As filed with the Securities and Exchange Commission on October 9, 2007
Registration No. 333- 144127

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

AMENDMENT NO. 1 TO

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CACI International Inc

(Exact name of registrant as specified in its charter)

Delaware	**7373**	**54-1345888**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

1100 North Glebe Road
Arlington, Virginia 22201
(703) 841-7800
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Paul M. Cofoni
1100 North Glebe Road
Arlington, Virginia 22201
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(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: *As soon as practicable after this Registration Statement becomes effective.*

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Aggregate Offering Price Per Unit (2)	Proposed Maximum Offering Price (2)	Amount of Registration Fee (1)
2.125% Convertible Senior Subordinated Notes due 2014	$300,000,000	100%	$300,000,000	$9,210 (3)
Common Stock, $0.10 par value	(1)	(1)	(1)	(1)

(1) Includes up to 5,489,670 shares (plus such indeterminate number of shares of common stock as may be issued pursuant to anti-dilution and similar adjustments) issuable upon conversion of the 2.125% Convertible Senior Subordinated Notes due 2014 registered hereby, which shares are not subject to an additional fee pursuant to Rule 457(i) under the Securities Act.

(2) Estimated pursuant to Rule 457 of the Securities Act solely for the purpose of calculating the registration fee.

(3) Previously paid.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. The selling securityholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and the selling securityholders are not soliciting any offer to buy these securities, in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED OCTOBER 9, 2007

PROSPECTUS

$300,000,000

CACI International Inc

2.125% Convertible Senior Subordinated Notes due 2014
and Shares of Common Stock Issuable upon Conversion of the Notes

CACI International Inc issued 2.125% Convertible Senior Subordinated Notes Due 2014 (which we refer to as the notes) in a private placement in May 2007. This prospectus will be used by selling securityholders to resell their notes and shares of common stock issuable upon conversion of their notes.

The notes are due on May 1, 2014. We will pay interest on the notes on May 1 and November 1 of each year, beginning November 1, 2007.

Holders may convert their notes at their option prior to the close of business on the business day immediately preceding February 19, 2014 only under the following circumstances: (1) during any fiscal quarter commencing after May 31, 2007, if the last reported sale price of the common stock for at least 20 trading days during a period of 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter is greater than or equal to 130% of the applicable conversion price on each applicable trading day; (2) during the five business day period after any ten consecutive trading day period, which period we refer to as the measurement period, in which the trading price per $1,000 principal amount of notes for each day of that measurement period was less than 97% of the product of the last reported sale price of our common stock and the applicable conversion rate on each such day; or (3) upon the occurrence of specified corporate events. On and after February 19, 2014 until the close of business on the third business day immediately preceding the maturity date, holders may convert their notes at any time, regardless of the foregoing circumstances.

The current conversion rate is 18.2989 shares of our common stock per $1,000 principal amount of notes (equivalent to a conversion price of approximately $54.65 per share of common stock). The conversion rate is subject to adjustment in some events but will not be adjusted for accrued interest. In addition, following certain corporate transactions that occur prior to the maturity date, we will increase the conversion rate for a holder who elects to convert its notes in connection with such a corporate transaction in some specified circumstances.

We may not redeem the notes. If we undergo a fundamental change, holders may require us to purchase the notes in whole or in part for cash at a price equal to 100% of the principal amount of the notes to be purchased plus any accrued and unpaid interest to, but excluding, the purchase date.

The notes are our direct, senior subordinated, unsecured obligations and rank, or will rank, senior in right of payment to our existing and future indebtedness that provides for its subordination to the notes, equal in right of payment to our existing and future senior subordinated debt that provides for equal ranking with the notes, junior in right of payment to all of our other existing and future senior debt, and structurally junior to all existing and future liabilities incurred by our subsidiaries. We have agreed not to have any layer of indebtedness that is junior in right of payment to our senior indebtedness, unless the indebtedness ranks equal or junior in right of payment to the notes.

For a more detailed description of the notes, see “Description of notes” beginning on page 27.

Our common stock is traded on the New York Stock Exchange under the symbol “CAI.” The last reported sale price of our common stock on the New York Stock Exchange on October 1, 2007 was $51.81 per share.

Investing in the notes or our common stock involves a high degree of risk. You should carefully read and consider the “ Risk factors ” beginning on page 6.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2007

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We have not authorized anyone to provide you with information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. The selling securityholders are offering to sell, and seeking offers to buy, only the notes and shares of common stock covered by this prospectus, and only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date, regardless of the time of delivery of this prospectus or of any sale of the notes or shares.

References in this prospectus to “CACI,” “our company,” “we,” “our” and “us” refer to CACI International Inc and its subsidiaries, except where the context otherwise requires or as otherwise indicated.

Our fiscal year-end is June 30. References to FY2007 refer to our fiscal year ended June 30, 2007, references to FY2006 refer to our fiscal year ended June 30, 2006, and references to FY 2005 refer to our fiscal year ended June 30, 2005.

Summary

This summary highlights selected information contained elsewhere or incorporated by reference in this prospectus and does not contain all of the information you need to consider in making your investment decision. You should read carefully this entire prospectus and the documents incorporated by reference in this prospectus, including the section titled "Risk Factors" beginning on page 6 of this prospectus, and our consolidated financial statements and the notes thereto, before making an investment decision. Additional information regarding our company is contained in our filings with the Securities and Exchange Commission. For information on how you can obtain copies of our filings, please see the section of this prospectus titled "Where you can find more information."

Overview

CACI founded its business in 1962 in simulation technology, and has strategically diversified primarily within the information technology (IT) and communications industries. We serve clients in the government and commercial markets, primarily throughout North America and internationally on behalf of U.S. customers, as well as in the United Kingdom.

Our primary customers—both domestic and international—are agencies of the U.S. government and major corporations. The demand for our services, in large measure, is created by the increasingly complex network, systems and information environments in which governments and businesses operate, and by the need to stay current with emerging technology while increasing productivity and, ultimately, performance.

Domestic Operations. We provide IT and communications solutions, along with other professional services, to our domestic clients through our four major service offerings: systems integration, managed network services, knowledge management and engineering services.

- Our **systems integration** offerings combine current systems with new technologies or integrate hardware and software from multiple sources to enhance operations and save time and money. Systems integration services include planning, designing, implementing and managing solutions that resolve specific technical or business needs; extracting core business logic from existing systems and preserving it for migration to more modern environments; helping clients visualize possible changes in processes and systems before implementation; and web-enabling systems and applications, bringing the power of the Internet to clients and system users.
- Our **managed network services** offerings include a complete suite of solutions for total life cycle support of global communication networks, including planning and building voice, video and data networks, managing network communication infrastructures, operating network systems, and assuring that information is secure from unauthorized interception and intrusion.
- Our **knowledge management** offerings encompass a range of information management tools and enabling technologies, including Internet-based user interfaces, commercial off-the-shelf software, and workflow management systems.
- Our **engineering services** offerings enable clients to standardize and improve the way they manage the logistical life cycles of systems, products, and material assets. They also provide acquisition support, prototype development and integration, software design and integration, systems life extension and training in the use of analytical and collaboration tools for the U.S. intelligence community.

International Operations. Our international systems integration offerings focus primarily on planning, designing, implementing and managing solutions that resolve specific technical or business needs for commercial and government clients in the telecommunications, financial services, healthcare services and transportation sectors. Our international operations also concentrate on combining data and technology in software products and services that provide strategic information on customers, buying patterns and market trends for clients who are engaged in retail sales of consumer products, direct marketing campaigns, franchise or branch site location projects, and similar endeavors.

Through these service offerings, we provide comprehensive, practical IT and communications solutions by adapting emerging technologies and continually evolving legacy strengths in such areas as information assurance and security, reengineering, logistics and engineering support, automated debt management systems and services, litigation support systems and services, product data management, software development and reuse, voice, data and video communications, simulation and planning, financial and human resource systems and geo-demographic and customer data analysis.

Competition

We operate in a highly competitive industry that includes many firms, some of which are larger in size and have greater financial resources than we have. We obtain much of our business on the basis of proposals submitted in response to requests

from potential and current customers, who may also receive proposals from other firms. Additionally, we face indirect competition from certain government agencies that perform services for themselves similar to those we market. We know of no single, dominant competitor in our fields of technology. We have a relatively small share of the available worldwide market for our products and services, and we intend to achieve growth and increase market share in part by organic growth, and in part through strategic acquisitions.

Strengths and strategy

Our high quality service has enabled us to win repeat business and sustain long-term client relationships and also to compete effectively for new clients and new contracts. We have structured our business development organization to respond to the competitive marketplace, particularly within the federal government, and support that activity with full-time marketing, sales, communications, and proposal development specialists. We seek competitive business opportunities and have designed our operations to support major programs through centralized business development and business alliances.

We offer substantially our entire range of information systems, technical and communications services and proprietary products to defense intelligence and civilian agencies of the U.S. Government. Our work for U.S. Government agencies may combine a wide range of skills drawn from our major service offerings. We have the capability to combine comprehensive knowledge of client challenges with significant expertise in the design, integration, development and implementation of advanced information technology and communications solutions. Our commercial client base consists primarily of large corporations in the United Kingdom (U.K.). This market is the primary target of our proprietary marketing systems software and database products.

Virtually all of our officers and managers, including our Chief Executive Officer, conduct marketing and new business development activities. We employ marketing professionals who identify and qualify major contract opportunities, primarily in the federal government market. Our proprietary software and marketing systems are sold primarily by full time sales people. We also have established agreements for the resale of certain third party software and data products.

We have formed strategic business relationships with a number of companies associated with the information technology industry. These strategic partners have business objectives compatible with ours, and offer products and services that complement ours. We intend to continue to develop these kinds of relationships wherever they support our growth objectives.

Corporate information

We currently operate from our headquarters at Three Ballston Plaza, 1100 North Glebe Road in Arlington, Virginia. We have operating offices and facilities in over 100 other locations throughout the United States, Europe, and Asia. Our telephone number is (703) 841-7800. Our website is located at www.caci.com. We do not intend to provide an active link to our website by providing you with our website address, and information on our website is not part of this prospectus.

The notes

The following summary describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The “Description of notes” section of this prospectus contains a more detailed description of the terms and conditions of the notes. As used in the following summary, “we,” “our,” “us,” and “CACI” refer to CACI International Inc and not to its consolidated subsidiaries.

Issuer:	CACI International Inc, a Delaware corporation.
Selling Securityholders:	The securities to be offered and sold using this prospectus will be offered and sold by the selling securityholders named in this prospectus or in any supplement to this prospectus. See “Selling securityholders.”
Securities:	$300,000,000 principal amount of 2.125% Convertible Senior Subordinated Notes due 2014.
Maturity:	May 1, 2014, unless earlier repurchased or converted.
Interest:	2.125% per year. Interest began accruing on May 16, 2007 and will be payable semiannually in arrears on May 1 and November 1 of each year, beginning November 1, 2007. We will pay additional interest, if any, under the circumstances described under “Description of notes—Registration rights.”

Conversion rights:

Holders may convert their notes prior to the close of business on the business day immediately preceding February 19, 2014, in multiples of $1,000 principal amount, at the option of the holder only under the following circumstances:

- during any fiscal quarter commencing after May 31, 2007, if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter is greater than or equal to 130% of the applicable conversion price on each applicable trading day;
- during the five business day period after any measurement period in which the "trading price" (as defined under "Description of the notes—Conversion rights—Conversion upon satisfaction of trading price condition") per $1,000 principal amount of notes for each day of such measurement period was less than 97% of the product of the last reported sale price of our common stock and the applicable conversion rate on each such day; or
- upon the occurrence of specified corporate transactions described under "Description of notes—Conversion rights—Conversion upon specified corporate transactions."

On and after February 19, 2014 to (and including) the close of business on the third business day immediately preceding the maturity date, holders may convert their notes, in multiples of $1,000 principal amount, at the option of the holder regardless of the foregoing circumstances.

The conversion rate for the notes is currently 18.2989 shares per $1,000 principal amount of notes (equal to a conversion price of approximately $54.65 per share of common stock) and is subject to adjustment as described in this prospectus.

Upon conversion, we will deliver cash up to the aggregate principal amount of the notes to be converted and shares of our common stock in respect of the remainder, if any, of our conversion obligation in excess of the aggregate principal amount of the notes being converted. See "Description of notes—Conversion rights—Payment upon conversion."

In addition, following certain corporate transactions that occur prior to maturity, we will increase the conversion rate for a holder who elects to convert its notes in connection with such a corporate transaction upon conversion in the circumstances described under "Description of notes—Conversion rights—Adjustment to shares delivered upon conversion upon certain fundamental changes."

You will not receive any additional cash payment or additional shares representing accrued and unpaid interest and additional interest, if any, upon conversion of a note, except in limited circumstances. Instead, interest will be deemed paid by the cash and shares, if any, of our common stock, together with any cash payment for any fractional share, into which a note is convertible.

Fundamental change:

If we undergo a "fundamental change" (as defined in this prospectus under "Description of notes—Fundamental change permits holders to require us to purchase notes"), subject to certain conditions, holders of the notes will have the option to require us to purchase all or any portion of your notes for cash. The fundamental change purchase price is 100% of the principal amount of the notes to be purchased plus any accrued and unpaid interest, including any additional interest, to but excluding the fundamental change purchase date.

Ranking:

The notes are our direct, senior subordinated, unsecured obligations and rank, or will rank:

- senior in right of payment to our existing and future indebtedness that provides for its subordination to the notes;
- equal in right of payment to our existing and future indebtedness providing for equal ranking with the notes;
- junior in right of payment to all of our other existing and future indebtedness; and
- structurally junior to all existing and future liabilities, including trade payables, incurred by our subsidiaries.

We have agreed not to have any layer of indebtedness that is junior in right of payment to our senior indebtedness, unless the indebtedness ranks equal or junior in right of payment to the notes. See "Description of notes—Subordination of the notes" and "—No layering of indebtedness."

As of June 30, 2007, our total long-term debt, excluding the notes, was $343.4 million, all of which ranks senior to the notes.

Registration rights:	Pursuant to a registration rights agreement that we entered into with the initial purchasers of the notes, to whom we refer throughout this prospectus as the initial purchasers, we have filed a shelf registration statement under the Securities Act, of which this prospectus is a part, relating to the resale of the notes and the common stock issuable upon conversion thereof.
No proceeds:	We will not receive any proceeds from the sale by any selling securityholder of the notes or our common stock issuable upon conversion of the notes.
Book-entry form:	The notes have been issued in book-entry form and are represented by permanent global certificates deposited on behalf of The Depository Trust Company, or DTC, and registered in the name of a nominee of DTC. Beneficial interests in any of the notes are shown on, and transfers are effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated securities, except in limited circumstances.
Trading:	We do not intend to apply for a listing of the notes on any securities exchange or any automated dealer quotation system, and we cannot assure you as to the development or liquidity of any market for the notes. The notes are eligible for trading in the PORTAL ® market. However, notes sold using this prospectus will no longer be eligible for trading in the PORTAL ® market.
U.S. federal income tax consequences:	For the U.S. federal income tax consequences of the holding, disposition and conversion of the notes, and the holding and disposition of shares of our common stock, see "Certain U.S. federal income tax considerations."
Convertible note hedge and warrant transactions:	We have entered into convertible note hedge transactions with Morgan Stanley & Co. International plc, J.P. Morgan Chase Bank, National Association, and Bank of America, N.A., to whom we refer as the note hedge counterparties, which are expected to reduce the potential dilution upon conversion of the notes. We have also entered into warrant transactions with the note hedge counterparties. One or more of the note hedge counterparties or their affiliates may in the future enter into, or may unwind, various derivatives and/or purchase or sell our common stock in secondary market transactions (including during any observation period in respect of any conversion of notes). These activities could have the effect of increasing, or preventing a decline in, the price of our common stock. In addition, the note hedge counterparties or their affiliates may unwind various derivatives and/or purchase or sell our common stock in secondary market transactions prior to maturity of the notes (and are likely to do so during any observation period in respect of any conversion of notes), which could adversely impact the price of our common stock or the settlement amount payable upon conversion. For a discussion of the impact of any market or other activity by the note hedge counterparties or their affiliates in connection with these convertible note hedge and warrant transactions, see "Risk factors—Risks related to the notes—The convertible note hedge and warrant transactions may affect the value of the notes and our common stock."
New York Stock Exchange symbol for our common stock:	Our common stock is quoted on the New York Stock Exchange under the symbol "CAI."
Trustee, paying agent and conversion agent:	The Bank of New York

Summary consolidated financial data
(in thousands, except per share amounts)

The following summary consolidated financial data should be read together with, and are qualified by reference to, "Management's Discussion and Analysis of Financial Condition & Results of Operations" and our consolidated financial statements, including the accompanying notes, appearing in our Annual Report on Form 10-K for the fiscal year ended June 30, 2007, which is incorporated by reference into this prospectus.

	Year Ended June 30,		
	2005	2006	2007
Consolidated Statements of Income Data			
Revenue	$1,623,062	$1,755,324	$1,937,972
Costs of revenue:			
Direct costs	1,019,474	1,134,951	1,267,677
Indirect costs and selling expenses	429,434	436,656	485,359
Depreciation and amortization	32,022	33,437	39,083
Total costs of revenue	1,480,930	1,605,044	1,792,119
Income from operations	142,132	150,280	145,853
Interest expense and other, net	14,765	17,279	20,585
Income before income taxes	127,367	133,001	125,268
Income taxes	47,642	48,161	46,736
Net income	$ 79,725	$ 84,840	$ 78,532
Basic earnings per share	$ 2.69	$ 2.81	$ 2.56
Diluted earnings per share	$ 2.61	$ 2.72	$ 2.51
Weighted average basic shares outstanding	29,675	30,242	30,643
Weighted average diluted shares outstanding	30,568	31,161	31,256

	As of June 30, 2007
Consolidated Balance Sheet Data:	
Cash and cash equivalents	$ 285,682
Working capital	413,982
Total assets	1,791,947
Long-term debt	643,415
Total liabilities	978,100
Total shareholders' equity	813,847

Risk factors

You should carefully consider the risks and uncertainties described below, together with the information included elsewhere in this prospectus and in the documents we file with the SEC. The risks and uncertainties described below are not the only risks and uncertainties facing us. Our business is also subject to general risks and uncertainties that affect many other companies, such as overall U.S. and non-U.S. economic and industry conditions, including a global economic slowdown, geopolitical events, changes in laws or accounting rules, fluctuations in interest and exchange rates, terrorism, international conflicts, major health concerns, natural disasters or other disruptions of expected economic and business conditions. Additional risks and uncertainties not currently known to us or that we currently believe are immaterial also may impair our business operations and liquidity and adversely affect the value of an investment in the notes or the common stock issuable upon conversion of the notes.

Risks related to our business

We depend on contracts with the federal government for a substantial majority of our revenue, and our business could be seriously harmed if the government significantly decreased or ceased doing business with us.

We derived 94.2 percent of our total revenue in FY2007 and 94.4 percent of our total revenue in FY2006 from federal government contracts, either as a prime contractor or a subcontractor. We derived 71.9 percent of our total revenue in FY2007 and 73.1 percent of our total revenue in FY2006 from contracts with agencies of the U.S. Department of Defense, or DoD. We expect that federal government contracts will continue to be the primary source of our revenue for the foreseeable future. If we were suspended or debarred from contracting with the federal government generally, with the General Services Administration, or GSA, or any significant agency in the intelligence community or the DoD, or if our reputation or relationship with government agencies were to be impaired, or if the government otherwise ceased doing business with us or significantly decreased the amount of business it does with us, our business, prospects, financial condition and operating results could be materially and adversely affected.

Our business could be adversely affected by the outcome of the various investigations or proceedings regarding our interrogation services work in Iraq.

In May 2004, press accounts disclosed an internal U.S. government report, the Taguba Report, which, among other things, alleged that one of our employees was involved in the alleged mistreatment of Iraqi prisoners at the Abu Ghraib facility. Another government report, the Jones/Fay Report, alleges that three of our employees, including the employee identified in the Taguba Report, acted improperly in performing their assigned duties in Iraq. The Jones/Fay Report includes a recommendation that the information in the report regarding these employees be forwarded to the General Counsel of the U.S. Army for determination of whether each of them should be referred to the U.S. Department of Justice for prosecution and to the contracting officer for appropriate contractual action. Our investigation into these matters has not to date confirmed the allegations of abuse contained in either the Taguba Report or the Jones/Fay Report. To date, no charges have been brought against us or any of our employees in connection with the Abu Ghraib allegations.

On May 7, 2007, we received a letter from Henry A. Waxman, Chairman of the House Committee on Oversight and Government Reform, requesting documents from CACI in connection with the Committee's investigation into the work of government contractors in Iraq. We have cooperated with that investigation, and will continue to cooperate fully with the government regarding investigations arising out of interrogation services provided in Iraq.

The results of the investigations and proceedings regarding our interrogation services in Iraq could affect our relationships with our clients and could cause our actual results to differ materially and adversely from those anticipated.

