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

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended January 3, 2014

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from ____________ to _____________

Commission file number 1-7567

URS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**94-1381538**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
600 Montgomery Street, 26th Floor **San Francisco, California**	**94111-2728**
(Address of principal executive offices)	(Zip Code)

(415) 774-2700
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Name of each exchange on which registered:
Common Shares, par value $.01 per share	New York Stock Exchange

Securities registered pursuant to Section 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 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 web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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 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 definition of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ 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 ☒

The aggregate market value of the common stock of the registrant held by non-affiliates on June 28, 2013 (the last business day of the registrant’s most recently completed second fiscal quarter) was $3,476.4 million, based upon the closing sales price of the registrant’s common stock on such dates as reported in the consolidated transaction reporting system. On February 28, 2014 and June 28, 2013, there were 72,136,210 shares and 74,883,458 shares of the registrant’s common stock outstanding, respectively.

Documents Incorporated by Reference

Part III incorporates information by reference from the registrant’s definitive proxy statement for its 2014 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission.

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by words such as “anticipate,” “believe,” “estimate,” “expect,” “potential,” “intend,” “may,” “plan,” “predict,” “project,” “will,” and similar terms used in reference to our future revenues, services, project awards and business trends; the future of the federal budget and sequestration; future accounting, goodwill and actuarial estimates; future contract gains or losses; conversions of backlog and book of business into future revenues; future accounts receivable and days sales outstanding; future stock-based compensation expenses; future capital allocation priorities including dividend payments, share repurchases, debt pay downs, acquisitions and organic growth opportunities; future bonus, pension and post-retirement expenses; future compliance with regulations; future legal proceedings and accruals; future insurance coverage and recoveries; future capital expenditures; future effectiveness of our disclosure and internal controls over financial reporting; and future economic and industry conditions. We believe that our expectations are reasonable and are based on reasonable assumptions, however, we caution against relying on any of our forward-looking statements as such forward-looking statements by their nature involve risks and uncertainties. A variety of factors, including but not limited to the following, could cause our business and financial results, as well as the timing of events, to differ materially from those expressed or implied in our forward-looking statements: declines in the economy or client spending; changes to the federal budget; changes in our book of business; our compliance with government regulations; integration of acquisitions; employee, agent or partner misconduct; our ability to procure government contracts; liabilities for pending and future litigation; environmental liabilities; changes in oil, natural gas and other commodity prices; weather conditions; availability of bonding and insurance; our reliance on government appropriations; unilateral termination provisions in government contracts; impairment of our goodwill; our ability to make accurate estimates and assumptions; our accounting policies; workforce utilization; our and our partners’ ability to bid on, win, perform and renew contracts and projects; our dependence on partners, subcontractors and suppliers; customer payment defaults; our ability to recover on claims; impact of target and fixed-priced contracts on earnings; the inherent dangers at our project sites; the impact of changes in laws and regulations; nuclear indemnifications and insurance; misstatements in expert reports; a decline in defense spending; industry competition; our ability to attract and retain key individuals; retirement plan obligations; our leveraged position and the ability to service our debt; restrictive covenants in finance arrangements; risks associated with international operations; business activities in high security risk countries; information technology risks; natural and man-made disaster risks; our relationships with labor unions; our ability to protect our intellectual property rights; anti-takeover risks and other factors discussed more fully in Management’s Discussion and Analysis of Financial Condition and Results of Operations beginning on page 44, Risk Factors beginning on page 20, as well as in other reports subsequently filed from time to time with the United States Securities and Exchange Commission. We assume no obligation to revise or update any forward-looking statements.

PART I

PART II

PART III

PART IV

ITEM 1. BUSINESS

Summary

We are a leading international provider of engineering, construction and technical services. We offer a broad range of program management, planning, design, engineering, construction and construction management, operations and maintenance, and decommissioning and closure services to public agencies and private sector clients around the world. We also are a United States ("U.S.") federal government contractor in the areas of systems engineering and technical assistance, operations and maintenance, management and operations, and information technology ("IT") services. As of January 31, 2014, we had more than 50,000 employees in a global network of offices in nearly 50 countries.

We provide our services through four reporting segments, which we refer to as our Infrastructure & Environment, Federal Services, Energy & Construction, and Oil & Gas Divisions. Our Infrastructure & Environment Division provides a wide range of program management, planning, design, engineering, construction and construction management, and operations and maintenance services to a variety of U.S. and international government agencies and departments, as well as to private sector clients. Our Federal Services Division provides program management, planning, systems engineering and technical assistance, construction and construction management, operations and maintenance, and decommissioning and closure services to U.S. federal government agencies, primarily the Department of Defense ("DOD"), the National Aeronautics and Space Administration ("NASA"), and the Department of Homeland Security ("DHS"). Our Energy & Construction Division provides program management, planning, design, engineering, construction and construction management, operations and maintenance, management and operations, and decommissioning and closure services to U.S. and international government agencies and departments, as well as to private sector clients. Our Oil & Gas Division provides construction and construction management, and operations and maintenance services for oil and gas clients in North America across the upstream and midstream supply chain.

On May 14, 2012, we acquired the outstanding common shares of Flint Energy Services Ltd. ("Flint") for C$25.00 per share in cash, or C$1.24 billion (US$1.24 billion based on the exchange rate on the date of acquisition) and paid $110.3 million of Flint's debt prior to the closing of the transaction in exchange for a promissory note from Flint. At the close of the transaction, Flint's operations became the Oil & Gas Division.

For information on our business by segment and geographic region, please refer to Note 16, "Segment and Related Information" to our "Consolidated Financial Statements and Supplementary Data," which is included under Item 8 of this report and incorporated into this Item by reference. For information on risks related to our business, segments and geographic regions, including risks related to foreign operations, please refer to Item 1A, "Risk Factors" of this report.

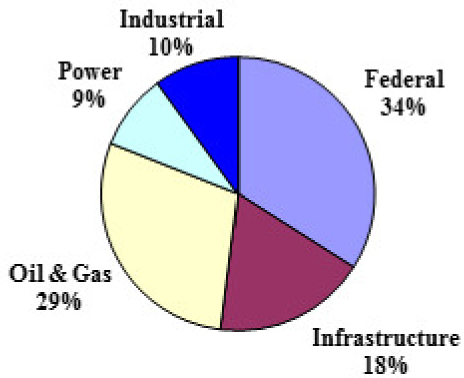
Clients, Market Sectors and Services

We serve public agencies and private sector companies worldwide through our global network of offices including locations in the Americas, the United Kingdom ("U.K."), continental Europe, the Middle East, India, China, Australia and New Zealand. Our clients include U.S. federal government agencies, national governments of other countries, state and local government agencies both in the U.S. and in other countries, and private sector clients representing a broad range of industries. See Note 16, "Segment and Related Information," to our "Consolidated Financial Statements and Supplementary Data" included under Item 8 of this report for financial information regarding geographic areas.

Our expertise is focused in five market sectors: federal, infrastructure, oil & gas, power, and industrial. Within these markets, we offer a broad range of services, including program management; planning, design and engineering; systems engineering and technical assistance; IT services; construction and construction management; operations and maintenance; and decommissioning and closure.

The following chart and table illustrate the percentage of our revenues by market sector for the year ended January 3, 2014, and representative services we provide in each of these markets.

2013 Revenues by Market Sector



Representative Services	Market Sector: Federal	Infrastructure	Oil & Gas	Power	Industrial
Program Management	✓	✓	✓	✓	✓
Planning, Design and Engineering	✓	✓	✓	✓	✓
Systems Engineering and Technical Assistance	✓	—	—	—	—
Information Technology Services	✓	—	—	—	—
Construction and Construction Management	✓	✓	✓	✓	✓
Operations and Maintenance	✓	✓	✓	✓	✓
Management and Operations	✓	—	—	—	—
Decommissioning and Closure	✓	—	✓	✓	✓

✓ the service is provided in the market sector.

— the service is not provided in the market sector.

Market Sectors

The following table summarizes the primary market sectors served by our four divisions for the year ended January 3, 2014.

Market Sectors	Divisions: Infrastructure & Environment	Federal Services	Energy & Construction	Oil & Gas
Federal	✓	✓	✓	—
Infrastructure	✓	—	✓	—
Oil & Gas	✓	—	✓	✓
Power	✓	—	✓	—
Industrial	✓	—	✓	—

✓ a primary market sector for the division.

— not a primary market sector for the division.

Federal

As a major contractor to the U.S. federal government and national governments of other countries, we serve a wide variety of government departments and agencies, including the DOD, DHS, Department of Energy ("DOE"), as well as the General Services Administration, the Environmental Protection Agency, NASA and other federal agencies. We also serve departments and agencies of other national governments, such as the U.K. Nuclear Decommissioning Authority ("NDA"). Our services range from program management; planning, design and engineering; systems engineering and technical assistance; and IT services to construction and construction management; operations and maintenance; management and operations; and decommissioning and closure.

We modernize weapons systems, refurbish military vehicles and aircraft, train pilots and manage military and other government installations. We provide logistics support for military operations and help decommission former military bases for redevelopment. In the area of global threat reduction, we support programs to eliminate nuclear, chemical and biological weapons, and we assist the DOE and other nuclear regulatory agencies outside the U.S. in the management of complex programs and facilities. We also provide a wide range of IT services to both defense and civilian agencies to improve the efficiency and productivity of their IT networks and systems, and to combat cyber security threats.

Our project expertise in our federal market sector encompasses the following:

- Operation and maintenance of complex government installations, including military bases and test ranges;
- Logistics support for government supply and distribution networks, including warehousing, packaging, delivery and traffic management;
- Weapons system design, maintenance and modernization, including acquisition support for new defense systems, and engineering and technical assistance for the modernization of existing systems;
- Maintenance planning to extend the service life of weapons systems and other military equipment;
- Maintenance, modification and overhaul of military aircraft and ground vehicles;
- Training military pilots;
- Management and operations and maintenance services for complex DOE and NDA programs and facilities;
- Deactivation, decommissioning and disposal of nuclear weapons stockpiles and other nuclear waste;
- Safety analyses for high-hazard facilities and licensing for DOE sites;
- Threat assessments of public facilities and the development of force protection and security systems;
- Planning and conducting emergency preparedness exercises;
- First responder training for the military and other government agencies;
- Management and operations and maintenance of chemical agent and chemical weapon disposal facilities;
- Installation of monitoring technology to detect the movement of nuclear and radiological materials across national borders;
- Planning, design and construction of aircraft hangars, barracks, military hospitals and other government buildings;
- Environmental remediation and restoration for the redevelopment of military bases and other government installations; and
- Network and communications engineering, software engineering, IT infrastructure design and implementation, cyber defense and cloud computing technologies.

Infrastructure

We provide a broad range of the services required to build, expand and modernize infrastructure, including surface, air and rail transportation networks; ports and harbors; water supply, treatment and conveyance systems; and many types of facilities. We serve as the program manager, planner, architect, engineer, general contractor, constructor and/or construction manager for a wide variety of infrastructure projects, and we also provide operations and maintenance services when a project has been completed.

Our clients in our infrastructure market sector include local municipalities, community planning boards, state and municipal departments of transportation and public works, transit authorities, water and wastewater authorities, environmental protection agencies, school boards and authorities, colleges and universities, judiciary agencies, hospitals, ports and harbors authorities and owners, airport authorities and owners, and airline carriers.

Our project expertise in our infrastructure market sector encompasses services related to the following:

- Highways, interchanges, bridges, tunnels and toll road facilities;
- Intelligent transportation systems, such as traffic management centers;
- Airport terminals, hangars, cargo facilities and people movers;
- Air traffic control towers, runways, taxiways and aircraft fueling systems;
- Baggage handling, baggage screening and other airport security systems;
- Light rail, subways, bus rapid transit systems, commuter/intercity railroads, heavy rail and high-speed rail systems;
- Rail transportation structures, including terminals, stations, multimodal facilities, parking facilities, bridges and tunnels;
- Piers, wharves, seawalls, recreational marinas and small craft harbors;
- Container terminals, liquid and dry bulk terminals and storage facilities;
- Water supply, storage, distribution and treatment systems;
- Municipal wastewater treatment and sewer systems;
- Dams, levees, watershed and stormwater management, flood control systems and coastal restoration;
- Education, judicial, correctional, healthcare, retail, sports and recreational facilities; and
- Industrial, manufacturing, research and office facilities.

Oil and Gas

In the oil and gas market sector, we provide a wide range of planning, design, engineering, construction, production, and operations and maintenance services across the upstream, midstream and downstream supply chain. Our expertise supports the development of both conventional and unconventional oil and gas resources. While our work in this sector is focused primarily in the North American oil and gas market, we also support the worldwide operations of global oil and gas clients.

For oil and gas exploration and production, we provide transportation, engineering, construction, fabrication and installation, commissioning and maintenance services for drilling and well site facilities, equipment and process modules, site infrastructure and off-site support facilities. We also perform environmental and technology assessments for exploration and production projects to optimize recovery and minimize environmental impacts. For downstream refining and processing operations, we design and construct gas treatment and processing, refining and petrochemical facilities, and provide maintenance services. Our capabilities also include due diligence, permitting, compliance, environmental management, pollution control, health and safety, waste management and hazardous waste remediation.

Our project expertise in our oil and gas market sector encompasses services related to the following:

- Environmental assessments, permitting, compliance, air quality services, waste management and hazardous waste remediation;
- Planning, design, construction and construction management for gas treatment and processing, refining and petrochemical facilities;
- Construction of access roads and well pads, and field production facilities, such as wellhead gas processing equipment, gas compression stations, and oil storage tanks and related facilities;
- Pipeline planning, design, construction, installation, maintenance and repair;
- Energy-related transportation, including rig moving and oilfield equipment hauling services, mobile pressure and vacuum services, and fluid hauling;
- Electrical, mechanical and instrumentation services;
- Equipment and process module fabrication, installation and maintenance;
- Asset management and maintenance services, including routine plant maintenance, coordination of third-party services, sustaining capital projects, and shutdown turnaround services for oil sands production facilities, oil refineries and related chemical, energy, power and processing plants; and
- Demolition, asset recovery and property redevelopment and reuse of former oilfield sites, refineries and other oil and gas facilities.

Power

We plan, design, engineer, construct, retrofit and maintain a wide range of power-generating facilities, as well as the systems that transmit and distribute electricity. Our services include planning, siting and licensing, permitting, engineering, procurement, construction and construction management, facility start-up, operations and maintenance, upgrades and modifications, and decommissioning and closure. We provide these services to utilities, industrial co-generators, independent power producers, original equipment manufacturers and government utilities. We also specialize in the development and installation of clean air technologies that reduce emissions at both new and existing fossil fuel power plants. These technologies help power-generating facilities comply with air quality regulations.

Our project expertise in our power market sector encompasses services related to the following:

- Fossil fuel power generating facilities;
- Nuclear power generating facilities;
- Hydroelectric power generating facilities;
- Alternative and renewable energy sources, including biomass, geothermal, solar energy and wind systems;
- Transmission and distribution systems; and
- Emissions control systems.

Industrial

We provide a wide range of engineering, procurement and construction services for new industrial and process facilities and the expansion, modification and upgrade of existing facilities. These services include front-end studies, engineering and process design, procurement, construction and construction management, facility management, and operations and maintenance. Our expertise also includes due diligence, permitting, compliance, environmental management, pollution control, health and safety, waste management and hazardous waste remediation. For facilities that are no longer in use, we provide site decommissioning and closure services.

Our industrial clients represent a broad range of industries, including automotive, chemical, consumer products, pharmaceutical, manufacturing, and mining. Over the past several years, many of these companies have reduced the number of service providers they use, selecting larger, global multi-service contractors, like URS, in order to control costs.

Our project expertise in our industrial and commercial market sector encompasses services related to the following:

- Biotechnology and pharmaceutical research laboratories, pilot plants and production facilities;
- Petrochemical, specialty chemical and polymer facilities;
- Consumer products and food and beverage production facilities;
- Automotive and other manufacturing facilities;
- Pulp and paper production facilities; and
- Mines and mining facilities for base and precious metals, industrial minerals and energy fuels.

Representative Services

We provide program management; planning, design and engineering; systems engineering and technical assistance; information technology services; construction and construction management; operations and maintenance; management and operations; and decommissioning and closure services to U.S. federal government agencies, national governments of other countries, state and local government agencies both in the U.S. and overseas, and private sector clients representing a broad range of industries. Although we are typically the prime contractor, in some cases, we provide services as a subcontractor or through joint ventures or partnership agreements with other service providers.

The following table summarizes the services provided by our divisions for the year ended January 3, 2014.

	Divisions			
Services	**Infrastructure & Environment**	**Federal Services**	**Energy & Construction**	**Oil & Gas**
Program Management	✓	✓	✓	—
Planning, Design and Engineering	✓	✓	✓	—
Systems Engineering and Technical Assistance	—	✓	—	—
Information Technology Services	—	✓	—	—
Construction and Construction Management	✓	✓	✓	✓
Operations and Maintenance	✓	✓	✓	✓
Management and Operations	—	—	✓	—
Decommissioning and Closure	✓	✓	✓	—

✓ the division provides the listed service.

— the division does not provide the listed service.

Program Management. We provide the technical and administrative services required to manage, coordinate and integrate the multiple and concurrent assignments that comprise a large program – from conception through completion. For large military programs, which typically involve naval, ground, vessel and airborne platforms, our program management services include logistics planning, acquisition management, risk management of weapons systems, safety management and subcontractor management. We also provide program management services for large capital improvement programs, which typically involve the oversight of a wide variety of activities ranging from planning, coordination, scheduling and cost control to design, construction and commissioning.

Planning, Design and Engineering. The planning process is typically used to develop a blueprint or overall scheme for a project. Based on the project requirements identified during the planning process, detailed engineering drawings and calculations are developed, which may include material specifications, construction cost estimates and schedules. Our planning, design and engineering services include the following:

- Master planning;
- Land-use planning;
- Transportation planning;
- Technical and economic feasibility studies;
- Environmental impact assessments;
- Project development/design;
- Permitting;
- Quality assurance and validation;
- Integrated safety management and analysis;
- Alternative design analysis;
- Conceptual and final design documents;
- Technical specifications; and
- Process engineering and design.

We provide planning, design and engineering services for the construction of new transportation projects and for the renovation and expansion of existing transportation infrastructure, including bridges, highways, roads, airports, mass transit systems and railroads, and ports and harbors. We also plan and design many types of facilities, such as schools, courthouses and hospitals; power generation, industrial and commercial facilities; waste treatment and disposal facilities; water supply and conveyance systems and wastewater treatment plants; and corporate offices and retail outlets. Our planning, design and engineering capabilities also support homeland security and global threat reduction programs; hazardous and radioactive waste clean-up activities at government sites and facilities; and environmental assessment, due diligence and permitting at government, commercial and industrial facilities. We also provide planning, design and engineering support to U.S. federal government clients for major research and development projects, as well as for technology development and deployment.

Systems Engineering and Technical Assistance. We provide a broad range of systems engineering and technical assistance to all branches of the U.S. military for the design and development of new weapons systems and the modernization of aging weapons systems. We have the expertise to support a wide range of platforms including aircraft and helicopters, tracked and wheeled vehicles, ships and submarines, shelters and ground support equipment. Representative systems engineering and technical assistance services include the following:

- Defining operational requirements and developing specifications for new weapons systems;
- Reviewing hardware and software design data; and
- Developing engineering documentation for these systems.

We support a number of activities including technology insertion, system modification, installation of new systems/equipment, design of critical data packages, and configuration management.

Information Technology Services. We provide a broad range of IT services to U.S. federal government clients, including both civilian and defense agencies. Our expertise covers network and communications engineering, software engineering, IT infrastructure design and implementation, cyber defense and cloud computing technologies. Our services typically include:

- Assisting government agencies in developing, implementing and managing secure, federally compliant cloud computing technologies;

- Cyber defense services, including vulnerability assessments, policy development and management, compliance, incident response, disaster recovery and continuity of operations;

- Engineering, procuring, installing, certifying and operating IT networks; and

- Developing software applications for complex, multi-user, multi-platform systems.

Construction and Construction Management Services. We provide construction contracting and construction management services for projects involving transportation infrastructure; environmental and waste management; power generation and transmission; oil and gas, industrial, manufacturing, and water resources and wastewater treatment facilities; government buildings and other facilities; and mining projects. As a contractor, we are responsible for the construction and completion of a project in accordance with its specifications and contracting terms. In this capacity, we often manage the procurement and/or fabrication of materials, equipment and supplies; directly supervise craft labor; and manage and coordinate subcontractors. Our services typically include the following:

- Procuring specified materials and equipment;

- Work force planning and mobilization;

- Supervising and completing physical construction;

- Facility commissioning;

- Managing project milestone and completion schedules;

- Managing project cost controls and accounting;

- Negotiating and expediting change orders;

- Administering job site safety, security and quality control programs; and

- Preparing and delivering construction documentation, including as-built drawings.

As a construction manager, we serve as the client’s representative to ensure compliance with design specifications and contract terms. In performing these services, we may purchase equipment and materials on behalf of the client; monitor the progress, cost and quality of construction projects in process and oversee and coordinate the activities of construction contractors. Our services typically include the following:

- Contract administration;

- Change order management;

- Cost and schedule management;

- Safety program and performance monitoring;

- Inspection;

- Quality control and quality assurance;

- Document control; and

- Claims and dispute resolution.

Operations and Maintenance. We provide operations and maintenance services in support of large military installations and operations, and hazardous facilities, as well as for transportation systems, oil and gas, industrial and manufacturing facilities, and mining operations. Our services include the following:

- Management of military base logistics, including overseeing the operation of government warehousing and distribution centers, as well as government property and asset management;
- Maintenance, modification, overhaul and life service extension services for military vehicles, vessels and aircraft;
- Management, maintenance and operation of chemical agent and chemical weapons disposal systems;
- Comprehensive military flight training services;
- Development and maintenance of high-security systems;
- Integrated facilities and logistics management for industrial and manufacturing facilities;
- Toll road, light rail and airport operations;
- Operating mine and metal and mineral processing facilities;
- Other miscellaneous services such as staffing, repair, renovation, predictive and preventive maintenance, and health and safety services;
- Oil rig moving, setup, and removal services;
- Pressure and vacuum services, and fluid hauling; and
- Asset management and maintenance services for oil sands production facilities, refineries and related chemical, energy, power and processing plants.

*Management and Operations***.** As a contractor to the U.S. Department of Energy (DOE) and the U.K. Nuclear Decommissioning Authority (NDA), we manage and operate programs involving the cleanup of former uranium enrichment, plutonium production, nuclear research, fuel disassembly, and reprocessing sites in the U.S. and U.K. In addition, we are part of the management and operations teams at several DOE national laboratories. Our management and operations services include the following:

- Project and facility management;
- Design and engineering for nuclear applications;
- Nuclear facility construction;
- Nuclear decontamination and decommissioning;
- Nuclear and hazardous waste management and disposal services;
- Safety management;
- High-level radioactive waste-tank closure; and
- Waste repository management.

Decommissioning and Closure. We provide decommissioning and closure services to government agencies and to clients in the industrial, oil and gas, power, and mining industries. Our work involves the provision of environmental, engineering, remediation, demolition and reclamation services for military bases, chemical weapons depots, and other government installations, as well as for oil and gas, power generating, industrial and mining facilities that are no longer operational. Our decommissioning and closure services include:

- Site assessments;
- Planning, engineering, scoping surveys and cost estimating;
- Due diligence and permitting;
- Environmental remediation;
- Hazardous chemical and waste stabilization, treatment and disposal;
- Asset recovery and evaluation;
- Pipeline removal;
- Structure and facility demolition; and
- Reclamation, redevelopment and reuse.

Major Customers

Our largest clients are from our federal market sector. Within this sector, we have multiple contracts with our two major customers: the U.S. Army and the DOE. For the purpose of analyzing revenues from major customers, we do not consider the combination of all federal departments and agencies as one customer because the different federal agencies we serve manage separate budgets. As such, reductions in spending by one federal agency do not affect the revenues we could earn from another federal agency. In addition, the procurement processes for federal agencies are not centralized, and procurement decisions are made separately by each agency. The loss of large federal governmentclients, such as the U.S. Army or the DOE, would have a material adverse effect on our business; however, we are not dependent on any single contract on an ongoing basis. We believe that the loss of any single contract would not have a material adverse effect on our business.

Our revenues from the U.S. Army and the DOE by division for the years ended January 3, 2014, December 28, 2012, and December 30, 2011 are presented below:

	Year Ended		
(In millions, except percentages)	**January 3, 2014**	**December 28, 2012**	**December 30, 2011**
The U.S. Army (1)			
Infrastructure & Environment	$ 125.2	$ 128.4	$ 141.7
Federal Services	1,098.8	1,495.8	1,351.1
Energy & Construction	151.0	130.8	199.5
Total U.S. Army	$ 1,375.0	$ 1,755.0	$ 1,692.3
Revenues from the U.S. Army as a percentage of our consolidated revenues	13%	16%	18%
DOE			
Infrastructure & Environment	$ 4.7	$ 5.6	$ 5.9
Federal Services	18.0	27.7	26.8
Energy & Construction	808.5	956.4	1,236.3
Total DOE	$ 831.2	$ 989.7	$ 1,269.0
Revenues from DOE as a percentage of our consolidated revenues	8%	9%	13%
Revenues from the federal market sector as a percentage of our consolidated revenues	34%	40%	49%

(1) The U.S. Army includes U.S. Army Corps of Engineers.

Competition

Our industry is highly fragmented and intensely competitive. We have numerous competitors, ranging from small private firms to multi-billion dollar companies. The technical and professional aspects of our services generally do not require large upfront capital expenditures and, therefore, provide limited barriers against new competitors. Some of our competitors have achieved greater market penetration in some of the markets in which we compete and have substantially more financial resources and/or financial flexibility than we do. To our knowledge, no individual company currently dominates any significant portion of our markets.

We believe that we are well positioned to compete in our markets because of our reputation, our cost effectiveness, our long-term client relationships, our extensive network of offices, our employee expertise, and our broad range of services. In addition, as a result of our national and international network in nearly 50 countries, we are able to offer our clients localized knowledge and expertise, as well as the support of our worldwide professional staff.

Our Infrastructure & Environment, Federal Services, Energy & Construction, and Oil & Gas Divisions operate in similar competitive environments. The divisions compete based on performance, reputation, expertise, price, technology, customer relationships and a range of service offerings. The following is a list of primary competitors for each of our divisions:

- The primary competitors of our Infrastructure & Environment Division include AECOM Technology Corporation, CH2M Hill Companies, Ltd., Chicago Bridge & Iron Company, Fluor Corporation, Jacobs Engineering Group Inc., and Tetra Tech, Inc.

- The primary competitors of our Federal Services Division include AECOM Technology Corporation, BAE Systems, Booz Allen Hamilton, CACI International Inc., CH2M Hill Companies, Computer Sciences Corporation, Dyncorp International, Fluor Corporation, Jacobs Engineering Group Inc., L-3 Communications Holdings Inc., ManTech International Corporation, Parsons Corporation, SAIC, Inc., and Serco Group plc.

- The primary competitors of our Energy & Construction Division include AMEC, Bechtel Corporation, Black & Veatch Corporation, CH2M Hill Companies, Ltd., Chicago Bridge & Iron Company, Fluor Corporation, Granite Construction Company, Jacobs Engineering Group Inc., KBR, Inc., Kiewit Corporation, Quanta Services, Inc., Skanska Group, The Babcock & Wilcox Company, and WorleyParsons, Ltd.

- The primary competitors of our Oil & Gas Division include Aecon Group Inc., Big Country Energy Services LP, EnerMAX Services, J.V. Driver, Jacobs Engineering Group Inc., Ledcor Construction, Matrix Services, Mullen Group Ltd., Kiewit Corporation, TransForce Inc., and Willbros Group, Inc.

Book of Business

For the purpose of calculating our book of business, we determine the amounts of all contract awards that may potentially be recognized as revenues. We also include an estimate of the equity in income of unconsolidated joint ventures over the life of the contracts in our book of business. We categorize the amount of our book of business into backlog, option years and indefinite delivery contracts (“IDCs”), based on the nature of the award and its current status.

Backlog. Our contract backlog represents the monetary value of signed contracts, including task orders that have been issued and funded under IDCs and, where applicable, a notice to proceed has been received from the client that is expected to be recognized as revenues or equity in income of unconsolidated joint ventures as services are performed.

The performance periods of our contracts vary widely from a few months to many years. In addition, contract durations often differ significantly among our divisions. As a result, the amount of revenues that will be realized beyond one year also varies from segment to segment. As of January 3, 2014, we estimated that approximately 60% of our total backlog would not be realized within one year, based upon the timing of awards and the long-term nature of many of our contracts; however, no assurance can be given that backlog will be realized at this rate.

Option Years. Our option years represent the monetary value of option periods under existing contracts in backlog, which are exercisable at the option of our clients without requiring us to go through an additional competitive bidding process and would be canceled only if a client decided to end the project (a termination for convenience) or through a termination for default. Option years are in addition to the “base periods” of these contracts. Base periods for these contracts can vary from one to five years.

Indefinite Delivery Contracts. IDCs represent the expected monetary value to us of signed contracts under which we perform work only when the client awards specific task orders or projects to us. When agreements for such task orders or projects are signed and funded, we transfer their value into backlog. Generally, the terms of these contracts exceed one year and often include a maximum term and potential value. IDCs generally range from one to twenty years in length.

While the value of our book of business is a predictor of future revenues and equity in income of unconsolidated joint ventures, we have no assurance, nor can we provide assurance, that we will ultimately realize the maximum potential values for backlog, option years or IDCs. Based on our historical experience, our backlog has the highest likelihood of converting into revenues or equity in income of unconsolidated joint ventures because it is based upon signed and executable contracts with our clients. Option years are not as certain as backlog because our clients may decide not to exercise one or more option years. Because we do not perform work under IDCs until specific task orders are issued by our clients, the value of our IDCs is not as likely to convert into revenues or equity in income of unconsolidated joint ventures as other categories of our book of business.

As of January 3, 2014 and December 28, 2012, our total book of business was \$22.8 billion and \$24.9 billion, respectively. Our backlog and option years decreased primarily due to a combination of reduced funding, continuing delays in contract awards, particularly in the federal market sector, revisions to estimates of anticipated work, and de-bookings due to project cancellations. Our IDCs increased mainly due to the continuing shift towards the use of IDCs by both private and public sector clients.

The following tables summarize our book of business:

(In millions)	**Infrastructure & Environment**	**Federal Services**	**Energy & Construction**	**Oil & Gas**	**Total**
As of January 3, 2014					
Backlog	$ 2,890.0	$ 2,364.4	$ 5,584.0	$ 464.3	$ 11,302.7
Option years	146.2	2,103.6	1,706.5	—	3,956.3
Indefinite delivery contracts	3,182.8	3,150.2	131.0	1,085.5	7,549.5
Total book of business	$ 6,219.0	$ 7,618.2	$ 7,421.5	$ 1,549.8	$ 22,808.5
As of December 28, 2012					
Backlog	$ 3,028.4	$ 3,476.9	$ 5,947.1	$ 823.8	$ 13,276.2
Option years	197.3	2,728.1	2,056.8	—	4,982.2
Indefinite delivery contracts	2,572.4	3,238.7	236.0	611.7	6,658.8
Total book of business	$ 5,798.1	$ 9,443.7	$ 8,239.9	$ 1,435.5	$ 24,917.2

(In millions)	**January 3, 2014**	**December 28, 2012**
Backlog by market sector:		
Federal	$ 4,891.6	$ 6,546.5
Infrastructure	2,683.2	2,957.6
Oil and Gas	1,102.9	1,461.3
Power	1,338.7	1,416.1
Industrial	1,286.3	894.7
Total backlog	$ 11,302.7	$ 13,276.2

History

We were originally incorporated in California on May 1, 1957, under the former name of Broadview Research Corporation. On May 18, 1976, we re-incorporated in Delaware under the name URS Corporation. After several additional name changes, we re-adopted the name "URS Corporation" on February 21, 1990.

Regulations

Our business is impacted by environmental, health and safety, government procurement, transportation, employment, anti-bribery and many other government regulations and requirements. Below is a summary of some of the regulations that impact our business. For more information on risks associated with our government regulations, please refer to Item 1A, "Risk Factors," of this report.

Environmental, Health and Safety. Our business involves the planning, design, program management, construction and construction management, and operations and maintenance at various sites, including but not limited to pollution control systems, nuclear facilities, hazardous waste and Superfund sites, contract mining sites, hydrocarbon production, distribution and transport sites, military bases and other infrastructure-related facilities. We also regularly perform work, including oil field and pipeline construction services in and around sensitive environmental areas, such as rivers, lakes and wetlands. In addition, we have contracts with U.S. federal government entities to destroy hazardous materials, including chemical agents and weapons stockpiles, as well as to decontaminate and decommission nuclear facilities. These activities may require us to manage, handle, remove, treat, transport and dispose of toxic or hazardous substances. We also own several properties in the U.S. and Canada that have been used for the storage and maintenance of equipment and upon which hydrocarbons or other wastes may have been disposed or released.

Significant fines, penalties and other sanctions may be imposed for non-compliance with environmental and health and safety laws and regulations, and some laws provide for joint and several strict liabilities for remediation of releases of hazardous substances, rendering a person liable for environmental damage, without regard to negligence or fault on the part of such person. These laws and regulations may expose us to liability arising out of the conduct of operations or conditions caused by others, or for our acts that were in compliance with all applicable laws at the time these acts were performed. For example, there are a number of governmental laws that strictly regulate the handling, removal, treatment, transportation and disposal of toxic and hazardous substances, such as the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA"), and comparable national and state laws, that impose strict, joint and several liabilities for the entire cost of cleanup, without regard to whether a company knew of or caused the release of hazardous substances. In addition, some environmental regulations can impose liability for the entire clean-up upon owners, operators, generators, transporters and other persons arranging for the treatment or disposal of such hazardous substances costs related to contaminated facilities or project sites. Other federal environmental, health and safety laws affecting us include, but are not limited to, the Resource Conservation and Recovery Act, the National Environmental Policy Act, the Clean Air Act, the Clean Air Mercury Rule, the Occupational Safety and Health Act, the Toxic Substances Control Act and the Superfund Amendments and Reauthorization Act, as well as other comparable national and state laws. Liabilities related to environmental contamination or human exposure to hazardous substances, comparable national and state laws or a failure to comply with applicable regulations could result in substantial costs to us, including cleanup costs, fines and civil or criminal sanctions, third-party claims for property damage or personal injury or cessation of remediation activities.

Some of our business operations are covered by Public Law 85-804, which provides for indemnification by the U.S federal government against claims and damages arising out of unusually hazardous or nuclear activities performed at the request of the U.S. federal government. Should public policies and laws be changed, however, U.S. federal government indemnification may not be available in the case of any future claims or liabilities relating to hazardous activities that we undertake to perform.

Government Procurement. The services we provide to the U.S. federal government are subject to Federal Acquisition Regulation ("FAR"), the Truth in Negotiations Act, Cost Accounting Standards ("CAS"), the Services Contract Act, export controls rules and DOD security regulations, as well as many other laws and regulations. These laws and regulations affect how we transact business with our clients and in some instances, impose additional costs on our business operations. A violation of specific laws and regulations could lead to fines, contract termination or suspension of future contracts. Our government clients can also terminate, renegotiate, or modify any of their contracts with us at their convenience, and many of our government contracts are subject to renewal or extension annually.

Transportation. We own a large fleet of trucks and other heavy vehicles to transport drilling rigs and provide fluid hauling and other oil and gas services in North America. We are subject to national, state and Canadian provincial regulations including the permit requirements of highway and safety authorities. These regulatory authorities exercise broad powers over our transport operations, generally governing such matters as the authorization to engage in transportation operations, safety, equipment testing and specifications and insurance requirements. The transportation industry is also subject to regulatory and legislative changes that may impact our operations, such as by requiring changes in fuel emissions limits, vehicle air emissions, the hours of service regulations that govern the amount of time a driver may drive or work in any specific period, limits on vehicle weight and size and other matters.

Other regulations and requirements. We provide services to the DOD and other defense-related entities that often require specialized professional qualifications and security clearances. We are also subject to the U.S. Foreign Corrupt Practices Act and similar anti-bribery laws, which generally prohibit companies and their intermediaries from making improper payments to foreign government officials for the purpose of obtaining or retaining business. The U.K. Bribery Act of 2010 prohibits both domestic and international bribery, as well as bribery across both private and public sectors. In addition, an organization that "fails to prevent bribery" committed by anyone associated with the organization can be charged under the U.K. Bribery Act unless the organization can establish the defense of having implemented "adequate procedures" to prevent bribery. To the extent we export technical services, data and products outside of the U.S., we are subject to U.S. and international laws and regulations governing international trade and exports, including but not limited to the International Traffic in Arms Regulations, the Export Administration Regulations and trade sanctions against embargoed countries. In addition, as engineering design services professionals, we are subject to a variety of local, state, federal and foreign licensing and permit requirements and ethics rules.

Sales and Marketing

Our Infrastructure & Environment Division performs business development, sales and marketing activities primarily through our network of local offices around the world. For large, market-specific projects requiring diverse technical capabilities, we utilize the company-wide resources of specific disciplines. This often involves coordinating marketing efforts on a regional, national or global level. Our Federal Services Division performs business development, sales and marketing activities primarily through its management groups, which address specific markets, such as homeland security and defense systems. In addition, our Federal Services Division coordinates national marketing efforts on large projects, which often involve a multi-segment or multi-market scope. Our Energy & Construction Division conducts business development, sales and marketing activities at a market sector level. Our Oil & Gas Division operates in regional markets across Canada and the U.S. to help stimulate and focus on increased sales opportunities for multiple service lines. Personnel from these regions work collaboratively with the Oil & Gas Division's business development group and service line specialists. For large complex projects, markets or clients that require broad-based capabilities, business development efforts are coordinated across our divisions. Over the past year, our divisions, including the Oil & Gas Division, have been successful in marketing their combined capabilities to win new work with clients in the various markets we serve.

Seasonality

We experience seasonal trends in our business in connection with federal holidays. Our revenues typically are lower during these times of the year because many of our clients' employees, as well as our own employees, do not work during these holidays, resulting in fewer billable hours charged to projects and thus, lower revenues recognized. In addition to holidays, our business also is affected by seasonal bad weather conditions, such as hurricanes, floods, snowstorms or other inclement weather, which may cause some of our offices and projects to close or reduce activities temporarily. For example, in the first quarter of the year, winter weather sometimes results in intermittent office closures and work interruptions. In our Oil & Gas Division, winter weather enables increased access to remote work areas in Northern Canada, while spring road bans may limit access to work areas in Canada and the Northern U.S.

Raw Materials

We purchase most of the raw materials and components necessary to operate our business from numerous sources. However, the price and availability of raw materials and components may vary from year to year due to customer demand, production capacity, market conditions and material shortages. While we do not currently foresee the lack of availability of any particular raw materials in the near term, prolonged unavailability of raw materials necessary to our projects and services or significant price increases for those raw materials could have a material adverse effect on our business in the near term.

Government Contracts

Generally, our government contracts are subject to renegotiation or termination of contracts or subcontracts at the discretion of the U.S. federal, state or local governments, and national governments of other countries.

Trade Secrets and Other Intellectual Property

We rely principally on trade secrets, confidentiality policies and other contractual arrangements to protect much of our intellectual property where we do not believe that patent or copyright protection is appropriate or obtainable.

Research and Development

We have not incurred material costs for company-sponsored research and development activities.

Insurance

Generally, our insurance program covers workers' compensation and employer's liability, general liability, automobile liability, professional errors and omissions liability, property, marine property and liability, and contractor's pollution liability (in addition to other policies for specific projects). Our insurance program includes deductibles or self-insured retentions for each covered claim. In addition, our insurance policies contain exclusions and sublimits that insurance providers may use to deny or restrict coverage. Excess liability, contractor's pollution liability, and professional liability insurance policies provide for coverages on a "claims-made" basis, covering only claims actually made and reported during the policy period currently in effect. Thus, if we do not continue to maintain these policies, we will have no coverage for claims made after the termination date even for claims based on events that occurred during the term of coverage. While we intend to maintain these policies, we may be unable to maintain existing coverage levels.

Employees

The number of our employees varies with the volume, type and scope of our operations at any given time. As of January 31, 2014, we had more than 50,000 employees, including part-time workers. The Infrastructure & Environment, Federal Services, Energy & Construction, and Oil & Gas Divisions employed approximately 20,000, 10,000, 12,000, and 11,000 persons (including part-time workers), respectively. At various times, we have employed up to several thousand workers on a part-time basis to meet our contractual obligations. Approximately 28.5% of our employees are covered by collective bargaining agreements or by specific labor agreements, which expire upon completion of the relevant project.

Executive Officers of the Registrant

Name	Position Held	Age
Martin M. Koffel	Chief Executive Officer ("CEO") and Director since May 1989; President from May 1989 to October 2013; Chairman of the Board since June 1989.	74
Thomas W. Bishop	Executive Chairman, Infrastructure & Environment, U.K., Europe & India since January 2013; Senior Vice President of the Infrastructure & Environment Division since January 2011; Vice President, Strategy since July 2003; Senior Vice President, Construction Services since March 2002.	67
Reed N. Brimhall	Chief Accounting Officer since May 2005; Vice President since May 2003; Corporate Controller from May 2003 to January 2012.	60
H. Thomas Hicks	Executive Vice President and Chief Financial Officer ("CFO") since May 2013; Vice President and CFO from March 2006 to May 2013.	63
Gary V. Jandegian	President of the Infrastructure & Environment Division and Vice President since July 2003.	61
Susan B. Kilgannon	Vice President, Communications since October 1999.	55
Joseph Masters	Secretary since March 2006; General Counsel since July 1997; Vice President since July 1994.	57
George L. Nash	President of the Energy & Construction Division and Vice President since January 2014; Chief Operating Officer of the Energy & Construction Division from July 2011 to December 2013; General Manager of the Energy & Construction Division Power Business Group from September 2008 to July 2011.	53
Randall A. Wotring	President of the Federal Services Division and Vice President since November 2004.	57

Available Information

Our Annual Reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, ("Exchange Act") are available free of charge on our web site at www.urs.com. These reports, and any amendments to these reports, are made available on our web site as soon as reasonably practicable after we electronically file or furnish the reports with the Securities and Exchange Commission ("SEC"). In addition, our Corporate Governance Guidelines, the charters for our Audit, Board Affairs and Compensation Committees, and our Code of Business Conduct and Ethics are available on our web site at www.urs.com under the "Corporate Governance" section. Any waivers or amendments to our Code of Business Conduct and Ethics will be posted on our web site. A printed copy of this information is also available without charge by sending a written request to: Corporate Secretary, URS Corporation, 600 Montgomery Street, 26th Floor, San Francisco, CA 94111-2728.

ITEM 1A. RISK FACTORS

In addition to our other disclosures set forth or incorporated by reference in this annual report on Form 10-K, the following risk factors could also affect our financial condition and results of operations:

Demand for our services is cyclical and vulnerable to economic downturns and reductions in government and private industry spending. If the economy weakens or client spending declines further, then our revenues, book of business, profits and our financial condition may deteriorate.

Demand for our services is cyclical and vulnerable to economic downturns and reductions in government and private industry spending, such as budget cuts related to federal sequestration, the October 2013 federal government shutdown, changes in oil and natural gas prices, and limited pipeline capacity for oil produced in the Canadian oil sands. Such downturns or reductions could delay, curtail or cancel proposed and existing projects. Over the past several years, weak economic conditions and volatility in global financial markets have impacted our client spending.

Some clients have delayed, curtailed or cancelled proposed and existing projects and may continue to do so in the future. For example, our book of business has declined from $24.9 billion as of December 28, 2012 to $22.8 billion as of January 3, 2014. Also, our clients may demand more favorable pricing terms and find it increasingly difficult to timely pay invoices for our services, which would impact our future cash flows and liquidity. In addition, any rapid changes in the prices of commodities make it difficult for our clients and us to forecast future capital expenditures. Significant changes in interest rates could reduce the demand for our services. Any inability to timely collect our invoices may lead to an increase in our accounts receivable and potentially to increased write-offs of uncollectible invoices. If the economy remains weak or uncertain, or client spending declines further, then our revenues, book of business, profits and overall financial condition could deteriorate.

Federal budget cuts have had an adverse impact on our business and could significantly reduce demand for the services we provide.

The Budget Control Act of 2011 imposed federal government spending cuts in fiscal year 2013 that have resulted in significant reductions in the funding for infrastructure, defense and other projects. The Bipartisan Budget Act of 2013 also imposes federal spending cutbacks for a two-year period that may impact our work for the Department of Defense (“DOD”) and other federal agencies. Thereafter, in the absence of a budget agreement, sequestration under the Budget Control Act of 2011 could again impose increasing budget cuts over the succeeding years that adversely affect our work for the federal government. In addition, 3,000 of our employees were furloughed during parts of the October 2013 federal government shutdown. Reduction in federal government spending, including as a result of the U.S. federal government shutdown in October 2013, has decreased demand for our services, resulting in canceled and delayed projects as well as potential projects in our book of business and a number of our employees who work on DOD projects experienced work-week reductions. Further federal budget cuts resulting from sequestration, and the threat of another federal government shutdown could significantly reduce demand for our services, could lead us to reduce our workforce, and have a material adverse effect on our results of operation and financial condition.

We may not realize the full amount of revenues reflected in our book of business, particularly in light of current economic conditions, which could harm our operations and could significantly reduce our expected profits and revenues.

We account for all contract awards that may eventually be recognized as revenues or equity in income of unconsolidated joint ventures as our “book of business,” which includes backlog, option years and indefinite delivery contracts (“IDCs”). As of January 3, 2014, our book of business was estimated at approximately $22.8 billion, which included $11.3 billion of backlog. Our book of business estimates may not result in realized profits and revenues in any particular period because clients may delay, modify terms or terminate projects and contracts and may decide not to exercise contract options or issue task orders. This uncertainty is particularly acute in light of current economic conditions, as the risk of contracts in backlog being delayed, adjusted in scope or cancelled is more likely to increase during periods of economic uncertainty and particularly during periods of federal budget cutbacks and sequestration. In addition, our government contracts or subcontracts are subject to renegotiation or termination at the convenience of the applicable U.S. federal, state or local governments, as well as national governments of other countries. Accordingly, if we do not realize a substantial amount of our book of business, our operations could be harmed and our expected profits and revenues could be significantly reduced.

As a government contractor, we must comply with various procurement laws and regulations and are subject to regular government audits; failure to comply with any of these laws and regulations could result in sanctions, contract termination, forfeiture of profit, harm to our reputation or loss of our status as an eligible government contractor. Any interruption or termination of our government contractor status, or a loss of our government business, could reduce our profits and revenues significantly.

As a government contractor, we enter into many contracts with federal, state and local government clients. For example, revenues from our federal market sector represented 34% of our total revenues for the year ended January 3, 2014. We are affected by and must comply with federal, state, local and foreign laws and regulations relating to the formation, administration and performance of government contracts. For example, we must comply with FAR, the Truth in Negotiations Act, CAS, American Recovery and Reinvestment Act (“ARRA”), the Services Contract Act, export controls rules and DOD security regulations, as well as many other laws and regulations. In addition, we must also comply with other government regulations related to employment practices, environmental protection, health and safety, tax, accounting and anti-fraud, as well as many others in order to maintain our government contractor status. These laws and regulations affect how we transact business with our clients and in some instances, impose additional costs on our business operations. Even though we take precautions to prevent and deter fraud, misconduct and non-compliance, we face the risk that our employees or outside partners may engage in misconduct, fraud or other improper activities.

Government agencies, such as the U.S. Defense Contract Audit Agency (“DCAA”), routinely audit and investigate government contractors. These government agencies review and audit a government contractor’s performance under its contracts, a government contractor’s direct and indirect cost structure, and a government contractor’s compliance with applicable laws, regulations and standards. For example, during the course of its audits, the DCAA may question our incurred project costs and, if the DCAA believes we have accounted for these costs in a manner inconsistent with the requirements for the FAR or CAS, the DCAA auditor may recommend to our U.S. government corporate administrative contracting officer to disallow such costs. We can provide no assurance that the DCAA or other government audits will not result in material disallowances for incurred costs in the future. In addition, government contracts are subject to a variety of other socioeconomic requirements relating to the formation, administration, performance and accounting for these contracts. We may also be subject to *qui tam* litigation brought by private individuals on behalf of the government under the Federal Civil False Claims Act, which could include claims for treble damages. Government contract violations could result in the imposition of civil and criminal penalties or sanctions, contract termination, forfeiture of profit, and/or suspension of payment, any of which could make us lose our status as an eligible government contractor. We could also suffer serious harm to our reputation. Any interruption or termination of our government contractor status, or a loss of our government business, could reduce our profits and revenues significantly.

Employee, agent or partner misconduct or failure to comply with anti-bribery and other government laws and regulations could harm our reputation, reduce our revenues and profits, and subject us to criminal and civil enforcement actions.

Misconduct, fraud, non-compliance with applicable laws and regulations, or other improper activities by one of our employees, agents or partners could have a significant negative impact on our business and reputation. Such misconduct could include the failure to comply with government procurement regulations, regulations regarding the protection of classified information, regulations prohibiting bribery and other foreign corrupt practices, regulations regarding the pricing of labor and other costs in government contracts, regulations on lobbying or similar activities, regulations pertaining to the internal controls over financial reporting, environmental laws and any other applicable laws or regulations. For example, the United States Foreign Corrupt Practices Act and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or retaining business. In addition, we regularly provide services that may be highly sensitive or that relate to critical national security matters; if a security breach were to occur, our ability to procure future government contracts could be severely limited.

Our policies mandate compliance with these regulations and laws, and we take precautions intended to prevent and detect misconduct. However, since our internal controls are subject to inherent limitations, including human error, it is possible that these controls could be intentionally circumvented or become inadequate because of changed conditions. As a result, we cannot assure that our controls will protect us from reckless or criminal acts committed by our employees and agents. Failure to comply with applicable laws or regulations or acts of misconduct could subject us to fines and penalties, loss of security clearances, and suspension or debarment from contracting, any or all of which could harm our reputation, reduce our revenues and profits and subject us to criminal and civil enforcement actions.

Legal proceedings, investigations and disputes could result in substantial monetary penalties and damages, which could affect us adversely, especially if these penalties and damages exceed or are excluded from existing insurance coverage.

We engage in engineering, construction and technical services that can result in substantial injury or damages that may expose us to legal proceedings, investigations and disputes. For example, in the ordinary course of our business, we may be involved in legal disputes regarding personal injury and wrongful death claims, employee or labor disputes, professional liability claims, and general commercial disputes involving project cost overruns, indemnification claims and liquidated damages as well as other claims. SeeNote 17, "Commitments and Contingencies," to our consolidated financial statements included under Item 8 of this report for a discussion of some of our legal proceedings. In addition, in the ordinary course of our business, we frequently make professional judgments and recommendations about environmental and engineering conditions of project sites for our clients. We may be deemed to be responsible for these judgments and recommendations if they are later determined to be inaccurate. Any unfavorable legal ruling against us could result in substantial monetary damages or even criminal violations.

We maintain insurance coverage as part of our overall legal and risk management strategy to minimize our potential liabilities; however, our insurance coverage does not cover all operational risks in the event of a significant incident or catastrophic loss. Generally, our insurance program covers workers' compensation and employer's liability, general liability, automobile liability, professional errors and omissions liability, property, marine property and liability, and contractor's pollution liability (in addition to other policies for specific projects). Our insurance program includes deductibles or self-insured retentions for each covered claim. In addition, our insurance policies contain exclusions and sublimits that insurance providers may use to deny us insurance coverage. Excess liability, contractor's pollution liability, and professional liability insurance policies provide for coverages on a "claims-made" basis, covering only claims actually made and reported during the policy period currently in effect. Any liabilities that exceed our insurance coverage, or that are covered by our insurance but are subject to a high deductible, or for which we are not insured could have a material adverse impact on our results of operations and financial condition, including our profits and revenues.

Unavailability or cancellation of third-party insurance coverage would increase our overall risk exposure as well as disrupt the management of our business operations.

We maintain insurance coverage from third-party insurers as part of our overall risk management strategy and because some of our contracts require us to maintain specific insurance coverage limits. If any of our third-party insurers fail, suddenly cancel our coverage or otherwise are unable to provide us with adequate insurance coverage then our overall risk exposure and our operational expenses would increase and the management of our business operations would be disrupted. In addition, there can be no assurance that any of our existing insurance coverage will be renewable upon the expiration of the coverage period or that future coverage will be affordable at the required limits.

Demand for our oil and gas services fluctuates.

In May 2012, we completed our acquisition of Flint, significantly increasing our oil and gas services in North America, particularly to the unconventional segments of this market. Demand for our oil and gas services fluctuates, and we depend on our customers' willingness to make future expenditures to explore for, develop and produce oil and natural gas in the U.S. and Canada. For example, in 2013, our revenues were adversely affected by unusually severe weather conditions in Western Canada that disrupted activities at project sites, as well as lower natural gas-related drilling activities for our clients caused by continued low prices. Our customers' willingness to undertake these activities depends largely upon prevailing industry conditions that are influenced by numerous factors over which we have no control, including:

- prices, and expectations about future prices, of oil and natural gas;
- domestic and foreign supply of and demand for oil and natural gas;
- the cost of exploring for, developing, producing and delivering oil and natural gas;
- available pipeline, storage and other transportation capacity;
- availability of qualified personnel and lead times associated with acquiring equipment and products;
- federal, state and local regulation of oilfield activities;
- environmental concerns regarding the methods our customers use to extract natural gas;
- the availability of water resources and the cost of disposal and recycling services; and
- seasonal limitations on access to work locations.

Anticipated future prices for natural gas and crude oil are a primary factor affecting spending and drilling activity by our customers. Lower prices or volatility in prices for oil and natural gas typically decrease spending and drilling activity, which can cause rapid and material declines in demand for our services and in the prices we are able to charge for our services. In addition, should the proposed Keystone XL or other similar proposed pipeline project applications be denied or further delayed by the federal government, then there may be a slowing of spending in the development of the Canadian oil sands. Worldwide political, economic, military and terrorist events, as well as natural disasters and other factors beyond our control contribute to oil and natural gas price levels and volatility and are likely to continue to do so in the future.

We may be subject to substantial liabilities under environmental laws and regulations.

Our services are subject to numerous environmental protection laws and regulations that are complex and stringent. Our business involves the planning, design, program management, construction and construction management, and operations and maintenance at various sites, including but not limited to pollution control systems, nuclear facilities, hazardous waste and Superfund sites, contract mining sites, hydrocarbon production, distribution and transport sites, military bases and other infrastructure-related facilities. We also regularly perform work, including oil field and pipeline construction services in and around sensitive environmental areas, such as rivers, lakes and wetlands. In addition, we have contracts with U.S. federal government entities to destroy hazardous materials, including chemical agents and weapons stockpiles, as well as to decontaminate and decommission nuclear facilities. These activities may require us to manage, handle, remove, treat, transport and dispose of toxic or hazardous substances. We also own and operate several properties in the U.S. and Canada that have been used for the storage and maintenance of equipment and upon which hydrocarbons or other wastes may have been disposed or released. Past business practices at companies that we have acquired may also expose us to future unknown environmental liabilities.

Significant fines, penalties and other sanctions may be imposed for non-compliance with environmental laws and regulations, and some environmental laws provide for joint and several strict liabilities for remediation of releases of hazardous substances, rendering a person liable for environmental damage, without regard to negligence or fault on the part of such person. These laws and regulations may expose us to liability arising out of the conduct of operations or conditions caused by others, or for our acts that were in compliance with all applicable laws at the time these acts were performed. For example, there are a number of governmental laws that strictly regulate the handling, removal, treatment, transportation and disposal of toxic and hazardous substances, such as CERCLA, and comparable state laws, that impose strict, joint and several liabilities for the entire cost of cleanup, without regard to whether a company knew of or caused the release of hazardous substances. In addition, some environmental regulations can impose liability for the entire cleanup upon owners, operators, generators, transporters and other persons arranging for the treatment or disposal of such hazardous substances related to contaminated facilities or project sites. Other federal environmental, health and safety laws affecting us include, but are not limited to, the Resource Conservation and Recovery Act, the National Environmental Policy Act, the Clean Air Act, the Clean Air Mercury Rule, the Occupational Safety and Health Act, the Toxic Substances Control Act and the Superfund Amendments and Reauthorization Act, as well as other comparable national and state laws. Liabilities related to environmental contamination or human exposure to hazardous substances, or a failure to comply with applicable regulations could result in substantial costs to us, including cleanup costs, fines and civil or criminal sanctions, third-party claims for property damage or personal injury or cessation of remediation activities. Our continuing work in the areas governed by these laws and regulations exposes us to the risk of substantial liability.

Changes in transportation regulations and other factors may increase our costs and negatively impact our profit margins.

We have a large fleet of trucks and other heavy vehicles to transport drilling rigs and provide fluid hauling and other oil and gas services in North America. We are subject to national, state and Canadian provincial regulations including the permit requirements of highway and safety authorities. These regulatory authorities exercise broad powers over our transport operations, generally governing such matters as the authorization to engage in transportation operations, safety, equipment testing and specifications and insurance requirements. The transportation industry is also subject to regulatory and legislative changes that may impact our operations, such as by requiring changes in fuel emissions limits, vehicle air emissions, the hours of service regulations that govern the amount of time a driver may drive or work in any specific period, limits on vehicle weight and size and other matters. Changes in regulations may increase costs related to truck purchases and maintenance, impair equipment productivity, decrease the residual value of these vehicles and increase operating expenses.

In addition, our transport business is impacted by weather conditions that can restrict our ability to deliver services. For example, Canadian municipalities and provincial transportation departments enforce seasonal road bans each spring that limit the movement of heavy vehicles and equipment. Additionally, some Canadian oil and natural gas-producing areas are only accessible in the winter months when the ground or waterways are frozen; however, these conditions increase susceptibility to accidents.

Proposals to increase taxes, including taxes on motor fuels, are also made from time to time, and any such increase would increase our operating costs. Also, fluctuating fuel prices may negatively affect our profit margins. We cannot predict whether, or in what form, any legislative or regulatory changes applicable to our trucking operations will be enacted and to what extent any such legislation or regulations could increase our costs or otherwise adversely affect our profit margin and overall business.

Our failure to conduct due diligence effectively or our inability to integrate acquisitions successfully could impede us from realizing all of the anticipated benefits of recent and future acquisitions, which could severely weaken our results of operations.

Historically, we have used acquisitions to help expand our business. If we fail to conduct due diligence on our potential targets effectively, we may, for example, not identify problems at target companies or fail to recognize incompatibilities or other obstacles to successful integration. Our inability to successfully integrate recent and future acquisitions could disrupt our business and impede us from realizing all of the anticipated benefits of those acquisitions, severely weakening our business operations and adversely impacting our results of operations. In addition, the overall integration of two combining companies may result in unanticipated problems, expenses, liabilities, competitive responses, loss of customer relationships, and diversion of management's attention, and may cause our stock price to decline. The difficulties of integrating an acquisition include, among others:

- unanticipated issues in integrating information, communications and other systems;
- unanticipated incompatibility of logistics, marketing and administration methods;
- maintaining employee morale and retaining key employees;
- integrating the business cultures of both companies;
- preserving important strategic and customer relationships;
- consolidating corporate and administrative infrastructures and eliminating duplicative operations;
- the diversion of management's attention from ongoing business concerns; and
- integrating geographically separate organizations.

In addition, even if the operations of an acquisition are integrated successfully, we may not realize the full benefits of the acquisition, including the synergies, cost savings, or sales or growth opportunities that we expect. These benefits may not be achieved within the anticipated time frame, or at all.

Our inability to win or renew government contracts during regulated procurement processes could harm our operations and reduce our profits and revenues.

Revenues from our federal market sector represented 34% of our total revenues for the year ended January 3, 2014. Government contracts are awarded through a regulated procurement process. The federal government has relied upon multi-year contracts with pre-established terms and conditions, such as IDCs, that generally require those contractors that have previously been awarded the IDC to engage in an additional competitive bidding process before a task order is issued. In addition, we believe that there has been an increase in the award of federal contracts based on a low-price, technically acceptable criteria emphasizing price over qualitative factors, such as past performance. As a result, pricing pressure may reduce our profit margins on future federal contracts. The increased competition and pricing pressure, in turn, may require us to make sustained efforts to reduce costs in order to realize revenues and profits under government contracts. If we are not successful in reducing the amount of costs we incur, our profitability on government contracts will be negatively impacted. In addition, the U.S. government has scaled back outsourcing of some types of services in favor of “insourcing” jobs to its employees. Also, the Budget Control Act of 2011 imposed federal spending cuts (a large portion of which is defense-related) in fiscal year 2013 and beyond that have resulted in significant reductions in the funding for infrastructure, defense and other projects. The Bipartisan Budget Act of 2013 also imposes federal spending cutbacks for a two-year period that may impact our work for the DOD and other federal agencies. Thereafter, in the absence of a budget agreement, sequestration under the Budget Control Act of 2011 could again impose increasing budget cuts over the succeeding years that adversely affect our work for the federal government. In addition, the U.S. federal government shutdown in October 2013 and the threat of a similar shutdown have intensified economic uncertainty, particularly with respect to federal government spending. Moreover, even if we are qualified to work on a government contract, we may not be awarded the contract because of existing government policies designed to protect small businesses and under-represented minority contractors. Our inability to win or renew government contracts during regulated procurement processes could harm our operations and reduce our profits and revenues.

