knowledge with our techniques, experience, and processes to deliver solutions to our customers. Our enterprise systems management services include the following:

- Infrastructure and Enterprise Systems Management
- Application and Network Management
- Infrastructure Operations and Management
- Application and Business System Performance Measures
- Outsourcing and Managed Services
- Network Design, Implementation, and Migration
- Infrastructure Consolidation and Modernization
- Network Monitoring and Performance Evaluation
- Public/Private Cloud Computing

## 2

### NETWORK ENGINEERING



We offer a full lifecycle of network engineering services to our customers from the initial requirements analysis and network design through solutions implementation and testing, including designing disaster recovery contingency plans. Our network engineering capabilities include architecture development, design, implementation, configuration, and operation of Local Area Networks (LANs), Metropolitan Area Networks (MANs), and Wide Area Networks (WANs). Our extensive experience providing the following network engineering services for Federal Government customers allows us to rapidly identify potential bottlenecks, security threats, and vulnerabilities, as well as address these potential issues with cost-effective solutions:

- Architecture Development and Design
- Protocol and Topology Selection
- Disaster Response Planning and Recovery
- Reliability and Contingency Assessment
- Installation, Test, and Evaluation
- Requirements Analysis
- Network Configuration
- Routing Design
- Network Security Evaluation
- Vulnerability Assessment

# 3

## CYBERSECURITY AND INFORMATION ASSURANCE



We offer cybersecurity and information assurance (IA) solutions to secure enterprise systems and networks with particular expertise in protecting IT infrastructures for our customers who operate in classified environments. We design, configure, and deploy security architectures based on assessments of our customers' current and future IT needs, mission objectives, and regulatory requirements, in addition to specific threats from unauthorized users. In connection with implementing tailored architectures, we help define and implement IA policies, procedures, and guidelines to ensure effective future IT planning. Our highly skilled and accredited employees research and implement security policies, provide technical support, and develop comprehensive security assessment plans. We also identify potential threats and vulnerabilities and design and implement corrective action plans that employ advanced technologies, such as encryption, digital signatures, and firewalls, using both commercial-off-the-shelf (COTS) and custom security and software solutions. Our cybersecurity and IA services include the following:

- Intrusion Detection System/Intrusion Prevention Development
- Public Key Infrastructure (PKI) Implementation
- Certification and Accreditation
- Computer Forensics
- Policy and Procedures Development
- Risk and Threat Assessment
- Products Evaluation and Integration
- Security Awareness and Training
- Cybersecurity Fusion Centers
- Security Test and Evaluation

# 4

## SOFTWARE DEVELOPMENT AND SYSTEMS ENGINEERING



We provide a full range of software development, systems engineering, and integration services to our customers. We provide a broad array of services across the full systems lifecycle of development and deployment. Initially, we leverage our business process reengineering skills to analyze the activities, roles, and objectives of a proposed IT system or solution. Based on this analysis, we integrate advanced technologies with our customers' legacy systems to improve their operational efficiency and increase our customers' returns on IT investments. Our software development and systems engineering services include:

- Agile and Open Source Software Development
- Software/Systems Development
- Database Design and Management
- Analytical Computing Solutions
- Enterprise Portal Implementation
- Data Warehousing/Mining
- Integration, Test, and Evaluation
- Advanced Graph Analytics
- Legacy System Integration
- Information Sharing and Collaboration
- Project Planning and Management
- High Performance and Grid Computing
- Full Systems Lifecycle Development and Deployment

# 5

## PROGRAM MANAGEMENT, ACQUISITION, AND LIFECYCLE SUPPORT



NCI provides a full range of program management, acquisition, and lifecycle support services to our customers. As an integral part of our professional services portfolio, we are at the forefront of integrating acquisition, logistics, engineering, and technology disciplines into a comprehensive lifecycle management approach. Our approach strives to continually improve the process of developing, procuring, and sustaining our customers' systems to achieve their overarching goals of transformation, consolidation, and efficiency. We combine deep functional and technical expertise to deliver full lifecycle support capabilities, including:

- Acquisition Management and Logistics
- Financial Management
- Program and Portfolio Management
- Security Management
- Test and Evaluation
- Training
- Systems Engineering and Technical Support
- Risk Management
- Studies and Capabilities Analysis