Our business could be adversely affected by delays caused by our competitors protesting major contract awards received by us, resulting in the delay of the initiation of work.

There is an increasing trend in the number and duration of protests of the major contract awards we have received in the last year. The resulting delay in the start up and funding of the work under these contracts may cause our actual results to differ materially and adversely from those anticipated.

Our business could be adversely affected by changes in budgetary priorities of the federal government.

Because we derive a substantial majority of our revenue from contracts with the federal government, we believe that the success and development of our business will continue to depend on our successful participation in federal government contract programs. Changes in federal government budgetary priorities could directly affect our financial performance. A significant decline in government expenditures, a shift of expenditures away from programs that we support or a change in federal government contracting policies could cause federal government agencies to reduce their purchases under contracts, to exercise their right to terminate contracts at any time without penalty or not to exercise options to renew contracts. Any such actions could cause our actual results to differ materially and adversely from those anticipated. Among the factors that could seriously affect our federal government contracting business are:

- the increasing demand and priority of funding for combat operations in Iraq and Afghanistan, which may reduce the demand for our services on contracts supporting some operations and maintenance activities in the DoD;
- the funding of all civilian agencies through a continuing resolution instead of a budget appropriation, which may cause our customers to defer or reduce work under our current contracts;
- budgetary priorities limiting or delaying federal government spending generally, or specific departments or agencies in particular, and changes in fiscal policies or available funding, including potential governmental shutdowns (such as that which occurred during the federal government's 1996 fiscal year);
- an increase in set-asides for small businesses, which could result in our inability to compete directly for prime contracts; and
- curtailment of the federal government's use of information technology or professional services.

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

We derive substantially all of our revenue from federal government contracts that typically span one or more base years and one or more option years. The option periods typically cover more than half of the contract's potential duration. Federal government agencies generally have the right not to exercise these option periods. In addition, our contracts typically also contain provisions permitting a government client to terminate the contract for its convenience. A decision not to exercise option periods or to terminate contracts could result in significant revenue shortfalls from those anticipated.

Federal government contracts contain numerous provisions that are unfavorable to us.

Federal government contracts contain provisions and are subject to laws and regulations that give the government rights and remedies, some of which are not typically found in commercial contracts, including allowing the government to:

- cancel multi-year contracts and related orders if funds for contract performance for any subsequent year become unavailable;
- claim rights in systems and software developed by us;
- suspend or debar us from doing business with the federal government or with a governmental agency;

- impose fines and penalties and subject us to criminal prosecution; and
- control or prohibit the export of our data and technology.

If the government terminates a contract for convenience, we may recover only our incurred or committed costs, settlement expenses and profit on work completed prior to the termination. If the government terminates a contract for default, we may be unable to recover even those amounts, and instead may be liable for excess costs incurred by the government in procuring undelivered items and services from another source. Depending on the value of a contract, such termination could cause our actual results to differ materially and adversely from those anticipated. Certain contracts also contain organizational conflict of interest clauses that limit our ability to compete for or perform certain other contracts. Organizational conflicts of interest (OCIs) arise any time we engage in activities that (i) make us unable or potentially unable to render impartial assistance or advice to the government; (ii) impair or might impair our objectivity in performing contract work; or (iii) provide us with an unfair competitive advantage. For example, when we work on the design of a particular system, we may be precluded from competing for the contract to install that system. Depending upon the value of the matters affected, an OCI issue that precludes our participation in or performance of a program or contract could cause our actual results to differ materially and adversely from those anticipated.

As is common with government contractors, we have experienced and continue to experience occasional performance issues under certain of our contracts. Depending upon the value of the matters affected, a performance problem that impacts our performance of a program or contract could cause our actual results to differ materially and adversely from those anticipated.

If we fail to establish and maintain important relationships with government entities and agencies, our ability to successfully bid for new business may be adversely affected.

To facilitate our ability to prepare bids for new business, we rely in part on establishing and maintaining relationships with officials of various government entities and agencies. These relationships enable us to provide informal input and advice to government entities and agencies prior to the development of a formal bid. We may be unable to successfully maintain our relationships with government entities and agencies, and any failure to do so may adversely affect our ability to bid successfully for new business and could cause our actual results to differ materially and adversely from those anticipated.

We derive significant revenue from contracts and task orders awarded through a competitive bidding process. If we are unable to consistently win new awards over any extended period, our business and prospects will be adversely affected.

Substantially all of our contracts and task orders with the federal government are awarded through a competitive bidding process. We expect that much of the business that we will seek in the foreseeable future will continue to be awarded through competitive bidding. Budgetary pressures and changes in the procurement process have caused many government clients to increasingly purchase goods and services through indefinite delivery/indefinite quantity, or IDIQ, contracts, GSA schedule contracts and other government-wide acquisition contracts. These contracts, some of which are awarded to multiple contractors, have increased competition and pricing pressure, requiring that we make sustained post-award efforts to realize revenue under each such contract. In addition, in consideration of recent publicity regarding the practice of agencies awarding work under such contracts that is arguably outside their intended scope, both the GSA and the DoD have initiated programs aimed to ensure that all work fits properly within the scope of the contract under which it is awarded. The net effect of such programs may reduce the number of bidding opportunities available to us. Moreover, even if we are highly qualified to work on a particular new contract, we might not be awarded business because of the federal government’s policy and practice of maintaining a diverse contracting base.

This competitive bidding process presents a number of risks, including the following:

- we bid on programs before the completion of their design, which may result in unforeseen technological difficulties and cost overruns;
- we expend substantial cost and managerial time and effort to prepare bids and proposals for contracts that we may not win;
- we may be unable to estimate accurately the resources and cost structure that will be required to service any contract we win; and
- we may encounter expense and delay if our competitors protest or challenge awards of contracts to us in competitive bidding, and any such protest or challenge could result in the resubmission of bids on modified specifications, or in the termination, reduction or modification of the awarded contract.

If we are unable to win particular contracts, we may be foreclosed from providing to clients services that are purchased under those contracts for a number of years. If we are unable to consistently win new contract awards over any extended period, our business and prospects will be adversely affected and that could cause our actual results to differ materially and adversely from those anticipated. In addition, upon the expiration of a contract, if the client requires further services of the type provided by the contract, there is frequently a competitive rebidding process. There can be no assurance that we will win any particular bid, or that we will be able to replace business lost upon expiration or completion of a contract, and the termination or non-renewal of any of our significant contracts could cause our actual results to differ materially and adversely from those anticipated.

Our business may suffer if we or our employees are unable to obtain the security clearances or other qualifications we and they need to perform services for our clients.

Many of our federal government contracts require us to have security clearances and employ personnel with specified levels of education, work experience and security clearances. Depending on the level of clearance, security clearances can be difficult and time-consuming to obtain. If we or our employees lose or are unable to obtain necessary security clearances, we may not be able to win new business and our existing clients could terminate their contracts with us or decide not to renew them. To the extent we cannot obtain or maintain the required security clearances for our employees working on a particular contract, we may not derive the revenue anticipated from the contract, which could cause our results to differ materially and adversely from those anticipated.

We must comply with a variety of laws and regulations, and our failure to comply could cause our actual results to differ materially from those anticipated.

We must observe laws and regulations relating to the formation, administration and performance of federal government contracts which affect how we do business with our clients and may impose added costs on our business. For example, the Federal Acquisition Regulation and the industrial security regulations of the DoD and related laws include provisions that:

- allow our federal government clients to terminate or not renew our contracts if we come under foreign ownership, control or influence;
- require us to divest work if an organizational conflict of interest related to such work cannot be mitigated to the government's satisfaction;
- require us to disclose and certify cost and pricing data in connection with contract negotiations; and
- require us to prevent unauthorized access to classified information.

Our failure to comply with these or other laws and regulations could result in contract termination, loss of security clearances, suspension or debarment from contracting with the federal government, civil fines and damages and criminal prosecution and penalties, any of which could cause our actual results to differ materially and adversely from those anticipated.

The federal government may reform its procurement or other practices in a manner adverse to us.

The federal government may reform its procurement practices or adopt new contracting rules and regulations, such as cost accounting standards. It could also adopt new contracting methods relating to GSA contracts or other government-wide contracts, or adopt new socio-economic requirements. These changes could impair our ability to obtain new contracts or win re-competed contracts. Any new contracting methods could be costly or administratively difficult for us to satisfy, and, as a result could cause actual results to differ materially and adversely from those anticipated.

Restrictions on or other changes to the federal government's use of service contracts may harm our operating results.

We derive a significant amount of revenue from service contracts with the federal government. The government may face restrictions from new legislation, regulations or government union pressures on the nature and amount of services the government may obtain from private contractors. Any reduction in the government's use of private contractors to provide federal services could cause our actual results to differ materially and adversely from those anticipated.

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

Federal government agencies, including the Defense Contract Audit Agency, or DCAA, routinely audit and investigate government contracts and government contractors' administrative processes and systems. These agencies review our performance on contracts, pricing practices, cost structure and compliance with applicable laws, regulations and standards. They also review our compliance with government regulations and policies and the adequacy of our internal control systems

and policies, including our purchasing, property, estimating, compensation and management information systems. Any costs found to be improperly allocated to a specific contract will not be reimbursed, and any such costs already reimbursed must be refunded. Moreover, if any of the administrative processes and systems is found not to comply with requirements, we may be subjected to increased government scrutiny and approval that could delay or otherwise adversely affect our ability to compete for or perform contracts.

Therefore, an unfavorable outcome to an audit by the DCAA or another government agency could cause actual results to differ materially and adversely from those anticipated. If a government investigation uncovers improper or illegal activities, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeitures of profits, suspension of payments, fines and suspension or debarment from doing business with the federal government. In addition, we could suffer serious reputational harm if allegations of impropriety were made against us. Each of these results could cause actual results to differ materially and adversely from those anticipated.

Failure to maintain strong relationships with other contractors could result in a decline in our revenue .

We derive substantial revenue from contracts in which we act as a subcontractor or from teaming arrangements in which we and other contractors bid on particular contracts or programs. As a subcontractor or teammate, we often lack control over fulfillment of a contract, and poor performance on the contract could tarnish our reputation, even when we perform as required. We expect to continue to depend on relationships with other contractors for a portion of our revenue in the foreseeable future. Moreover, our revenue and operating results could differ materially and adversely from those anticipated if any prime contractor or teammate chose to offer directly to the client services of the type that we provide or if they team with other companies to provide those services.

We may not receive the full amounts authorized under the contracts included in our backlog, which could reduce our revenue in future periods below the levels anticipated.

Our backlog consists of funded backlog, which is based on amounts actually obligated by a client for payment of goods and services, and unfunded backlog, which is based upon management's estimate of the future potential of our existing contracts and task orders, including options, to generate revenue. Our backlog may not result in actual revenue in any particular period, or at all, which could cause our actual results to differ materially and adversely from those anticipated.

The maximum contract value specified under a government contract or task order awarded to us is not necessarily indicative of the revenue that we will realize under that contract. For example, we derive a substantial portion of our revenue from government contracts in which we are not the sole provider, meaning that the government could turn to other companies to fulfill the contract. We also derive revenues from IDIQ contracts, which do not require the government to purchase a material amount of goods or services under the contract. Action by the government to obtain support from other contractors or failure of the government to order the quantity of work anticipated could cause our actual results to differ materially and adversely from those anticipated.

Without additional Congressional appropriations, some of the contracts included in our backlog will remain unfunded, which could significantly harm our prospects.

Although many of our federal government contracts require performance over a period of years, Congress often appropriates funds for these contracts for only one year at a time. As a result, our contracts typically are only partially funded at any point during their term, and all or some of the work intended to be performed under the contracts will remain unfunded pending subsequent Congressional appropriations and the obligation of additional funds to the contract by the procuring agency. Nevertheless, we estimate our share of the contract values, including values based on the assumed exercise of options relating to these contracts, in calculating the amount of our backlog. Because we may not receive the full amount we expect under a contract, our estimate of our backlog may be inaccurate and we may post results that differ materially and adversely from those anticipated.

Employee misconduct, including security breaches, could result in the loss of clients and our suspension or disbarment from contracting with the federal government.

We may be unable to prevent our employees from engaging in misconduct, fraud or other improper activities that could adversely affect our business and reputation. Misconduct could include the failure to comply with federal government procurement regulations, regulations regarding the protection of classified information and legislation regarding the pricing of labor and other costs in government contracts. Many of the systems we develop involve managing and protecting information involved in national security and other sensitive government functions. A security breach in one of these systems could prevent us from having access to such critically sensitive systems. Other examples of employee misconduct could include time card fraud and violations of the Anti-Kickback Act. The precautions we take to prevent and detect this activity

may not be effective, and we could face unknown risks or losses. As a result of employee misconduct, we could face fines and penalties, loss of security clearance and suspension or debarment from contracting with the federal government, which could cause our actual results to differ materially and adversely from those anticipated.

Our failure to attract and retain qualified employees, including our senior management team, could adversely affect our business.

Our continued success depends to a substantial degree on our ability to recruit and retain the technically skilled personnel we need to serve our clients effectively. Our business involves the development of tailored solutions for our clients, a process that relies heavily upon the expertise and services of our employees. Accordingly, our employees are our most valuable resource. Competition for skilled personnel in the information technology services industry is intense, and technology service companies often experience high attrition among their skilled employees. There is a shortage of people capable of filling these positions and they are likely to remain a limited resource for the foreseeable future. Recruiting and training these personnel require substantial resources. Our failure to attract and retain technical personnel could increase our costs of performing our contractual obligations, reduce our ability to efficiently satisfy our clients' needs, limit our ability to win new business and cause our actual results to differ materially and adversely from those anticipated. In addition to attracting and retaining qualified technical personnel, we believe that our success will depend on the continued employment of our senior management team and its ability to generate new business and execute projects successfully. Our senior management team is very important to our business because personal reputations and individual business relationships are a critical element of obtaining and maintaining client engagements in our industry, particularly with agencies performing classified operations. The loss of any of our senior executives could cause us to lose client relationships or new business opportunities, which could cause actual results to differ materially and adversely from those anticipated.

Our markets are highly competitive, and many of the companies we compete against have substantially greater resources.

The markets in which we operate include a large number of participants and are highly competitive. Many of our competitors may compete more effectively than we can because they are larger, better financed and better known companies than we are. In order to stay competitive in our industry, we must also keep pace with changing technologies and client preferences. If we are unable to differentiate our services from those of our competitors, our revenue may decline. In addition, our competitors have established relationships among themselves or with third parties to increase their ability to address client needs. As a result, new competitors or alliances among competitors may emerge and compete more effectively than we can. There is also a significant industry trend towards consolidation, which may result in the emergence of companies who are better able to compete against us. The results of these competitive pressures could cause our actual results to differ materially and adversely from those anticipated.

Our quarterly revenue and operating results could be volatile.

Our quarterly revenue and operating results may fluctuate significantly and unpredictably in the future. In particular, if the federal government does not adopt, or delays adoption of, a budget for each fiscal year beginning on October 1, or fails to pass a continuing resolution, federal agencies may be forced to suspend our contracts and delay the award of new and follow-on contracts and orders due to a lack of funding. Further, the rate at which the federal government procures technology may be negatively affected following changes in presidential administrations and senior government officials. Therefore, period-to-period comparisons of our operating results may not be a good indication of our future performance.

Our quarterly operating results may not meet the expectations of securities analysts or investors, which in turn may have an adverse effect on the market price of our common stock. Our quarterly operating results may also fluctuate due to impairment of goodwill charges required by generally accepted accounting principles.

We may lose money or generate less than anticipated profits if we do not accurately estimate the cost of an engagement which is conducted on a fixed-price basis.

We perform a portion of our engagements on a variety of fixed-price contract vehicles. We derived 19.9 percent of our total revenue in FY2007 and 20.3 percent of our total revenue in FY2006 from fixed-price contracts. Fixed-price contracts require us to price our contracts by predicting our expenditures in advance. In addition, some of our engagements obligate us to provide ongoing maintenance and other supporting or ancillary services on a fixed-price basis or with limitations on our ability to increase prices. Many of our engagements are also on a time-and-material basis. While these types of contracts are generally subject to less uncertainty than fixed-price contracts, to the extent that our actual labor costs are higher than the contract rates, our actual results could differ materially and adversely from those anticipated.

When making proposals for engagements on a fixed-price basis, we rely on our estimates of costs and timing for completing the projects. These estimates reflect our best judgment regarding our capability to complete the task efficiently. Any increased or unexpected costs or unanticipated delays in connection with the performance of fixed-price contracts, including delays caused by factors outside our control, could make these contracts less profitable or unprofitable. From time to time, unexpected costs and unanticipated delays have caused us to incur losses on fixed-price contracts, primarily in connection with state government clients. On rare occasions, these losses have been significant. In the event that we encounter such problems in the future, our actual results could differ materially and adversely from those anticipated.

Our earnings and margins may vary based on the mix of our contracts and programs.

At June 30, 2007, our backlog included cost reimbursement, time and materials, or T&M, and fixed-price contracts. Cost reimbursement and T&M contracts generally have lower profit margins than fixed-price contracts. Our earnings and margins may vary materially and adversely depending on the types of long-term government contracts undertaken, the costs incurred in their performance, the achievement of other performance objectives and the stage of performance at which the right to receive fees, particularly under incentive and award fee contracts, is finally determined.

Systems failures may disrupt our business and have an adverse effect on our results of operations.

Any systems failures, including network, software or hardware failures, whether caused by us, a third party service provider, unauthorized intruders and hackers, computer viruses, natural disasters, power shortages or terrorist attacks, could cause loss of data, interruptions or delays in our business or that of our clients. In addition, the failure or disruption of our mail, communications or utilities could cause us to interrupt or suspend our operations or otherwise harm our business. Our property and business interruption insurance may be inadequate to compensate us for all losses that may occur as a result of any system or operational failure or disruption and, as a result, our actual results could differ materially and adversely from those anticipated.

The systems and networks that we maintain for our clients, although highly redundant in their design, could also fail. If a system or network we maintain were to fail or experience service interruptions, we might experience loss of revenue or face claims for damages or contract termination. Our errors and omissions liability insurance may be inadequate to compensate us for all the damages that we might incur and, as a result, our actual results could differ materially and adversely from those anticipated.

We may have difficulty identifying and executing acquisitions on favorable terms and therefore may grow at slower than anticipated rates.

One of our key growth strategies has been to selectively pursue acquisitions. Through acquisitions, we have expanded our base of federal government clients, increased the range of solutions we offer to our clients and deepened our penetration of existing markets and clients. We may encounter difficulty identifying and executing suitable acquisitions. To the extent that management is involved in identifying acquisition opportunities or integrating new acquisitions into our business, our management may be diverted from operating our core business. Without acquisitions, we may not grow as rapidly as the market expects, which could cause our actual results to differ materially and adversely from those anticipated. We may encounter other risks in executing our acquisition strategy, including:

- increased competition for acquisitions may increase the costs of our acquisitions;
- our failure to discover material liabilities during the due diligence process, including the failure of prior owners of any acquired businesses or their employees to comply with applicable laws or regulations, such as the Federal Acquisition Regulation and health, safety and environmental laws, or their failure to fulfill their contractual obligations to the federal government or other customers; and
- acquisition financing may not be available on reasonable terms or at all.

Each of these types of risks could cause our actual results to differ materially and adversely from those anticipated.

We may have difficulty integrating the operations of any companies we acquire, which could cause actual results to differ materially and adversely from those anticipated.

The success of our acquisition strategy will depend upon our ability to continue to successfully integrate any businesses we may acquire in the future. The integration of these businesses into our operations may result in unforeseen operating difficulties, absorb significant management attention and require significant financial resources that would otherwise be available for the ongoing development of our business. These integration difficulties include the integration of personnel with disparate business backgrounds, the transition to new information systems, coordination of geographically dispersed organizations, loss of key employees of acquired companies, and reconciliation of different corporate cultures. For these or

other reasons, we may be unable to retain key clients of acquired companies. Moreover, any acquired business may fail to generate the revenue or net income we expected or produce the efficiencies or cost-savings that we anticipated. Any of these outcomes could cause our actual results to differ materially and adversely from those anticipated.

If our subcontractors fail to perform their contractual obligations, our performance as a prime contractor and our ability to obtain future business could be materially and adversely impacted and our actual results could differ materially and adversely from those anticipated.

Our performance of government contracts may involve the issuance of subcontracts to other companies upon which we rely to perform all or a portion of the work we are obligated to deliver to our clients. A failure by one or more of our subcontractors to satisfactorily deliver on a timely basis the agreed-upon supplies and/or perform the agreed-upon services may materially and adversely affect our ability to perform our obligations as a prime contractor.

A subcontractor's performance deficiency could result in the government terminating our contract for default. A default termination could expose us to liability for excess costs of reprocurement by the government and have a material adverse effect on our ability to compete for future contracts and task orders. Depending upon the level of problem experienced, such problems with subcontractors could cause our actual results to differ materially and adversely from those anticipated.