Each year, client funding for some of our government contracts may rely on government appropriations or public-supported financing. If adequate public funding is delayed or is not available, then our profits and revenues could decline.

Each year, client funding for some of our government contracts may directly or indirectly rely on government appropriations or public-supported financing such as the ARRA, which provides funding for various clients’ state transportation projects. Legislatures may appropriate funds for a given project on a year-by-year basis, even though the project may take more than one year to perform. In addition, public-supported financing such as state and local municipal bonds, may be only partially raised to support existing infrastructure projects. As a result, a project we are currently working on may be only partially funded and thus additional public funding may be required in order to complete our contract. The Budget Control Act of 2011 imposed federal spending cuts (a large portion of which is defense-related) in fiscal year 2013 and beyond that have resulted in significant reductions in the funding for infrastructure, defense and other projects. The Bipartisan Budget Act of 2013 also imposes federal spending cutbacks for a two-year period that may impact our work for the DOD and other federal agencies. Thereafter, in the absence of a budget agreement, sequestration under the Budget Control Act of 2011 could again impose increasing budget cuts over the succeeding years that adversely affect our work for the federal government. In addition, the U.S. federal government shutdown in October 2013 and the threat of a similar shutdown have intensified economic uncertainty, particularly with respect to federal government spending. Similarly, the impact of the economic downturn on state and local governments may make it more difficult for them to fund infrastructure projects. In addition to the state of the economy and competing political priorities, public funding and the timing of payment of these funds may also be influenced by, among other things, curtailments in the use of government contractors, a rise in the cost of raw materials, delays associated with a lack of a sufficient number of government staff to oversee contracts, budget constraints, the timing and amount of tax receipts and the overall level of government expenditures. If adequate public funding is not available or is delayed, then our profits and revenues could decline.

Our government contracts may give government agencies the right to modify, delay, curtail, renegotiate or terminate existing contracts at their convenience at any time prior to their completion, which may result in a decline in our profits and revenues.

Government projects in which we participate as a contractor or subcontractor may extend for several years. Generally, government contracts include the right for government agencies to modify, delay, curtail, renegotiate or terminate contracts and subcontracts at their convenience any time prior to their completion. Any decision by a government client to modify, delay, curtail, renegotiate or terminate our contracts at their convenience may result in a decline in our profits and revenues.

A decline in defense or other federal government spending, or a change in budgetary priorities, could reduce our profits and revenues.

Revenues from our federal market sector represented 34% of our total revenues and contracts, of which the DOD and other defense-related clients represented approximately 21% of our total revenues for the year ended January 3, 2014. The Budget Control Act of 2011 imposed federal spending cuts (a large portion of which is defense-related) in fiscal year 2013 and beyond that have resulted in significant reductions in the funding for infrastructure, defense and other projects. The Bipartisan Budget Act of 2013 also imposes federal spending cutbacks for a two-year period that may impact our work for the DOD and other federal agencies. Thereafter, in the absence of a budget agreement, sequestration under the Budget Control Act of 2011 could again impose increasing budget cuts over the succeeding years that adversely affect our work for the federal government. In addition, approximately 3,000 of our employees were furloughed during parts of the October 2013 federal government shutdown. Furthermore, the U.S. federal government shutdown in October 2013 and the threat of a similar shutdown have intensified economic uncertainty, particularly with respect to federal government spending. There has also been an increase in the award of federal contracts based on a low-price, technically acceptable criteria emphasizing price over qualitative factors, such as past performance. As a result, pricing pressure has reduced and may continue to reduce our profit margins on future federal contracts. Future levels of expenditures and authorizations for defense-related or other federal programs, including foreign military commitments, may decrease, remain constant or shift to programs in areas where we do not currently provide services. As a result, a general decline in defense or other federal spending or a change in budgetary priorities could reduce our profits and revenues.

If our goodwill or intangible assets become impaired, then our profits will be reduced.

If our goodwill or intangible assets become impaired, then our profits will be reduced. For example, during the quarter ended September 30, 2011, a decline in our stock price and market capitalization triggered an interim impairment test, which resulted in a goodwill impairment charge for the year ended December 30, 2011. Goodwill may be impaired if the estimated fair value of one or more of our reporting units is less than the carrying value of the respective reporting unit. Because we have grown in part through acquisitions, goodwill and other intangible assets represent a substantial portion of our assets. Goodwill and other net intangible assets were $4.3 billion as of January 3, 2014. We perform an analysis on our goodwill balances to test for impairment on an annual basis and whenever events occur that indicate impairment could exist. There are several instances that may cause us to further test our goodwill for impairment between the annual testing periods including the following:

- continued deterioration of market and economic conditions that may adversely impact our ability to meet our projected results;

- declines in our stock price caused by continued volatility in the financial markets that may result in increases in our weighted-average cost of capital or other inputs to our goodwill assessment; and

- the occurrence of events that may reduce the fair value of a reporting unit below its carrying amount, such as the sale of a significant portion of one or more of our reporting units.

We also perform an analysis of our intangible assets to test for impairment whenever events occur that indicate impairment could exist. The following are examples of such events:

- significant adverse changes in the intangible asset's market value, useful life, or in the business climate that could affect its value;

- a current-period operating or cash flow loss or a projection or forecast that demonstrates continuing losses associated with the use of the intangible asset; and

- a current expectation that, more likely than not, the intangible asset will be sold or otherwise disposed of before the end of its previously estimated useful life.

If we are unable to accurately estimate and control our contract costs, then we may incur losses on our contracts, which could decrease our operating margins and reduce our profits.

It is important for us to accurately estimate and control our contract costs so that we can maintain positive operating margins and profitability. We generally enter into four principal types of contracts with our clients: cost-plus, fixed-price, target-price and time-and-materials.

Under cost-plus contracts, which may be subject to contract ceiling amounts, we are reimbursed for allowable costs and fees, which may be fixed or performance-based. If our costs exceed the contract ceiling or are not allowable under the provisions of the contract or any applicable regulations, we may not be reimbursed for all of the costs we incur. Under fixed-price contracts, we receive a fixed price regardless of what our actual costs will be. Consequently, we realize a profit on fixed-price contracts only if we can control our costs and prevent cost over-runs on our contracts. Under target-price contracts, project costs are reimbursable and our fee is established against a target budget that is subject to changes in project circumstances and scope. Under time-and-materials contracts, we are paid for labor at negotiated hourly billing rates and for other expenses.

If we are unable to accurately estimate and manage our costs, we may incur losses on our contracts, which could decrease our operating margins and significantly reduce or eliminate our profits. Many of our contracts require us to satisfy specified design, engineering, procurement or construction milestones in order to receive payment for the work completed or equipment or supplies procured prior to achieving the applicable milestone. As a result, under these types of arrangements, we may incur significant costs or perform significant amounts of work prior to receipt of payment. If the customer determines not to proceed with the completion of the project or if the customer defaults on its payment obligations, we may encounter difficulties in collecting payment of amounts due to us for the costs previously incurred or for the amounts previously expended to purchase equipment or supplies.

Our actual business and financial results could differ from the estimates and assumptions that we use to prepare our financial statements, which may reduce our profits.

To prepare financial statements in conformity with generally accepted accounting principles (“GAAP”), management is required to make estimates and assumptions, which affect the reported values of assets and liabilities, revenues and expenses, and disclosures of contingent assets and liabilities. For example, we may recognize revenues over the life of a contract based on the proportion of costs incurred to date compared to the total costs estimated to be incurred for the entire project. Areas requiring significant estimates by our management include:

- the application of the percentage-of-completion method of revenue recognition on contracts, change orders and contract claims;
- provisions for uncollectible receivables and customer claims and recoveries of costs from subcontractors, vendors and others;
- provisions for income taxes and related valuation allowances;
- impairment of goodwill and recoverability of other intangible assets;
- valuation of assets acquired and liabilities assumed in connection with business combinations;
- valuation of defined benefit pension plans and other employee benefit plans;
- valuation of stock-based compensation expense; and
- accruals for estimated liabilities, including litigation and insurance reserves.

Our actual business and financial results could differ from those estimates, which may reduce our profits.

Our profitability could suffer if we are not able to maintain adequate utilization of our workforce.

The cost of providing our services, including the extent to which we utilize our workforce, affects our profitability. The rate at which we utilize our workforce is affected by a number of factors, including:

- our ability to transition employees from completed projects to new assignments and to hire and assimilate new employees;
- our ability to forecast demand for our services and thereby maintain an appropriate headcount in each of our geographies and workforces;
- our ability to manage attrition;
- our need to devote time and resources to training, business development, professional development and other non-chargeable activities; and
- our ability to match the skill sets of our employees to the needs of the marketplace.

If we overutilize our workforce, our employees may become disengaged, which will impact employee attrition. If we underutilize our workforce, our profit margin and profitability could suffer. For example, approximately 3,000 of our employees were furloughed during parts of the October 2013 federal government shutdown.

Our use of the percentage-of-completion method of revenue recognition could result in a reduction or reversal of previously recorded revenues and profits.

A substantial portion of our revenues and profits are measured and recognized using the percentage-of-completion method of revenue recognition. Our use of this accounting method results in recognition of revenues and profits ratably over the life of a contract, based generally on the proportion of costs incurred to date to total costs expected to be incurred for the entire project. The effects of revisions to revenues and estimated costs are recorded when the amounts are known or can be reasonably estimated. Such revisions could occur in any period and their effects could be material. Although we have historically made reasonably reliable estimates of the progress towards completion of long-term engineering, program management, construction management or construction contracts, the uncertainties inherent in the estimating process make it possible for actual costs to vary materially from estimates, including reductions or reversals of previously recorded revenues and profits.

Our failure to successfully bid on new contracts and renew existing contracts could reduce our profits.

Our business depends on our ability to successfully bid on new contracts and renew existing contracts with private and public sector clients. Contract proposals and negotiations are complex and frequently involve a lengthy bidding and selection process, which are affected by a number of factors, such as market conditions, financing arrangements and required governmental approvals. For example, a client may require us to provide a surety bond or letter of credit to protect the client should we fail to perform under the terms of the contract. If negative market conditions arise, or if we fail to secure adequate financial arrangements or the required governmental approval, we may not be able to pursue particular projects, which could adversely reduce or eliminate our profitability.

If we fail to timely complete, miss a required performance standard or otherwise fail to adequately perform on a project, then we may incur a loss on that project, which may reduce or eliminate our overall profitability and harm our reputation.

We may commit to a client that we will complete a project by a scheduled date. For example, project execution issues within our Oil & Gas Division primarily occurring during the fourth quarter of 2013 led to a deterioration of project earnings of approximately $47 million in fiscal year 2013. We may also commit that a project, when completed, will achieve specified performance standards. If the project is not completed by the scheduled date or fails to meet required performance standards, we may either incur significant additional costs or be held responsible for the costs incurred by the client to rectify damages due to late completion or failure to achieve the required performance standards. In addition, performance of projects can be affected by a number of factors beyond our control, including unavoidable delays from governmental inaction, public opposition, inability to obtain financing, weather conditions, unavailability of vendor materials, changes in the project scope of services requested by our clients, industrial accidents, environmental hazards, labor disruptions and other factors. In some cases, should we fail to meet required performance standards, we may also be subject to agreed-upon financial and liquidated damages, which are determined by the contract. To the extent that these events occur, the total costs of the project could exceed our estimates and we could experience reduced profits or, in some cases, incur a loss on a project, which may reduce or eliminate our overall profitability. Failure to meet performance standards or complete performance on a timely basis could also adversely affect our reputation.

If our partners fail to perform their contractual obligations on a project, we could be exposed to joint and several liability and other obligations that could reduce our profits and revenues.

We often partner with unaffiliated third parties, individually or via a joint venture, to jointly bid on and perform a particular project. For example, for the year ended January 3, 2014, our equity in income of unconsolidated joint ventures amounted to $93.6 million. The success of our partnerships and joint ventures depends, in large part, on the satisfactory performance of contractual obligations by each member. In addition, when we operate through a joint venture in which we are a minority holder, we have limited control over many project decisions, including decisions related to the joint venture's internal controls, which may not be subject to the same internal control procedures that we employ. If these unaffiliated third parties do not fulfill their contract obligations, the partnerships or joint ventures may be unable to adequately perform and deliver their contracted services. Under these circumstances, we may have to provide additional services to ensure the adequate performance and delivery of the contracted services and could be jointly and severally liable for the other party's actions. These additional obligations could result in reduced profits and revenues or, in some cases, significant losses for us with respect to the joint venture, which could also affect our reputation in the industries we serve.

Our dependence on third-party subcontractors and equipment and material providers could reduce our profits or result in project losses.

We rely on third-party subcontractors and equipment and material providers. For example, we procure heavy equipment and construction materials as needed when performing large construction and contract mining projects. To the extent that we cannot engage subcontractors or acquire equipment and materials at reasonable costs or if the amount we are required to pay exceeds our estimates, our ability to complete a project in a timely fashion or at a profit may be impaired. In addition, if a subcontractor or a manufacturer is unable to deliver its services, equipment or materials according to the negotiated terms for any reason, including the deterioration of its financial condition, we may be required to purchase the services, equipment or materials from another source at a higher price. This may reduce the profit to be realized or result in a loss on a project for which the services, equipment or materials are needed.

If we experience delays and/or defaults in client payments, we could suffer liquidity problems or we may be unable to recover all working capital or equity investments.

Because of the nature of our contracts, at times we may commit resources to a client's projects before receiving payments to cover our expenditures. Sometimes, we incur and record expenditures for a client project before receiving any payment to cover our expenses. In addition, we may make equity investments in majority or minority controlled large-scale client projects and other long-term capital projects before the project completes operational status or completes its project financing. If a client delays or defaults in making its payments on a project, it could have an adverse effect on our financial position and cash flows, and we could incur losses, including losses in our working capital or equity investments.

Our failure to adequately recover on claims brought by us against project owners for additional contract costs could have a negative impact on our liquidity and profitability.

We have brought claims against project owners for additional costs exceeding the contract price or for amounts not included in the original contract price. These types of claims occur due to matters such as owner-caused delays or changes from the initial project scope, both of which may result in additional cost. Often, these claims can be the subject of lengthy arbitration or litigation proceedings, and it is difficult to accurately predict when these claims will be fully resolved. When these types of events occur and unresolved claims are pending, we have used working capital in projects to cover cost overruns pending the resolution of the relevant claims. A failure to promptly recover on these types of claims could have a negative impact on our liquidity and profitability .

Maintaining adequate bonding capacity is necessary for us to successfully bid on and win fixed-price contracts.

In line with industry practice, we are often required to provide performance or payment bonds to clients under fixed-price contracts. These bonds indemnify the client should we fail to perform our obligations under the contract. If a bond is required for a particular project and we are unable to obtain an appropriate bond, we cannot pursue that project. We have bonding capacity but, as is typically the case, the issuance of a bond is at the surety's sole discretion. Moreover, due to events that affect the insurance and bonding markets generally, bonding may be more difficult to obtain in the future or may only be available at significantly higher costs. There can be no assurance that our bonding capacity will continue to be available to us on reasonable terms. Our inability to obtain adequate bonding and, as a result, to bid on new fixed-price contracts could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our project sites are inherently dangerous workplaces. Failure to maintain safe work sites and equipment could result in environmental disasters, employee deaths or injuries, reduced profitability, the loss of projects or clients and possible exposure to litigation.

Our project sites often put our employees and others in close proximity with mechanized equipment, moving vehicles, chemical and manufacturing processes, and highly regulated materials. For example, our Oil & Gas Division provides oilfield services on project sites that could result in uncontrolled flows of oil, gas, or well fluids, fires, spills and explosions. On some project sites, we may be responsible for safety and, accordingly, we have an obligation to implement effective safety procedures. If we fail to implement these procedures or if the procedures we implement are ineffective, we may suffer the loss of or injury to our employees, as well as expose ourselves to possible litigation. As a result, our failure to maintain adequate safety standards and equipment could result in reduced profitability or the loss of projects or clients, and could have a material adverse impact on our business, financial condition, and results of operations.

Changes in environmental, defense, or infrastructure industry laws could directly or indirectly reduce the demand for our services, which could in turn negatively impact our revenues.

Some of our services are directly or indirectly impacted by changes in federal, state, local or foreign laws and regulations pertaining to the environmental, defense or infrastructure industries. Proposed climate change and greenhouse gas regulations, if adopted, could impact the services we provide to our clients, including services related to fossil fuel and industrial projects. Relaxation or repeal of laws and regulations, or changes in governmental policies regarding the environmental, defense or infrastructure industries could result in a decline in demand for our services, which could in turn negatively impact our revenues.

If we do not have adequate indemnification for our services related to nuclear materials, it could adversely affect our business and financial condition.

We provide services to the DOE relating to its nuclear weapons facilities and the nuclear energy industry in the ongoing maintenance and modification, as well as the decontamination and decommissioning, of its nuclear energy plants. Indemnification provisions under the Price-Anderson Act ("PAA") available to nuclear energy plant operators and DOE contractors, do not apply to all liabilities that we might incur while performing services as a radioactive materials cleanup contractor for the DOE and the nuclear energy industry. If the PAA's indemnification protection does not apply to our services or if our exposure occurs outside the U.S., our business and financial condition could be adversely affected either by our client's refusal to retain us, by our inability to obtain commercially adequate insurance and indemnification, or by potentially significant monetary damages we may incur.

If our reports, opinions, or judgments are not in compliance with professional standards and other regulations, we could be subject to monetary damages and penalties.

We issue reports, opinions, and judgments to clients based on our professional engineering expertise, as well as our other professional credentials. Our reports, opinions, and judgments may need to comply with professional standards, licensing requirements, securities regulations and other laws and rules governing the performance of professional services in the jurisdiction where the services are performed. In addition, we could be liable to third parties who use or rely upon our reports, opinions, and judgments even if we are not contractually bound to those third parties. For example, if we deliver an inaccurate report or one that is not in compliance with the relevant standards, and that report is made available to a third party, we could be subject to third-party liability, resulting in monetary damages and penalties.

The accuracy and timeliness of our financial reports may be impacted or the market price of our common stock could be negatively impacted if we are unable to maintain effective internal control over financial reporting.

Maintaining effective internal control over financial reporting is necessary for us to produce reliable financial statements. If we are unable to effectively remediate this material weakness or we are otherwise unable to maintain adequate internal controls over financial reporting, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control as required pursuant to the Sarbanes-Oxley Act, it could result in another material misstatement of our financial statements that would require a restatement, and investor confidence in the accuracy and timeliness of our financial reports may be impacted or the market price of our common stock could be negatively impacted.

Our overall market share and profits will decline if we are unable to compete successfully in our industry.

Our industry is highly fragmented and intensely competitive. For example, according to the publication *Engineering News-Record* , based on voluntarily reported information, the top ten U.S. engineering design firms accounted for approximately only 43% of the total top 500 U.S. design firm revenues in 2012. The top 20 U.S. contractors accounted for approximately 49% of the top 400 U.S. contractors' total revenues in 2012, as reported by the *Engineering News-Record* . Our competitors are numerous, ranging from small private firms to multi-billion dollar companies. In addition, the technical and professional aspects of some of our services generally do not require large upfront capital expenditures and provide limited barriers against new competitors.

Some of our competitors have achieved greater market penetration in some of the markets in which we compete and have substantially more financial resources and/or financial flexibility than we do. As a result of the number of competitors in the industry, our clients may select one of our competitors on a project due to competitive pricing or a specific skill set. If we are unable to maintain our competitiveness, our market share, revenues and profits will decline. If we are unable to meet these competitive challenges, we could lose market share to our competitors and experience an overall reduction in our profits.

Our failure to attract and retain key employees could impair our ability to provide services to our clients and otherwise conduct our business effectively.

As a professional and technical services company, we are labor intensive, and, therefore, our ability to attract, retain and expand the number of key employees is an important factor in determining our future success. From time to time, it may be difficult to attract and retain qualified individuals with the expertise and in the timeframe demanded by our clients. For example, some of our government contracts may require us to employ only individuals who have particular government security clearance levels. We may occasionally enter into contracts before we have hired or retained appropriate staffing for that project. In addition, we rely heavily upon the expertise and leadership of our senior management. If we are unable to retain executives and other key personnel, the roles and responsibilities of those employees will need to be filled, which may require that we devote time and resources to identify, hire and integrate new employees. In addition, the failure to attract and retain key individuals could impair our ability to provide services to our clients and conduct our business effectively.

We may be required to contribute additional cash to meet any underfunded benefit obligations associated with retirement and post-retirement benefit plans we manage or multiemployer pension plans in which we participate.

We have various employee benefit plan obligations that require us to make contributions to satisfy, over time, our underfunded benefit obligations, which are generally determined by calculating the projected benefit obligations minus the fair value of plan assets. For example, as of January 3, 2014, our defined benefit pension and post-retirement benefit plans were projected to be underfunded by $309.5 million. See Note 14, "Employee Retirement and Post-Retirement Benefit Plans," to our "Consolidated Financial Statements and Supplementary Data" included under Item 8 of our Annual Report on Form 10-K for additional disclosure. This amount does not include any potential obligations we may owe under various third-party multiemployer plans. In the future, our benefit plan obligations may increase or decrease depending on changes in the levels of interest rates, pension plan asset performance and other factors. If we are required to contribute a significant amount of the deficit for underfunded benefit plans, our cash flows could be materially and adversely affected.

A multiemployer pension plan is typically established under a collective bargaining agreement with a union to cover the union-represented workers of various unrelated companies. Our collective bargaining agreements with unions typically require us to contribute to various multiemployer pension plans; however, we do not control or manage these plans. For the year ended January 3, 2014, we contributed $49.7 million to multiemployer pension plans. Under the Employee Retirement Income Security Act, an employer who contributes to a multiemployer pension plan, absent an applicable exemption, may also be liable, upon termination or withdrawal from the plan, for its proportionate share of the multiemployer pension plan's unfunded vested benefit. If we terminate or withdraw from a multiemployer plan, absent an applicable exemption (such as for some plans in the building and construction industry), we could be required to contribute a significant amount of cash to fund the multiemployer plan's unfunded vested benefit, which could materially and adversely affect our financial results; however, since we do not control the multiemployer plans, we are unable to estimate any potential contributions that could be required.

Our outstanding indebtedness could adversely affect our liquidity, cash flows and financial condition.

As of January 3, 2014, the outstanding balance of the term loan under our senior credit facility ("2011 Credit Facility"), as amended, was $605.0 million. In addition, we issued $1.0 billion of 3.85% Senior Notes and 5.00% Senior Notes (collectively the "Senior Notes") in connection with our acquisition of Flint. We had no outstanding balance under our revolving line of credit as of January 3, 2014. This level of debt might:

- increase our vulnerability to, and limit flexibility in planning for, adverse economic and industry conditions;
- adversely affect our ability to obtain surety bonds;
- affect our credit rating;
- limit our ability to obtain additional financing to fund future working capital, capital expenditures, additional acquisitions and other general corporate initiatives; and
- limit our ability to apply proceeds from an asset sale to purposes other than the servicing and repayment of debt.

We may not be able to generate or borrow enough cash to service our indebtedness, which could result in bankruptcy or otherwise impair our ability to maintain sufficient liquidity to continue our operations.

We rely primarily on our ability to generate cash from operations to service our indebtedness in the future. If we do not generate sufficient cash flows to meet our debt service and working capital requirements, we may need to seek additional financing. If we are unable to obtain financing on terms that are acceptable to us, we could be forced to sell our assets or those of our subsidiaries to make up for any shortfall in our payment obligations under unfavorable circumstances. Our debt obligations limit our ability to sell assets and also restrict our use of the proceeds from any such sale. If we default on our debt obligations, our lenders or bondholders could require immediate repayment of our entire outstanding debt. If our lenders require immediate repayment on the entire principal amount, we will not be able to repay them in full, and our inability to meet our debt obligations could result in bankruptcy or otherwise impair our ability to maintain sufficient liquidity to continue our operations.

Because URS Corporation, the parent company, is a holding company, we may not be able to service our debt if our subsidiaries do not make sufficient distributions to us.

Our parent company has no direct operations and no significant assets other than investments in the stock of our subsidiaries. Because we conduct our business operations through our operating subsidiaries, we depend on those entities for payments and dividends to generate the funds necessary to meet our financial obligations. Although there are currently no material legal restrictions on our operating subsidiaries' ability to distribute assets to us, legal restrictions, including governmental regulations and contractual obligations, could restrict or impair our operating subsidiaries' ability to pay dividends or make loans or other distributions to us in the future. Legal restrictions, including tax regulations and other contractual obligations could restrict or impair our subsidiaries' ability to pay dividends or make loans or other distributions to us. The earnings from, or other available assets of, these operating subsidiaries may not be sufficient to make distributions or loans to enable us to pay interest on our debt obligations when due or to pay the principal of such debt at maturity.

Restrictive covenants and other restrictions in our credit and debt arrangements may restrict our ability to pursue business strategies.

Our 2011 Credit Facility, Senior Notes, and our other outstanding indebtedness include covenants and restrictions potentially limiting our ability to, among other things:

- incur additional indebtedness;
- declare or pay dividends to our stockholders;
- repurchase or redeem our stock;
- repay indebtedness that is junior to our 2011 Credit Facility;
- make investments;
- create liens securing debt or other encumbrances on our assets;
- enter into sale-leaseback transactions;
- enter into transactions with our stockholders and affiliates; and
- sell or exchange assets.

Our 2011 Credit Facility also requires that we maintain various financial ratios, which we may not be able to achieve. The covenants may impair our ability to finance future operations or capital needs or to engage in other favorable business activities.

Our international operations are subject to a number of risks that could significantly reduce our profits and revenues or subject us to criminal and civil enforcement actions.

As a multinational company, we derived approximately 26% of our revenues from international operations for the year ended January 3, 2014. International business is subject to a variety of potential risks, including:

- lack of developed legal systems to enforce contractual rights;
- greater risk of uncollectible accounts and longer collection cycles;
- foreign currency exchange volatility;
- uncertain and changing tax rules, regulations and rates;
- logistical and communication challenges;
- potentially adverse changes in laws and regulatory practices;
- changes in labor conditions;
- general economic, political and financial conditions in foreign markets; and
- exposure to civil or criminal liability under the Foreign Corrupt Practices Act, the U.K. Bribery Act, the Canadian Corruption of Foreign Public Officials Act, the Corporate Manslaughter and Corporate Homicide Act, the anti-boycott rules, trade and export control regulations, as well as other international regulations.

International risks and violations of international regulations may significantly reduce our profits and revenues and subject us to criminal or civil enforcement actions, including fines, suspensions or disqualification from future U.S. federal procurement contracting. Although we have policies and procedures to monitor legal and regulatory compliance, our employees, subcontractors and agents could take actions that violate these requirements. As a result, our international risk exposure may be more or less than the percentage of revenues attributed to our international operations.

We could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act of 2010 and similar worldwide anti-bribery laws.

The U.S. Foreign Corrupt Practices Act and similar anti-bribery laws generally prohibit companies and their intermediaries from making improper payments to foreign government officials for the purpose of obtaining or retaining business. The U.K. Bribery Act of 2010 prohibits both domestic and international bribery, as well as bribery across both private and public sectors. In addition, an organization that "fails to prevent bribery" by anyone associated with the organization can be charged under the U.K. Bribery Act unless the organization can establish the defense of having implemented "adequate procedures" to prevent bribery. Our policies mandate compliance with these anti-bribery laws, and we have established policies and procedures designed to monitor compliance with these anti-bribery law requirements; however, we cannot ensure that our policies and procedures will protect us from potential reckless or criminal acts committed by individual employees or agents. If we are found to be liable for anti-bribery law violations, we could suffer from criminal or civil penalties or other sanctions that could have a material adverse effect on our business.

We could be adversely impacted if we fail to comply with domestic and international export laws.

To the extent we export technical services, data and products outside of the U.S., we are subject to U.S. and international laws and regulations governing international trade and exports, including but not limited to the International Traffic in Arms Regulations, the Export Administration Regulations and trade sanctions against embargoed countries. A failure to comply with these laws and regulations could result in civil or criminal sanctions, including the imposition of fines, the denial of export privileges and suspension or debarment from participation in U.S. government contracts, which could have a material adverse effect on our business.

Our international operations may require our employees to travel to and work in high security risk countries, which may result in employee death or injury, repatriation costs or other unforeseen costs.

As a multinational company, some of our employees often travel to and work in high security risk countries around the world that are undergoing political, social and economic upheavals resulting in war, civil unrest, criminal activity, acts of terrorism, or public health crises. For example, we have employees working in high security risk countries located in the Middle East and Southwest Asia. As a result, we risk loss of or injury to our employees and may be subject to costs related to employee death or injury, repatriation or other unforeseen circumstances.

We develop, install and maintain IT systems for ourselves, as well as for various customers. Any breach of security, disruption, or unexpected data or vendor loss could result in business interruptions, remediation costs, legal claims and significant damage to our reputation.

We develop, install and maintain IT systems for ourselves, as well as for customers. For example, our June 2011 acquisition of Apptis Holdings, Inc. ("Apptis") significantly increased our network management, software engineering, and information technology infrastructure design services to the DOD and other federal agencies. Client contracts for the performance of IT services, as well as various privacy and securities laws, require us to manage and protect sensitive and confidential information from disclosure. We also need to protect our own internal trade secrets and other business confidential information from disclosure. Regardless of the countermeasures we may establish, we may be subject to network, software or hardware failures, whether caused by us, third-party service providers, intruders or hackers, computer viruses, natural disasters, power shortages or terrorist attacks. Any breach of security, disruption or unexpected data loss could result in business interruptions, remediation costs, legal claims and significant damage to our reputation.

We also rely on third-party internal and outsourced software to run our critical accounting, project management and financial information systems. For example, we rely on one software vendor's products to process a majority of our total revenues. We also depend on our software vendors to provide long-term software maintenance support for our information systems. Software vendors may decide to discontinue further development, integration or long-term software maintenance support for our information systems, in which case we may need to abandon one or more of our current information systems and migrate some or all of our accounting, project management and financial information to other systems, thus increasing our operational expense, as well as disrupting the management of our business operations.

Force majeure events, including disasters and terrorists' actions, have negatively impacted and could further negatively impact our business, which may affect our financial condition, results of operations or cash flows.

Force majeure or extraordinary events beyond the control of the contracting parties, such as natural and man-made disasters, as well as terrorist actions, could negatively impact the economies in which we operate. In 2013, our revenues were adversely affected by unusually severe weather conditions in Western Canada that disrupted activities at project sites. Also, in 2012, Superstorm Sandy caused severe floods on the East Coast, closing several offices and interrupting a number of active client projects. In addition, during the September 11, 2001 terrorist attacks, a number of employees lost their lives and many client records were destroyed when our office at the World Trade Center was destroyed.

We typically remain obligated to perform our services after such extraordinary events unless the contract contains a force majeure clause relieving us of our contractual obligations in such an extraordinary event. If we are not able to react quickly to force majeure events, our operations may be affected significantly, which would have a negative impact on our financial condition, results of operations and/or cash flows.

Negotiations with labor unions and possible work actions could divert management attention and disrupt operations. In addition, new collective bargaining agreements or amendments to agreements could increase our labor costs and operating expenses.

As of January 3, 2014, approximately 28.5% of our employees were covered by collective bargaining agreements. The outcome of any future negotiations relating to union representation or collective bargaining agreements may not be favorable to us. We may reach agreements in collective bargaining that increase our operating expenses and lower our net income as a result of higher wages or benefit expenses. In addition, negotiations with unions could divert management attention and disrupt operations, which may adversely affect our results of operations. If we are unable to negotiate acceptable collective bargaining agreements, we may have to address the threat of union-initiated work actions, including strikes. Depending on the nature of the threat or the type and duration of any work action, these actions could disrupt our operations and adversely affect our operating results.

We have a limited ability to protect our intellectual property rights, which are important to our success. Our failure to protect our intellectual property rights could adversely affect our competitive position.

Our success depends, in part, upon our ability to protect our proprietary information and other intellectual property. We rely principally on a combination of trademark, copyright, trade secrets, confidentiality policies and other contractual arrangements to protect much of our intellectual property. Trade secrets are generally difficult to protect. Although our employees are subject to confidentiality obligations, this protection may be inadequate to deter or prevent misappropriation of our confidential information. In addition, we may be unable to detect unauthorized use of our intellectual property or otherwise take appropriate steps to enforce our rights. Failure to obtain or maintain our intellectual property rights would adversely affect our competitive business position. In addition, if we are unable to prevent third parties from infringing or misappropriating our intellectual property, our competitive position could be adversely affected.

Delaware law and our charter documents may impede or discourage a merger, takeover or other business combination even if the business combination would have been in the best interests of our stockholders.

We are a Delaware corporation and the anti-takeover provisions of Delaware law impose various impediments to the ability of a third party to acquire control of us, even if a change in control would be beneficial to our stockholders. In addition, our Board of Directors has the power, without stockholder approval, to designate the terms of one or more series of preferred stock and issue shares of preferred stock, which could be used defensively if a takeover is threatened. Our incorporation under Delaware law, the ability of our Board of Directors to create and issue a new series of preferred stock and provisions in our certificate of incorporation and bylaws, such as those relating to advance notice of certain stockholder proposals and nominations, could impede a merger, takeover or other business combination involving us or discourage a potential acquirer from making a tender offer for our common stock, even if the business combination would have been in the best interests of our current stockholders.

Our stock price could become more volatile and stockholders' investments could lose value.

In addition to the macroeconomic factors that have recently affected the prices of many securities generally, all of the factors discussed in this section could affect our stock price. The timing of announcements in the public markets regarding new services or potential problems with the performance of services by us or our competitors or any other material announcements could affect our stock price. Speculation in the media and analyst community, changes in recommendations or earnings estimates by financial analysts, changes in investors' or analysts' valuation measures for our stock and market trends unrelated to our stock can cause the price of our stock to change. Continued volatility in the financial markets could also cause declines in our stock price, which could trigger an impairment of the goodwill of our individual reporting units that could be material to our consolidated financial statements. A significant drop in the price of our stock could also expose us to the risk of securities class action lawsuits, which could result in substantial costs and divert managements' attention and resources, which could adversely affect our business.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

As of January 3, 2014, we owned 41 properties and had approximately 700 facility leases in locations throughout the world. The lease terms range from a minimum of month-to-month to a maximum of 28 years from inception with indefinite options for renewal, expansions, contraction and termination, sublease rights and allowances for improvements. Our significant lease agreements expire at various dates through the year 2026. We believe that our current facilities are sufficient for the operation of our business and that suitable additional space in various local markets is available to accommodate any reasonable foreseeable needs that may arise. The following table summarizes our ten most significant leased properties by location based on annual rental expenses:

Property Location	Reporting Segment
Princeton, NJ	Energy & Construction
New York, NY	Infrastructure & Environment
Denver, CO	Energy & Construction
Chantilly, VA	Federal Services
Tampa, FL	Infrastructure & Environment
Denver, CO	Infrastructure & Environment
Germantown, MD	Infrastructure & Environment
San Francisco, CA	Corporate / Infrastructure & Environment
Germantown, MD	Federal Services
Boise, ID	Energy & Construction

ITEM 3. LEGAL PROCEEDINGS

Various legal proceedings are pending against our subsidiaries and us. The resolution of outstanding claims and litigation is subject to inherent uncertainty, and it is reasonably possible that resolution of any of the outstanding claims or litigation matters could have a material adverse effect on us. See Note 17, “Commitments and Contingencies,” to our “Consolidated Financial Statements and Supplementary Data” included under Item 8 of this report for a discussion of our legal proceedings, which is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURE

Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) requires domestic mine operators to disclose violations and orders issued under the Federal Mine Safety and Health Act of 1977 (the “Mine Act”) by the federal Mine Safety and Health Administration. We do not act as the owner of any mines, but we may act as a mining operator as defined under the Mine Act where we may be a lessee of a mine, a person who operates, controls or supervises such mine, or an independent contractor performing services or construction of such mine.

Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Act and Item 104 of Regulation S-K is included in Exhibit 95.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Market information

Our common stock is listed on the New York Stock Exchange under the symbol "*URS*." As of February 28, 2014, we had 2,421 stockholders of record. The following table sets forth the high and low sale prices of our common stock, as well as dividend information, for the periods indicated.

	Sales Price per Share		
	Low	High	Dividends Declared per Share
2013			
First Quarter	$ 38.38	$ 47.49	$ 0.21
Second Quarter	$ 42.44	$ 49.45	$ 0.21
Third Quarter	$ 45.21	$ 55.79	$ 0.21
Fourth Quarter	$ 50.10	$ 55.68	$ 0.21
2012			
First Quarter	$ 35.40	$ 47.16	$ 0.20
Second Quarter	$ 32.13	$ 43.64	$ 0.20
Third Quarter	$ 32.76	$ 38.88	$ 0.20
Fourth Quarter	$ 33.20	$ 40.27	$ 0.20

Future dividends are subject to approval by our Board of Directors.

Stock Purchases

The following table sets forth all purchases made by us or any “affiliated purchaser” as defined in Rule 10b-18(a)(3) of the Securities Exchange Act of 1934, as amended, of our common shares during the three monthly periods that comprise our fourth quarter of 2013:

	(a) Total Number of Shares Purchased (1,2)	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	(d) Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs (2)
	(In millions, except average price paid per share)			
October 5, 2013 – November 1, 2013	—†	$ 55.23	—	4.0
November 2, 2013 – November 29, 2013	—†	52.12	—	4.0
November 30, 2013 – January 3, 2014	—†	51.34	—	4.0
Total	—		—	

(1) Reflects purchases of shares previously issued pursuant to awards issued under our equity incentive plans, which allow our employees to surrender shares of our common stock as payment toward the exercise cost and tax withholding obligations associated with the exercise of stock options or the vesting of restricted or deferred stock.

(2) For fiscal years 2012 and 2013, the authorized shares under the repurchase program were 3.0 million shares, plus the number of shares equal to the difference between the number of shares authorized to be repurchased in the prior year and the actual number of shares repurchased during the prior year, not to exceed 6.0 million shares in aggregate. In February 2014, our Board of Directors approved a modification of our stock repurchase program to allow for the repurchase of up to 12.0 million shares of our common stock in fiscal year 2014. The Board of Directors may modify, suspend, extend or terminate the program at any time.

† Represents less than half a million shares.

Our 2011 Credit Facility permits unlimited dividend payments and stock repurchases if no default has occurred and our Consolidated Leverage Ratio is equal to or less than 1.50:1.00. However, if no default has occurred and the Consolidated Leverage Ratio is below the threshold indication above, then our dividend payments and stock repurchases are limited to $200 million per fiscal year and the sum of 50% of our cumulative net income and net cash proceeds from the issuance of equity securities to third parties after October 19, 2011.

ITEM 6. SELECTED FINANCIAL DATA

The following selected financial data was derived from our consolidated financial statements. You should read the selected financial data presented below in conjunction with the information contained in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our consolidated financial statements and the notes thereto contained in Item 8,"Consolidated Financial Statements and Supplementary Data," of this report.

(In millions, except per share data)	Year Ended January 3, 2014 (1)	Year Ended December 28, 2012 (1,2)	Year Ended December 30, 2011 (1,2)	Year Ended December 31, 2010 (1,2)	Year Ended January 1, 2010 (1)
Income Statement Data:					
Revenues	$ 10,990.7	$ 10,972.5	$ 9,545.0	$ 9,177.1	$ 9,249.1
Cost of revenues	(10,416.0)	(10,294.5)	(8,988.8)	(8,609.5)	(8,772.4)
General and administrative expenses	(77.5)	(83.6)	(79.5)	(71.0)	(75.8)
Acquisition-related expenses (2)	—	(16.1)	(1.0)	(11.9)	—
Restructuring costs (3)	—	—	(5.5)	(10.6)	—
Goodwill impairment (4)	—	—	(351.3)	—	—
Impairment of an intangible asset (5)	—	—	—	—	(32.8)
Equity in income of unconsolidated joint ventures (6)	93.6	107.6	132.2	70.3	100.9
Operating income	590.8	685.9	251.1	544.4	469.0
Other income (expenses) (7)	(7.7)	0.5	—	—	47.9
Net income (loss) attributable to URS	247.2	310.6	(42.9)	287.9	269.1
Earnings (loss) per share:					
Basic	$ 3.35	$ 4.18	$ (0.56)	$ 3.56	$ 3.31
Diluted	$ 3.31	$ 4.17	$ (0.56)	$ 3.54	$ 3.29
Cash dividends declared per share (8)	$ 0.84	$ 0.80	$ —	$ —	$ —
Balance Sheet Data (As of the end of the period):					
Total assets	$ 8,718.0	$ 9,261.0	$ 7,337.1	$ 7,351.4	$ 6,904.4
Total long-term debt (9)	$ 1,666.9	$ 1,992.5	$ 737.0	$ 641.3	$ 689.7
Total URS stockholders' equity (8)	$ 4,081.2	$ 4,044.0	$ 3,800.1	$ 4,117.2	$ 3,905.8
Total noncontrolling interests	$ 145.8	$ 141.9	$ 107.2	$ 83.8	$ 44.7
Total stockholders' equity	$ 4,227.0	$ 4,185.9	$ 3,907.3	$ 4,201.0	$ 3,950.5

(1) Our fiscal year is the 52/53-week period ending on the Friday closest to December 31. Our fiscal year ended January 3, 2014 contained 53 weeks.

(2) We completed the acquisitions of Flint, Apptis and Scott Wilson Group plc ("Scott Wilson") in May 2012, June 2011 and September 2010, respectively. The operating results of Flint, Apptis and Scott Wilson, since their respective acquisition dates, are included in our consolidated financial statements under the Oil & Gas Division, Federal Services Division and the Infrastructure & Environment Division, respectively.

(3) For the years ended December 30, 2011 and December 31, 2010, we recorded restructuring costs in our international businesses. For further discussion regarding the fiscal year 2011 costs, see Note 17, "Commitments and Contingencies," to our"Consolidated Financial Statements and Supplementary Data" included under Item 8 of this annual report.

(4) During the year ended December 30, 2011, we recorded a goodwill impairment charge of $351.3 million. On a net, after-tax basis, this charge resulted in decreases to net income and diluted earnings per share (“EPS”) of $309.4 million and $3.99, respectively, for the year ended December 30, 2011. For further discussion, see Note 9, “Goodwill and Intangible Assets,” to our “Consolidated Financial Statements and Supplementary Data” included under Item 8 of this annual report.

(5) During fiscal year 2009, we recorded a $32.8 million charge for the impairment of our intangible asset related to the "Washington" trade name. On a net, after-tax basis, this transaction resulted in decreases to net income and EPS of $19.6 million and $0.24, respectively, for the year ended January 1, 2010.

(6) In October 2010, we received notice of a ruling on the priority of claims against a bankrupt client made by one of our unconsolidated joint ventures related to the SR-125 road project in California. The judge ruled against our joint venture's position, finding that its mechanic's lien did not have priority over the senior lenders. As a result of the court's decision, we recorded a pre-tax non-cash asset impairment charge of $25.0 million during fiscal year 2010. During the second quarter of 2011, we recognized a pre-tax favorable claim settlement of $9.5 million on this project.

(7) During fiscal year 2009, we recorded $47.9 million of other income, net, consisting of a $75.6 million gain associated with the sale of our equity investment in MIBRAG mbH ("MIBRAG"), net of $5.2 million of sale-related costs. This gain was partially offset by a $27.7 million loss on the settlement of a foreign currency forward contract, which primarily hedged our net investment in MIBRAG. On a net, after-tax basis, these two transactions resulted in increases to net income and diluted EPS of $30.6 million and $0.37, respectively, for the year ended January 1, 2010.

(8) On February 24, 2012, our Board of Directors approved the initiation of a regular quarterly cash dividend program and authorized a $0.20 per share quarterly dividend. On February 22, 2013, our Board of Directors approved the continuation of this program and authorized a $0.21 per share quarterly dividend.

(9) On December 19, 2013, we entered into an amendment to our 2011 Credit Facility by extending the maturity date by two years to December 19, 2018. On December 27, 2013, Flint redeemed all of its outstanding senior notes ("Canadian Notes"). During fiscal year 2012, we issued $1.0 billion of Senior Notes in connection with the acquisition of Flint. During fiscal year 2011, we entered into our 2011 Credit Facility, which provided a term loan facility of $700.0 million and revolving credit facilities of $1.0 billion. For further discussion, see Note 11, "Indebtedness," to our "Consolidated Financial Statements and Supplementary Data" included under Item 8 of this annual report.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion contains, in addition to historical information, forward-looking statements that involve risks and uncertainties. Our actual results and the timing of events could differ materially from those described herein. See "URS Corporation and Subsidiaries" regarding forward-looking statements on page 1. You should read this discussion in conjunction with Item 1A, "Risk Factors," beginning on page 20; the consolidated financial statements and notes thereto contained in Item 8, "Consolidated Financial Statements and Supplementary Data," of this report.

BUSINESS SUMMARY

We are a leading international provider of engineering, construction and technical services. We offer a broad range of program management, planning, design, engineering, construction and construction management, operations and maintenance, and decommissioning and closure services to public agencies and private sector clients around the world. We also are a U.S. federal government contractor in the areas of systems engineering and technical assistance, operations and maintenance, management and operations, and IT services. With approximately 50,000 employees, as of January 31, 2014, in a global network of offices and contract-specific job sites in nearly 50 countries, we provide services for federal, infrastructure, oil and gas, power and industrial programs and projects.

Our strategy is to maintain a balanced portfolio of diversified businesses that serve a variety of markets worldwide. We believe that this strategy helps to mitigate our exposure to industrial, technological, environmental, financial, economic and political risks that may affect a particular market or geographic region. Our growth strategy involves both organic growth as well as add-on acquisitions to complement our technical capabilities or enable us to serve new geographic regions.

We generate revenues by providing fee-based professional and technical services and by executing construction contracts. As a result, our professional and technical services are primarily labor intensive and our construction projects are labor and capital intensive. To derive income from our revenues, we must effectively manage our costs.

Our revenues are dependent upon our ability to attract and retain qualified and productive employees, identify business opportunities, allocate our labor resources to profitable markets, secure new contracts, execute existing contracts, and maintain existing client relationships. Moreover, as a professional services company, the quality of the work generated by our employees is integral to our revenue generation.

Our cost of revenues is comprised of the compensation we pay to our employees, including fringe benefits; the cost of subcontractors, construction materials and other project-related expenses; and segment administrative, marketing, sales, bid and proposal, rental and other overhead costs.

We report our financial results on a consolidated basis and for our four reporting segments: the Infrastructure & Environment Division, the Federal Services Division, the Energy & Construction Division and the Oil & Gas Division.

OVERVIEW AND BUSINESS TRENDS

Fiscal Year 2013 Results

Consolidated revenues for the year ended January 3, 2014 were $11.0 billion, an increase of $18.2 million, or 0.2%, compared to revenues for fiscal year 2012. During the 2013 fiscal year, revenues increased from our work in the oil and gas market sector, as our results reflect a full year of Flint operations in 2013 compared with a partial year in 2012, and from our work in the infrastructure market sector. By contrast, revenues in the industrial market sector were essentially flat, and we experienced declines in revenues from our work in the federal and power market sectors.

Net income attributable to URS for the year ended January 3, 2014 was $247.2 million compared with net income of $310.6 million for the year ended December 28, 2012, primarily due to underperformance in the Oil & Gas Division. This decrease was partially offset by earnings from our work managing chemical demilitarization programs.

Cash Flows and Debt

During the year ended January 3, 2014, we generated $614.2 million in net cash from operations. Cash flows from operations increased by $184.0 million for fiscal year 2013 compared with fiscal year 2012. This increase was primarily due to the timing of billings, collections and advance payments from clients on accounts receivable, income tax payments, and dividend distributions from our unconsolidated joint ventures. The increase was partially offset by the timing of vendor and subcontractor payments, and salary and employee benefit payments.

In addition, we had cash outflows of $184.9 million related to the redemption of the Canadian Notes, which included principal and a prepayment fee, $93.3 million related to repurchases of our common stock, and $62.2 million of cash dividends paid during the year ended January 3, 2014.

Book of Business

As of January 3, 2014 and December 28, 2012, our total book of business was $22.8 billion and $24.9 billion, respectively. Our backlog and option years decreased primarily due to the continuing delays in contract awards and an increase in short-term extensions on existing contracts for work we perform for the U.S. federal government. Our IDCs increased mainly due to the continuing shift towards the use of IDCs by both public and particularly, private sector clients.

Business Trends

It is difficult to predict the impact of the continuing global economic weakness on our business or to forecast business trends accurately. We believe that our expectations regarding business trends are reasonable and are based on reasonable assumptions. However, such forward-looking statements, by their nature, involve risks and uncertainties and, in the current economic climate, may be subject to an unusual degree of uncertainty. You should read this discussion of business trends in conjunction with Item 1A, "Risk Factors," of this report, which begins on page 20. Government budget deficits and debt burdens, federal budget cutbacks and potential sequestration, the U.S. federal government shutdown in October 2013, slow economic growth, and efforts made to address any of these issues could negatively affect our business. In particular, federal expenditures have been adversely affected due to the October 2013 federal government shutdown, and other federal budget issues, such as sequestration resulting from the Budget Control Act of 2011. Federal spending cutbacks will also result from the Bipartisan Budget Act of 2013, and we could face additional government shutdowns and increasing budget cuts as a result of sequestration in the future that may impact our work for the DOD and other federal agencies. Any significant reduction in federal government spending could reduce the demand for our overall services, and result in the cancellation or delay of existing projects, as well as potential projects in our book of business.

Federal Market Sector

Due to U.S. federal budget cuts and continuing budget uncertainty, we expect to continue experiencing delays in procurement decisions, project cancellations and reductions in spending on some existing contracts. Federal spending cutbacks will also result from the Bipartisan Budget Act of 2013, and we could face additional government shutdowns and increasing budget cuts as a result of sequestration in the future, all of which could impact our work for the DOD and other federal agencies. These budget cuts have resulted in reduced funding for some of the work we perform on behalf of the U.S. federal government. Despite these budget challenges, we anticipate stable funding for some of the specialized technical services we provide to federal government agencies in support of programs that are vital to national security or mandated by law. This includes support of electronic warfare, threat reduction, counter-terrorism, and cyber-security programs.

We have multiple contracts to manage the destruction of chemical agents and weapons at various DOD chemical demilitarization facilities, including at the Umatilla Chemical Depot, the Tooele Chemical Agent Disposal Facility, the Pine Bluff Arsenal, the Anniston Army Depot, the Blue Grass Army Depot and Pueblo Chemical Depot. Revenues and operating income from the various chemical demilitarization contracts were, collectively, $648 million and $213 million, respectively, for the year ended January 3, 2014. These amounts primarily reflect accelerated incentive awards of $143 million at several project facilities as a result of our achievement of early completion milestones, including $53 million related to the commencement of the recognition of performance-based incentive awards on one project. Because we have met numerous early completion milestones at four of the project facilities, these sites are either in or are expected to transition to the closure phase. While we expect to continue generating revenues and operating income from these projects in the future, we anticipate that these amounts will decline as the projects approach final completion. We estimate that revenues and operating income from these projects will decrease by over 50% in 2014 as compared to 2013.

Infrastructure Market Sector

As a result of increased tax revenues and improved budgets, many states are moving forward with additional funding for infrastructure improvement programs, although some states continue to experience budget challenges. Some states also have instituted alternative funding mechanisms, such as dedicated tax measures, user fees and public-private partnerships, to finance infrastructure projects. Additionally, in February 2014, President Obama outlined a plan for a four-year, $302 billion federal transportation authorization to replace the two-year, $105 billion Moving Ahead for Progress in the 21st Century Act, which expires on September 30, 2014. If enacted by Congress, the plan would significantly increase current levels of funding for highways, rail and mass transit infrastructure.

Oil and Gas Market Sector

During the second quarter of the 2012 fiscal year, we acquired Flint, a provider of construction and maintenance services to clients in the North American oil and gas industry. The acquisition significantly expanded our presence in the North American oil and gas market sector. As a result of the acquisition, we expect that any increase in capital spending to develop North American oil and gas resources could lead to increased demand for the engineering, construction and operations and maintenance services that we provide to clients in the oil and gas market sector. We may continue to be affected by a slowdown in project activity due to continued low natural gas prices and limited pipeline capacity for oil produced in the Canadian oil sands.

Power Market Sector

We expect that stagnant demand for power and lower plant utilization rates will continue to limit spending for new fossil and nuclear plants. In addition, the shift from the development of coal-fired power generating facilities to natural gas, and challenges to the implementation of new emission control regulations, have resulted, and could continue to result, in lower demand for the air quality control services we provide to utilities. By contrast, we could benefit from new investments being made in transmission and distribution systems to improve the efficiency and reliability of these systems and to accommodate the transmission of electricity from alternative and renewable energy sources. In addition, following events at the Fukushima nuclear power plant in Japan, the U.S. Nuclear Regulatory Commission issued new safety requirements to strengthen containment structures and to improve on-site flood control and seismic safety plans, which could result in increased demand for the engineering, procurement and construction services we provide.

Industrial Market Sector

We are encouraged about signs of recovery in our industrial market sector. If our clients experience an increase in demand for durable goods, we could see increased demand for the engineering, procurement, construction and facilities management services we provide. In addition, we expect to continue to benefit from steady demand for the environmental and engineering services we provide to industrial clients under Master Service Agreements ("MSAs"). These services typically support our clients' ongoing operations and help them comply with regulatory mandates. We also anticipate growth in our mining business in the U.S. and Australia as a result of new contract awards in 2013.

Seasonality

We experience seasonal trends in our business in connection with holidays. Our revenues typically are lower during these times of the year because many of our clients' employees, as well as our own employees, do not work during these holidays, resulting in fewer billable hours charged to projects and thus, lower revenues recognized. In addition to holidays, our business also is affected by seasonal bad weather conditions, such as hurricanes, floods, snowstorms or other inclement weather, which may cause some of our offices and projects to close or reduce activities temporarily. For example, in the first quarter of the year, winter weather sometimes results in intermittent office closures and work interruptions. In our Oil & Gas Division, winter weather enables increased access to remote work areas in Northern Canada, while spring road bans limit access to work areas in Canada and the Northern U.S.

Other Business Trends

The diversification of our business and changes in the mix and timing of our fixed-cost, target-price and other contracts can cause earnings and profit margins to vary between periods. For example, we have, for some time, experienced an increase in the number of fixed-price contract opportunities, particularly among clients in the federal, power, infrastructure, and oil and gas market sectors. The increase in fixed-price contracting creates additional risks of incurring losses and opportunities for achieving higher margins on these contracts. There is also an increase in the award of federal contracts based on a low-price, technically acceptable criteria emphasizing price over qualitative factors, such as past performance. As a result, pricing pressure may reduce our profit margins on future federal contracts. Also, our public and private sector clients are increasingly using IDCs that require us to engage in a competitive procurement process before any task orders are issued as compared to traditional award contracts. Additionally, the traditional award contracts we receive are tending to include fewer base years and more option years. These trends change the relationship between backlog and revenues, resulting in smaller, shorter term increments moving from IDCs and option years into backlog and then potentially realized as revenues. Ultimately, however, revenues from IDC task orders and option years will typically lower our reported backlog and increase our reported IDC and option years in our book of business. In addition, earnings recognition on many contracts is measured based on progress achieved as a percentage of the total project effort or upon the completion of milestones or performance criteria rather than evenly or linearly over the period of performance.

We cannot determine if proposed climate change and greenhouse gas regulations would have a material impact on our business or our clients' businesses at this time; however, any new regulations could affect demand for the services we provide to our clients. For example, depending on legislation enacted, we could see reduced client demand for our services related to fossil fuel and industrial projects, and increased demand for services related to environmental, infrastructure and nuclear and alternative energy.

CONSOLIDATED REVENUES BY MARKET SECTOR

The Year Ended January 3, 2014 Compared with the Year Ended December 28, 2012

(In millions, except percentages)	Year Ended January 3, 2014	December 28, 2012 (1)	Increase (Decrease)	Percentage Increase (Decrease)
Revenues by Market Sector:				
Federal	$ 3,719.5	$ 4,435.0	$ (715.5)	(16.1%)
Infrastructure	1,936.3	1,791.4	144.9	8.1%
Oil and Gas	3,227.1	2,310.6	916.5	39.7%
Power	973.1	1,304.4	(331.3)	(25.4%)
Industrial	1,134.7	1,131.1	3.6	0.3%
Total revenues, net of eliminations	$ 10,990.7	$ 10,972.5	$ 18.2	0.2%

(1) The operating results of Flint have been included in our consolidated results since the acquisition on May 14, 2012.

Consolidated Revenues by Market Sector

Our consolidated revenues for the year ended January 3, 2014 were $11.0 billion, an increase of $18.2 million, or 0.2%, compared with the year ended December 28, 2012.

The following discussion of revenues by market sector analyzes and explains the year over year changes.

Federal

(In millions, except percentages)	Year Ended January 3, 2014	December 28, 2012	Increase (Decrease)	Percentage Increase (Decrease)
Federal Market Sector:				
Infrastructure & Environment	$ 562.3	$ 670.1	$ (107.8)	(16.1%)
Federal Services	2,261.1	2,720.8	(459.7)	(16.9%)
Energy & Construction	896.1	1,044.1	(148.0)	(14.2%)
Federal total	$ 3,719.5	$ 4,435.0	$ (715.5)	(16.1%)

Consolidated revenues from our federal market sector for the year ended January 3, 2014 declined compared with the year ended December 28, 2012. During the 2013 fiscal year, revenues from many of the services we provide to federal government agencies in the U.S. declined due to continuing delays in the award of new contracts because of the ongoing federal budget debate, the federal government shutdown in October 2013, and sequestration. As a result, revenues decreased from the engineering, facility construction, systems engineering, technical assistance, and operations and maintenance services we provide to the DOD.

Revenues also declined from our work under various contracts managing the destruction of chemical weapons stockpiles at chemical agent disposal facilities in the U.S. At many of these facilities, our work has transitioned from the operations phase to the closure phase, resulting in lower levels of activity. Our work providing management and operations services to the DOE also was affected by lower funding and sequestration, resulting in decreased activity at the DOE sites we manage.

Infrastructure

(In millions, except percentages)	Year Ended January 3, 2014	Year Ended December 28, 2012	Increase (Decrease)	Percentage Increase (Decrease)
Infrastructure Market Sector:				
Infrastructure & Environment	$ 1,647.4	$ 1,550.1	$ 97.3	6.3%
Energy & Construction	288.9	241.3	47.6	19.7%
Infrastructure total	$ 1,936.3	$ 1,791.4	$ 144.9	8.1%

Consolidated revenues from our infrastructure market sector for the year ended January 3, 2014 increased compared with the year ended December 28, 2012. Revenues increased during the 2013 fiscal year from the planning, design, engineering, and program and construction management services we provide for the development of surface, air, rail, and mass transit transportation infrastructure. Revenues also grew from the services we provide to expand and modernize water storage, conveyance and treatment systems. In addition, we experienced high levels of activity on a project to construct a dam in Illinois and on a streetcar line construction project in Atlanta. This increase was partially offset by a decline in our work modernizing and expanding educational and health care facilities due to the completion of assignments that have not been replaced by similar projects.

Oil and Gas

(In millions, except percentages)	Year Ended January 3, 2014	Year Ended December 28, 2012	Increase (Decrease)	Percentage Increase (Decrease)
Oil and Gas Market Sector:				
Infrastructure & Environment	$ 559.4	$ 552.5	$ 6.9	1.2%
Energy & Construction	484.9	288.9	196.0	67.8%
Oil & Gas (1)	2,182.8	1,469.2	713.6	48.6%
Oil and Gas total	$ 3,227.1	$ 2,310.6	$ 916.5	39.7%

(1) The operating results of Flint have been included in our consolidated results since the acquisition on May 14, 2012.

Consolidated revenues from our oil and gas market sector for the year ended January 3, 2014 increased compared with the year ended December 28, 2012. The growth in our oil and gas business primarily reflects the acquisition of Flint, which became our Oil & Gas Division at the completion of the acquisition on May 14, 2012. During the 2013 fiscal year, the Oil & Gas Division generated $2.2 billion in revenues from work providing construction and maintenance services to the North American oil and gas industry. During the 2012 fiscal year, the Oil & Gas Division generated $1.5 billion in revenues beginning May 14, 2012 through December 28, 2012. In addition to the effects of the Flint acquisition, revenues also increased from the environmental and engineering services we provide to oil and gas clients worldwide through long-term MSAs, as well as from projects to construct natural gas production facilities.