# 6

## ENGINEERING AND LOGISTICS



We offer a wide array of professional engineering, logistics, and supportability services. We employ experienced, multi-disciplinary engineering and logistics teams to solve some of our customers' most challenging fielded systems problems. By tailoring our engineering and logistics specialties for our customers, NCI reduces customer costs while increasing fielded-system capabilities and improving mission readiness. We offer rapid-prototyping and simulation-based designs to efficiently mitigate obsolescence issues with improved performance. We seamlessly deliver supply chain management (SCM) support and information integration through statistical demand forecasting, inventory optimization, and comprehensive data-mining capabilities. Our predictive analysis and service-life extension capabilities ensure increased asset readiness and availability with reduced total cost of ownership (TCO). We are actively engaged in extending service life through creative engineering and logistics solutions, playing a vital role in supporting critical aging aircraft (F-4, C-5, T-38, and F-16) readiness and multiple Air Force Space and C3I (Command, Control, Communications, and Intelligence) platforms through Diminishing Manufacturing Sources and Material Shortages (DMSMS) and Operational Safety, Suitability, and Effectiveness (OSS&E) capabilities. Our engineering and logistics capabilities include:

- Software Development and Systems Integration
- Technology Assessments and Analysis of Alternatives
- Prototype Design, Development, and Testing
- Sustainment Engineering and Obsolescence Management
- Material and Component Sourcing
- Diminishing Manufacturing Sources and Material Shortages (DMSMS)
- Modeling and Simulation
- Supply Chain Management and Business Process Outsourcing
- Acquisition Planning and Program Management
- Multi-Service Weapon Systems Reprogramming Capability

# 7

## HEALTH IT/MEDICAL TRANSFORMATION



By combining comprehensive IT services with deep medical business acumen, we have become a leader in the health IT and medical logistics transformation field. We blend deep functional subject-matter expertise with diverse technical talent, including public health experts, healthcare administrators, network engineers, medical trainers, IT specialists, bioenvironmental engineers, aerospace physiologists, and physicians. We have provided a broad spectrum of IT services, including network operations, cybersecurity and information assurance, software development, and enterprise systems management to improve the quality and timeliness of healthcare services provided to public health and medical personnel worldwide. These technologies provide a new paradigm for collaboration, training, and education—offering real-time, high-fidelity interactions among patients and practitioners. Our capabilities and infrastructure support all aspects of health IT and medical transformation, including:

- Strategic Planning/Consulting
- Occupational, Environmental, and Population Health Programs
- Electronic and Personal Health Records
- Collaboration and Telemedicine Solutions
- Access-to-Care Program Support
- Preparedness and Contingency Planning
- Data/System Consolidation, Migration, and Modernization
- Aeromedical Evaluation and Combat Casualty Care
- Doctrine/Policy Development
- Medical Education and Training
- Social Media/Networking Tools/Solutions

# 8

## TRAINING AND SIMULATION



By efficiently tailoring comprehensive instructional science, we solve our customers' most complex challenges and deliver increased productivity while improving organizational agility. We offer a full range of learning capabilities to increase performance and identify the most cost-effective strategies to meet the unique training needs of our customers. Our solutions leverage our breadth of experience to support customers in transitioning from traditional classroom courses to e-Learning initiatives. We have a highly talented team of instructional systems designers, graphic artists, and technical programmers to meet the complex challenges of our customers through modeling, simulation, and analysis services. We provide a spectrum of services to clients in Defense, Intelligence, Healthcare, and Civilian agencies to support sophisticated programs like airborne battle management training; virtual battlefield desktop simulation; command and control; and surveillance modeling. NCI's training and simulation services include:

- Learning Strategy Consulting
- Courseware Standards Compliance
- Custom Courseware Development
- Instructional Systems Design
- Distributed Learning Systems
- Virtual/Desktop Simulation
- Distance Learning, Training, and Educational Products
- Battle Management Training Systems
- Learning Management Systems



## GROWTH PLATFORM

# CYBERSECURITY

Cybersecurity is one of the most serious economic and security challenges we face as a nation. Threats to our critical information infrastructures are increasing in volume and complexity, while rapidly changing technology only further compounds the challenge. New Federal Government security directives and data protection requirements, including the Homeland Security Policy Directive-54 and the Comprehensive National Cyber Security Initiative (CNCSI), define the Federal response strategy against these growing threats.