Our business may be adversely affected if we cannot collect our receivables.

We depend on the collection of our receivables to generate cash flow, provide working capital, pay debt and continue our business operations. If the federal government, any of our other clients or any prime contractor for whom we are a subcontractor fails to pay or delays the payment of their outstanding invoices for any reason, our business and financial condition may be materially and adversely affected. The government may fail to pay outstanding invoices for a number of reasons, including lack of appropriated funds or lack of an approved budget. Some prime contractors for whom we are a subcontractor have significantly less financial resources than we do, which may increase the risk that we may not be paid in full or payment may be delayed. If we experience difficulties collecting receivables it could cause our actual results to differ materially and adversely from those anticipated.

We have substantial investments in recorded goodwill as a result of prior acquisitions, and changes in future business conditions could cause these investments to become impaired, requiring substantial write-downs that would reduce our operating income.

Goodwill accounts for $848.8 million of our recorded total assets as of June 30, 2007. We evaluate the recoverability of recorded goodwill amounts annually, or when evidence of potential impairment exists. The annual impairment test is based on several factors requiring judgment. Principally, a decrease in expected reporting unit cash flows or changes in market conditions may indicate potential impairment of recorded goodwill. If there is an impairment, we would be required to write down the recorded amount of goodwill, which would be reflected as a charge against operating income.

Our operations involve several risks and hazards, including potential dangers to our employees and to third parties that are inherent in aspects of our federal business (i.e., counterterrorism training services). If these risks and hazards are not adequately insured, it could adversely affect our operating results.

Our federal business includes the maintenance of global networks and the provision of special operations services (i.e., counterterrorism training) that require us to dispatch employees to various countries around the world. These countries may be experiencing political upheaval or unrest, and in some cases war or terrorism. It is possible that certain of our employees or executives will suffer injury or bodily harm, or be killed or kidnapped in the course of these deployments. We could also encounter unexpected

costs for reasons beyond our control in connection with the repatriation of our employees or executives. Any of these types of accidents or other incidents could involve significant potential claims of employees, executives and/or third parties who are injured or killed or who may have wrongful death or similar claims against us.

We maintain insurance policies that mitigate against risk and potential liabilities related to our operations. This insurance is maintained in amounts that we believe are reasonable. However, our insurance coverage may not be adequate to cover those claims or liabilities, and we may be forced to bear significant costs from an accident or incident. Substantial claims in excess of our related insurance coverage could cause our actual results to differ materially and adversely from those anticipated.

Our failure to adequately protect our confidential information and proprietary rights may harm our competitive position.

Our success depends, in part, upon our ability to protect our proprietary information and other intellectual property. Although our employees are subject to confidentiality obligations, this protection may be inadequate to deter misappropriation of our confidential information. In addition, we may be unable to detect unauthorized use of our intellectual property in order to take appropriate steps to enforce our rights. If we are unable to prevent third parties from infringing or misappropriating our copyrights, trademarks or other proprietary information, our competitive position could be harmed and our actual results could differ materially and adversely from those anticipated.

We face additional risks which could harm our business because we have international operations.

We conduct the majority of our international operations in the United Kingdom. Our U.K.-based operations comprised 4.2 percent of our revenue in FY2007 and 3.6 percent of our revenue in FY2006. Our U.K.-based operations are subject to risks associated with operating in a foreign country. These risks include fluctuations in the value of the British pound, longer payment cycles, changes in foreign tax laws and regulations and unexpected legislative, regulatory, economic or political changes.

Our U.K.-based operations are also subject to risks associated with operating a commercial, as opposed to a government contracting, business, including the effects of general economic conditions in the U.K.'s telecommunications, computer software and computer services sectors, and the impact of more concentrated and intense competition for the reduced volume of work available in those sectors. Our revenue from this business grew during FY2007 over revenue from such business in FY2006 primarily as a result of two acquisitions and the strength of the British pound. While we are marketing our services to clients in industries that are new to us, our efforts in that regard may be unsuccessful. Other factors that may adversely affect our international operations are difficulties relating to managing our business internationally and multiple tax structures. Any of these factors could cause our actual results to differ materially and adversely from those anticipated.

Our senior secured credit facility imposes significant restrictions on our ability to take certain actions which may have an impact on our business, operating results and financial condition.

Our $550 million senior secured credit facility imposes significant operating and financial restrictions on us and requires us to meet certain financial tests. These restrictions may significantly limit or prohibit us from engaging in certain transactions, including:

- incurring or guaranteeing additional debt;
- paying dividends or other distributions to our stockholders or redeeming, repurchasing or retiring our common stock;
- making investments, loans and advances;
- making capital expenditures above specified levels;
- creating liens on our assets;
- issuing or selling equity in our subsidiaries;
- transforming or selling assets currently held by us, including sale and lease-back transactions;
- modifying certain agreements, including those related to indebtedness; and
- engaging in mergers, consolidations or acquisitions.

The failure to comply with any of these covenants would cause a default under this credit facility. A default, if not waived, could cause our debt to become immediately due and payable. In such a situation, we may not be able to repay our debt or borrow sufficient funds to refinance it, and, even if new financing is available, it may not contain terms that are acceptable to us.

Risks related to the notes

The notes are subordinated to our senior debt and effectively subordinated to our secured debt and any liabilities of our subsidiaries.

The notes rank, or will rank, senior in right of payment to our existing and future indebtedness that provides for its subordination to the notes; equal in right of payment to our existing and future indebtedness providing for equal ranking with the notes; junior in right of payment to all of our other existing and future indebtedness; and structurally junior to all existing and future liabilities incurred by subsidiaries. In the event of our bankruptcy, liquidation, reorganization or other winding up, our assets that secure debt ranking senior or equal in right of payment to the notes will be available to pay obligations on the notes only after the secured debt has been repaid in full from these assets. There may not be sufficient assets remaining to pay amounts due on any or all of the notes then outstanding. The indenture governing the notes, to which we refer throughout this prospectus as the indenture, does not prohibit us from incurring additional senior debt or secured debt, nor does it prohibit any of our subsidiaries from incurring additional liabilities.

As of June 30, 2007, we had approximately $643.4 million of long-term debt outstanding, including $338.6 million of senior indebtedness under our senior secured credit facility, $300 million related to the notes, and $4.8 million of other indebtedness.

The notes are obligations of CACI International Inc only and our operations are conducted through, and substantially all of our consolidated assets are held by, our subsidiaries.

The notes are obligations exclusively of CACI International Inc and are not guaranteed by any of our operating subsidiaries. A substantial portion of our consolidated assets are held by our subsidiaries. Accordingly, our ability to service our debt, including the notes, depends on the results of operations of our subsidiaries and upon the ability of such subsidiaries to provide us with cash, whether in the form of dividends, loans or otherwise, to pay amounts due on our obligations, including the notes. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to make payments on the notes or to make any funds available for that purpose. In addition, dividends, loans or other distributions to us from such subsidiaries may be subject to contractual and other restrictions and are subject to other business considerations.

Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial debt.

Our ability to make scheduled payments of the principal of, to pay interest on, or to refinance our indebtedness, including the notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

Despite our substantial debt, we may incur additional indebtedness, including senior debt, which would increase the risks described above.

We are able to incur additional debt, including senior debt, in the future. The indenture for the notes does not prohibit us from incurring additional debt. We have a $550 million credit facility, consisting of a $200 million revolving credit facility and a $350 million term loan. As of June 30, 2007, we had $199.9 million (net of outstanding letters of credit of $0.1 million) of total availability for potential borrowing under the revolving credit facility, subject to our compliance with the financial and other covenants included in our revolving credit facility. We have flexibility under our senior secured credit facility to increase the revolver to $300 million. Any future borrowings we make under our revolving credit facility will be senior to the notes. In addition, the indenture allows us to incur additional debt that may be senior to the notes, including a replacement of our existing senior secured credit facility, and allows our subsidiaries to incur debt that would be structurally senior to the notes. See “Description of existing credit facility.” If new debt is added to our or our subsidiaries’ current debt levels, the risks related to our ability to service that debt and its impact on our operations that we now face could increase.

A change in control or fundamental change may adversely affect us or the notes.

Our senior secured credit facility provides that certain change in control events with respect to us will constitute a default. A fundamental change under the notes will constitute a change of control under our senior secured credit facility, and therefore will constitute a default under such facility. As a result, if a fundamental change occurs, we may purchase your notes only if we are also able to repay all amounts outstanding on our senior secured credit facility. In addition, future debt we incur may limit our ability to repurchase the notes upon a fundamental change or require us to offer to redeem that future debt upon a fundamental change. Moreover, if you or other investors in our notes exercise the repurchase right for a fundamental change, it may cause a default under our other debt, even if the fundamental change itself does not cause a default on our other debt, due to the financial effect of such a repurchase on us. Finally, if a fundamental change event occurs, we cannot assure you that we will have enough funds to repurchase all the notes.

Furthermore, the fundamental change provisions including the provisions requiring the increase to the conversion rate for conversions in connection with certain fundamental changes, may in certain circumstances make more difficult or discourage a takeover of our company and the removal of incumbent management.

We may not have sufficient cash to repurchase the notes at the option of the holder upon a fundamental change or to pay the cash payable upon a conversion, which may increase your credit risk.

Upon a fundamental change, subject to certain conditions, we will be required to make an offer to repurchase for cash all outstanding notes at 100% of their principal amount plus accrued and unpaid interest including additional interest, if any, up to but not including the date of repurchase. In addition, upon a conversion, we will be required to make a cash payment of up to $1,000 for each $1,000 in principal amount of notes converted. However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of tendered notes or settlement of converted notes. Our failure to repurchase tendered notes at a time when the repurchase is required by the indenture or to pay any cash payable on a conversion of the notes as required by the indenture would constitute a default under the indenture. A default under the indenture or the fundamental change itself will be a default under our secured credit facility and could also lead to a default under the other existing and future agreements governing our indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the notes or make cash payments upon conversion thereof.

Our senior secured credit facility limits our ability to pay any cash amount upon the conversion of the notes.

Our existing senior secured credit facility prohibits us from making any cash payments on the conversion of the notes if an event of default exists under that facility or if, after giving effect to such conversion (and any additional indebtedness incurred in connection with such conversion), we would not be in pro forma compliance with our financial covenants under that facility. See “Description of existing credit facility.” Any new credit facility that we may enter into may have similar restrictions. Our failure to make cash payments upon the conversion of the notes as required under the terms of the notes would permit holders of the notes to accelerate the obligations under the notes. However, such an event would constitute an event of default under our senior secured credit facility (and would likely constitute an event of default under any future credit facility or other indebtedness), and in that instance, the subordination provisions of the indenture would prohibit us from making payments on the notes. See “Description of notes—Subordination of the notes.”

The conditional conversion features of the notes, if triggered, may adversely affect our financial condition and operating results.

In the event the conditional conversion features of the notes are triggered, holders of notes will be entitled to convert the notes at any time during specified periods at their option. See “Description of the notes—Conversion rights.” If one or more holders elect to convert their notes, we would be required to settle any converted principal through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the notes as a current rather than long-term liability, which would result in a material reduction of our net working capital. We currently have approximately $200 million available under our revolving credit facility, which we could use to satisfy payment obligations arising from conversions of the notes. However, there can be no assurance that all or any portion of this facility will be available at the time any such conversion obligations arise. Our failure to pay the required cash upon conversion as required under the notes would constitute an event of default which, if not waived, would result in the immediate acceleration of our payment obligations under all of the notes. Any such default would also result in an event of default under our senior secured credit facility. In such a situation, we may not be able to repay our debt or borrow sufficient funds to refinance it, and, even if new financing is available, it may be available on terms less favorable than the terms of our existing debt and, potentially, on terms that are unacceptable to us. A material deterioration in our financial condition or operating results could inhibit our access to additional investment capital and may cause the price of our common stock to decline.

The Financial Accounting Standards Board, or FASB, has recently proposed changes to the accounting standards applicable to financial instruments such as the notes. If those changes were to be implemented and became applicable to the notes, we would have to report interest expense for the notes higher than the interest expense we are required to report under current interpretations.

The FASB has recently proposed changing the accounting standards applicable to convertible debentures, like the notes, that may be settled with a combination of cash and stock. The proposed changes, if implemented, would require us to recognize the estimated fair value of the conversion option as an original issue discount, and to amortize the discount ratably over the seven year term of the notes. Generally accepted accounting principles currently applicable to the notes require us to report interest expense based on the stated coupon rate and transaction expenses. If the proposed changes were to be adopted, we would be required to include, as a component of interest expense, a portion of the estimated fair value of the conversion option for each year the securities remain outstanding. The total interest rate to be recognized under such modified accounting standards could be more than twice the stated coupon rate of the notes, with interest charges also more than twice the interest charges we expect to incur under the notes. If they occur, these changes would be effective for us on July 1, 2008 and the impact would be recorded retrospectively for all periods presented. These changes would reduce our earnings and could adversely affect the price at which our common stock trades, but would have no effect on the amount of cash interest paid to note holders, or on our cash flows. We are unable to estimate the likelihood that the proposed changes will be adopted, or whether the changes will be finalized as proposed or will be modified.

Future sales of our common stock in the public market could lower the market price for our common stock and adversely impact the trading price of the notes.

In the future, we may sell additional shares of our common stock to raise capital. In addition, a substantial number of shares of our common stock is reserved for issuance upon the exercise of stock options and upon conversion of the notes. We cannot predict the size of future issuances or the effect, if any, that they may have on the market price for our common stock. The issuance and sales of substantial amounts of common stock, or the perception that such issuances and sales may occur, could adversely affect the trading price of the notes and the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities.

Volatility in the market price and trading volume of our common stock could result in a lower trading price than your conversion or purchase price and could adversely impact the trading price of the notes.

The stock market in recent years has experienced significant price and volume fluctuations that have often been unrelated to the operating performance of companies. A relatively small number of shares traded in any one day could have a significant effect on the market price of our common stock. The market price of our common stock could fluctuate significantly for many reasons, including in response to the risks described in this section, elsewhere in this prospectus or the documents we have incorporated by reference in this prospectus or for reasons unrelated to our operations, such as reports by industry analysts, investor perceptions or negative announcements by our customers, competitors or suppliers regarding their own performance, as well as industry conditions and general financial, economic and political instability. A decrease in the market price of our common stock would likely adversely impact the trading price of the notes. The price of our common stock could also be affected by possible sales of our common stock by investors who view the notes as a more attractive means of equity participation in us and by hedging or arbitrage trading activity that may develop involving our common stock. This trading activity could, in turn, affect the trading prices of the notes.

Holders of notes will not be entitled to any rights with respect to our common stock, but will be subject to all changes made with respect to them.

Holders of notes will not be entitled to any rights with respect to our common stock (including, without limitation, voting rights and rights to receive any dividends or other distributions on our common stock), but holders of notes will be subject to all changes affecting our common stock. Holders of notes will be entitled to the rights afforded our common stock only if and when our common stock is delivered to them upon the conversion of their notes. For example, if an amendment is proposed to our certificate of incorporation or bylaws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to a holder's receipt of our common stock upon the conversion of notes, such holder will not be entitled to vote on the amendment, although such holder will nevertheless be subject to any changes affecting our common stock.

The conditional conversion feature of the notes could result in your receiving less than the value of our common stock into which the notes would otherwise be convertible.

Prior to the close of business on the business day immediately preceding February 19, 2014, you may convert your notes only if specified conditions are met. If the specific conditions for conversion are not met, you will not be able to convert your notes at that time, and you may not be able to receive the value of the common stock or the cash and common stock into which the notes would otherwise be convertible.

Upon conversion of the notes, you may receive less proceeds than expected because the value of our common stock may decline after you exercise your conversion right.

Under the notes, a converting holder will be exposed to fluctuations in the value of our common stock during the period from the date such holder surrenders notes for conversion until the date we settle our conversion obligation. Under the notes, the amount of consideration that you will receive upon conversion of your notes is in part determined by reference to the volume weighted average prices of our common stock for each trading day in a 45 trading-day period. As described under "Description of Notes—Conversion Rights," this period means, for notes with a conversion date occurring on or after February 19, 2014, the 45 consecutive trading-day period beginning on, and including, the 47th scheduled trading day prior to the maturity date, and in all other instances, the 45 consecutive trading-day period beginning on, and including, the third trading day immediately following the relevant conversion date.

Accordingly, if the price of our common stock decreases during this period, the amount of consideration you receive will be adversely affected. In addition, if the market price of our common stock at the end of such 45 trading-day period is below the average of the volume weighted average price of our common stock during such period, the value of any shares of our common stock that you will receive in satisfaction of our conversion obligation will be less than the value used to determine the number of shares you will receive.

Our failure to convert the notes upon exercise of a holder's conversion right in accordance with the provisions of the indenture would constitute a default under the indenture. In addition, a default under the indenture could lead to a default under existing and future agreements governing our indebtedness. If, due to a default, the repayment of our other indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay such indebtedness and the notes.

The notes are not protected by restrictive covenants.

The indenture governing the notes does not contain any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us or any of our subsidiaries. The indenture contains no covenants or other provisions to afford protection to holders of the notes in the event of a fundamental change involving CACI International Inc except to the extent described under "Description of notes—Fundamental change permits holders to require us to purchase notes," "Description of notes—Conversion rights—Adjustment to shares delivered upon conversion upon certain fundamental changes" and "Description of notes—Consolidation, merger and sale of assets."

The adjustment to the conversion rate for notes converted in connection with a specified corporate transaction may not adequately compensate you for any lost value of your notes as a result of such transaction.

If a specified corporate transaction that constitutes a fundamental change occurs prior to maturity, under certain circumstances, we will increase the conversion rate by a number of additional shares of our common stock for notes converted in connection with such specified corporate transaction. The increase in the conversion rate will be determined based on the date on which the specified corporate transaction becomes effective and the price paid per share of our common stock in such transaction, as described below under "Description of notes—Conversion rights." The adjustment to the conversion rate for notes converted in connection with a specified corporate transaction may not adequately compensate you for any lost value of your notes as a result of such transaction. In addition, if the price of our common stock in the transaction is greater than $110.00 per share or less than $45.54 per share (in each case, subject to adjustment), no adjustment will be made to the conversion rate. Moreover, in no event will the total number of shares of common stock issuable upon conversion as a result of this adjustment exceed 21.9587 per $1,000 principal amount of notes, subject to adjustments in the same manner as the conversion rate as set forth under "Description of notes—Conversion rights—Conversion rate adjustments." Our obligation to increase the conversion rate in connection with a specified corporate transaction could be considered a penalty, in which case the enforceability thereof would be subject to general principles of reasonableness of economic remedies.

The conversion rate of the notes may not be adjusted for all dilutive events.

The conversion rate of the notes is subject to adjustment for certain events, including, but not limited to, the issuance of stock dividends on our common stock, the issuance of certain rights or warrants, subdivisions, combinations, distributions of capital stock, indebtedness, or assets, cash dividends and certain issuer tender or exchange offers as described under "Description of notes—Conversion rights—Conversion rate adjustments." However, the conversion rate will not be adjusted for other events, such as a third-party tender or exchange offer or an issuance of common stock for cash, that may adversely affect the trading price of the notes or the common stock. An event that adversely affects the value of the notes may occur, and that event may not result in an adjustment to the conversion rate.

Some significant restructuring transactions may not constitute a fundamental change, in which case we would not be obligated to offer to repurchase the notes.

Upon the occurrence of a fundamental change, holders would have the right to require us to repurchase your notes. However, the fundamental change provisions will not afford protection to holders of notes in the event of other transactions that could adversely affect the notes. For example, transactions such as leveraged recapitalizations, refinancings, restructurings, or acquisitions initiated by us may not constitute a fundamental change requiring us to repurchase the notes. In the event of any such transaction, the holders would not have the right to require us to repurchase the notes, even though each of these transactions could increase the amount of our indebtedness, or otherwise adversely affect our capital structure or any credit ratings, thereby adversely affecting the holders of notes.

We cannot assure you that an active trading market will develop for the notes.

Although the notes are designated for trading by qualified institutional buyers in the PORTAL ® market, we do not intend to apply for listing of the notes on any securities exchange or to arrange for quotation on any interdealer quotation system, and notes sold using this prospectus will no longer be eligible for trading in the PORTAL ® market. In addition, the liquidity of the trading market in the notes, and the market price quoted for the notes, may be adversely affected by changes in the overall market for this type of security and by changes in our financial performance or prospects or in the prospects for companies in our industry generally. As a result, we cannot assure you that an active trading market will develop for the notes. If an active trading market does not develop or is not maintained, the market price and liquidity of the notes may be adversely affected. In that case you may not be able to sell your notes at a particular time or you may not be able to sell your notes at a favorable price.

Any adverse rating of the notes may cause their trading price to fall.

We do not intend to seek a rating on the notes. However, if Moody's Investor Service, Standard & Poor's or another rating service rates the notes and if any of such rating services were to lower its rating on the notes below the rating initially assigned to the notes or otherwise announces its intention to put the notes on credit watch, the trading price of the notes could decline.