Power

(In millions, except percentages)	Year Ended January 3, 2014	December 28, 2012	Increase (Decrease)	Percentage Increase (Decrease)
Power Market Sector:				
Infrastructure & Environment	$ 247.6	$ 209.8	$ 37.8	18.0%
Energy & Construction	725.5	1,094.6	(369.1)	(33.7%)
Power total	$ 973.1	$ 1,304.4	$ (331.3)	(25.4%)

Consolidated revenues from our power market sector for the year ended January 3, 2014 decreased compared with the year ended December 28, 2012. During the 2013 fiscal year, revenues decreased from our work retrofitting coal-fired power plants with air quality control systems as a result of the completion of assignments that experienced high levels of activity in 2012. We also experienced delays and suspensions of new projects, resulting from regulatory uncertainty and stagnant demand for electricity. Revenues also declined from projects involving the replacement of major components at nuclear power plants, due largely to the completion of two major assignments that have not been replaced by comparable projects. By contrast, we experienced an increase in revenues from the environmental remediation services we provide for the decommissioning and closure of power generating facilities that are no longer in operation.

Industrial

(In millions, except percentages)	Year Ended January 3, 2014	December 28, 2012	Increase (Decrease)	Percentage Increase (Decrease)
Industrial Market Sector:				
Infrastructure & Environment	$ 665.3	$ 700.5	$ (35.2)	(5.0%)
Energy & Construction	469.4	430.6	38.8	9.0%
Industrial total	$ 1,134.7	$ 1,131.1	$ 3.6	0.3%

Consolidated revenues from our industrial market sector for the year ended January 3, 2014 were essentially flat compared with the year ended December 28, 2012. In fiscal 2013, we experienced increased activity and revenues on a contract to construct a chemical production facility in Tennessee, and we benefitted from sustained demand for the environmental and engineering services we provide to manufacturing and other industrial clients worldwide through long-term MSAs. By contrast, revenues declined from the engineering and construction services we provide to support mine expansion projects, due largely to the completion of a large project in Australia to construct a mine tailings facility, as well as the wind down of a contract to operate a phosphate mine in Canada. These declines were partially offset by increased activity on new mining projects in Arizona and New Mexico. Revenues also declined from our work providing facility management services to manufacturing clients, reflecting a decrease in the volume of work on existing contracts and from the planning and design services we provide to commercial clients.

CONSOLIDATED RESULTS

The Year Ended January 3, 2014 Compared with the Year Ended December 28, 2012

(In millions, except percentages and per share amounts)	Year Ended January 3, 2014	December 28, 2012 (1)	Increase (Decrease)	Percentage Increase (Decrease)
Revenues	$ 10,990.7	$ 10,972.5	$ 18.2	0.2%
Cost of revenues	(10,416.0)	(10,294.5)	121.5	1.2%
General and administrative expenses	(77.5)	(83.6)	(6.1)	(7.3%)
Acquisition-related expenses	—	(16.1)	(16.1)	N/M
Equity in income of unconsolidated joint ventures	93.6	107.6	(14.0)	(13.0%)
Operating income	590.8	685.9	(95.1)	(13.9%)
Interest expense	(86.1)	(70.7)	15.4	21.8%
Other income (expense), net	(7.7)	0.5	(8.2)	(1640.0%)
Income before income taxes	497.0	615.7	(118.7)	(19.3%)
Income tax expense	(167.7)	(189.9)	(22.2)	(11.7%)
Net income including noncontrolling interests	329.3	425.8	(96.5)	(22.7%)
Noncontrolling interests in income of consolidated subsidiaries	(82.1)	(115.2)	(33.1)	(28.7%)
Net income attributable to URS	$ 247.2	$ 310.6	$ (63.4)	(20.4%)
Diluted earnings per share	$ 3.31	$ 4.17	$ (0.86)	(20.6%)

N/M = Not meaningful

(1) The operating results of Flint have been included in our consolidated results since the acquisition on May 14, 2012.

CONSOLIDATED RESULTS BY DIVISION

Revenues

(In millions, except percentages) **Year ended**	**Infrastructure & Environment**	**Federal Services**	**Energy & Construction**	**Oil & Gas** (1)	**Eliminations**	**Total**
January 3, 2014	$ 3,758.0	$ 2,263.0	$ 2,911.0	$ 2,208.2	$ (149.5)	$ 10,990.7
December 28, 2012	3,792.1	2,721.6	3,138.1	1,475.1	(154.4)	10,972.5
Increase (decrease)	(34.1)	(458.6)	(227.1)	733.1	(4.9)	18.2
Percentage increase (decrease)	(0.9%)	(16.9%)	(7.2%)	49.7%	(3.2%)	0.2%

(1) The operating results of Flint have been included in our consolidated results since the acquisition on May 14, 2012.

The revenues reported are presented prior to the elimination of inter-segment transactions. Our analysis of the changes in revenues by reporting segment is discussed below.

The Infrastructure & Environment Division's Revenues

The Infrastructure & Environment Division's revenues were essentially flat for the year ended January 3, 2014 compared to the year ended December 28, 2012. During the 2013 fiscal year, decreases in federal spending, the federal government shutdown and delays in new project awards resulted in lower revenues in the federal market sector. We also experienced a decrease in revenues from the environmental and engineering services we provide to mining clients, which was partially offset by an increase in revenues from the services we provide to chemical and other industrial clients.

By contrast, we experienced an increase in revenues from planning, design, engineering, and program and construction management services for the development of surface, air, and rail transportation infrastructure, as well as from the environmental remediation services we provide in the power market sector for the decommissioning and closure of power facilities.

The Federal Services Division's Revenues

The Federal Services Division's revenues decreased for the year ended January 3, 2014 compared to the year ended December 28, 2012. Revenues associated with our chemical agent demilitarization programs declined from $814.8 million for the year ended December 28, 2012 to $648.0 million for the year ended January 3, 2014. This decline reflects the transition at several facilities from the operations phase of the projects to the closure phase, which is characterized by lower levels of activity. Revenues related to other services also declined as a result of delayed awards on new and existing programs, the conclusion of several task orders on large IT projects, delays in finalizing the DOD's budget, and the effects of sequestration. These decreases were partially offset by higher revenues from our work supporting the DOD's threat detection programs.

The Energy & Construction Division's Revenues

The Energy & Construction Division's revenues for the year ended January 3, 2014 decreased compared with the year ended December 28, 2012. The decrease was primarily due to the completion of large air quality control projects and delays in new project awards in the power market sector. In addition, revenues declined due to the timing and completion of maintenance outage work at nuclear power plants and the termination of work on a refinery project. In addition, the federal government shutdown and reduced funding resulted in lower revenues from our work providing nuclear management services to the DOE and project ramp down related to projects in the oil and gas market sector also contributed to decreased revenues.

These decreases were partially offset by the start-up of a new air quality control project in the power sector as well as higher revenues from projects involving the construction of natural gas production facilities and a chemical production facility.

The Oil & Gas Division's Revenues

The Oil & Gas Division's revenues for the year ended January 3, 2014 increased substantially from the prior year, reflecting the May 14, 2012 acquisition of Flint. Our results reflect a full year of Flint operations in 2013 compared with a partial year in 2012. These revenues were derived from the construction and construction management, and operations and maintenance services that we provide, including facility and pipeline construction, transportation, and asset management and maintenance services, for the North American oil and gas industry. Since the acquisition, the revenues of Flint have been included in our consolidated results under our Oil & Gas Division.

During fiscal year 2013, revenues were adversely affected by unusually severe weather conditions in Western Canada that disrupted activities at project sites; project deferrals due to a slowdown in activity in the natural gas market caused by continued low prices, which, in turn, resulted in reduced natural gas-related drilling activities; and limited pipeline capacity for oil produced in the Canadian oil sands.

Cost of Revenues

(In millions, except percentages) **Year ended**	**Infrastructure & Environment**	**Federal Services**	**Energy & Construction**	**Oil & Gas** (1)	**Eliminations**	**Total**
January 3, 2014	$ (3,546.3)	$ (2,000.8)	$ (2,821.9)	$ (2,196.5)	$ 149.5	$ (10,416.0)
December 28, 2012	(3,575.2)	(2,478.7)	(2,976.9)	(1,418.1)	154.4	(10,294.5)
Increase (decrease)	(28.9)	(477.9)	(155.0)	778.4	(4.9)	121.5
Percentage increase (decrease)	(0.8%)	(19.3%)	(5.2%)	54.9%	(3.2%)	1.2%

(1) The operating results of Flint have been included in our consolidated results since the acquisition on May 14, 2012.

Our consolidated cost of revenues, which consists of labor, subcontractor costs, and other expenses related to projects, and services provided to our clients, for the year ended January 3, 2014 increased compared with the year ended December 28, 2012. Because our revenues are primarily project-based, the factors that generally caused revenues to increase or decrease also drove a corresponding increase or decrease in our cost of revenues. In addition, project execution issues in the Oil & Gas Division caused the percentage increase in our cost of revenues to be inconsistent with the percentage increase in our revenues.

Consolidated cost of revenues as a percent of revenues increased from 93.8% for the year ended December 28, 2012 to 94.8% for the year ended January 3, 2014.

General and Administrative Expenses

Our consolidated general and administrative ("G&A")expenses for the year ended January 3, 2014 decreased by $6.1 million or 7.3% compared with the year ended December 28, 2012. The decrease in G&A expenses was due primarily to reductions in employee incentive compensation expense of $10.1 million and legal expenses of $2.4 million, partially offset by increases in auditing and accounting services of $2.8 million resulting from the registration of the Senior Notes. Consolidated G&A expenses as a percent of revenues were 0.7% for the year ended January 3, 2014 compared to 0.8% for the year ended December 28, 2012.

Acquisition-related Expenses

Our consolidated acquisition-related expenses generally include legal fees, consultation fees, travel expenses, and other miscellaneous direct and incremental administrative expenses. We did not incur any acquisition-related expenses for the year ended January 3, 2014. For the year ended December 28, 2012, we recorded $16.1 million of acquisition-related expenses for our acquisition of Flint.

Equity in Income (Loss) of Unconsolidated Joint Ventures

(In millions, except percentages) **Year ended**	**Infrastructure & Environment**	**Federal Services**	**Energy & Construction**	**Oil & Gas** (1)	**Total**
January 3, 2014	$ 2.4	$ 6.3	$ 86.7	$ (1.8)	$ 93.6
December 28, 2012	4.0	6.4	93.0	4.2	107.6
Increase (decrease)	(1.6)	(0.1)	(6.3)	(6.0)	(14.0)
Percentage increase (decrease)	(40.0%)	(1.6%)	(6.8%)	(142.9%)	(13.0%)

(1) The operating results of Flint have been included in our consolidated results since the acquisition on May 14, 2012.

Our consolidated equity in income of unconsolidated joint ventures for the year ended January 3, 2014 decreased compared with the year ended December 28, 2012. The decrease was primarily attributable to a $9.0 million decrease in earnings resulting from lower target-cost savings at one of the nuclear management, operations and cleanup projects in the U.K., and a $7.9 million decrease in earnings from a light rail construction project nearing completion in 2013. These decreases were partially offset by higher earnings at another nuclear cleanup project in the U.K. as a result of new contractual earnings metrics and increased earnings from a mining joint venture in Australia. In addition, our equity in income of unconsolidated joint ventures included $7.7 million and $4.5 million of amortization of intangible assets for a joint venture that provides services to the Canadian energy sector for the years ended January 3, 2014 and December 28, 2012, respectively.

Operating Income

(In millions, except percentages) **Year ended**	**Infrastructure & Environment**	**Federal Services**	**Energy & Construction**	**Oil & Gas** (1)	**Corporate**	**Total**
January 3, 2014	$ 214.1	$ 268.5	$ 175.8	$ 9.9	$ (77.5)	$ 590.8
December 28, 2012	220.9	249.3	254.2	61.2	$ (99.7)	685.9
Increase (decrease)	(6.8)	19.2	(78.4)	(51.3)	$ (22.2)	(95.1)
Percentage increase (decrease)	(3.1%)	7.7%	(30.8%)	(83.8%)	(22.3%)	(13.9%)

(1) The operating results of Flint have been included in our consolidated results since the acquisition on May 14, 2012.

As a percentage of revenues, operating income for the year ended January 3, 2014 was 5.4% compared to 6.3% for the year ended December 28, 2012. The decrease in operating income in fiscal year 2013 relative to the corresponding period of 2012 was due to multiple factors, including lower revenues associated with work for the U.S. federal government, the completion of several large fossil and nuclear power projects, and execution issues in our Oil & Gas Division, which were identified in the fourth quarter and led to a significant deterioration in project earnings. Our Oil & Gas Division also experienced project delays caused, in part, by the residual effects of lower than expected natural gas prices and pipeline capacity. The decrease was partially offset by reductions in employee incentive compensation expense of $65.5 million, as well as the favorable resolution of a $23.3 million accrual associated with the estimated costs of employee benefit obligations on chemical demilitarization programs that was incurred in the prior year. See the detailed discussion of operating income by segment below.

The Infrastructure & Environment Division's Operating Income

Operating income as a percentage of revenues was 5.7% for the year ended January 3, 2014 compared to 5.8% for the year ended December 28, 2012. The decrease in operating income and operating income as a percentage of revenues was attributable to a combination of a decrease in revenues and an increase in overhead costs, such as benefits and foreign exchange fluctuations. Overhead costs as a percentage of revenues increased to 31.9% for the year ended January 3, 2014 from 31.1% for the year ended December 28, 2012.

The Federal Services Division's Operating Income

Operating income as a percentage of revenues was 11.9% for the year ended January 3, 2014 compared to 9.2% for the year ended December 28, 2012. The increase in operating income and operating income as a percentage of revenues was primarily due to the favorable resolution of a $23.3 million accrual associated with the estimated costs of employee benefit obligations incurred on chemical demilitarization programs in the prior year, the recognition of $31.1 million in performance-related incentive fees on one of our chemical demilitarization contracts, and decreased overhead, including employee incentive compensation, costs.

These increases in operating income were partially offset by the recognition of a $40.0 million programmatic schedule incentive fee related to the chemical demilitarization program in the prior year, completion in fiscal 2013 of several IT projects and projects generating lower margins caused by an increasingly competitive pricing environment.

The Energy & Construction Division's Operating Income

Operating income as a percentage of revenues was 6.0% for the year ended January 3, 2014 compared to 8.1% for the year ended December 28, 2012. The decrease in operating income and operating income as a percentage of revenues was due to a $38.5 million decline in earnings as a result of the substantial completion of a power project and deceleration of another power project, both of which recognized significant target-cost savings in the prior year, a $21.0 million decrease in earnings resulting from the completion of maintenance outage work at nuclear power plants, a $19.8 million decrease at a DOE nuclear clean-up project that had high target-cost savings in the previous year, a $12.7 million decrease in earnings resulting from the completion of a DOE nuclear cleanup project, and decreased earnings of $6.3 million on projects accounted for as equity in income of unconsolidated joint ventures, as described above. In addition, we incurred a charge of $7.9 million for a reduction in the market value of a real property held for sale due to a change in the zoning ordinance applicable to the property in fiscal year 2013.

These decreases were partially offset by increased earnings of $12.4 million due to the initial profit recognition of a new air quality control project and $11.9 million associated with the construction of natural gas facilities. Additionally, reductions in employee incentive compensation expense and overhead partially offset the impact of lower revenues during the current period.

The Oil & Gas Division's Operating Income

Operating income as a percentage of revenues was 0.4% for the year ended January 3, 2014 and included $49.2 million of amortization of intangible assets in connection with the Flint acquisition. In comparison, operating income as a percentage of revenues was 4.1% for the year ended December 28, 2012, which reflected activities from May 14, 2012, the effective date of the Flint acquisition, and included $38.6 million of amortization of intangible assets in connection with the Flint acquisition. The decrease in operating income was attributable to project execution issues on eight projects, primarily occurring during the fourth quarter, that led to a deterioration of project earnings of approximately $47 million for the 2013 fiscal year. Additionally, operating income was impacted by approximately $20 million due to unusually severe weather conditions in Western Canada and, during the fourth quarter, by a $7.2 million write-off of an exclusive gas separation technology license as a result of the licensor filing for bankruptcy protection. Finally, results were also adversely affected by project deferrals due to a slowdown in activity in the natural gas market and limited pipeline capacity for oil produced in the Canadian oil sands.

Interest Expense

Our consolidated interest expense for the year ended January 3, 2014 increased by $15.4 million or 21.8% compared with the year ended December 28, 2012. Interest expense increased primarily because we incurred a full year of interest in fiscal year 2013 compared to a partial year of interest in fiscal year 2012, related to the Senior Notes issued on March 15, 2012 and the Canadian Notes acquired as part of the Flint acquisition on May 14, 2012. In addition, we paid additional interest to holders of the Senior Notes during fiscal year 2013 due to the delay in the completion of our exchange offer, in which we offered to exchange identical Senior Notes registered under the Securities Act of 1933, as amended, for unregistered Senior Notes previously issued in connection with the acquisition of Flint.

Other Income (Expense), Net

Our consolidated other income (expense), net for the year ended January 3, 2014 consists of foreign currency losses of $7.7 million recognized on an intercompany financing arrangement. This amount compares to foreign currency gains of $0.8 million recognized on an intercompany financing arrangement and a net loss of $0.3 million recognized on foreign currency forward contracts for the year ended December 28, 2012.

Income Tax Expense

Our effective income tax rates were 33.7% and 30.8% for the years ended January 3, 2014 and December 28, 2012, respectively. The higher rate was primarily attributable to U.S. tax on the sale of Canadian properties and dividends from a Canadian joint venture.

Noncontrolling Interests in Income of Consolidated Subsidiaries

Our noncontrolling interests in income of consolidated subsidiaries decreased by $33.1 million or 28.7% in the year ended January 3, 2014 compared with the year ended December 28, 2012. The decrease in noncontrolling interests in income of consolidated subsidiaries, net of tax was primarily due to a reduced level of activities as a result of the completion of maintenance outage work at nuclear power plants, lower earnings from a DOE nuclear clean-up project and lower earnings from one of our U.K. joint ventures.

CONSOLIDATED REVENUES BY MARKET SECTOR

The Year Ended December 28, 2012 Compared with the Year Ended December 30, 2011

	Year Ended			
(In millions, except percentages)	**December 28, 2012 (1)**	**December 30, 2011 (2)**	**Increase (Decrease)**	**Percentage Increase (Decrease)**
Revenues by Market Sector:				
Federal	$ 4,435.0	$ 4,639.7	$ (204.7)	(4.4%)
Infrastructure	1,791.4	1,861.3	(69.9)	(3.8%)
Oil and Gas (3)	2,310.6	692.1	1,618.5	233.9%
Power	1,304.4	1,126.6	177.8	15.8%
Industrial (3)	1,131.1	1,225.3	(94.2)	(7.7%)
Total revenues, net of eliminations	$ 10,972.5	$ 9,545.0	$ 1,427.5	15.0%

(1) The operating results of Flint have been included in our consolidated results since the acquisition on May 14, 2012.

(2) The operating results of Apptis have been included in our consolidated results since the acquisition on June 1, 2011.

(3) Historically, we have included revenues from the oil and gas market sector as part of our presentation of revenues from the industrial and commercial market sector. Effective at the beginning of our 2012 fiscal year, we revised our presentation to show our revenues from the oil and gas market sector separately. In addition, we changed the name of our “industrial and commercial” market sector to the “industrial” market sector. For comparative purposes, we reclassified the prior period’s data to conform them to the current period’s presentation.

Consolidated Revenues by Market Sector

Our consolidated revenues for the year ended December 28, 2012 were $11.0 billion, an increase of $1.4 billion, or 15.0%, compared with the year ended December 30, 2011.

See the discussion of revenues by market sector below for more detail.

Federal

(In millions, except percentages)	Year Ended December 28, 2012	December 30, 2011	Increase (Decrease)	Percentage Increase (Decrease)
Federal Market Sector:				
Infrastructure & Environment	$ 670.1	$ 636.5	$ 33.6	5.3%
Federal Services	2,720.8	2,694.3	26.5	1.0%
Energy & Construction	1,044.1	1,308.9	(264.8)	(20.2%)
Federal total	$ 4,435.0	$ 4,639.7	$ (204.7)	(4.4%)

Consolidated revenues from our federal market sector for the year ended December 28, 2012 declined compared with the year ended December 30, 2011. During the 2012 fiscal year, revenues declined from the nuclear management services we provide to the DOE, due largely to the completion of ARRA stimulus-funded projects, the completion of a cleanup and closure project at a former nuclear fuel reprocessing/treatment facility, as well as lower activity on on-going DOE contracts. In addition, we experienced decreased demand for the systems engineering and technical assistance services we provide to the DOD for the development, testing and evaluation of new weapons systems and the modernization of aging weapons systems. The decrease in revenues from these activities was largely the result of delays in the award of new contracts and task orders under existing contracts. Revenues also declined from our work managing the destruction of chemical weapons stockpiles at chemical agent disposal facilities throughout the U.S. This decline reflects the transition at several facilities from the operations phase of the project to the closure phase, which is characterized by lower levels of activity.

By contrast, revenues increased from the federal IT market as a result of the acquisition of Apptis in June 2011. In addition, revenues grew from the services we provide to the DOD to maintain, repair and overhaul aircraft, ground vehicles and other equipment returning from military operations, as well as from increased activity on a contract to provide operations and installations management support at a space flight center. We also experienced increased demand for the design and construction services we provide to the DOD for the development of military facilities and related infrastructure.

Infrastructure

(In millions, except percentages)	Year Ended December 28, 2012	December 30, 2011	Increase (Decrease)	Percentage Increase (Decrease)
Infrastructure Market Sector:				
Infrastructure & Environment	$ 1,550.1	$ 1,544.0	$ 6.1	0.4%
Energy & Construction	241.3	317.3	(76.0)	(24.0%)
Infrastructure total	$ 1,791.4	$ 1,861.3	$ (69.9)	(3.8%)

Consolidated revenues from our infrastructure market sector for the year ended December 28, 2012 decreased compared with the year ended December 30, 2011. The decline in infrastructure revenues was primarily due to the completion early in the 2012 fiscal year of a levee construction project in New Orleans, which experienced higher levels of activity and generated significant revenues during the 2011 fiscal year. The revenue decline also reflects a close-out and settlement agreement reached on a light rail project and a toll road project. In addition, demand decreased for the services we provide to modernize and expand airports and educational facilities.

By contrast, revenues increased from the planning, design, engineering, program and construction management services we provide to develop surface and rail transportation infrastructure, and water storage, conveyance and treatment systems. We also benefited from higher demand for our work providing program management services to international agencies in support of economic development efforts.

Oil and Gas

(In millions, except percentages)	Year Ended December 28, 2012	December 30, 2011	Increase (Decrease)	Percentage Increase (Decrease)
Oil and Gas Market Sector: (1)				
Infrastructure & Environment	$ 552.5	$ 529.7	$ 22.8	4.3%
Energy & Construction	288.9	162.4	126.5	77.9%
Oil & Gas (2)	1,469.2	—	1,469.2	N/M
Oil and Gas total	$ 2,310.6	$ 692.1	$ 1,618.5	233.9%

N/M = Not meaningful

(1) Historically, we have included revenues from the oil and gas market sector as part of our presentation of revenues from the industrial and commercial market sector. Effective at the beginning of our 2012 fiscal year, we revised our presentation to show our revenues from the oil and gas market sector separately. In addition, we changed the name of our “industrial and commercial” market sector to the “industrial” market sector. For comparative purposes, we reclassified the prior period’s data to conform them to the current period’s presentation.

(2) The operating results of Flint have been included in our consolidated results since the acquisition on May 14, 2012.

Consolidated revenues from our oil and gas market sector for the year ended December 28, 2012 increased compared with the year ended December 30, 2011. Our results reflect the acquisition of Flint on May 14, 2012. At the completion of the acquisition, Flint became our new Oil & Gas Division. For the fiscal year ended December 28, 2012, the Oil & Gas Division generated revenues of $1.5 billion from work providing construction and maintenance services to the North American oil and gas industry. We also benefited from strong demand for the environmental and engineering services we provide to multinational oil and gas clients at facilities worldwide through long-term MSAs, as well as from increased activity on contracts to provide construction, facility management, and operations and maintenance services at refineries and other oil and gas facilities.

Power

(In millions, except percentages)	Year Ended December 28, 2012	December 30, 2011	Increase (Decrease)	Percentage Increase (Decrease)
Power Market Sector:				
Infrastructure & Environment	$ 209.8	$ 201.1	$ 8.7	4.3%
Energy & Construction	1,094.6	925.5	169.1	18.3%
Power total	$ 1,304.4	$ 1,126.6	$ 177.8	15.8%

Consolidated revenues from our power market sector for the year ended December 28, 2012 increased compared with the year ended December 30, 2011. During the 2012 fiscal year, revenues increased from services we provide to retrofit and upgrade existing nuclear power plants to increase the generating capacity and extend the service life of these facilities. We also continued to experience a steady demand for our work in retrofitting coal-fired power plants with air quality control systems that reduce emissions and help utilities comply with regulatory mandates, as well as from the compliance, permitting and remediation services we provide to mitigate the environmental impact of their operations. By contrast, revenues declined from the engineering, procurement and construction services we provide for the development of new fossil fuel and nuclear power-generating facilities.

Industrial

(In millions, except percentages)	Year Ended December 28, 2012	December 30, 2011	Increase (Decrease)	Percentage Increase (Decrease)
Industrial Market Sector: (1)				
Infrastructure & Environment	$ 700.5	$ 763.8	$ (63.3)	(8.3%)
Energy & Construction	430.6	461.5	(30.9)	(6.7%)
Industrial total	$ 1,131.1	$ 1,225.3	$ (94.2)	(7.7%)

Consolidated revenues from our industrial market sector for the year ended December 28, 2012 declined compared with the year ended December 30, 2011. The decline in revenues was largely driven by decreased demand for the environmental, engineering and construction services we provide to mining clients. During the 2011 fiscal year, we experienced high levels of activity and generated significant revenues from an engineering and construction mining project in Australia; the project has not been replaced by a comparable assignment. The decrease was partially offset by a moderate increase in revenues from the facilities management services we provide to manufacturing clients, resulting from increased activity on ongoing contracts and increased activities with other mining clients.

CONSOLIDATED RESULTS

The Year Ended December 28, 2012 Compared with the Year Ended December 30, 2011

(In millions, except percentages and per share amounts)	Year Ended December 28, 2012 (1)	Year Ended December 30, 2011 (2)	Increase (Decrease)	Percentage Increase (Decrease)
Revenues	$ 10,972.5	$ 9,545.0	$ 1,427.5	15.0%
Cost of revenues	(10,294.5)	(8,988.8)	1,305.7	14.5%
General and administrative expenses	(83.6)	(79.5)	4.1	5.2%
Acquisition-related expenses	(16.1)	(1.0)	15.1	N/M
Restructuring costs	—	(5.5)	(5.5)	N/M
Goodwill impairment	—	(351.3)	(351.3)	N/M
Equity in income of unconsolidated joint ventures	107.6	132.2	(24.6)	(18.6%)
Operating income	685.9	251.1	434.8	173.2%
Interest expense	(70.7)	(22.1)	48.6	219.9%
Other income, net	0.5	—	0.5	N/M
Income before income taxes	615.7	229.0	386.7	168.9%
Income tax expense	(189.9)	(143.4)	46.5	32.4%
Net income including noncontrolling interests	425.8	85.6	340.2	397.4%
Noncontrolling interests in income of consolidated subsidiaries	(115.2)	(128.5)	(13.3)	(10.4%)
Net income (loss) attributable to URS	$ 310.6	$ (42.9)	$ 353.5	824.0%
Diluted earnings (loss) per share	$ 4.17	$ (0.56)	$ 4.73	844.6%

N/M = Not meaningful

(1) The operating results of Flint have been included in our consolidated results since the acquisition on May 14, 2012.

(2) The operating results of Apptis have been included in our consolidated results since the acquisition on June 1, 2011.

CONSOLIDATED RESULTS BY DIVISION

Revenues

(In millions, except percentages) **Year ended**	**Infrastructure & Environment**	**Federal Services** (1)	**Energy & Construction**	**Oil & Gas** (2)	**Eliminations**	**Total**
December 28, 2012	$ 3,792.1	$ 2,721.6	$ 3,138.1	$ 1,475.1	$ (154.4)	$ 10,972.5
December 30, 2011	3,760.9	2,695.4	3,251.1	—	(162.4)	9,545.0
Increase (decrease)	31.2	26.2	(113.0)	1,475.1	(8.0)	1,427.5
Percentage increase (decrease)	0.8%	1.0%	(3.5%)	N/M	(4.9%)	15.0%

(1) The operating results of Apptis have been included in our consolidated results since the acquisition on June 1, 2011.

(2) The operating results of Flint have been included in our consolidated results since the acquisition on May 14, 2012.

The revenues reported are presented prior to the elimination of inter-segment transactions. Our analysis of the changes in revenues by reporting segment is discussed below.

The Infrastructure & Environment Division's Revenues

The Infrastructure & Environment Division's revenues were essentially flat for the year ended December 28, 2012 compared to the year ended December 30, 2011. During the 2012 fiscal year, revenues increased from the services we provide to expand and modernize surface and rail transportation infrastructure, as well as from our work providing program management services to international aid agencies in support of economic development efforts. We also benefited from strong demand for our work providing engineering and construction services to the DOD for the development of military facilities and related infrastructure. In addition, demand grew for the compliance, permitting and remediation services we perform in the power sector to assist utilities in meeting regulatory requirements and mitigating the environmental impact of their operations.

By contrast, we experienced a decline in revenues from the environmental and engineering services we provide to industrial and mining clients. The results in our mining market reflect the completion of an engineering and construction assignment, which generated significant revenues in the comparable period last year and was not replaced by a similar project. In the oil and gas sector, revenues declined from our work supporting a major pipeline project in Alaska, due to the postponement of the project, while we continued to benefit from strong demand for the environmental and engineering services we provide to multinational oil and gas clients at facilities worldwide through long-term MSAs.

The Federal Services Division's Revenues

The Federal Services Division's revenues were essentially flat for the year ended December 28, 2012 compared to the year ended December 30, 2011. Revenues increased from the IT services we now provide to federal clients, as a result of our June 2011 acquisition of Apptis. Revenues from the services we provide to the DOD to maintain, repair and overhaul aircraft, ground vehicles and other equipment were essentially flat.

Revenues from our work managing the destruction of chemical weapons stockpiles at chemical agent disposal facilities declined. This decline reflects the transition at several facilities from the operations phase of the project to the closure phase, which is characterized by lower levels of activity.

The Energy & Construction Division's Revenues

The Energy & Construction Division's revenues for the year ended December 28, 2012 decreased compared with the year ended December 30, 2011. The decrease was primarily due to the completion of a large power project and a large levee construction project in the prior year. In addition, revenues declined from our work providing nuclear management services to the DOE, as a result of completing ARRA stimulus-funded projects and lower activity on ongoing DOE projects compared to the same period last year.

These decreases were partially offset by the start-up of new projects, including a new air quality control project at a coal-fired power plant and projects to replace steam generators at nuclear power plants. However, revenues during the engineering and early construction phases associated with the start-up of projects tend to be lower than revenues during the active construction phases. During the year ended December 30, 2011, there were more projects in active construction compared to the year ended December 28, 2012. As a result, revenues for the year ended December 28, 2012 were relatively lower than for the year ended December 30, 2011.

The Oil & Gas Division's Revenues

The Oil & Gas Division's revenues for the year ended December 28, 2012 were derived from the construction and construction management, and operations and maintenance services that we provide, including facility and pipeline construction, transportation, and asset management and maintenance services, for the North American oil and gas industry. Since the acquisition on May 14, 2012, the revenues of Flint have been included in our consolidated results under our Oil & Gas Division.

Cost of Revenues

(In millions, except percentages) **Year ended**	**Infrastructure & Environment**	**Federal Services** (1)	**Energy & Construction**	**Oil & Gas** (2)	**Eliminations**	**Total**
December 28, 2012	$ (3,575.2)	$ (2,478.7)	$ (2,976.9)	$ (1,418.1)	$ 154.4	$ (10,294.5)
December 30, 2011	(3,537.2)	(2,503.9)	(3,110.1)	—	162.4	(8,988.8)
Increase (decrease)	38.0	(25.2)	(133.2)	1,418.1	(8.0)	1,305.7
Percentage increase (decrease)	1.1%	(1.0%)	(4.3%)	N/M	(4.9%)	14.5%

(1) The operating results of Apptis have been included in our consolidated results since the acquisition on June 1, 2011.

(2) The operating results of Flint have been included in our consolidated results since the acquisition on May 14, 2012.

Our consolidated cost of revenues, which consists of labor, subcontractor costs, and other expenses related to projects, and services provided to our clients, for the year ended December 28, 2012 increased compared with the year ended December 30, 2011. Because our revenues are primarily project-based, the factors that generally caused revenues to increase or decrease also drove a corresponding increase or decrease in our cost of revenues.

Consolidated cost of revenues as a percent of revenues decreased from 94.2% for the year ended December 30, 2011 to 93.8% for the year ended December 28, 2012.

General and Administrative Expenses

Our consolidated G&A expenses for the year ended December 28, 2012 increased by 5.2% compared with the year ended December 30, 2011. The increase in G&A expenses was due primarily to increases in employee salaries and the related benefit expenses of $2.4 million, foreign currency loss of $1.5 million, legal expenses of $1.2 million, and corporate communication and information technology-related expenses of $0.8 million, partially offset by the release of $2.1 million of sales tax reserve. Consolidated G&A expenses as a percent of revenues was 0.8% for both years ended December 28, 2012 and December 30, 2011.

Acquisition-related Expenses

Our consolidated acquisition-related expenses generally include legal fees, consultation fees, travel expenses, and other miscellaneous direct and incremental administrative expenses. For the year ended December 28, 2012, we recorded $16.1 million of acquisition-related expenses for our acquisition of Flint.

Restructuring Costs

Restructuring costs consisted primarily of costs for severance and associated benefits. We did not incur restructuring costs for the year ended December 28, 2012. For the year ended December 30, 2011, our restructuring costs were $5.5 million, the majority of which resulted from the integration of Scott Wilson into our existing U.K. and European business and necessary responses to reductions in market opportunities in Europe.

Goodwill Impairment

Our 2012 annual review, performed as of October 26, 2012, did not indicate any impairment to our goodwill in any of our reporting units. For the year ended December 30, 2011, we recognized an impairment charge of $351.3 million affecting one of our six reporting units. On a net, after-tax basis, this charge resulted in decreases to net income and diluted EPS of $309.4 million and $3.99, respectively, for the year ended December 30, 2011.

Equity in Income of Unconsolidated Joint Ventures

(In millions, except percentages) **Year ended**	**Infrastructure & Environment**	**Federal Services** (1)	**Energy & Construction**	**Oil & Gas** (2)	**Total**
December 28, 2012	$ 4.0	$ 6.4	$ 93.0	$ 4.2	$ 107.6
December 30, 2011	3.9	6.2	122.1	—	132.2
Increase (decrease)	0.1	0.2	(29.1)	4.2	(24.6)
Percentage increase (decrease)	2.6%	3.2%	(23.8%)	N/M	(18.6%)

(1) The operating results of Apptis have been included in our consolidated results since the acquisition on June 1, 2011.

(2) The operating results of Flint have been included in our consolidated results since the acquisition on May 14, 2012.

Our consolidated equity in income of unconsolidated joint ventures for the year ended December 28, 2012 decreased compared with the year ended December 30, 2011. The decrease was primarily attributable to a $21.1 million decrease in earnings from nuclear management, operations and cleanup projects in the U.K., a $9.5 million favorable settlement on a highway construction project during the year ended December 30, 2011, and a $5.9 million decrease in earnings on a DOE cleanup project due to the timing of recognizing target-cost savings and other performance-based earnings. These decreases were partially offset by an $8.2 million increase in earnings from a light rail project.

Operating Income (Loss)

(In millions, except percentages) **Year ended**	**Infrastructure & Environment**	**Federal Services** (1)	**Energy & Construction**	**Oil & Gas** (2)	**Corporate**	**Total**
December 28, 2012	$ 220.9	$ 249.3	$ 254.2	$ 61.2	$ (99.7)	$ 685.9
December 30, 2011	222.0	(154.5)	263.1	—	$ (79.5)	251.1
Increase (decrease)	(1.1)	403.8	(8.9)	61.2	$ 20.2	434.8
Percentage increase (decrease)	(0.5%)	(261.4%)	(3.4%)	N/M	25.4%	173.2%

N/M = Not meaningful

(1) The operating results of Apptis have been included in our consolidated results since the acquisition on June 1, 2011.

(2) The operating results of Flint have been included in our consolidated results since the acquisition on May 14, 2012.

As a percentage of revenues, operating income for the year ended December 28, 2012 was 6.3% compared to 2.6% for the year ended December 30, 2011. The increase in operating income in fiscal year 2012 relative to the corresponding period of 2011 was primarily due to the goodwill impairment charge recorded during the year ended December 30, 2011. In addition, operating income increased due to the inclusion of operating income resulting from the acquisition of Flint and an increase in net performance-based incentive fees from work, performed by our Federal Services Division, managing chemical demilitarization programs in the U.S. These increases were partially offset by the decrease in operating income resulting from the wind down and completion of projects, and delayed awards of new task orders. See the detailed discussion of operating income by segment below.

The Infrastructure & Environment Division's Operating Income

Operating income as a percentage of revenues was 5.8% for the year ended December 28, 2012 compared to 5.9% for the year ended December 30, 2011. The change in operating income was primarily attributable to our contract mix, which in 2012, utilized more subcontractors with higher associated costs. The increase in subcontract costs was partially offset by higher revenues and decreases in employee benefits and other indirect costs. Overhead costs as a percentage of revenues decreased to 31.1% for the year ended December 28, 2012 from 32.0% for the year ended December 30, 2011.

The Federal Services Division's Operating Income (Loss)

Operating income (loss) as a percentage of revenues was 9.2% for the year ended December 28, 2012 compared to (5.7)% for the year ended December 30, 2011. For the year ended December 30, 2011, the operating loss was the result of a $351.3 million goodwill impairment charge. Operating income included a $75.7 million increase in net performance-based incentive fees from work managing chemical demilitarization programs recognized in the current year compared to the prior year. This increase included $40.0 million related to a programmatic schedule incentive fee achieved when multiple chemical demilitarization contracts each met its milestones in 2012. This increase was partially offset by delayed awards of new task orders under existing contracts and lower margins on federal operations and support services contracts due to low-price, technically acceptable contracting strategies, which emphasize price over qualitative factors, such as past performance.

The Energy & Construction Division's Operating Income

Operating income as a percentage of revenues was 8.1% for the year ended December 28, 2012 compared to 8.1% for the year ended December 30, 2011. The slight decrease in operating income was due to the $29.1 million decrease in equity in income of unconsolidated joint ventures described above, and a $31.5 million decline resulting from the substantial completion of a levee construction project in New Orleans in the prior year. These decreases were partially offset by an increase of $22.8 million, consisting of a $3.4 million current year insurance recovery compared to a prior year loss of $19.4 million on a common sulfur project and an increase of $20.6 million on a new air quality control project.

The Oil & Gas Division's Operating Income

The Oil & Gas Division's operating income for the year ended December 28, 2012 was $61.2 million, which reflects activities from May 14, 2012, the effective date of the Flint acquisition and includes $38.6 million of amortization of intangible assets in connection with the Flint acquisition.

Interest Expense

Our consolidated interest expense for the year ended December 28, 2012 increased by $48.6 million or 219.9% compared with the year ended December 30, 2011. This increase was primarily due to the interest expense incurred on the additional borrowings and the assumption of debt in connection with the Flint acquisition.

Other Income, Net

Our consolidated other income, net for the year ended December 28, 2012 represents a foreign currency gain of $0.8 million recognized on intercompany financing arrangements and a net loss of $0.3 million recognized on foreign currency forward contracts.

Income Tax Expense

Our effective income tax rates for the years ended December 28, 2012 and December 30, 2011 were 30.8% and 62.6%, respectively. The change in effective income tax rates was primarily due to the non-deductibility of a substantial portion of the goodwill impairment charge taken in 2011.

Noncontrolling Interests in Income of Consolidated Subsidiaries

Our noncontrolling interests in income of consolidated subsidiaries decreased by $13.3 million or 10.4% in the year ended December 28, 2012 compared with the year ended December 30, 2011. The decrease in noncontrolling interests in income of consolidated subsidiaries, net of tax was primarily due to lower earnings from one of our U.K. joint ventures, the substantial completion of a levee construction project in New Orleans in the prior year, and lower earnings from certain DOE nuclear cleanup projects. These decreases were partially offset by increases related to higher activity at air quality control services projects and steam generator replacement projects performed through consolidated joint ventures.

LIQUIDITY AND CAPITAL RESOURCES

(In millions)	Year Ended January 3, 2014	Year Ended December 28, 2012	Year Ended December 30, 2011
Cash flows from operating activities	$ 614.2	$ 430.2	$ 505.9
Cash flows from investing activities	(13.2)	(1,446.6)	(348.1)
Cash flows from financing activities	(630.5)	892.3	(294.3)

Overview

Our primary sources of liquidity are collections of accounts receivable from our clients, dividends from our unconsolidated joint ventures and borrowings related to our lines of credit. Our primary uses of cash are to fund working capital, income tax payments, and capital expenditures; to service our debt; to pay dividends; to repurchase our common stock; and to make distributions to the minority owners in our consolidated joint ventures.

Our cash flows from operations are primarily impacted by fluctuations in working capital requirements, which are affected by numerous factors, including the billing and payment terms of our contracts, the stage of completion of contracts performed by us, the timing of payments to vendors, subcontractors, and joint ventures, and the changes in income tax and interest payments, as well as unforeseen events or issues that may have an impact on our working capital.

Our future capital allocation priorities are expected to include dividend payments, share repurchases, debt pay downs, add-on acquisitions and organic growth opportunities.

Liquidity

Cash and cash equivalents include all highly liquid investments with maturities of 90 days or less at the date of purchase, including interest-bearing bank deposits and money market funds. At January 3, 2014 and December 28, 2012, restricted cash was $12.8 million and $17.1 million, respectively, which amounts were included in “Other current assets” on our Consolidated Balance Sheets.

As of January 3, 2014 and December 28, 2012, we had cash and cash equivalents of $35.8 million and $116.3 million, respectively, held outside the U.S., excluding amounts in consolidated joint ventures. We are not aware of any material restrictions on cash and cash equivalents in those countries outside the U.S where we conduct business. If cash and cash equivalents held outside the U.S. are needed for our operations in the U.S., we may be required to accrue and pay U.S. taxes to repatriate these funds; however, our intent is to indefinitely reinvest these foreign amounts outside of the U.S., and our current plans do not demonstrate a need to repatriate these foreign amounts to fund our U.S. operations.

In addition, as of January 3, 2014 and December 28, 2012, our consolidated joint ventures held cash and cash equivalents of $89.4 million and $80.1 million, respectively. These amounts are restricted for use by each joint venture and are not available for use in our general operations.

Accounts receivable and costs and accrued earnings in excess of billings on contracts (also referred to as "Unbilled Accounts Receivable") represent one of our primary sources of cash inflows from operations. Unbilled Accounts Receivable represent amounts that will be billed to clients as soon as invoice support can be assembled, reviewed and provided to our clients, or when specific contractual billing milestones are achieved. In some cases, Unbilled Accounts Receivable may not be billable for periods generally extending from two to six months and, occasionally, beyond a year. As of January 3, 2014 and December 28, 2012, $131.1 million and $264.9 million, respectively, of Unbilled Accounts Receivable were not expected to become billable within twelve months of the balance sheet date and, as a result, are included as a component of "Other long-term assets." As of January 3, 2014 and December 28, 2012, we reclassified unbilled amounts representing performance-based incentive fees from our work managing chemical demilitarization and nuclear management and decommissioning programs from "Other long-term assets" to Unbilled Accounts Receivable because we expect them to become billable within twelve months of the Balance Sheet date. We are required contractually to share a portion of these incentive fees with our employees and subcontractors for some of our projects. These liabilities are accrued concurrently with the related receivables and are not expected to be paid until after the fees are collected, and, as a result, are originally included as a component of "Other long-term liabilities." As the underlying performance-based incentive fee receivables become current, these incentive fees are reclassified from "Other long-term liabilities" to "Other current liabilities."

The following table summarizes the activities of Unbilled Accounts Receivable included in "Other long-term assets" and the corresponding liabilities included in "Other long-term liabilities" for our fiscal years 2013 and 2012:

(In millions)	**Amounts included in "Other long-term assets"**	**Amounts included in "Other long-term liabilities"**
Balances as of December 30, 2011	$ 185.0	$ 105.6
Additions	209.2	38.9
Reclassification from long-term to short-term	(129.3)	(37.5)
Balances as of December 28, 2012	264.9	107.0
Additions	241.7	59.7
Reclassification from long-term to short-term	(375.5)	(164.5)
Balances as of January 3, 2014	$ 131.1	$ 2.2

As of January 3, 2014 and December 28, 2012, significant unapproved change orders and claims, which are included in Unbilled Accounts Receivable, collectively represented approximately 4% and 3%, respectively, of our gross accounts receivable and Unbilled Accounts Receivable.

Net accounts receivable, which is comprised of accounts receivable and the current portion of Unbilled Accounts Receivable, net of receivable allowances, at January 3, 2014 was $2.8 billion, essentially flat compared to the balance as of December 28, 2012.

Our accounts receivable and Unbilled Accounts Receivable are evaluated on a regular basis to assess the risk of collectability, and allowances are provided as deemed appropriate. Based on the nature of our customer base, including U.S. federal, state and local governments and large reputable companies, and contracts, we have not historically experienced significant write-offs related to receivables and Unbilled Accounts Receivable. The size of our allowance for uncollectible receivables as a percentage of the combined totals of our accounts receivable and Unbilled Accounts Receivable is indicative of our history of successfully billing and collecting from our clients.

As of January 3, 2014 and December 28, 2012, our receivable allowances represented 2.23% and 2.37%, respectively, of the combined total accounts receivable and the current portion of Unbilled Accounts Receivable. We believe that our allowance for doubtful accounts receivable as of January 3, 2014 is adequate. We have placed significant emphasis on collection efforts and continually monitor our receivables allowance. However, future economic conditions may adversely affect the ability of some of our clients to make payments or the timeliness of their payments; consequently, it may also affect our ability to consistently collect cash from our clients to meet our operating needs. The other significant factors that typically affect the timing of the realization of our accounts receivable include the billing and payment terms of our contracts, as well as the stage of completion of our performance under the contracts. Our operating cash flows may also be affected by changes in contract terms or the timing of advance payments to our joint ventures, partnerships and partially-owned limited liability companies relative to the contract collection cycle. In addition, substantial advance payments or billings in excess of costs also have an impact on our liquidity. Billings in excess of costs as of January 3, 2014 and December 28, 2012 were $233.1 million and $289.1 million, respectively.

We use Days Sales Outstanding ("DSO") to monitor the average time, in days, that it takes us to convert our accounts receivable into cash. DSO also is a useful tool for investors to measure our liquidity and understand our average collection period. We calculate DSO by dividing net accounts receivable, less billings in excess of costs and accrued earnings on contracts, as of the end of the quarter by the amount of revenues recognized during the quarter, and multiplying the result of that calculation by the number of days in that quarter. We included the non-current amounts in our calculation of DSO and the ratio of accounts receivable to revenues. Our DSO increased from 87 days as of December 28, 2012 to 101 days as of January 3, 2014.

We also analyze the ratio of our accounts receivable to quarterly revenues (the "Ratio"), which changed from 95.7% at December 28, 2012 to 103.2% at January 3, 2014. We calculate this ratio by dividing net accounts receivable, less billings in excess of costs and accrued earnings on contracts as of the end of the quarter by the amount of revenues recognized during the quarter.

The factors that affect the Ratio also have the same effect on DSO. The increases in the Ratio, and therefore the increases in DSO, occurred primarily for the following reasons:

- Accruals of amounts from performance-based incentives under long-term U.S. federal government contracts, primarily with the DOD, composed 6.4% of our Ratio for the quarter ended December 28, 2012 and 10.9% of our Ratio for the quarter ended January 3, 2014. These amounts were included in Unbilled Accounts Receivable and "Other long-term assets," and they become billable as provided under the terms of the contracts to which they relate. We expect to bill for these incentives beginning in 2014 and beyond. Our Unbilled Accounts Receivable and "Other long-term assets" included amounts earned under milestone payment clauses, which provided for payments to be received beyond a year from the date service occurs. Based on our historical experience, we generally consider the collection risk related to these amounts to be low.

- Our Ratio was also impacted by an increase in accounts receivable related to activity on a DOE deactivation, demolition, and removal project, which added 0.9% to our Ratio for the quarter ended December 28, 2012, and 3.4% to our Ratio for the quarter ended January 3, 2014.

- Our Ratio was also impacted due to the completion of projects involving the replacement of steam generators at nuclear power plants in the fourth quarter of fiscal year 2013, whereas these projects had a favorable impact of 2.7% to the Ratio in the fourth quarter of fiscal year 2012.

Excluding the significant changes discussed above, our Ratios were 88.9% and 90.8% for the quarters ended January 3, 2014 and December 28, 2012, respectively.

We believe that we have sufficient resources to fund our operating and capital expenditure requirements, to pay income taxes, and to service our debt for at least the next twelve months. In the ordinary course of our business, we may experience various loss contingencies including, but not limited to, the pending legal proceedings identified in Note 17, "Commitments and Contingencies," to our consolidated financial statements included under Item 8 of this report, which may adversely affect our liquidity and capital resources.

We have determined that the restricted net assets as defined by Rule 4-08(e)(3) of Regulation S-X are less than 25% of our consolidated net assets.

Credit Facility, Senior Notes and Canadian Notes

On December 19, 2013, we entered into an amendment to our 2011 Credit Facility that extended the maturity date by two years to December 19, 2018, increased the sublimit for alternative currency revolving loans from $400.0 million to $500.0 million, established a $500.0 million sublimit for financial letters of credit, and increased a restricted payment basket from $150 million to $200 million in any fiscal year.

On March 15, 2012, we issued in a private placement $400.0 million aggregate principal amount of 3.85% Senior Notes due on April 1, 2017 and $600.0 million aggregate principal amount of 5.00% Senior Notes due on April 1, 2022 (collectively, the “Senior Notes”). We used the net proceeds from the notes together with borrowings from our 2011 Credit Facility to finance our acquisition of Flint on May 14, 2012. On January 3, 2014, our exchange offer expired and we exchanged substantially all of the privately placed Senior Notes for Senior Notes that are registered with the SEC. On December 27, 2013, Flint redeemed all of its outstanding 7.5% senior notes (“Canadian Notes”). See Note 11, “Indebtedness,” to our Consolidated Financial Statements included under Item 8 of this report, for more information.

Dividend Program

Our Board of Directors has declared the following dividends:

Declaration Date	Dividend Per Share	Record Date	Total Maximum Payment	Payment Date
(In millions, except per share data)				
February 24, 2012	$ 0.20	March 16, 2012	$ 15.2	April 6, 2012
May 4, 2012	$ 0.20	June 15, 2012	$ 15.4	July 6, 2012
August 3, 2012	$ 0.20	September 14, 2012	$ 15.4	October 5, 2012
November 2, 2012	$ 0.20	December 14, 2012	$ 15.4	January 4, 2013
February 22, 2013	$ 0.21	March 15, 2013	$ 16.0	April 5, 2013
May 3, 2013	$ 0.21	June 14, 2013	$ 16.0	July 5, 2013
August 2, 2013	$ 0.21	September 13, 2013	$ 16.0	October 4, 2013
November 1, 2013	$ 0.21	December 13, 2013	$ 16.0	January 10, 2014
February 28, 2014	$ 0.22	March 21, 2014	NA	April 11, 2014

NA = Not available

On February 28, 2014, our Board of Directors approved the continuation of this program and authorized a $0.22 per share quarterly dividend. Future dividends are subject to approval by our Board of Directors or the Audit Committee of the Board of Directors.

Operating Activities

The increase in cash flows from operating activities for the year ended January 3, 2014, compared to the year ended December 28, 2012, was primarily due to the timing of billing, collections and advance payments from clients on accounts receivable, income tax payments, and dividend distributions from our unconsolidated joint ventures. The increase was partially offset by the timing of vendor and subcontractor payments, and salary and employee benefit payments.

The decrease in cash flows from operating activities for the year ended December 28, 2012, compared to the year ended December 30, 2011, was primarily due to the timing of billings, collections and advance payments from clients on accounts receivables, employer contribution payments to our 401(k) plan, project incentive awards that were recognized but are not currently billable, and an increase in interest payments and acquisition expenses, partially offset by a decrease in income tax payments.

During the first quarter of 2014, we expect to make estimated payments of $102 million to pension, post-retirement, defined contribution and multiemployer pension plans and incentive payments.

Investing Activities

Cash flows used for investing activities of $13.2 million during the year ended January 3, 2014 consisted of the following significant activities:

- capital expenditures, excluding purchases financed through capital leases and equipment notes, of $81.0 million.

These cash flows were partially offset by:

- proceeds from disposal of property and equipment of $63.7 million, mainly resulting from the sale of equipment, land, and buildings in Canada.

Cash flows used for investing activities of $1.4 billion during the year ended December 28, 2012 consisted of the following significant activities:

- payments for business acquisition, net of cash acquired, of $1.3 billion; and

- capital expenditures, excluding purchases financed through capital leases and equipment notes, of $125.4 million.

These cash flows were partially offset by:

- proceeds from disposal of property and equipment of $25.3 million, including the residual payment received on the close out and settlement of mining projects in Jamaica.

Cash flows used for investing activities of $348.1 million during the year ended December 30, 2011 consisted of the following significant activities:

- payments for business acquisition, net of cash acquired, of $282.1 million;

- capital expenditures, excluding purchases financed through capital leases and equipment notes, of $67.5 million; and

- disbursements related to advances to unconsolidated joint ventures of $19.6 million.

For fiscal year 2014, we expect to incur approximately $75 million to $85 million in capital expenditures, a portion of which will be financed through capital leases or equipment notes.

Financing Activities

Cash flows used for financing activities of $630.5 million during the year ended January 3, 2014 consisted of the following significant activities:

- long-term debt payments of $220.5 million;
- net payments to our revolving line of credit of $95.9 million;
- repurchases of our common stock of $93.3 million;
- distributions to noncontrolling interests of consolidated joint ventures of $79.0 million;
- dividend payments of $62.2 million; and
- net change in overdrafts of $54.9 million.

Cash flows generated from financing activities of $892.3 million during the year ended December 28, 2012 consisted of the following significant activities:

- proceeds of our Senior Notes, net of debt discount and issuance costs, of $990.1 million;
- net borrowings from our revolving line of credit of $78.0 million; and
- net change in overdrafts of $54.5 million.

These cash flows were partially offset by:

- distributions to noncontrolling interests of consolidated joint ventures of $83.8 million;
- dividend payments of $44.7 million;
- repurchases of our common stock of $40.0 million; and
- payment of $30.0 million of the term loan under our 2011 Credit Facility.

Cash flows used for financing activities of $294.3 million during the year ended December 30, 2011 consisted of the following significant activities:

- payment of all outstanding indebtedness under our 2007 senior secured credit facility, which included outstanding term loans of $625.0 million and a drawn balance on our revolving line of credit in the amount of $50.0 million;
- repurchases of our common stock of $242.8 million;
- distributions to noncontrolling interests of consolidated joint ventures of $111.7 million; and
- net change in overdrafts of $18.0 million.

These cash flows were partially offset by:

- a term loan borrowing from our 2011 Credit Facility of $700.0 million; and
- net borrowings from our revolving line of credit of $72.9 million under our 2011 Credit Facility.

Contractual Obligations and Commitments

The following table contains information about our contractual obligations and commercial commitments as of January 3, 2014:

Contractual Obligations	**Payments and Commitments Due by Period**					
(In millions)	**Total**	**Less Than 1 Year**	**1-3 Years**	**4-5 Years**	**After 5 Years**	**Other**
As of January 3, 2014:						
2011 Credit Facility (1)	$ 605.0	$ —	$ 54.1	$ 550.9	$ —	$ —
3.85% Senior Notes (2)	400.0	—	—	400.0	—	—
5.00% Senior Notes (2)	600.0	—	—	—	600.0	—
Capital lease obligations (3)	43.5	19.8	19.6	4.1	—	—
Notes payable, foreign credit lines and other indebtedness	67.1	25.5	23.0	12.9	5.7	—
Total debt (principal only)	1,715.6	45.3	96.7	967.9	605.7	—
Operating lease obligations (3)	742.1	187.1	276.9	162.8	115.3	—
Pension and other retirement plans funding requirements (4)	437.4	235.4	64.7	58.4	78.9	—
Interest (5)	417.7	68.3	136.1	108.3	105.0	—
Dividends payable (6)	18.3	16.7	1.5	0.1	—	—
Purchase obligations (7)	10.4	6.3	4.1	—	—	—
Asset retirement obligations (8)	14.9	3.0	2.1	3.8	6.0	—
Other contractual obligations (9)	230.4	216.8	2.2	—	—	11.4
Total contractual obligations	$ 3,586.8	$ 778.9	$ 584.3	$ 1,301.3	$ 910.9	$ 11.4

(1) Amounts shown exclude unamortized debt issuance costs of $3.2 million for our 2011 Credit Facility. For information regarding events that could accelerate the due dates of these payments, see the"2011 Credit Facility" section below.

(2) Amounts shown exclude unamortized discount for the 3.85% and 5.00% Senior Notes of $0.9 million. For information regarding events that could accelerate these payments, see the"Senior Notes and Canadian Notes" below.

(3) For capital lease obligations, amounts shown exclude interest of $1.6 million. Operating leases are predominantly real estate leases.

(4) Amounts consist of estimated pension and other retirement plan funding requirements, to the extent that we were able to develop reasonable estimates, for various defined benefit, post-retirement, defined contribution, multiemployer, and other retirement plans. Estimates do not include potential multiemployer plan termination or withdrawal amounts since we are unable to estimate the amount of contributions that could be required.

(5) Interest for the next five years, which excludes non-cash interest, is determined based on the current outstanding balance of our debt and payment schedule at the estimated interest rate.

(6) Dividends for unvested restricted stock awards and units will be paid upon vesting.

(7) Purchase obligations consist primarily of software maintenance contracts.

(8) Asset retirement obligations represent the estimated costs of removing and restoring our leased properties to the original condition pursuant to our real estate lease agreements.

(9) Other contractual obligations include accrued performance-based incentive fees shared with our employees and subcontractors, project and retention bonuses, anticipated settlements and interest on our tax liabilities, accrued benefits for our executives pursuant to their employment agreements, and our contractual obligations to joint ventures. Generally, it is not practicable to forecast or estimate the payment dates for the above-mentioned tax liabilities. Therefore, we included the estimated liabilities under “Other” above.

Off-balance Sheet Arrangements

In the ordinary course of business, we may use off-balance sheet arrangements if we believe that such an arrangement would be an efficient way to lower our cost of capital or help us manage the overall risks of our business operations. We do not believe that such arrangements have had a material adverse effect on our financial position or our results of operations.

The following are our off-balance sheet arrangements:

- Letters of credit and bank guarantees are used primarily to support project performance, insurance programs, bonding arrangements and real estate leases. We are required to reimburse the issuers of letters of credit and bank guarantees for any payments they make under the outstanding letters of credit or bank guarantees. Our credit facilities and banking arrangements cover the issuance of our standby letters of credit and bank guarantees that are critical for our normal operations. If we default on these credit facilities and banking arrangements, we would be unable to issue or renew standby letters of credit and bank guarantees, which would impair our ability to maintain normal operations. As of January 3, 2014, we had $108.3 million in standby letters of credit outstanding under our 2011 Credit Facility and $35.8 million in bank guarantees outstanding under foreign credit facilities and other banking arrangements with remaining availability of approximately $39.0 million.

- We have agreed to indemnify one of our joint venture partners up to $25.0 million for any potential losses, damages, and liabilities associated with lawsuits in relation to general and administrative services we provide to the joint venture. Currently, we have not been advised of any indemnified claims under this guarantee.

- From time to time, we provide guarantees and indemnifications related to our services or work. If our services under a guaranteed or indemnified project are later determined to have resulted in a material defect or other material deficiency, then we may be responsible for monetary damages or other legal remedies. When sufficient information about claims on guaranteed or indemnified projects is available and monetary damages or other costs or losses are determined to be probable, we recognize such guarantee losses.