Cybersecurity and information assurance represents one of the most significant platforms for growth to NCI. An independent Federal Government market research firm, INPUT, estimates the Federal IT security market growing in excess of \$12 billion by Government fiscal year 2014, representing more than an 8% annual growth rate in Federal cybersecurity spend rates. Leveraging our deep customer domain expertise, NCI provides our customers the full lifecycle of cybersecurity services, including policy and planning; compliance; identity and access management; training, education, and awareness; and enterprise security operations. NCI is actively engaged in ensuring the resilience of Federal Government networks and ensuring its networks are properly secured across all our customer sets (Defense, Intelligence, and Civilian), including NORAD/USNORTHCOM, USTRANSCOM, PEO STRI, NNSA, and NETCOM.



## GROWTH PLATFORM

# BASE REALIGNMENT AND CLOSURE (BRAC)

BRAC is the process the Department of Defense (DoD) uses to reorganize its installation infrastructure to support its forces more efficiently and effectively, increase operational readiness, and facilitate new ways of doing business. With a regulatory mandate to complete all BRAC 2005–related projects by September 15, 2011, BRAC affords the DoD a significant transformation opportunity to divest itself of unnecessary installation infrastructure and use the resultant savings for improving fighting capabilities and quality of life for military forces.

BRAC-related work also represents a POWERFUL growth platform for NCI, providing access to new customers and geographic locations. The most significant impact of the BRAC growth platform is the positioning it provides NCI to pursue and win significant post-relocation business with these customers. Under BRAC, NCI provides a broad array of technical services, including: architectural design and development; installation, test, and evaluation; network and systems engineering; cybersecurity and information assurance; legacy system transformation; data center consolidation and modernization; and related IT systems engineering and integration services. NCI currently supports multiple clients across the DoD, including customers at SDDC (Scott AFB, IL), 1st and 4th Infantry Divisions (Fort Carson, CO), USCENTCOM HQ, FORSCOM (Fort Bragg, NC), and DISA (Fort Meade, MD). BRAC-related work enables NCI to help ensure that the United States continues to field the best prepared and equipped military in the world.



## GROWTH PLATFORM

# ENTERPRISE SYSTEMS MANAGEMENT

As Federal customers look for new, innovative approaches to manage their enterprises and drive costs out of their environments, many agencies are considering high-impact technology solutions like cloud computing, virtualization, and service-oriented architectures (SOA) as a means to achieve these transformation goals. Federal agencies anticipate data center consolidation and modernization, migration to plug-and-play environments, geographic distribution of computing infrastructure, and information sharing will have a major influence on their technology environments in the next five years. This has created one of the fastest-growing segments in all Federal IT spending.

NCI's long history of designing, installing, and managing the complex, mission-critical enterprise systems of our customers places us in an ideal position to capitalize on these advances. NCI is actively engaged in advancing the modernization of our customers' computing infrastructures across all components of our Defense, Intelligence, and Civilian business. Specifically within the Army market, NCI has emerged as a leader in supporting Network Enterprise Centers (NECs)—the Army's transformational initiative to providing information management services on installations. Today, NCI supports nearly a dozen NECs, including Fort Carson, Fort Belvoir, Fort Bragg, Fort Lewis, Detroit Arsenal, Fort Stewart, PEO STRI, Army National Guard (ARNG), Fort McCoy, and Tooele Army Depot. We ensure that enterprise services (e.g., data center, email, user storage, infrastructure, office automation, collaboration, cybersecurity, etc.) remain at the forefront of technological advancement. We provide a wide array of data center consolidation and modernization, virtualization, SOA, voice/video/data convergence, and related services. NCI is consolidating IT services to significantly enhance the Army's ability to deliver information services to the right place at the right time, secure that information from outside threats, and reduce the Army's total cost of ownership for IT services.



## GROWTH PLATFORM

# OPEN SOURCE AND AGILE SOFTWARE DEVELOPMENT

Tightening budgets and expanding mission requirements have driven our Federal customers to lower costs and decrease fielding time for new capabilities and applications. As the new administration evolves its technology agenda and desires for increased transparency, the need for innovative technology solutions and approaches leveraging open source software and agile software development has increased dramatically. Providing software licenses in the public domain rather than reserving source code solely for the proprietary copyright holder is a means for Federal customers to lower licensing fees; increase agile application development and customization; avoid proprietary solutions; and leverage investments made in data center consolidation (enterprise software, networking software, platform and middleware, etc.).