You may be subject to tax if we make or fail to make certain adjustments to the conversion rate of the notes even though you do not receive a corresponding cash distribution.

The conversion rate of the notes is subject to adjustment in certain circumstances, including the payment of cash dividends. If the conversion rate is adjusted as a result of a distribution that is taxable to our common stockholders, such as a cash dividend, you may be deemed to have received a dividend subject to U.S. federal income tax without the receipt of any cash. In addition, a failure to adjust (or to adjust adequately) the conversion rate after an event that increases your proportionate interest in us could be treated as a deemed taxable dividend to you.

If certain types of fundamental changes occur on or prior to the maturity date of the notes, under some circumstances, we will increase the conversion rate for notes converted in connection with the fundamental change. Such increase may also be treated as a distribution subject to U.S. federal income tax as a dividend. See "Certain U.S. federal income tax considerations."

If you are a non-U.S. holder (as defined in "Certain U.S. federal income tax considerations"), any deemed dividend would be subject to U.S. federal withholding tax at a 30% rate, or such lower rate as may be specified by an applicable treaty, which may be set off against subsequent payments. See "Certain U.S. federal income tax considerations."

The convertible note hedge and warrant transactions may affect the value of the notes and our common stock.

We have entered into convertible note hedge transactions with the note hedge counterparties. These transactions are expected to reduce the potential dilution upon conversion of the notes. We have also entered into warrant transactions with the note hedge counterparties. In addition, one or more of the note hedge counterparties or their affiliates may enter into, or

may unwind, various derivatives and/or purchase or sell our common stock in secondary market transactions (including during any observation period in respect of any conversion of notes). These activities could have the effect of increasing, or preventing a decline in, the price of our common stock.

The note hedge counterparties are likely to modify their hedge positions from time to time prior to conversion or maturity of the notes by purchasing and selling shares of our common stock, other of our securities, or other instruments they may wish to use in connection with such hedging. In particular, such hedging modification may occur during any observation period for a conversion of notes, which may have a negative effect on the value of the settlement amount received in relation to the conversion of those notes. In addition, we intend to exercise options we hold under the convertible note hedge transactions whenever notes are converted. In order to unwind their hedge positions with respect to those exercised options, the note hedge counterparties expect to sell shares of our common stock in secondary market transactions or unwind various derivative transactions with respect to our common stock during the observation period for the converted notes.

We have also agreed to indemnify such note hedge counterparties or their affiliates for losses incurred in connection with a potential unwinding of their hedge positions under certain circumstances.

The effect, if any, of any of these transactions and activities on the market price of our common stock or the notes in the future will depend in part on market conditions and cannot be ascertained at this time, but any of these activities could adversely affect the value of our common stock and the value of the notes and, as a result, the amount of cash or the number of shares that you will receive upon the conversion of the notes and, under certain circumstances, your ability to convert the notes.

We may not be able to refinance the notes if required or if we so desire.

We may need or desire to refinance all or a portion of the notes or any other future indebtedness that we incur on or before the maturity of the notes. There can be no assurance that we will be able to refinance any of our indebtedness on commercially reasonable terms, if at all.

The notes are being held in book-entry form and, therefore, you must rely on the procedures of the relevant clearing systems to exercise your rights and remedies.

Unless and until certificated notes are issued in exchange for book-entry interests in the notes, owners of the book-entry interests will not be considered owners or holders of notes. Instead, DTC, or its nominee, will be the sole holder of the notes. Payments of principal, interest and other amounts owing on or in respect of the notes in global form will be made to the paying agent, which will make payments to DTC. Thereafter, such payments will be credited to DTC participants' accounts that hold book-entry interests in the notes in global form and credited by such participants to indirect participants. Unlike holders of the notes themselves, owners of book-entry interests will not have the direct right to act upon our solicitations for consents or requests for waivers or other actions from holders of the notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from DTC or, if applicable, a participant. We cannot assure you that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any requested actions on a timely basis.

Risks related to our common stock

The price of our common stock historically has been volatile. This volatility may affect the price at which you could sell your common stock, and the sale of substantial amounts of our common stock could adversely affect the price of our common stock.

During FY2007, the market price for our common stock varied between a high of $62.02 in December 2006 and a low of $42.04 in May 2007. This volatility may affect the price at which you could sell your common stock, and the sale of substantial amounts of our common stock could adversely affect the price of our common stock. Our stock price is likely to continue to be volatile and subject to significant price and volume fluctuations in response to market and other factors, including the factors discussed in "Risks related to our business"; variations in our quarterly operating results from our expectations or those of securities analysts or investors; downward revisions in securities analysts' estimates; and announcement by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments.

In the past, following periods of volatility in the market price of their stock, many companies have been the subject of securities class action litigation. If we became involved in securities class action litigation in the future, it could result in substantial costs and diversion of our management's attention and resources and could harm our stock price, business, prospects, results of operations and financial condition.

In addition, the broader stock market has experienced significant price and volume fluctuations in recent years. This volatility has affected the market prices of securities issued by many companies for reasons unrelated to their operating performance and may adversely affect the price of our common stock. Also, our announcements of our quarterly operating results, changes in general conditions in the economy or the financial markets and other developments affecting us, our affiliates or our competitors could cause the market price of our common stock to fluctuate substantially.

The sale of substantial amounts of our common stock could also adversely impact its price. As of June 30, 2007, we had outstanding approximately 30.0 million shares of our common stock and options and stock-settled stock appreciation rights to purchase approximately 2.7 million shares of our common stock (of which approximately 1.2 million were exercisable as of that date), and we had outstanding grants of approximately 0.3 million shares of restricted stock and restricted stock units which will be satisfied by the issuance of shares of our common stock when vested. The sale or the availability for sale of a large number of shares of our common stock in the public market could cause the price of our common stock to decline.

We have never paid cash dividends and do not anticipate paying any cash dividends on our common stock in the future, so any short-term return on common stock you may acquire upon conversion of the notes will depend on the market price of our common stock.

We currently intend to retain any earnings to finance our operations and growth. The terms and conditions of our senior secured credit facility restrict and limit payments or distributions in respect of our common stock.

Delaware law and our charter documents may impede or discourage a takeover, which could cause the market price of our shares to decline.

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 existing 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. The ability of our board of directors to create and issue a new series of preferred stock, our stockholder rights plan and certain provisions of Delaware law and our certificate of incorporation and bylaws 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, which, under certain circumstances, could reduce the market price of our common stock.

Special note regarding forward looking statements

All statements in this prospectus and the documents incorporated or deemed to be incorporated by reference herein that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act. Forward-looking statements may contain words such as “may,” “will,” “should,” “intend,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” or “continue” or the negatives thereof or similar words. Forward-looking statements in this prospectus include, but are not limited to, statements regarding our strategy, competitive position, trends and anticipated growth in our industry, projections of future results of operation or financial condition, and estimates of total expenses from this offering. Forward-looking statements are based on our present expectations, projections, objectives or strategies regarding the future. As such, these statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. You should read carefully the risks discussed in the section of this prospectus titled “Risk Factors” for a description of certain risks that could cause actual results to differ from the results expressed or implied by forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are based upon reasonable assumptions, we cannot guarantee future results, events, levels of activity, performance, or achievements. We caution you not to place undue reliance on forward-looking statements, which speak only as of the date of this prospectus or the date of any document incorporated herein by reference, as applicable. We do not intend to update this forward-looking information, except as required under applicable law.

No proceeds

We will not receive any proceeds from the sale of the notes and shares of common stock offered under this prospectus. All proceeds from the sale of the notes and shares will be for the benefit of the selling securityholders. See “Selling securityholders” and “Plan of distribution” below.

Ratio of earnings to fixed charges

The ratio of earnings to fixed charges for each of the periods indicated is as follows:

	Year Ended June 30,				
	2003	2004	2005	2006	2007
Ratio of earnings to fixed charges	24.2 x	20.0 x	7.5 x	6.4 x	5.3 x

The ratio of earnings to fixed charges is computed by dividing pre-tax income from continuing operations before adjustment for minority interests in consolidated subsidiaries plus fixed charges, by fixed charges. Fixed charges consist of interest expense, including interest expense from amortized premiums, discounts, and capitalized expenses related to indebtedness, and the estimated portion of rental expense deemed by us to be representative of the interest factor of rental payments under operating leases. During all periods presented, we had no equity method investments, capitalized interest, or preferred stock outstanding.

Quarterly financial information

Quarterly financial data for the two most recent fiscal years is provided in Note 24, Quarterly Financial Data, in the Notes to Consolidated Financial Statements contained in our Annual Report on Form 10-K for the fiscal year ended June 30, 2007, which is incorporated by reference in this prospectus.

Range and dividend history of our common stock

Our common stock is listed on the New York Stock Exchange under the symbol “CAI.” The following table presents the high and low sale prices per share of our common stock as reported on the New York Stock Exchange for the periods indicated. On October 1, 2007, the last reported sale price of our common stock was $51.81 per share.

	High	Low
Fiscal Year Ending June 30, 2008		
Second Quarter (through October 1, 2007)	$52.41	$51.14
First Quarter	$52.83	$43.32
Fiscal Year Ended June 30, 2007		
Fourth Quarter	$52.36	$42.04
Third Quarter	$57.55	$44.40
Second Quarter	$62.02	$53.64
First Quarter	$59.80	$47.26
Fiscal Year Ended June 30, 2006		
Fourth Quarter	$68.24	$58.33
Third Quarter	$65.97	$54.99
Second Quarter	$62.53	$51.45
First Quarter	$68.75	$58.50

As of October 1, 2007, there were 409 holders of record of our common stock.

We have never paid a cash dividend. Our present policy is to retain earnings to provide funds for the operation and expansion of our business. We do not intend to pay any cash dividends at this time. Our board of directors will determine whether to pay dividends in the future based on conditions then existing, including our earnings, financial condition and capital requirements, as well as economic and other conditions as the board may deem relevant. In addition, our ability to declare and pay dividends on our common stock is restricted by the provisions of Delaware law and covenants in our credit facility.

Security ownership of certain beneficial owners and management

The following table provides the latest available information with respect to beneficial ownership of our common stock held by each person known by us to be the beneficial owner of 5% or more of our outstanding common stock.

Beneficial Owner	Amount of Beneficial Ownership of Common Stock	Percent of Common Stock (1)
Kinetics Asset Management, Inc. (2) 470 Park Avenue, 4th Floor South New York NY 10016-1990	3,495,390	11.65%
FMR Corp. (3) 82 Devonshire Street Boston, MA 02109-3605	3,104,592	10.35%
Neuberger Berman, Inc. (4) 605 Third Avenue New York NY 10158-3698	1,959,325	6.53%
T. Rowe Price Associates, Inc. (5) 100 East Pratt Street Baltimore MD 21201-1009	1,587,836	5.29%

(1) Based on 30,003,706 shares of common stock outstanding as of October 1, 2007.

(2) The number of shares beneficially owned by Kinetics Asset Management, Inc. (“Kinetics”) is based solely on information in a Schedule 13G filed with the SEC by Kinetics on August 14, 2007. Kinetics reported sole voting and dispositive power over all 3,495,390 shares.

(3) The number of shares beneficially owned by FMR Corp. (“FMR”) is based solely on information in a Schedule 13G/A filed with the SEC by FMR on February 12, 2007 on behalf of itself and certain entities under its control, and includes 2,789,914 shares held by Fidelity Management & Research Company, a wholly-owned subsidiary of FMR; 8,400 shares held by Fidelity Management Trust Company; 32,978 shares held by Pyramis Global Advisors, LLC; and 271,800 shares held by Pyramis Global Advisors Trust Company. FMR reported that Edward C. Johnson 3rd and FMR

each has sole dispositive powers over the 3,104,592 shares. FMR reported that members of the family of Edward C. Johnson 3 rd , Chairman of FMR, are the predominant owners, directly or through trusts, of Series B shares of common stock of FMR, representing 49% of the voting power of FMR.

(4) The number of shares beneficially owned by Neuberger Berman, Inc. ("Neuberger") is based solely on information in a Schedule 13G/A filed with the SEC by Neuberger on February 13, 2007 on behalf of itself, Neuberger Berman Equity Funds, Neuberger Berman Management Inc., and Neuberger Berman, LLC. The report states that (i) Neuberger has sole voting power over 222,534 shares, shared voting power over 1,387,200 shares, and shared dispositive power over 1,959,325 shares; (ii) Neuberger Berman, LLC has sole voting power over 222,534 shares, shared voting power over 1,387,200 shares, and shared dispositive power over 1,959,325 shares; (iii) Neuberger Berman Management Inc. has shared voting and dispositive powers over 1,387,200 shares; and (iv) Neuberger Berman Equity Funds has shared voting and dispositive powers over 1,370,100 shares.

(5) The number of shares beneficially owned by T. Rowe Price Associates, Inc. ("Price") is based solely on information in a Schedule 13G/A filed with the SEC on June 11, 2007. Price reported sole voting power over 235,400 shares and sole dispositive power over 1,587,836 shares. Price also reported for T. Rowe Price Mid-Cap Growth Fund, Inc. sole voting power over 600,000 shares.

The following table provides information as of October 1, 2007 with respect to beneficial ownership for each of our named executive officers for our most recently completed fiscal year, each of our directors, and all of our current executive officers and directors as a group.

Name of Beneficial Owner And Position	Amount of Beneficial Ownership of Common Stock (1)	Percent of Common Stock (2)
Dr. J. P. London Chairman of the Board, Executive Chairman	355,089(3)	1.18%
Paul M. Cofoni Director and President and CEO	49,800(4)	*(5)
William M. Fairl President, U.S. Operations CACI, INC.-FEDERAL	56,252(6)	*
Thomas A. Mutryn Executive Vice President , Chief Financial Officer, and Treasurer	0	0
Stephen L. Waechter Former Executive Vice President, Chief Financial Officer, and Treasurer	0(7)	0
Gregory R. Bradford Chief Executive, CACI Limited	276,350(8)	*
Herbert W. Anderson Director	11,000(9)	*
Dan R. Bannister Director	2,000	*
Peter A. Derow Director	22,000(10)	*
Gregory G. Johnson Director	5,000(11)	*

Name of Beneficial Owner And Position	Amount of Beneficial Ownership of Common Stock [1]	Percent of Common Stock [2]
Richard L. Leatherwood Director	34,000[12]	*
Barbara A. McNamara Director	14,788[13]	*
Dr. Warren R. Phillips Director	17,657[14]	*
Charles P. Revoile Director	32,174[15]	*
General Henry Hugh Shelton Director	0	*
All Executive Officers, Directors, as a Group (15 in number)	876,110	2.92%

(1) All options exercisable as of October 1, 2007 or within 60 days after that date are treated as exercised for the underlying shares of common stock. All restricted stock units (RSUs) vesting within 60 days after October 1, 2007 are treated as issued for the underlying shares of common stock.

(2) Based on 30,003,706 shares of common stock outstanding as of October 1, 2007.

(3) Includes 308,139 shares obtainable upon exercise of options exercisable within 60 days of October 1, 2007.

(4) Includes 49,800 shares obtainable upon exercise of options exercisable within 60 days of October 1, 2007.

(5) The asterisk (*) denotes that the individual holds less than one percent (1%) of outstanding common stock. This stock is included in the total percentage of outstanding common stock held by the Executive Officers and Directors shown above.

(6) Includes 5,389 shares in CACI's 401(k) plan, and 44,669 shares obtainable upon exercise of options exercisable within 60 days of October 1, 2007.

(7) Mr. Waechter forfeited 44,601 unvested options and 18,455 unvested RSUs upon his January 9, 2007 retirement from the Company. At the time of his January 9, 2007 retirement from the Company, Mr. Waechter held 8,000 shares, all of which he sold in May, 2007.

(8) Includes 239,534 shares obtainable upon exercise of options exercisable within 60 days of October 1, 2007.

(9) Includes 11,000 shares obtainable upon exercise of options exercisable within 60 days of October 1, 2007.

(10) Includes 12,000 shares obtainable upon exercise of options exercisable within 60 days of October 1, 2007.

(11) Includes 5,000 shares obtainable upon exercise of options exercisable within 60 days of October 1, 2007.

(12) Includes 4,000 shares owned by Mr. Leatherwood's wife and 17,000 shares obtainable upon exercise of options exercisable within 60 days of October 1, 2007.

(13) Includes 14,000 shares obtainable upon exercise of options exercisable within 60 days of October 1, 2007 and 54 RSUs that will vest within 60 days of October 1, 2007.

(14) Includes 17,000 shares obtainable upon exercise of options exercisable within 60 days of October 1, 2007.

(15) Includes 12,000 shares obtainable upon exercise of options exercisable within 60 days of October 1, 2007

Description of existing credit facility

Effective May 3, 2004, concurrent with the acquisition of the Defense and Intelligence Group of American Management Systems, Inc., we entered into a $550 million senior secured credit facility. Our senior secured credit facility consists of a term loan in the original principal amount of $350 million and a revolving credit arrangement in the amount of $200 million. We have flexibility under our senior secured credit facility to increase the revolving portion of the facility to $300 million. As of June 30, 2007, we had approximately $338.6 million outstanding under the term loan under this credit facility and no borrowings outstanding under our revolving credit arrangement under this credit facility. As of June 30, 2007, we also had approximately $4.8 million of indebtedness outstanding under other credit arrangements unrelated to this credit facility. On May 10, 2007, in connection with the issuance of the notes, we entered into an amendment of our senior credit facility with the necessary lenders in order, among other things, to permit the issuance of the notes and address certain related matters.

With certain limited exceptions, the senior credit facility is senior in priority to all other debt and is secured by substantially all of our assets and those of our subsidiaries. Our obligations under the senior credit facility are also guaranteed by substantially all of our subsidiaries. In the event that any subsidiary that is not already a guarantor under the senior credit facility becomes a guarantor with respect to the notes, such subsidiary will be required to become a guarantor under the senior credit facility.

The term loan bears interest, at our option, at either (i) the London Interbank Offered Rate, or LIBOR, plus 1.5%; or (ii) the base rate, which is defined as the higher of the federal funds rate plus 0.5% and the Bank of America prime rate. As of June 30, 2007, the effective annual interest rate on the term loan was approximately 6.65%.

The term loan is repayable in quarterly installments of principal, with minimum required quarterly principal repayments of approximately $875,000 at the end of each fiscal quarter through March 31, 2011, plus a final principal payment of approximately $325.5 million on May 3, 2011. Interest is payable on a quarterly basis.

There are mandatory prepayments of the term loan in the event of certain asset sales and debt and equity issuances and from “consolidated excess cash flow,” as defined in the credit agreement. Optional prepayments of the term loan are permitted without penalty or premium. Once repaid in full or in part, no reborrowings under the term loan can be made.

Borrowings under the revolving credit arrangement are generally subject to the terms of the credit agreement and bear interest at either LIBOR plus 1.00% to 2.00% (depending on our “consolidated leverage ratio,” as defined in the credit agreement), or the base rate plus 0.00% to 0.50% (depending on our consolidated leverage ratio). Borrowings and reborrowings of any available portion of the revolver can be made at any time through May 4, 2009, when all loans must be repaid and the revolving credit arrangement terminates. The fees for the unused portion of the revolving credit arrangement range from 0.30% to 0.50% (depending on our consolidated leverage ratio). There were no borrowings outstanding under the revolving credit arrangement as of June 30, 2007, and there were no such borrowings subsequent thereto through the date of this prospectus. The credit agreement also allows for the issuance of letters of credit up to $25,000,000 in the aggregate, provided there is capacity under the revolving credit arrangement. As of June 30, 2007, there were outstanding letters of credit totaling approximately $0.1 million.

The credit agreement contains restrictions and covenants, including limitations on the incurrence of additional debt, liens on assets, investments, merger and acquisition activity, asset sales, payment of dividends and stock repurchases, among others. In addition, we must maintain certain consolidated leverage and fixed charge coverage ratios and a consolidated minimum net worth, each as more fully defined in the credit agreement, as follows: (i) a consolidated leverage ratio of 4.50:1.0 or less; (ii) a consolidated senior leverage ratio of 3.50:1.0 or less; (iii) a minimum ratio of (x) our consolidated EBITDA plus rent and lease expense for the period of the four preceding fiscal quarters to (y) the cash portion of our consolidated interest charges plus scheduled payments of principal on indebtedness plus rent and lease expense plus dividend and stock repurchase payments for such period of 2.0:1.0; and (iv) a minimum net worth of $420 million, such amount being subject to increase on a cumulative basis as of the end of each fiscal quarter (commencing with the fiscal quarter ended March 31, 2004) by an amount equal to 50% of our consolidated net income for such quarter (to the extent positive) plus the net cash proceeds of equity issuances since May 3, 2004 (excluding equity issuances pursuant to the notes, the warrants or the related transactions). As of June 30, 2007 and giving effect to all required increases in the minimum net worth covenant amount as described above through the fiscal quarter ended on that date, we are required to maintain a minimum net worth of approximately $558.3 million.

