Form 8937
(December 2011)
Department of the Treasury Internal Revenue Service

# Report of Organizational Actions Affecting Basis of Securities

See separate instructions.

Dart	Reporting	lecuo

Part I Reporting Issuer		
1 Issuer's name	8	2 Issuer's employer identification number (EIN
Leidos Holdings, Inc.		20-3562868
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact
Kelly P. Hernandez	571-526-6404	ir@leidos.com
6 Number and street (or P.O. box if mail is no	t delivered to street address) of contact	7 City, town, or post office, state, and Zip code of contain
11951 Freedom Drive 8 Date of action	9 Classification and description	Reston, VA, 20190
August 16, 2016	Common stock; merger	
10 CUSIP number 11 Serial number		13 Account number(s)
525327 102	LDOS	Can back of form for additional supplicity
		See back of form for additional questions.
14 Describe the organizational action and, if a the action ► See attachment	applicable, the date of the action or the	date against which shareholders' ownership is measured for
See attachment		
I5 Describe the quantitative effect of the organization of the	anizational action on the basis of the sec ee attachment	curity in the hands of a U.S. taxpayer as an adjustment per
6 Describe the calculation of the change in the valuation dates ► See attachment	pasis and the data that supports the cal	culation, such as the market values of securities and the
or Paperwork Reduction Act Notice, see the	separate Instructions.	Cat. No. 37752P Form <b>8937</b> (12-201

Form 89	37 (Rev	<i>и.</i> 12-2011)	Page
Part	11	Organizational Action (continued)	
17 Li	ist the	applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ►	See attachment
a 1			
-			
	-		
18 C	an an	/ resulting loss be recognized? ► See attachment	
-			
8			
1 <b>9</b> Pi	rovide	any other information necessary to implement the adjustment, such as the reportable tax year > See attac	chment
	Unde belief	r penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and , it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer	I to the best of my knowledge and has any knowledge.
Sign		1 +0	1 1
Here	Signa	ture Date S	131/2016
	Print	D' LOT I Dete	x / Assistant Secretary
Paid			eck if PTIN
Prepa			If-employed
Jse C	Jnly		m's EIN  one no.
Send Fo	orm 89	37 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden,	

## Part II, Item 14

On August 16, 2016, Lion Merger Co. ("Merger Sub"), a wholly-owned subsidiary of Leidos Holdings, Inc. ("Leidos"), merged with Abacus Innovations Corporation ("Splitco"), pursuant to which the separate corporate existence of Merger Sub ceased, and Splitco continued as the surviving company and a wholly-owned subsidiary of Leidos. In the merger, each share of Splitco common stock was converted into the right to receive one share of Leidos common stock.

## Part II, Items 15

The tax basis of a share of Leidos common stock received by a Splitco shareholder pursuant to the merger (including fractional shares of Leidos common stock deemed received and sold as described below) is the same as the tax basis of the share of Splitco common stock (or fraction thereof) for which it was exchanged. Splitco shareholders who received cash in lieu of a fractional share of Leidos common stock are treated as having received the fractional share pursuant to the merger and then as having sold that fractional share for cash. As a result, such Splitco shareholders will recognize gain or loss equal to the difference between the amount of cash received and the tax basis in their fractional shares.

## Part II, Item 16

See Item 15 above.

## Part II, Item 17

The merger qualifies as a reorganization within the meaning of section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"). In general, the federal income tax consequences to the former Splitco shareholders are determined under sections 354 and 358 of the Code, and the federal income tax consequences of the receipt of cash in lieu of fractional shares are determined under sections 1001 and 1221 of the Code.

#### Part II, Item 18

A former Splitco shareholder who exchanged all of its shares of Splitco common stock for shares of Leidos common stock pursuant to the merger generally will not recognize loss as a result of the merger, except for a loss on a fractional share sold for cash.

#### Part II, Item 19

The merger became effective on August 16, 2016. Therefore, the reportable tax year is 2016. The holding period for any shares of Leidos common stock received by Splitco shareholders in the merger generally includes the holding period of the shares of Splitco common stock exchanged for such shares of Leidos common stock.

To determine the tax basis of their shares of Splitco common stock, former Splitco shareholders are directed to the Internal Revenue Service Form 8937 published by Lockheed Martin

Corporation ("Lockheed Martin") on its website regarding such shareholders' exchange of Lockheed Martin common stock for Splitco common stock.