- In the ordinary course of business, we enter into various agreements providing performance assurances and guarantees to clients on behalf of certain unconsolidated subsidiaries, joint ventures, and other jointly executed contracts. We enter into these agreements primarily to support the project execution commitments of these entities. The potential payment amount of an outstanding performance guarantee is typically the remaining cost of work to be performed by or on behalf of third parties under engineering and construction contracts. However, the majority of the unconsolidated joint ventures in which we participate involve cost-reimbursable, level-of-effort projects that are accounted for as service-type projects, not engineering and construction projects that would follow the percentage-of-completion or completed-contract accounting method. Revenues for service-type contracts are recognized in proportion to the number of service activities performed, in proportion to the direct costs of performing the service activities, or evenly across the period of performance, depending upon the nature of the services provided. The services we provide on these cost-reimbursable contracts are management and operations services for government clients and operations and maintenance services for non-government clients. We believe that, due to the continual changes we experience in client funding and scope definitions, reliable estimates of performance guarantees cannot be calculated because they cannot be reliably predicted. In addition, the level at which we participate in joint ventures does not afford us access to those joint ventures' estimates to complete. The joint ventures with regard to which we perform engineering and construction contracts and where we have access to the estimates to complete, which are needed to calculate the performance guarantees, are immaterial. For cost-plus contracts, amounts that may become payable pursuant to guarantee provisions are normally recoverable from the client for work performed under the contract. For lump sum or fixed-price contracts, this amount is the cost to complete the contracted work less amounts remaining to be billed to the client under the contract. Remaining billable amounts could be greater or less than the cost to complete. In those cases where costs exceed the remaining amounts payable under the contract, we may have recourse to third parties, such as owners, co-venturers, subcontractors or vendors, for claims.

- In the ordinary course of business, our clients may request that we obtain surety bonds in connection with contract performance obligations that are not required to be recorded in our Consolidated Balance Sheets. We are obligated to reimburse the issuer of our surety bonds for any payments made thereunder. Each of our commitments under performance bonds generally ends concurrently with the expiration of our related contractual obligation.

2011 Credit Facility

As of January 3, 2014 and December 28, 2012, the outstanding balances of the term loan under our 2011 Credit Facility were $605.0 million and $670.0 million, respectively. As of January 3, 2014 and December 28, 2012, the interest rates applicable to the term loan were 1.67% and 1.71%, respectively. Loans outstanding under our 2011 Credit Facility bear interest, at our option, at the base rate or at the London Interbank Offered Rate ("LIBOR") plus, in each case, an applicable per annum margin. The applicable margin is determined based on the better of our debt ratings or our leverage ratio in accordance with a pricing grid. The interest rate at which we normally borrow is LIBOR plus 150 basis points.

On December 19, 2013, we entered into an amendment to our 2011 Credit Facility that extended the maturity date by two years to December 19, 2018, increased the sublimit for alternative currency revolving loans from $400.0 million to $500.0 million, established a $500.0 million sublimit for financial letters of credit, and increased a restricted payment basket from $150 million to $200 million in any fiscal year. We have an option to prepay the term loans at any time without penalty.

Under our 2011 Credit Facility, we are subject to financial covenants and other customary non-financial covenants. Our financial covenants include a maximum consolidated leverage ratio, which is calculated by dividing total debt by earnings before interest, taxes, depreciation and amortization ("EBITDA"), as defined below, and a minimum interest coverage ratio, which is calculated by dividing cash interest expense into EBITDA. Both calculations are based on the financial data of our most recent four fiscal quarters.

For purposes of our 2011 Credit Facility, consolidated EBITDA is defined as consolidated net income attributable to URS plus interest, depreciation and amortization expense, income tax expense, and other non-cash items (including impairments of goodwill or intangible assets). Consolidated EBITDA shall include pro-forma components of EBITDA attributable to any permitted acquisition consummated during the period of calculation.

Our 2011 Credit Facility contains restrictions, some of which apply only above specific thresholds, regarding indebtedness, liens, investments and acquisitions, contingent obligations, dividend payments, stock repurchases, asset sales, fundamental business changes, transactions with affiliates, and changes in fiscal year.

Our 2011 Credit Facility identifies various events of default and provides for acceleration of the obligations and exercise of other enforcement remedies upon default. Events of default include our failure to make payments under the credit facility; cross-defaults; a breach of financial, affirmative and negative covenants; a breach of representations and warranties; bankruptcy and other insolvency events; the existence of unsatisfied judgments and attachments; dissolution; other events relating to the Employee Retirement Income Security Act; a change in control and invalidity of loan documents.

Our 2011 Credit Facility is guaranteed by all of our existing and future domestic subsidiaries that, on an individual basis, represent more than 10% of either our consolidated domestic assets or consolidated domestic revenues. If necessary, additional domestic subsidiaries will be included so that assets and revenues of subsidiary guarantors are equal at all times to at least 80% of our consolidated domestic assets and consolidated domestic revenues of our available domestic subsidiaries.

We may use any future borrowings from our 2011 Credit Facility along with operating cash flows for general corporate purposes, including funding working capital, making capital expenditures, funding acquisitions, paying dividends and repurchasing our common stock.

We were in compliance with the covenants of our 2011 Credit Facility as of January 3, 2014.

Senior Notes and Canadian Notes

On March 15, 2012, we issued, in a private placement, $400.0 million aggregate principal amount of 3.85% Senior Notes due on April 1, 2017 and $600.0 million aggregate principal amount of 5.00% Senior Notes due on April 1, 2022. On January 3, 2014, our exchange offer expired and we exchanged substantially all of the privately placed Senior Notes with Senior Notes that are registered with the SEC. As of January 3, 2014, the outstanding balance of the Senior Notes was $999.1 million, net of $0.9 million of discount.

Interest on the Senior Notes is payable semi-annually on April 1 and October 1 of each year beginning on October 1, 2012. The net proceeds of the Senior Notes were used to fund the acquisition of Flint. We may redeem the Senior Notes, in whole or in part, at any time and from time to time, at a price equal to 100% of the principal amount, plus a "make-whole" premium and accrued and unpaid interest as described in the indenture. In addition, we may redeem all or a portion of the 5.00% Senior Notes at any time on or after the date that is three months prior to the maturity date of those 5.00% Senior Notes, at a redemption price equal to 100% of the principal amount of the 5.00% Senior Notes to be redeemed. We may also, at our option, redeem the Senior Notes, in whole, at 100% of the principal amount and accrued and unpaid interest upon the occurrence of certain events that result in an obligation to pay additional amounts as a result of certain specified changes in tax law described in the indenture. Additionally, if a change of control triggering event occurs, as defined by the terms of the indenture, we will be required to offer to purchase the Senior Notes at a purchase price equal to 101% of the principal amount, plus accrued and unpaid interest, if any, to the date of the purchase. We are generally not limited under the indenture governing the Senior Notes in our ability to incur additional indebtedness provided we are in compliance with certain restrictive covenants, including restrictions on liens and restrictions on sale and leaseback transactions, mergers and sales of substantially all of our property and assets.

The Senior Notes are our general unsecured senior obligations and rank equally with our other existing and future unsecured senior indebtedness. The Senior Notes are fully and unconditionally guaranteed (the “Guarantees”) by each of our current and future domestic subsidiaries that are guarantors under our 2011 Credit Facility or that are wholly owned domestic obligors or wholly owned domestic guarantors, individually or collectively, under any future indebtedness of our subsidiaries in excess of $100.0 million (the “Guarantors”). The Guarantees are the Guarantors’ unsecured senior obligations and rank equally with the Guarantors’ other existing and future unsecured senior indebtedness. SeeNote 18, “Condensed Consolidating Financial Information,” to our consolidated financial statements included under Item 8 of this report for additional detail.

On May 14, 2012, we guaranteed the Canadian Notes with an outstanding face value of C$175.0 million (US$175.0 million). On December 27, 2013, Flint redeemed all of its outstanding Canadian Notes. We recorded in “Interest expense” on our Consolidated Statements of Operations for the year ended January 3, 2014 a net gain of $4.1 million, comprised of premium write-off of $23.2 million that was offset by a prepayment fee of $19.1 million related to the redemption of Canadian Notes. As of December 28, 2012, the outstanding balance of the Canadian Notes was $203.8 million, including $28.0 million of premium.

We were in compliance with the covenants of our Senior Notes as of January 3, 2014.

Revolving Line of Credit

Our revolving line of credit is used to fund daily operating cash needs and to support our standby letters of credit. In the ordinary course of business, the use of our revolving line of credit is a function of collection and disbursement activities. Our daily cash needs generally follow a predictable pattern that parallels our payroll cycles, which dictate, as necessary, our short-term borrowing requirements.

We had no outstanding debt balances on our revolving line of credit as of January 3, 2014. We had outstanding debt balances of $100.5 million on our revolving line of credit as of December 28, 2012. As of January 3, 2014, we had issued $108.3 million of letters of credit, leaving $891.7 million available under our revolving credit facility.

A summary of information regarding our revolving line of credit is set forth below:

	Year Ended	
(In millions, except percentages)	January 3, 2014	December 28, 2012
Effective average interest rates on the revolving line of credit	2.4%	1.9%
Average daily revolving line of credit balances	$ 135.2	$ 139.5
Maximum amounts outstanding at any point during the year	$ 236.4	$ 420.0

Other Indebtedness

Notes payable, five-year loan notes, and foreign credit lines. As of January 3, 2014 and December 28, 2012, we had outstanding amounts of $67.1 million and $35.5 million, respectively, in notes payable, five-year loan notes, and foreign lines of credit. The weighted-average interest rates of the notes were approximately 3.57% and 4.68% as of January 3, 2014 and December 28, 2012, respectively. Notes payable primarily include notes used to finance the purchase of office equipment, computer equipment, furniture, vehicles and automotive equipment, and construction equipment.

As of January 3, 2014 and December 28, 2012, we maintained several foreign credit lines with aggregate borrowing capacity of $51.3 million and $50.8 million, respectively, and had remaining borrowing capacity of $49.0 and $47.7 million, respectively.

Capital Leases. As of January 3, 2014 and December 28, 2012, we had obligations under our capital leases of approximately $43.5 million and $59.2 million, respectively, consisting primarily of leases for office equipment, computer equipment, furniture, vehicles and automotive equipment, and construction equipment.

Operating Leases. As of January 3, 2014 and December 28, 2012, we had obligations under our operating leases of approximately $742.1 million and $706.3 million, respectively, consisting primarily of real estate leases.

Other Comprehensive Income (Loss)

Other comprehensive income (loss), net of tax for the year ended January 3, 2014 was comprised of pension and post-retirement adjustments, and foreign currency translation adjustments. The 2013 pension and post-retirement adjustment of $17.0 million, net of tax, was caused primarily by an increase in the inflation rate assumption in the international benefit plans, which was partially offset by an increase in the discount rate assumption for the domestic benefit plans. The 2013 foreign currency translation loss of $70.2 million resulted from the strengthening of the U.S. dollar against foreign currencies. See Note 19, “Other Comprehensive Income (Loss) and Accumulated Other Comprehensive Income (Loss)” to our “Consolidated Financial Statements and Supplementary Data” included under Item 8 of this report for more disclosure about our other comprehensive income (loss).

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions in the application of certain accounting policies that affect amounts reported in our consolidated financial statements and related footnotes included in Item 8 of this report. In preparing these financial statements, we have made our best estimates and judgments of certain amounts, after considering materiality. Application of these accounting policies, however, involves the exercise of judgment and the use of assumptions as to future uncertainties. Consequently, actual results could differ from our estimates, and these differences could be material.

The following are the accounting policies that we believe are most critical to an investor's understanding of our financial results and condition and that require complex judgments by management. There were no material changes to these critical accounting policies during the year ended January 3, 2014.

Consolidation of Variable Interest Entities

We participate in joint ventures, which include partnerships and partially-owned limited liability companies, to bid, negotiate and complete specific projects. We are required to consolidate these joint ventures if we hold the majority voting interest or if the joint venture is determined to be a variable interest entity ("VIE") and we are determined to be the primary beneficiary.

We are considered to be the primary beneficiary if we have the power to direct the activities that most significantly impact the VIE's economic performance and the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. In determining whether we are the primary beneficiary, we take into consideration the following:

- Identifying the significant activities and the parties that have the power to direct them;
- Reviewing the governing board composition and participation ratio;
- Determining the equity, profit and loss ratio;
- Determining the management-sharing ratio;
- Reviewing employment terms, including which joint venture partner provides the project manager; and
- Reviewing the funding and operating agreements.

Examples of significant activities include the following:

- Program and project management;
- Engineering services;
- Procurement services;
- Construction;
- Construction management; and
- Operations and maintenance services.

Based on the above, if we determine that the power to direct the significant activities is shared by two or more joint venture parties, then there is no primary beneficiary and no party consolidates the VIE. In making the shared-power determination, we analyze the key contractual terms, governance, related party and de facto agency as they are defined in the accounting standard, and other arrangements to determine if the shared power exists.

As required by the accounting standard, we perform a quarterly re-assessment to determine whether we are the primary beneficiary. This evaluation may result in consolidation of a previously unconsolidated joint venture or in deconsolidation of a previously consolidated joint venture. See Note 6, "Joint Ventures," for further information on our VIEs.

Revenue Recognition

We recognize revenues from engineering, construction and construction-related contracts using the percentage-of-completion method as project progress occurs. Service-related contracts, including operations and maintenance services and a variety of technical assistance services, are accounted for using the proportionate performance method as project progress occurs.

Percentage of Completion. Under the percentage-of-completion method, revenue is recognized as contract performance progresses. We estimate the progress towards completion to determine the amount of revenue and profit to recognize. We generally utilize a cost-to-cost approach in applying the percentage-of-completion method, where revenue is earned in proportion to total costs incurred, divided by total costs expected to be incurred. Costs are generally determined from actual hours of labor effort expended at per-hour labor rates calculated using a labor dollar multiplier that includes direct labor costs and allocable overhead costs. Direct non-labor costs are charged as incurred plus any mark-up permitted under the contract.

Under the percentage-of-completion method, recognition of profit is dependent upon the accuracy of a variety of estimates, including engineering progress, materials quantities, and achievement of milestones, incentives, penalty provisions, labor productivity, cost estimates and others. Such estimates are based on various professional judgments we make with respect to those factors and are subject to change as the project proceeds and new information becomes available.

Proportional Performance. Our service contracts are accounted for using the proportional performance method, under which revenue is recognized in proportion to the number of service activities performed, in proportion to the direct costs of performing the service activities, or evenly across the period of performance depending upon the nature of the services provided.

Revenues from all contracts may vary based on the actual number of labor hours worked and other actual contract costs incurred. If actual labor hours and other contract costs exceed the original estimate agreed to by our client, we generally obtain a change order, contract modification or successfully prevail in a claim in order to receive and recognize additional revenues relating to the additional costs (see“Change Orders and Claims” below).

If estimated total costs on any contract indicate a loss, we charge the entire estimated loss to operations in the period the loss becomes known. The cumulative effect of revisions to revenue, estimated costs to complete contracts, including penalties, incentive awards, change orders, claims, anticipated losses, and others are recorded in the accounting period in which the events indicating a loss or change in estimates are known and the loss can be reasonably estimated. Such revisions could occur at any time and the effects may be material.

We have a history of making reasonably dependable estimates of the extent of progress towards completion, contract revenue and contract completion costs on our long-term engineering and construction contracts. However, due to uncertainties inherent in the estimation process, it is possible that actual completion costs may vary from estimates.

Change Orders and Claims. Change orders and/or claims occur when changes are experienced once contract performance is underway, and may arise under any of the contract types described below.

Change orders are modifications of an original contract that effectively change the existing provisions of the contract. Change orders may include changes in specifications or designs, manner of performance, facilities, equipment, materials, sites and period of completion of the work. Either we or our clients may initiate change orders. Client agreement as to the terms of change orders is, in many cases, reached prior to work commencing; however, sometimes circumstances require that work progress without obtaining client agreement. Costs related to change orders are recognized as incurred. Revenues attributable to change orders that are unapproved as to price or scope are recognized to the extent that costs have been incurred if the amounts can be reliably estimated and their realization is probable. Revenues in excess of the costs attributable to change orders that are unapproved as to price or scope are recognized only when realization is assured beyond a reasonable doubt. Change orders that are unapproved as to both price and scope are evaluated as claims.

Claims are amounts in excess of agreed contract prices that we seek to collect from our clients or others for customer-caused delays, errors in specifications and designs, contract terminations, change orders that are either in dispute or are unapproved as to both scope and price, or other causes of unanticipated additional contract costs. Claims are included in total estimated contract revenues when the contract or other evidence provides a legal basis for the claim, when the additional costs are caused by circumstances that were unforeseen at the contract date and are not the result of the deficiencies in the contract performance, when the costs associated with the claim are identifiable, and when the evidence supporting the claim is objective and verifiable. Revenue on claims is recognized only to the extent that contract costs related to the claims have been incurred and when it is probable that the claim will result in a bona fide addition to contract value which can be reliably estimated. No profit is recognized on claims until final settlement occurs. As a result, costs may be recognized in one period while revenues may be recognized when client agreement is obtained or claims resolution occurs, which can be in subsequent periods.

"At-risk" and "Agency" Contracts. The amount of revenues we recognize also depends on whether the contract or project represents an at-risk or an agency relationship between the client and us. Determination of the relationship is based on characteristics of the contract or the relationship with the client. For at-risk relationships where we act as the principal to the transaction, the revenue and the costs of materials, services, payroll, benefits, and other costs are recognized at gross amounts. For agency relationships, where we act as an agent for our client, only the fee revenue is recognized, meaning that direct project costs and the related reimbursement from the client are netted. Revenues from agency contracts and collaborative arrangements were not a material part of revenues for any period presented.

In classifying contracts or projects as either at-risk or agency, we consider the following primary characteristics to be indicative of at-risk relationships: (i) we acquire the related goods and services using our procurement resources, (ii) we assume the risk of loss under the contract and (iii) we are responsible for insurance coverage, employee-related liabilities and the performance of subcontractors.

We consider the following primary characteristics to be indicative of agency relationships: (i) our client owns the work facilities utilized under the contract, (ii) we act as a procurement agent for goods and services acquired with client funds, (iii) our client is invoiced for our fees, (iv) our client is exposed to the risk of loss and maintains insurance coverage, and (v) our client is responsible for employee-related benefit plan liabilities and any remaining liabilities at the end of the contract.

Contract Types

Our contract types include cost-plus, target-price, fixed-price, and time-and-materials contracts. Revenue recognition is determined based on the nature of the service provided, irrespective of the contract type, with engineering, construction and construction-related contracts accounted for under the percentage-of-completion method and service-related contracts accounted for under the proportional performance method.

Cost-Plus Contracts. We enter into four major types of cost-plus contracts. Revenue for the majority of our cost-plus contracts is recognized using the percentage-of-completion method:

Cost-Plus Fixed Fee. Under cost-plus fixed fee contracts, we charge our clients for our costs, including both direct and indirect costs, plus a fixed negotiated fee.

Cost-Plus Fixed Rate. Under our cost-plus fixed rate contracts, we charge clients for our direct costs plus negotiated rates based on our indirect costs.

Cost-Plus Award Fee. Some cost-plus contracts provide for award fees or penalties based on performance criteria in lieu of a fixed fee or fixed rate. Other contracts include a base fee component plus a performance-based award fee. In addition, we may share award fees with subcontractors and/or our employees. We accrue fee sharing on a monthly basis as related award fee revenue is earned. We take into consideration the award fee or penalty on contracts when estimating revenues and profit rates, and we record revenues related to the award fees when there is sufficient information to assess anticipated contract performance. On contracts that represent higher than normal risk or technical difficulty, we defer all award fees until an award fee letter is received. Once an award fee letter is received, the estimated or accrued fees are adjusted to the actual award amount.

Cost-Plus Incentive Fee. Some of our cost-plus contracts provide for incentive fees based on performance against contractual milestones. The amount of the incentive fees vary, depending on whether we achieve above-, at- or below-target results. We recognize incentive fees revenues as milestones are achieved, assuming that we will achieve at-target results, unless our estimates indicate our cost at completion to be significantly above or below target.

Target-Price Contracts. Under our target-price contracts, project costs are reimbursable. Our fee is established against a target budget that is subject to changes in project circumstances and scope. Should the project costs exceed the target budget within the agreed-upon scope, we generally degrade a portion of our fee or profit to mitigate the excess cost; however, the customer reimburses us for the costs that we incur if costs continue to escalate beyond our expected fee. If the project costs are less than the target budget, we generally recover a portion of the project cost savings as additional fee or profit. We recognize revenues on target-price contracts using the percentage-of-completion method.

Fixed-Price Contracts. We enter into two major types of fixed-price contracts:

Firm Fixed-Price (“FFP”). Under FFP contracts, our clients pay us an agreed fixed-amount negotiated in advance for a specified scope of work. We generally recognize revenues on FFP contracts using the percentage-of-completion method. If the nature or circumstances of the contract prevent us from preparing a reliable estimate at completion, we will delay profit recognition until adequate information about the contract’s progress becomes available. Prior to completion, our recognized profit margins on any FFP contract depend on the accuracy of our estimates and will increase to the extent that our current estimates of aggregate actual costs are below amounts previously estimated. Conversely, if our current estimated costs exceed prior estimates, our profit margins will decrease and we may realize a loss on a project.

Fixed-Price Per Unit (“FPPU”). Under our FPPU contracts, clients pay us a set fee for each service or production transaction that we complete. We recognize revenues under FPPU contracts as we complete the related service or production transactions for our clients generally using the proportional performance method. Some of our FPPU contracts are subject to maximum contract values.

Time-and-Materials Contracts. Under our time-and-materials contracts, we negotiate hourly billing rates and charge our clients based on the actual time that we spend on a project. In addition, clients reimburse us for our actual out-of-pocket costs of materials and other direct incidental expenditures that we incur in connection with our performance under the contract. The majority of our time-and-material contracts are subject to maximum contract values and, accordingly, revenues under these contracts are generally recognized under the percentage-of-completion method. However, time and materials contracts that are service-related contracts are accounted for utilizing the proportional performance method. Revenues on contracts that are not subject to maximum contract values are recognized based on the actual number of hours we spend on the projects plus any actual out-of-pocket costs of materials and other direct incidental expenditures that we incur on the projects. Our time-and-materials contracts also generally include annual billing rate adjustment provisions.

Goodwill and Intangible Assets Impairment Review

We amortize our intangible assets based on the period over which the contractual or economic benefits of the intangible assets are expected to be realized. We assess our intangible assets for impairment whenever events or changes in circumstances indicate that the carrying value of an intangible asset may not be recoverable.

Goodwill represents the excess of the cost of an acquired entity over the net of the amounts assigned to assets acquired and liabilities assumed. Goodwill was allocated to the reporting units based on the respective fair values of the reporting units at the time of the various acquisitions that gave rise to the recognition of goodwill. We assess our goodwill for impairment at least annually as of the end of the first month following our September reporting period or whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable.

We believe the methodology that we use to review impairment of goodwill, which includes a significant amount of judgment and estimates, provides us with a reasonable basis to determine whether impairment has occurred. However, many of the factors employed in determining whether our goodwill is impaired are outside of our control, and it is reasonably likely that assumptions and estimates will change in future periods. These changes could result in future impairments.

Goodwill impairment reviews involve a two-step process. The first step is a comparison of each reporting unit's fair value to its carrying value. We estimate fair value using both the income approach and the market approach.

The fair value measurements from the income approach are calculated using unobservable inputs to our discounted cash flows. The income approach uses a reporting unit's projection of estimated cash flows and discounts those back to the present using a weighted-average cost of capital that reflects current market conditions. To arrive at the cash flow projections used in the calculation of fair values for our goodwill impairment review, we use market participant estimates of economic and market activity for the next ten years. The key assumptions we used to estimate the fair values of our reporting units were:

- Revenue growth rates;
- Operating margins;
- Capital expenditure needs;
- Working capital requirements;
- Discount rates; and
- Terminal value capitalization rate ("Capitalization Rate")

We also make assumptions about future market conditions, market prices, interest rates, and changes in business strategies. Changes in our assumptions or estimates could materially affect the determination of the fair value of a reporting unit and, therefore, could eliminate the excess fair value over the carrying value of a reporting unit entirely and, in some cases, could result in impairment. Such changes in assumptions could be caused by a loss of one or more significant contracts, reductions in government and/or private industry spending, including federal government sequestration, or a decline in the demand of our services due to changing economic conditions. Given the contractual nature of our business, if we are unable to win or renew contracts; are unable to estimate and control our contract costs; fail to adequately perform to our clients' expectations; fail to procure third-party subcontractors, heavy equipment and materials; or fail to adequately secure funding for our projects, our profits, revenues and growth over the long-term would decline. Such a decline could significantly affect the fair value assessment of our reporting units and cause our goodwill to become impaired.

Of the key assumptions, the discount rates and the Capitalization Rate are market-driven. These rates are derived from the use of market data and employment of the weighted-average cost of capital. The key assumptions that are company-driven include the revenue growth rates and the projected operating margins. They reflect the influence of other potential assumptions, since the assumptions we identified that affect the projected operating results may ultimately affect either the revenue growth or the profitability (operating margin) of the reporting unit. For example, any adjustment to our assumptions regarding contract volume and pricing would have a direct impact on revenue growth, and any adjustment to our assumptions regarding the reporting unit's cost structure or operating leverage would have a direct impact on the profitability of the reporting unit. Actual results may differ from those assumed in our forecasts and changes in assumptions or estimates could materially affect the determination of the fair value of a reporting unit, and therefore could affect the amount of potential impairment.

We also consider indications obtained from the market approach. We applied market multiples derived from stock market prices of companies that are engaged in the same or similar lines of business as our reporting units and that are actively traded on a free and open market, and applied market multiples derived from transactions of significant interests in companies engaged in the same or similar lines of business as our reporting units, and a control premium is applied to arrive at the fair values. Declines in the stock prices of other market participants in the construction and engineering industry could materially affect the determination of the fair value of a reporting unit, and therefore could affect the amount of a potential impairment.

If the carrying value of the reporting unit is higher than its fair value, there is an indication that impairment may exist and the second step must be performed to measure the amount of impairment. The amount of impairment is determined by comparing the implied fair value of the reporting unit's goodwill to the carrying value of the goodwill calculated in the same manner as if the reporting unit were being acquired in a business combination. If the implied fair value of goodwill is less than the recorded goodwill, we would record an impairment charge for the difference.

There are several instances that may cause us to further test our goodwill for impairment between the annual testing periods including: (i) continued deterioration of market and economic conditions that may adversely impact our ability to meet our projected results; (ii) a significant decline in our stock price; and (iii) the occurrence of events that may reduce the fair value of a reporting unit below its carrying amount, such as significant or continued operating losses at the reporting unit level.

If our goodwill were impaired, we would be required to record a non-cash charge that could have a material adverse effect on our consolidated financial statements.

SeeNote 9, "Goodwill and Intangible Assets" to our"Consolidated Financial Statements and Supplementary Data" included under Item 8 of this report for more disclosure about our goodwill impairment reviews.

Receivable Allowances

We reduce our accounts receivable and costs and accrued earnings in excess of billings on contracts by establishing an allowance for amounts that, in the future, may become uncollectible or unrealizable, respectively. We determine our estimated allowance for uncollectible amounts based on management's judgments regarding our operating performance related to the adequacy of the services performed or products delivered, the status of change orders and claims, our experience settling change orders and claims and the financial condition of our clients, which may be dependent on the type of client and current economic conditions to which the client may be subject.

Deferred Income Taxes

We use the asset and liability approach for financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances based on our judgments and estimates are established when necessary to reduce deferred tax assets to the amount expected to be realized in future operating results. Management believes that realization of deferred tax assets in excess of the valuation allowance is more likely than not. Our estimates are based on facts and circumstances in existence as well as interpretations of existing tax regulations and laws applied to the facts and circumstances, with the help of professional tax advisors. Therefore, we estimate and provide for amounts of additional income taxes that may be assessed by the various taxing authorities.

Self-insurance Reserves

Self-insurance reserves represent reserves established as a result of insurance programs under which we have self-insured portions of our business risks. We carry substantial premium-paid, traditional risk transfer insurance for our various business risks; however, we self-insure and establish reserves for the retentions on workers' compensation insurance, general liability, automobile liability, and professional errors and omissions liability.

Defined Benefit Plans

We account for our defined benefit pension plans using actuarial valuations that are based on assumptions, including discount rates, long-term rates of return on plan assets, and rates of change in participant compensation levels. We evaluate the funded status of each of our defined benefit pension plans using these assumptions, consider applicable regulatory requirements, tax deductibility, reporting considerations and other relevant factors, and thereby determine the appropriate funding level for each period. The discount rate used to calculate the present value of the pension benefit obligation is assessed at least annually. The discount rate represents the rate inherent in the price at which the plans' obligations are intended to be settled at the measurement date.

Holding all other assumptions constant, changes in the discount rate assumption that we used in our annual analysis would have the following estimated effect on the benefit obligations of our defined benefit plans as shown in the table below.

Change in an Assumption **(*In millions)***	**Domestic Defined Benefit Plans**	**Foreign Defined Benefit Plans**
25 basis point increase in discount rate	$ (11.5)	$ (25.9)
25 basis point decrease in discount rate	$ 12.1	$ 27.6

Hypothetical changes in all other key assumptions of 25 basis points have an immaterial impact on the benefit obligations of our defined benefit plans. Hypothetical changes in key assumptions of 25 basis points also have an immaterial impact on net periodic pension costs of these plans.

Business Combinations

We account for business combinations under the purchase accounting method. The cost of an acquired company is assigned to the tangible and intangible assets purchased and the liabilities assumed on the basis of their fair values at the date of acquisition. The determination of fair values of assets and liabilities acquired requires us to make estimates and use valuation techniques when market value is not readily available. Any excess of purchase price over the fair value of the tangible and intangible assets acquired is allocated to goodwill. The transaction costs associated with business combinations are expensed as they are incurred.

ADOPTED AND OTHER RECENTLY ISSUED ACCOUNTING STANDARDS

SeeNote 2, "Adopted and Other Recently Issued Statements of Financial Accounting Standards," to ourConsolidated Financial Statements included under Item 8 of this report.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We are exposed to changes in interest rates as a result of our borrowings under our 2011 Credit Facility. Based on the outstanding term loan of $605.0 million under our 2011 Credit Facility, if market rates used to calculate interest expense were to average 1% higher in the next twelve months, our net-of-tax interest expense would increase by approximately $4.0 million. As market rates are at historically low levels, the index rate used to calculate our interest expense cannot drop by the full 1% as our current variable index is 0.17%. If our variable margin rate drops by 0.17%, it would lower our net-of-tax interest expense by approximately $1.0 million. This analysis is computed taking into account the current outstanding term loan of our 2011 Credit Facility, assumed interest rates and current debt payment schedule. The result of this analysis would change if the underlying assumptions were modified.

Foreign Currency Risk

The majority of our transactions are in U.S. dollars; however, our foreign subsidiaries conduct businesses in various foreign currencies. Therefore, we are subject to currency exposures and volatility because of currency fluctuations. We attempt to minimize our exposure to foreign currency fluctuations by matching our revenues and expenses in the same currency for our contracts. From time to time, we purchase derivative financial instruments in the form of foreign currency exchange contracts to manage specific foreign currency exposures. We had a foreign currency translation loss of $70.2 million, a foreign currency translation gain of $24.8 million, and a foreign currency translation loss of $11.2 million for the years ended January 3, 2014, December 28, 2012 and December 30, 2011, respectively.

ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of URS Corporation:

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of URS Corporation and its subsidiaries at January 3, 2014 and December 28, 2012, and the results of their operations and their cash flows for each of the three years in the period ended January 3, 2014 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 3, 2014, based on criteria established in *Internal Control - Integrated Framework* (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company’s internal control over financial reporting is a process designed 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. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

San Francisco, California
March 3, 2014

URS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(*In millions, except per share data*)

	January 3, 2014	December 28, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	$ 283.7	$ 314.5
Accounts receivable, including retentions of $116.6 and $114.4, respectively	1,392.6	1,554.8
Costs and accrued earnings in excess of billings on contracts	1,521.5	1,384.3
Less receivable allowances	(65.1)	(69.7)
Net accounts receivable	2,849.0	2,869.4
Deferred tax assets	35.6	67.6
Inventory	49.2	61.5
Other current assets	173.2	204.2
Total current assets	3,390.7	3,517.2
Investments in and advances to unconsolidated joint ventures	245.6	278.3
Property and equipment, net	608.1	687.5
Intangible assets, net	569.7	692.2
Goodwill	3,695.6	3,721.6
Other long-term assets	208.3	364.2
Total assets	$ 8,718.0	$ 9,261.0
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 44.6	$ 71.8
Accounts payable and subcontractors payable, including retentions of $29.2 and $32.3, respectively	688.3	803.5
Accrued salaries and employee benefits	507.4	558.8
Billings in excess of costs and accrued earnings on contracts	233.1	289.1
Other current liabilities	365.2	277.8
Total current liabilities	1,838.6	2,001.0
Long-term debt	1,666.9	1,992.5
Deferred tax liabilities	444.2	379.9
Self-insurance reserves	127.2	129.8
Pension and post-retirement benefit obligations	285.7	300.9
Other long-term liabilities	128.4	271.0
Total liabilities	4,491.0	5,075.1
Commitments and contingencies (Note 17)		
URS stockholders' equity:		
Preferred stock, authorized 3.0 shares; no shares outstanding	—	—
Common stock, par value $.01; authorized 200.0 shares; 89.1 and 88.9 shares issued, respectively; and 75.0 and 76.8 shares outstanding, respectively	0.9	0.9
Treasury stock, 14.1 and 12.1 shares at cost, respectively	(588.2)	(494.9)
Additional paid-in capital	3,038.1	3,003.9
Accumulated other comprehensive loss (Note 19)	(200.3)	(113.2)
Retained earnings	1,830.7	1,647.3
Total URS stockholders' equity	4,081.2	4,044.0
Noncontrolling interests	145.8	141.9
Total stockholders' equity	4,227.0	4,185.9
Total liabilities and stockholders' equity	$ 8,718.0	$ 9,261.0

See Notes to Consolidated Financial Statements

URS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(*In millions, except per share data*)

	Year Ended		
	January 3, 2014	December 28, 2012	December 30, 2011
Revenues	$ 10,990.7	$ 10,972.5	$ 9,545.0
Cost of revenues	(10,416.0)	(10,294.5)	(8,988.8)
General and administrative expenses	(77.5)	(83.6)	(79.5)
Acquisition-related expenses (Note 8)	—	(16.1)	(1.0)
Restructuring costs (Note 17)	—	—	(5.5)
Goodwill impairment (Note 9)	—	—	(351.3)
Equity in income of unconsolidated joint ventures	93.6	107.6	132.2
Operating income	590.8	685.9	251.1
Interest expense	(86.1)	(70.7)	(22.1)
Other income (expenses)	(7.7)	0.5	—
Income before income taxes	497.0	615.7	229.0
Income tax expense	(167.7)	(189.9)	(143.4)
Net income including noncontrolling interests	329.3	425.8	85.6
Noncontrolling interests in income of consolidated subsidiaries	(82.1)	(115.2)	(128.5)
Net income (loss) attributable to URS	$ 247.2	$ 310.6	$ (42.9)
Earnings (loss) per share (Note 3):			
Basic	$ 3.35	$ 4.18	$ (0.56)
Diluted	$ 3.31	$ 4.17	$ (0.56)
Weighted-average shares outstanding (Note 3):			
Basic	73.9	74.3	77.3
Diluted	74.7	74.5	77.3
Cash dividends declared per share (Note 15)	$ 0.84	$ 0.80	$ —

See Notes to Consolidated Financial Statements

URS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(*In millions*)

	Year Ended		
	January 3, 2014	December 28, 2012	December 30, 2011
Comprehensive income (loss):			
Net income including noncontrolling interests	$ 329.3	$ 425.8	$ 85.6
Pension and post-retirement related adjustments, net of tax	(17.0)	(26.6)	(62.7)
Foreign currency translation adjustments, net of tax	(70.2)	24.8	(11.2)
Loss on derivative instruments, net of tax	—	(0.6)	—
Reclassification adjustment of prior derivative settlement, net of tax	0.1	—	—
Comprehensive income	242.2	423.4	11.7
Noncontrolling interests in comprehensive income of consolidated subsidiaries	(82.1)	(115.2)	(128.5)
Comprehensive income (loss) attributable to URS	$ 160.1	$ 308.2	$ (116.8)

See Notes to Consolidated Financial Statements

URS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(*In millions*)

	Common Stock Shares	Common Stock Amount	Treasury Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total URS Stockholders' Equity	Noncontrolling Interests	Total Equity
Balances, December 31, 2010	81.9	$ 0.9	$ (212.1)	$ 2,924.3	$ (36.9)	$ 1,441.0	$ 4,117.2	$ 83.8	$ 4,201.0
Employee stock purchases and exercises of stock options	0.3	—	—	11.7	—	—	11.7	—	11.7
Stock repurchased in connection with exercises of stock options and vesting of restricted stock awards	(0.3)	—	—	(15.3)	—	—	(15.3)	—	(15.3)
Stock-based compensation	0.8	—	—	45.3	—	—	45.3	—	45.3
Excess tax benefits from stock-based com pensation	—	—	—	0.8	—	—	0.8	—	0.8
Foreign currency translation adjustments	—	—	—	—	(11.2)	—	(11.2)	—	(11.2)
Pension and post-retirement related adjustments, net of tax	—	—	—	—	(62.7)	—	(62.7)	—	(62.7)
Repurchases of common stock	(6.0)	—	(242.8)	—	—	—	(242.8)	—	(242.8)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(111.7)	(111.7)
Contributions and advances from noncontrolling intere sts	—	—	—	—	—	—	—	6.9	6.9
Other transactions with noncontrolling interests	—	—	—	—	—	—	—	(0.3)	(0.3)
Net income (loss) including noncontrolling in terests	—	—	—	—	—	(42.9)	(42.9)	128.5	85.6
Balances, December 30, 2011	76.7	$ 0.9	$ (454.9)	$ 2,966.8	$ (110.8)	$ 1,398.1	$ 3,800.1	$ 107.2	$ 3,907.3

See Notes to Consolidated Financial Statements

URS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (Continued)
(*In millions*)

	Common Stock Shares	Common Stock Amount	Treasury Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total URS Stockholders' Equity	Noncontrolling Interests	Total Equity
Balances, December 30, 2011	76.7	$ 0.9	$ (454.9)	$ 2,966.8	$ (110.8)	$ 1,398.1	$ 3,800.1	$ 107.2	$ 3,907.3
Employee stock purchases and exercises of stock options	0.3	—	—	8.9	—	—	8.9	—	8.9
Stock repurchased in connection with exercises of stock options and vesting of restricted stock awards	(0.4)	—	—	(15.5)	—	—	(15.5)	—	(15.5)
Stock-based compensation	1.2	—	—	43.6	—	—	43.6	—	43.6
Excess tax benefits from stock-based compensation	—	—	—	0.1	—	—	0.1	—	0.1
Foreign currency translation adjustments, net of tax	—	—	—	—	24.8	—	24.8	—	24.8
Pension and post-retirement related adjustments, net of tax	—	—	—	—	(26.6)	—	(26.6)	—	(26.6)
Loss on derivative instruments, net of tax	—	—	—	—	(0.6)	—	(0.6)	—	(0.6)
Repurchases of common stock	(1.0)	—	(40.0)	—	—	—	(40.0)	—	(40.0)
Cash dividends declared	—	—	—	—	—	(61.4)	(61.4)	—	(61.4)
Noncontrolling interests from an acquisition	—	—	—	—	—	—	—	2.0	2.0
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(83.8)	(83.8)
Contributions and advances from noncontrolling interests	—	—	—	—	—	—	—	1.2	1.2
Other transactions with noncontrolling interests	—	—	—	—	—	—	—	0.1	0.1
Net income including noncontrolling interests	—	—	—	—	—	310.6	310.6	115.2	425.8
Balances, December 28, 2012	76.8	$ 0.9	$ (494.9)	$ 3,003.9	$ (113.2)	$ 1,647.3	$ 4,044.0	$ 141.9	$ 4,185.9

See Notes to Consolidated Financial Statements

URS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (Continued)
(*In millions*)

	Common Stock		Treasury	Additional	Accumulated Other	Retained	Total URS	Noncontrolling	Total
	Shares	Amount	Stock	Paid-in Capital	Comprehensive Income (Loss)	Earnings	Stockholders' Equity	Interests	Equity
Balances, December 28, 2012	76.8	$ 0.9	$ (494.9)	$ 3,003.9	$ (113.2)	$ 1,647.3	$ 4,044.0	$ 141.9	$ 4,185.9
Employee stock purchases and exercises of stock options	0.6	—	—	20.2	—	—	20.2	—	20.2
Stock repurchased in connection with exercises of stock options and vesting of restricted stock awards	(0.4)	—	—	(17.9)	—	—	(17.9)	—	(17.9)
Stock-based compensation	—	—	—	30.4	—	—	30.4	—	30.4
Excess tax benefits from stock-based com pensation	—	—	—	1.5	—	—	1.5	—	1.5
Foreign currency translation adjustments, net of tax	—	—	—	—	(70.2)	—	(70.2)	—	(70.2)
Pension and post-retirement related adjustments, net of tax	—	—	—	—	(17.0)	—	(17.0)	—	(17.0)
Reclassification adjustment of prior derivative settle ment, net of tax	—	—	—	—	0.1	—	0.1	—	0.1
Repurchases of common stock	(2.0)	—	(93.3)	—	—	—	(93.3)	—	(93.3)
Cash dividends declared	—	—	—	—	—	(63.8)	(63.8)	—	(63.8)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(79.0)	(79.0)
Other transactions with noncontrolling interests	—	—	—	—	—	—	—	0.8	0.8
Net income including noncontrolling interests	—	—	—	—	—	247.2	247.2	82.1	329.3
Balances, January 3, 2014	75.0	$ 0.9	$ (588.2)	$ 3,038.1	$ (200.3)	$ 1,830.7	$ 4,081.2	$ 145.8	$ 4,227.0

See Notes to Consolidated Financial Statements

URS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(*In millions*)

	Year Ended		
	January 3, 2014	**December 28, 2012**	**December 30, 2011**
Cash flows from operating activities:			
Net income including noncontrolling interests	$ 329.3	$ 425.8	$ 85.6
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization	156.8	132.4	82.1
Amortization of intangible assets	107.4	101.2	60.6
Goodwill impairment	—	—	351.3
Write-off of Canadian Notes premium	(23.2)	—	—
Gain on disposal of property and equipment	(25.4)	(3.4)	(8.9)
Deferred income taxes	73.0	(16.6)	28.3
Stock-based compensation	31.8	43.6	45.3
Equity in income of unconsolidated joint ventures	(93.6)	(107.6)	(132.2)
Dividends received from unconsolidated joint ventures	113.0	88.7	107.3
Changes in operating assets, liabilities and other, net of effects of business acquisitions:			
Accounts receivable and costs and accrued earnings in excess of billings on contracts	364.3	(92.2)	10.6
Inventory	12.2	7.0	(11.9)
Other current assets	36.0	(27.0)	(7.3)
Other long-term assets	(200.5)	(62.2)	(91.2)
Accounts payable, accrued salaries and employee benefits, and other current liabilities	(219.5)	(13.7)	(40.5)
Billings in excess of costs and accrued earnings on contracts	(54.5)	(35.2)	13.8
Other long-term liabilities	7.1	(10.6)	13.0
Total adjustments and changes	284.9	4.4	420.3
Net cash from operating activities	614.2	430.2	505.9
Cash flows from investing activities:			
Payments for business acquisitions, net of cash acquired	—	(1,345.7)	(282.1)
Proceeds from disposal of property and equipment	63.7	25.3	14.1
Payments in settlement of foreign currency forward contract	—	(1,260.6)	—
Receipts in settlement of foreign currency forward contract	—	1,260.3	—
Investments in unconsolidated joint ventures	(0.2)	(4.4)	(19.6)
Changes in restricted cash	4.3	3.9	7.0
Capital expenditures, less equipment purchased through capital leases and equipment notes	(81.0)	(125.4)	(67.5)
Net cash from investing activities	(13.2)	(1,446.6)	(348.1)

See Notes to Consolidated Financial Statements

URS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(*In millions*)

	Year Ended		
	January 3, 2014	**December 28, 2012**	**December 30, 2011**
Cash flows from financing activities:			
Borrowings from long-term debt	—	998.9	700.0
Payments on long-term debt	(220.5)	(38.0)	(632.6)
Borrowings from revolving line of credit	1,028.2	661.6	138.6
Payments on revolving line of credit	(1,124.1)	(583.6)	(115.7)
Net payments under foreign lines of credit and short-term notes	(26.6)	(20.5)	(16.4)
Net change in overdrafts	(54.9)	54.5	(18.0)
Payments on capital lease obligations	(18.0)	(14.6)	(10.9)
Payments of debt issuance costs and other financing activities	(0.8)	(8.7)	(3.1)
Proceeds from employee stock purchases and exercises of stock options	20.2	8.9	11.7
Distributions to noncontrolling interests	(79.0)	(83.8)	(111.7)
Contributions and advances from noncontrolling interests	0.5	2.3	6.6
Dividends paid	(62.2)	(44.7)	—
Repurchases of common stock	(93.3)	(40.0)	(242.8)
Net cash from financing activities	(630.5)	892.3	(294.3)
Net change in cash and cash equivalents	(29.5)	(124.1)	(136.5)
Effect of foreign exchange rate changes on cash and cash equivalents	(1.3)	2.6	(1.3)
Cash and cash equivalents at beginning of period	314.5	436.0	573.8
Cash and cash equivalents at end of period	$ 283.7	$ 314.5	$ 436.0
Supplemental information:			
Interest paid	$ 83.9	$ 64.5	$ 15.2
Taxes paid	$ 101.3	$ 150.6	$ 177.3
Supplemental schedule of non-cash investing and financing activities:			
Equipment acquired with capital lease obligations and equipment note obligations	$ 54.3	$ 27.9	$ 14.2
Purchase price adjustment and contingent consideration payable under acquisitions	$ —	$ —	$ 7.9
Cash dividends declared but not paid	$ 18.3	$ 16.7	$ —

See Notes to Consolidated Financial Statements

NOTE 1. BUSINESS, BASIS OF PRESENTATION, AND ACCOUNTING POLICIES

Overview

The terms "we," "us," and "our" used in these financial statements refer to URS Corporation and its consolidated subsidiaries unless otherwise indicated. We are a leading international provider of engineering, construction and technical services. We offer a broad range of program management, planning, design, engineering, construction and construction management, operations and maintenance, and decommissioning and closure services to public agencies and private sector clients around the world. We also are a United States ("U.S.") federal government contractor in the areas of systems engineering and technical assistance, operations and maintenance, and information technology ("IT") services. Headquartered in San Francisco, we have more than 50,000 employees in a global network of offices in nearly 50 countries as of January 31, 2014. We operate through four reporting segments: the Infrastructure & Environment Division, the Federal Services Division, the Energy & Construction Division and the Oil & Gas Division.

Our fiscal year is the 52/53-week period ending on the Friday closest to December 31. Our fiscal year ended January 3, 2014 contained 53 weeks.

Principles of Consolidation and Basis of Presentation

Our consolidated financial statements include the financial position, results of operations and cash flows of URS Corporation and our majority-owned subsidiaries and joint ventures that are required to be consolidated.

We completed the acquisitions of Flint Energy Services Ltd. ("Flint") and Apptis Holdings, Inc. ("Apptis") on May 14, 2012 and June 1, 2011, respectively. The operations of Flint became our Oil & Gas Division. The operating results of Flint and Apptis from their acquisition dates through January 3, 2014 were included in our consolidated financial statements under the Oil & Gas and Federal Services Divisions, respectively.

Investments in unconsolidated joint ventures are accounted for using the equity method and are included as investments in and advances to unconsolidated joint ventures on our Consolidated Balance Sheets. All significant intercompany transactions and accounts have been eliminated in consolidation.

Use of and Changes in Estimates

The preparation of our consolidated financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosures at the balance sheet dates, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. On an ongoing basis, we review our estimates based on information that is currently available. Changes in facts and circumstances may cause us to revise our estimates.

Our business activities involve making significant estimates and assumptions in the normal course of business relating to our contracts. We focus on evaluating the performance of contracts individually. These estimates and assumptions can vary in the normal course of business as contracts progress, when estimated productivity assumptions change based on experience to-date and as uncertainties are resolved. We use the cumulative catch-up method applicable to construction contract accounting to account for revisions in estimates.

For the year ended January 3, 2014, our results of operations included the recognition of a $31.1 million performance-based incentive fee from our work managing one of our chemical demilitarization programs. This change in estimate resulted in increases of $31.1 million in operating income, $18.7 million in net income, and $0.25 in diluted earnings per share ("EPS") for the year ended January 3, 2014.

For the year ended December 28, 2012, our results of operations included the recognition of a $40.0 million programmatic schedule incentive fee achieved when multiple chemical demilitarization contracts each met its milestones during the period. This change in estimate resulted in increases of $40.0 million in operating income, $24.0 million in net income, and $0.32 in diluted EPS for the year ended December 28, 2012.

For the year ended December 30, 2011, we recognized $24.8 million from our share of cost savings on an air quality control services project that was realized during the period. This change in estimate resulted in increases of $24.8 million in operating income, $14.9 million in net income, and $0.19 in diluted EPS for the year ended December 30, 2011.

Consolidation of Variable Interest Entities

We participate in joint ventures, which include partnerships and partially-owned limited liability companies, to bid, negotiate and complete specific projects. We are required to consolidate these joint ventures if we hold the majority voting interest or if the joint venture is determined to be a variable interest entity ("VIE") and we are determined to be the primary beneficiary.

We are considered to be the primary beneficiary if we have the power to direct the activities that most significantly impact the VIE's economic performance and the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. In determining whether we are the primary beneficiary, we take into consideration the following:

- Identifying the significant activities and the parties that have the power to direct them;
- Reviewing the governing board composition and participation ratio;
- Determining the equity, profit and loss ratio;
- Determining the management-sharing ratio;
- Reviewing employment terms, including which joint venture partner provides the project manager; and
- Reviewing the funding and operating agreements.

Examples of significant activities include the following:

- Program and project management;
- Engineering services;
- Procurement services;
- Construction;
- Construction management; and
- Operations and maintenance services.

Based on the above, if we determine that the power to direct the significant activities is shared by two or more joint venture parties, then there is no primary beneficiary and no party consolidates the VIE. In making the shared-power determination, we analyze the key contractual terms, governance, related party and de facto agency as they are defined in the accounting standard, and other arrangements to determine if the shared power exists.

As required by the accounting standard, we perform a quarterly re-assessment to determine whether we are the primary beneficiary. This evaluation may result in consolidation of a previously unconsolidated joint venture or in deconsolidation of a previously consolidated joint venture. See Note 6, "Joint Ventures," for further information on our VIEs.

Revenue Recognition

We recognize revenues from engineering, construction and construction-related contracts using the percentage-of-completion method as project progress occurs. Service-related contracts, including operations and maintenance services and a variety of technical assistance services, are accounted for using the proportionate performance method as project progress occurs.

Percentage of Completion. Under the percentage-of-completion method, revenue is recognized as contract performance progresses. We estimate the progress towards completion to determine the amount of revenue and profit to recognize. We generally utilize a cost-to-cost approach in applying the percentage-of-completion method, where revenue is earned in proportion to total costs incurred, divided by total costs expected to be incurred. Costs are generally determined from actual hours of labor effort expended at per-hour labor rates calculated using a labor dollar multiplier that includes direct labor costs and allocable overhead costs. Direct non-labor costs are charged as incurred plus any mark-up permitted under the contract.

Under the percentage-of-completion method, recognition of profit is dependent upon the accuracy of a variety of estimates, including engineering progress, materials quantities, and achievement of milestones, incentives, penalty provisions, labor productivity, cost estimates and others. Such estimates are based on various professional judgments we make with respect to those factors and are subject to change as the project proceeds and new information becomes available.

Proportional Performance. Our service contracts, primarily performed by our Federal Services Division, are accounted for using the proportional performance method, under which revenue is recognized in proportion to the number of service activities performed, in proportion to the direct costs of performing the service activities, or evenly across the period of performance depending upon the nature of the services provided.

Revenues from all contracts may vary based on the actual number of labor hours worked and other actual contract costs incurred. If actual labor hours and other contract costs exceed the original estimate agreed to by our client, we generally obtain a change order, contract modification or successfully prevail in a claim in order to receive and recognize additional revenues relating to the additional costs (see"Change Orders and Claims" below).

If estimated total costs on any contract indicate a loss, we charge the entire estimated loss to operations in the period the loss becomes known. The cumulative effect of revisions to revenue, estimated costs to complete contracts, including penalties, incentive awards, change orders, claims, anticipated losses, and others are recorded in the accounting period in which the events indicating a loss or change in estimates are known and the loss can be reasonably estimated. Such revisions could occur at any time and the effects may be material.

We have a history of making reasonably dependable estimates of the extent of progress towards completion, contract revenue and contract completion costs on our long-term engineering and construction contracts. However, due to uncertainties inherent in the estimation process, it is possible that actual completion costs may vary from estimates.

Change Orders and Claims. Change orders and/or claims occur when changes are experienced once contract performance is underway, and may arise under any of the contract types described below.

Change orders are modifications of an original contract that effectively change the existing provisions of the contract without adding new scope or terms. Change orders may include changes in specifications or designs, manner of performance, facilities, equipment, materials, sites and period of completion of the work. Either we or our clients may initiate change orders. Client agreement as to the terms of change orders is, in many cases, reached prior to work commencing; however, sometimes circumstances require that work progress without obtaining client agreement. Costs related to change orders are recognized as incurred. Revenues attributable to change orders that are unapproved as to price or scope are recognized to the extent that costs have been incurred if the amounts can be reliably estimated and their realization is probable. Revenues in excess of the costs attributable to change orders that are unapproved as to price or scope are recognized only when realization is assured beyond a reasonable doubt. Change orders that are unapproved as to both price and scope are evaluated as claims.

Claims are amounts in excess of agreed contract prices that we seek to collect from our clients or others for customer-caused delays, errors in specifications and designs, contract terminations, change orders that are either in dispute or are unapproved as to both scope and price, or other causes of unanticipated additional contract costs. Claims are included in total estimated contract revenues when the contract or other evidence provides a legal basis for the claim, when the additional costs are caused by circumstances that were unforeseen at the contract date and are not the result of the deficiencies in the contract performance, when the costs associated with the claim are identifiable, and when the evidence supporting the claim is objective and verifiable. Revenue on claims is recognized only to the extent that contract costs related to the claims have been incurred and when it is probable that the claim will result in a bona fide addition to contract value which can be reliably estimated. No profit is recognized on claims until final settlement occurs. As a result, costs may be recognized in one period while revenues may be recognized when client agreement is obtained or claims resolution occurs, which can be in subsequent periods.

"At-risk" and "Agency" Contracts. The amount of revenues we recognize also depends on whether the contract or project represents an at-risk or an agency relationship between the client and us. Determination of the relationship is based on characteristics of the contract or the relationship with the client. For at-risk relationships where we act as the principal to the transaction, the revenue and the costs of materials, services, payroll, benefits, and other costs are recognized at gross amounts. For agency relationships, where we act as an agent for our client, only the fee revenue is recognized, meaning that direct project costs and the related reimbursement from the client are netted. Revenues from agency contracts and collaborative arrangements were not a material part of revenues for any period presented.

In classifying contracts or projects as either at-risk or agency, we consider the following primary characteristics to be indicative of at-risk relationships: (i) we acquire the related goods and services using our procurement resources, (ii) we assume the risk of loss under the contract and (iii) we are responsible for insurance coverage, employee-related liabilities and the performance of subcontractors.

We consider the following primary characteristics to be indicative of agency relationships: (i) our client owns the work facilities utilized under the contract, (ii) we act as a procurement agent for goods and services acquired with client funds, (iii) our client is invoiced for our fees, (iv) our client is exposed to the risk of loss and maintains insurance coverage, and (v) our client is responsible for employee-related benefit plan liabilities and any remaining liabilities at the end of the contract.

Contract Types

Our contract types include cost-plus, target-price, fixed-price, and time-and-materials contracts. Revenue recognition is determined based on the nature of the service provided, irrespective of the contract type, with engineering, construction and construction-related contracts accounted for under the percentage-of-completion method and service-related contracts accounted for under the proportional performance method.

Cost-Plus Contracts. We enter into four major types of cost-plus contracts. Revenue for the majority of our cost-plus contracts is recognized using the percentage-of-completion method:

Cost-Plus Fixed Fee. Under cost-plus fixed fee contracts, we charge our clients for our costs, including both direct and indirect costs, plus a fixed negotiated fee.

Cost-Plus Fixed Rate. Under our cost-plus fixed rate contracts, we charge clients for our direct costs plus negotiated rates based on our indirect costs.

Cost-Plus Award Fee. Some cost-plus contracts provide for award fees or penalties based on performance criteria in lieu of a fixed fee or fixed rate. Other contracts include a base fee component plus a performance-based award fee. In addition, we may share award fees with subcontractors and/or our employees. We accrue fee sharing as related award fee revenue is earned. We take into consideration the award fee or penalty on contracts when estimating revenues and profit rates, and we record revenues related to the award fees when there is sufficient information to assess anticipated contract performance. On contracts that represent higher than normal risk or technical difficulty, we defer all award fees until an award fee letter is received. Once an award fee letter is received, the estimated or accrued fees are adjusted to the actual award amount.

Cost-Plus Incentive Fee. Some of our cost-plus contracts provide for incentive fees based on performance against contractual milestones. The amount of the incentive fees varies, depending on whether we achieve above-, at- or below-target results. We recognize incentive fees revenues as milestones are achieved, assuming that we will achieve at-target results, unless our estimates indicate our cost at completion to be significantly above or below target.

Target-Price Contracts. Under our target-price contracts, project costs are reimbursable. Our fee is established against a target budget that is subject to changes in project circumstances and scope. Should the project costs exceed the target budget within the agreed-upon scope, we generally degrade a portion of our fee or profit to mitigate the excess cost; however, the customer reimburses us for the costs that we incur if costs continue to escalate beyond our expected fee. If the project costs are less than the target budget, we generally recover a portion of the project cost savings as additional fee or profit. We recognize revenues on target-price contracts using the percentage-of-completion method.

Fixed-Price Contracts. We enter into two major types of fixed-price contracts:

Firm Fixed-Price (“FFP”). Under FFP contracts, our clients pay us an agreed fixed-amount negotiated in advance for a specified scope of work. We generally recognize revenues on FFP contracts using the percentage-of-completion method. If the nature or circumstances of the contract prevent us from preparing a reliable estimate at completion, we will delay profit recognition until adequate information about the contract’s progress becomes available. Prior to completion, our recognized profit margins on any FFP contract depend on the accuracy of our estimates and will increase to the extent that our current estimates of aggregate actual costs are below amounts previously estimated. Conversely, if our current estimated costs exceed prior estimates, our profit margins will decrease and we may realize a loss on a project.

Fixed-Price Per Unit (“FPPU”). Under our FPPU contracts, clients pay us a set fee for each service or production transaction that we complete. We recognize revenues under FPPU contracts as we complete the related service or production transactions for our clients generally using the proportional performance method. Some of our FPPU contracts are subject to maximum contract values.

Time-and-Materials Contracts. Under our time-and-materials contracts, we negotiate hourly billing rates and charge our clients based on the actual time that we spend on a project. In addition, clients reimburse us for our actual out-of-pocket costs of materials and other direct incidental expenditures that we incur in connection with our performance under the contract. The majority of our time-and-material contracts are subject to maximum contract values and, accordingly, revenues under these contracts are generally recognized under the percentage-of-completion method. However, time-and-materials contracts that are service-related contracts are accounted for utilizing the proportional performance method. Revenues on contracts that are not subject to maximum contract values are recognized based on the actual number of hours we spend on the projects plus any actual out-of-pocket costs of materials and other direct incidental expenditures that we incur on the projects. Our time-and-materials contracts also generally include annual billing rate adjustment provisions.

Segmenting and Combining Contracts

Occasionally a contract may include several elements or phases, each of which was negotiated separately with our client and agreed to be performed without regard to the performance of others. We follow the criteria set forth in the accounting guidance when combining and segmenting contracts. When combining contracts, revenues and profits are earned and reported uniformly over the performance of the combined contracts. When segmenting contracts, we assign revenues and costs to the different elements or phases to achieve different rates of profitability based on the relative value of each element or phase to the estimated contract revenues. Values assigned to the segments are based on our normal historical prices and terms of such services to other clients. Also, a group of contracts may be so closely related that they are, in effect, part of a single project with an overall profit margin.

Accounts Receivable and Costs and Accrued Earnings in Excess of Billings on Contracts

Accounts receivable in the accompanying Consolidated Balance Sheets are primarily comprised of amounts billed to clients for services already provided, but which have not yet been collected. Occasionally, under the terms of specific contracts, we are permitted to submit invoices in advance of providing our services to our clients and, to the extent they have not been collected, these amounts are also included in accounts receivable.

Costs and accrued earnings in excess of billings on contracts (also referred to as “Unbilled Accounts Receivable”) in the accompanying Consolidated Balance Sheets represent unbilled amounts earned and reimbursable under contracts. These amounts become billable according to the contract terms, which usually consider the passage of time, achievement of milestones or completion of the project. Generally, such unbilled amounts will be billed and collected over the next twelve months.