The credit agreement contains events of default, including events of default for non-payment of the loan obligations, breaches of covenants, representations or warranties, cross-default to other indebtedness (including the notes), bankruptcy and insolvency events, unsatisfied judgments, suspension or debarment from contracting with the United States government or termination by the United States government of contracts where termination would have a material adverse effect on us, and change of control events, among others. In addition, any fundamental change, as defined in “Description of notes—Fundamental change permits holders to require us to purchase notes” below, will constitute an event of default under our senior credit facility. As described more fully below, any failure of the subordination terms of the notes to be effective and enforceable will also constitute an event of default under our senior credit facility.

Our senior credit facility expressly prohibits payments of principal or interest in respect of the notes in contravention of the subordination provisions of the notes. See "Description of notes—Subordination of the notes." It is an event of default under our senior credit facility if any of the subordination provisions of the notes shall, in whole or in part, terminate, cease to be effective or cease to be legally valid, binding and enforceable against any holder of the notes.

In addition, our senior credit facility prohibits us from making any cash payments on the conversion of the principal amount of any of the notes, or any cash payments in lieu of the issuance of any fractional shares of our common stock upon any such conversion, if an event of default then exists under the senior credit facility or if we have not delivered to the administrative agent under the senior credit facility an officer's certificate demonstrating that, giving effect to such payments (and the incurrence of any additional indebtedness in connection therewith) on a pro forma basis as if such payments had been made as of the first day of the most recent four fiscal quarter period for which we have delivered financial statements in accordance with the credit agreement, we would be in compliance with our financial covenants under the credit agreement as of the end of the most recent fiscal quarter for which we have so delivered financial statements.

In May 2005, as required under the credit agreement, we entered into two forward interest rate swap agreements under which we exchanged our floating-rate interest payments on a portion of the credit facility for fixed-rate interest payments. The agreements cover a combined notional amount of debt totaling $98 million, provide for swap payments over the twenty-seven month period beginning in March 2006, and are settled on a quarterly basis. The weighted-average fixed interest rate provided by the agreements is 4.22%.

We are under no obligation to amend or refinance our existing facility prior to its termination and we are in full compliance with all covenants under our existing facility.

Description of notes

We issued the notes under the indenture between us and The Bank of New York, as trustee. Initially, the trustee will also act as paying agent and conversion agent for the notes. The terms of the notes include those expressly set forth in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, as amended, or the Trust Indenture Act. The notes and the shares of common stock issuable upon conversion of the notes, if any, are covered by a registration rights agreement.

You may obtain a copy of the indenture and the registration rights agreement from us as described under "Where you can find more information" and "Documents incorporated by reference."

The following description is a summary of the material provisions of the notes, the indenture and the registration rights agreement, and does not purport to be complete. This summary is subject to and is qualified by reference to all the provisions of the notes and the indenture, including the definitions of certain terms used in the indenture and to all provisions of the registration rights agreement. We urge you to read these documents because they, and not this description, define your rights as a holder of the notes.

For purposes of this description, references to "we," "our" and "us" refer only to CACI International Inc and not to its subsidiaries.

General

The notes:

- are our general unsecured, senior subordinated obligations;
- bear interest from May 16, 2007 at an annual rate of 2.125%, payable on May 1 and November 1 of each year, beginning November 1, 2007;
- will mature on May 1, 2014, unless earlier converted or repurchased;
- have been issued in denominations of $1,000 and multiples of $1,000;
- are currently represented by a registered note in global form, but in certain limited circumstances may be represented by notes in certificated definitive form. See "Book-entry, settlement and clearance"; and
- are eligible for trading on the PORTAL ® market (although notes sold using this prospectus will no longer be eligible for trading in the PORTAL ® market).

Subject to fulfillment of certain conditions and during the periods described below, the notes may be converted into the consideration described below initially at a conversion rate of 18.2989 shares of common stock per $1,000 principal amount of notes (equivalent to a conversion price of approximately $54.65 per share of common stock). The conversion rate is

subject to adjustment if certain events occur. Upon conversion of a note, we will settle our conversion obligation based upon a daily conversion value calculated on a proportionate basis for each trading day in the applicable 45 trading-day observation period as described below under "—Conversion rights—Payment upon conversion." You will not receive any separate cash payment for interest or additional interest, if any, accrued and unpaid to the conversion date except under the limited circumstances described below.

The indenture does not limit the amount of debt which may be issued by us or our subsidiaries under the indenture or otherwise. The indenture does not contain any financial covenants and does not restrict us from paying dividends or issuing or repurchasing our other securities. Other than restrictions described under "—Fundamental change permits holders to require us to purchase notes" and "—Consolidation, merger and sale of assets" below, and except for the provisions set forth under "—Conversion rights—Adjustment to shares delivered upon conversion upon certain fundamental changes," the indenture does not contain any covenants or other provisions designed to afford holders of the notes protection in the event of a highly leveraged transaction involving us or in the event of a decline in our credit rating as the result of a takeover, recapitalization, highly leveraged transaction or similar restructuring involving us that could adversely affect such holders.

We may, without the consent of the holders, issue additional notes under the indenture with the same terms and with the same CUSIP numbers as the notes offered hereby in an unlimited aggregate principal amount, provided that such additional notes must be part of the same issue as the notes offered hereby for federal income tax purposes. We may also from time to time repurchase notes in open-market purchases or negotiated transactions without prior notice to holders.

We do not intend to list the notes on a national securities exchange or interdealer quotation system.

Payments on the notes; paying agent and registrar; transfer and exchange

We will pay principal of certificated notes at the office or agency designated by us for that purpose. We have initially designated The Bank of New York as our paying agent and registrar and its agency in New York, New York as a place where notes may be presented for payment or for registration of transfer. We may, however, change the paying agent or registrar without prior notice to the holders of the notes, and we may act as paying agent or registrar. Interest (including additional interest, if any) on certificated notes will be payable (i) to holders having an aggregate principal amount of $5,000,000 or less, by check mailed to the holders of these notes and (ii) to holders having an aggregate principal amount of more than $5,000,000, either by check mailed to each holder or, upon application by a holder to the registrar not later than the relevant record date, by wire transfer in immediately available funds to that holder's account within the United States, which application shall remain in effect until the holder notifies, in writing, the registrar to the contrary.

We will pay principal of and interest (including any additional interest) on notes in global form registered in the name of or held by DTC or its nominee in immediately available funds to DTC or its nominee, as the case may be, as the registered holder of such global note.

A holder of notes may transfer or exchange notes at the office of the registrar in accordance with the indenture. The registrar and the trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents. No service charge will be imposed by us, the trustee or the registrar for any registration of transfer or exchange of notes, but we may require a holder to pay a sum sufficient to cover any transfer tax or other similar governmental charge required by law or permitted by the indenture. You may not sell or otherwise transfer notes or the common stock issuable upon conversion of notes except in compliance with the provisions set forth below under "—Registration rights." Also, we are not required to register any transfer or exchange of any note for a period of 15 days before the mailing of a notice of redemption.

The registered holder of a note will be treated as its owner for all purposes.

Interest

The notes bear interest at a rate of 2.125% per year until maturity. Interest on the notes began accruing on May 16, 2007 and will be payable semiannually in arrears on May 1 and November 1 of each year, beginning November 1, 2007. We will pay additional interest, if any, under the circumstances described under "—Events of default" and "—Registration rights."

Interest will be paid to the person in whose name a note is registered at the close of business on April 15 or October 15, as the case may be, immediately preceding the relevant interest payment date. Interest on the notes is computed on the basis of a 360-day year composed of twelve 30-day months.

If any interest payment date (other than an interest payment date coinciding with the stated maturity date or earlier required repurchase date upon a fundamental change) of a note falls on a day that is not a business day, such interest payment date will be postponed to the next succeeding business day. If the stated maturity date or earlier required repurchase date upon a fundamental change would fall on a day that is not a business day, the required payment of interest, if any, and principal (and additional interest, if any), will be made on the next succeeding business day and no interest on such payment will accrue for the period from and after the stated maturity date or earlier required repurchase date upon a fundamental change to such next succeeding business day. The term "business day" means, with respect to any note, any day other than (i) a Saturday, a Sunday or a day on which the Federal Reserve Bank of New York is closed, or (ii) a day on which the corporate trust office of the trustee is closed for business.

Ranking

The notes are our direct, senior subordinated, unsecured obligations and rank, or will rank:

- senior in right of payment to our existing and future indebtedness that provides for its subordination to the notes;
- equal in right of payment to our existing and future indebtedness providing for equal ranking with the notes;
- junior in right of payment to all of our other existing and future indebtedness; and
- structurally junior to all existing and future liabilities incurred by our subsidiaries.

We have agreed not to have any layer of indebtedness that is junior in right of payment to our senior indebtedness, unless the indebtedness ranks equal or junior in right of payment to the notes. For additional information, see "—Subordination of the notes" and "—No layering of indebtedness."

As of June 30, 2007, our total long-term debt, excluding the notes, was $343.4 million, all of which ranks senior to the notes.

Conversion rights

General

Prior to the close of business on the business day immediately preceding February 19, 2014, the notes will be convertible only upon satisfaction of one or more of the conditions described under the headings "—Conversion upon satisfaction of sale price condition," "—Conversion upon satisfaction of trading price condition" and "—Conversion upon specified corporate transactions." On or after February 19, 2014, holders may convert each of their notes at the applicable conversion rate at any time prior to the close of business on the third business day immediately preceding the maturity date. The initial conversion rate is 18.2989 shares of common stock per $1,000 principal amount of notes (equivalent to a conversion price of approximately $54.65 per share of common stock). The trustee will initially act as the conversion agent.

The conversion rate and the equivalent conversion price in effect at any given time are referred to as the "applicable conversion rate" and the "applicable conversion price," respectively, and are subject to adjustment as described below. A holder may convert fewer than all of such holder's notes so long as the notes converted are a multiple of $1,000 principal amount. In connection with each such conversion, we will deliver (1) cash equal to the lesser of the aggregate principal amount or the conversion value of the notes to be converted and (2) shares of our common stock in respect of the remainder, if any, of our conversion obligation in excess of the aggregate principal amount of the notes being converted, which settlement method we refer to as "net share settlement."

If a holder of notes has submitted notes for repurchase upon a fundamental change, the holder may convert those notes only if that holder withdraws the repurchase election made by that holder.

Upon conversion, you will not receive any separate cash payment for accrued and unpaid interest and additional interest, if any, unless such conversion occurs between a regular record date and the interest payment date to which it relates. We will not issue fractional shares of our common stock upon conversion of notes. Instead, we will pay cash in lieu of fractional shares based on the daily VWAP (as defined under "— Payment upon conversion") of our common stock on the last day of the observation period (as defined under "— Payment upon conversion"). Our delivery to you of cash or a combination of cash and shares of our common stock, as the case may be, together with any cash payment for any fractional share, into which a note is convertible, will be deemed to satisfy in full our obligation to pay:

- the principal amount of the note; and
- accrued and unpaid interest and additional interest, if any, to, but not including, the conversion date.

As a result, accrued and unpaid interest and additional interest, if any, to, but not including, the conversion date will be deemed to be paid in full rather than cancelled, extinguished or forfeited.

Notwithstanding the preceding paragraph, if notes are converted after 5:00 p.m., New York City time, on a regular record date for the payment of interest, holders of such notes at 5:00 p.m., New York City time, on such record date will receive the interest and additional interest, if any, payable on such notes on the corresponding interest payment date notwithstanding the conversion. Notes, upon surrender for conversion during the period from 5:00 p.m., New York City time, on any regular record date to 9:00 a.m., New York City time, on the immediately following interest payment date, must be accompanied by funds equal to the amount of interest and additional interest, if any, payable on the notes so converted; provided that no such payment need be made:

- for conversions following the record date immediately preceding the maturity date;
- if we have specified a fundamental change purchase date that is after a record date and on or prior to the third trading day after the corresponding interest payment date; or
- to the extent of any overdue interest, if any overdue interest exists at the time of conversion with respect to such note.

If a holder converts notes, we will pay any documentary, stamp or similar issue or transfer tax due on the issue of any shares of our common stock upon the conversion, unless the tax is due because the holder requests any shares to be issued in a name other than the holder's name, in which case the holder will pay that tax.

Holders may surrender their notes for conversion under the following circumstances:

Conversion upon satisfaction of sale price condition

Prior to the close of business on the business day immediately preceding February 19, 2014, a holder may surrender all or a portion of its notes for conversion during any fiscal quarter (and only during such fiscal quarter) commencing after May 31, 2007, if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter is greater than or equal to 130% of the applicable conversion price on each applicable trading day.

The "last reported sale price" of our common stock on any date means the closing sale price per share (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average asked prices) on that date as reported in composite transactions for the principal U.S. securities exchange on which our common stock is traded. If our common stock is not listed for trading on a U.S. national or regional securities exchange on the relevant date, the "last reported sale price" will be the last quoted bid price for our common stock in the over-the-counter market on the relevant date as reported by the National Quotation Bureau or similar organization. If our common stock is not so quoted, the "last reported sale price" will be the average of the mid-point of the last bid and ask prices for our common stock on the relevant date from each of at least three nationally recognized independent investment banking firms selected by us for this purpose.

"Trading day" means a day on which (i) trading in securities generally occurs on the New York Stock Exchange or, if our common stock is not then listed on the New York Stock Exchange, on the principal other United States national or regional securities exchange on which our common stock is then listed or, if our common stock is not then listed on a United States national or regional securities exchange, in the principal other market on which our common stock is then traded, (ii) there is no market disruption event and (iii) a last reported sale price for our common stock is available on such securities exchange or market. If our common stock (or other security for which a closing sale price must be determined) is not so listed or quoted, "trading day" means a "business day."

"Market disruption event" means the occurrence or existence on any scheduled trading day for our common stock of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant stock exchange or otherwise) in our common stock on the relevant exchange or in any options, contracts or future contracts relating to our common stock on the relevant exchange, and such suspension or limitation occurs or exists during the one hour period before the closing time of the relevant exchange on such day.

Conversion upon satisfaction of trading price condition

Prior to the close of business on the business day immediately preceding February 19, 2014, a holder of notes may surrender its notes for conversion during the five business day period after any 10 consecutive trading day period (the "measurement period") in which the "trading price" per $1,000 principal amount of notes, as determined following a request by a holder of notes in accordance with the procedures described below, for each day of that period was less than 97% of the product of the last reported sale price of our common stock and the applicable conversion rate on each such day.

The "trading price" of the notes on any date of determination means the average of the secondary market bid quotations per $1,000 original principal amount of the notes obtained by the bid solicitation agent, initially the trustee, for $5 million principal amount of the notes at approximately 3:30 p.m., New York City time, on such determination date from three independent nationally recognized securities dealers we select; provided that, if three such bids cannot reasonably be obtained by the bid solicitation agent but two such bids are obtained, then the average of the two bids shall be used, and if only one such bid can reasonably be obtained by the bid solicitation agent, that one bid shall be used. If the bid solicitation agent cannot reasonably obtain at least one bid for $5 million principal amount of the notes from a nationally recognized securities dealer, then the trading price per $1,000 principal amount of notes will be deemed to be less than 97% of the product of the last reported sale price of our common stock and the applicable conversion rate.

In connection with any conversion upon satisfaction of the above trading price condition, the bid solicitation agent shall have no obligation to determine the trading price of the notes unless we have requested such determination; and we shall have no obligation to make such request unless a holder of a note provides us with reasonable evidence that the trading price per $1,000 principal amount of notes would be less than 97% of the product of the last reported sale price of our common stock and the applicable conversion rate. At such time, we shall instruct the bid solicitation agent to determine the trading price of the notes beginning on the next trading day and on each successive trading day until the trading price per $1,000 principal amount of notes is greater than or equal to 97% of the product of the last reported sale price of our common stock and the applicable conversion rate. If we do not so instruct the bid solicitation agent to obtain bids when required, the trading price per $1,000 principal amount of the notes will be deemed to be less than 97% of the product of the last reported sale price and the applicable conversion rate on each day we fail to do so. If the trading price condition has been met, we will so notify the holders. If, at any time after the trading price condition has been met, the trading price per $1,000 principal amount of the notes is greater than 97% of the product of the last reported sale price of our common stock and the conversion rate for such date, we will so notify the holders.

Conversion upon specified corporate transactions

Certain distributions

If we elect to:

- issue to all or substantially all holders of our common stock certain rights entitling them to purchase, for a period expiring within 60 days after the date of the distribution, shares of our common stock at less than the average of the last reported sale prices of a share of our common stock for the 10 consecutive trading day period ending on the business day preceding the announcement of such issuance; or
- distribute to all or substantially all holders of our common stock our assets, debt securities or certain rights to purchase our securities, which distribution has a per share value, as reasonably determined by our board of directors, exceeding 10% of the last reported sale price of our common stock on the business day preceding the declaration date for such distribution,

we must notify the holders of the notes at least 25 scheduled trading days prior to the "ex-dividend date" for such distribution. Once we have given such notice, holders may surrender their notes for conversion at any time until the earlier of 5:00 p.m., New York City time, on the business day immediately prior to the ex-dividend date or our announcement that such distribution will not take place, even if the notes are not otherwise convertible at such time. As used in this Description of notes, "ex-dividend date" means the first date on which the shares of our common stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive the issuance or distribution in question.

Certain corporate events

If we are party to a transaction described in clause (2) of the definition of fundamental change (without giving effect to the paragraph following that definition), we must notify holders of the notes at least 47 scheduled trading days prior to the anticipated effective date for such transaction. Once we have given such notice, holders may surrender their notes for conversion at any time until 15 calendar days after the actual effective date of such transaction (or if such transaction also constitutes a fundamental change, until the related fundamental change purchase date, if later). In addition, you may surrender all or a portion of your notes for conversion if a fundamental change of the type described in clause (1) or (4) of the definition of fundamental change occurs. In such event, you may surrender notes for conversion at any time beginning on the actual effective date of such fundamental change until and including the date which is 30 calendar days after the actual effective date of such transaction or, if later, until the related fundamental change purchase date. Please refer to "Fundamental change permits holders to require us to purchase notes" below for the definition of fundamental change.

Conversions on or after February 19, 2014

On or after February 19, 2014, holders may convert each of their notes at any time prior to the close of business on the third business day immediately preceding the maturity date regardless of the foregoing conditions.

Conversion procedures

If you hold a beneficial interest in a global note, to convert you must comply with DTC's procedures for converting a beneficial interest in a global note and, if required, pay funds equal to interest payable on the next interest payment date to which you are not entitled and, if required, pay all transfer or similar taxes.

If you hold a certificated note, to convert you must:

- complete and manually sign the conversion notice on the back of the note, or a facsimile of the conversion notice;
- deliver the conversion notice, which is irrevocable, and the note to the conversion agent;
- if required, furnish appropriate endorsements and transfer documents;
- if required, pay all transfer or similar taxes; and
- if required, pay funds equal to interest payable on the next interest payment date to which you are not entitled.

The date you comply with these requirements is the "conversion date" under the indenture. A holder receiving shares of our common stock upon conversion will not be entitled to any rights as a holder of our common stock, including, among other things, the right to vote and receive dividends and notices of stockholder meetings, until the close of business on the last trading day of the observation period.

If a holder has already delivered a purchase notice as described under "—Fundamental change permits holders to require us to purchase notes" with respect to a note, the holder may not surrender that note for conversion until the holder has withdrawn the notice in accordance with the indenture.

Payment upon conversion

Upon conversion, we will deliver to the holders in respect of each $1,000 principal amount of notes being converted a "settlement amount" equal to the sum of the daily settlement amounts for each of the 45 trading days during the observation period. Net share settlements will occur on the third business day following the final trading day of the observation period (as defined below).

The "daily settlement amount," for each of the 45 trading days during the observation period, shall consist of:

- cash equal to the lesser of (i) one-forty-fifth of $1,000 and (ii) the daily conversion value for such trading day; and
- to the extent the daily conversion value exceeds one-forty-fifth of $1,000, a number of shares equal to (A) the difference between the daily conversion value and one-forty-fifth of $1,000, divided by (B) the daily VWAP for such day.

The "daily conversion value" means, for each of the 45 consecutive trading days during the observation period, one-forty-fifth of the product of (1) the applicable conversion rate and (2) the daily VWAP of our common stock on such day.

The "daily VWAP" means, for each of the 45 consecutive trading days during the observation period, the per share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page "CAI.N <equity> AQR" (or its equivalent successor if such page is not available) in respect of the period from scheduled open of trading until the scheduled close of trading of the primary trading session on such trading day (or if such volume-weighted average price is unavailable, the market value of one share of our common stock on such trading day determined, using a volume-weighted average method, by a nationally recognized independent investment banking firm retained for this purpose by us). Daily VWAP will be determined without regard to after hours trading or any other trading outside of the regular trading session hours.

The "observation period" with respect to any note means:

- for notes with a conversion date occurring on or after February 19, 2014, the 45 consecutive trading day period beginning on, and including, the 47 th scheduled trading day prior to the maturity date;
- in all other instances, the 45 consecutive trading day period beginning on, and including, the third trading day immediately following the relevant conversion date.