The acquisition of TRS Consulting, Inc. propelled NCI to the forefront of developing and delivering agile-based standards around open source solutions, enabling NCI to take advantage of this fast-growing, lucrative Federal market. Focused primarily in the high-end, mission-oriented programs of our Defense and Intelligence customers, NCI is rapidly prototyping and fielding production applications and enhanced capabilities to address our customers' missions. We are designing, developing, and fielding capabilities in months rather than years by taking advantage of leading-edge modular programming approaches, agile-based standards, and open source solutions.

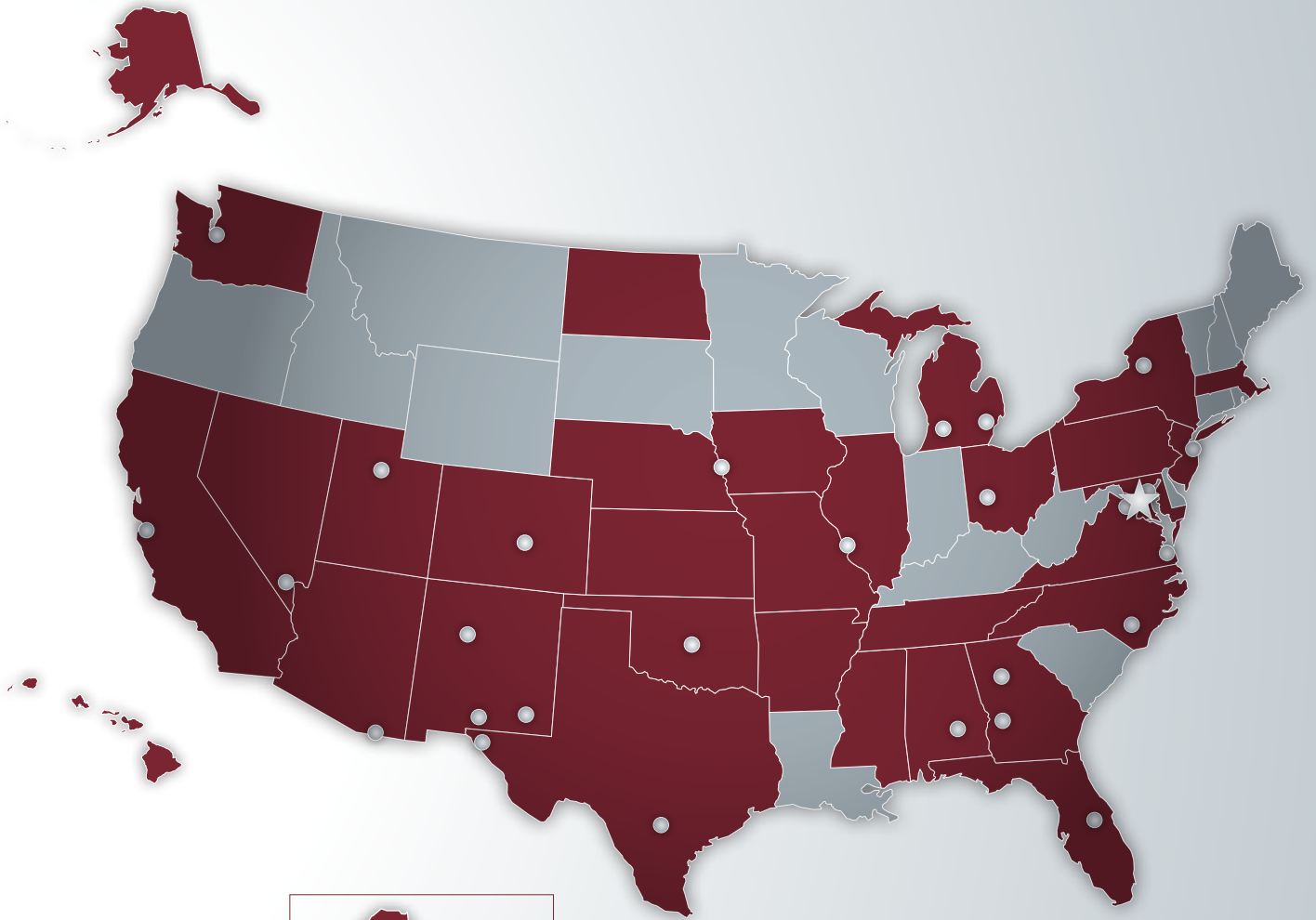


## GROWTH PLATFORM

# INTEGRATED LOGISTICS AND SUPPLY CHAIN MANAGEMENT

Supply Chain Management (SCM) optimizes the flow of goods and services from supplier to customer. The full lifecycle involves those providing raw material to the manufacturing process to those delivering an end product to the ultimate user. As the Federal Government finds new ways to do more with less, the SCM and integrated logistics markets are expanding rapidly as customers try to optimize production, decrease production and acquisition lead times, minimize inventories, streamline order fulfillment, and reduce costs across the enterprise.

NCI provides IT and professional services across the full spectrum of the SCM lifecycle, including: secure telecommunications infrastructure provisioning, integrated logistics, advanced radio frequency identification (RFID), statistical demand forecasting and inventory optimization, comprehensive data mining and data cleansing, obsolescence management, and diminishing manufacturing sources and material shortages (DMSMS). Within the DoD, NCI is delivering increased supportability and availability of key weapon systems through our DMSMS and obsolescence management support, extending the service life of many weapons systems. Through our integrated logistics support on PEO Soldier, NCI is applying leading-edge technologies to the equipment issuing and recovery business process for deploying and returning Soldiers to automate processing, streamline supply chain, and reduce costs while providing total asset and in-transit visibility.



- ★ HEADQUARTERS
- SELECTED OPERATING LOCATIONS
- NCI PRESENCE