Accounts receivable and costs and accrued earnings in excess of billings on contracts include certain amounts recognized related to unapproved change orders (amounts representing the value of proposed contract modifications, but which are unapproved as to either price or scope) and claims, (change orders that are unapproved as to both price and scope) that have not been collected and, in the case of balances included in costs and accrued earnings in excess of billings on contracts, may not be billable until an agreement or, in the case of claims, a settlement is reached. Most of those balances are not material and are typically resolved in the ordinary course of business.

Billings in Excess of Costs and Accrued Earnings on Contracts

Billings in excess of costs and accrued earnings on contracts in the accompanying Consolidated Balance Sheets is comprised of cash collected from clients and billings to clients on contracts in advance of work performed, advance payments negotiated as a contract condition, estimated losses on uncompleted contracts, normal profit liabilities, project-related legal liabilities; and other project-related reserves. The majority of the unearned project-related costs will be earned over the next twelve months.

We record provisions for estimated losses on uncompleted contracts in the period in which such losses become probable. The cumulative effects of revisions to contract revenues and estimated completion costs are recorded in the accounting period in which the amounts become probable and can be reasonably estimated. These revisions can include such items as the effects of change orders and claims, warranty claims, liquidated damages or other contractual penalties, adjustments for audit findings on U.S. or other government contracts and contract closeout settlements.

Receivable Allowances

We reduce our accounts receivable and costs and accrued earnings in excess of billings on contracts by estimating an allowance for amounts that may become uncollectible or unrealizable in the future. We determine our estimated allowance for uncollectible amounts based on management’s judgments regarding our operating performance related to the adequacy of the services performed or products delivered, the status of change orders and claims, our experience settling change orders and claims and the financial condition of our clients, which may be dependent on the type of client and current economic conditions to which the client may be subject.

Classification of Current Assets and Liabilities

Our accounts receivable include retentions associated with long-term contracts, which are generally not billable until near or at the completion of the projects or milestones and/or delivery of services. For contracts with terms that exceed one year, retentions are generally billed beyond a year from the service date. Our Unbilled Accounts Receivable include amounts related to milestone payment clauses, which may provide for payments to be received beyond a year from the date the Unbilled Accounts Receivable are recognized. Unbilled Accounts Receivable related to performance-based incentives that we do not expect to bill within twelve months of the balance sheet date are included in “Other long-term assets.” Based on our historical experience, we generally consider the collection risk related to these amounts to be low. When events or conditions indicate that the amounts outstanding may become uncollectible, an allowance is estimated and recorded.

Subcontractor payables, subcontractor retentions, and billings in excess of costs and accrued earnings on contracts each contain amounts that, depending on contract performance, resolution of U.S. government contract audits, negotiations, change orders, claims or changes in facts and circumstances, may not require payment within one year.

Accounts receivable – retentions represent amounts billed to clients for services performed that, by the underlying contract terms, will not be paid until the projects meet contractual milestones, or are at or near completion. Correspondingly, subcontractors payable – retentions represent amounts billed to us by subcontractors for services performed that, by their underlying contract terms, do not require payment by us until the projects are at or near completion.

Accounts payable and subcontractors payable include our estimate of incurred but unbilled subcontractor costs.

Concentrations of Credit Risk

Our accounts receivable and costs and accrued earnings in excess of billings on contracts are potentially subject to concentrations of credit risk. Our credit risk on accounts receivable is limited due to the large number of contracts for clients that comprise our customer base and their dispersion across different business and geographic areas. We estimate and maintain an allowance for potential uncollectible accounts, and such estimates have historically been within management's expectations. SeeNote 4, "Accounts Receivable and Costs and Accrued Earnings in Excess of Billings on Contracts" for more details. Our cash and cash equivalents are maintained in accounts held by major banks and financial institutions located primarily in North America, Europe and Asia Pacific.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with maturities of 90 days or less at the date of purchase and include interest-bearing bank deposits and money market funds. At January 3, 2014 and December 28, 2012, restricted cash balances were $12.8 million and $17.1 million, respectively. These amounts were included in "Other current assets" on our Consolidated Balance Sheets. For cash held by our consolidated joint ventures, seeNote 6, "Joint Ventures."

Derivative Instruments

We are exposed to the risk of changes in interest rates on our long-term debt. Sometimes, we manage this risk through the use of derivative instruments. All derivative financial instruments are recorded on the balance sheet at fair value. At dates entered into, the derivatives hedge the variability in cash flows received or paid in connection with a recorded asset or liability.

Changes in the fair value of cash flow hedges are recorded in other comprehensive income until earnings are affected by the variability of cash flows of the hedged transactions. We would discontinue hedge accounting prospectively when the derivatives are no longer effective in offsetting changes in cash flows of the hedged items, the derivatives are sold or terminated or it is no longer probable that the forecasted transactions will occur. Cash flows resulting from derivatives that are accounted for as hedges may be classified in the same category as the cash flows from the items being hedged.

We use derivative instruments only for risk management purposes and not for speculation or trading. The amount, maturity, and other specifics of the hedge, if any, are determined by the specific derivative instrument. If a derivative contract is entered into, we either determine that it is an economic hedge or we designate the derivative as a cash flow or fair value hedge. We formally document all relationships between hedging instruments and the hedged items, as well as our risk management objectives and strategies for undertaking various hedged transactions. For those derivatives designated as cash flow or fair value hedges, we formally assess, both at the derivatives' inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in the hedged items. The ineffective portion of hedging transactions is recognized in current income.

Fair Value Measurement

We determine the fair values of our financial instruments, including debt instruments and pension and post-retirement plan assets based on inputs or assumptions that market participants would use in pricing an asset or a liability. We categorize our instruments using a valuation hierarchy for disclosure of the inputs used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument; Level 3 inputs are unobservable inputs based on our own assumptions used to measure assets and liabilities at fair value. The classification of a financial asset or liability within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The recorded values of cash and cash equivalents, accounts receivable, and accounts payable approximate fair values based on their short-term nature.

Our long-term debt includes both floating-rate and fixed rate instruments. SeeNote 12, "Fair Value of Debt Instruments and Derivative Instruments," for additional disclosure.

Our fair value measurement methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Although we believe our valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine fair value could result in a different fair value measurement at the reporting date.

Inventory

Inventory is stated at cost (first-in, first-out or average cost), but not in excess of net realizable value. Net realizable value represents the estimated selling price for inventory less the estimated costs of completion and the estimated costs associated with the sale. The cost of inventory includes expenditures incurred in acquiring the inventory, production or conversion costs, and other costs incurred in bringing the inventory items to their existing location and condition. For fabricated inventory and work in progress, cost includes overhead allocated based on normal operating capacity. A write down for excess or inactive inventory is recorded based upon an analysis that considers current inventory levels, historical usage patterns, future sales expectations and salvage value. SeeNote 5, "Inventory," for additional disclosure.

Property and Equipment

Property and equipment are stated at cost. In the year assets are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the accounts and any gain or loss on disposal is reflected in the Consolidated Statement of Operations. Depreciation is provided on the straight-line and the declining methods using estimated useful lives less residual value. Leasehold improvements are amortized over the length of the lease or estimated useful life, whichever is less. We capitalize our repairs- and maintenance-related costs that extend the estimated useful lives of property and equipment; otherwise, repairs- and maintenance-related costs are expensed. Whenever events or changes in circumstances indicate that the carrying amount of long-lived assets may not be recoverable, we compare the carrying value to the fair value, which is measured using the prices in active markets for similar assets, and recognize the difference as an impairment loss. SeeNote 7, "Property and Equipment," for additional disclosure.

Internal-Use Computer Software

We expense or capitalize costs associated with the development of internal-use software as follows:

Preliminary Project Stage: Both internal and external costs incurred during this stage are expensed as incurred.

Application Development Stage: Both internal and external costs incurred to purchase and develop computer software are capitalized after the preliminary project stage is completed and management authorizes the computer software project. However, training costs and the process of data conversion from the old system to the new system, which includes purging or cleansing of existing data, reconciliation or balancing of old data to the converted data in the new system, are expensed as incurred.

Post-Implementation/Operation Stage: All training costs and maintenance costs incurred during this stage are expensed as incurred.

Costs of upgrades and enhancements are capitalized if the expenditures will result in adding functionality to the software. Capitalized software costs are depreciated using the straight-line method over the estimated useful life of the related software, which may be up to ten years.

Goodwill and Intangible Assets

We amortize our intangible assets based on the period over which the contractual or economic benefits of the intangible assets are expected to be realized. We assess our intangible assets for impairment whenever events or changes in circumstances indicate that the carrying value of an intangible asset may not be recoverable.

Goodwill represents the excess of the cost of an acquired entity over the net of the amounts assigned to assets acquired and liabilities assumed. Goodwill was allocated to the reporting units based on the respective fair values of the reporting units at the time of the various acquisitions that gave rise to the recognition of goodwill. We assess our goodwill for impairment at least annually as of the end of the first month following our September reporting period or whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable.

We believe the methodology that we use to review impairment of goodwill, which includes a significant amount of judgment and estimates, provides us with a reasonable basis to determine whether impairment has occurred. However, many of the factors employed in determining whether our goodwill is impaired are outside of our control and it is reasonably likely that assumptions and estimates will change in future periods. These changes could result in future impairments.

Goodwill impairment reviews involve a two-step process. The first step is a comparison of each reporting unit's fair value to its carrying value. We estimate fair value using both the income approach and the market approach.

If the carrying value of the reporting unit is higher than its fair value, there is an indication that impairment may exist and the second step must be performed to measure the amount of impairment. The amount of impairment is determined by comparing the implied fair value of the reporting unit's goodwill to the carrying value of the goodwill calculated in the same manner as if the reporting unit were being acquired in a business combination. If the implied fair value of goodwill is less than the recorded goodwill, we would record an impairment charge for the difference.

There are several instances that may cause us to further test our goodwill for impairment between the annual testing periods including: (i) continued deterioration of market and economic conditions that may adversely impact our ability to meet our projected results; (ii) declines in our stock price caused by continued volatility in the financial markets that may result in increases in our weighted-average cost of capital or other inputs to our goodwill assessment; and (iii) the occurrence of events that may reduce the fair value of a reporting unit below its carrying amount, such as the sale of a significant portion of one or more of our reporting units.

If our goodwill were impaired, we would be required to record a non-cash charge that could have a material adverse effect on our consolidated financial statements.

SeeNote 9, "Goodwill and Intangible Assets," for more disclosure about our test for goodwill impairment.

Self-insurance Reserves

Self-insurance reserves represent reserves established as a result of insurance programs under which we self-insure portions of our business risks. We carry substantial premium-paid, traditional risk transfer insurance for our various business risks; however, we self-insure and establish reserves for the retentions on workers' compensation insurance, general liability, automobile liability, and professional errors and omissions liability.

Foreign Currency Translation

We determine the functional currency of our international operating entities based upon the currency of the primary environment in which they operate. Where the functional currency is not the U.S. dollar, translation of assets and liabilities to U.S. dollars is based on exchange rates at the balance sheet date. Translation of revenue and expenses to U.S. dollars is based on the average rate during the period. Foreign currency differences arising from transactions denominated in currencies other than the functional currency, such as selling services or purchasing materials, results in transaction gains or losses, and are generally included in results of operations.

Foreign currency differences arising from the translation of intercompany loans from a foreign currency into the functional currency of an entity, which are of a long-term investment nature (that is, settlement is not planned or anticipated in the foreseeable future) are recorded in "Accumulated other comprehensive income (loss)" on our Consolidated Balance Sheets. Foreign currency differences arising from the translation of other intercompany loans are recorded in "Other income (expense)" on our Consolidated Statements of Operations.

Income Taxes

We use the asset and liability approach for financial accounting and reporting for income taxes. We file income, franchise, gross receipts and similar tax returns in many jurisdictions. Our tax returns are subject to audit by the Internal Revenue Service, most states in the U.S., and by various government agencies representing many jurisdictions outside the U.S. We estimate and provide for additional income taxes that may be assessed by the various taxing authorities. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. SeeNote 13, "Income Taxes," for additional disclosure.

Valuation allowances based on our judgments and estimates are established when necessary to reduce deferred tax assets to the amount expected to be realized and based on expected future operating results and available tax alternatives. Our estimates are based on facts and circumstances in existence as well as interpretations of existing tax regulations and laws applied to the facts and circumstances. Management believes that realization of deferred tax assets in excess of the valuation allowance is more likely than not.

Pension Plans and Post-retirement Benefits

We account for our defined benefit pension plans and post-retirement benefits using actuarial valuations that are based on assumptions, including discount rates, long-term rates of return on plan assets, and rates of change in participant compensation levels. We evaluate the funded status of each of our defined benefit pension plans and post-retirement benefit plans using these assumptions, consider applicable regulatory requirements, tax deductibility, reporting considerations and other relevant factors, and thereby, determine the appropriate funding level for each period. The discount rate used to calculate the present value of the pension and post-retirement benefit obligations is assessed at least annually. The discount rate represents the rate inherent in the price at which the plans' obligations are intended to be settled at the measurement date. SeeNote 14, "Employee Retirement and Post-Retirement Benefit Plans,"for additional disclosure.

Noncontrolling interests

Noncontrolling interests represent the equity investments of the minority owners in our joint ventures and other subsidiary entities that we consolidate in our financial statements.

Business Combinations

We account for business combinations under the purchase accounting method. The cost of an acquired company is assigned to the tangible and intangible assets purchased and the liabilities assumed on the basis of their fair values at the date of acquisition. The determination of fair values of assets and liabilities acquired requires us to make estimates and use valuation techniques when market value is not readily available. Any excess of purchase price over the fair value of net tangible and intangible assets acquired is allocated to goodwill. The transaction costs associated with business combinations are expensed as they are incurred. See Note 8, "Acquisitions," for more information.

NOTE 2. ADOPTED AND OTHER RECENTLY ISSUED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS

An amendment to the accounting standard related to the presentation of other comprehensive income was issued. It requires public entities to provide information about amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income and, in some cases, cross-references to related footnote disclosures. This portion of the standard was effective for us beginning with our first interim period in fiscal year 2013. See Note 19, "Other Comprehensive Income (Loss) and Accumulated Other Comprehensive Income (Loss)," for more information. The adoption of this standard did not have a material impact on our consolidated financial statements.

An accounting standard update was issued related to new disclosures on offsetting assets and liabilities of financial and derivative instruments. The amendments require the disclosure of gross asset and liability amounts, amounts offset on the balance sheet and amounts subject to the offsetting requirements, but not offset on the balance sheet. This standard does not amend the existing guidance on when it is appropriate to offset. An amendment to this standard was subsequently issued to clarify the intended scope of the disclosures. It applies to derivatives, repurchase agreements, and securities lending transactions that are either offset in accordance with Topic 815, Derivatives and Hedging, or subject to an enforceable master netting arrangement or similar agreement. The amended standard update was effective for us beginning with our first interim period in fiscal year 2013. The adoption of this standard did not have a material impact on our consolidated financial statements.

An accounting standard update was issued related to obligations stemming from joint and several liability arrangements. It addresses the recognition, measurement and disclosure of obligations when multiple parties incur joint liabilities where the total amount of the obligation is fixed at the financial reporting date. The standard requires the recognition of the total amount of the liability that the parties are obligated to pay under an arrangement, along with any additional amount the company might expect to pay on behalf of other parties to the liability. This standard is effective for periods beginning with our first interim period in fiscal year 2014, with an option for early adoption. The adoption of this standard did not have a material impact on our consolidated financial statements. See Note 18, "Condensed Consolidating Financial Information."

An accounting standard was issued related to derivatives and hedging. Prior to this standard, the only interest rates that were permitted to be used as benchmark interest rates in a fair value or cash flow hedge were the interest rates on direct Treasury obligations of the U.S. government (UST) and the London Interbank Offered Rate ("LIBOR") swap rate. The new standard allows the use of the Fed Funds rate (the interest rate at which depository institutions lend balances to each other overnight) as a benchmark rate. The standard also eliminates the need to designate the same benchmark interest rate for similar hedges. Additionally, it removes language indicating that the use of different benchmark interest rates for similar hedges "shall be rare and shall be justified." The new standard was effective prospectively for qualifying new or redesignated hedging relationships entered into on or after July 17, 2013. The adoption of this standard did not have a material impact on our consolidated financial statements.

An accounting standard update was issued related to foreign currency matters. The standard update addresses the accounting for the release of cumulative translation adjustments when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a business unit or a group of assets that do not produce a profit within a foreign entity. Under such circumstances, a parent company is required to release any related currency adjustments to earnings. The currency adjustment is released into earnings only if the sale or transfer results in a complete or substantially complete liquidation of the foreign entity in question. The standard update is effective for us for periods beginning with our first interim period in fiscal year 2014. We do not expect that the adoption of this standard will have a material impact on our consolidated financial statements.

An accounting standard was issued related to the standardization of the financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. Under these circumstances, the standard requires that the unrecognized tax benefit, or a portion thereof, be presented in the financial statements as a reduction to a deferred tax asset. However, if the taxpayer is unable to recognize a tax benefit at the reporting date because the carryforward is not available in the same jurisdiction or is insufficient to cover the full tax benefit, the net benefit would, instead, be presented as a liability. This standard is effective for us beginning with our first interim reporting period in fiscal year 2014. We do not expect that the adoption of this standard will have a material impact on our consolidated financial statements.

NOTE 3. EARNINGS PER SHARE

In our computation of diluted EPS, we exclude the potential shares related to nonvested restricted stock awards and units that have an anti-dilutive effect on EPS or that currently have not met performance conditions.

The following table summarizes the components of weighted-average common shares outstanding for both basic and diluted EPS:

	Year Ended		
(In millions)	**January 3, 2014**	**December 28, 2012**	**December 30, 2011**
Weighted-average common stock shares outstanding (1)	73.9	74.3	77.3
Effect of dilutive restricted stock awards and units and employee stock purchase plan shares (2)	0.8	0.2	—
Weighted-average common stock outstanding – Diluted	74.7	74.5	77.3

(1) Weighted-average shares of common stock outstanding is net of treasury stock and excludes nonvested restricted stock awards.

(2) No dilution was applied to our basic weighted-average shares outstanding for the year ended December 30, 2011, due to a goodwill impairment charge that resulted in a net loss for the year.

(In millions)	**January 3, 2014**	**December 28, 2012**	**December 30, 2011**
Anti-dilutive equity awards not included above	—†	1.1	1.0

† Represents less than half a million shares.

NOTE 4. ACCOUNTS RECEIVABLE AND COSTS AND ACCRUED EARNINGS IN EXCESS OF BILLINGS ON CONTRACTS

The following table summarizes the components of our accounts receivable and Unbilled Accounts Receivable with the U.S. federal government and with other customers as of January 3, 2014 and December 28, 2012:

(In millions)	January 3, 2014	December 28, 2012
Accounts receivable:		
U.S. federal government	$ 353.2	$ 376.2
Others	1,039.4	1,178.6
Total accounts receivable	$ 1,392.6	$ 1,554.8
Unbilled Accounts Receivable:		
U.S. federal government	$ 855.7	$ 892.7
Others	796.9	756.5
Total	1,652.6	1,649.2
Less: Amounts included in Other long-term assets	(131.1)	(264.9)
Unbilled Accounts Receivable	$ 1,521.5	$ 1,384.3

As of January 3, 2014 and December 28, 2012, $131.1 million and $264.9 million, respectively, of Unbilled Accounts Receivable are not expected to become billable within twelve months of the balance sheet date and, as a result, are included as a component of “Other long-term assets.” As of January 3, 2014 and December 28, 2012, we reclassified unbilled amounts representing performance-based incentive fee receivables from our work managing chemical demilitarization and nuclear management and decommissioning programs from “Other long-term assets” to Unbilled Accounts Receivable.

We are required contractually to share a portion of the performance-based incentive fees with our employees and subcontractors for some of our projects. These liabilities are accrued concurrently with the related receivables and are not expected to be paid until after the fees are collected, and, as a result, are originally included as a component of “Other long-term liabilities.” As the underlying performance-based incentive fee receivables become current and are reclassified from “Other long-term assets” to Unbilled Accounts Receivable, the corresponding liabilities are also reclassified from “Other long-term liabilities” to “Other current liabilities.”

The following table summarizes the activities of Unbilled Accounts Receivable included in “Other long-term assets” and the corresponding liabilities included in “Other long-term liabilities” for our fiscal years 2013 and 2012:

(In millions)	Amounts included in “Other long-term assets”	Amounts included in “Other long-term liabilities"
Balances as of December 30, 2011	$ 185.0	$ 105.6
Additions	209.2	38.9
Reclassification from long-term to short-term	(129.3)	(37.5)
Balances as of December 28, 2012	264.9	107.0
Additions	241.7	59.7
Reclassification from long-term to short-term	(375.5)	(164.5)
Balances as of January 3, 2014	$ 131.1	$ 2.2

As of January 3, 2014 and December 28, 2012, “Other current liabilities” included $190.4 million and $51.6 million, respectively, related to performance-based incentive fees payable to our employees and subcontractors.

As of January 3, 2014 and December 28, 2012, we had one project with accounts receivable balances of $81.5 million and $32.6 million, respectively, relating to an outstanding claim. SeeNote 17, "Commitments and Contingencies," for further discussion regarding the Department of Energy ("DOE") Deactivation, Demolition, and Removal Project.

NOTE 5. INVENTORY

The table below presents the components of inventory:

(In millions)	January 3, 2014	December 28, 2012
Raw materials	$ 8.5	$ 14.2
Work in progress	7.4	9.8
Finished goods	23.2	24.9
Supplies	10.1	12.6
Total	$ 49.2	$ 61.5

NOTE 6. JOINT VENTURES

The following are examples of activities currently being performed by our significant consolidated and unconsolidated joint ventures:

- Engineering, procurement and construction of a concrete dam;
- Liquid waste management services, including the decontamination of a former nuclear fuel reprocessing facility and nuclear hazardous waste processing;
- Management of ongoing tank cleanup effort, including retrieving, treating, storing and disposing of nuclear waste that is stored at tank farms;
- Management and operation services, including commercial operations, decontamination, decommissioning, and waste management of a nuclear facility in the United Kingdom ("U.K."); and
- Operations, maintenance, asset management services to the Canadian energy sector.

In accordance with the current consolidation standard, we analyzed all of our joint ventures and classified them into two groups:

- Joint ventures that must be consolidated because they are either not VIEs and we hold the majority voting interest, or because they are VIEs of which we are the primary beneficiary; and
- Joint ventures that do not need to be consolidated because they are either not VIEs and we do not hold a majority voting interest, or because they are VIEs of which we are not the primary beneficiary.

We perform a quarterly review of our joint ventures to determine whether there were any changes in the status of the VIEs or changes to the primary beneficiary designation of each VIE. We determined that no such changes occurred during the year ended January 3, 2014.

In the table below, we have aggregated financial information relating to our VIEs because their nature and risk and reward characteristics are similar. None of our current joint ventures that meets the characteristics of a VIE is individually significant to our consolidated financial statements.

Consolidated Joint Ventures

The following table presents the total assets and liabilities of our consolidated joint ventures:

(In millions)	January 3, 2014	December 28, 2012
Cash and cash equivalents	$ 89.4	$ 80.1
Net accounts receivable	199.7	282.2
Other current assets	3.0	2.9
Noncurrent assets	143.1	143.3
Total assets	$ 435.2	$ 508.5
Accounts and subcontractors payable	$ 94.9	$ 185.0
Billings in excess of costs and accrued earnings on contracts	14.9	8.7
Accrued expenses and other	39.5	40.0
Noncurrent liabilities	11.9	22.7
Total liabilities	161.2	256.4
Total URS equity	128.2	110.2
Noncontrolling interests	145.8	141.9
Total owners' equity	274.0	252.1
Total liabilities and owners' equity	$ 435.2	$ 508.5

Total revenues of the consolidated joint ventures were $1.1 billion, $1.6 billion, and $1.7 billion for the years ended January 3, 2014, December 28, 2012, and December 30, 2011, respectively.

The assets of our consolidated joint ventures are restricted for use only by the particular joint venture and are not available for our general operations.

Unconsolidated Joint Ventures

We use the equity method of accounting for our unconsolidated joint ventures. Under the equity method, we recognize our proportionate share of the net earnings of these joint ventures as a single line item under "Equity in income of unconsolidated joint ventures" in our Consolidated Statements of Operations.

The table below presents financial information, derived from the most recent financial statements provided to us, in aggregate, for our unconsolidated joint ventures:

(In millions)		**Unconsolidated VIEs**
January 3, 2014		
Current assets	$	615.6
Noncurrent assets	$	36.8
Current liabilities	$	433.2
Noncurrent liabilities	$	7.0
December 28, 2012		
Current assets	$	594.1
Noncurrent assets	$	23.8
Current liabilities	$	372.5
Noncurrent liabilities	$	7.8
For the year ended January 3, 2014 (1)		
Revenues	$	2,154.3
Cost of revenues	$	(1,909.0)
Income from continuing operations before tax	$	245.3
Net income	$	218.9
For the year ended December 28, 2012 (1)		
Revenues	$	1,662.2
Cost of revenues	$	(1,440.6)
Income from continuing operations before tax	$	221.6
Net income	$	206.0
For the year ended December 30, 2011 (1)		
Revenues	$	1,498.0
Cost of revenues	$	(1,201.5)
Income from continuing operations before tax	$	296.5
Net income	$	274.7

(1) Income from unconsolidated U.S. joint ventures is generally not taxable in most tax jurisdictions in the U.S. The tax expenses on our other unconsolidated joint ventures are primarily related to foreign taxes.

For the years ended January 3, 2014, December 28, 2012, and December 30, 2011, we received $113.0 million, $88.7 million, and $107.3 million, respectively, of distributions from unconsolidated joint ventures.

Exposure to Loss

In addition to potential losses arising out of the carrying values of the assets and liabilities of our unconsolidated joint ventures, our maximum exposure to loss also includes performance assurances and guarantees we sometimes provide to clients on behalf of joint ventures that we do not directly control. We enter into these guarantees primarily to support the contractual obligations associated with the joint ventures' projects. The potential payment amount of an outstanding performance guarantee is typically the remaining cost of work to be performed by or on behalf of third parties under engineering and construction contracts.

However, the majority of the unconsolidated joint ventures in which we participate involve cost-reimbursable, level-of-effort projects that are accounted for as service-type projects, not engineering and construction projects that would follow the percentage-of-completion or completed-contract accounting method. Revenues for service-type contracts are recognized in proportion to the number of service activities performed, in proportion to the direct costs of performing the service activities, or evenly across the period of performance, depending upon the nature of the services provided. The scope of services we provide on these cost-reimbursable contracts are management and operations services for government clients and operations and maintenance services for non-government clients. We believe that, due to the continual changes we experience in client funding and scope definitions, reliable estimates cannot be calculated because they cannot be reliably predicted. In addition, we participate in joint ventures in which the level of our participation is so minimal that we do not have access to those joint ventures' estimates to complete. The joint ventures where we perform engineering and construction contracts and where we have access to the estimates to complete, which are needed to calculate the performance guarantees, are immaterial.

NOTE 7. PROPERTY AND EQUIPMENT

Our property and equipment consisted of the following:

(In millions)	January 3, 2014	December 28, 2012
Construction and mining equipment	$ 244.4	$ 266.4
Computer software	238.9	219.5
Computer hardware	216.1	198.2
Vehicles and automotive equipment	171.6	172.2
Leasehold improvements	141.9	130.1
Land and buildings	100.2	114.1
Furniture and fixtures	94.7	97.7
Other equipment	67.5	72.4
Construction in progress	9.3	15.6
	1,284.6	1,286.2
Accumulated depreciation and amortization	(676.5)	(598.7)
Property and equipment, net (1)	$ 608.1	$ 687.5

(1) The unamortized computer software costs were $76.0 million and $71.1 million, respectively, as of January 3, 2014 and December 28, 2012.

We recorded a gain of $25.4 million on disposal of property and equipment for the year ended January 3, 2014 mainly resulting from the sale of equipment, land and buildings in Canada. This gain was recorded in “Cost of revenues” on our Consolidated Statements of Operations.

Property and equipment was depreciated by using the following estimated useful lives:

	Estimated Useful Lives
Computer software and hardware and other equipment	3 – 10 years
Vehicles and automotive equipment	3 – 12 years
Construction and mining equipment	3 – 15 years
Furniture and fixtures	3 – 10 years
Leasehold improvements (1)	1 – 20 years
Buildings	10 – 45 years

(1) Leasehold improvements are amortized over the length of the lease or estimated useful life, whichever is less.

NOTE 8. ACQUISITIONS

Flint Acquisition

On May 14, 2012, we acquired the outstanding common shares of Flint for C$25.00 per share in cash, or C$1.24 billion (US$1.24 billion based on the exchange rate on the date of acquisition) and paid $110.3 million of Flint's debt prior to the closing of the transaction in exchange for a promissory note from Flint. On the date of acquisition, Flint had outstanding Canadian Notes with a face value of C$175.0 million (US$175.0 million), in addition to $31.6 million of other indebtedness. Our consolidated financial statements include the operating results of Flint after the date of acquisition, which are included as the results of our Oil & Gas Division.

The following table presents the allocation of Flint's identifiable assets acquired and liabilities assumed based on the estimates of their fair values as of the acquisition date.

Final allocation of purchase price:

(In millions)

Identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	$ 4
Trade and other receivables	544
Inventory	61
Other current assets	32
Investments in and advances to unconsolidated joint ventures	147
Property and equipment	420
Other long-term assets	10
Identifiable intangible assets:	
Customer relationships, contracts and backlog	163
Trade names	93
Other	10
Total amount allocated to identifiable intangible assets	266
Current liabilities	(244)
Net deferred tax liabilities	(77)
Long-term debt	(236)
Other long-term liabilities	(31)
Total identifiable net assets acquired	896
Goodwill	456
Total purchase price	$ 1,352

Intangible assets. Intangible assets include customer relationships, contracts and backlog, trade name and other intangible assets associated with the Flint acquisition.

Customer relationships represent existing contracts and the underlying customer relationships and backlog. Customer relationships have estimated useful lives ranging from one to 13 years and are amortized based on the period over which the economic benefits of the intangible assets are expected to be realized.

Trade names represent the fair values of the acquired trade names and trademarks. The estimated useful lives of the trade names are 20 years. Other intangible assets represent the fair values of the existing non-compete agreements, supply contract agreement, and patents, which have estimated useful lives ranging from one to 13 years. We amortize the fair values of these intangible assets based on the period over which the economic benefits of the intangible assets are expected to be realized.

Goodwill. Goodwill represents the excess of the purchase price over the fair value of the underlying net tangible and intangible assets. The factors that contributed to the recognition of goodwill from the acquisition of Flint include acquiring a workforce with capabilities in the oil and gas market and cost savings opportunities. This acquisition generated $456 million of goodwill, which is included in our Oil & Gas Division. None of the total acquired goodwill is expected to be tax deductible.

Investments in and advances to unconsolidated joint ventures. As a result of the Flint acquisition, we hold a 50% voting and economic interest in a joint venture which provides operations, maintenance, asset management and project management services to the Canadian energy sector. The fair value of our investment in this joint venture at the acquisition date was higher than the underlying equity interest. This difference of $128.5 million includes $38.0 million representing intangible assets, and the remaining amount representing goodwill. The intangible assets are being amortized, as a reduction to earnings against the equity in income of this unconsolidated joint venture, over a period ranging from three to 40 years. For the years ended January 3, 2014 and December 28, 2012, amortization of these intangible assets was $10.3 million and $5.9 million, respectively.

Acquisition-related expenses. In connection with the acquisition of Flint, we recognized $16.1 million for the year ended December 28, 2012 in “Acquisition-related expenses” on our Consolidated Statements of Operations.

The acquisition related expenses consisted of investment banking, legal, tax and accounting fees, and other external costs directly related to the acquisition.

Flint’s revenues and operating income included in the Consolidated Statement of Operations for the year ended December 28, 2012 from the May 14, 2012 acquisition to the end of the year amounted to $1.5 billion and $61.2 million, respectively.

Pro forma results. The unaudited financial information in the table below summarizes the combined results of the operations of URS Corporation and Flint for the years ended December 28, 2012 and December 30, 2011, on a pro forma basis, as though the companies had been combined as of January 1, 2011, the beginning of the first period presented. The pro forma financial information includes the accounting effects of the business combination, including adjustments to the amortization of intangible assets, depreciation of property, plant and equipment, interest expense, adjustments to conform to U.S. GAAP, new compensation agreements, and foreign currency gains or losses arising from internal financing arrangements. The pro forma financial information is presented for informational purposes only and is not indicative of the results of operations that would have been achieved if the acquisition had taken place at January 1, 2011 nor should it be taken as indicative of our future consolidated results of operations.

(In millions, except per share data)	**Year Ended December 28, 2012**	**Year Ended December 30, 2011**
Revenues	$ 11,785.8	$ 11,128.7
Net income (loss) including noncontrolling interests	$ 409.1	$ (6.9)
Net income (loss) attributable to URS	$ 292.9	$ (135.4)
Earnings (loss) per share:		
Basic EPS	$ 3.94	$ (1.75)
Diluted EPS	$ 3.93	$ (1.75)

The table below shows the material pre-tax, nonrecurring adjustment in the pro forma financial information for the years ended December 28, 2012 and December 30, 2011:

Pre-tax, nonrecurring adjustment *(In millions)*	**Year Ended December 28, 2012**	**Year Ended December 30, 2011** (1)
Acquisition-related expenses	$ 27.7	$ (27.5)

(1) Included in the pro forma results for the year ended December 30, 2011 is a nonrecurring adjustment related to URS and Flint acquisition-related expenses. These expenses were included in the fiscal year 2011 pro forma results as if the acquisition occurred at the beginning of that fiscal year.

NOTE 9. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The following tables present the changes in goodwill allocated to our reportable segments and reporting units from December 30, 2011 to January 3, 2014:

(In millions)	**Goodwill Balance as of December 30, 2011**	**Acquisitions**	**Other Adjustments** (1)	**Goodwill Balance as of December 28, 2012**
Infrastructure & Environment Operating Segment	$ 758.2	$ —	$ 14.8	$ 773.0
Federal Services Operating Segment	705.6	—	1.7	707.3
Within the Energy & Construction Operating Segment:				
Global Management and Operations Services Group	565.4	—	—	565.4
Civil Construction & Mining Group	293.9	—	—	293.9
Industrial/Process Group	189.3	—	—	189.3
Power Group	735.1	—	—	735.1
Total Energy & Construction Operating Segment	1,783.7	—	—	1,783.7
Oil & Gas Operating Segment	—	456.3	1.3	457.6
Total	$ 3,247.5	$ 456.3	$ 17.8	$ 3,721.6

(1) For the year ended December 28, 2012, "Other adjustments" include an adjustment for foreign currency translation of $16.1 million, and an adjustment for the final allocation of our purchase price of Apptis of $1.7 million.

(In millions)	Goodwill Balance as of December 28, 2012	Acquisitions	Other Adjustments (1)	Goodwill Balance as of January 3, 2014
Infrastructure & Environment Operating Segment	$ 773.0	$ —	$ (14.1)	$ 758.9
Federal Services Operating Segment	707.3	—	—	707.3
Within the Energy & Construction Operating Segment:				
Global Management and Operations Services Group	565.4	—	—	565.4
Civil Construction & Mining Group	293.9	—	—	293.9
Industrial/Process Group	189.3	—	—	189.3
Power Group	735.1	—	—	735.1
Total Energy & Construction Operating Segment	1,783.7	—	—	1,783.7
Oil & Gas Operating Segment	457.6	—	(11.9)	445.7
Total	$ 3,721.6	$ —	$ (26.0)	$ 3,695.6

(1) For the year ended January 3, 2014, "Other adjustments" include an adjustment for foreign currency translation of $26.0 million.

The net change in the carrying amount of goodwill for the year ended December 28, 2012 was primarily due to our acquisition of Flint. See Note 8, "Acquisitions," for more information regarding our acquisition of Flint.

Goodwill Impairment Review

In performing our goodwill impairment test, we evaluate goodwill at the reporting unit level. We have identified seven reporting units. In determining our reporting units, we considered (i) whether an operating segment or a component of an operating segment is a business, (ii) whether discrete financial information is available, (iii) whether the financial information is regularly reviewed by management of the operating segment, and (iv) how the operations are managed or how an acquired entity is integrated in the business operations. The following are our reporting units:

- The Infrastructure & Environment Operating Segment (the "IE reporting unit")
- The Federal Services Operating Segment
- Within the Energy & Construction Operating Segment:
    - Global Management and Operations Services Group
    - Civil Construction and Mining Group
    - Industrial/Process Group
    - Power Group
- The Oil & Gas Operating Segment

In reaching our estimate of fair value, we considered the fair values derived from using both the income and market approaches. We gave primary weight to the income approach because it was deemed to be the most applicable.

The fair value measurements from the income approach were calculated using unobservable inputs to our discounted cash flows, which are classified as Level 3 within the fair value hierarchy. The income approach uses a reporting unit's projection of estimated cash flows and discounts those back to the present using a weighted-average cost of capital that reflects current market conditions. To arrive at the cash flow projections used in the calculation of fair values for our goodwill impairment review, we use market participant estimates of economic and market activity for the next ten years. The key assumptions we used to estimate the fair values of our reporting units are:

- Revenue growth rates;
- Operating margins;
- Capital expenditure needs;
- Working capital requirements;
- Discount rates; and
- Terminal value capitalization rate ("Capitalization Rate")

Of the key assumptions, the discount rates and the Capitalization Rate are market-driven. These rates are derived from the use of market data and employment of the weighted-average cost of capital. The key assumptions that are company-driven include the revenue growth rates and the projected operating margins. They reflect the influence of other potential assumptions, since the assumptions we identified that affect the projected operating results would ultimately affect either the revenue growth or the profitability (operating margin) of the reporting unit. For example, any adjustment to contract volume and pricing would have a direct impact on revenue growth, and any adjustment to the reporting unit's cost structure or operating leverage would have a direct impact on the profitability of the reporting unit. Actual results may differ from those assumed in our forecasts and changes in assumptions or estimates could materially affect the determination of the fair value of a reporting unit, and therefore could affect the amount of potential impairment.

We also consider indications obtained from the market approach. We applied market multiples derived from stock market prices of companies that are engaged in the same or similar lines of business as our reporting units and that are actively traded on a free and open market, and applied market multiples derived from transactions of significant interests in companies engaged in the same or similar lines of business as our reporting units, and a control premium to arrive at the fair values.

When performing our impairment analysis, we also reconcile the sum of the fair values of our reporting units with our market capitalization to determine if the sum reasonably reconciles with the external market indicators. If our reconciliation indicates a significant difference between our external market capitalization and the sum of the fair values of our reporting units, we review and adjust the assumptions employed in our analysis, and examine if the implied control premium is reasonable in light of current market conditions.

Goodwill was allocated to the reporting units based upon the respective fair values of the reporting units at the time of the various acquisitions that gave rise to the recognition of goodwill.

We perform our annual goodwill impairment review as of the end of the first month following our September reporting period and also perform interim impairment reviews if triggering events occur. Our 2013 annual review was performed as of October 25, 2013, which indicated no impairment in any of our reporting units. No events or changes in circumstances have occurred that would indicate any impairment of goodwill exists since our annual testing date.

During fiscal year 2011, our market capitalization was reduced due to the stock market volatility and declines in our stock price. For the year ended December 30, 2011, we recorded a goodwill impairment charge in one of our reporting units totaling $351.3 million ($309.4 million after tax). This non-cash charge reduced goodwill recorded in connection with a previous acquisition and did not impact our overall business operations.

Our annual impairment test indicated no impairment for any of the reporting units because the fair value of each reporting unit substantially exceeded its carrying value. Below is a table showing, for each reporting unit, the percentage of the fair value that exceeded the carrying value:

(In millions)	Goodwill Balance as of January 3, 2014	Reporting Unit Fair Value	Reporting Unit Carrying Value	Percent Above Carrying Value
Infrastructure & Environment Operating Segment	$ 758.9	$ 2,173.0	$ 1,509.3	44.0%
Federal Services Operating Segment	707.3	1,646.0	1,011.6	62.7%
Within the Energy & Construction Operating Segment:				
Global Management and Operations Services Group	565.4	1,398.0	925.3	51.1%
Civil Construction & Mining Group	293.9	457.0	363.0	25.9%
Industrial/Process Group	189.3	392.0	239.0	64.0%
Power Group	735.1	952.0	823.9	15.5%
Total Energy & Construction Operating Segment	1,783.7	3,199.0	2,351.2	36.1%
Oil & Gas Operating Segment	445.7	1,664.0	1,366.6	21.8%
Total	$ 3,695.6	$ 8,682.0	$ 6,238.7	39.2%

Intangible Assets

Intangible assets are comprised of customer relationships, contracts, backlog, trade name, favorable leases and other. As of January 3, 2014 and December 28, 2012, the cost and accumulated amortization of our intangible assets were as follows:

(In millions)	Customer Relationships, Contracts, and Backlog	Trade Name	Favorable Leases and Other	Total
Balance as of December 30, 2011	$ 491.1	$ 25.6	$ 5.3	$ 522.0
Acquisitions	163.0	93.5	9.8	266.3
Amortization expense	(93.9)	(4.8)	(2.5)	(101.2)
Other adjustments and foreign currency translation	3.3	1.7	0.1	5.1
Balance as of December 28, 2012	563.5	116.0	12.7	692.2
Amortization expense	(100.3)	(5.5)	(1.6)	(107.4)
Other adjustments and foreign currency translation	(5.1)	(4.6)	(5.4)	(15.1)
Balance as of January 3, 2014	$ 458.1	$ 105.9	$ 5.7	$ 569.7
Estimated useful lives	1 - 16 years	1 - 20 years (1)	1 - 13 years	

(1) During the fourth quarter of 2013, we revised the estimated useful life of the Flint trade name from 40 years to 20 years due to a change in our intended use.

Our amortization expense related to intangible assets was $107.4 million, $101.2 million, and $60.6 million, respectively, for the years ended January 3, 2014, December 28, 2012, and December 30, 2011.

The following table presents the estimated future amortization expense of intangible assets:

(In millions)	Customer Relationships, Contracts, and Backlog	Trade Name	Favorable Leases and Other	Total
2014	$ 87.5	$ 5.9	$ 1.1	$ 94.5
2015	77.0	6.3	0.7	84.0
2016	71.9	6.3	0.6	78.8
2017	66.6	6.3	0.1	73.0
2018	48.2	6.3	0.4	54.9
Thereafter	106.9	74.8	2.8	184.5
	$ 458.1	$ 105.9	$ 5.7	$ 569.7

NOTE 10. BILLINGS IN EXCESS OF COSTS AND ACCRUED EARNINGS ON CONTRACTS

The following table summarizes the components of billings in excess of costs and accrued earnings on contracts:

(In millions)	January 3, 2014	December 28, 2012
Billings in excess of costs and accrued earnings on contracts	$ 193.1	$ 211.7
Project-related legal liabilities and other project-related reserves	28.0	55.2
Advance payments negotiated as a contract condition	6.4	9.8
Normal profit liabilities	0.8	4.8
Estimated losses on uncompleted contracts	4.8	7.6
Total	$ 233.1	$ 289.1

NOTE 11. INDEBTEDNESS

Indebtedness consisted of the following:

(In millions)	January 3, 2014	December 28, 2012
Term loan, net of debt issuance costs	$ 601.8	$ 666.3
3.85% Senior Notes (net of discount)	399.6	399.5
5.00% Senior Notes (net of discount)	599.5	599.5
7.50% Canadian Notes (including premium)	—	203.8
Revolving line of credit	—	100.5
Other indebtedness	110.6	94.7
Total indebtedness	1,711.5	2,064.3
Less:		
Current portion of long-term debt	44.6	71.8
Long-term debt	$ 1,666.9	$ 1,992.5

2011 Credit Facility

As of January 3, 2014 and December 28, 2012, the outstanding balance of the term loan under our 2011 Credit Facility was $605.0 million and $670.0 million, respectively. As of January 3, 2014 and December 28, 2012, the interest rates applicable to the term loan were 1.67% and 1.71%, respectively. Loans outstanding under our 2011 Credit Facility bear interest, at our option, at the base rate or at the London Interbank Offered Rate ("LIBOR") plus, in each case, an applicable per annum margin. The applicable margin is determined based on the better of our debt ratings or our leverage ratio in accordance with a pricing grid. The interest rate at which we normally borrow is LIBOR plus 150 basis points.

On December 19, 2013, we entered into an amendment to our 2011 Credit Facility that extended the maturity date by two years to December 19, 2018, increased the sublimit for alternative currency revolving loans from $400.0 million to $500.0 million, established a $500.0 million sublimit for financial letters of credit, and increased a restricted payment basket from $150 million to $200 million in any fiscal year. We have an option to prepay the term loans at any time without penalty.

Under our 2011 Credit Facility, we are subject to financial covenants and other customary non-financial covenants. Our financial covenants include a maximum consolidated leverage ratio, which is calculated by dividing total debt by earnings before interest, taxes, depreciation and amortization ("EBITDA"), as defined below, and a minimum interest coverage ratio, which is calculated by dividing cash interest expense into EBITDA. Both calculations are based on the financial data of our most recent four fiscal quarters.

For purposes of our 2011 Credit Facility, consolidated EBITDA is defined as consolidated net income attributable to URS plus interest, depreciation and amortization expense, income tax expense, and other non-cash items (including impairments of goodwill or intangible assets). Consolidated EBITDA shall include pro-forma components of EBITDA attributable to any permitted acquisition consummated during the period of calculation.

Our 2011 Credit Facility contains restrictions, some of which apply only above specific thresholds, regarding indebtedness, liens, investments and acquisitions, contingent obligations, dividend payments, stock repurchases, asset sales, fundamental business changes, transactions with affiliates, and changes in fiscal year.

Our 2011 Credit Facility identifies various events of default and provides for acceleration of the obligations and exercise of other enforcement remedies upon default. Events of default include our failure to make payments under the credit facility; cross-defaults; a breach of financial, affirmative and negative covenants; a breach of representations and warranties; bankruptcy and other insolvency events; the existence of unsatisfied judgments and attachments; dissolution; other events relating to the Employee Retirement Income Security Act; a change in control and invalidity of loan documents.

Our 2011 Credit Facility is guaranteed by all of our existing and future domestic subsidiaries that, on an individual basis, represent more than 10% of either our consolidated domestic assets or consolidated domestic revenues. If necessary, additional domestic subsidiaries will be included so that assets and revenues of subsidiary guarantors are equal at all times to at least 80% of our consolidated domestic assets and consolidated domestic revenues of our available domestic subsidiaries.

We may use any future borrowings from our 2011 Credit Facility along with operating cash flows for general corporate purposes, including funding working capital, making capital expenditures, funding acquisitions, paying dividends and repurchasing our common stock.

We were in compliance with the covenants of our 2011 Credit Facility as of January 3, 2014.

Senior Notes and Canadian Notes

On March 15, 2012, we issued, in a private placement, $400.0 million aggregate principal amount of 3.85% Senior Notes due on April 1, 2017 and $600.0 million aggregate principal amount of 5.00% Senior Notes due on April 1, 2022. On January 3, 2014, our exchange offer expired and we exchanged substantially all of the privately placed Senior Notes with Senior Notes that are registered with the SEC. As of January 3, 2014, the outstanding balance of the Senior Notes was $999.1 million, net of $0.9 million of discount.

Interest on the Senior Notes is payable semi-annually on April 1 and October 1 of each year beginning on October 1, 2012. The net proceeds of the Senior Notes were used to fund the acquisition of Flint. We may redeem the Senior Notes, in whole or in part, at any time and from time to time, at a price equal to 100% of the principal amount, plus a "make-whole" premium and accrued and unpaid interest as described in the indenture. In addition, we may redeem all or a portion of the 5.00% Senior Notes at any time on or after the date that is three months prior to the maturity date of those 5.00% Senior Notes, at a redemption price equal to 100% of the principal amount of the 5.00% Senior Notes to be redeemed. We may also, at our option, redeem the Senior Notes, in whole, at 100% of the principal amount and accrued and unpaid interest upon the occurrence of certain events that result in an obligation to pay additional amounts as a result of certain specified changes in tax law described in the indenture. Additionally, if a change of control triggering event occurs, as defined by the terms of the indenture, we will be required to offer to purchase the Senior Notes at a purchase price equal to 101% of the principal amount, plus accrued and unpaid interest, if any, to the date of the purchase. We are generally not limited under the indenture governing the Senior Notes in our ability to incur additional indebtedness provided we are in compliance with certain restrictive covenants, including restrictions on liens and restrictions on sale and leaseback transactions, and merge or sell substantially all of our property and assets.

The Senior Notes are our general unsecured senior obligations and rank equally with our other existing and future unsecured senior indebtedness. The Senior Notes are fully and unconditionally guaranteed (the "Guarantees") by each of our current and future domestic subsidiaries that are guarantors under our 2011 Credit Facility or that are wholly owned domestic obligors or wholly owned domestic guarantors, individually or collectively, under any future indebtedness of our subsidiaries in excess of $100.0 million (the "Guarantors"). The Guarantees are the Guarantors' unsecured senior obligations and rank equally with the Guarantors' other existing and future unsecured senior indebtedness. SeeNote 18, "Condensed Consolidating Financial Information."

On May 14, 2012, we guaranteed the Canadian Notes with an outstanding face value of C$175.0 million (US$175.0 million). On December 27, 2013, Flint redeemed all of its outstanding Canadian Notes. We recorded in "Interest expense" on our Consolidated Statements of Operations for the year ended January 3, 2014 a net gain of $4.1 million, comprised of premium write-off of $23.2 million and offset by a prepayment fee of $19.1 million related to the redemption of the Canadian Notes. As of December 28, 2012, the outstanding balance of the Canadian Notes was $203.8 million, including $28.0 million of premium.

We were in compliance with the covenants of our Senior Notes as of January 3, 2014.

Revolving Line of Credit

Our revolving line of credit is used to fund daily operating cash needs and to support our standby letters of credit. In the ordinary course of business, the use of our revolving line of credit is a function of collection and disbursement activities. Our daily cash needs generally follow a predictable pattern that parallels our payroll cycles, which dictate, as necessary, our short-term borrowing requirements.

We had no outstanding debt balances on our revolving line of credit as of January 3, 2014. We had outstanding debt balances of $100.5 million on our revolving line of credit as of December 28, 2012. As of January 3, 2014, we had issued $108.3 million of letters of credit, leaving $891.7 million available under our revolving credit facility.

A summary of information regarding our revolving line of credit is set forth below:

	Year Ended	
(In millions, except percentages)	**January 3, 2014**	**December 28, 2012**
Effective average interest rates on the revolving line of credit	2.4%	1.9%
Average daily revolving line of credit balances	$ 135.2	$ 139.5
Maximum amounts outstanding at any point during the year	$ 236.4	$ 420.0

Other Indebtedness

Notes payable, five year loan notes, and foreign credit lines. As of January 3, 2014 and December 28, 2012, we had outstanding amounts of $67.1 million and $35.5 million, respectively, in notes payable, five-year loan notes, and foreign lines of credit. The weighted-average interest rates of the notes were approximately 3.57% and 4.68% as of January 3, 2014 and December 28, 2012, respectively. Notes payable primarily include notes used to finance the purchase of vehicles, construction equipment, office equipment, computer equipment and furniture.

As of January 3, 2014 and December 28, 2012, we maintained several credit lines with aggregate borrowing capacity of $51.3 million and $50.8 million, respectively, and had remaining borrowing capacity of $49.0 million and $47.7 million, respectively.

Capital Leases. As of January 3, 2014 and December 28, 2012, we had obligations under our capital leases of approximately $43.5 million and $59.2 million, respectively, consisting primarily of leases for office equipment, computer equipment and furniture.

Foreign Currency Translation Gains (Losses) Related to Intercompany Loans. We recorded foreign currency translation losses of $7.7 million and gains of $0.8 million on intercompany loans for the years ended January 3, 2014 and December 28, 2012, respectively. We did not have these intercompany notes in fiscal year 2011. These gains and losses are recorded in “Other income (expenses)” on our Consolidated Statements of Operations.

Maturities

As of January 3, 2014, the amounts of our long-term debt outstanding (excluding capital leases) that mature in the next five years and thereafter were as follows:

(In millions)	
Less than one year	$ 24.8
Second year	12.6
Third year	63.2
Fourth year	456.8
Fifth year	505.4
Thereafter	605.2
Total	$ 1,668.0

As of January 3, 2014, the amounts of capital leases that mature in the next five years and thereafter were as follows:

(In millions)	**Capital Leases**
Less than one year	$ 20.6
Second year	11.1
Third year	9.2
Fourth year	4.1
Fifth year	0.1
Total minimum lease payments	45.1
Less: amounts representing interest	1.6
Present value of net minimum lease payments	$ 43.5

NOTE 12. FAIR VALUE OF DEBT INSTRUMENTS AND DERIVATIVE INSTRUMENTS

2011 Credit Facility

As of January 3, 2014 and December 28, 2012, the estimated fair market values of the term loan under our 2011 Credit Facility were approximately $603.2 million and $667.3 million, respectively. The carrying value of this term loan on our Consolidated Balance Sheets as of January 3, 2014 and December 28, 2012 was $605.0 million and $670.0 million, respectively, excluding unamortized issuance costs. The fair value of our term loan as of January 3, 2014 was determined to be at par less issuance fees as the agreement was amended on December 19, 2013 (Level 2).

Senior Notes and Canadian Notes

As of January 3, 2014, the estimated fair market value of the Senior Notes was approximately $983.0 million and the carrying value of these notes on our Consolidated Balance Sheets was $1.0 billion, excluding unamortized discount. As of December 28, 2012, the estimated fair market value of the Senior Notes and Canadian Notes was approximately $1.2 billion and the carrying value of these notes on our Consolidated Balance Sheets was $1.2 billion, excluding unamortized discount and premium. The fair value of the Senior Notes was derived by taking quoted prices of comparable bonds and making an adjustment to reflect our credit to determine the price of the Senior Notes (Level 2) in the trading market and multiplying it by the outstanding balance of the notes.

Derivative Instruments

As of January 3, 2014, there were no derivative instruments outstanding. We have used derivative instruments as a risk management tool and not for trading or speculative purposes. The fair value of each derivative instruments is based on mark-to-market model measurements that are interpolated from observable market data, including spot and forward rates, as of the reporting date and for the duration of each derivative's terms.

Foreign Currency Exchange Contracts

We operate our business globally and our foreign subsidiaries conduct businesses in various foreign currencies. Therefore, we are subject to foreign currency risk. From time to time, we may purchase derivative financial instruments in the form of foreign currency exchange contracts to manage specific foreign currency exposures.

During March and April 2012, we entered into various foreign currency forward contracts with an aggregate notional amount of C$1.25 billion (equivalent to US$1.25 billion as of March 30, 2012) with maturity windows ranging from March 7, 2012 to May 31, 2012. The primary objective of the contracts was to manage our exposure to foreign currency transaction risk related to the funding of our acquisition of Flint in Canadian dollars. These contracts settled during the second quarter of 2012.

NOTE 13. INCOME TAXES

The components of income tax expense were as follows:

	Year Ended		
(In millions)	January 3, 2014	December 28, 2012	December 30, 2011
Current:			
Federal	$ 76.1	$ 152.3	$ 78.3
State and local	9.8	35.9	17.6
Foreign	8.8	18.3	19.2
Subtotal	94.7	206.5	115.1
Deferred:			
Federal	70.8	(10.5)	26.2
State and local	9.7	1.0	5.6
Foreign	(7.5)	(7.1)	(3.5)
Subtotal	73.0	(16.6)	28.3
Total income tax expense	$ 167.7	$ 189.9	$ 143.4

The difference between total tax expense and the amount computed by applying the U.S. statutory federal income tax rate to income before taxes was as follows:

	Year Ended					
	January 3, 2014		December 28, 2012		December 30, 2011	
(In millions, except for percentages)	Amount	Tax Rate	Amount	Tax Rate	Amount	Tax Rate
U.S. statutory rate applied to income (loss) before taxes	$ 174.0	35.0%	$ 215.5	35.0%	$ 80.1	35.0%
State taxes, net of federal benefit	13.7	2.8%	26.3	4.3%	17.7	7.7%
Adjustments to valuation allowances	4.4	0.9%	4.0	0.6%	19.6	8.5%
Foreign income taxed at rates other than 35%	(10.2)	(2.1%)	(24.4)	(4.1%)	(27.2)	(11.9%)
Goodwill impairment	—	—	—	—	86.3	37.7%
Exclusion of tax on noncontrolling interests	(19.8)	(4.0%)	(29.9)	(4.9%)	(30.1)	(13.2%)
Other adjustments	5.6	1.1%	(1.6)	(0.1%)	(3.0)	(1.2%)
Total income tax expense	$ 167.7	33.7%	$ 189.9	30.8%	$ 143.4	62.6%

The significant components of our deferred tax assets and liabilities were as follows:

	Year Ended		
(In millions)	**January 3, 2014**	**December 28, 2012**	**December 30, 2011**
Deferred tax assets:			
Accrued employee benefits	$ 230.7	$ 237.6	$ 200.0
Net operating losses	129.9	132.2	108.4
Accrued liabilities	59.7	71.9	60.6
Insurance reserves	15.9	38.2	40.3
Tax credits	13.0	15.1	10.5
Other	20.6	23.1	19.6
Total deferred tax assets	469.8	518.1	439.4
Valuation allowance on deferred tax assets	(145.0)	(137.6)	(124.0)
Net deferred tax assets	$ 324.8	$ 380.5	$ 315.4
Deferred tax liabilities:			
Depreciation and amortization	$ (456.4)	$ (466.1)	$ (360.8)
Contract revenue and costs	(126.9)	(79.9)	(74.2)
Subsidiary basis difference	(150.1)	(146.8)	(145.5)
Total deferred tax liabilities	(733.4)	(692.8)	(580.5)
Deferred tax liabilities, net of deferred tax assets	$ (408.6)	$ (312.3)	$ (265.1)

We have indefinitely reinvested $431.9 million of undistributed earnings of our foreign operations outside of our U.S. tax jurisdiction as of January 3, 2014. No deferred tax liability has been recognized for the remittance of such earnings to the U.S. since it is our intention to utilize these earnings in our foreign operations. The determination of the amount of deferred taxes on these earnings is not practicable since the computation would depend on a number of factors that cannot be known unless a decision is made to repatriate the earnings. Some of our foreign earnings are indefinitely reinvested between other foreign countries. No cash distributions were made from our foreign subsidiaries in fiscal year 2011, 2012 or 2013.

As of January 3, 2014, our federal net operating loss (“NOL”) carryovers were approximately $29.1 million. These federal NOL carryovers expire in years 2020 through 2032. In addition to the federal NOL carryovers, there are also state income tax NOL carryovers in various taxing jurisdictions of approximately $257.2 million. These state NOL carryovers expire in years 2014 through 2032. There are also foreign NOL carryovers in various jurisdictions of approximately $535.3 million. The majority of the foreign NOL carryovers have no expiration date. At January 3, 2014, the federal, state and foreign NOL carryovers resulted in a deferred tax asset of $129.9 million with a valuation allowance of $96.7 million established against this deferred tax asset. None of the remaining net deferred tax assets related to NOL carryovers is individually material and management believes that it is more likely than not they will be realized. Full recovery of our NOL carryovers will require that the appropriate legal entity generate taxable income in the future at least equal to the amount of the NOL carryovers within the applicable taxing jurisdiction.

As of January 3, 2014 and December 28, 2012, we have remaining tax-deductible goodwill of $142.0 million and $223.2 million, respectively, resulting from acquisitions. The amortization of this goodwill is deductible over various periods ranging up to 13 years. The tax deduction for goodwill for 2014 is expected to be approximately $72.5 million and is expected to be substantially lower beginning in 2015.

As of January 3, 2014, December 28, 2012 and December 30, 2011, we had $14.0 million, $15.4 million and $16.7 million of unrecognized tax benefits, respectively. Included in the balance of unrecognized tax benefits at the end of fiscal year 2013 were $9.8 million of tax benefits, which, if recognized, would affect our effective tax rate. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

(In millions)	Year Ended January 3, 2014	Year Ended December 28, 2012	Year Ended December 30, 2011
Unrecognized tax benefits beginning balance	$ 15.4	$ 16.7	$ 21.5
Gross increase – tax positions in prior years	1.7	1.2	2.7
Gross decrease – tax positions in prior years	(0.2)	(1.2)	(3.6)
Gross increase – current period tax positions	—	1.2	—
Settlements	(1.4)	(0.2)	(0.2)
Lapse of statute of limitations	(1.5)	(2.4)	(3.7)
Unrecognized tax benefits acquired in current year	—	0.1	—
Unrecognized tax benefits ending balance	$ 14.0	$ 15.4	$ 16.7

We recognize accrued interest related to unrecognized tax benefits in interest expense and penalties as a component of tax expense. During the years ended January 3, 2014, December 28, 2012 and December 30, 2011, we recognized $0.5 million, $(1.4) million and $(1.4) million, respectively, in interest and penalties. We have accrued approximately $5.8 million, $5.3 million and $6.7 million in interest and penalties as of January 3, 2014, December 28, 2012 and December 30, 2011, respectively. With a few exceptions, in jurisdictions where our tax liability is immaterial, we are no longer subject to U.S. federal, state, local or foreign examinations by tax authorities for years before 2008.