For the purposes of determining payment upon conversion only, "trading day" means a day on which (i) there is no market disruption event (as defined below) and (ii) trading in our common stock generally occurs on the New York Stock Exchange or, if our common stock is not then listed on the New York Stock Exchange, on the principal other United States national or regional securities exchange on which our common stock is then listed or, if our common stock is not then listed on a United States national or regional securities exchange, in the principal other market on which our common stock is then traded. If our common stock (or other security for which a daily VWAP must be determined) is not so listed or quoted, "trading day" means a "business day."

"Scheduled trading day" means a day that is scheduled to be a trading day on the primary United States national or regional securities exchange or market on which our common stock is listed or admitted for trading. If our common stock is not so listed or admitted for trading, "scheduled trading day" means a business day.

For the purposes of determining payment upon conversion only, "market disruption event" means (i) a failure by the primary United States national or regional securities exchange or market on which our common stock is listed or admitted to trading to open for trading during its regular trading session or (ii) the occurrence or existence prior to 1:00 p.m., New York City time, on any trading day for our common stock for an aggregate one half hour period of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant stock exchange or otherwise) in our common stock on the relevant exchange or in any options, contracts or future contracts relating to our common stock on the relevant exchange.

We will deliver cash in lieu of any fractional share of common stock issuable in connection with payment of the settlement amount (based upon the daily VWAP for the final trading day of the applicable observation period).

Conversion rate adjustments

The conversion rate will be adjusted as described below, except that we will not make any adjustments to the conversion rate if holders of the notes participate, as a result of holding the notes, in any of the transactions described below without having to convert their notes.

(1) If we exclusively issue shares of our common stock as a dividend or distribution on shares of our common stock, or if we effect a share split or share combination, the conversion rate will be adjusted based on the following formula:

$$CR' = CR_0 \times \frac{OS'}{OS_0}$$

where,

CR' = the conversion rate in effect immediately after the ex-dividend date or effective date;

CR_0 = the conversion rate in effect immediately prior to the ex-dividend date of such dividend or distribution, or the effective date of such share split or combination, as applicable;

OS' = the number of shares of our common stock outstanding prior to such ex-dividend date or effective date after giving effect to such dividend, distribution, share split or share combination; and

OS_0 = the number of shares of our common stock outstanding immediately prior to such ex-dividend date or effective date.

(2) If we issue to all or substantially all holders of our common stock any rights or warrants entitling them for a period of not more than 60 calendar days to subscribe for or purchase shares of our common stock, at a price per share less than the average of the last reported sale prices of our common stock for the 10 consecutive trading day period ending on the trading day immediately preceding the date of announcement of such issuance, the conversion rate will be adjusted based on the following formula (provided that the conversion rate will be readjusted to the extent that such rights or warrants are not exercised prior to their expiration):

$$CR' = CR_0 \times \frac{OS_0 + X}{OS_0 + Y}$$

where,

CR' = the conversion rate in effect immediately after the ex-dividend date for such issuance;

CR_0 = the conversion rate in effect immediately prior to the ex-dividend date for such issuance;

OS_0 = the number of shares of our common stock outstanding immediately after such ex-dividend date;

X = the total number of shares of our common stock issuable pursuant to such rights or warrants; and

Y = the number of shares of our common stock equal to the aggregate price payable to exercise such rights or warrants divided by the average of the last reported sale prices of our common stock over the 10 consecutive trading day period ending on the trading day immediately preceding the date of announcement of the issuance of such rights or warrants.

(3) If we distribute shares of our capital stock, evidences of our indebtedness or other assets or property of ours to all or substantially all holders of our common stock, excluding

- dividends or distributions and rights or warrants referred to in clause (1) or (2) above;
- dividends or distributions paid exclusively in cash; and
- spin-offs to which the provisions set forth below in this clause (3) shall apply;

then the conversion rate will be adjusted based on the following formula:

$$CR' = CR_0 \times \frac{SP_0}{SP_0 - FMV}$$

where,

CR' = the conversion rate in effect immediately after the ex-dividend date for such distribution;

CR_0 = the conversion rate in effect immediately prior to the ex-dividend date for such distribution;

SP_0 = the average of the last reported sale prices of our common stock over the 10 consecutive trading-day period ending on the trading day immediately preceding the ex-dividend date for such distribution; and

FMV = the fair market value (as determined by our board of directors) of the shares of capital stock, evidences of indebtedness, assets or property distributed with respect to one share of our common stock on the record date for such distribution.

With respect to an adjustment pursuant to this clause (3) where there has been a payment of a dividend or other distribution on our common stock or shares of capital stock of any class or series, or similar equity interest, of or relating to a subsidiary or other business unit, which we refer to as a "spin-off," the conversion rate in effect immediately before 5:00 p.m., New York City time, on the effective date of the spin-off will be increased based on the following formula:

$$CR' = CR_0 \times \frac{FMV_0 + MP_0}{MP_0}$$

where,

CR' = the conversion rate in effect immediately after the effective date of the adjustment;

CR_0 = the conversion rate in effect immediately prior to the effective date of the adjustment;

FMV_0 = the average of the last reported sale prices of the capital stock or similar equity interest distributed to holders of our common stock applicable to one share of our common stock over the first 10 consecutive trading-day period after, and including, the effective date of the spin-off; and

MP_0 = the average of the last reported sale prices of our common stock over the first 10 consecutive trading-day period after, and including, the effective date of the spin-off.

The adjustment to the conversion rate under the preceding paragraph will occur on the 10th trading day from, and including, the effective date of the spin-off; provided that in respect of any conversion within 10 trading days immediately following, and including, the effective date of any spin-off, references within this clause (3) to "10 trading days" shall be deemed replaced with such lesser number of trading days as have elapsed between the effective date of such spin-off and the conversion date in determining the applicable conversion rate.

(4) If any cash dividend or distribution is made to all or substantially all holders of our common stock, the conversion rate will be adjusted based on the following formula:

$$CR' = CR_0 \times \frac{SP_0}{SP_0 - C}$$

where,

CR'= the conversion rate in effect immediately after the ex-dividend date for such dividend or distribution;

CR_0 = the conversion rate in effect immediately prior to the ex-dividend date for such dividend or distribution;

SP_0 = the last reported sale price of our common stock on the trading day immediately preceding the ex-dividend date for such dividend or distribution; and

C = the amount in cash per share we distribute to holders of our common stock.

(5) If we or any of our subsidiaries make a payment in respect of a tender offer or exchange offer for our common stock, to the extent that the cash and value of any other consideration included in the payment per share of common stock exceeds the last reported sale price of our common stock on the trading day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer, the conversion rate will be increased based on the following formula:

$$CR' = CR_0 \times \frac{AC + (SP' \times OS')}{OS_0 \times SP'}$$

where,

CR' = the conversion rate in effect immediately after the effective date of the adjustment;

CR_0 = the conversion rate in effect immediately prior to the effective date of the adjustment;

AC = the aggregate value of all cash and any other consideration (as determined by our board of directors) paid or payable for shares purchased in such tender or exchange offer;

SP' = the average of the last reported sale prices of our common stock over the 10 consecutive trading-day period commencing on the trading day next succeeding the date such tender or exchange offer expires;

OS' = the number of shares of our common stock outstanding immediately after the date such tender or exchange offer expires; and

OS_0 = the number of shares of our common stock outstanding immediately prior to the date such tender or exchange offer expires.

The adjustment to the conversion rate under the preceding paragraph will occur on the tenth trading day from, and including, the trading day next succeeding the date such tender or exchange offer expires; provided that in respect of any conversion within the 10 trading days beginning on the trading day next succeeding the date the tender or exchange offer expires, references within this clause (5) to "10 trading days" shall be deemed replaced with such lesser number of trading days as have elapsed between the trading day next succeeding the date the tender or exchange offer expires and the conversion date in determining the applicable conversion rate.

Except as stated herein, we will not adjust the conversion rate for the issuance of shares of our common stock or any securities convertible into or exchangeable for shares of our common stock or the right to purchase shares of our common stock or such convertible or exchangeable securities. No adjustment in the conversion rate will be required unless the adjustment would require an increase or decrease of at least 1% of the conversion rate. If the adjustment is not made because the adjustment does not change the conversion rate by at least 1%, then the adjustment that is not made will be carried forward and taken into account in any future adjustment. All required calculations will be made to the nearest cent or 1/1000th of a share, as the case may be.

If, however, the application of the foregoing formulas would result in a decrease in the conversion rate, no adjustment to the conversion rate will be made (other than as a result of a share split or share combination).

We are permitted to increase the conversion rate of the notes by any amount for a period of at least 20 days if our board of directors determines that such increase would be in our best interest. We may also (but are not required to) increase the conversion rate to avoid or diminish income tax to holders of our common stock or rights to purchase shares of our common stock in connection with a dividend or distribution of shares (or rights to acquire shares) or similar event.

A holder may, in some circumstances, including the distribution of cash dividends to holders of our shares of common stock, be deemed to have received a distribution or dividend subject to U.S. federal income tax as a result of an adjustment or the nonoccurrence of an adjustment to the conversion rate. For a discussion of the U.S. federal income tax treatment of an adjustment to the conversion rate, see "Certain U.S. federal income tax considerations."

To the extent that we have a rights plan in effect upon conversion of the notes into common stock, you will receive, in addition to the common stock, the rights under the rights plan, unless prior to any conversion, the rights have separated from the common stock, in which case, and only in such case, the conversion rate will be adjusted at the time of separation as if we distributed to all holders of our common stock, shares of our capital stock, evidences of indebtedness or assets as described in clause (3) above, subject to readjustment in the event of the expiration, termination or redemption of such rights.

Notwithstanding any of the foregoing, the applicable conversion rate will not be adjusted:

- upon the issuance of any shares of our common stock pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on our securities and the investment of additional optional amounts in shares of our common stock under any plan;
- upon the issuance of any shares of our common stock or options or rights to purchase those shares pursuant to any present or future employee, director or consultant benefit plan or program of ours or assumed by us or any of our subsidiaries;
- upon the issuance of any shares of our common stock pursuant to any option, warrant, right or exercisable, exchangeable or convertible security not described in the preceding bullet and outstanding as of the date the notes were first issued;
- for a change in the par value of the common stock;
- for accrued and unpaid interest and additional interest, if any; or
- for the avoidance of doubt, for (i) the issuance of common stock by us (other than to all or substantially all holders of our common stock) or (ii) the payment of cash by us upon conversion or repurchase of notes.

Except as described above in this section, we will not adjust the conversion rate.

Recapitalizations, reclassifications and changes of our common stock

In the case of any recapitalization, reclassification or change of our common stock (other than changes resulting from a subdivision or combination), a consolidation, merger or combination involving us, a sale, lease or other transfer to a third party of the consolidated assets of us and our subsidiaries substantially as an entirety, or any statutory share exchange, in each case as a result of which our common stock would be converted into, or exchanged for, stock, other securities, other property or assets (including cash or any combination thereof), then, at the effective time of the transaction, the right to convert a note will be changed into a right to convert it into the kind and amount of shares of stock, other securities or other property or assets (including cash or any combination thereof) that a holder of a number of shares of common stock equal to the conversion rate prior to such transaction would have owned or been entitled to receive (the "reference property") upon such transaction. If the transaction causes our common stock to be converted into the right to receive more than a single type of consideration (determined based in part upon any form of stockholder election), the reference property into which the notes will be convertible will be deemed to be the weighted average of the types and amounts of consideration received by the holders of our common stock that affirmatively make such an election. However, at and after the effective time of the transaction, we will continue to be able to satisfy our conversion obligations by delivering

- cash up to the aggregate principal amount thereof, and
- in lieu of common stock otherwise deliverable, the reference property that holders of the common stock would have received,

in accordance with the procedures set forth under "—Payment upon conversion." The amount of cash and any reference property you receive will be based on a daily conversion value and a daily settlement amount determined using the value of the reference property (using a volume weighted average method) during the applicable observation period in lieu of daily VWAP for the common stock. We will agree in the indenture not to become a party to any such transaction unless its terms are consistent with the foregoing.

Adjustments of average prices

Whenever any provision of the indenture requires us to calculate an average of last reported prices or daily VWAP over a span of multiple days, we will make appropriate adjustments to account for any adjustment to the conversion rate that becomes effective, or any event requiring an adjustment to the conversion rate where the ex-dividend date or effective date of the event occurs, at any time during the period from which the average is to be calculated.

Adjustment to shares delivered upon conversion upon certain fundamental changes

If you elect to convert your notes as described above under "—Conversion upon specified corporate transactions—Certain corporate events," and the corporate transaction constitutes a fundamental change described in clause (1) or (2) of such term (as defined under "Fundamental change permits holders to require us to purchase notes"), in certain circumstances described below, the conversion rate will be increased by an additional number of shares of common stock (the "additional shares") as described below. Any conversion will be deemed to have occurred in connection with such fundamental change only if such notes are surrendered for conversion at a time when the notes would be convertible in light of the expected or actual occurrence of a fundamental change and notwithstanding the fact that a note may then be convertible because another condition to conversion has been satisfied.

The number of additional shares by which the conversion rate will be increased will be determined by reference to the table below, based on the date on which the fundamental change occurs or becomes effective, which we refer to below as the effective date, and the price paid per share of our common stock in the fundamental change, which we refer to below as the stock price. If the fundamental change is a transaction described in clause (2) of the definition thereof, and holders of our common stock receive only cash in the fundamental change, the stock price shall be the cash amount paid per share. Otherwise, the stock price shall be the average of the last reported sale prices of our common stock over the five trading day period ending on the trading-day preceding the effective date of the fundamental change.

The stock prices set forth in the first row of the table below (i.e., column headers) will be adjusted as of any date on which the conversion rate of the notes is otherwise adjusted. The adjusted stock prices will equal the stock prices applicable immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the conversion rate immediately prior to the adjustment giving rise to the stock price adjustment and the denominator of which is the conversion rate as so adjusted. The number of additional shares will be adjusted in the same manner as the conversion rate as set forth under "—Conversion rate adjustments."

The following table sets forth the hypothetical stock price, the effective date and the number of additional shares to be added to the conversion rate per $1,000 principal amount of notes:

	Stock Price													
Effective Date	**$ 45.54**	**$ 50.00**	**$ 55.00**	**$ 60.00**	**$ 65.00**	**$ 70.00**	**$ 75.00**	**$ 80.00**	**$ 85.00**	**$ 90.00**	**$ 95.00**	**$100.00**	**$105.00**	**$110.00**
May 16, 2007	3.6598	2.9435	2.4018	1.9993	1.6932	1.4555	1.2672	1.1152	0.9905	0.8865	0.7986	0.7234	0.6583	0.6013
May 1, 2008	3.6598	2.8713	2.3040	1.8896	1.5801	1.3441	1.1603	1.0143	0.8963	0.7993	0.7182	0.6495	0.5904	0.5391
May 1, 2009	3.6598	2.7712	2.1708	1.7498	1.4373	1.2044	1.0272	0.8895	0.7805	0.6924	0.6200	0.5594	0.5079	0.4635
May 1, 2010	3.6598	2.6529	2.0169	1.5737	1.2596	1.0328	0.8656	0.7398	0.6429	0.5667	0.5054	0.4550	0.4128	0.3769
May 1, 2011	3.6598	2.5031	1.8158	1.3534	1.0392	0.8226	0.6706	0.5616	0.4813	0.4207	0.3735	0.3357	0.3047	0.2786
May 1, 2012	3.6598	2.2970	1.5385	1.0554	0.7493	0.5548	0.4299	0.3479	0.2924	0.2533	0.2246	0.2024	0.1846	0.1697
May 1, 2013	3.6598	2.0078	1.1248	0.6211	0.3502	0.2109	0.1412	0.1060	0.0874	0.0765	0.0690	0.0634	0.0586	0.0544
May 1, 2014	3.6598	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

The exact stock prices and effective dates may not be set forth in the table above, in which case:

- If the stock price is between two stock price amounts in the table or the effective date is between two effective dates in the table, the number of additional shares will be determined by a straight-line interpolation between the number of additional shares set forth for the higher and lower stock price amounts and the two dates, as applicable, based on a 365-day year;
- If the stock price is greater than $110.00 per share (subject to adjustment), no additional shares will be added to the conversion rate; and
- If the stock price is less than $45.54 per share (subject to adjustment), no additional shares will be added to the conversion rate.

Notwithstanding the foregoing, in no event will the total number of shares of common stock issuable upon conversion exceed 21.9587 per $1,000 principal amount of notes, subject to adjustments in the same manner as the conversion rate as set forth under "—Conversion rate adjustments."

Our obligation to satisfy the additional shares requirement could be considered a penalty, in which case the enforceability thereof would be subject to general principles of reasonableness and equitable remedies.

Limitation on conversion rate adjustments

Notwithstanding anything to the contrary in this Description of notes, certain listing standards of The New York Stock Exchange may limit the amount by which we may increase the conversion rate pursuant to the events described in clauses (2) through (5) in the sections captioned "—Conversion rate adjustments" and "—Adjustment to shares delivered upon conversion upon certain fundamental changes." These standards generally require us to obtain the approval of our stockholders before entering into certain transactions that could potentially result in the issuance of 20% or more of our common stock outstanding at the time the notes are issued unless we obtain stockholder approval of issuances in excess of such limitations. In accordance with these listing standards, these restrictions will apply at any time when the notes are outstanding, regardless of whether we then have a class of securities listed on the New York Stock Exchange. Accordingly, in the event of an increase in the conversion rate above that would result in the notes, in the aggregate, becoming convertible into shares in excess of such limitations, we will, at our option, either obtain stockholder approval of such transactions leading to an increase in the conversion rate or deliver cash in lieu of any shares otherwise deliverable upon conversions in excess of such limitations (based on the last reported sale price of our common stock on the trading day immediately prior to the date when such shares would otherwise be required to be distributed).

Fundamental change permits holders to require us to purchase notes

If a fundamental change (as defined below in this section) occurs at any time, you will have the right, at your option, to require us to purchase for cash any or all of your notes, or any portion of the principal amount thereof, that is equal to $1,000 or a multiple of $1,000. The price we are required to pay is equal to 100% of the principal amount of the notes to be purchased plus accrued and unpaid interest, including additional interest, to but excluding the fundamental change purchase date (unless the fundamental change purchase date is between a regular record date and the interest payment date to which it relates, in which case we will pay accrued and unpaid interest to the holder of record on such regular record date). The fundamental change purchase date will be a date specified by us that is no later than the 30 th calendar day following the date of our fundamental change notice as described below. Any notes purchased by us will be paid for in cash.

A "fundamental change" will be deemed to have occurred at the time after the notes are originally issued that any of the following occurs:

(1) a "person" or "group" within the meaning of Section 13(d) of the Exchange Act other than us, our subsidiaries or our or their employee benefit plans, becomes the direct or indirect "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, of our common equity representing more than 50% of the voting power of our common equity;

(2) consummation of (A) any recapitalization, reclassification or change of our common stock (other than changes resulting from a subdivision or combination) as a result of which our common stock would be converted into, or exchanged for, stock, other securities, other property or assets or (B) any share exchange, consolidation or merger of us (excluding a merger solely for the purpose of changing our jurisdiction of incorporation) pursuant to which our common stock will be converted into cash, securities or other property or any sale, lease or other transfer in one transaction or a series of transactions of all or substantially all of the consolidated assets of us and our subsidiaries, taken as a whole, to any person other than one of our subsidiaries; provided that a transaction where the holders of more than 50% of all classes of our common equity immediately prior to such transaction that is a share exchange, consolidation or merger own, directly or indirectly, more than 50% of all classes of common equity of the continuing or surviving corporation or transferee or the parent thereof immediately after such event shall not be a fundamental change;

(3) our stockholders approve any plan or proposal for the liquidation or dissolution of us; or

(4) our common stock (or other common stock into which the notes are then convertible) ceases to be listed on any national securities exchange or quoted on an established automated over-the-counter trading market in the United States.

A fundamental change as a result of clause (2) above will not be deemed to have occurred, however, if at least 90% of the consideration received or to be received by our common stockholders, excluding cash payments for fractional shares, in connection with the transaction or transactions constituting the fundamental change consists of shares of common stock traded on a national securities exchange or which will be so traded or quoted when issued or exchanged in connection with a fundamental change (these securities being referred to as "publicly traded securities") and as a result of this transaction or transactions the notes become convertible into such publicly traded securities, excluding cash payments for fractional shares, subject to the provisions set forth above under "—Payment upon conversion."