## NCI LOCATIONS

NCI's geographic presence continues to grow worldwide to approximately 2,800 employees and more than 100 locations. Headquartered in Reston, VA, we have offices or locations in 32 states; extensive offices, resources, and employees in the Washington, DC, metropolitan area; as well as locations outside the continental United States (OCONUS). Our geographic presence provides further opportunities for long-term growth, as many of our locations are home to major Army, Air Force, and Intelligence customers.

# NCI'S KEY PRIME GWAC/AGENCY- SPECIFIC IDIQ/MAC CONTRACTS

Government Wide Acquisition Contracts (GWACs), as well as Indefinite Delivery/Indefinite Quantity (IDIQ) contracts, and Multiple-Award Contracts (MACs) continue to be one of the greatest catalysts for growth in our industry. The continued popularity of these contracts allows our customers an efficient and effective mechanism to keep pace with the rapid changes in the IT market. Today, NCI holds a prime position on 21 of the most popular contract vehicles in our industry with a combined ceiling value of more than \$88 billion. Highlighted are some of our key GWAC/IDIQ/MAC contract vehicles:

## ITES-2S

The Army's Information Technology Enterprise Solutions—2 Services (ITES-2S) contract is the procurement cornerstone for Army IT systems. The contract provides IT services and solutions to all military services, DoD agencies, and other Federal agencies. The total ceiling value for the contract is \$20 billion with a period of performance that expires in 2015.

## ALLIANT

GSA's premier IT services contract includes a broad array of infrastructure, application, and IT management services. The contract provides integrated services and solutions with the ability to support regional and global IT requirements. This MAC/IDIQ is open for use by all Federal departments and agencies. The total ceiling value for the contract is \$50 billion with a period of performance that expires in 2019.

## NETCENTS

The Air Force's Networking and Telephony Products and Services (NETCENTS) contract plays a key role in significantly enhancing the Air Force and the entire DoD's capability in the era of net-centric warfare and operations. The contract provides a wide array of engineering, IT, and network services to the Air Force, other DoD agencies, and Federal customers. The total ceiling value for the contract is \$9 billion with a period of performance that expires in 2011.

## DESP II

The Air Force's Design and Engineering Support Program (DESP II) contract offers the Air Force community, the Army's Tank-Automotive and Armaments Command, the entire DoD, and other Government agencies rapid, high-quality engineering and technical services support. The total ceiling value for the contract is \$1.9 billion with a period of performance that expires in 2012.