It is reasonably possible that unrecognized tax benefits will decrease up to $2.7 million within the next twelve months as a result of the settlement of tax audits. The timing and amounts of these audit settlements are uncertain, but we do not expect any of these settlements to have a significant impact on our financial position or results of operations.

The income before income taxes, by geographic area, was as follows:

(In millions)	Year Ended January 3, 2014	Year Ended December 28, 2012	Year Ended December 30, 2011
Income before income taxes and noncontrolling interests:			
United States	$ 445.2	$ 534.9	$ 158.3
International	51.8	80.8	70.7
Total income before income taxes and noncontrolling interests	$ 497.0	$ 615.7	$ 229.0

NOTE 14. EMPLOYEE RETIREMENT AND POST-RETIREMENT BENEFIT PLANS

Defined Contribution Plans

We made contributions of $90.4 million, $91.0 million and $48.1 million to our defined contribution plans during the years ended January 3, 2014, December 28, 2012, and December 30, 2011, respectively. Full- and part-time employees, and employees covered by collective bargaining agreements are generally able to participate in one of our defined contribution plans. Cash contributions to these defined contribution plans are based on either a percentage of employee contributions or on a specified amount per hour depending on the provisions of each plan.

In addition to the above, some of our foreign subsidiaries have contributory trustee retirement plans covering substantially all of their employees. We made contributions to our foreign plans in the amounts of approximately $45.6 million, $35.9 million, and $20.2 million for the years ended January 3, 2014, December 28, 2012, and December 30, 2011, respectively.

Deferred Compensation Plans

We maintain various deferred compensation plans, including a restoration plan for some executives of the Energy & Construction Division. The URS E&C Holdings, Inc. Voluntary Deferred Compensation Plan allows for deferral of salary and incentive compensation. The URS E&C Holdings, Inc. Restoration Plan provides matching contributions on compensation not eligible for matching contributions under the URS Corporation, Inc. 401(k) Plan. As of January 3, 2014 and December 28, 2012, the accrued benefit amounts for our deferred compensation plans were $22.6 million and $23.2 million, respectively, and are included in "Other long-term liabilities" on our Consolidated Balance Sheets.

Defined Benefit Plans

We sponsor a number of pension and unfunded supplemental executive retirement plans, including the following significant plans.

We provide a defined benefit plan, the URS Federal Technical Services, Inc. Employees' Retirement Plan, to cover some of the Federal Services Division's hourly and salaried employees as well as our employees of a joint venture in which this business group participates. This pension plan provides retirement benefit payments for the life of participating retired employees. It was closed to new participants on June 30, 2003, but active participants continue to accrue benefits. All participants are fully vested in their benefits.

We also provide various defined benefit pension plans and unfunded supplemental retirement plans, including the URS Government Services Group Pension Plan, the Washington Government Services Group Executive Pension Plan, and the URS Professional Solutions LLC Pension Plan, which primarily cover groups of current and former employees of the Energy & Construction Division. These plans were closed to future accruals after December 31, 2005.

In addition, as part of our acquisition of Scott Wilson Group plc ("Scott Wilson"), there are two foreign defined benefit retirement plans, the Scott Wilson Pension Scheme ("SWPS") and the Scott Wilson Railways Shared Cost Section of the Railways Pension Scheme ("RPS"). The SWPS is closed to new participants and was closed to future accruals on October 1, 2010. The RPS is closed to new participants other than those who have an indefeasible right to join under U.K. law.

Consistent with foreign laws, we may also contribute funds into foreign government-managed accounts or insurance companies for our foreign employees.

Valuation

We measure our pension costs according to actuarial valuations and the projected unit credit method is used to determine pension costs for financial accounting purposes.

The discount rates for our defined benefit plans were derived using an actuarial "bond model." The models for domestic and foreign plans assume that we purchase bonds with a credit rating of AA or better by a single bond rating agency, at prices based on a current bond yield and bond quality. The model develops the yield on this portfolio of bonds as of the measurement date. The cash flows from the bonds selected for the portfolio generally match our expected benefit payments in future years.

For our domestic plans, the Citigroup High Grade Credit Index (AAA/AA 10+ Year) or Citigroup Pension Discount Curve was used to determine the yield differential for cash flow streams from appropriate quality bonds as of the measurement date. For our foreign plans, the iBoxx GBP Corporate Bond Index (AA 15+ Year) was used to determine the yield differential for cash flow streams from appropriate quality bonds as of the measurement date.

The weighted average of the bond yields is determined based upon the estimated retirement payments in order to derive the discount rate used in calculating the present value of the pension plan obligations.

Our estimates of benefit obligations and assumptions used to measure those obligations for the defined benefit plans as of January 3, 2014 and December 28, 2012, were as follows:

	Domestic Plans		Foreign Plans	
(In millions, except percentages)	**January 3, 2014**	**December 28, 2012**	**January 3, 2014**	**December 28, 2012**
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 443.4	$ 383.3	$ 485.9	$ 447.9
Service cost	7.5	7.5	0.5	0.6
Interest cost	17.6	18.9	22.2	22.6
Employee contributions	—	—	0.4	0.4
Plan amendment	2.7	—	—	—
Benefits paid and expenses	(21.6)	(16.6)	(15.4)	(14.9)
Exchange rate changes	—	—	13.2	20.8
Actuarial (gain) loss	(34.4)	50.3	49.8	8.5
Benefit obligation at end of year	$ 415.2	$ 443.4	$ 556.6	$ 485.9
Change in plan assets:				
Fair value of plan assets at beginning of year	$ 274.2	$ 236.4	$ 370.8	$ 334.3
Actual gain (loss) on plan assets	28.3	31.4	22.2	25.6
Employer contributions	16.0	18.4	9.1	9.7
Employer direct benefit payments	5.1	4.6	—	—
Employee contributions	—	—	0.4	0.4
Exchange rate changes	—	—	8.6	15.7
Benefits paid and expenses	(21.6)	(16.6)	(15.4)	(14.9)
Fair value of plan assets at end of year	$ 302.0	$ 274.2	$ 395.7	$ 370.8
Underfunded status reconciliation:				
Underfunded status	$ 113.2	$ 169.2	$ 160.9	$ 115.1
Net amount recognized	$ 113.2	$ 169.2	$ 160.9	$ 115.1
Amounts recognized in our Consolidated Balance Sheets consist of:				
Accrued benefit liability included in current liabilities	$ 20.9	$ 5.1	$ —	$ —
Accrued benefit liability included in other long-term liabilities	92.3	164.1	160.9	115.1
Net amount recognized	$ 113.2	$ 169.2	$ 160.9	$ 115.1

(In millions, except percentages)	Domestic Plans		Foreign Plans	
	January 3, 2014	December 28, 2012	January 3, 2014	December 28, 2012
Amounts recognized in accumulated other comprehensive income consist of:				
Prior service income	$ 0.2	$ 0.6	$ —	$ —
Net gain (loss)	(80.8)	(140.5)	(96.1)	(41.6)
Net amount recognized	$ (80.6)	$ (139.9)	$ (96.1)	$ (41.6)
Additional information:				
Accumulated benefit obligation	$ 409.7	$ 437.6	$ 545.1	$ 470.7
Weighted-average assumptions used to determine benefit obligations at year end:				
Discount rate	4.97%	4.02%	4.70%	4.80%
Rate of compensation increase	4.50%	4.50%	3.30%	2.80%

Net periodic pension costs and other comprehensive income included the following components for the years ended January 3, 2014, December 28, 2012, and December 30, 2011:

	Years Ended					
	Domestic Plans			Foreign Plans		
(In millions, except percentages)	**January 3, 2014**	**December 28, 2012**	**December 30, 2011**	**January 3, 2014**	**December 28, 2012**	**December 30, 2011**
Net periodic pension costs:						
Service cost	$ 7.5	$ 7.5	$ 6.8	$ 0.5	$ 0.6	$ 0.6
Interest cost	17.6	18.9	19.0	22.2	22.6	24.4
Expected return on plan assets	(19.2)	(17.7)	(16.4)	(23.2)	(22.2)	(22.9)
Amortization or curtailment recognition of prior service cost	2.3	(3.0)	(3.2)	—	—	—
Recognized actuarial loss	16.2	9.8	7.4	—	—	—
Total net periodic pension costs	$ 24.4	$ 15.5	$ 13.6	$ (0.5)	$ 1.0	$ 2.1
Other changes in plan assets and benefit obligations recognized in other comprehensive income:						
Prior service cost	$ 2.7	$ —	$ (1.1)	$ —	$ —	$ —
Net loss (gain)	(43.5)	36.7	27.3	50.9	5.1	48.6
Effect of exchange rate changes on amounts included in accumulated other comprehensive income	—	—	—	3.6	1.7	(1.9)
Amortization or curtailment recognition of prior service cost	(2.3)	3.0	3.2	—	—	—
Amortization or settlement recognition of net loss	(16.2)	(9.8)	(7.4)	—	—	—
Total recognized in other comprehensive loss (income)	$ (59.3)	$ 29.9	$ 22.0	$ 54.5	$ 6.8	$ 46.7
Total recognized in net periodic pension costs and other comprehensive loss (income)	$ (34.9)	$ 45.4	$ 35.6	$ 54.0	$ 7.8	$ 48.8

Weighted-average assumptions used to determine net periodic cost for years ended:						
Discount rate	4.02%	5.05%	5.55%	4.80%	5.00%	5.70%
Rate of compensation increase	4.50%	4.50%	4.50%	2.80%	3.00%	3.45%
Expected long-term rate of return on plan assets	7.35%	7.34%	7.44%	7.00%	7.00%	6.96%
Measurement dates	12/28/2012	12/30/2011	12/31/2010	12/28/2012	12/30/2011	12/31/2010

Investment policies & strategies

Our investment policies and strategies are to seek a competitive rate of return relative to an appropriate level of risk depending on the funded status and obligations of each plan. The plans' investment managers employ both active and passive investment management strategies with the goal of matching or outperforming the broad markets in which they invest. Our risk management practices include diversification across asset classes and investment styles and periodic rebalancing toward asset allocation targets. The target asset allocation selected for each domestic plan reflects a risk/return profile that we believe is appropriate relative to each plan's liability structure and return goals. We conduct periodic asset-liability studies for domestic plan assets in order to model various potential asset allocations in comparison to each plan's forecasted liabilities and liquidity needs. For the foreign plans, asset allocation decisions are generally made by an independent board of trustees, or similar governing body.

For our domestic and foreign plans, investment objectives are aligned to generate returns that will enable the plans to meet their future obligations.

The assumptions we use in determining the expected long-term rate of return on plan assets are based on an actuarial analysis. This analysis includes a review of anticipated future long-term performance of individual asset classes and consideration of the appropriate asset allocation strategy, given the anticipated requirements of the plan, to determine the average rate of earnings expected on the funds invested to provide for the pension plan benefits. While the study gives appropriate consideration to recent fund performance and historical returns, the assumption is primarily a long-term, prospective rate.

Our weighted-average target asset allocation for the defined benefit plans is as follows:

	Current Target Asset Allocation	
	Domestic Plans	**Foreign Plans**
Equity securities	45%	30%
Debt securities	55%	36%
Real estate	—	6%
Hedge fund	—	25%
Other	—	3%
Total	100%	100%

During 2014, we expect to make cash contributions, including estimated employer-directed benefit payments, of between $45 million and $50 million, to the domestic and foreign defined benefit plans.

As of January 3, 2014, the estimated portions of the net loss and the prior service cost in accumulated other comprehensive income that will be recognized as components of net periodic benefit cost over the next fiscal year are $8.9 million and $0.2 million, respectively. In addition, the estimated future benefit payments to be paid out in the next ten years under our defined benefit plans are as follows:

For the Fiscal Year:	**Estimated Future Benefit Payments**	
(In millions)	**Domestic Plans**	**Foreign Plans**
2014	$ 38.0	$ 17.0
2015	23.0	17.0
2016	23.0	18.0
2017	24.0	18.0
2018	25.0	19.0
Next five fiscal years thereafter	130.0	103.0
Total	$ 263.0	$ 192.0

Fair Values of Defined Benefit Plans Assets

As of January 3, 2014 and December 28, 2012, the fair values of our defined benefit plan assets by the major asset categories are as follows:

(In millions)	Total Carrying Value as of January 3, 2014	Fair Value Measurement as of January 3, 2014 Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$ 15.7	$ 5.1	$ 10.6	$ —
U.S. equity funds	78.1	—	78.1	—
International equity funds	95.6	—	95.6	—
Global equity funds	82.4	—	82.4	—
Fixed income securities	304.4	—	294.5	9.9
International property funds	121.5	—	42.7	78.8
Total	$ 697.7	$ 5.1	$ 603.9	$ 88.7

(In millions)	Total Carrying Value as of December 28, 2012	Fair Value Measurement as of December 28, 2012 Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$ 21.0	$ 8.0	$ 13.0	$ —
U.S. equity funds	74.4	—	74.4	—
International equity funds	94.6	—	94.6	—
Global equity funds	72.2	—	72.2	—
Fixed income securities	264.9	—	264.9	—
International property funds	117.9	—	43.8	74.1
Total	$ 645.0	$ 8.0	$ 562.9	$ 74.1

The following table presents a reconciliation of the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3):

(*In millions*)	Level 3 Fair Value Measurement Rollforward
Balance as of December 30, 2011	$ 47.9
Unrealized gains (losses)	4.4
Purchases, sales, issuances and settlements, net	21.8
Balance as of December 28, 2012	$ 74.1
Realized gains (losses)	0.1
Unrealized gains (losses)	6.3
Purchases, sales, issuances and settlements, net	8.2
Balance as of January 3, 2014	$ 88.7

Level 1: The fair values of the plan assets in this category are the plans’ interest in cash and cash equivalents.

Level 2: The fair values of the plans’ interest in common collective trust funds are based on quoted prices in inactive markets, inputs other than quoted prices that are observable for the asset, net asset values as reported by the issuer and/or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset.

Level 3: The fair values of the plan assets in this category are initially based on net asset values as reported by the issuer. Restrictions on the redemption of the investments and delays in settlement are taken into consideration. The values cannot be readily derived from or corroborated by observable market data and generally require additional time to liquate in an orderly manner.

Post-retirement Benefit Plans

We sponsor a number of retiree health and life insurance benefit plans (post-retirement benefit plans) for our Energy & Construction and Federal Services Divisions. The post-retirement benefits provided under company sponsored health care and life insurance plans of the Energy & Construction Division were frozen prior to the Washington Group International, Inc. ("WGI") acquisition. The Federal Services plan was closed to new participants in 2003.

Accumulated post-retirement benefit obligations for the post-retirement benefit plans as of January 3, 2014 and December 28, 2012 were $38.9 million and $43.6 million, respectively. The discount rates used to compute the benefit obligations at January 3, 2014 and December 28, 2012 were 4.61% and 3.48%, respectively. As of January 3, 2014 and December 28, 2012, the fair values of the plan assets were $3.5 million and $3.1 million, respectively.

Net periodic post-retirement benefit costs for the post-retirement benefit plans for the years ended January 3, 2014, December 28, 2012, and December 30, 2011 were $1.8 million, $2.5 million and $1.8 million, respectively. The measurement date used for the post-retirement benefit plans was the beginning of each fiscal year. The weighted-average discount rates used to determine net periodic costs were 3.48%, 4.69%, and 5.23%, respectively, and the expected long-term rates of return on plan assets were 7.50%, 7.50%, and 7.50%, respectively, for the years ended January 3, 2014, December 28, 2012, and December 30, 2011.

The assumptions used related to health care cost trend rates for the years ended January 3, 2014 and December 28, 2012 were as follows:

	January 3, 2014	**December 28, 2012**
Assumed blended health care cost trend rates at year-end:		
Health care cost trend rate assumed for next year	7.92%	7.94%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.94%	4.94%
Years that the rates reach the ultimate trend rate	2020/2024	2020/2024

We currently expect to make cash contributions, including estimated employer direct benefit payments, of between $3 million and $4 million to the post-retirement benefit plans for 2014.

Multiemployer Pension Plans

We participate in approximately 200 construction-industry multiemployer pension plans. Generally, the plans provide defined benefits to substantially all employees covered by collective bargaining agreements. Under the Employee Retirement Income Security Act, a contributor to a multiemployer plan is liable, upon termination or withdrawal from a plan, for its proportionate share of a plan's unfunded vested liability.

Our aggregate contributions to these plans were $49.7 million, $48.2 million, and $40.7 million for the years ended January 3, 2014, December 28, 2012, and December 30, 2011, respectively. At January 3, 2014, none of the plans in which we participate are individually significant to our consolidated financial statements.

NOTE 15. STOCKHOLDERS' EQUITY

Dividend Program

Our Board of Directors declared the following dividends:

Declaration Date	Dividend Per Share	Record Date	Total Maximum Payment	Payment Date
(In millions, except per share data)				
February 24, 2012	$ 0.20	March 16, 2012	$ 15.2	April 6, 2012
May 4, 2012	$ 0.20	June 15, 2012	$ 15.4	July 6, 2012
August 3, 2012	$ 0.20	September 14, 2012	$ 15.4	October 5, 2012
November 2, 2012	$ 0.20	December 14, 2012	$ 15.4	January 4, 2013
February 22, 2013	$ 0.21	March 15, 2013	$ 16.0	April 5, 2013
May 3, 2013	$ 0.21	June 14, 2013	$ 16.0	July 5, 2013
August 2, 2013	$ 0.21	September 13, 2013	$ 16.0	October 4, 2013
November 1, 2013	$ 0.21	December 13, 2013	$ 16.0	January 10, 2014
February 28, 2014	$ 0.22	March 21, 2014	NA	April 11, 2014

NA = Not available

Equity Incentive Plans

On March 28, 2013, the Board adopted, and on May 23, 2013, the stockholders approved, an amendment and restatement of our 2008 Equity Incentive Plan (“2008 Plan”). Among other provisions, the amendment and restatement increased the aggregate number of shares of common stock authorized for issuance under the 2008 Plan by 1.5 million shares to a total of 6.5 million shares and extended the term of the 2008 Plan until May 23, 2018. As of January 3, 2014, approximately 3.0 million shares had been issued as restricted stock awards and 1.7 million shares of restricted stock units were issuable upon the vesting under our 2008 Plan. In addition, approximately 1.8 million shares remained reserved for future grant under the 2008 Plan.

Employee Stock Purchase Plan

Our Employee Stock Purchase Plan (“ESPP”) allows qualifying employees to purchase shares of our common stock through payroll deductions of up to 10% of their compensation, subject to Internal Revenue Code limitations, at a price of 95% of the fair market value as of the end of each of the six-month offering periods. The offering periods commence on January 1 and July 1 of each year.

For the years ended January 3, 2014, December 28, 2012, and December 30, 2011, employees participating in our ESPP purchased approximately 0.4 million shares, 0.1 million shares, and 0.2 million shares, respectively. Cash proceeds generated from employee stock option exercises and purchases by employees under our ESPP for the years ended January 3, 2014, December 28, 2012, and December 30, 2011 were $20.2 million, $8.9 million, and $11.7 million, respectively.

Restricted Stock Awards and Units

We have issued restricted stock awards and units from the 2008 Plan that may contain time-based or time- and performance-based vesting over multiple years. Some awards are subject to the following time- and performance-based vesting conditions:

Single-Performance Criteria

Upon the achievement of an annual net income target generally established in the first quarter of the fiscal year preceding the vesting date.

Multi-Performance Criteria

In March 2013, pursuant to our long-term equity incentive program, we issued performance-based restricted stock unit awards to senior executives that vest at the end of a three-year vesting period with multi-performance criteria. One criterion is the extent to which we achieve a net income performance condition measured on a cumulative basis over a two-year performance period. In addition, there is a market condition based on meeting or exceeding the total stockholder return of the Russell 3000 Index, measured over a three-year performance period. At vesting, these performance-based awards may convert to common stock up to 200% of the targeted amounts, based on achievement of performance targets.

In November 2013, we redesigned our long-term equity incentive program and issued performance-based restricted stock unit awards to senior executives that vest at the end of a three-year vesting period with three performance criteria. Two criteria consist of a net income performance condition measured on a cumulative basis over a three-year performance period and a return on invested capital performance condition measured on an annual basis averaged over a three-year performance period. In addition, there is a market condition based on meeting or exceeding the total stockholder return of the Russell 3000 Index, measured over a three-year performance period. At vesting, these performance-based awards may convert to common stock up to 200% of the targeted amounts, based on achievement of performance targets.

Our restricted stock awards and units are measured based on the stock price on the date that all of the key terms and conditions related to the award are known. Restricted stock awards and units are expensed on a straight-line basis over their respective vesting periods subject to the probability of meeting performance requirements and adjusted for the number of shares expected to be issued.

The grant date fair value for restricted stock awards and units with multi-performance criteria was determined using a Monte Carlo simulation model with the following weighted-average assumptions:

	Fiscal year ended January 3, 2014
Stock price (1)	$ 47.00
Expected volatility factor (2)	31.30%
Risk-free interest rate (3)	0.33%
Expected annual dividend yield (4)	0%

(1) The stock price is the closing price of our common stock on the date of when all of the key terms and conditions related to the award are known.

(2) The stock volatility for each grant was determined based on the historical volatility for the Russell 3000 Index and in correlation to our common stock for a period equal to the estimated performance period.

(3) The risk-free interest rate for periods equal to the performance period is based on the U.S. Treasury yield curve in effect at the date of grant.

(4) Dividends are reinvested for purposes of calculating total stockholder return. For purposes of the fair value model, the dividend yield is therefore considered to be 0%.

As of January 3, 2014, we had estimated unrecognized stock-based compensation expense of $46.2 million related to nonvested restricted stock awards and units for which vesting is probable. This expense is expected to be recognized over a weighted-average period of 2.4 years. The following table summarizes the total fair value of vested shares, according to their contractual terms, and the grant date fair value of restricted stock awards and units granted during the years ended January 3, 2014 and December 28, 2012:

(In millions)	January 3, 2014	December 28, 2012
Fair value of shares vested	$ 43.9	$ 42.0
Grant date fair value of restricted stock awards and units granted	$ 69.2	$ 54.3

A summary of the status of and changes in our nonvested restricted stock awards and units, according to their contractual terms, as of and for the year ended January 3, 2014, is presented below:

	Year Ended January 3, 2014	
	Shares *(in millions)*	Weighted-Average Grant Date Fair Value
Nonvested at December 31, 2010	2.5	$ 42.92
Granted	1.0	$ 42.39
Vested	(1.0)	$ 42.47
Forfeited	(0.1)	$ 43.46
Nonvested at December 31, 2011	2.4	$ 42.86
Granted	1.4	$ 36.79
Vested	(1.0)	$ 41.69
Forfeited	(0.1)	$ 42.44
Nonvested at December 28, 2012	2.7	$ 40.03
Granted	1.4	$ 48.66
Vested	(1.0)	$ 41.45
Forfeited	(0.3)	$ 41.90
Nonvested at January 3, 2014	2.8	$ 43.66

Stock-Based Compensation

We recognize stock-based compensation expense, net of estimated forfeitures, over the vesting periods in "General and administrative expenses" and "Cost of revenues" in our Consolidated Statements of Operations.

The following table presents our stock-based compensation expense related to restricted stock awards and units, our employee stock purchase plan and the related income tax benefits recognized for the years ended January 3, 2014, December 28, 2012, and December 30, 2011:

	Year Ended		
(In millions)	**January 3, 2014**	**December 28, 2012**	**December 30, 2011**
Stock-based compensation expense:			
Restricted stock awards and units	$ 31.2	$ 43.1	$ 44.8
Employee stock purchase plan	0.6	0.5	0.5
Stock-based compensation expense	$ 31.8	$ 43.6	$ 45.3
Stock-based compensation expense included in:			
Cost of revenues	$ 23.5	$ 33.2	$ 35.1
General and administrative expenses	8.3	10.4	10.2
Stock-based compensation expense	$ 31.8	$ 43.6	$ 45.3
Total income tax benefits recognized in our net income related to stock-based compensation expense	$ 11.6	$ 16.0	$ 17.3

Stock Repurchase Program

For fiscal years 2012 and 2013, the number of shares authorized under the repurchase program were 3.0 million shares, plus the number of shares equal to the difference between the number of shares authorized to be repurchased in the prior year and the actual number of shares repurchased during the prior year, not to exceed 6.0 million shares in aggregate. In February 2014, our Board of Directors approved a modification of our stock repurchase program to allow for the repurchase of up to 12.0 million shares of our common stock in fiscal year 2014. The Board of Directors may modify, suspend, extend or terminate the program at any time.

The following table summarizes our stock repurchase activities for the years ended January 3, 2014, December 28, 2012, and December 30, 2011:

	Year Ended		
(In millions, except average price paid per share)	**January 3, 2014**	**December 28, 2012**	**December 30, 2011**
Shares of common stock repurchased	2.0	1.0	6.0
Average price paid per share	$ 45.55	$ 40.00	$ 40.47
Cost of common stock repurchased	$ 93.3	$ 40.0	$ 242.8

NOTE 16. SEGMENT AND RELATED INFORMATION

We operate our business through the following four segments:

- ***Infrastructure & Environment*** Division provides program management, planning, design, engineering, construction and construction management, operations and maintenance, and decommissioning and closure services to the U.S. federal government, state and local government agencies, and private sector clients in the U.S. and internationally.

- ***Federal Services*** Division provides services to various U.S. federal government agencies, primarily the Department of Defense. These services include program management, planning, design and engineering, systems engineering and technical assistance, construction and construction management, operations and maintenance, IT services, and decommissioning and closure.

- ***Energy & Construction*** Division provides program management, planning, design, engineering, construction and construction management, operations and maintenance, and decommissioning and closure services to the U.S. federal government, state and local government agencies, and private sector clients in the U.S. and internationally.

- ***Oil & Gas*** Division provides oilfield services, including rig transportation and fluid hauling services, facility and pipeline construction, module fabrication, and maintenance services, for the oil and gas industry in the U.S. and Canada.

These four segments operate under separate management groups and produce discrete financial information. Their operating results also are reviewed separately by management. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies. The information disclosed in our consolidated financial statements is based on the four segments that comprise our current organizational structure.

Beginning in fiscal year 2014, our Global Management and Operations Services Group, which was a component of our Energy & Construction Division in fiscal year 2013, is now operated and managed by our Federal Services Division. The realignment of this group is designed to maximize our competitive advantage in the federal market sector and facilitate our strategy to expand our business with government agencies in the U.S. and internationally.

"URS operating income" is defined as segment operating income after reduction for pre-tax noncontrolling interests, but before the reduction of any pre-tax goodwill impairment charge. This measurement method minimizes the reconciling items between internal profit measurement and GAAP operating income. We used "URS operating income" to assess performance and make decisions concerning resource allocation.

The following table presents summarized financial information for our reportable segments. "Inter-segment, eliminations and other" in the following table includes eliminations of inter-segment sales and investments in subsidiaries. The segment balance sheet information presented below is included for informational purposes only. We do not allocate resources based upon the balance sheet amounts of individual segments. Our long-lived assets consist primarily of property and equipment.

	Year Ended		
(In millions)	January 3, 2014	December 28, 2012	December 30, 2011
Revenues			
Infrastructure & Environment	$ 3,758.0	$ 3,792.1	$ 3,760.9
Federal Services (1)	2,263.0	2,721.6	2,695.4
Energy & Construction	2,911.0	3,138.1	3,251.1
Oil & Gas (2)	2,208.2	1,475.1	—
Inter-segment, eliminations and other	(149.5)	(154.4)	(162.4)
Total revenues	$ 10,990.7	$ 10,972.5	$ 9,545.0
Equity in income (loss) of unconsolidated joint ventures			
Infrastructure & Environment	$ 2.4	$ 4.0	$ 3.9
Federal Services (1)	6.3	6.4	6.2
Energy & Construction	86.7	93.0	122.1
Oil & Gas (2)	(1.8)	4.2	—
Total equity in income of unconsolidated joint ventures	$ 93.6	$ 107.6	$ 132.2
URS operating income (loss) (3)			
Infrastructure & Environment	$ 212.5	$ 218.8	$ 222.0
Federal Services (1)	268.5	249.3	196.8
Energy & Construction	94.3	140.0	134.6
Oil & Gas (2)	10.9	62.3	—
Corporate (4)	(77.5)	(99.7)	(79.5)
Total URS operating income	$ 508.7	$ 570.7	$ 473.9
Operating income (loss) (5)			
Infrastructure & Environment	$ 214.1	$ 220.9	$ 222.0
Federal Services (1)	268.5	249.3	(154.5)
Energy & Construction	175.8	254.2	263.1
Oil & Gas (2)	9.9	61.2	—
Corporate (4)	(77.5)	(99.7)	(79.5)
Total operating income	$ 590.8	$ 685.9	$ 251.1
Capital expenditures			
Infrastructure & Environment	$ 37.8	$ 43.2	$ 51.2
Federal Services (1)	12.8	5.5	4.8
Energy & Construction	17.0	19.0	14.8
Oil & Gas (2)	56.2	72.3	—
Corporate (5)	12.6	13.2	10.9
Total capital expenditures	$ 136.4	$ 153.2	$ 81.7
Depreciation and amortization			
Infrastructure & Environment	$ 50.8	$ 56.5	$ 55.0
Federal Services (1)	38.9	36.3	27.1
Energy & Construction	44.4	47.1	54.3
Oil & Gas (2)	121.3	87.1	—
Corporate (4)	8.8	6.6	6.3
Total depreciation and amortization	$ 264.2	$ 233.6	$ 142.7

(1) The operating results of Apptis have been included in our consolidated results since the acquisition on June 1, 2011.

(2) The operating results of Flint have been included in our consolidated results since the acquisition on May 14, 2012.

(3) We are providing information regarding URS operating income (loss) by segment because management uses this information to assess performance and make decisions about resource allocation.

(4) Corporate includes expenses related to corporate functions and acquisition-related expenses.

(5) The operating income (loss) for the year ended December 30, 2011 included a $351.3 million goodwill impairment charge. See Note 9, "Goodwill and Intangible Assets," for more information.

Reconciliations of segment contribution to segment operating income (loss) for the years ended January 3, 2014, December 28, 2012, and December 30, 2011 are as follows:

	Year Ended January 3, 2014					
(In millions)	**Infrastructure & Environment**	**Federal Services**	**Energy & Construction**	**Oil & Gas**	**Corporate**	**Consolidated**
URS operating income (loss)	$ 212.5	$ 268.5	$ 94.3	$ 10.9	$ (77.5)	$ 508.7
Noncontrolling interests	1.6	—	81.5	(1.0)	—	82.1
Operating income (loss)	$ 214.1	$ 268.5	$ 175.8	$ 9.9	$ (77.5)	$ 590.8

	Year Ended December 28, 2012					
(In millions)	**Infrastructure & Environment**	**Federal Services**	**Energy & Construction**	**Oil & Gas**	**Corporate**	**Consolidated**
URS operating income (loss)	$ 218.8	$ 249.3	$ 140.0	$ 62.3	$ (99.7)	$ 570.7
Noncontrolling interests	2.1	—	114.2	(1.1)	—	115.2
Operating income (loss)	$ 220.9	$ 249.3	$ 254.2	$ 61.2	$ (99.7)	$ 685.9

	Year Ended December 30, 2011					
(In millions)	**Infrastructure & Environment**	**Federal Services**	**Energy & Construction**	**Oil & Gas**	**Corporate**	**Consolidated**
URS operating income (loss)	$ 222.0	$ 196.8	$ 134.6	$ —	$ (79.5)	$ 473.9
Noncontrolling interests	—	—	128.5	—	—	128.5
Goodwill impairment	—	(351.3)	—	—	—	(351.3)
Operating income (loss)	$ 222.0	$ (154.5)	$ 263.1	$ —	$ (79.5)	$ 251.1

Total investments in and advances to unconsolidated joint ventures and property and equipment, net of accumulated depreciation, are as follows:

(In millions)	**January 3, 2014**	**December 28, 2012**
Infrastructure & Environment	$ 8.0	$ 8.1
Federal Services	5.0	5.7
Energy & Construction	111.7	124.5
Oil & Gas	120.9	140.0
Total investments in and advances to unconsolidated joint ventures	$ 245.6	$ 278.3
Infrastructure & Environment	$ 138.2	$ 141.0
Federal Services	37.4	36.6
Energy & Construction	53.8	60.1
Oil & Gas	349.6	422.9
Corporate	29.1	26.9
Total property and equipment, net of accumulated depreciation	$ 608.1	$ 687.5

Total assets by segment are as follows:

(In millions)	**January 3, 2014**	**December 28, 2012**
Infrastructure & Environment	$ 2,164.2	$ 2,267.6
Federal Services	1,511.7	1,642.8
Energy & Construction	3,124.3	3,253.9
Oil & Gas	1,660.1	1,904.4
Corporate	257.7	192.3
Total assets	$ 8,718.0	$ 9,261.0

Geographic Areas

We provide services in many parts of the world. Some of our services are provided to companies in other countries, but are served by our offices located in the U.S. Generally, revenues related to such services are classified within the geographic area where the services are performed, rather than where the client is located. Our revenues and net property and equipment at cost by geographic area are shown below:

	Years Ended		
(In millions)	**January 3, 2014**	**December 28, 2012**	**December 30, 2011**
Revenues			
United States	$ 8,136.7	$ 8,640.2	$ 8,329.7
Canada (1)	1,879.5	1,304.0	180.3
Other countries	1,001.8	1,056.0	1,065.3
Eliminations	(27.3)	(27.7)	(30.3)
Total revenues	$ 10,990.7	$ 10,972.5	$ 9,545.0

(1) Revenues from Canada exceeded 10% of our consolidated revenues for the years ended January 3, 2014 and December 28, 2012 due to our acquisition of Flint in fiscal year 2012.

(In millions)	January 3, 2014	December 28, 2012
Property and equipment, net (1)		
United States	$ 313.6	$ 320.4
International:		
Canada	249.9	313.2
Other countries	44.6	53.9
Total international	294.5	367.1
Total property and equipment, net	$ 608.1	$ 687.5

(1) Property and equipment, net is categorized by the location of incorporation of the legal entities.

Major Customers and Other

Our largest clients are from our federal market sector. Within this sector, we have multiple contracts with our two major customers: the U.S. Army and the DOE. For the purpose of analyzing revenues from major customers, we do not consider the combination of all federal departments and agencies as one customer. The different federal agencies manage separate budgets. As such, reductions in spending by one federal agency do not affect the revenues we could earn from another federal agency. In addition, the procurement processes for federal agencies are not centralized, and procurement decisions are made separately by each federal agency. The loss of large federal government clients, such as the U.S. Army or the DOE, would have a material adverse effect on our business; however, we are not dependent on any single contract on an ongoing basis. We believe that the loss of any single contract would not have a material adverse effect on our business.

Our revenues from the U.S. Army and the DOE by division for the years ended January 3, 2014, December 28, 2012, and December 30, 2011 are presented below:

	Year Ended		
(In millions, except percentages)	January 3, 2014	December 28, 2012	December 30, 2011
The U.S. Army (1)			
Infrastructure & Environment	$ 125.2	$ 128.4	$ 141.7
Federal Services	1,098.8	1,495.8	1,351.1
Energy & Construction	151.0	130.8	199.5
Total U.S. Army	$ 1,375.0	$ 1,755.0	$ 1,692.3
Revenues from the U.S. Army as a percentage of our consolidated revenues	13%	16%	18%
DOE			
Infrastructure & Environment	$ 4.7	$ 5.6	$ 5.9
Federal Services	18.0	27.7	26.8
Energy & Construction	808.5	956.4	1,236.3
Total DOE	$ 831.2	$ 989.7	$ 1,269.0
Revenues from DOE as a percentage of our consolidated revenues	8%	9%	13%
Revenues from the federal market sector as a percentage of our consolidated revenues	34%	40%	49%

(1) The U.S. Army includes U.S. Army Corps of Engineers.

NOTE 17. COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, we and our affiliates are subject to various disputes, audits, investigations and legal proceedings. Additionally, as a government contractor, we are subject to audits, investigations, and claims with respect to our contract performance, pricing, costs, cost allocations, and procurement practices. The final outcomes of these various matters cannot be predicted or estimated with certainty. We are including information regarding the following matters:

- *USAID Egyptian Projects*: In March 2003, Washington Group International, Inc., a Delaware company ("WGI Delaware"), our wholly owned subsidiary, was notified by the Department of Justice that the federal government was considering civil litigation against WGI Delaware for potential violations of the U.S. Agency for International Development ("USAID") source, origin, and nationality regulations in connection with five of WGI Delaware's USAID-financed host-country projects located in Egypt beginning in the early 1990s. In November 2004, the federal government filed an action in the United States District Court for the District of Idaho against WGI Delaware, Contrack International, Inc., and MISR Sons Development S.A.E., an Egyptian construction company, asserting violations under the Federal False Claims Act, the Federal Foreign Assistance Act of 1961, as well as common law theories of payment by mistake and unjust enrichment. The federal government seeks damages and civil penalties (including doubling and trebling of damages) for violations of the statutes as well as a refund of the approximately $373.0 million paid to WGI Delaware under the specified contracts. WGI Delaware has denied any liability in the action and contests the federal government's damage allegations and its entitlement to recovery. All USAID projects under the contracts have been completed and are fully operational.

  In March 2005, WGI Delaware filed motions in Idaho District Court and the United States Bankruptcy Court in Nevada contending that the federal government's Idaho action is barred under the plan of reorganization approved by the Bankruptcy Court in 2002 when WGI Delaware emerged from bankruptcy protection. In 2006, the Idaho action was stayed pending the bankruptcy-related proceedings. On April 24, 2012, the Bankruptcy Court ruled that the bulk of the federal government's claims under the False Claims and the Federal Foreign Assistance Acts are not barred. On November 7, 2012, WGI Delaware appealed the Bankruptcy Court's decision to the Ninth Circuit Bankruptcy Appellate Panel. On August 2, 2013, the Appellate Panel affirmed the Bankruptcy Court's decision. On September 26, 2013, WGI Delaware appealed the Appellate Panel's decision to the United States Ninth Circuit Court of Appeals.

  WGI Delaware intends to continue to defend this matter vigorously; however, WGI Delaware cannot provide assurance that it will be successful in these efforts. The potential range of loss and the resolution of these matters cannot be determined at this time primarily due to the very limited factual record that exists in light of the limited discovery that has been conducted to-date in the Idaho litigation; the fact that the matter involves unique and complex bankruptcy, international, and federal regulatory legal issues; the uncertainty concerning legal theories and their potential resolution by the courts; and the overall age of this matter, as well as a number of additional factors. Accordingly, no amounts have been accrued for the federal government claims in the Idaho action.

- *New Orleans Levee Failure Class Action Litigation:* From July 1999 through May 2005, Washington Group International, Inc., an Ohio company ("WGI Ohio"), a wholly owned subsidiary acquired by us on November 15, 2007, performed demolition, site preparation, and environmental remediation services for the U.S. Army Corps of Engineers on the east bank of the Inner Harbor Navigation Canal (the "Industrial Canal") in New Orleans, Louisiana. On August 29, 2005, Hurricane Katrina devastated New Orleans. The storm surge created by the hurricane overtopped the Industrial Canal levee and floodwall, flooding the Lower Ninth Ward and other parts of the city. Fifty-nine personal injury and property damage class action lawsuits were filed in Louisiana State and federal court against several defendants, including WGI Ohio, seeking $200.0 billion in damages plus attorneys' fees and costs. Plaintiffs are residents and property owners who claim to have incurred damages from the breach and failure of the hurricane protection levees and floodwalls in the wake of Hurricane Katrina.

All 59 lawsuits were pleaded as class actions but none have yet been certified as class actions. Along with WGI Ohio, the U.S. Army Corps of Engineers, the Board for the Orleans Levee District, and its insurer, St. Paul Fire and Marine Insurance Company were also named as defendants. At this time WGI Ohio and the Army Corps of Engineers are the remaining defendants. These 59 lawsuits, along with other hurricane-related cases not involving WGI Ohio, were consolidated in the United States District Court for the Eastern District of Louisiana ("District Court").

Plaintiffs allege that defendants were negligent in their design, construction and/or maintenance of the New Orleans levees. Specifically, as to WGI Ohio, plaintiffs allege that work WGI Ohio performed adjacent to the Industrial Canal damaged the levee and floodwall, causing or contributing to breaches and flooding. WGI Ohio did not design, construct, repair or maintain any of the levees or the floodwalls that failed during or after Hurricane Katrina. Rather, WGI Ohio performed work adjacent to the Industrial Canal as a contractor for the federal government.

WGI Ohio filed a motion for summary judgment, seeking dismissal on grounds that government contractors are immune from liability. On December 15, 2008, the District Court granted WGI Ohio's motion for summary judgment, but several plaintiffs appealed that decision to the United States Fifth Circuit Court of Appeals on April 27, 2009. On September 14, 2010, the Court of Appeals reversed the District Court's summary judgment decision and WGI Ohio's dismissal, and remanded the case back to the District Court for further litigation. On August 1, 2011, the District Court decided that the government contractor immunity defense would not be available to WGI Ohio at trial, but would be an issue for appeal. Five of the cases were tried in District Court from September 12, 2012 through October 3, 2012. On April 12, 2013, the District Court ruled in favor of WGI Ohio and the Army Corps of Engineers, finding that the five plaintiffs failed to prove that WGI Ohio's or the Army Corps of Engineers' actions caused the failure of the Industrial Canal floodwall during Hurricane Katrina. On July 1, 2013, WGI Ohio filed a motion for summary judgment in District Court to dismiss all other related cases as a result of the District Court's April 2013 decision. On December 20, 2013, the District Court dismissed the majority of the lawsuits and the remainder of the outstanding claims are being transferred to the District Court for final judgment of dismissal.

WGI Ohio intends to continue to defend these matters vigorously until all claims are dismissed; however, WGI Ohio cannot provide assurance that it will be successful in these efforts. The potential range of loss and the resolution of these matters cannot be determined at this time primarily due to the likelihood of an appeal, the unknown number of individual plaintiffs who are actually asserting claims against WGI Ohio; the uncertainty regarding the nature and amount of each individual plaintiff's damage claims; uncertainty concerning legal theories and factual bases that plaintiffs may present and their resolution by courts or regulators; and uncertainty about the plaintiffs' claims, if any, that might survive certain key motions of our affiliate, as well as a number of additional factors.

- *DOE Deactivation, Demolition, and Removal Project*: WGI Ohio executed a cost-reimbursable task order with the DOE in 2007 to provide deactivation, demolition and removal services at a New York State project site that, during 2010, experienced contamination and performance issues. In February 2011, WGI Ohio and the DOE executed a Task Order Modification that changed some cost-reimbursable contract provisions to at-risk. The Task Order Modification, including subsequent amendments, requires the DOE to pay all project costs up to $105.9 million, requires WGI Ohio and the DOE to equally share in all project costs incurred from $105.9 million to $145.9 million, and requires WGI Ohio to pay all project costs exceeding $145.9 million. In addition, in September 2011, WGI Ohio voluntarily paid a civil penalty related to the contamination incident. Through January 3, 2014, WGI Ohio has incurred total project costs of $261.3 million.

  Due to unanticipated requirements and permitting delays by federal and state agencies, as well as delays and related ground stabilization activities caused by Hurricane Irene, WGI Ohio has been required to perform work outside the scope of the Task Order Modification. Based on the changes and delays, requests for equitable adjustment ("REA") amounting to $47.1 million and proposals related to the hurricane-caused impacts and other directed changes in the amount of $118.0 million were initially submitted to the DOE for approval. Through January 3, 2014, the DOE has approved one of the REAs for $0.9 million and has authorized $31.9 million of additional funding primarily related to the hurricane-caused impacts. Because WGI Ohio and the DOE were unsuccessful in settling the REAs and proposals, during 2013, WGI Ohio submitted several certified claims against the DOE pursuant to the Contracts Disputes Acts seeking recovery of $112.5 million of the above unfunded REA and proposal costs incurred through April 2013 and $5.0 million in fees on the expanded work scope. As of January 3, 2014, WGI Ohio has recorded $81.5 million in accounts receivable for project costs incurred to date in excess of the DOE contracted amount that may not be collected unless and until the claims are favorably resolved. The final project completion costs are not currently estimable due to continuing delays in permitting, other delays, and approval of a final project plan. WGI Ohio can provide no certainty that it will recover the $112.5 million in submitted DOE claims for costs incurred through April 2013 related to REAs, hurricane-caused work or other directed changes, as well as any other project costs after April 2013 that WGI Ohio is obligated to incur to finalize and complete this project including the accounts receivable, any of which could negatively impact URS' future results of operations.

- *Bolivian Mine Services Agreement*: In 2009, a mine service agreement performed by our wholly owned subsidiary, Washington Group Bolivia, was unilaterally terminated for convenience by the mine owner. The mine owner disputed the fair market value of mining equipment it was required to repurchase under the terms of the mine services agreement. Subsequently, on November 16, 2010, Washington Group Bolivia received a formal claim asserting breaches of contractual obligations and warranties, including the failure to adhere to the requisite professional standard of care while performing the mine services agreement. On June 17, 2011, Washington Group Bolivia received a formal demand for arbitration pursuant to the Rules of Arbitration of the International Chamber of Commerce ("ICC") asserting claims up to $52.6 million. Washington Group Bolivia brought a $50 million counterclaim on August 3, 2012 against the mine owner asserting claims of wrongful termination and lost productivity. Arbitration on the mine owner's claims and Washington Group Bolivia's counterclaims commenced before the ICC. In the course of the arbitration proceedings, the mine owner has reduced its claims to approximately $32.2 million, while Washington Group Bolivia has refined its counterclaim amount to not more than $62.9 million. On August 9, 2013, a $10.5 million ICC arbitration tribunal award was issued against Washington Group Bolivia and, on September 5, 2013, the mine owner petitioned the United States District Court of Colorado to confirm the ICC arbitration award. On October 1, 2013, Washington Group Bolivia filed a cross motion to partially vacate the ICC arbitration award in the District Court of Colorado. On February 3, 2014, the District Court of Colorado entered judgment confirming the ICC arbitration award and denied Washington Group Bolivia's motion to partially vacate the award.

  We have accrued an estimated probable loss of $10.5 million related to this matter; however, we expect the loss to be recoverable under our insurance program.

- *Canadian Pipeline Contract*: In January 2010, a pipeline owner filed an action in the Court of Queen's Bench of Alberta, Canada against Flint, a company we acquired in May 2012, as well as against a number of other defendants, alleging that the defendants negligently provided pipe coating and insulation system services, engineering, design services, construction services, and other work, causing damage to and abandonment of the line. The pipeline owner alleges it has suffered approximately C$85.0 million in damages in connection with the abandonment and replacement of the pipeline. Flint was the construction contractor on the pipeline project. Other defendants were responsible for engineering and design-services and for specifying and providing the actual pipe, insulation and coating materials used in the line. In January 2011, the pipeline owner served a Statement of Claim on Flint and, in September 2011, Flint filed a Statement of Defense denying that the damages to the coating system of the pipeline were caused by any negligence or breach of contract of Flint. Flint believes the damages were caused or contributed to by the negligence of one or more of the co-defendants and/or by the negligent operation of the pipeline owner.

  Flint intends to continue to defend this matter vigorously; however, it cannot provide assurance that it will be successful, in whole or in part, in these efforts. The potential range of loss and the resolution of this matter cannot be determined at this time primarily due to the early stage of the discovery; the substantial uncertainty regarding the actual cause of the damage to or loss of the line; the nature and amount of each individual damage claim against the various defendants; and the uncertainty concerning legal theories and factual bases that the customer may present against all or some of the defendants.

- *U.K. Joint Venture:* On April 12, 2010, one of our U.K. joint ventures sent several bags of low level non-exempt radioactive waste to a waste disposal facility that was not licensed to handle such waste. On November 15, 2012, the U.K. Environment Agency and the U.K. Department for Transport initiated environmental regulatory proceedings against our U.K. joint venture in the Workington Magistrates' Court under the U.K. Environmental Permitting Regulations 2010, the Radioactive Substances Act 1993, the Carriage of Dangerous Goods and the use of Transportable Pressure Equipment Regulations 2009. On February 7, 2013, our U.K. joint venture entered a plea of guilty before the Magistrates' Court and the matter was referred to the Carlisle Crown Court (the "Crown Court") for sentencing. On June 14, 2013, the Crown Court issued a fine equivalent to approximately $1.2 million. On July 9, 2013, our U.K. joint venture appealed the Crown Court's decision to the Court of Appeal Criminal Division. On January 17, 2014, the Court of Appeal dismissed the appeal and the fine was not reduced.

The resolution of outstanding claims and legal proceedings is subject to inherent uncertainty, and it is reasonably possible that any resolution of these claims and legal proceedings could have a material adverse effect on us, including a substantial charge to our earnings and operating results for that period; however, an estimate of all the reasonably possible losses cannot be determined at this time.

Insurance

Generally, our insurance program covers workers' compensation and employer's liability, general liability, automobile liability, professional errors and omissions liability, property, marine property and liability, and contractor's pollution liability (in addition to other policies for specific projects). We have also elected to retain a portion of the losses that occur through the use of various deductibles, limits, and self-insured retentions under our insurance programs. In addition, our insurance policies contain exclusions and sublimits that insurance providers may use to deny or restrict coverage. Excess liability, contractor's pollution liability, and professional liability insurance policies provide for coverages on a "claims-made" basis, covering only claims actually made and reported during the policy period currently in effect. Thus, if we do not continue to maintain these policies, we will have no coverage for claims made after the termination date even for claims based on events that occurred during the term of coverage. While we intend to maintain these policies, we may be unable to maintain existing coverage levels.

Guarantee Obligations and Commitments

As of January 3, 2014, we had the following guarantee obligations and commitments:

We have agreed to indemnify one of our joint venture partners up to $25.0 million for any potential losses, damages, and liabilities associated with lawsuits in relation to general and administrative services we provide to the joint venture. Currently, we have not been advised of any indemnified claims under this guarantee.

As of January 3, 2014, we had $35.8 million in bank guarantees outstanding under foreign credit facilities and other banking arrangements.

We also maintain a variety of commercial commitments that are generally made to support provisions of our contracts. In addition, in the ordinary course of business, we provide letters of credit to clients and others against advance payments and to support other business arrangements. We are required to reimburse the issuers of letters of credit for any payments they make under the letters of credit.

In the ordinary course of business, we may provide performance assurances and guarantees related to our services. For example, these guarantees may include surety bonds, arrangements among our client, a surety, and us to ensure we perform our contractual obligations pursuant to our client agreement. If our services under a guaranteed project are later determined to have resulted in a material defect or other material deficiency, then we may be responsible for monetary damages or other legal remedies. When sufficient information about claims on guaranteed projects is available and monetary damages or other costs or losses are determined to be probable, we recognize such guarantee losses.

Lease Obligations

Total rental expense included in operations for operating leases for the years ended January 3, 2014, December 28, 2012, and December 30, 2011, totaled $236.7 million, $210.0 million, and $188.5 million, respectively. Some of the operating leases are subject to renewal options and escalation based upon property taxes and operating expenses. These operating lease agreements expire at varying dates through 2026. Obligations under operating leases include office and other equipment rentals.

Obligations under non-cancelable operating lease agreements were as follows:

(In millions)	**Operating Leases**
2014	$ 187.1
2015	153.7
2016	123.2
2017	92.1
2018	70.7
Thereafter	115.3
Total minimum lease payments	$ 742.1

Restructuring Costs

For the years ended January 3, 2014 and December 28, 2012, we did not incur restructuring charges. For the year ended December 30, 2011, we recorded restructuring charges of $5.5 million in our Consolidated Statement of Operations, which consisted primarily of costs for severance and associated benefits and the cost of facility closures. The majority of the restructuring costs resulted from the integration of Scott Wilson into our existing Infrastructure & Environment's U.K. and European business and necessary responses to reductions in market opportunities in Europe.

During fiscal year 2011, we made $12.9 million of payments related to these restructuring plans. As of December 30, 2011, our restructuring reserves were $3.8 million. As of December 28, 2012, no amounts remain outstanding.

NOTE 18. CONDENSED CONSOLIDATING FINANCIAL INFORMATION

On March 15, 2012, URS Corporation, the parent company ("Parent"), and URS Fox US LP ("Fox LP"), a 100% owned subsidiary of the Parent, issued the Senior Notes. SeeNote 11, "Indebtedness," for more information. The Senior Notes are our general unsecured senior obligations and rank equally with our other existing and future unsecured senior indebtedness. The Senior Notes are fully and unconditionally guaranteed (the "Guarantees") on a joint-and-several basis by each of the Parent's current and future domestic subsidiaries that are guarantors under our 2011 Credit Facility or that are 100% owned domestic obligors or 100% owned domestic guarantors, individually or collectively, under any future indebtedness of our subsidiaries in excess of $100.0 million (the "Guarantors"). The Guarantees are the Guarantors' unsecured senior obligations and rank equally with the Guarantors' other existing and future unsecured senior indebtedness.

The Guarantee of a Guarantor will, so long as no event of default shall have occurred and be continuing with respect to the Senior Notes, be automatically and unconditionally released and discharged without any action on the part of the trustee or the holders of the Senior Notes:

(a) with respect to a Guarantor which, individually or together with the Parent's other domestic subsidiaries, no longer has any indebtedness of borrowed money in excess of $100.0 million outstanding and no longer guarantees, individually or together with the Parent's other domestic subsidiaries, any indebtedness in excess of $100.0 million incurred by the Parent or any of the Parent's other 100% owned domestic subsidiaries;

(b) unless the Guarantor is the surviving entity (i) upon the sale, lease or exchange of all or substantially all of the Guarantor's assets to any person or entity not an affiliate of the Parent or (ii) upon any sale, exchange or transfer, to any person or entity not an affiliate of the Parent, of all of the Parent's direct and indirect interest in such Guarantor;

(c) upon the full and final payment and performance of all obligations under the indenture and the Senior Notes;

(d) upon liquidation and dissolution of a Guarantor in a transaction that is not prohibited by the indenture; or

(e) upon legal defeasance, covenant defeasance or satisfaction and discharge of the indenture.

In addition, the Guarantee of any domestic subsidiary that is a Guarantor will be automatically and unconditionally released and discharged, without any further action required by such Guarantor, the trustee, or the holders of the Senior Notes, if at any time such domestic subsidiary of the Parent that is a Guarantor is no longer a domestic subsidiary of the Parent.

Consistent with the arrangement between Parent and Fox LP, $299.4 million and $699.6 million of the Senior Notes are included in the liabilities of Parent and Fox LP, respectively, as of both January 3, 2014 and December 28, 2012.