On or before the 20 th day after the occurrence of a fundamental change, we will provide to all holders of the notes and the trustee and paying agent a notice of the occurrence of the fundamental change and of the resulting purchase right. Such notice shall state, among other things:

- the events causing a fundamental change;
- the date of the fundamental change;
- the last date on which a holder may exercise the repurchase right;
- the fundamental change purchase price;
- the fundamental change purchase date (which may be no earlier than 15 days and no later than 30 days after the date of such notice);
- the name and address of the paying agent and the conversion agent, if applicable;
- if applicable, the applicable conversion rate and any adjustments to the applicable conversion rate;
- if applicable, that the notes with respect to which a fundamental change purchase notice has been delivered by a holder may be converted only if the holder withdraws the fundamental change purchase notice in accordance with the terms of the indenture; and
- the procedures that holders must follow to require us to purchase their notes.

Simultaneously with providing such notice, we will publish a notice containing this information in a newspaper of general circulation in The City of New York or publish the information on our website or through such other public medium as we may use at that time.

To exercise the purchase right, you must deliver prior to 10:00 a.m., New York City time, on or before the business day immediately preceding the fundamental change purchase date, subject to extension to comply with applicable law, the notes to be purchased, duly endorsed for transfer, together with a written notice of your intent to exercise your repurchase right, to the paying agent. Your purchase notice must state:

- if certificated, the certificate numbers of your notes to be delivered for purchase;
- the portion of the principal amount of notes to be purchased, which must be $1,000 or a multiple thereof; and
- that the notes are to be purchased by us pursuant to the applicable provisions of the notes and the indenture.

You may withdraw any purchase notice (in whole or in part) by a written notice of withdrawal delivered to the paying agent prior to 10:00 a.m., New York City time, on the business day prior to the fundamental change purchase date. The notice of withdrawal shall state:

- the name of the holder;
- the principal amount of the withdrawn notes, which must be an integral multiple of $1,000;
- if certificated notes have been issued, the certificate numbers of the withdrawn notes (if not certificated, your notice must comply with appropriate DTC procedures); and
- the principal amount, if any, which remains subject to the purchase notice and which must be an integral multiple of $1,000.

We will be required to purchase the notes on the fundamental change purchase date subject to extension to comply with applicable law. You will receive payment of the fundamental change purchase price promptly following the later of the fundamental change purchase date or the time of book-entry transfer or the delivery of the notes. If the paying agent holds money or securities sufficient to pay the fundamental change purchase price of the notes on the business day following the fundamental change purchase date, then, effective on the fundamental change purchase date:

- the notes will cease to be outstanding and interest, including any additional interest, if any, will cease to accrue; and
- all other rights of the holder will terminate (other than the right to receive the fundamental change purchase price and previously accrued and unpaid interest (including any additional interest) upon delivery or transfer of the notes).

In connection with any purchase offer pursuant to a fundamental change purchase notice, we will, if required:

- comply with the provisions of the tender offer rules under the Exchange Act that may then be applicable; and
- file a Schedule TO or any other required schedule under the Exchange Act.

The purchase rights of the holders could discourage a potential acquirer of us. The fundamental change purchase feature, however, is not the result of management's knowledge of any specific effort to obtain control of us by any means or part of a plan by management to adopt a series of anti-takeover provisions.

The term fundamental change is limited to specified transactions and may not include other events that might adversely affect our financial condition. In addition, the requirement that we offer to purchase the notes upon a fundamental change may not protect holders in the event of a highly leveraged transaction, reorganization, merger or similar transaction involving us.

No notes may be purchased at the option of holders upon a fundamental change if there has occurred and is continuing an event of default other than an event of default that is cured by the payment of the fundamental change purchase price of the notes.

The definition of fundamental change includes a phrase relating to the conveyance, transfer, sale, lease or disposition of "all or substantially all" of our consolidated assets. There is no precise, established definition of the phrase "substantially all" under applicable law. Accordingly, the ability of a holder of the notes to require us to purchase its notes as a result of the conveyance, transfer, sale, lease or other disposition of less than all of our assets may be uncertain.

If a fundamental change were to occur, we may not have enough funds to pay the fundamental change purchase price. Our ability to repurchase the notes for cash may be limited by restrictions on our ability to obtain funds for such repurchase through dividends from our subsidiaries, the terms of our then existing borrowing arrangements or otherwise. See "Risk factors—Risks related to the notes—We may not have sufficient cash to repurchase the notes at the option of the holder upon a fundamental change or to pay the cash payable upon conversion, which may increase your credit risk." If we fail to purchase the notes when required following a fundamental change, we will be in default under the indenture. In addition, we have, and may in the future incur, other indebtedness with similar change in control provisions permitting our lenders to accelerate or to require us to purchase our indebtedness upon the occurrence of similar events or on some specific dates, including indebtedness senior in right of payment to the notes.

We will not be required to make an offer to purchase the notes upon a fundamental change if a third party makes the offer in the manner, at the times, and otherwise in compliance with the requirements set forth in the indenture applicable to an offer by us to purchase the notes upon a fundamental change and such third party purchases all notes validly tendered and not withdrawn upon such offer.

Consolidation, merger and sale of assets

The indenture provides that we shall not consolidate with or merge with or into, or convey, transfer or lease all or substantially all of our properties and assets to, another person, unless (i) the resulting, surviving or transferee person (if not us) is a person organized and existing under the laws of the United States of America, any State thereof or the District of Columbia, and such entity (if not us) expressly assumes by supplemental indenture all our obligations under the notes, the indenture and, to the extent then still operative, the registration rights agreement; and (ii) immediately after giving effect to such transaction, no event of default has occurred and is continuing under the indenture. Upon any such consolidation, merger or transfer, the resulting, surviving or transferee person shall succeed to, and may exercise every right and power of, us under the indenture.

Although these types of transactions are permitted under the indenture, certain of the foregoing transactions could constitute a fundamental change (as defined above) permitting each holder to require us to purchase the notes of such holder as described above.

Subordination of the notes

The payment of the principal of, the cash portion of the conversion obligation and any interest (including additional interest) on, and any of our other cash payment obligation with respect to the notes is subordinated to the prior payment in full, in cash or other payment satisfactory to the holders of senior indebtedness, of all existing and future senior indebtedness of ours.

If we dissolve, wind-up, liquidate or reorganize, or if we are the subject of any bankruptcy, insolvency, receivership or similar proceedings, we will pay the holders of senior indebtedness in full in cash or other payment satisfactory to the holders of senior indebtedness before we pay the holders of the notes. If the notes are accelerated because of an event of default under the indenture, we must pay the holders of senior indebtedness in full in cash or other payment satisfactory to the holders of senior indebtedness all amounts due and owing thereunder before we pay the holders of the notes. The indenture requires that we promptly notify holders of senior indebtedness if payment of the notes is accelerated because of an event of default under the indenture.

We may not make any payment on the notes or purchase or otherwise acquire or pay cash in connection with a conversion of the notes if:

- a default in the payment of any designated senior indebtedness occurs and is continuing beyond any applicable period of grace; or
- any other default under designated senior indebtedness occurs and is continuing that permits holders of the designated senior indebtedness to accelerate its maturity and the trustee receives a payment blockage notice from the persons permitted to give such notice under the indenture (which will include the agent under our senior credit facility on behalf of the lenders thereunder).

We are required to resume payments on the notes:

- in case of a payment default under designated senior indebtedness, upon the date on which such default is cured or waived or ceases to exist; and
- in case of a nonpayment default under designated senior indebtedness, the earlier of the date on which such nonpayment default is cured or waived or ceases to exist or 179 days after the date on which the payment blockage notice is received.

No new period of payment blockage may be commenced for a default unless:

- 365 days have elapsed since our receipt of the prior payment blockage notice; and
- all scheduled payments on the notes that have come due have been paid in full in cash.

No nonpayment default that existed or was continuing on the date of delivery of any payment blockage notice shall be the basis for a subsequent payment blockage notice, unless the default has been cured or waived for a period of 90 days.

As a result of these subordination provisions, in the event of our bankruptcy, dissolution or reorganization, holders of senior indebtedness may receive more, ratably, and holders of the notes may receive less, ratably, than our other creditors. These subordination provisions will not prevent the occurrence of any event of default under the indenture.

If either the trustee or any holder of notes receives any payment or distribution of our assets in contravention of these subordination provisions before all senior indebtedness is paid in full in cash or other payment satisfactory to the holders of senior indebtedness, then such payment or distribution will be held by the recipient in trust for the benefit of holders of senior indebtedness to the extent necessary to make payment in full in cash or other payment satisfactory to the holders of senior indebtedness of all senior indebtedness remaining unpaid.

The holders of our senior indebtedness shall have the right to rely upon, and our senior credit facility expressly prohibits payments in contravention of, the foregoing subordination provisions.

Substantially all of our consolidated operations are, and in the future may continue to be, conducted through our subsidiaries. As a result, our cash flow and our ability to service our debt, including the notes, depend in part upon the earnings of our subsidiaries. In addition, we would be dependent on the distribution of earnings, loans or other payments by our subsidiaries to us.

Our subsidiaries are separate and distinct legal entities. Our subsidiaries have no obligation to pay any amounts due on the notes or to provide us with funds for our payment obligations, whether by dividends, distributions, loans or other payments. In addition, any payment of dividends, distributions, loans or advances by our subsidiaries will also be contingent upon our subsidiaries' earnings and could be subject to contractual or statutory restrictions.

A substantial portion of our consolidated assets is held by our subsidiaries. Our right to receive any assets of any of our subsidiaries upon their liquidation or reorganization, and therefore the right of the holders of the notes to participate in those assets, is structurally subordinated to any claims of that subsidiary's creditors, including trade creditors. In addition, even if we were a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any indebtedness of our subsidiaries senior to that held by us.

As of June 30, 2007, our total consolidated long-term debt, excluding the notes, was $343.4 million, all of which ranks senior to the notes.

Neither we nor our subsidiaries are limited from incurring senior indebtedness or additional debt under the indenture. If we incur additional debt, our ability to pay our obligations on the notes could be affected. We expect from time to time to incur additional indebtedness and other liabilities.

We are obligated to pay reasonable compensation to the trustee. We will indemnify the trustee against any losses, liabilities or expenses incurred by it in connection with its duties. The trustee's claims for such payments will be senior to the claims of the holders of the notes.

"Designated senior indebtedness" means the indebtedness under our senior credit facility and, after our senior credit facility has been repaid in full in cash and the commitments thereunder terminated, any other senior indebtedness in which the instrument creating or evidencing the indebtedness, or any related agreements or documents to which we are a party, expressly provides that such indebtedness is "designated senior indebtedness" for purposes of the indenture (provided that the instrument, agreement or other document may place limitations and conditions on the right of the senior indebtedness to exercise the rights of designated senior indebtedness).

"Indebtedness" means:

(1) all of our indebtedness, obligations and other liabilities, contingent or otherwise, (a) for borrowed money, including overdrafts, foreign exchange contracts, currency exchange agreements, interest rate protection agreements and any loans or advances from banks, whether or not evidenced by notes or similar instruments, or (b) evidenced by credit or loan agreements, bonds, debentures, notes or similar instruments, whether or not the recourse of the lender is to the whole of our assets or to only a portion of our assets, other than any account payable or other accrued current liability or obligation incurred in the ordinary course of business in connection with the obtaining of materials or services;

(2) all of our reimbursement obligations and other liabilities, contingent or otherwise, with respect to letters of credit, bank guarantees or bankers' acceptances;

(3) all of our obligations and liabilities, contingent or otherwise, in respect of leases required, in conformity with generally accepted accounting principles, to be accounted for as capitalized lease obligations on our balance sheet;

(4) all of our obligations and other liabilities, contingent or otherwise, under any lease or related document, including a purchase agreement, conditional sale or other title retention agreement, in connection with the lease of real property or improvements thereon (or any personal property included as part of any such lease) which provides that we are contractually obligated to purchase or cause a third party to purchase the leased property or pay an agreed upon residual value of the leased property, including our obligations under such lease or related document to purchase or cause a third party to purchase such leased property or pay an agreed upon residual value of the leased property to the lessor;

(5) all of our obligations, contingent or otherwise, with respect to an interest rate or other swap, cap, floor or collar agreement or hedge agreement, forward contract or other similar instrument or agreement or foreign currency hedge, exchange, purchase or similar instrument or agreement (other than our obligations under the convertible note hedge and warrant transactions entered into in connection with the issuance of the notes);

(6) all of our direct or indirect guaranties or similar agreements by us in respect of, and all of our obligations or liabilities to purchase or otherwise acquire or otherwise assure a creditor against loss in respect of, indebtedness, obligations or liabilities of another person of the kinds described in clauses (1) through (5); and

(7) any and all deferrals, renewals, extensions, refinancings and refundings of, or amendments, modifications or supplements to, any indebtedness, obligation or liability of the kinds described in clauses (1) through (6).

"Senior indebtedness" means the principal of, and premium, if any, interest, including any interest accruing after the commencement of any bankruptcy or similar proceeding, whether or not a claim for post-petition interest is allowed as a claim in the proceeding, and rent payable on or in connection with, and all fees, costs, expenses and other amounts accrued or due on or in connection with, indebtedness, whether secured or unsecured, absolute or contingent, due or to become due, outstanding on the date of the indenture or thereafter created, incurred, issued, assumed, guaranteed or in effect guaranteed by us, including all deferrals, renewals, extensions, refinancings or refundings of, or amendments, modifications or supplements to, the foregoing. Senior indebtedness does not include:

(1) indebtedness that expressly provides that such indebtedness (a) shall not be senior in right of payment to the notes, (b) shall be equal in right of payment to the notes, or (c) shall be junior in right of payment to the notes;

(2) any indebtedness to any of our majority-owned subsidiaries, other than indebtedness to our subsidiaries arising by reason of guarantees by us of indebtedness of such subsidiary to a person that is not our subsidiary; and

(3) indebtedness for trade payables or the deferred purchase price of assets or services incurred in the ordinary course of business.

No layering of indebtedness

We will not incur, create, issue, assume, guarantee or otherwise become liable for any indebtedness that is subordinate or junior in right of payment to any senior indebtedness, unless such indebtedness ranks equal or junior in right of payment to the notes. For purposes of the foregoing, for the avoidance of doubt, no indebtedness shall be deemed to be subordinated in right of payment to any other indebtedness solely by virtue of being unsecured or secured by a junior priority lien or by virtue of the fact that the holders of such indebtedness have entered into intercreditor agreements or other arrangements giving one or more of such holders priority over the other holders in the collateral held by them or by virtue of structural subordination.

Events of default

Each of the following is an event of default:

(1) default in any payment of interest, including any additional interest (as required by the registration rights agreement described in "—Registration rights") on any note when due and payable and the default continues for a period of 30 days;

(2) default in the payment of principal of any note when due and payable at its stated maturity, upon required repurchase, upon declaration or otherwise;

(3) failure by us to comply with our obligation to convert the notes in accordance with the indenture upon exercise of a holder's conversion right and such failure continues for a period of ten trading days;

(4) failure by us to give a fundamental change notice or notice of a specified corporate transaction as described under "—Conversion upon specified corporate transactions," in each case when due;

(5) failure by us to comply with our obligations under "Consolidation, merger and sale of assets";

(6) failure for 90 days after written notice from the trustee or the holders of at least 25% in principal amount of the notes then outstanding has been received to comply with any of our other agreements contained in the notes or indenture;

(7) default by our or any of our subsidiaries with respect to any mortgage, agreement or other instrument which results in the acceleration of maturity of any indebtedness of us and/or our subsidiaries for money borrowed in excess of $40 million in the aggregate, whether such indebtedness now exists or shall hereafter be created (i) resulting in such indebtedness becoming or being declared due and payable or (ii) constituting a failure to pay the principal or interest of any such debt when due and payable at its stated maturity, upon required repurchase, upon declaration or otherwise;

(8) certain events of bankruptcy, insolvency, or reorganization involving us or our significant subsidiaries; or

(9) a final judgment for the payment of $40 million or more (excluding any amounts covered by insurance) rendered against us or any significant subsidiary of ours, which judgment is not discharged or stayed within 60 days after (i) the date on which the right to appeal thereof has expired if no such appeal has commenced, or (ii) the date on which all rights to appeal have been extinguished.

If an event of default occurs and is continuing, the trustee by notice to us, or the holders of at least 25% in principal amount of the outstanding notes by notice to us and the trustee, may, and the trustee at the request of such holders shall, declare 100% of the principal of and accrued and unpaid interest, including additional interest, if any, on all the notes to be due and payable. In case of certain events of bankruptcy, insolvency or reorganization involving us or a significant subsidiary, 100% of the principal of and accrued and unpaid interest on the notes will automatically become due and payable. Upon such a declaration, such principal and accrued and unpaid interest, including any additional interest, will be due and payable immediately.

Notwithstanding the foregoing, the indenture provides that, to the extent elected by us, the sole remedy for an event of default relating to the failure to file any documents or reports that we are required to file with the Securities and Exchange Commission, or SEC, pursuant to Section 13 or 15(d) of the Exchange Act and for any failure to comply with the requirements of Section 314(a)(1) of the Trust Indenture Act or of the covenant described below in "Reports to the trustee" will, for the first 90 days after the occurrence of such an event of default, consist exclusively of the right to receive additional interest on the notes equal to 0.25% per annum of the principal amount of the notes. The additional interest will be in addition to any additional interest that may accrue as a result of a registration default as described below under the caption "—Registration Rights." If we so elect, such additional interest will be payable on all outstanding notes from and including the date on which such event of default first occurs to but not including the 90 th day thereafter (or such earlier date on which the event of default relating to the reporting obligations shall have been cured or waived). On the 90 th day after such event of default (if the event of default relating to the reporting obligations is not cured or waived prior to such 90 th day), such additional interest will cease to accrue and, if such event of default has not been cured or waived prior to such 90 th day, the notes will be subject to acceleration as provided above. The provisions of the indenture described in this paragraph will not affect the rights of holders of notes in the event of the occurrence of any other event of default. If we do not elect to pay the additional interest upon an event of default in accordance with this paragraph, the notes will be subject to acceleration as provided above.

Our senior credit facility prohibits us from electing to pay, or paying, the additional interest upon an event of default under the indenture as described in the foregoing paragraph if an event of default under our senior credit facility then exists.

In order to elect to pay the additional interest as the sole remedy during the first 90 days after the occurrence of an event of default relating to the failure to comply with the reporting obligations in accordance with the immediately preceding paragraph, we must notify all holders of notes and the trustee and paying agent of such election in writing within ten business days of making such election. Upon our failure to timely give such notice or pay the additional interest, the notes will be immediately subject to acceleration as provided above.

The holders of a majority in principal amount of the outstanding notes may waive all past defaults (except with respect to nonpayment of principal or interest, including any additional interest) and rescind any such acceleration with respect to the notes and its consequences if (i) rescission would not conflict with any judgment or decree of a court of competent jurisdiction and (ii) all existing events of default, other than the nonpayment of the principal of and interest, including additional interest, on the notes that have become due solely by such declaration of acceleration, have been cured or waived.

Subject to the provisions of the indenture relating to the duties of the trustee, if an event of default occurs and is continuing, the trustee will be under no obligation to exercise any of the rights or powers under the indenture at the request or direction of any of the holders unless such holders have offered to the trustee indemnity or security reasonably satisfactory to it against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest, including additional interest, when due, no holder may pursue any remedy with respect to the indenture or the notes unless:

(1) such holder has previously given the trustee notice that an event of default is continuing;

(2) holders of at least 25% in principal amount of the outstanding notes have requested the trustee to pursue the remedy;

(3) such holders have offered the trustee security or indemnity reasonably satisfactory to it against any loss, liability or expense;

(4) the trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity; and

(5) the holders of a majority in principal amount of the outstanding notes have not given the trustee a direction that, in the opinion of the trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the holders of a majority in principal amount of the outstanding notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or of exercising any trust or power conferred on the trustee.

The indenture provides that if an event of default has occurred and is continuing, the trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs. The trustee, however, may refuse to follow any direction that conflicts with law or the indenture or that the trustee determines is unduly prejudicial to the rights of any other holder or that would involve the trustee in personal liability. Prior to taking any action under the indenture, the trustee will be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

The indenture provides that if an event of default occurs and is continuing and is known to the trustee, the trustee must mail to each holder notice of the default within 90 days after it occurs. Except in the case of a default in the payment of principal of or interest on any note, the trustee may withhold notice if and so long as a committee of trust officers of the trustee in good faith determines that withholding notice is in the interests of the holders. In addition, we are required to deliver to the trustee, within 120 days after the end of each fiscal year, a certificate indicating whether the signers thereof know of any event of default that occurred during the previous year. We also are required to deliver to the trustee, within 30 days after the occurrence thereof, written notice of any events which would constitute certain events of default, their status and what action we are taking or propose to take in respect thereof.