## TEIS

The Army's Total Engineering and Integration Services (TEIS) contract provides Army installations and operations worldwide with engineering, information assurance, and systems integration computer services. The total ceiling value for the contract is approximately \$800 million with a period of performance that expires in 2011.

## PEO SOLDIER

The Army's Program Executive Office (PEO) Soldier contract provides professional engineering services and support to manage the development, design, testing, configuration, acquisition, logistics, training, and fielding of equipment for fully integrated Soldier systems. The total ceiling value for the contract is \$382 million with a period of performance that expires in 2015.

## OPM TMA

The Office of Personnel Management's Training and Management Assistance (TMA) contract provides Federal Government agencies and some state and local governments customized training/learning solutions to maximize individual, team, and enterprise performance. The total ceiling value for the contract is \$200 million with a period of performance that expires in 2012.

## AFMSA IT MODERNIZATION

The Air Force Medical Support Agency (AFMSA) IT Modernization contract provides the Air Force Medical Service support for worldwide medical IT projects, systems implementations, modeling and creation of best practices, technology standards, engineering, operation, modernization, and maintenance. The total ceiling value for the contract is \$75 million with a period of performance that expires in 2011.

## FDA ELMS

The Food and Drug Administration's (FDA's) Enterprise System Life Cycle Management Support (ELMS) contract provides for IT support, IT service support, and IT support management services for planning, design, development, testing, implementation, operations, and maintenance for FDA's automated systems and business application software that integrate hardware, software, data, and communication technologies. The total ceiling value for the contract is \$2 billion with a period of performance that expires in 2019.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Charles K. Narang**

**Terry W. Glasgow**

**James P. Allen**

**John E. Lawler**

**Paul V. Lombardi**

**J. Patrick McMahon**

**Gurvinder P. Singh**

**Stephen L. Waechter**

**Daniel R. Young**

## CORPORATE OFFICERS

**Charles K. Narang**

Chairman and Chief Executive Officer

**Terry W. Glasgow**

President

**Judith L. Bjornaas**

Executive Vice President,  
Chief Financial Officer,  
and Treasurer

**Michele R. Cappello**

Senior Vice President,  
General Counsel, and Secretary

## SENIOR MANAGEMENT TEAM

**Christopher M. Bishop**

Senior Vice President, Business  
Development and Capture Management

**Brian R. Fogg**

Vice President and  
Chief Technology Officer

**Clarence D. Johnson**

Executive Vice President and General Manager,  
Army Programs Sector

**Karl J. Leatham**

Senior Vice President and  
Chief Information Officer

**W. Norman Pierce**

Senior Vice President,  
Human Resources and Administration

**Richard L. Riney, III**

Senior Vice President and General Manager,  
Air Force and Technology Services Group

**T. Richard Stroupe, Jr.**

Senior Vice President and General Manager,  
National Security Group

**Frederic A. Zafran**

Senior Vice President and General Manager,  
Civilian Programs Group

## EMPLOYMENT

It is NCI's policy to recruit, hire, employ, train, and promote persons in all job classifications without regard to race, color, religion, sex, age, national origin, or disability.

## FORWARD-LOOKING STATEMENT

Statements and assumptions made in this annual report, which do not address historical facts, constitute "forward-looking" statements that NCI believes to be within the definition in the Private Securities Litigation Reform Act of 1995 and involve risks and uncertainties, many of which are outside of our control. Words such as "may," "will," "intends," "should," "expects," "plans," "projects," "anticipates," "believes," "estimates," "predicts," "potential," "continue," or "opportunity," or the negative of these terms or words of similar import are intended to identify forward-looking statements.

Although forward-looking statements in this annual report reflect the good faith judgment of management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements are subject to known and unknown risks and uncertainties, which could cause actual results to differ materially for those anticipated. The factors that could cause, or contribute to, such difference include but are not limited to, those factors discussed in Item 1A "Risks Factors" in our Annual Report filed on Form 10-K for the period ended December 31, 2009, with the Securities and Exchange Commission, and from time to time in NCI's other filings with the Commission, including its reports on Form 8-K and Form 10-Q.

The forward-looking statements included in this annual report are only made as of the date of this publication and NCI undertakes no obligation to publicly update any of the forward-looking statements.



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