CONDENSED CONSOLIDATING BALANCE SHEET
As of January 3, 2014

(in millions)	Issuer Parent	Issuer Fox LP	Guarantors	Non-Guarantors	Eliminations	Consolidated
ASSETS						
Current assets:						
Cash and cash equivalents	$ 106.8	$ —	$ 20.3	$ 204.6	$ (48.0)	$ 283.7
Accounts receivable, including retentions	—	—	793.5	610.7	(11.6)	1,392.6
Costs and accrued earnings in excess of billings on contracts	—	—	965.2	562.3	(6.0)	1,521.5
Less receivable allowances	—	—	(29.8)	(35.3)	—	(65.1)
Net accounts receivable	—	—	1,728.9	1,137.7	(17.6)	2,849.0
Intercompany accounts receivable	440.1	19.2	2,438.6	464.4	(3,362.3)	—
Deferred tax assets	3.4	—	42.9	—	(10.7)	35.6
Inventory	—	—	—	49.2	—	49.2
Other current assets	38.6	—	54.0	80.6	—	173.2
Total current assets	588.9	19.2	4,284.7	1,936.5	(3,438.6)	3,390.7
Investments in and advances to subsidiaries and unconsolidated joint ventures	5,731.3	52.3	1,787.6	192.4	(7,518.0)	245.6
Property and equipment, net	29.1	—	155.4	423.6	—	608.1
Intangible assets, net	0.2	—	187.8	381.7	—	569.7
Goodwill	—	—	2,029.1	1,666.5	—	3,695.6
Other long-term assets	18.9	—	103.6	89.0	(3.2)	208.3
Total assets	$ 6,368.4	$ 71.5	$ 8,548.2	$ 4,689.7	$ (10,959.8)	$ 8,718.0
LIABILITIES AND EQUITY						
Current liabilities:						
Current portion of long-term debt	$ 1.7	$ —	$ 10.7	$ 32.2	$ —	$ 44.6
Accounts payable and subcontractors payable, including retentions	3.2	—	411.6	340.8	(67.3)	688.3
Accrued salaries and employee benefits	33.6	—	338.7	135.1	—	507.4
Billings in excess of costs and accrued earnings on contracts	—	—	124.6	108.5	—	233.1
Intercompany accounts payable	1,951.8	—	1,094.0	316.5	(3,362.3)	—
Short-term intercompany notes payable	66.0	—	20.7	189.5	(276.2)	—
Other current liabilities	50.8	9.7	270.4	44.5	(10.2)	365.2
Total current liabilities	2,107.1	9.7	2,270.7	1,167.1	(3,716.0)	1,838.6
Long-term debt	907.0	699.6	17.0	43.3	—	1,666.9
Deferred tax liabilities	—	—	370.9	76.5	(3.2)	444.2

Self-insurance reserves	—	—	11.3	115.9	—	127.2
Pension and post-retirement benefit obligations	—	—	124.4	161.3	—	285.7
Long-term intercompany notes payable	—	—	563.6	1,263.0	(1,826.6)	—
Other long-term liabilities	2.7	—	88.7	37.0	—	128.4
Total liabilities	3,016.8	709.3	3,446.6	2,864.1	(5,545.8)	4,491.0
URS stockholders' equity	4,081.2	19.0	5,731.3	1,766.5	(7,516.8)	4,081.2
Intercompany notes receivable	(729.6)	(656.8)	(629.7)	(86.7)	2,102.8	—
Total URS stockholders' equity	3,351.6	(637.8)	5,101.6	1,679.8	(5,414.0)	4,081.2
Noncontrolling interests	—	—	—	145.8	—	145.8
Total stockholders' equity	3,351.6	(637.8)	5,101.6	1,825.6	(5,414.0)	4,227.0
Total liabilities and stockholders' equity	$ 6,368.4	$ 71.5	$ 8,548.2	$ 4,689.7	$ (10,959.8)	$ 8,718.0

CONDENSED CONSOLIDATING BALANCE SHEET
As of December 28, 2012

(in millions)	Issuer Parent	Issuer Fox LP	Guarantors	Non-Guarantors	Eliminations	Consolidated
ASSETS						
Current assets:						
Cash and cash equivalents	$ 14.4	$ —	$ 16.3	$ 285.4	$ (1.6)	$ 314.5
Accounts receivable, including retentions	—	—	771.3	811.8	(28.3)	1,554.8
Costs and accrued earnings in excess of billings on contracts	—	—	876.9	515.7	(8.3)	1,384.3
Less receivable allowances	—	—	(29.1)	(40.6)	—	(69.7)
Net accounts receivable	—	—	1,619.1	1,286.9	(36.6)	2,869.4
Intercompany accounts receivable	1,793.2	22.4	3,933.1	1,269.0	(7,017.7)	—
Deferred tax assets	6.8	—	60.3	0.5	—	67.6
Inventory	—	—	5.5	56.0	—	61.5
Other current assets	38.2	—	65.5	111.3	(10.8)	204.2
Total current assets	1,852.6	22.4	5,699.8	3,009.1	(7,066.7)	3,517.2
Investments in and advances to subsidiaries and unconsolidated joint ventures	5,823.5	20.7	2,036.3	242.2	(7,844.4)	278.3
Property and equipment, net	26.9	—	159.7	500.9	—	687.5
Intangible assets, net	0.2	—	223.3	468.7	—	692.2
Goodwill	—	—	2,029.1	1,692.5	—	3,721.6
Other long-term assets	22.3	—	231.3	115.1	(4.5)	364.2
Total assets	$ 7,725.5	$ 43.1	$ 10,379.5	$ 6,028.5	$ (14,915.6)	$ 9,261.0
LIABILITIES AND EQUITY						
Current liabilities:						
Current portion of long-term debt	$ 18.9	$ —	$ 10.0	$ 42.9	$ —	$ 71.8
Accounts payable and subcontractors payable, including retentions	4.2	—	382.7	454.8	(38.2)	803.5
Accrued salaries and employee benefits	41.0	—	362.7	155.1	—	558.8
Billings in excess of costs and accrued earnings on contracts	—	—	146.3	143.0	(0.2)	289.1
Intercompany accounts payable	3,165.7	14.7	2,793.4	1,043.9	(7,017.7)	—
Short-term intercompany notes payable	14.3	—	20.0	21.6	(55.9)	—
Other current liabilities	59.5	8.6	146.2	78.0	(14.5)	277.8
Total current liabilities	3,303.6	23.3	3,861.3	1,939.3	(7,126.5)	2,001.0
Long-term debt	952.2	699.6	16.9	323.8	—	1,992.5
Deferred tax liabilities	—	—	299.1	85.6	(4.8)	379.9

Self-insurance reserves	—	—	18.3	111.5	—	129.8
Pension and post-retirement benefit obligations	—	—	185.4	115.5	—	300.9
Long-term intercompany notes payable	—	—	561.7	1,265.4	(1,827.1)	—
Other long-term liabilities	2.8	—	197.1	71.1	—	271.0
Total liabilities	4,258.6	722.9	5,139.8	3,912.2	(8,958.4)	5,075.1
URS stockholders' equity	4,044.0	8.0	5,823.5	2,008.7	(7,840.2)	4,044.0
Intercompany notes receivable	(577.1)	(687.8)	(583.8)	(34.3)	1,883.0	—
Total URS stockholders' equity	3,466.9	(679.8)	5,239.7	1,974.4	(5,957.2)	4,044.0
Noncontrolling interests	—	—	—	141.9	—	141.9
Total stockholders' equity	3,466.9	(679.8)	5,239.7	2,116.3	(5,957.2)	4,185.9
Total liabilities and stockholders' equity	$ 7,725.5	$ 43.1	$ 10,379.5	$ 6,028.5	$ (14,915.6)	$ 9,261.0

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
For the Year Ended January 3, 2014

(in millions)	Issuer Parent	Issuer Fox LP	Guarantors	Non-Guarantors	Eliminations	Consolidated
Revenues	$ —	$ —	$ 6,519.7	$ 4,770.0	$ (299.0)	$ 10,990.7
Cost of revenues	—	—	(6,097.0)	(4,618.0)	299.0	(10,416.0)
General and administrative expenses	(79.5)	—	—	2.0	—	(77.5)
Equity in income (loss) in subsidiaries	220.2	31.4	43.7	(20.5)	(274.8)	—
Equity in income of unconsolidated joint ventures	—	—	9.4	84.2	—	93.6
Intercompany royalty and general and administrative charges	145.6	—	(119.8)	(25.8)	—	—
Operating income (loss)	286.3	31.4	356.0	191.9	(274.8)	590.8
Interest expense	(33.8)	(36.5)	(0.9)	(14.9)	—	(86.1)
Intercompany interest income	10.1	3.7	36.9	1.5	(52.2)	—
Intercompany interest expense	(1.2)	—	(10.3)	(40.7)	52.2	—
Other income (expenses)	—	—	—	(7.7)	—	(7.7)
Income (loss) before income taxes	261.4	(1.4)	381.7	130.1	(274.8)	497.0
Income tax benefit (expense)	(14.2)	12.3	(161.5)	(4.3)	—	(167.7)
Net income (loss) including noncontrolling interests	247.2	10.9	220.2	125.8	(274.8)	329.3
Noncontrolling interests in income of consolidated subsidiaries	—	—	—	(82.1)	—	(82.1)
Net income (loss) attributable to URS	$ 247.2	$ 10.9	$ 220.2	$ 43.7	$ (274.8)	$ 247.2
Comprehensive income (loss) attributable to URS	$ 160.1	$ 11.0	$ 158.6	$ (75.4)	$ (94.2)	$ 160.1

For the Year Ended December 28, 2012

(in millions)	Issuer Parent	Issuer Fox LP	Guarantors	Non-Guarantors	Eliminations	Consolidated
Revenues	$ —	$ —	$ 6,713.8	$ 4,420.9	$ (162.2)	$ 10,972.5
Cost of revenues	—	—	(6,305.0)	(4,151.7)	162.2	(10,294.5)
General and administrative expenses	(83.2)	—	—	(0.4)	—	(83.6)
Acquisition-related expenses	(6.7)	—	—	(9.4)	—	(16.1)
Equity in income (loss) in subsidiaries	297.8	20.7	149.6	(12.7)	(455.4)	—

Equity in income of unconsolidated joint ventures	—	—	21.5	86.1	—	107.6
Intercompany royalty and general and administrative charges	140.6	—	(122.3)	(18.3)	—	—
Operating income (loss)	348.5	20.7	457.6	314.5	(455.4)	685.9
Interest expense	(36.2)	(22.9)	(0.8)	(10.8)	—	(70.7)
Intercompany interest income	7.8	2.6	23.0	2.0	(35.4)	—
Intercompany interest expense	(1.4)	—	(7.3)	(26.7)	35.4	—
Other income (expenses)	(0.3)	—	—	0.8	—	0.5
Income (loss) before income taxes	318.4	0.4	472.5	279.8	(455.4)	615.7
Income tax benefit (expense)	(7.8)	7.6	(174.7)	(15.0)	—	(189.9)
Net income (loss) including noncontrolling interests	310.6	8.0	297.8	264.8	(455.4)	425.8
Noncontrolling interests in income of consolidated subsidiaries	—	—	—	(115.2)	—	(115.2)
Net income (loss) attributable to URS	$ 310.6	$ 8.0	$ 297.8	$ 149.6	$ (455.4)	$ 310.6
Comprehensive income (loss) attributable to URS	$ 308.2	$ 8.0	$ 282.5	$ 170.8	$ (461.3)	$ 308.2

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
For the Year Ended December 30, 2011

(in millions)	Issuer Parent	Issuer Fox LP	Guarantors	Non-Guarantors	Eliminations	Consolidated
Revenues	$ —	$ —	$ 6,924.6	$ 3,125.9	$ (505.5)	$ 9,545.0
Cost of revenues	—	—	(6,556.0)	(2,938.3)	505.5	(8,988.8)
General and administrative expenses	(81.2)	—	—	1.7	—	(79.5)
Acquisition-related expenses	—	—	(1.0)	—	—	(1.0)
Restructuring costs	—	—	—	(5.5)	—	(5.5)
Goodwill impairment	—	—	(351.3)	—	—	(351.3)
Equity in income (loss) in subsidiaries	(64.7)	—	145.4	—	(80.7)	—
Equity in income of unconsolidated joint ventures	—	—	8.6	123.6	—	132.2
Intercompany royalty and general and administrative charges	136.9	—	(122.6)	(14.3)	—	—
Operating income (loss)	(9.0)	—	47.7	293.1	(80.7)	251.1
Interest expense	(20.9)	—	(0.6)	(0.6)	—	(22.1)
Intercompany interest income	2.9	—	1.7	1.7	(6.3)	—
Intercompany interest expense	(0.8)	—	(0.4)	(5.1)	6.3	—
Income (loss) before income taxes	(27.8)	—	48.4	289.1	(80.7)	229.0
Income tax benefit (expense)	(15.1)	—	(113.1)	(15.2)	—	(143.4)
Net income (loss) including noncontrolling interests	(42.9)	—	(64.7)	273.9	(80.7)	85.6
Noncontrolling interests in income of consolidated subsidiaries	—	—	—	(128.5)	—	(128.5)
Net income (loss) attributable to URS	$ (42.9)	$ —	$ (64.7)	$ 145.4	$ (80.7)	$ (42.9)
Comprehensive income (loss) attributable to URS	$ (116.8)	$ —	$ (150.2)	$ 88.9	$ 61.3	$ (116.8)

URS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended January 3, 2014

(in millions)	Issuer Parent	Issuer Fox LP	Guarantors	Non-Guarantors	Eliminations	Consolidated
Net cash from operating activities	$ 170.0	$ (19.4)	$ 431.6	$ 80.0	$ (48.0)	$ 614.2
Cash flows from investing activities:						
Proceeds from disposal of property and equipment	—	—	4.8	58.9	—	63.7
Investments in unconsolidated joint ventures	—	—	(0.2)	—	—	(0.2)
Changes in restricted cash	—	—	—	4.3	—	4.3
Capital expenditures, less equipment purchased through capital leases and equipment notes	(8.3)	—	(30.4)	(42.3)	—	(81.0)
Investment in intercompany notes receivable	(150.5)	—	(17.4)	—	167.9	—
Receipts from intercompany notes receivable	—	31.0	—	—	(31.0)	—
Other intercompany investing activities	930.0	—	902.6	481.9	(2,314.5)	—
Net cash from investing activities	771.2	31.0	859.4	502.8	(2,177.6)	(13.2)
Cash flows from financing activities:						
Payments on long-term debt	(50.0)	—	(4.4)	(166.1)	—	(220.5)
Borrowings from revolving line of credit	931.6	—	—	96.6	—	1,028.2
Payments on revolving line of credit	(931.6)	—	—	(192.5)	—	(1,124.1)
Net payments under foreign lines of credit and short-term notes	(16.6)	—	(0.2)	(9.8)	—	(26.6)
Net change in overdrafts	—	—	(50.5)	(6.0)	1.6	(54.9)
Payments on capital lease obligations	(0.9)	—	(4.7)	(12.4)	—	(18.0)
Payments of debt issuance costs and other financing activities	(0.8)	—	—	—	—	(0.8)

Proceeds from employee stock purchases and exercises of stock options	20.2	—	—	—	—	20.2
Distributions to noncontrolling interests	—	—	—	(79.0)	—	(79.0)
Contributions and advances from noncontrolling interests	—	—	—	0.5	—	0.5
Dividends paid	(62.2)	—	—	—	—	(62.2)
Repurchases of common stock	(93.3)	—	—	—	—	(93.3)
Intercompany notes borrowings	—	—	—	167.9	(167.9)	—
Intercompany notes repayments	—	—	—	(31.0)	31.0	—
Other intercompany financing activities	(645.2)	(11.6)	(1,227.2)	(430.5)	2,314.5	—
Net cash from financing activities	(848.8)	(11.6)	(1,287.0)	(662.3)	2,179.2	(630.5)
Net change in cash and cash equivalents	92.4	—	4.0	(79.5)	(46.4)	(29.5)
Effect of foreign exchange rate changes on cash and cash equivalents	—	—	—	(1.3)	—	(1.3)
Cash and cash equivalents at beginning of period	14.4	—	16.3	285.4	(1.6)	314.5
Cash and cash equivalents at end of period	$ 106.8	$ —	$ 20.3	$ 204.6	$ (48.0)	$ 283.7

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended December 28, 2012

(in millions)	Issuer Parent	Issuer Fox LP	Guarantors	Non-Guarantors	Eliminations	Consolidated
Net cash from operating activities	$ 31.2	$ 1.6	$ 23.4	$ 297.3	$ 76.7	$ 430.2
Cash flows from investing activities:						
Payments for business acquisitions, net of cash acquired	—	—	—	(1,345.7)	—	(1,345.7)
Proceeds from disposal of property and equipment	—	—	—	25.3	—	25.3
Payments in settlement of foreign currency forward contracts	(1,260.6)	—	—	—	—	(1,260.6)
Receipts in settlement of foreign currency forward contracts	1,260.3	—	—	—	—	1,260.3
Investments in unconsolidated joint ventures	—	—	(4.3)	(0.1)	—	(4.4)
Changes in restricted cash	—	—	—	3.9	—	3.9
Capital expenditures, less equipment purchased through capital leases and equipment notes	(11.4)	—	(34.6)	(79.4)	—	(125.4)
Dividends received	—	—	0.1	—	(0.1)	—
Investments in intercompany notes receivable	(570.4)	(800.0)	(555.0)	—	1,925.4	—
Receipts from intercompany notes receivable	97.8	113.1	—	30.0	(240.9)	—
Other intercompany investing activities	1,161.0	(14.3)	1,435.2	270.6	(2,852.5)	—
Net cash from investing activities	676.7	(701.2)	841.4	(1,095.4)	(1,168.1)	(1,446.6)
Cash flows from financing activities:						
Borrowings from long-term debt	299.3	800.0	—	—	(100.4)	998.9
Payments on long-term debt	(30.0)	(100.4)	(5.7)	(2.3)	100.4	(38.0)
Borrowings from revolving line of credit	560.0	—	—	101.6	—	661.6
Payments on revolving line of credit	(583.6)	—	—	—	—	(583.6)

Net payments under foreign lines of credit and short-term notes	(0.8)	—	(0.2)	(19.5)	—	(20.5)
Net change in overdrafts	—	—	50.1	6.0	(1.6)	54.5
Payments on capital lease obligations	(0.8)	—	(4.9)	(8.9)	—	(14.6)
Payments of debt issuance costs and other financing activities	(8.7)	—	—	—	—	(8.7)
Proceeds from employee stock purchases and exercises of stock options	8.9	—	—	—	—	8.9
Distributions to noncontrolling interests	—	—	—	(83.8)	—	(83.8)
Contributions and advances from noncontrolling interests	—	—	—	2.3	—	2.3
Dividends paid	(44.7)	—	—	(0.1)	0.1	(44.7)
Repurchases of common stock	(40.0)	—	—	—	—	(40.0)
Intercompany notes borrowings	—	—	555.0	1,370.4	(1,925.4)	—
Intercompany notes repayments	(30.0)	—	—	(210.9)	240.9	—
Other intercompany financing activities	(1,017.0)	—	(1,467.2)	(368.3)	2,852.5	—
Net cash from financing activities	(887.4)	699.6	(872.9)	786.5	1,166.5	892.3
Net change in cash and cash equivalents	(179.5)	—	(8.1)	(11.6)	75.1	(124.1)
Effect of foreign exchange rate changes on cash and cash equivalents	—	—	—	2.6	—	2.6
Cash and cash equivalents at beginning of period	193.9	—	24.4	294.4	(76.7)	436.0
Cash and cash equivalents at end of period	$ 14.4	$ —	$ 16.3	$ 285.4	$ (1.6)	$ 314.5

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended December 30, 2011

(in millions)	Issuer Parent	Issuer Fox LP	Guarantors	Non-Guarantors	Eliminations	Consolidated
Net cash from operating activities	$ (132.1)	$ —	$ 478.2	$ 236.5	$ (76.7)	$ 505.9
Cash flows from investing activities:						
Payments for business acquisitions, net of cash acquired	—	—	(298.4)	16.3	—	(282.1)
Proceeds from disposal of property and equipment	—	—	3.8	10.3	—	14.1
Investments in unconsolidated joint ventures	—	—	(19.5)	(0.1)	—	(19.6)
Changes in restricted cash	—	—	—	7.0	—	7.0
Capital expenditures, less equipment purchased through capital leases and equipment notes	(8.6)	—	(49.3)	(9.6)	—	(67.5)
Dividends received	—	—	18.1	—	(18.1)	—
Investments in intercompany notes receivable	(26.0)	—	—	(44.9)	70.9	—
Other intercompany investing activities	60.3	—	(317.1)	(419.0)	675.8	—
Net cash from investing activities	25.7	—	(662.4)	(440.0)	728.6	(348.1)
Cash flows from financing activities:						
Borrowings from long-term debt	700.0	—	—	—	—	700.0
Payments on long-term debt	(625.0)	—	(7.3)	(0.3)	—	(632.6)
Borrowings from revolving line of credit	138.6	—	—	—	—	138.6
Payments on revolving line of credit	(115.7)	—	—	—	—	(115.7)
Net payments under foreign lines of credit and short-term notes	(0.6)	—	(1.4)	(14.4)	—	(16.4)
Net change in overdrafts	—	—	(97.2)	0.4	78.8	(18.0)
Payments on capital lease obligations	(0.5)	—	(6.1)	(4.3)	—	(10.9)
Payments of debt issuance costs and other financing activities	(3.1)	—	—	—	—	(3.1)
Proceeds from employee stock purchases and exercises of stock options	11.7	—	—	—	—	11.7
Distributions to noncontrolling interests	—	—	—	(111.7)	—	(111.7)
Contributions and advances from noncontrolling interests	—	—	(0.2)	6.8	—	6.6
Dividends paid	—	—	—	(18.1)	18.1	—
Repurchases of common stock	(242.8)	—	—	—	—	(242.8)

Intercompany notes borrowings	44.2	—	0.7	26.0	(70.9)	—
Other intercompany financing activities	8.5	—	292.1	375.2	(675.8)	—
Net cash from financing activities	(84.7)	—	180.6	259.6	(649.8)	(294.3)
Net change in cash and cash equivalents	(191.1)	—	(3.6)	56.1	2.1	(136.5)
Effect of foreign exchange rate changes on cash and cash equivalents	—	—	—	(1.3)	—	(1.3)
Cash and cash equivalents at beginning of period	385.0	—	28.0	239.6	(78.8)	573.8
Cash and cash equivalents at end of period	$ 193.9	$ —	$ 24.4	$ 294.4	$ (76.7)	$ 436.0

NOTE 19. OTHER COMPREHENSIVE INCOME (LOSS) AND ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The accumulated balances and reporting period activities, including reclassifications out of accumulated other comprehensive income (loss), are summarized as follows:

(In millions)	Pension and Post-retirement Related Adjustments (1)	Foreign Currency Translation Adjustments	Loss on Derivative Instruments	Accumulated Other Comprehensive Income (Loss)
Balances at December 31, 2010	$ (46.1)	$ 9.2	$ —	$ (36.9)
Amounts reclassified from accumulated other comprehensive income:				
Prior service costs (2)	(3.2)	—	—	(3.2)
Actuarial gains (losses) (2)	7.3	—	—	7.3
Total pre-tax amounts reclassified from accumulated other comprehensive income	4.1	—	—	4.1
Tax benefit (expense) (3)	10.7	—	—	10.7
Other comprehensive income before reclassification	(77.5)	(11.2)	—	(88.7)
Net current-period other comprehensive income	(62.7)	(11.2)	—	(73.9)
Balances at December 30, 2011	$ (108.8)	$ (2.0)	$ —	$ (110.8)

(1) For fiscal year 2011, pension and post-retirement-related adjustments, before-tax, in other comprehensive income included $80.9 million of net loss arising during the year, $4.1 million of amortization of prior service cost and net loss, and $1.9 million of before-tax effect of changes in foreign currency exchange rates.

(2) These accumulated other comprehensive income components are included in the computation of net periodic pension costs, which were recorded in “Cost of revenues” and “General and administrative expenses” in our Consolidated Statements of Operations. See Note 14, “Employee Retirement and Post-Retirement Benefit Plans,” for more information.

(3) The tax benefit has been reduced by a valuation allowance of $11.6 million in 2011.

(In millions)	Pension and Post-retirement Related Adjustments (1)	Foreign Currency Translation Adjustments	Loss on Derivative Instruments	Accumulated Other Comprehensive Income (Loss)
Balances at December 30, 2011	$ (108.8)	$ (2.0)	$ —	$ (110.8)
Amounts reclassified from accumulated other comprehensive income:				
Prior service costs (2)	(3.0)	—	—	(3.0)
Actuarial (gains) losses (2)	10.4	—	—	10.4
Reclassification adjustment of prior derivative settlement	—	—	0.1	0.1
Translation adjustment realized upon liquidation of foreign subsidiaries (3)	—	(0.1)	—	(0.1)
Total pre-tax amounts reclassified from accumulated other comprehensive income	7.4	(0.1)	0.1	7.4
Tax benefit (expense) (4)	13.3	—	0.4	13.7
Other comprehensive income before reclassification	(47.3)	24.9	(1.1)	(23.5)
Net current-period other comprehensive income	(26.6)	24.8	(0.6)	(2.4)
Balances at December 28, 2012	$ (135.4)	$ 22.8	$ (0.6)	$ (113.2)

(1) For fiscal year 2012, pension and post-retirement-related adjustments, before-tax, in other comprehensive income included $45.6 million of net loss arising during the year, $7.4 million of amortization of prior service cost and net loss, and $1.7 million of before-tax effect of changes in foreign currency exchange rates.

(2) These accumulated other comprehensive income components are included in the computation of net periodic pension costs, which were recorded in "Cost of revenues" and "General and administrative expenses" in our Consolidated Statements of Operations. See Note 14, "Employee Retirement and Post-Retirement Benefit Plans," for more information.

(3) This accumulated other comprehensive income component is reclassified into "Cost of revenues" in our Condensed Consolidated Statements of Operations.

(4) The tax benefit has been reduced by a valuation allowance of $4.9 million in 2012.

(In millions)	Pension and Post-retirement Related Adjustments (1)	Foreign Currency Translation Adjustments	Loss on Derivative Instruments	Accumulated Other Comprehensive Income (Loss)
Balances at December 28, 2012	$ (135.4)	$ 22.8	$ (0.6)	$ (113.2)
Amounts reclassified from accumulated other comprehensive income:				
Prior service costs (2)	2.3	—	—	2.3
Actuarial (gains) losses (2)	16.7	—	—	16.7
Reclassification adjustment of prior derivative settlement	—	—	0.1	0.1
Translation adjustment realized upon liquidation of foreign subsidiaries (3)	—	1.9	—	1.9
Total pre-tax amounts reclassified from accumulated other comprehensive income	19.0	1.9	0.1	21.0
Tax benefit (expense) (4)	(24.5)	(0.2)	—	(24.7)
Other comprehensive income before reclassification	(11.5)	(71.9)	—	(83.4)
Net current-period other comprehensive income	(17.0)	(70.2)	0.1	(87.1)
Balances at January 3, 2014	$ (152.4)	$ (47.4)	$ (0.5)	$ (200.3)

(1) For fiscal year 2013, pension and post-retirement-related adjustments, before-tax, in other comprehensive income included $5.5 million of net loss arising during the year, $19.0 million of amortization of prior service cost and net loss, and $3.6 million of before-tax effect of changes in foreign currency exchange rates.

(2) These accumulated other comprehensive income components are included in the computation of net periodic pension costs, which were recorded in “Cost of revenues” and “General and administrative expenses” in our Consolidated Statements of Operations. See Note 14, “Employee Retirement and Post-Retirement Benefit Plans,” for more information.

(3) This accumulated other comprehensive income component is reclassified into “Cost of revenues” in our Consolidated Statements of Operations.

(4) The tax benefit has been reduced by a valuation allowance of $17.9 million in 2013.

NOTE 20. RECEIVABLE AND DEFERRED INCOME TAX VALUATION ALLOWANCES

Receivable allowances are comprised of allowances for amounts that may become uncollectable or unrealizable in the future. We determine these amounts based on historical experience and other currently available information. A valuation allowance for deferred income taxes is established when it is more likely than not that net deferred tax assets will not be realized.

The following table summarizes the activities in the receivable allowances and the deferred income tax valuation allowance from the beginning of the periods to the end of the periods.

(In millions)	Balance at the Beginning of the Period	Additions (Charged to Bad Debt Expense)	Additions (Charged to Other Accounts) (1)	Deductions (2)	Other (3)	Balance at the End of the Period
Year ended January 3, 2014						
Receivable allowances	$ 69.7	$ 7.4	$ 7.7	$ (19.7)	$ —	$ 65.1
Deferred income tax valuation allowance	$ 137.6	$ —	$ 12.7	$ (23.2)	$ 17.9	$ 145.0
Year ended December 28, 2012						
Receivable allowances	$ 43.1	$ 6.6	$ 27.4	$ (7.4)	$ —	$ 69.7
Deferred income tax valuation allowance	$ 124.0	$ —	$ 12.3	$ (14.7)	$ 16.0	$ 137.6
Year ended December 30, 2011						
Receivable allowances	$ 42.8	$ 2.8	$ 16.1	$ (18.6)	$ —	$ 43.1
Deferred income tax valuation allowance	$ 104.2	$ —	$ 23.5	$ (15.3)	$ 11.6	$ 124.0

(1) These additions were primarily charged to revenues or income tax expense.

(2) Deductions to the deferred income tax valuation allowance were primarily attributed to foreign and state NOL expirations, change in tax rates and the use of federal and state NOLs.

(3) Other adjustments to the deferred income tax valuation allowance during the year ended December 28, 2012 were attributable to acquired deferred taxes through the Flint acquisition and items charged to other comprehensive income. For the years ended January 3, 2014 and December 30, 2011, other adjustments to the deferred income tax valuation allowance were charged to other comprehensive income.

NOTE 21. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

The following table sets forth selected quarterly financial data for the years ended January 3, 2014 and December 28, 2012. The selected quarterly financial data presented below should be read in conjunction with the rest of the information in this report.

(In millions, except per share data)	2013 Quarters Ended			
	March 29	**June 28**	**September 27**	**January 3**
Revenues	$ 2,802.5	$ 2,792.0	$ 2,735.5	$ 2,660.7
Cost of revenues	(2,651.3)	(2,641.6)	(2,559.0)	(2,564.1)
Operating income	152.6	145.4	179.3	113.5
Other income (expense) (1)	(2.5)	(3.3)	1.6	(3.5)
Income tax expense (2)	(42.2)	(38.9)	(42.3)	(44.3)
Net income including noncontrolling interests	86.8	81.7	115.4	45.4
Noncontrolling interests in income of consolidated subsidiaries	(14.9)	(14.4)	(26.6)	(26.2)
Net income attributable to URS	71.9	67.3	88.8	19.2
Earnings per share:				
Basic	$ 0.97	$ 0.91	$ 1.21	$ 0.26
Diluted	$ 0.96	$ 0.91	$ 1.20	$ 0.26
Weighted-average shares outstanding:				
Basic	74.4	73.8	73.6	73.6
Diluted	74.9	74.0	73.9	74.2

(In millions, except per share data)	2012 Quarters Ended			
	March 30	**June 29**	**September 28**	**December 28**
Revenues	$ 2,361.5	$ 2,690.7	$ 2,947.6	$ 2,972.7
Cost of revenues	(2,203.2)	(2,527.5)	(2,753.3)	(2,810.5)
Acquisition-related expenses (3)	(5.6)	(11.3)	0.8	—
Operating income	161.4	149.5	203.6	171.4
Other income (expense) (1)	2.5	(9.2)	10.8	(3.6)
Income tax expense	(48.6)	(40.5)	(66.1)	(34.7)
Net income including noncontrolling interests	105.5	79.1	127.8	113.4
Noncontrolling interests in income of consolidated subsidiaries	(25.8)	(25.5)	(21.1)	(42.8)
Net income attributable to URS	79.7	53.6	106.7	70.6
Earnings per share:				
Basic	$ 1.08	$ 0.72	$ 1.43	$ 0.95
Diluted	$ 1.07	$ 0.72	$ 1.43	$ 0.95
Weighted-average shares outstanding:				
Basic	74.0	74.2	74.5	74.5
Diluted	74.3	74.6	74.6	74.6

(1) During fiscal 2013, "Other income (expenses)" represents foreign currency gains (losses) recognized on intercompany financing arrangements. During fiscal 2012, "Other income (expenses)" represents foreign currency gains (losses) recognized on intercompany financing arrangements and foreign currency forward contracts. See further discussion inNote 11, "Indebtedness."

(2) During the fourth quarter of 2013, we recorded income tax expense of $10.0 million related to prior quarters. This included U.S. tax on the sale of Canadian properties of $6.4 million and dividends from a Canadian joint venture of $3.6 million. This amount recorded in the fourth quarter was not material to prior quarters and, accordingly, the prior quarters have not been revised. On an after-tax basis, these items resulted in decreases to net income and diluted EPS of $10.0 million and $0.15, respectively.

(3) For the year ended December 28, 2012, we recorded acquisition-related expenses in connection with our acquisition of Flint. See further discussion in Note 8, "Acquisitions."

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Attached as exhibits to this Form 10-K are certifications of our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), which are required in accordance with Rule 13a-14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). This "Controls and Procedures" section includes information concerning the controls and controls evaluation referred to in the certifications. Item 8, "Consolidated Financial Statements and Supplementary Data," of this report sets forth the report of PricewaterhouseCoopers LLP, our independent registered public accounting firm, regarding its audit of the effectiveness of our internal control over financial reporting. This section should be read in conjunction with the certifications and the PricewaterhouseCoopers LLP report for a more complete understanding of the topics presented.

Evaluation of Disclosure Controls and Procedures

Based on our management's evaluation, with the participation of our CEO and CFO, of our "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), our CEO and CFO have concluded that our disclosure controls and procedures were effective as of January 3, 2014, the end of the period covered by this report, to provide reasonable assurance that the information required to be disclosed by us in the reports that we filed or submitted to the SEC under the Exchange Act were (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our principal executive and principal financial officers, to allow timely decisions regarding required disclosures.

Changes in Internal Control over Financial Reporting

During the quarter ended January 3, 2014, our remediation efforts, disclosed in the section entitled "Remediation Efforts on Previously Identified Material Weakness," materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as that term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles ("GAAP"). Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Management, with the participation of the CEO and CFO, assessed our internal control over financial reporting as of January 3, 2014, the end of our fiscal year. Management based its assessment on criteria established in Internal Control–Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on management's assessment, management has concluded that our internal control over financial reporting was effective as of January 3, 2014.

Our independent registered public accounting firm, PricewaterhouseCoopers LLP, audited the effectiveness of our internal control over financial reporting at January 3, 2014 as stated in their report appearing under Item 8 of this report.

Remediation Efforts on Previously Identified Material Weaknesses

Management previously identified and disclosed a material weakness in our internal control over financial reporting over the proper application of GAAP with respect to our goodwill impairment analysis in that we failed to include in the calculation the fair value of the cash flows attributable to noncontrolling interests of our subsidiaries that are not wholly-owned and to incorporate market participant data in the fair value calculation for one of our reporting units. The failure to include in the calculation of fair value the cash flows attributable to noncontrolling interests of our subsidiaries that are not wholly-owned resulted in material misstatements and a subsequent restatement of the goodwill impairment charge and income tax expense in our Consolidated Statement of Operations for the year ended December 30, 2011 and in material misstatements and a subsequent restatement of goodwill, long-term deferred tax liabilities and retained earnings in our Consolidated Balance Sheets as of December 28, 2012 and December 30, 2011.

In response to this material weakness, management provided our financial reporting personnel with training and implemented additional review procedures over the goodwill impairment calculation process related to the calculation of fair value of the cash flows attributable to noncontrolling interests of our subsidiaries that are not wholly-owned and incorporated the market participant data in the fair value calculation of our reporting units. Management tested the implemented controls and found them to be effective, leading management to conclude that this material weakness has been remediated as of January 3, 2014.

Inherent Limitations on Effectiveness of Controls

Our management, including the CEO and CFO, has designed our disclosure controls and procedures and our internal control over financial reporting to provide reasonable assurances that the controls' objectives will be met. However, management does not expect that disclosure controls and procedures or our internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any system's design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of a system's control effectiveness into future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Incorporated by reference from the information under the captions “Proposal – Election Of Directors,” “Section 16(a) Beneficial Ownership Reporting Compliance” and “Information About The Board Of Directors” in our definitive proxy statement for the 2014 Annual Meeting of Stockholders and from Item 1–“Executive Officers of the Registrant” in Part I of this report.

ITEM 11. EXECUTIVE COMPENSATION

Incorporated by reference from the information under the captions “Executive Compensation,” “Compensation Committee Interlocks And Insider Participation,” “Proposal – Advisory Vote on Executive Compensation,” “Compensation Committee Report,” (which report shall be deemed to be “furnished” and not “filed” with the SEC) and “Information About The Board Of Directors” in our definitive proxy statement for the 2014 Annual Meeting of Stockholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Incorporated by reference from the information under the captions “Security Ownership Of Certain Beneficial Owners And Management” and “Equity Compensation Plan Information” in our definitive proxy statement for the 2014 Annual Meeting of Stockholders.

Information regarding our stock-based compensation awards outstanding and available for future grants as of January 3, 2014 is presented inNote 15,“Stockholders' Equity” to our“Consolidated Financial Statements and Supplementary Data” included under Item 8 of this report.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Incorporated by reference from the information contained under the caption “Certain Relationships And Related Person Transactions” and “Information About The Board of Directors” in our definitive proxy statement for the 2014 Annual Meeting of Stockholders.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Incorporated by reference from the information under the captions “Proposal - Ratification Of Selection Of Our Independent Registered Public Accounting Firm,” in our definitive proxy statement for the 2014 Annual Meeting of Stockholders.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Documents Filed as Part of this Report.

(1) Financial Statements and Supplementary Data

- Report of Independent Registered Public Accounting Firm
- Consolidated Balance Sheets as of January 3, 2014 and December 28, 2012
- Consolidated Statements of Operations for the year ended January 3, 2014, the year ended December 28, 2012, and the year ended December 30, 2011
- Consolidated Statements of Comprehensive Income for the year ended January 3, 2014, the year ended December 28, 2012, and the year ended December 30, 2011
- Consolidated Statements of Changes in Stockholders' Equity for the year ended January 3, 2014, the year ended December 28, 2012, and the year ended December 30, 2011
- Consolidated Statements of Cash Flows for the year ended January 3, 2014, the year ended December 28, 2012, and the year ended December 30, 2011
- Notes to Consolidated Financial Statements

(2) Schedules are omitted because they are not applicable, not required or because the required information is included in the Consolidated Financial Statements or Notes thereto.

(3) Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference (Exchange Act Filings Located at File No. 001-07567) Form	Exhibit	Filing Date	Filed Herewith
2.1	Implementation Agreement between Universe Bidco Limited, URS Corporation and Scott Wilson Group plc., dated as of June 28, 2010.	8-K	2.2	6/29/2010	
2.2	Arrangement Agreement between URS Corporation and Flint Energy Services Ltd., dated as of February 20, 2012.	8-K	2.1	2/21/2012	
3.1	Restated Certificate of Incorporation of URS Corporation, as filed with the Secretary of State of Delaware on September 9, 2008.	8-K	3.01	9/11/2008	
3.2	Bylaws of URS Corporation as amended on February 20, 2014.				X
4.1	Credit Agreement dated as of October 19, 2011 among URS Corporation, and certain subsidiaries, as Borrowers, Wells Fargo Bank, National Association, as Administrative Agent, Swing Line Lender and an L/C Issuer, Bank of America, N.A., BNP Paribas, and Citibank, N.A., as Syndication Agents, Mizuho Corporation Bank, Ltd., as Documentation Agent and the other lenders party hereto, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wells Fargo Securities, LLC, BNP Paribas Securities Corp., and Citigroup Global Markets Inc., as Joint Lead Arrangers, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC, as Joint Book Managers.	8-K	4.1	10/20/2011	
4.2	First Amendment to the Credit Agreement dated as of May 23, 2013 among URS Corporation and certain of URS Corporation's subsidiaries, Wells Fargo Bank, National Association, as Administrative Agent, Swing Line Lender and an L/C Issuer and a syndicate of other lenders.	10-Q	4.1	8/6/2013	
4.3	Second Amendment to Credit Agreement and First Amendment to Subsidiary Guaranty dated as of December 19, 2013, entered into by and among URS Corporation, certain foreign subsidiaries party thereto as borrowers, certain domestic subsidiaries as guarantors, Wells Fargo Bank, National Association, as Administrative Agent, Swing Line Lender and an L/C Issuer and a syndicate of other lenders.	8-K	4.1	12/19/2013	
4.4	Indenture, dated March 15, 2012, between URS Corporation, URS Fox U.S. LP, and U.S. Bank National Association.	8-K	4.01	3/20/2012	
4.5	First Supplemental Indenture, dated March 15, 2012, by and among URS Corporation, URS Fox U.S. LP, the additional guarantor parties thereto and U.S. Bank National Association, including the form of the Issuers' 3.850% Senior Notes due 2017.	8-K	4.02	3/20/2012	

4.6	Second Supplemental Indenture, dated March 15, 2012, by and among URS Corporation, URS Fox U.S. LP, the additional guarantor parties thereto and U.S. Bank National Association, including the form of the Issuers' 5.000% Senior Notes due 2022.	8-K	4.03	3/20/2012
4.7	Third Supplemental Indenture, dated as of May 14, 2012, by and among URS Corporation, URS Fox U.S. LP, the additional guarantor parties thereto and U.S. Bank National Association.	8-K	4.6	5/18/2012

Exhibit Number	Exhibit Description	Incorporated by Reference (Exchange Act Filings Located at File No. 001-07567) Form	Exhibit	Filing Date	Filed Herewith
4.8	Fourth Supplemental Indenture, dated as of September 24, 2012, by and among URS Corporation, URS Fox U.S. LP, the additional guarantor parties thereto and U.S. Bank National Association.	8-K	4.2	9/26/2012	
4.9	Form of Universe Bidco Limited Loan Note Instrument constituting up to £30,000,000 Floating Range Loan Notes 2015.	8-K	4.1	5/18/2012	
4.10	Specimen Common Stock Certificate, filed as an exhibit to our registration statement on Form S-1 or amendments thereto.	S-1	4.1	6/5/1991	
10.1*	Employee Stock Purchase Plan of URS Corporation approved as of May 22, 2008.	DEF 14A	Appendix C	4/22/2008	
10.2*	URS Corporation Amended and Restated 1999 Equity Incentive Plan, dated as of September 30, 2006.	8-K	10.2	9/13/2006	
10.3*	URS Corporation 2008 Equity Incentive Plan, as amended and restated as of May 23, 2013.	DEF 14A	Appendix C	4/15/2013	
10.4*	Selected Executive Deferred Compensation Plan of URS Corporation.	S-1	10.3	6/5/1991	
10.5*	URS Corporation Restated Incentive Compensation Plan.	8-K	10.1	3/31/2009	
10.6*	URS Corporation Restated Incentive Compensation Plan 2013 Plan Year Summary.	8-K	10.1	4/2/2013	
10.7*	Description of 2013 Performance Metrics and Target Bonuses.	8-K	N/A	4/2/2013	
10.8*	Description of 2013 Base Salary.	8-K	N/A	5/28/2013	
10.9*	Non-Executive Directors Stock Grant Plan, as amended.	10-Q	10.1	3/17/1998	
10.10*	EG&G Technical Services, Inc. Amended and Restated Employees Retirement Plan.	10-Q	10.3	5/12/2010	
10.11*	First Amendment to the EG&G Technical Services, Inc. Employees Retirement Plan.	10-Q	10.4	11/12/2009	
10.12*	Second Amendment to the EG&G Technical Services, Inc. Employees Retirement Plan.	10-Q	10.5	11/12/2009	
10.13*	Third Amendment to the EG&G Technical Services, Inc. Employees Retirement Plan.	10-Q	10.6	11/12/2009	
10.14*	Fourth Amendment to the EG&G Technical Services, Inc. Employees Retirement Plan.	10-Q	10.4	5/12/2010	
10.15*	Fifth Amendment to the EG&G Technical Services, Inc. Employees Retirement Plan.	10-Q	10.5	5/12/2010	
10.16*	Sixth Amendment to the EG&G Technical Services, Inc. Employees Retirement Plan.	10-Q	10.6	5/12/2010	
10.17*	Seventh Amendment to the URS Federal Technical Services, Inc. Employees Retirement Plan.	10-Q	10.5	5/10/2011	
10.18*	Eight Amendment to the URS Federal Technical Services, Inc. Employees Retirement Plan.	10-K	10.21	2/26/2013	
10.19*	Ninth Amendment to the URS Federal Technical Services, Inc. Employees Retirement Plan.	10-K	10.22	2/26/2013	
10.20*	Tenth Amendment to the URS Federal Technical Services, Inc. Employees Retirement Plan.				X
10.21*	Amended and Restated Employment Agreement, between URS Corporation and Martin M. Koffel, dated as of September 5, 2003.	10-K	10.10	1/22/2004	

10.22*	First Amendment to the Amended and Restated Employment Agreement between URS Corporation and Martin M. Koffel, dated as of December 7, 2006.	8-K	10.1	12/8/2006

Exhibit Number	Exhibit Description	Incorporated by Reference (Exchange Act Filings Located at File No. 001-07567) Form	Exhibit	Filing Date	Filed Herewith
10.23*	Second Amendment to the Amended and Restated Employment Agreement between URS Corporation and Martin M. Koffel, dated as of December 10, 2008.	8-K	10.1	12/10/2008	
10.24*	Third Amendment to the Amended and Restated Employment Agreement between URS Corporation and Martin M. Koffel, dated as of December 13, 2011.	8-K	10.1	12/14/2011	
10.25*	Amended and Restated Supplemental Executive Retirement Agreement between URS Corporation and Martin M. Koffel, dated as of December 7, 2006.	8-K	10.3	12/8/2006	
10.26*	First Amendment to the Amended and Restated Supplemental Executive Retirement Agreement between URS Corporation and Martin M. Koffel, dated as of December 10, 2008.	8-K	10.2	12/10/2008	
10.27*	Employment Agreement between URS Corporation and Joseph Masters, dated as of September 8, 2000.	10-K	10.14	1/18/2001	
10.28*	First Amendment to Employment Agreement between URS Corporation and Joseph Masters, dated as of August 11, 2003.	10-K	10.15	1/22/2004	
10.29*	Second Amendment to Employment Agreement between URS Corporation and Joseph Masters, dated as of August 20, 2004.	10-K	10.17	1/13/2005	
10.30*	Fourth Amendment to Employment Agreement between URS Corporation and Joseph Masters, dated as of November 15, 2005.	8-K	10.1	11/18/2005	
10.31*	Fifth Amendment to Employment Agreement between URS Corporation and Joseph Masters, dated as of August 1, 2008.	10-Q	10.6	8/6/2008	
10.32*	Sixth Amendment to Employment Agreement between URS Corporation and Joseph Masters, dated as of November 26, 2012.	10-K	10.34	2/26/2013	
10.33*	Employment Agreement between URS Corporation and Reed N. Brimhall, dated as of May 19, 2003.	10-Q	10.1	9/15/2003	
10.34*	First Amendment to Employment Agreement between URS Corporation and Reed N. Brimhall, dated as of August 1, 2008.	10-Q	10.9	8/6/2008	
10.35*	Revised Compensatory Arrangement for Reed N. Brimhall.	10-Q	10.3	11/12/2009	
10.36*	Second Amendment to Employment Agreement between URS Corporation and Reed N. Brimhall, dated as of November 28, 2012.	10-K	10.37	2/26/2013	
10.37*	Employment Agreement between URS Corporation and Gary V. Jandegian, dated as of January 29, 2004.	10-Q	10.1	3/15/2004	
10.38*	First Amendment to Employment Agreement between URS Corporation and Gary V. Jandegian, dated as of August 1, 2008.	10-Q	10.7	8/6/2008	
10.39*	Second Amendment to Employment Agreement between URS Corporation and Gary V. Jandegian, dated as of November 28, 2012.	10-K	10.40	2/26/2013	

10.40*	Amended and Restated Employment Agreement between URS Corporation, a Nevada corporation and Thomas W. Bishop, dated as of June 1, 2011.	10-Q	10.2	8/9/2011
10.41*	First Amendment to Employment Agreement between URS Corporation, a Nevada corporation and Thomas W. Bishop, dated as of November 28, 2012.	10-K	10.42	2/26/2013

Exhibit Number	Exhibit Description	Incorporated by Reference (Exchange Act Filings Located at File No. 001-07567) Form	Exhibit	Filing Date	Filed Herewith
10.41*	Employment Agreement between EG&G Technical Services, Inc. and Randall A. Wotring, dated as of November 19, 2004.	8-K	10.1	11/24/2004	
10.42*	First Amendment to Employment Agreement between EG&G Technical Services, Inc. and Randall A. Wotring, dated as of August 1, 2008.	10-Q	10.8	8/6/2008	
10.43*	Second Amendment to Employment Agreement between EG&G Technical Services, Inc. and Randall A. Wotring, dated as of November 27, 2012.	10-K	10.45	2/26/2013	
10.44*	Employment Agreement between URS Corporation and H. Thomas Hicks, dated as of May 31, 2005.	8-K	10.2	5/31/2005	
10.45*	First Amendment to Employment Agreement between URS Corporation and H. Thomas Hicks, dated as of August 1, 2008.	10-Q	10.5	8/6/2008	
10.46*	Second Amendment to Employment Agreement between URS Corporation and H. Thomas Hicks, dated as of November 25, 2012.	10-K	10.48	2/26/2013	
10.47*	Amended and Restated Employment Agreement between URS Corporation and Susan B. Kilgannon, dated as of September 18, 2009.	10-Q	10.1	11/12/2009	
10.48*	First Amendment to Employment Agreement between URS Corporation and Susan B. Kilgannon, dated as of November 28, 2012.	10-K	10.50	2/26/2013	
10.49*	Employment Agreement between Robert W. Zaist and Washington Group International, Inc., dated as of November 8, 2009.	10-Q	10.4	5/10/2011	
10.50*	First Amendment to Employment Agreement between Robert W. Zaist and Washington Group International, Inc., dated as of November 28, 2012.	10-K	10.52	2/26/2013	
10.51*	Revised Compensatory Arrangement for Robert W. Zaist.	10-Q	10.3	8/9/2011	
10.52*	Employment Agreement between William J. (Bill) Lingard and URS Corporation, dated October 1, 2013.	8-K	10.1	10/1/2013	
10.53*	Employment Agreement between George Nash and URS E&C Holdings, Inc., dated September 29, 2011.	8-K	10.2	10/1/2013	
10.54*	First Amendment to the Employment Agreement between George Nash and URS E&C Holdings, Inc., dated December 14, 2012.	8-K	10.3	10/1/2013	
10.55*	Employment Agreement between Flint Energy Services Ltd. and Wayne Shaw.	10-Q	10.1	8/6/2013	
10.56*	Flint Energy Services Ltd. Retention Bonus Plan for William Lingard and Wayne Shaw.	10-Q	10.3	8/6/2013	
10.57*	Flint Energy Services Ltd. Supplemental Pension Plan Agreement.	10-Q	10.4	8/6/2013	
10.58*	Description of Changes in Base Salary and Bonuses.	8-K	N/A	1/23/2014	
10.59*	Form of 1999 Equity Incentive Plan Restricted Stock Unit Award Agreement, executed between URS Corporation and Martin M. Koffel for 50,000 shares of deferred restricted stock units, dated as of July 12, 2004.	10-Q	10.3	9/9/2004	

10.60*	First Amendment to the July 12, 2004 Restricted Stock Unit Award Agreement between URS Corporation and Martin M. Koffel, dated as of December 10, 2008.	8-K	10.3	12/10/2008
10.61*	2008 Equity Incentive Plan Restricted Stock Award between URS and Martin M. Koffel, dated December 10, 2008.	8-K	10.4	12/10/2008

Exhibit Number	Exhibit Description	Incorporated by Reference (Exchange Act Filings Located at File No. 001-07567) Form	Exhibit	Filing Date	Filed Herewith
10.62*	Form of Restricted Stock Award Grant Notice and Agreement for Martin M. Koffel under the URS Corporation 2008 Equity Incentive Plan, dated January 2, 2012.	8-K	10.2	12/14/2011	
10.63*	Form of 1999 Equity Incentive Plan Nonstatutory Stock Option Agreement and Grant Notice, executed as a separate agreement between URS Corporation and Gary V. Jandegian, dated as of July 12, 2004.	10-Q	10.2	5/10/2005	
10.64*	Separation Agreement and General Release between URS Corporation and William J. Lingard, dated as of February 11, 2014.				X
10.65*	Form of 1999 Equity Incentive Plan Restricted Stock Award as of May 25, 2006.	8-K	10.2	5/31/2006	
10.66*	Form of 2008 Equity Incentive Plan Restricted Stock Award Grant Notice and Agreement.	8-K	10.5	12/10/2008	
10.67*	Form of 2008 Equity Incentive Plan Restricted Stock Unit Award Grant Notice and Agreement.	8-K	10.6	12/10/2008	
10.68*	Form of 2008 Equity Incentive Plan Restricted Stock Award Grant Notice and Agreement.	10-Q	10.7	11/12/2009	
10.69*	Form of 2008 Equity Incentive Plan Restricted Stock Unit Award Grant Notice and Agreement.	10-Q	10.8	11/12/2009	
10.70*	Form of 2008 Equity Incentive Plan Restricted Stock Unit Award Grant Notice and Agreement - Time-Based Vesting.	8-K	10.2	4/2/2013	
10.71*	Form of 2008 Equity Incentive Plan Restricted Stock Unit Award Grant Notice and Agreement - Time-Based Vesting (Canadian Residents).	8-K	10.3	4/2/2013	
10.72*	Form of 2008 Equity Incentive Plan Restricted Stock Unit Award Grant Notice and Agreement - Time- and Performance-Based Vesting.	8-K	10.4	4/2/2013	
10.73*	Form of 2008 Equity Incentive Plan Restricted Stock Unit Award Grant Notice and Agreement - Time- and Performance-Based Vesting (Canadian Residents).	8-K	10.5	4/2/2013	
10.74*	Form of 2008 Equity Incentive Plan Restricted Stock Unit Award Grant Notice and Agreement - Transition Award.	8-K	10.6	4/2/2013	
10.75*	Form of 2008 Equity Incentive Plan Restricted Stock Unit Award Grant Notice and Agreement - Transition Award (Canadian Residents).	8-K	10.7	4/2/2013	
10.76*	Form of 2008 Equity Incentive Plan Restricted Stock Unit Award Grant Notice and Agreement - Time- and Performance-Based Vesting.	8-K	10.1	11/22/2013	
10.77*	Form of 2008 Equity Incentive Plan Restricted Stock Unit Award Grant Notice and Agreement - Time- and Performance-Based Vesting (Canadian Residents).	8-K	10.2	11/22/2013	

10.78*	Form of Officer Indemnification Agreement between URS Corporation and each of Thomas W. Bishop, Reed N. Brimhall, Susan B. Kilgannon, Gary V. Jandegian, Joseph Masters, George L. Nash, Randall A. Wotring and H. Thomas Hicks.	10-Q	10.3	6/14/2004

Exhibit Number	Exhibit Description	Incorporated by Reference (Exchange Act Filings Located at File No. 001-07567) Form	Exhibit	Filing Date	Filed Herewith
10.79*	Form of Director Indemnification Agreement between URS Corporation and each of Mickey P. Foret, Senator William H. Frist, Lydia H. Kennard, Donald R. Knauss, Martin M. Koffel, Timothy McLevish, General Joseph W. Ralston, USAF (Ret.), John D. Roach, Douglas W. Stotlar, and William P. Sullivan.	10-Q	10.4	6/14/2004	
10.80*	Description of URS Corporation tax gross-up policy.	8-K	N/A	4/29/2009	
10.81*	URS Energy & Construction Holdings, Inc. Restoration Plan.	10-K	10.58	2/28/2011	
21.1	Subsidiaries of URS Corporation				X
23.1	Consent of Independent Registered Public Accounting Firm.				X
24.1	Power of attorney of URS Corporation's directors and officers.				X
31.1	Certification of the Company’s Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certification of the Company’s Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32**	Certification of the Company’s Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
95	Mine Safety Disclosure				X
101.INS	XBRL Instance Document.				X
101.SCH	XBRL Taxonomy Extension Schema Document.				X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.				X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.				X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.				X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.				X

* Represents a management contract or compensatory plan or arrangement.

** Document has been furnished and not filed and not to be incorporated into any of our filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, irrespective of any general incorporation language included in any such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

URS Corporation
(Registrant)

Dated: March 3, 2014

By: /s/ Reed N. Brimhall
Reed N. Brimhall
Vice President and Chief Accounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant in the capacities and on the date indicated.

Signature	Title	Date
/s/ Martin M. Koffel* Martin M. Koffel	Chairman of the Board of Directors and Chief Executive Officer	March 3, 2014
/s/ H. Thomas Hicks H. Thomas Hicks	Chief Financial Officer	March 3, 2014
/s/ Reed N. Brimhall Reed N. Brimhall	Vice President and Chief Accounting Officer	March 3, 2014
/s/ Mickey P. Foret* Mickey P. Foret	Director	March 3, 2014
/s/ William H. Frist* William H. Frist	Director	March 3, 2014
/s/ Lydia H. Kennard* Lydia H. Kennard	Director	March 3, 2014
/s/ Donald R. Knauss* Donald R. Knauss	Director	March 3, 2014
/s/ Timothy R. McLevish* Timothy R. McLevish	Director	March 3, 2014
/s/ Joseph W. Ralston* Joseph W. Ralston	Director	March 3, 2014
/s/ John D. Roach* John D. Roach	Director	March 3, 2014
/s/ Douglas W. Stotlar* Douglas W. Stotlar	Director	March 3, 2014

/s/ William P. Sullivan*	Director	March 3, 2014
William P. Sullivan		

Signature	Title	Date
* /s/ H. Thomas Hicks H. Thomas Hicks (attorney-in-fact)		
* /s/ Reed N. Brimhall Reed N. Brimhall (attorney-in-fact)		

EXHIBIT 3.2

BYLAWS

OF

URS CORPORATION

(A DELAWARE CORPORATION)

AS AMENDED ON FEBRUARY 20, 2014

Table of Contents

BYLAWS

OF

URS CORPORATION

(A DELAWARE CORPORATION)

AS AMENDED ON FEBRUARY 20, 2014

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of the corporation in the State of Delaware shall be in the City of Wilmington, County of New Castle. (Del. Code Ann., tit. 8, § 131)

Section 2. Other Offices. The corporation shall also have and maintain an office or principal place of business at such place as may be fixed by the Board of Directors, and may also have offices at such other places, both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the corporation may require. (Del. Code Ann., tit. 8, § 122(8))

ARTICLE II

CORPORATE SEAL

Section 3. Corporate Seal. The Board of Directors may adopt a corporate seal. The corporate seal shall consist of a die bearing the name of the corporation and the inscription, “Corporate Seal-Delaware.” Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. (Del. Code Ann., tit. 8, § 122(3))

ARTICLE III

STOCKHOLDERS’ MEETINGS

Section 4. Place Of Meetings. Meetings of the stockholders of the corporation may be held at such place, either within or without the State of Delaware, as may be determined from time to time by the Board of Directors. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the Delaware General Corporation Law (“DGCL”). (Del. Code Ann., tit. 8, § 211(a))

Section 5. Annual Meetings.

(a) The annual meeting of the stockholders of the corporation, for the purpose of election of directors and for such other business as may lawfully come before it, shall be held o n such date and at such time as may be designated from time to time by the Board of Directors. Nominations of persons for election to the Board of Directors of the corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders: (1) pursuant to the corporation's notice of meeting of stockholders (with respect to business other than nominations); (2) by or at the direction of the Board of Directors; or (3) by any stockholder of the corporation who was a stockholder of record at the time of giving the stockholder's notice provided for in Section 5(b), who is entitled to vote at the meeting and who complied with the notice procedures set forth in Section 5. For the avoidance of doubt, clause (3) above shall be the exclusive means for a stockholder to make nominations and submit other business (other than matters properly included in the corporation's notice of meeting of stockholders and proxy statement under Rule 14a-8 under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (the "1934 Act") before an annual meeting of stockholders. (Del. Code Ann., tit. 8, § 211(b)).

(b) At an annual meeting of the stockholders, only such business shall be conducted as is a proper matter for stockholder action under the DGCL and as shall have been properly brought before the meeting.

(1) For nominations for the election to the Board of Directors to be properly brought before an annual meeting by a stockholder pursuant to clause (3) of Section 5(a) of these Bylaws, the stockholder must deliver written notice to the Secretary at the principal executive offices of the corporation on a timely basis as set forth in Section 5(b)(3) (including any updates and supplements as required under Section 5(c)). Such stockholder's notice shall set forth: (A) as to each nominee such stockholder proposes to nominate at the meeting: (i) the name, age, business address and residence address of such nominee; (ii) the principal occupation or employment of such nominee; (iii) the class and number of shares of each class of capital stock of the corporation which are owned of record and beneficially by such nominee; (iv) the date or dates on which such shares were acquired and the investment intent of such acquisition; (v) a statement whether such nominee, if elected, intends to tender, promptly following such person's failure to receive the required vote for election or re-election at the next meeting at which such person would face election or re-election, an irrevocable resignation effective upon acceptance of such resignation by the Board of Directors, in accordance with Section 8(c) hereof; (vi) with respect to each nominee for election or re-election to the Board of Directors, include a completed and signed questionnaire, representation and agreement required by Section 5(e) of these Bylaws; and (vii) such other information concerning such nominee as would be required to be disclosed in a proxy statement soliciting proxies for the election of such nominee as a director in an election contest (even if an election contest is not involved), or that is otherwise required to be disclosed pursuant to Section 14 of the 1934 Act and the rules and regulations promulgated thereunder (including such person's written consent to being named as a nominee and to serving as a director if elected); (B) as to each Proponent (as defined below), as of the date of the notice, the information required by Section 5(b)(4) (including any updates and supplements as required under Section 5(c)). The corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as an independent director of the corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such proposed nominee.

(2) Other than proposals sought to be included in the corporation's proxy materials pursuant to Rule 14a-8 under the 1934 Act, for business other than nominations for the election to the Board of Directors to be properly brought before an annual meeting by a stockholder pursuant to clause (3) of Section 5(a) of these Bylaws, the stockholder must deliver written notice to the Secretary at the principal executive offices of the corporation on a timely basis as set forth in Section 5(b)(3) (including any updates and supplements as required under Section 5(c)). Such stockholder's notice shall set forth: (A) as to each matter such stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting, and any material interest (including any anticipated benefit of such business to any Proponent (as defined below), other than solely as a result of its ownership of the corporation's capital stock, that is material to any Proponent individually, or to the Proponents in the aggregate) in such business of any Proponent; (B) as to each Proponent, as of the date of the notice, the information required by Section 5(b)(4) (including any updates and supplements as required under Section 5(c)).

(3) To be timely, the written notice required by Section 5(b)(1) or 5(b)(2) must be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the first anniversary of the preceding year's annual meeting, except that solely with respect to the 2014 annual meeting of stockholders of the corporation, to be timely (and notwithstanding anything to the contrary contained in this Section 5(b)(3)), the written notice required by Section 5(b)(1) must be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the seventieth (70th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced more than thirty (30) days prior to or delayed by more than thirty (30) days after the anniversary of the preceding year's annual meeting, the written notice required by Section 5(b)(1) or 5(b)(2) must be so delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period for the giving of a stockholder's notice as described above.

(4) The written notice required by Sections 5(b)(1) or 5(b)(2) shall also set forth, as of the date of the notice and as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (each a "Proponent" and collectively, the "Proponents"): (A) the name and address of each Proponent, as they appear on the corporation's books; (B) the class and number of shares of the corporation that are owned beneficially and of record by each Proponent; (C) a description of any agreement, arrangement or understanding (whether oral or in writing) with respect to such nomination or proposal between or among any Proponent and any of its affiliates or associates, and any others (including their names) acting in concert, or otherwise under the agreement, arrangement or understanding, with any of the foregoing as of the date of the notice; (D) a representation that the Proponents are holders of record or beneficial owners, as the case may be, of shares of the corporation entitled to vote at the meeting and intend to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice (with respect to a notice under Section 5(b)(1)) or to propose the business that is specified in the notice (with respect to a notice under Section 5(b)(2)); (E) a representation as to whether the Proponents intend to deliver a proxy statement and form of proxy to holders of a sufficient number of holders of the corporation's voting shares to elect such nominee or nominees (with respect to a notice under Section 5(b)(1)) or to carry such proposal (with respect to a notice under Section 5(b)(2)); (F), to the extent known by any Proponent, the name and address of any other stockholder supporting the proposal on the date of such stockholder's notice; and (G) a description of all Derivative Transactions (as defined below) by each Proponent during the previous twelve (12)-month period, including the date of the transactions and the class, series and number of securities involved in, and the material economic terms of, such Derivative Transactions.

For purposes of Sections 5 and 6, "Derivative Transactions" shall mean any agreement, arrangement, interest or understanding entered into by, or on behalf or for the benefit of, any Proponent or any of its affiliates or associates , whether record or beneficial:

(i) the value of which is derived in whole or in part from the value of any class or series of shares or other securities of the corporation,

(ii) which otherwise provides any direct or indirect opportunity to gain or share in any gain derived from a change in the value of securities of the corporation,

(iii) the effect or intent of which is to mitigate loss, manage risk or benefit of security value or price changes, or

(iv) which provides the right to vote or increase or decrease the voting power of, such Proponent, or any of its affiliates or associates, with respect to any securities of the corporation,

which agreement, arrangement, interest or understanding may include, without limitation, any option, warrant, debt position, note, bond, convertible security, swap, stock appreciation right, short position, profit interest, hedge, right to dividends, voting agreement, performance-related fee or arrangement to borrow or lend shares (whether or not subject to payment, settlement, exercise or conversion in any such class or series), and any proportionate interest of such Proponent in the securities of the corporation held by any general or limited partnership, or any limited liability company, of which such Proponent is, directly or indirectly, a general partner or managing member.

(c) A stockholder providing notice of business pursuant to Section 5(b)(1) or 5(b)(2) shall further update and supplement such stockholder's notice, if necessary, so that the information provided or required to be provided in such notice is true and correct in all material respects as of the record date for the meeting and as of the date that is five (5) business days prior to the meeting or any adjournment or postponement thereof. Such update and supplement shall be delivered to or mailed and received by the Secretary at the principal executive offices of the corporation not later than five (5) business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date), and not later than three (3) business days prior to the date for the meeting or any adjournment or postponement thereof (in the case of the update and supplement required to be made as of five (5) business days prior to the meeting or any adjournment or postponement thereof).

(d) In the event that the number of directors to be elected to the Board of Directors of the corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the corporation at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 5 and which complies with the requirements in Section 5(b)(1), other than the timing requirements in the first sentence of Section 5(b)(3), shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the corporation.

(e) To be eligible to be a nominee for election or re-election as a director of the corporation pursuant to a nomination under clause (a)(3) of this Section 5, a person must deliver (in accordance with the time periods prescribed for delivery of notice under Section 5(b)(3)) to the Secretary at the principal executive offices of the corporation a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such person (1) is not and will not become a party to (A) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the corporation in the questionnaire or (B) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the corporation, with such person's fiduciary duties under applicable law; (2) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director of the corporation that has not been disclosed therein; and (3) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the corporation, and will comply with, all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the corporation.

(f) A person shall not be eligible for election or re-election as a director unless the person is nominated either (1) in accordance with clause (a)(2) of this Section 5, by or at the direction of the Board of Directors or (2) in accordance with clause (a)(3) of this Section 5, by any stockholder of the corporation who was a stockholder of record at the time of giving the stockholder's notice provided for in Section 5(b), who is entitled to vote at the meeting and who complied with the notice and other procedures set forth in this Section 5. Only such business shall be conducted at an annual meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 5. Except as otherwise required by law, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made, or proposed, as the case may be, in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, to declare that such defective proposal or nomination shall not be presented for stockholder action at the meeting and shall be disregarded. Notwithstanding anything in these Bylaws to the contrary, unless otherwise required by law, if a stockholder intending to make a nomination at a meeting pursuant to Section 5(b)(1) or to propose business at a meeting pursuant to Section 5(b)(2) does not provide the information in the stockholder's notice required under Sections 5(b)(1) or 5(b)(2), as applicable, within the applicable time periods specified in this Section 5 (including any updates and supplements as required under Section 5(c)), or the stockholder (or a qualified representative of the stockholder) does not appear at the meeting to make such nomination or to propose such business, or the Proponents shall not have acted in accordance with the representations required under Section 5(b)(4)(E), such defective nomination or proposal shall not be presented for stockholder action at the meeting and shall be disregarded, as determined by the chairman of the meeting as described above, notwithstanding that proxies in respect of such nominations or such business may have been solicited or received.

(g) Notwithstanding the foregoing provisions of this Section 5, in order to include information with respect to a stockholder proposal in the proxy statement and form of proxy for a stockholders' meeting, a stockholder must also comply with all applicable requirements of the 1934 Act and the rules and regulations thereunder with respect to matters set forth in this Section 5. Nothing in these Bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the 1934 Act; provided, however, that any references in these Bylaws to the 1934 Act or the rules and regulations thereunder are not intended to and shall not limit the requirements applicable to proposals and/or nominations to be considered pursuant to Section 5(a)(3) of these Bylaws.

(h) For purposes of Sections 5 and 6,

(1) "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the 1934 Act; and

(2) "affiliates" and "associates" shall have the meanings set forth in Rule 405 under the Securities Act of 1933, as amended (the "1933 Act").

Section 6. Special Meetings.

(a) Special meetings of the stockholders of the corporation (1) may be called, for any purpose as is a proper matter for stockholder action under the DGCL, by (A) the Chairman of the Board of Directors, (B) the Chief Executive Officer, (C) the President, or (D) the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board of Directors for adoption), and (2) shall be called, for any purpose as is a proper matter for stockholder action under the DGCL, by the Secretary of the corporation upon the written request of stockholders owning twenty percent (20%) in amount of the entire capital stock of the corporation issued, outstanding and entitled to vote, provided that such written request is in compliance with the requirements of Section 6(b) hereof ("Stockholder-Requested Meeting"). A request to call a special meeting pursuant to Section 6(a)(2) shall not be valid unless made in accordance with the requirements and procedures set forth in this Section 6. Except as may otherwise be required by law, the Board of Directors shall determine, in its sole judgment, the validity of any request under Section 6(a)(2), including whether such request was properly made in compliance with these Bylaws.

(b) For a special meeting called pursuant to Section 6(a)(1), the Board of Directors shall determine the time and place of such special meeting. Following determination of the time and place of the meeting, the Secretary shall cause a notice of meeting to be given to the stockholders entitled to vote, in accordance with the provisions of Section 7 of these Bylaws. Nothing contained in this Section 6(b) shall be construed as limiting, fixing, or affecting the time when a meeting of stockholders called by action of the Board of Directors may be held. For a Stockholder-Requested Meeting, the request shall (1) be in writing, signed and dated by a stockholder of record, (2) set forth the purpose of calling the special meeting and include the information required by the stockholder's notice as set forth in Section 5(b)(1), including the questionnaire, representations and agreement required by Section 5(e) (for nominations for the election to the Board of Directors), and in Section 5(b)(2) (for the proposal of business other than nominations), and (3) be delivered personally or sent by certified or registered mail, return receipt requested, to the Secretary at the principal executive offices of the corporation. The stockholder shall also update and supplement such information as required under Section 5(c). If the Board of Directors determines that a request pursuant to Section 6(a)(2) is valid, the Board shall determine the time and place of a Stockholder-Requested Meeting, which time shall be not less than ninety (90) nor more than one hundred twenty (120) days after the receipt of such request, and shall set a record date for the determination of stockholders entitled to vote at such meeting in the manner set forth in Section 38 hereof. Following determination of the time and place of the meeting, the Secretary shall cause a notice of meeting to be given to the stockholders entitled to vote, in accordance with the provisions of Section 7 of these Bylaws. No business may be transacted at a special meeting, including a Stockholder-Requested Meeting, otherwise than as specified in the notice of meeting.

(c) Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected (1) by or at the direction of the Board of Directors or (2) by any stockholder of the corporation who is a stockholder of record at the time of giving notice provided for in this paragraph who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in Section 6 of these Bylaws. In the event the corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the corporation's notice of meeting, if the information required by the stockholder's notice as set forth in Section 5(b)(1) of these Bylaws (including the questionnaire, representations and agreement required by Section 5(e)) shall be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the later of the ninetieth (90th) day prior to such meeting or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. The stockholder shall also update and supplement such information as required under Section 5(c). In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period for the giving of a stockholder's notice as described above. A person shall not be eligible for election or re-election as a director at a special meeting unless the person is nominated (i) by or at the direction of the Board of Directors or (ii) by a stockholder of record in accordance with the requirements and procedures set forth in this Section 6.

(d) Notwithstanding the foregoing provisions of this Section 6, a stockholder must also comply with all applicable requirements of the 1934 Act and the rules and regulations thereunder with respect to matters set forth in this Section 6. Nothing in these Bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the 1934 Act; provided, however, that any references in these Bylaws to the 1934 Act or the rules and regulations thereunder are not intended to and shall not limit the requirements applicable to nominations for the election to the Board of Directors and/or proposals for business other than nominations to be considered pursuant to Section 6(a)(2) or Section 6(c)(2) of these Bylaws.

Section 7. Notice Of Meetings. Except as otherwise provided by law, notice, given in writing or by electronic transmission, of each meeting of stockholders shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting, such notice to specify the place, if any, date and hour, in the case of special meetings, the purpose or purposes of the meeting, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at any such meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the corporation. Notice of the time, place, if any, and purpose of any meeting of stockholders may be waived in writing, signed by the person entitled to notice thereof, or by electronic transmission by such person, either before or after such meeting, and will be waived by any stockholder by his attendance thereat in person, by remote communication, if applicable, or by proxy, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given. (Del. Code Ann., tit. 8, §§ 222, 229, 232)

Section 8. Quorum and Vote Required.

(a) Quorum. At all meetings of stockholders, except where otherwise provided by statute or by the Certificate of Incorporation, or by these Bylaws, the presence, in person, by remote communication, if applicable, or by proxy duly authorized, of the holders of a majority of the outstanding shares of stock entitled to vote shall constitute a quorum for the transaction of business. In the absence of a quorum, any meeting of stockholders may be adjourned, from time to time, either by the chairman of the meeting or by vote of the holders of a majority of the shares represented thereat, but no other business shall be transacted at such meeting. The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

(b) Vote Required Other Than in Election of Directors. Except as otherwise provided by statute or by applicable stock exchange or Nasdaq rules, or by the Certificate of Incorporation or these Bylaws, in all matters other than the election of directors, the affirmative vote of the majority of shares present in person, by remote communication, if applicable, or represented by proxy at the meeting and entitled to vote generally on the subject matter shall be the act of the stockholders. Where a separate vote by a class or classes or series is required, except where otherwise provided by the statute or by the Certificate of Incorporation or these Bylaws, a majority of the outstanding shares of such class or classes or series, present in person, by remote communication, if applicable, or represented by proxy duly authorized, shall constitute a quorum entitled to take action with respect to that vote on that matter. Except where otherwise provided by statute or by the Certificate of Incorporation or these Bylaws, the affirmative vote of the majority of shares of such class or classes or series present in person, by remote communication, if applicable, or represented by proxy at the meeting shall be the act of such class or classes or series. (Del. Code Ann., tit. 8, § 216)

(c) Majority Vote in Election of Directors.

(1) Notwithstanding the foregoing, each director to be elected by the stockholders shall be elected by the vote of the holders of a majority of the votes cast for the election of directors at any meeting at which a quorum is present; provided, however, that if the number of nominees exceeds the number of directors to be elected, the directors shall be elected by the vote of the holders of a plurality of the votes cast. For purposes of this section, a majority of the votes cast means that the number of votes cast "for" a director must exceed the number of votes cast "against" that director. Votes cast shall exclude abstentions with respect to a director's election.

(2) If an incumbent director nominated for reelection at a stockholders meeting is not elected by the vote required by Section 8(c)(1) above and no successor has been elected at such meeting, that director shall promptly tender his or her resignation to the board of directors, which resignation shall be irrevocable until either accepted or rejected by the board of directors **.** The Board Affairs Committee (or any successor committee established by the board of directors) shall make a recommendation to the board of directors as to whether to accept or reject the tendered resignation, or whether other action should be taken. The board of directors shall act on the tendered resignation, taking into account the Board Affairs Committee's (or successor committee's) recommendation, and publicly disclose (by a press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication) its decision regarding the tendered resignation and the rationale behind the decision within ninety (90) days from the date of the certification of the election results. The Board Affairs Committee (or successor committee) in making its recommendation, and the board of directors in making its decision, may each consider any factors or other information that it considers appropriate and relevant. The director who tenders his or her resignation shall not participate in the recommendation of the Board Affairs Committee (or successor committee) or the decision of the board of directors with respect to his or her resignation. If such incumbent director's resignation is not accepted by the board of directors, such director shall continue to serve until the next annual meeting and until his or her successor is duly elected, or his or her earlier resignation or removal. If a director's resignation is accepted by the board of directors pursuant to this Section 8(c)(2), or if a nominee for director who is not an incumbent director is not elected by the vote required by Section 8(c)(1) above, then the board of directors, in its sole discretion, may fill any resulting vacancy pursuant to the provisions of Sections 18 and 19 hereof or, notwithstanding any other provision hereof, may decrease the size of the board of directors pursuant to the provisions of Section 15 hereof.

Section 9. Adjournment And Notice Of Adjourned Meetings. Any meeting of stockholders, whether annual or special, may be adjourned from time to time either by the chairman of the meeting or by the vote of a majority of the shares present in person, by remote communication, if applicable, or represented by proxy at the meeting. When a meeting is adjourned to another time or place, if any, notice need not be given of the adjourned meeting if the time and place, if any, thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. (Del. Code Ann., tit. 8, § 222(c))

Section 10. Voting Rights. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law, only persons in whose names shares stand on the stock records of the corporation on the record date, as provided in Section 12 of these Bylaws, shall be entitled to vote at any meeting of stockholders. Every person entitled to vote or execute consents shall have the right to do so either in person, by remote communication, if applicable, or by an agent or agents authorized by a proxy granted in accordance with Delaware law. An agent so appointed need not be a stockholder. No proxy shall be voted after three (3) years from its date of creation unless the proxy provides for a longer period. (Del. Code Ann., tit. 8, §§ 211(e), 212(b))

Section 11. Joint Owners Of Stock. If shares or other securities having voting power stand of record in the names of two (2) or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two (2) or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (a) if only one (1) votes, his act binds all; (b) if more than one (1) votes, the act of the majority so voting binds all; (c) if more than one (1) votes, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or may apply to the Delaware Court of Chancery for relief as provided in the DGCL, Section 217(b). If the instrument filed with the Secretary shows that any such tenancy is held in unequal interests, a majority or even-split for the purpose of subsection (c) shall be a majority or even-split in interest. (Del. Code Ann., tit. 8, § 217(b))

Section 12. List Of Stockholders. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the corporation. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. The list shall be open to examination of any stockholder during the time of the meeting as provided by law. (Del. Code Ann., tit. 8, § 219)

Section 13. Action Without Meeting.

(a) Unless otherwise provided in the Certificate of Incorporation, any action required by statute to be taken at any annual or special meeting of the stockholders, or any action which may be taken at any annual or special meeting of the stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, or by electronic transmission setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. (Del. Code Ann., tit. 8, § 228)

(b) Every written consent or electronic transmission shall bear the date of signature of each stockholder who signs the consent, and no written consent or electronic transmission shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated consent delivered to the corporation in the manner herein required, written consents or electronic transmissions signed by a sufficient number of stockholders to take action are delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. (Del. Code Ann., tit. 8, § 228)

(c) Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing or by electronic transmission and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of stockholders to take action were delivered to the corporation as provided in Section 228 (c) of the DGCL. If the action which is consented to is such as would have required the filing of a certificate under any section of the DGCL if such action had been voted on by stockholders at a meeting thereof, then the certificate filed under such section shall state, in lieu of any statement required by such section concerning any vote of stockholders, that written consent has been given in accordance with Section 228 of the DGCL.

(d) A telegram, cablegram or other electronic transmission consent to an action to be taken and transmitted by a stockholder or proxyholder, or by a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the corporation can determine (i) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder or proxyholder and (ii) the date on which such stockholder or proxyholder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form shall be delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested. Notwithstanding the foregoing limitations on delivery, consents given by telegram, cablegram or other electronic transmission may be otherwise delivered to the principal place of business of the corporation or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded if, to the extent and in the manner provided by resolution of the board of directors of the corporation. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original in writing. (Del. Code Ann., tit. 8, § 228(d))

Section 14. Organization.

(a) At every meeting of stockholders, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the President, or, if the President is absent, a chairman of the meeting chosen by a majority in interest of the stockholders entitled to vote, present in person or by proxy, shall act as chairman. The Secretary, or, in his or her absence, an Assistant Secretary directed to do so by the President, shall act as secretary of the meeting.

(b) The Board of Directors of the corporation shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to stockholders of record of the corporation and their duly authorized and constituted proxies and such other persons as the chairman shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting on matters which are to be voted on by ballot. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

ARTICLE IV

DIRECTORS

Section 15. Number And Term Of Office. The authorized number of directors of the corporation shall be not less than five (5) nor more than fifteen (15). Within the limits above specified, the number of directors shall be determined by resolution of the board of directors or by the stockholders at the annual meeting. Directors need not be stockholders unless so required by the Certificate of Incorporation. If for any cause, the directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient at a special meeting of the stockholders called for that purpose in the manner provided in these Bylaws. (Del. Code Ann., tit. 8, §§ 141(b), 211(b), (c))

Section 16. Powers. The powers of the corporation shall be exercised, its business conducted and its property controlled by the Board of Directors, except as may be otherwise provided by statute or by the Certificate of Incorporation. (Del. Code Ann., tit. 8, § 141(a))

Section 17. Board of Directors. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, directors shall be elected at each annual meeting of stockholders for a term of one year. Each director shall serve until his successor is duly elected and qualified or until his death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

Section 18. Vacancies. Unless otherwise provided in the Certificate of Incorporation, and subject to the rights of the holders of any series of Preferred Stock, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors, or by a sole remaining director, *provided, however*, that whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the Certificate of Incorporation, vacancies and newly created directorships of such class or classes or series shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected. If, at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole board (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least ten percent of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office. Any director elected in accordance with this Section 18 shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified. A vacancy in the Board of Directors shall be deemed to exist under this Bylaw in the case of the death, removal or resignation of any director. (Del. Code Ann., tit. 8, § 223(a), (b))

Section 19. Resignation. Any director may resign at any time by delivering his or her notice in writing or by electronic transmission to the Secretary, such resignation to specify whether it will be effective at a particular time, upon receipt by the Secretary or at the pleasure of the Board of Directors. If no such specification is made, it shall be deemed effective at the pleasure of the Board of Directors. When one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each Director so chosen shall hold office for the unexpired portion of the term of the Director whose place shall be vacated and until his successor shall have been duly elected and qualified. (Del. Code Ann., tit. 8, §§ 141(b), 223(d))

Section 20. Removal. The Board of Directors or any individual director may be removed from office at any time with or without cause by the affirmative vote of the holders of a majority of the voting power of all the then-outstanding shares of capital stock of the corporation, entitled to vote generally at an election of directors.

Section 21. Meetings.

(a) Regular Meetings. Unless otherwise restricted by the Certificate of Incorporation, regular meetings of the Board of Directors may be held at any time or date and at any place within or without the State of Delaware which has been designated by the Board of Directors and publicized among all directors, either orally or in writing, by telephone, including a voice-messaging system or other system designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means. No further notice shall be required for regular meetings of the Board of Directors. (Del. Code Ann., tit. 8, § 141(g))

(b) Special Meetings. Unless otherwise restricted by the Certificate of Incorporation, special meetings of the Board of Directors may be held at any time and place within or without the State of Delaware whenever called by the Chairman of the Board, the Chief Executive Officer, the President or by any two directors. (Del. Code Ann., tit. 8, § 141(g))

(c) Meetings by Electronic Communications Equipment. Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting. (Del. Code Ann., tit. 8, § 141(i))

(d) Notice of Special Meetings. Notice of the time and place of all special meetings of the Board of Directors shall be orally or in writing, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means, during normal business hours, at least twenty-four (24) hours before the date and time of the meeting. If notice is sent by US mail, it shall be sent by first class mail, charges prepaid, at least three (3) days before the date of the meeting. Notice of any meeting may be waived in writing, or by electronic transmission, at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. (Del. Code Ann., tit. 8, § 229)

(e) Waiver of Notice. The transaction of all business at any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present who did not receive notice shall sign a written waiver of notice or shall waive notice by electronic transmission. All such waivers shall be filed with the corporate records or made a part of the minutes of the meeting. (Del. Code Ann., tit. 8, § 229)

Section 22. Quorum And Voting.

(a) Unless the Certificate of Incorporation requires a greater number, and except with respect to questions related to indemnification arising under Section 44 for which a quorum shall be one-third of the exact number of directors fixed from time to time, a quorum of the Board of Directors shall consist of a majority of the exact number of directors fixed from time to time by the Board of Directors in accordance with the Certificate of Incorporation; *provided, however,* at any meeting whether a quorum be present or otherwise, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors, without notice other than by announcement at the meeting. (Del. Code Ann., tit. 8, § 141(b))

(b) At each meeting of the Board of Directors at which a quorum is present, all questions and business shall be determined by the affirmative vote of a majority of the directors present, unless a different vote be required by law, the Certificate of Incorporation or these Bylaws. (Del. Code Ann., tit. 8, § 141(b))

Section 23. Action Without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and such writing or writings or transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form. (Del. Code Ann., tit. 8, § 141(f))

Section 24. Fees And Compensation. Directors shall be entitled to such compensation for their services as may be approved by the Board of Directors, including, if so approved, by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, for attendance at each regular or special meeting of the Board of Directors and at any meeting of a committee of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise and receiving compensation therefor. (Del. Code Ann., tit. 8, § 141(h))

Section 25. Committees.

(a) Board Committees. The Board of Directors may, from time to time, appoint such committees as may be permitted by law, including but not limited to, an Audit Committee, a Board Affairs Committee and a Compensation Committee. Such committees appointed by the Board of Directors shall consist of one (1) or more members of the Board of Directors and shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees. (Del. Code Ann., tit. 8, § 141(c))

(b) Term. The Board of Directors, subject to any requirements of any outstanding series of Preferred Stock and the provisions of subsections (a) or (b) of this Section 25, may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of his death or voluntary resignation from the committee or from the Board of Directors. The Board of Directors may at any time for any reason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. (Del. Code Ann., tit. 8, §141(c))

(c) Meetings. Unless the Board of Directors shall otherwise provide, any committee appointed pursuant to this Section 25 shall be held at such times and places as are determined by the Board of Directors, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter. Special meetings of any such committee may be held at any place which has been determined from time to time by such committee, and may be called by any director who is a member of such committee, upon notice to the members of such committee of the time and place of such special meeting given in the manner provided for the giving of notice to members of the Board of Directors of the time and place of special meetings of the Board of Directors. Notice of any special meeting of any committee may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends such special meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Unless otherwise provided by the Board of Directors in the resolutions authorizing the creation of the committee, a majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of such committee. (Del. Code Ann., tit. 8, §§ 141(c), 229)

Section 26. Chairman and Lead Independent Director.

(a) Duties of Chairman of the Board of Directors. The Chairman of the Board of Directors, when present, shall preside at all meetings of the stockholders and the Board of Directors. The Chairman of the Board of Directors shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time. (Del. Code Ann., tit. 8, § 142(a)).

(b) Duties of the Lead Independent Director. The Chairman of the Board of Directors, or if the Chairman is not an independent director, one of the independent directors who has served as a director of the corporation for at least one year, shall be designated by the independent directors of the Board of Directors as the lead independent director to serve until replaced by the independent directors of the Board of Directors ("Lead Independent Director"). The Lead Independent Director will approve the agenda for regular Board meetings; serve as chairman of Board meetings in the absence of the Chairman; establish and approve the agenda for meetings of the independent directors; approve Board meeting schedules to assure there is sufficient time for discussion of all agenda items; approve information sent to the Board of Directors; coordinate with the committee chairs regarding meeting agendas and informational requirements; have authority to call meetings of the independent directors; preside over meetings of the independent directors; preside over any portions of Board meetings at which the evaluation or compensation of the Chief Executive Officer is presented or discussed; preside over any portions of Board meetings at which the performance of the Board of Directors is presented or discussed; serve as a liaison between the Chairman and the independent directors; coordinate the activities of the other independent directors; if requested by major stockholders of the corporation, ensure that he or she is available for consultation and direct communication with such stockholders; and perform such other duties as may be established or delegated by the independent directors from time to time.

Section 27. Organization. At every meeting of the directors, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, Lead Independent Director, or if the Lead Independent Director is absent, the Chief Executive Officer (if a director), or, if a Chief Executive Officer is absent, the President (if a director), or if the President is absent, the most senior Vice President (if a director), or, in the absence of any such person, a chairman of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in his absence, any Assistant Secretary or other officer or director directed to do so by the President, shall act as secretary of the meeting.

ARTICLE V

OFFICERS

Section 28. Officers Designated. The officers of the corporation shall include, if and when designated by the Board of Directors, the Chief Executive Officer, the President, one or more Vice Presidents, the Secretary, the Chief Financial Officer and the Treasurer. The Board of Directors may also appoint one or more Assistant Secretaries and Assistant Treasurers and such other officers and agents with such powers and duties as it shall deem necessary. The Board of Directors may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any number of offices of the corporation at any one time unless specifically prohibited therefrom by law. The salaries and other compensation of the officers of the corporation shall be fixed by or in the manner designated by the Board of Directors. (Del. Code Ann., tit. 8, §§ 122(5), 142(a), (b))

Section 29. Tenure And Duties Of Officers.

(a) General. All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors. (Del. Code Ann., tit. 8, § 141(b), (e))

(b) Duties of Chief Executive Officer. The Chief Executive Officer shall preside at all meetings of the stockholders and at all meetings of the Board of Directors, unless the Chairman of the Board of Directors has been appointed and is present or the Lead Independent Director is present. Unless another officer has been appointed Chief Executive Officer of the corporation, the President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. To the extent that a Chief Executive Officer has been appointed, all references in these Bylaws to the President shall be deemed references to the Chief Executive Officer. The Chief Executive Officer shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time.

(c) Duties of President. The President shall preside at all meetings of the stockholders and at all meetings of the Board of Directors, unless the Chairman of the Board of Directors, the Lead Independent Director, or the Chief Executive Officer has been appointed and is present. Unless another officer has been appointed Chief Executive Officer of the corporation, the President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. The President shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time. (Del. Code Ann., Tit. 8, § 142(a))

(d) Duties of Vice Presidents. The Vice Presidents may assume and perform the duties of the President in the absence or disability of the President or whenever the office of President is vacant. The Vice Presidents shall perform other duties commonly incident to their office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer, or, if the Chief Executive Officer has not been appointed or is absent, the President shall designate from time to time. (Del. Code Ann., tit. 8, § 142(a))

(e) Duties of Secretary. The Secretary shall attend all meetings of the stockholders and of the Board of Directors and shall record all acts and proceedings thereof in the minute book of the corporation. The Secretary shall give notice in conformity with these Bylaws of all meetings of the stockholders and of all meetings of the Board of Directors and any committee thereof requiring notice. The Secretary shall perform all other duties provided for in these Bylaws and other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time. The President may direct any Assistant Secretary or other officer to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time. (Del. Code Ann., tit. 8, § 142(a))

(f) Duties of Chief Financial Officer. The Chief Financial Officer shall keep or cause to be kept the books of account of the corporation in a thorough and proper manner and shall render statements of the financial affairs of the corporation in such form and as often as required by the Board of Directors or the President. The Chief Financial Officer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Chief Financial Officer shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time. The President may direct the Treasurer or any Assistant Treasurer, or the Controller or any Assistant Controller to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and each Treasurer and Assistant Treasurer and each Controller and Assistant Controller shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time. (Del. Code Ann., tit. 8, § 142(a))

Section 30. Delegation Of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

Section 31. Resignations. Any officer may resign at any time by giving notice in writing or by electronic transmission to the Board of Directors or to the President or to the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the corporation under any contract with the resigning officer. (Del. Code Ann., tit. 8, § 142(b))

Section 32. Removal. Any officer may be removed from office at any time, either with or without cause, by the affirmative vote of a majority of the directors in office at the time, or by the unanimous written consent of the directors in office at the time, or by any committee or by the Chief Executive Officer or by other superior officers upon whom such power of removal may have been conferred by the Board of Directors.

ARTICLE VI

EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

Section 33. Execution Of Corporate Instruments. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the corporation any corporate instrument or document, or to sign on behalf of the corporation the corporate name without limitation, or to enter into contracts on behalf of the corporation, except where otherwise provided by law or these Bylaws, and such execution or signature shall be binding upon the corporation. (Del. Code Ann., tit. 8, §§ 103(a), 142(a), 158)

All checks and drafts drawn on banks or other depositaries on funds to the credit of the corporation or in special accounts of the corporation shall be signed by such person or persons as the Board of Directors shall authorize so to do.

Unless authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount. (Del. Code Ann., tit. 8, §§ 103(a), 142(a), 158).

Section 34. Voting Of Securities Owned By The Corporation. All stock and other securities of other corporations owned or held by the corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized so to do by resolution of the Board of Directors, or, in the absence of such authorization, by the Chairman of the Board of Directors, the Chief Executive Officer, the President, or any Vice President. (Del. Code Ann., tit. 8, § 123)

ARTICLE VII

SHARES OF STOCK

Section 35. Form And Execution Of Certificates. The shares of the corporation shall be represented by certificates, or shall be uncertificated. Certificates for the shares of stock, if any, shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock represented by certificate in the corporation shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman of the Board of Directors, or the President or any Vice President and by the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary, certifying the number of shares owned by him in the corporation. Any or all of the signatures on the certificate may be facsimiles. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he were such officer, transfer agent, or registrar at the date of issue. (Del. Code Ann., tit. 8, § 158)

Section 36. Lost Certificates. A new certificate or certificates or uncertificated shares may be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. The corporation may require, as a condition precedent to the issuance of a new certificate or certificates or uncertificated shares, the owner of such lost, stolen, or destroyed certificate or certificates, or the owner's legal representative, to agree to indemnify the corporation in such manner as it shall require or to give the corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen, or destroyed. (Del. Code Ann., tit. 8, § 167)

Section 37. Transfers.

(a) Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized in writing, and, in the case of stock represented by certificate, upon the surrender of a properly endorsed certificate or certificates for a like number of shares or accompanied by proper evidence of succession, assignment or authority to transfer, and, in the case of uncertificated shares of stock, upon receipt by the corporation or the transfer agent of the corporation of proper transfer instructions from the registered holder of the shares or by such person's attorney duly authorized in writing or accompanied by proper evidence of succession, assignment or authority to transfer, and upon compliance with any other appropriate procedures for transferring shares in uncertificated form. (Del. Code Ann., tit. 8, § 201, tit. 6, § 8- 401(1))

(b) The corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL. (Del. Code Ann., tit. 8, § 160 (a))

Section 38. Fixing Record Dates.

(a) In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, subject to applicable law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however,* that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the Secretary, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within ten (10) days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within ten (10) days of the date on which such a request is received, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. (Del. Code Ann., tit. 8, § 213)

Section 39. Registered Stockholders. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware. (Del. Code Ann., tit. 8, §§ 213(a), 219)

ARTICLE VIII

OTHER SECURITIES OF THE CORPORATION

Section 40. Execution Of Other Securities. All bonds, debentures and other corporate securities of the corporation, other than stock certificates (covered in Section 35), may be signed by the Chairman of the Board of Directors, the President or any Vice President, or such other person as may be authorized by the Board of Directors, and the corporate seal impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an Assistant Secretary, or the Chief Financial Officer or Treasurer or an Assistant Treasurer; *provided, however,* that where any such bond, debenture or other corporate security shall be authenticated by the manual signature, or where permissible facsimile signature, of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signatures of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer of the corporation or such other person as may be authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon or on any such interest coupon, shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the corporation.

ARTICLE IX

DIVIDENDS

Section 41. Declaration Of Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the Certificate of Incorporation and applicable law, if any, may be declared by the Board of Directors pursuant to law at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation and applicable law. (Del. Code Ann., tit. 8, §§ 170, 173)

Section 42. Dividend Reserve. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Board of Directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the Board of Directors shall think conducive to the interests of the corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created. (Del. Code Ann., tit. 8, § 171)

ARTICLE X

FISCAL YEAR

Section 43. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

ARTICLE XI

INDEMNIFICATION

Section 44. Indemnification Of Directors, Executive Officers, Other Officers, Employees And Other Agents.

(a) Directors and Executive Officers. The corporation shall indemnify its directors and executive officers (for the purposes of this Article XI, “executive officers” shall have the meaning set forth in Rule 3b-7 under the 1934 Act) to the fullest extent not prohibited by the DGCL or any other applicable law; *provided, however,* that the corporation may modify the extent of such indemnification by individual contracts with its directors and executive officers; and, *provided, further,* that the corporation shall not be required to indemnify any director or executive officer in connection with any proceeding (or part thereof) initiated by such person unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the corporation, (iii) such indemnification is provided by the corporation, in its sole discretion, pursuant to the powers vested in the corporation under the DGCL or any other applicable law or (iv) such indemnification is required to be made under subsection (d).

(b) Other Officers, Employees and Other Agents. The corporation shall have power to indemnify its other officers, employees and other agents as set forth in the DGCL or any other applicable law. The Board of Directors shall have the power to delegate the determination of whether indemnification shall be given to any such person to such officers or other persons as the Board of Directors shall determine.

(c) Expenses. The corporation shall advance to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or executive officer of the corporation, or is or was serving at the request of the corporation as a director or executive officer of another corporation, partnership, joint venture, trust or other enterprise, prior to the final disposition of the proceeding, promptly following request therefor, all expenses incurred by any director or executive officer in connection with such proceeding provided, however, that if the DGCL requires, an advancement of expenses incurred by a director or executive officer in his or her capacity as a director or executive officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the corporation of an undertaking (hereinafter an “undertaking”), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a “final adjudication”) that such indemnitee is not entitled to be indemnified for such expenses under this Section 44 or otherwise.

Notwithstanding the foregoing, unless otherwise determined pursuant to paragraph (e) of this Section 44, no advance shall be made by the corporation to an executive officer of the corporation (except by reason of the fact that such executive officer is or was a director of the corporation in which event this paragraph shall not apply) in any action, suit or proceeding, whether civil, criminal, administrative or investigative, if a determination is reasonably and promptly made (i) by a majority vote of directors who were not parties to the proceeding, even if not a quorum, or (ii) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or such directors so direct, by independent legal counsel in a written opinion, that the facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation.

(d) Enforcement. Without the necessity of entering into an express contract, all rights to indemnification and advances to directors and executive officers under this Bylaw shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the corporation and the director or executive officer. Any right to indemnification or advances granted by this Section 44 to a director or executive officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefor. The claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting the claim. In connection with any claim for indemnification, the corporation shall be entitled to raise as a defense to any such action that the claimant has not met the standards of conduct that make it permissible under the DGCL or any other applicable law for the corporation to indemnify the claimant for the amount claimed. Neither the failure of the corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the DGCL or any other applicable law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct. In any suit brought by a director or executive officer to enforce a right to indemnification or to an advancement of expenses hereunder, the burden of proving that the director or executive officer is not entitled to be indemnified, or to such advancement of expenses, under this Section 44 or otherwise shall be on the corporation.

(e) Non-Exclusivity of Rights. The rights conferred on any person by this Bylaw shall not be exclusive of any other right which such person may have or hereafter acquire under any applicable statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, to the fullest extent not prohibited by the DGCL, or by any other applicable law.

(f) Survival of Rights. The rights conferred on any person by this Bylaw shall continue as to a person who has ceased to be a director or executive officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) Insurance. To the fullest extent permitted by the DGCL or any other applicable law, the corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this Section 44.

(h) Amendments. Any repeal or modification of this Section 44 shall only be prospective and shall not affect the rights under this Bylaw in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any agent of the corporation.

(i) Saving Clause. If this Bylaw or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each director and executive officer to the full extent not prohibited by any applicable portion of this Section 44 that shall not have been invalidated, or by any other applicable law. If this Section 44 shall be invalid due to the application of the indemnification provisions of another jurisdiction, then the corporation shall indemnify each director and executive officer to the full extent under any other applicable law.

(j) Certain Definitions. For the purposes of this Bylaw, the following definitions shall apply:

(1) The term "proceeding" shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

(2) The term "expenses" shall be broadly construed and shall include, without limitation, court costs, attorneys' fees, witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature or kind incurred in connection with any proceeding.

(3) The term the "corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Section 44 with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(4) References to a "director," "executive officer," "officer," "employee," or "agent" of the corporation shall include, without limitation, situations where such person is serving at the request of the corporation as, respectively, a director, executive officer, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise.

(5) References to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Section 44.

ARTICLE XII

NOTICES

Section 45. Notices.

(a) Notice To Stockholders. Written notice to stockholders of stockholder meetings shall be given as provided in Section 7 herein. Without limiting the manner by which notice may otherwise be given effectively to stockholders under any agreement or contract with such stockholder, and except as otherwise required by law, written notice to stockholders for purposes other than stockholder meetings may be sent by US mail or nationally recognized overnight courier, or by facsimile, telegraph or telex or by electronic mail or other electronic means. (Del. Code Ann., tit. 8, §§ 222, 232)

(b) Notice To Directors. Any notice required to be given to any director may be given by the method stated in subsection (a), as otherwise provided in these Bylaws, or by overnight delivery service, facsimile, telex or telegram, except that such notice other than one which is delivered personally shall be sent to such address as such director shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known post office address of such director.

(c) Affidavit Of Mailing. An affidavit of mailing, executed by a duly authorized and competent employee of the corporation or its transfer agent appointed with respect to the class of stock affected, or other agent, specifying the name and address or the names and addresses of the stockholder or stockholders, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall in the absence of fraud, be prima facie evidence of the facts therein contained. (Del. Code Ann., tit. 8, § 222)

(d) Methods of Notice. It shall not be necessary that the same method of giving notice be employed in respect of all recipients of notice, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

(e) Notice To Person With Whom Communication Is Unlawful. Whenever notice is required to be given, under any provision of law or of the Certificate of Incorporation or Bylaws of the corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under any provision of the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

(f) Notice to Stockholders Sharing an Address. Except as otherwise prohibited under DGCL, any notice given under the provisions of DGCL, the Certificate of Incorporation or the Bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Such consent shall have been deemed to have been given if such stockholder fails to object in writing to the corporation within 60 days of having been given notice by the corporation of its intention to send the single notice. Any consent shall be revocable by the stockholder by written notice to the corporation.

ARTICLE XIII

AMENDMENTS

Section 46. Amendment of Bylaws. Subject to the limitations set forth in Section 44(h) of these Bylaws or the provisions of the Certificate of Incorporation, the Board of Directors is expressly empowered to adopt, amend or repeal the Bylaws of the corporation. Any adoption, amendment or repeal of the Bylaws of the corporation by the Board of Directors shall require the approval of a majority of the authorized number of directors. The stockholders also shall have power to adopt, amend or repeal the Bylaws of the corporation; provided, however, that, in addition to any vote of the holders of any class or series of stock of the corporation required by law or by the Certificate of Incorporation, such action by stockholders shall require the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3% of the voting power of all of the then-outstanding shares of the capital stock of the corporation entitled to vote generally in the election of directors, voting together as a single class.

ARTICLE XIV

LOANS TO OFFICERS

Section 47. Loans To Officers. Except as otherwise prohibited by applicable law, the corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiaries, including any officer or employee who is a Director of the corporation or its subsidiaries, whenever, in the judgment of the Board of Directors, such loan, guarantee or assistance may reasonably be expected to benefit the corporation. The loan, guarantee or other assistance may be with or without interest and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in these Bylaws shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute. (Del. Code Ann., tit. 8, §143)

EXHIBIT 10.20

AMENDMENT NUMBER 10
TO THE
URS FEDERAL TECHNICAL SERVICES, INC. EMPLOYEES RETIREMENT PLAN
(2007 Restatement)

The URS Federal Technical Services, Inc. Employees Retirement Plan, as restated effective January 1, 2007, is hereby amended, effective January 4, 2014 as follows:

1. A new final paragraph is added to the Introduction to the Plan, to read as follows:

   Effective January 4, 2014, URS Federal Technical Services, Inc. was merged into URS Federal Services, Inc., which became a successor employer under the Plan. At this time the name of the Plan was changed to "URS Federal Services, Inc. Employees Retirement Plan."

2. Section 1.11 of the Plan is amended to read in its entirety as follows:

   1.11 "Company" means URS Federal Services, Inc. and any successor thereto.

3. Section 1.20 of the Plan is amended to read in its entirety as follows:

   1.20 "Eligible Employee" means an Employee of the Employer who is in one of the E7 pay groups, excluding any person who is (a) a Covered Contract Employee or (b) included in a unit of employees covered by an agreement recognized for purposes of collective bargaining with the Employer, provided retirement benefits have been the subject of good faith bargaining and such bargaining does not provide for coverage under this Plan.

4. Section 1.32 of the Plan is amended to read in its entirety as follows:

   1.32 "Plan" means the URS Federal Services, Inc. Employees Retirement Plan, as set forth herein and as amended from time to time.

5. Except for the references in the "Introduction," all references to "URS Federal Technical Services, Inc." are hereby changed to "URS Federal Services, Inc."

6. Except for the references in the "Introduction," all references to "URS Federal Technical Services, Inc. Employees Retirement Plan" are hereby changed to "URS Federal Services, Inc. Employees Retirement Plan."

7. All references to “URS Federal Technical Services, Inc. Savings Plan” are hereby changed to “URS Corporation 401(k) Retirement Plan or the URS Corporation 401(k) Retirement Plan for Specified Contract Employees.”

8. Article 12 is amended to replace all references to the “URS Federal Technical Services, Inc. Retiree Health Plan” with references to the “URS Federal Services, Inc. Retiree Health Plan.”

9. Section 12.2(e) is amended to read as follows:

(e) “URS Federal Services, Inc. Retiree Health Plan” shall mean the URS Federal Services, Inc. (formerly URS Federal Technical Services, Inc.) VEBA Trust Welfare Benefits Plan and the URS Federal Services, Inc. (formerly URS Federal Technical Services, Inc.) Non-VEBA Trust Welfare Benefits Plan, as they relate to retired persons, as they shall be amended from time to time, and the provisions of such Plans shall be incorporated by reference herein.

URS Federal Technical Services, Inc.

Dated: December 30, 2013

/s/ Robert Rudisin

By: Robert Rudisin
Title: VP, Human Resources

EXHIBIT 10.64

SEPARATION AGREEMENT
AND GENERAL RELEASE

THIS SEPARATION AGREEMENT AND GENERAL RELEASE ("***Release***") is executed and delivered by **WILLIAM J. LINGARD** (" ***Employee*** ") and on behalf of **URS CORPORATION** , a Delaware corporation, to and for the benefit of URS Corporation and any parent, subsidiary or affiliated corporation or related entity of URS Corporation (collectively, " ***Company*** ").

Employee and the Company confirm and acknowledge that Employee has resigned from all his positions as an officer and employee of the Company and that Employee's last day of work with the Company and his employment termination date was February 10, 2014. Employee's employment termination constitutes a "Separation from Service" and will be deemed to be a termination for a reason other than "Cause" or "Disability," as such terms are defined in the Employment Agreement entered into as of October 1, 2013, between Employee and the Company (the " ***Agreement*** "). Employee hereby confirms that he has resigned from any and all positions Employee held as director, officer, employee, advisor, trustee, nominee, agent for service of process, attorney-in-fact or similar position with respect to any URS Entity (as defined in the Agreement), with all such resignations effective upon Employee's employment termination date.

If on or within twenty-one (21) days after Employee's employment termination date, Employee executes and returns to the Company this Release, allows it to become effective, and does not subsequently revoke it, then the Company will provide Employee with the following:

(a) In full satisfaction of any claims Employee may have under the terms of the Agreement, the Company will provide Employee the Severance Payment and Severance Benefits defined in Sections 7(a)(i) and 7(a)(ii) of the Agreement, as set forth in and subject to the terms and conditions of the Agreement, provided that because the Company has determined that Employee was a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Internal Revenue Code of 1986, as amended, at the time of Employee's Separation from Service, the Severance Payment shall be made in a lump sum on the date that is six (6) months and one (1) day following the date of such Separation from Service;

(b) Provided that Employee continues to fully comply with all the terms of this Release, the Company shall pay Employee an amount equal to $800,000, subject to standard withholdings, in ten (10) equal monthly installments payable prior to the end of each calendar month remaining in 2014, commencing with March 2014 and ending with December 2014; and

(c) Provided that Employee has fully complied with all the terms of this Release, the Company shall pay Employee an amount in a lump sum equal to $200,000, subject to standard withholdings, within five (5) business days following the first anniversary of his Separation from Service.

In exchange for the consideration provided to Employee under this Release to which Employee would not otherwise be entitled, the sufficiency of which Employee hereby acknowledges, Employee hereby fully, finally, completely and generally releases, absolves and discharges Company, its predecessors, successors, subsidiaries, parents, related companies and business concerns, affiliates, partners, trustees, directors, officers, agents, attorneys, servants, representatives and employees, past and present, and each of them (hereinafter collectively referred to as " ***Releasees*** ") from any and all claims, demands, liens, agreements, contracts, covenants, actions, suits, causes of action, grievances, arbitrations, unfair labor practice charges, wages, vacation payments, severance payments, obligations, commissions, overtime payments, workers compensation claims, debts, profit sharing or bonus claims, expenses, damages, judgments, orders and/or liabilities of whatever kind or nature in law, equity or otherwise, whether known or unknown to Employee, which Employee now owns or holds or has at any time owned or held as against Releasees, or any of them, through the date Employee executes this Release (" ***Claims*** "), including specifically but not exclusively and without limiting the generality of the foregoing, any and all Claims arising out of or in any way connected to Employee's employment with or separation of employment from Company, including any Claims based on contract, tort, wrongful discharge, fraud, breach of fiduciary duty, attorneys' fees and costs, harassment, discrimination and retaliation in employment, any and all acts or omissions in contravention of any federal, state, provincial or local laws or statutes (including, but not limited to, federal or state securities laws, any deceptive trade practices act or any similar act in any other state and the Racketeer Influenced and Corrupt Organizations Act), and any right to recovery based on local, state, provincial or federal age, sex, pregnancy, race, color, national origin, marital status, religion, veteran status, disability, sexual orientation, medical condition, union affiliation or other anti-discrimination laws, including, without limitation, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act (the " ***ADEA*** "), the Americans with Disabilities Act, the National Labor Relations Act, the California Fair Employment and Housing Act, and any similar act in effect in any jurisdiction applicable to Employee or Company, all as amended. Employee represents that as of Employee's execution of this Release, Employee has been paid all wages owed, has received all the leave and leave benefits and protections for which Employee is eligible, pursuant to the Family and Medical Leave Act or otherwise, and has not suffered any on-the-job injury for which Employee has not already filed a claim. Notwithstanding the above, Employee is (a) not releasing any claim that cannot be waived under applicable state, provincial or federal law and (b) not releasing any rights that Employee has to be indemnified (including any right to reimbursement of expenses) arising under applicable law, the certificate of incorporation or by-laws (or similar constituent documents of the Company), any indemnification agreement between Employee and the Company, or any directors' and officers' liability insurance policy of the Company. Further, nothing in this Release shall prevent Employee from filing, cooperating with, or participating in any proceeding before the Equal Employment Opportunity Commission, the Department of Labor, or the California Department of Fair Employment and Housing, and any other administrative or government agency in any jurisdiction applicable to Employee or Company, except that Employee acknowledges and agrees that Employee shall not recover any monetary benefits in connection with any such claim, charge or proceeding with regard to any Claims released herein.

Employee acknowledges that payment of the Severance Payment and provision of the Severance Benefits, each as set forth above, fulfill and exceed all of the Company's obligations to provide Employee any and all severance benefits for a termination for a reason other than "Cause" or "Disability" (as such terms are defined in the Agreement) pursuant to the Agreement, and that to the extent this Release differs from the Agreement with respect to the payment of any severance payments or provision of any severance benefits, this Release nevertheless supersedes the Company's severance obligations to Employee under the Agreement. Employee further acknowledge that upon receipt of the Severance Payment and Severance Benefits as provided above, the Company's severance obligations to Employee under the Agreement shall be extinguished. The payments under this Release shall fully discharge all responsibilities of the Company, URS Delaware, and their respective parent, subsidiary and affiliated corporations and related entities. Employee acknowledges that, except as expressly provided in this Release, Employee has not earned and will not receive from the Company any additional compensation, severance, or benefits on or after Employee's employment separation date, with the exception of any vested right Employee may have under the express terms of a written ERISA-qualified benefit plan (e.g., 401(k) account).

During the time Employee is entitled to any Severance Payment or Severance Benefits, as defined and provided in the Agreement, or any of the other payments provided under this Release, Employee agrees (i) to assist, as reasonably requested by Company, in the transition of Employee's responsibilities, (ii) not to, directly or indirectly, solicit or attempt to solicit any employee, independent contractor or consultant of Company to terminate or cease his, her or its relationship with Company in order to become an employee, consultant, or independent contractor to or for any other person or entity, and (iii) not to, directly or indirectly, work for (whether as an employee, advisor, director, consultant or in any other capacity), or accept employment, fees or any other form of compensation from, any other person, company or other entity that engages in activities or provides services that are substantially the same as or similar to the activities and services engaged in or provided by the Company in the geographic areas in which it operates as of the date of this Release; *provided that,* Employee may serve as a director of and receive compensation as a director from, one or more other companies with the prior consent of the Company, which consent shall not be unreasonably withheld.

Employee shall return to the Company all Company documents (and all copies thereof) and other Company property in Employee's possession or control, including, but not limited to, Company files, notes, financial and operational information, customer lists and contact information, product and services information, research and development information, drawings, records, plans, forecasts, reports, payroll information, spreadsheets, studies, analyses, compilations of data, proposals, agreements, sales and marketing information, personnel information, specifications, code, software, databases, computer-recorded information, tangible property and equipment (including, but not limited to, computers, facsimile machines, printers, mobile telephones, tablets, handheld devices, and servers), credit cards, entry cards, identification badges and keys; and any materials of any kind which contain or embody any proprietary or confidential information of the Company and all reproductions thereof in whole or in part and in any medium. Employee agrees to make a diligent search to locate any such documents, property and information within the timeframe referenced above. In addition, if Employee has used any personally owned computer, server, or e-mail system to receive, store, review, prepare or transmit any confidential or proprietary data, materials or information of the Company, then Employee must provide the Company with a computer-useable copy of such information and then permanently delete and expunge such confidential or proprietary information from those systems without retaining any reproductions (in whole or in part); and Employee agrees to provide the Company access to Employee's system, as requested, to verify that the necessary copying and deletion is done.

Employee agrees to cooperate with the Company in responding to the reasonable requests of the Company in connection with any and all existing or future litigation, arbitrations, mediations or investigations brought by or against the Company, or its current or former affiliates, agents, officers, directors or employees, whether administrative, civil or criminal in nature, in which the Company reasonably deems Employee's cooperation necessary or desirable. In such matters, Employee agrees to provide the Company with reasonable advice, assistance and information, including offering and explaining evidence, providing sworn statements, and participating in discovery and trial preparation and testimony. Employee also agrees to promptly send the Company copies of all correspondence (for example, but not limited to, subpoenas) received by Employee in connection with any such proceedings, unless Employee is expressly prohibited by law from so doing. The failure by Employee to cooperate fully with the Company in accordance with this provision will be a material breach of the terms of this Agreement, which will excuse all commitments of the Company to provide severance or other benefits to Employee under any agreement. The Company agrees to reimburse Employee for all reasonable out-of-pocket expenses Employee incurs in connection with the performance of Employee's obligations under this section; provided, however, that such expenses shall not include attorneys fees, foregone wages or payment for services provided under this section.

Without superseding any other agreements, including the Agreement, and obligations Employee has with respect thereto, (i) Employee agrees not to divulge or use, at any time, any information that might be of a confidential or proprietary nature relative to Company, and (ii) Employee agrees to keep confidential all information contained in this Release (except to the extent (A) Company consents in writing to disclosure, (B) Employee is required by process of law to make such disclosure and Employee promptly notifies Company of receipt by Employee of such process, or (C) such information previously shall have become publicly available other than by breach hereof on the part of Employee).

Employee acknowledges and agrees that neither anything in this Release nor the offer, execution, delivery, or acceptance thereof shall be construed as an admission by Company of any kind, and this Release shall not be admissible as evidence in any proceeding except to enforce this Release.

It is the intention of Employee in executing this instrument that it shall be effective as a bar to each and every claim, demand, grievance and cause of action hereinabove specified. In furtherance of this intention, Employee hereby expressly consents that this Release shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected claims, demands, grievances and causes of action, if any, as well as those relating to any other claims, demands, grievances and causes of action hereinabove specified, and elects to assume all risks for claims, demands, grievances and causes of action that now exist in Employee's favor, known or unknown, that are released under this Release. Employee represents that Employee is not aware of any claims other than the claims that are released by this instrument. Employee acknowledges Employee may hereafter discover facts different from, or in addition to, those Employee now knows or believes to be true with respect to the claims, demands, liens, agreements, contracts, covenants, actions, suits, causes of action, wages, obligations, debts, expenses, damages, judgments, orders and liabilities herein released, and agrees the release herein shall be and remain in effect in all respects as a complete and general release as to all matters released herein, notwithstanding any such different or additional facts. Employee further acknowledges that Employee is familiar with the provisions of California Civil Code Section 1542, which states as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Employee, being aware of such Code section, hereby waives any rights Employee may have thereunder, as well as under any other statute or common law principle of similar effect.

If any provision of this Release or application thereof is held invalid, the invalidity shall not affect other provisions or applications of the Release which can be given effect without the invalid provision or application. To this end, the provisions of this Release are severable, and any provision hereof held invalid shall be deemed modified to effect the intent of this Release insofar as possible under applicable law.

Employee represents and warrants that Employee has not heretofore assigned or transferred or purported to assign or transfer to any person, firm or corporation any claim, demand, right, damage, liability, debt, account, action, cause of action, or any other matter herein released.

ADEA NOTICE TO EMPLOYEE

Since Employee is 40 years of age or older, the law requires that Employee be advised and Company hereby advises Employee in writing to consult with an attorney and discuss this Release before executing it. Employee acknowledges Company has provided to Employee at least twenty-one (21) calendar days within which to review and consider this Release before signing it.

Should Employee decide not to use the full twenty-one (21) days, as applicable, then Employee knowingly and voluntarily waives any claims that Employee was not in fact given that period of time or did not use the entire twenty-one (21) days to consult an attorney and/or consider this Release. Employee acknowledges that Employee may revoke this Release for up to seven (7) calendar days following Employee's execution of this Release and that it shall not become effective or enforceable until such revocation period has expired. Employee further acknowledges and agrees that such revocation must be in writing and delivered to Company in accordance with the Notice provision in the Agreement and must be received by Company as so addressed not later than midnight on the seventh (7th) day following Employee's execution of this Release. If Employee so revokes this Release, the Release shall not be effective or enforceable and Employee will not receive the monies and benefits described above. If Employee does not revoke this Release in the time frame specified above, the Release shall become effective at 12:00:01 A.M. on the eighth (8th) day after it is signed by Employee.

Employee acknowledges that as part of this Release Employee is knowingly and voluntarily waiving and releasing any rights Employee may have under the ADEA (the " ***ADEA Waiver*** "). Employee also acknowledges that the consideration given for the ADEA Waiver is in addition to anything of value to which Employee was already entitled. Employee further acknowledges that Employee has been advised by this writing, as required by the ADEA, that Employee's ADEA Waiver does not apply to any rights or claims that arise after the date Employee executes this Release.

PLEASE READ THIS ENTIRE GENERAL RELEASE CAREFULLY. IT CONTAINS A GENERAL RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

I have read and understood the foregoing General Release, have been advised to and have had the opportunity to discuss it with anyone I desire, including an attorney of my own choice, and I accept and agree to its terms, acknowledge receipt of a copy of the same and the sufficiency of the monies and benefits described above, and hereby execute this Release voluntarily and with full understanding of its consequences.

/s/ William J. Lingard
William J. Lingard

Date: February 11, 2014

ACKNOWLEDGED AND AGREED

URS CORPORATION, a Delaware corporation

/s/ Joseph Masters
Joseph Masters
Vice President

EXHIBIT 21.1

SUBSIDIARIES OF URS CORPORATION

Name of Subsidiary and Consolidated Joint Ventures	State of Incorporation
URS Energy & Construction, Inc.	Ohio, USA
URS Corporation – Nevada	Nevada, USA
URS Group Inc.	Delaware, USA
Sellafield Limited*	Foreign
URS Federal Technical Services, Inc.	Delaware, USA
URS Luxembourg LLP	Foreign
EG&G Defense Materials, Inc.	Utah, USA
Universe Bidco Limited	Foreign
URS Corporation Southern	California, USA
URS Corporation – Ohio	Ohio, USA
URS Holdings, Inc.	Delaware, USA
URS E&C Holdings, Inc.	Delaware, USA
URS Global Holdings Inc.	Nevada, USA
Flint Energy Services, Inc.	Delaware, USA
J.W. Williams, Inc.	Wyoming, USA
URS Global Holdings UK Ltd.	Foreign
WGI Netherlands BV	Foreign
URS Worldwide Holdings UK Limited	Foreign
URS Intercontinental Holdings UK Limited	Foreign
LLW Repository Limited*	Foreign
Conex Rentals Corporation	Foreign
URS New Zealand Limited	Foreign
URS Infrastructure & Environment UK Limited	Foreign
URS Corporation – North Carolina	North Carolina, USA

* Consolidated joint venture with a third party.

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (File Nos. 333-91053, 333-110467, 333-138531, 333-151404, and 333-188793) of URS Corporation of our report dated March 3, 2014 relating to the consolidated financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
San Francisco, California
March 3, 2014

EXHIBIT 24

POWERS OF ATTORNEY OF URS CORPORATION'S DIRECTORS AND OFFICERS

Each person whose signature appears below hereby constitutes and appoints any one of H. THOMAS HICKS and REED N. BRIMHALL, each with full power to act without the other, as his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign the Annual Report on Form 10-K for fiscal year ended January 3, 2014 of URS Corporation, and any or all amendments thereto, and to file the same with all the exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises in connection therewith, as fully to all extents and purposes as he or she might or could do in person, thereby ratifying and confirming all that such attorney-in-fact and agent, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

This Power of Attorney may be executed in separate counterparts.

Dated: March 3, 2014

/s/ Mickey P. Foret
Mickey P. Foret
Director

/s/ William H. Frist
William H. Frist
Director

/s/ Lydia H. Kennard
Lydia H. Kennard
Director

/s/ Donald R. Knauss
Donald R. Knauss
Director

/s/ Martin M. Koffel
Martin M. Koffel
Director

/s/ Timothy R. McLevish
Timothy R. McLevish
Director

/s/ Joseph W. Ralston
Joseph W. Ralston
Director

/s/ John D. Roach
John D. Roach
Director

/s/ Douglas W. Stotlar
Douglas W. Stotlar
Director

/s/ William P. Sullivan
William P. Sullivan
Director

EXHIBIT 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATE

I, Martin M. Koffel, certify that:

1. I have reviewed this Annual Report on Form 10-K of URS 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 15d-15(f)) for the registrant and 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.

Dated: March 3, 2014

By: /s/ Martin M. Koffel
Martin M. Koffel
Chief Executive Officer

EXHIBIT 31.2

CHIEF FINANCIAL OFFICER CERTIFICATE

I, H. Thomas Hicks, certify that:

1. I have reviewed this Annual Report on Form 10-K of URS 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 15d-15(f)) for the registrant and 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.

Dated: March 3, 2014

By: /s/ H. Thomas Hicks
H. Thomas Hicks
Chief Financial Officer

EXHIBIT 32

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER CERTIFICATION*

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Martin M. Koffel, the Chief Executive Officer of URS Corporation (the "Company"), and H. Thomas Hicks, the Chief Financial Officer of the Company, each hereby certifies that, to the best of his knowledge:

1. The Company's Annual Report on Form 10-K for the period ended January 3, 2014, to which this Certification is attached as Exhibit 32, fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act, and

2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 3, 2014

By: /s/ Martin M. Koffel
Martin M. Koffel
Chief Executive Officer

Dated: March 3, 2014

By: /s/ H. Thomas Hicks
H. Thomas Hicks
Chief Financial Officer

* This certification accompanies the Form 10-K to which it relates, is not deemed "filed" with the Securities and Exchange Commission and is not to be or incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date of the Form 10-K and irrespective of any general incorporation language contained in such filing.

EXHIBIT 95

MINE SAFETY DISCLOSURE

Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires domestic mine operators to disclose violations and orders issued under the Federal Mine Safety and Health Act of 1977 (the "Mine Act") by the federal Mine Safety and Health Administration ("MSHA"). We do not act as the owner of any mines but we may act as a mining operator as defined under the Mine Act where we may be a lessee of a mine, a person who operates, controls or supervises such mine, or as an independent contractor performing services or construction of such mine. Due to timing and other factors, the data may not agree with the mine data retrieval system maintained by MSHA.

The following table provides information for the year ended January 3, 2014.

Mine (1)	Mine Act §104 Violations (2)	Mine Act §104(b) Orders (3)	Mine Act §104(d) Citations and Orders (4)	Mine Act §110(b)(2) Violations (5)	Mine Act §107(a) Orders (6)	Proposed Assessments from MSHA (In dollars ($))	Mining Related Fatalities	Mine Act §104(e) Notice (yes/no) (7)	Pending Legal Action before Federal Mine Safety and Health Review Commission (yes/no) (8)
Year ended January 3, 2014									
Black Thunder Project	2	0	0	0	0	$ 492	0	No	No
Monsanto Quarry	0	0	0	0	0	$ 0	0	No	No
Pipestone Quarry	4	0	0	0	0	$ 327	0	No	Yes
Morenci Mine	0	0	0	0	0	$ 0	0	No	No
Questa Mine	0	0	0	0	0	$ 0	0	No	No

(1) United States mines.

(2) The total number of violations received from MSHA under §104 of the Mine Act, which includes citations for health or safety standards that could significantly and substantially contribute to a serious injury if left unabated.

(3) The total number of orders issued by MSHA under §104(b) of the Mine Act, which represents a failure to abate a citation under §104(a) within the period of time prescribed by MSHA.

(4) The total number of citations and orders issued by MSHA under §104(d) of the Mine Act for unwarrantable failure to comply with mandatory health or safety standards.

(5) The total number of flagrant violations issued by MSHA under §110(b)(2) of the Mine Act.

(6) The total number of orders issued by MSHA under §107(a) of the Mine Act for situations in which MSHA determined an imminent danger existed.

(7) A written notice from the MSHA regarding a pattern of violations, or a potential to have such pattern under §104(e) of the Mine Act.

(8) The following Pending Legal Action Table provides information for the three months ended January 3, 2014.

Mine	**Number Pending Legal Actions**	**Contests of Penalty Assessments**	**Legal Action Initiated**	**Legal Action Resolved**
Black Thunder Project	0	0	0	0
Monsanto Quarry	0	0	0	0

Pipestone Quarry	3	3	2	1
Morenci Mine	0	0	0	0
Questa Mine	0	0	0	0