Modification and amendment

Subject to certain exceptions, the indenture or the notes may be amended with the consent of the holders of at least a majority in principal amount of the notes then outstanding (including without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, notes) and, subject to certain exceptions, any past default or compliance with any provisions may be waived with the consent of the holders of a majority in principal amount of the notes then outstanding (including without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, notes). However, without the consent of each holder of an outstanding note affected, no amendment may, among other things:

(1) reduce the amount of notes whose holders must consent to an amendment;

(2) reduce the rate of or extend the stated time for payment of interest, including additional interest, on any note;

(3) reduce the principal of or extend the stated maturity of any note;

(4) make any change that adversely affects the conversion rights of any notes;

(5) reduce the purchase price or fundamental change purchase price of any note or amend or modify in any manner adverse to the holders of notes our obligation to make such payments, whether through an amendment or waiver of provisions in the covenants, definitions or otherwise;

(6) make any note payable in money other than that stated in the note;

(7) impair the right of any holder to receive payment of principal and interest, including additional interest, on such holder’s notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such holder’s notes;

(8) make any change to the subordination provisions of the indenture if such change would adversely affect the rights of holders; or

(9) make any change in the amendment provisions which require each holder’s consent or in the waiver provisions.

Without the consent of any holder, we and the trustee may amend the indenture to:

(1) cure any ambiguity, omission, defect or inconsistency in the indenture, so long as such action will not materially adversely affect the interests of holders of the notes;

(2) provide for the assumption by a successor corporation, partnership, trust or limited liability company of our obligations under the indenture;

(3) provide for uncertificated notes in addition to or in place of certificated notes (provided that the uncertificated notes are issued in registered form for purposes of Section 163(f) of Internal Revenue Code of 1986, as amended, or the Code, or in a manner such that the uncertificated notes are described in Section 163(f)(2)(B) of the Code);

(4) add guarantees with respect to the notes;

(5) secure the notes;

(6) add to the covenants of us for the benefit of the holders or surrender any right or power conferred upon us;

(7) make any change that does not materially adversely affect the rights of any holder; or

(8) comply with any requirement of the SEC in connection with the qualification of the indenture under the Trust Indenture Act.

The consent of the holders is not necessary under the indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment. After an amendment under the indenture becomes effective, we are required to mail to the holders a notice briefly describing such amendment. However, the failure to give such notice to all the holders, or any defect in the notice, will not impair or affect the validity of the amendment.

Discharge

We may satisfy and discharge our obligations under the indenture by delivering to the securities registrar for cancellation all outstanding notes or by depositing with the trustee or delivering to the holders, as applicable, after the notes have become due and payable, whether at stated maturity, or any purchase date, or upon conversion or otherwise, cash or shares of common stock (as applicable under the terms of the indenture) sufficient to pay all of the outstanding notes and paying all other sums payable under the indenture by us. Such discharge is subject to terms contained in the indenture.

Calculations in respect of notes

Except as otherwise provided above, we are responsible for making all calculations called for under the notes. These calculations include, but are not limited to, determinations of the last reported sale prices of our common stock, accrued interest payable on the notes and the conversion rate of the notes. We will make all these calculations in good faith and, absent manifest error, our calculations will be final and binding on holders of notes. We will provide a schedule of our calculations to each of the trustee and the conversion agent, and each of the trustee and conversion agent is entitled to rely conclusively upon the accuracy of our calculations without independent verification. The trustee will forward our calculations to any holder of notes upon the request of that holder.

Trustee

The Bank of New York is the trustee, security registrar, paying agent and conversion agent. The Bank of New York, in each of its capacities, including without limitation as trustee, security registrar, paying agent and conversion agent, assumes no responsibility for the accuracy or completeness of the information concerning us or our affiliates or any other party contained in this document or the related documents or for any failure by us or any other party to disclose events that may have occurred and may affect the significance or accuracy of such information.

Reports to the Trustee

The indenture governing the notes provides that any documents or reports that we are required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act will be filed with the trustee within 30 days after the same is required to be filed with the SEC.

In addition, we have agreed that, if at any time we are not required to file with the SEC the reports required by the preceding paragraph, we will furnish to the holders of notes or any shares of our common stock issued upon conversion of the notes the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act and take such further action as any such holder may reasonably request, all to the extent required from time to time to enable such holder to sell its notes or common stock without registration under the Securities Act within the limitation of the exemption provided by Rule 144A, as such rule may be amended from time to time.

Governing law

The indenture provides that it and the notes are governed by, and will be construed in accordance with, the laws of the State of New York.

Registration rights

We and the initial purchasers entered into a registration rights agreement concurrently with the issuance of the notes under which we have agreed to file a registration statement, of which this prospectus is a part, registering the resale of the notes and the shares of our common stock issuable upon conversion of the notes under the Securities Act, as more fully described below.

When we use the term “registrable securities” in this section, we are referring to:

- each note until the earliest of (i) its effective registration under the Securities Act and the resale of such note in accordance with the shelf registration statement, (ii) the expiration of the holding period applicable to such note under Rule 144(k) under the Securities Act or any successor provision or similar provisions then in effect, (iii) the date on which such note is freely transferable by persons who are not our affiliates without registration under the Securities Act, or (iv) the date on which such note has been converted or otherwise ceases to be outstanding; and

- each share of common stock, if any, issuable upon conversion of any note, until the earliest of (i) its effective registration under the Securities Act and the resale of such share of common stock in accordance with the shelf registration statement, (ii) the expiration of the holding period applicable to such share of common stock under Rule 144(k), (iii) the date on which such share of common stock is freely transferable by persons who are not our affiliates without registration under the Securities Act, or (iv) the date on which such share of common stock ceases to be outstanding.

Notwithstanding the foregoing definition, once a note or a share of common stock is sold pursuant to the registration statement, it ceases to be a registrable security.

Under the registration rights agreement, we have agreed, at our cost, to use commercially reasonable efforts to cause the shelf registration statement to be declared effective under the Securities Act as promptly as possible but in any event no later than 180 days after the original date of issuance of the notes and, subject to certain rights to suspend use of the shelf registration statement, use commercially reasonable efforts to keep the shelf registration statement effective until the date there are no longer any registrable securities.

We may suspend the effectiveness of the shelf registration statement of which this prospectus is a part during specified periods (not to exceed 30 days in any fiscal quarter or 90 days in the aggregate in any 12 month period) in specified circumstances, including circumstances relating to pending corporate developments. We need not specify the nature of the event giving rise to a suspension in any notice to holders of the notes of the existence of a suspension.

The following requirements and restrictions will generally apply to a holder selling the securities pursuant to the shelf registration statement, of which this prospectus is a part:

- the holder will be required to be named as a selling securityholder in the prospectus;
- the holder will be required to deliver a prospectus to purchasers;
- the holder will be subject to some of the civil liability provisions under the Securities Act in connection with any sales; and
- the holder will be bound by the provisions of the registration rights agreement which are applicable to the holder (including indemnification obligations).

We have agreed to pay predetermined additional interest as described herein, which we refer to as additional interest, to holders of the notes if the shelf registration statement is not timely made effective as described above or if the prospectus is unavailable for periods in excess of those permitted above. The additional interest, if any, is payable at the same time and in the same manner and to the same persons as ordinary interest. The additional interest will accrue until a failure to become effective or unavailability is cured in respect of any notes that are registrable securities at a rate equal to 0.25% per annum for the first 90 days after the occurrence of the event and 0.5% per annum after the first 90 days of the outstanding principal amount thereof, provided that no additional interest will accrue with respect to any period after the second anniversary of the original issuance of the notes and provided further that, if the shelf registration statement has been declared effective but is unavailable for periods in excess of those permitted above, additional interest shall accrue on registrable securities only. No additional interest or other additional amounts will be payable in respect of shares of common stock into which the notes have been converted in relation to any registration default.

If a holder converts some or all of its notes into common stock when there exists a registration default with respect to the common stock, the holder will not be entitled to receive additional interest on such common stock. Such holder will receive, on the settlement date for any notes submitted for conversion during a registration default, accrued and unpaid additional interest to the conversion date relating to such settlement date. If a registration default with respect to the common stock occurs after a holder has converted its notes into common stock, such holder will not be entitled to any compensation with respect to such common stock.

The additional interest will accrue from and including the date on which any registration default occurs to but excluding the earlier of the date on which all registration defaults have been cured or the date the shelf registration statement is no longer required to be kept effective. We will have no other liabilities for monetary damages with respect to our registration obligations, except that if we breach, fail to comply with or violate some provisions of the registration rights agreement, the holders of the notes may be entitled to equitable relief, including injunctive relief and specific performance.

We will pay all expenses of the shelf registration statement, provide to each registered holder of the notes copies of the related prospectus, notify each registered holder when the shelf registration statement has become effective and take other actions that are required to permit, subject to the foregoing, resales of the notes and the shares of common stock issued upon conversion of the notes, in accordance with the plan of distribution in the prospectus.

The summary herein of provisions of the registration rights agreement is subject to, and is qualified in its entirety by reference to, all the provisions of the registration rights agreement, a copy of which is available as described under "Where you can find more information" and "Documents incorporated by reference."

Book-entry, settlement and clearance

The global note

The notes were initially issued in the form of a global note. Upon issuance, the global note was deposited with the trustee as custodian for DTC and registered in the name of Cede & Co., as nominee of DTC.

Ownership of beneficial interests in the global note will be limited to persons who have accounts with DTC, or DTC participants, or persons who hold interests through DTC participants. We expect that under procedures established by DTC:

- upon deposit of the global note with DTC's custodian, DTC credited portions of the principal amount of the global note to the accounts of the DTC participants designated by the initial purchasers; and
- ownership of beneficial interests in the global note is shown on, and transfers of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC participants) and the records of DTC participants (with respect to other owners of beneficial interests in the global note).

Beneficial interests in the global note may not be exchanged for notes in physical, certificated form except in the limited circumstances described below.

Book-entry procedures for the global note

All interests in the global note are subject to the operations and procedures of DTC. We provide the following summary of those operations and procedures solely for the convenience of investors. The operations and procedures of DTC are controlled by DTC and may be changed at any time, and we are not responsible for those operations or procedures.

DTC has advised us that it is:

- a limited purpose trust company organized under the laws of the State of New York;
- a "banking organization" within the meaning of the New York State Banking Law;
- a member of the Federal Reserve System;
- a "clearing corporation" within the meaning of the Uniform Commercial Code; and
- a "clearing agency" registered under Section 17A of the Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants. DTC's participants include securities brokers and dealers, including the initial purchasers; banks and trust companies; clearing corporations and other organizations. Indirect access to DTC's system is also available to others such as banks, brokers, dealers and trust companies; these indirect participants clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Investors who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC.

So long as DTC's nominee is the registered owner of the global note, that nominee will be considered the sole owner or holder of the notes represented by that global note for all purposes under the indenture. Except as provided below, owners of beneficial interests in a global note:

- will not be entitled to have notes represented by the global note registered in their names;
- will not receive or be entitled to receive physical, certificated notes; and
- will not be considered the owners or holders of the notes under the indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee under the indenture.

As a result, each investor who owns a beneficial interest in a global note must rely on the procedures of DTC to exercise any rights of a holder of notes under the indenture (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC participant through which the investor owns its interest).

Payments of principal and interest (including additional interest) with respect to the notes represented by the global note will be made by the trustee to DTC's nominee as the registered holder of the global note. Neither we nor the trustee will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a global note, for any aspect of the records relating to or payments made on account of those interests by DTC, or for maintaining, supervising or reviewing any records of DTC relating to those interests.

Payments by participants and indirect participants in DTC to the owners of beneficial interests in the global note will be governed by standing instructions and customary industry practice and will be the responsibility of those participants or indirect participants and DTC.

Transfers between participants in DTC will be effected under DTC's procedures and will be settled in same-day funds.

Certificated notes

Notes in physical, certificated form will be issued and delivered to each person that DTC identifies as a beneficial owner of the related notes only if:

- DTC notifies us at any time that it is unwilling or unable to continue as depositary for the global note and a successor depositary is not appointed within 90 days;
- DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depositary is not appointed within 90 days;
- we, at our option, notify the trustee that we elect to cause the issuance of certificated notes, subject to DTC's procedures (DTC has advised that, under its current practices, it would notify its participants of our request, but will only withdraw beneficial interests from the global note at the request of each DTC participant); or
- an event of default in respect of the notes has occurred and is continuing, and the trustee has received a request from DTC.

In addition, beneficial interests in the global note may be exchanged for certificated notes upon request of a DTC participant by written notice given to the trustee by or on behalf of DTC in accordance with customary procedures of DTC.

Description of capital stock

The following description of our capital stock is summarized from, and qualified in its entirety by reference to, our Amended and Restated Certificate of Incorporation, which has been publicly filed with the SEC. This summary is not intended to give full effect to provisions of statutory or common law. We urge you to review the following documents because they, and not this summary, define your rights as a holder of shares of common stock or preferred stock:

- the Delaware General Corporation Law, as it may be amended from time to time;
- our amended and restated certificate of Incorporation, as it has been amended to date and as it may be amended or restated from time to time; and
- our by-laws, as they may be amended or restated from time to time.

General

We are authorized to issue 80,000,000 shares of common stock and 10,000,000 shares of preferred stock. 300,000 shares of our preferred stock are designated as Series A Participating Cumulative Preferred Stock. As of October 1, 2007, there were 30,003,706 shares of common stock outstanding and no shares of preferred stock outstanding.

Common Stock

Holders of common stock are entitled to one vote per share for each share held of record on all matters to be voted upon by the stockholders. Holders of common stock do not have cumulative voting rights. Holders of common stock are entitled to receive any lawful dividends declared by the board of directors, subject to the preferences of the holders of any shares of preferred stock then outstanding. In the event of our liquidation, dissolution or winding up, holders of common stock are entitled to their proportionate share of all assets remaining after payment of liabilities, subject to the prior distribution rights of the holders of any shares of preferred stock then outstanding. Shares of common stock have no preemptive or conversion rights or other subscription rights. No redemption or sinking fund provisions apply to the common stock. All outstanding shares of common stock are fully paid and nonassessable.

Preferred Stock

We may issue preferred stock in one or more series, as described below. The following briefly summarizes the provisions of our amended and restated certificate of incorporation, as amended to date, that would be important to holders of our preferred stock. The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of our amended and restated certificate of incorporation, as amended to date.

Our board of directors is authorized to issue up to 10,000,000 shares of preferred stock in one or more series. 300,000 shares of our preferred stock are designated as Series A Participating Cumulative Preferred Stock. Our board has the discretion to determine the dividend, voting, conversion, redemption, liquidation and other rights, preferences and limitations of each series of preferred stock. The rights of the holders of common stock will be affected by, and may be adversely affected by, the rights of holders of any preferred stock that we may designate and issue in the future. The issuance of preferred stock, while providing desirable flexibility in connection with possible acquisitions and other corporate actions, could have the effect of making it more difficult for others to acquire, or of discouraging others from attempting to acquire, a majority of our outstanding voting stock. The issuance of shares of preferred stock with voting and conversion rights may adversely affect the voting power of the holders of our common stock.

Transfer Agent

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company.

Delaware anti-takeover law and charter and bylaw provisions

Provisions of Delaware law and our by-laws could make it more difficult to acquire us by means of a tender offer, a proxy contest, open market purchases, removal of incumbent directors and otherwise. These provisions, summarized below, are expected to discourage types of coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of us to first negotiate with us. We believe that the benefits of increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging takeover or acquisition proposals because negotiation of these proposals could result in an improvement of their terms.

Delaware Takeover Statute . We are subject to the “business combination” provisions of Section 203 of the Delaware General Corporation Law. In general, those provisions prohibit a publicly held Delaware corporation from engaging in various “business combination” transactions with any interested stockholder for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- the transaction is approved by the board of directors prior to the date the interested stockholder obtained interested stockholder status;
- upon consummation of the transaction that resulted in the stockholder’s becoming an interested stockholder, the stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding those shares owned by (a) persons who are directors and also officers and (b) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or subsequent to the date the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

A “business combination” is defined to include mergers, asset sales and other transactions resulting in financial benefit to a stockholder. In general, an “interested stockholder” is a person who, together with affiliates and associates, owns, or within three years, did own, 15% or more of a corporation’s voting stock. The statute could prohibit or delay mergers or other takeover or change in control attempts with respect to us and, accordingly, may discourage attempts to acquire us.

Certain provisions of our by-laws. Our by-laws provide that only candidates nominated by the board of directors or by a stockholder in accordance with the prescribed procedure may be elected as directors. In order for a stockholder to nominate a candidate for the board of directors, the stockholder must give us written notice of the nomination. Our secretary must receive the notice not less than 150 days before the first anniversary of the last stockholders’ meeting for the election of directors. The notice must contain information about the beneficial ownership interest in our corporation of both the nominating stockholder and the nominee.

Our by-laws also provide that, at any annual meeting of stockholders, we may conduct only the business that is specified in the notice of the meeting or that is otherwise properly brought before the meeting. In order for a stockholder to properly bring business before an annual meeting, the stockholder must give us written notice of the proposed business. Our secretary must receive the notice not less than 150 days before the first anniversary of our last annual meeting of stockholders. The notice must contain a description of the business the stockholder desires to bring before the meeting, its reasons for doing so, any material interest the stockholder may have in the business, and the stockholder's beneficial ownership interest in our corporation.

Special meetings of stockholders may only be called by the board of directors, our chairman of the board or our president. Except as required by law, we must give notice of a special meeting of stockholders in the same manner as notice of an annual meeting of stockholders, and the notice must specify the general nature of the business to be transacted.

Stockholder rights plan. On July 11, 2003, we adopted a stockholder rights plan. The rights plan is designed to help ensure that all of our stockholders receive fair and equal treatment in the event of any unsolicited proposal to acquire control of our company. As part of the rights plan, we designated 300,000 shares of our authorized preferred stock as Series A Participating Cumulative Preferred Stock. The rights issued under the plan discourage unsolicited takeovers by causing substantial dilution to a person or group that attempts to acquire us without conditioning the offer on substantially all the rights being acquired. However, because our board may amend the rights plan or redeem the then-outstanding rights before their dilutive effects are triggered, the rights do not interfere with any merger or other business combination with a third party for which our board of directors grants its approval.

Certain U.S. federal income tax considerations

The following is a summary of the material U.S. federal income tax considerations relating to the purchase, ownership and disposition of the notes and the shares of our common stock into which the notes may be converted. This summary deals only with notes and shares of our common stock held as capital assets and holders who acquired notes upon their original issuance at the issue price, which is the first price at which a substantial amount of the notes is sold for money to the public (not including bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). Additionally, this summary does not deal with special situations. For example, this summary does not address:

- tax consequences to holders who may be subject to special tax treatment, such as dealers in securities or currencies, financial institutions, regulated investment companies, real estate investment trusts, certain expatriates, tax-exempt entities, traders in securities that elect to use a mark-to-market method of accounting for their securities or insurance companies;
- tax consequences to persons holding notes or shares of common stock as part of a hedging, integrated, or conversion transaction or a straddle, or persons deemed to sell notes or shares of common stock under the constructive sale provisions of the Code;
- tax consequences to U.S. holders of notes or shares of common stock whose "functional currency" is not the U.S. dollar;
- tax consequences to partnerships or other pass-through entities and investors in such entities; or
- alternative minimum tax consequences, if any.

Finally, this summary does not address other U.S. federal tax consequences (such as estate and gift tax consequences) or any state, local or foreign tax consequences.

The discussion below is based upon the provisions of the Code, and regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those discussed below. This summary does not address all aspects of U.S. federal income taxes and does not deal with all tax consequences that may be relevant to holders in light of their personal circumstances.

If a partnership holds our notes or shares of common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our notes or shares of our common stock, you should consult your tax advisor.

To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that the discussion of tax matters set forth in this prospectus was written in connection with the preparation of this prospectus and was not intended or written to be used, and cannot be used by any prospective investor, for the purpose of avoiding tax-related penalties under federal, state, or local tax law. If you are considering the purchase of notes, you should consult your own tax advisors concerning the U.S. federal income tax consequences to you and any consequences arising under the laws of any state, local, foreign or other taxing jurisdiction.

Consequences to U.S. holders

The following is a summary of the U.S. federal income tax consequences that will apply to a U.S. holder of notes or shares of our common stock. "U.S. holder" means a beneficial owner of a note or common stock for U.S. federal income tax purposes that is:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (1) it is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (2) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

Stated interest

The notes were issued without original issue discount for U.S. federal income tax purposes. Accordingly, stated interest on the notes will generally be taxable to a U.S. holder as ordinary income at the time it is paid or accrues in accordance with the U.S. holder's method of accounting for U.S. federal income tax purposes. If, however, the notes' "stated redemption price at maturity" (generally, the sum of all payments required under the note other than payments of stated interest) exceeds the issue price by more than a de minimis amount, a U.S. holder will be required, regardless of the U.S. holder's method of accounting, to include such excess in income as original issue discount, as it accrues, in accordance with a constant yield method based on a compounding of interest.

Additional interest

Our obligation to pay you additional interest in the event that we fail to comply with specified obligations under the registration rights agreement may implicate the provisions of U.S. Treasury regulations relating to "contingent payment debt instruments." As of the issue date, we believe and intend to take the position that the likelihood that we will make payments of additional interest is remote. Therefore, we intend to take the position that the notes should not be treated as contingent payment debt instruments. However, the determination of whether such a contingency is remote or not is inherently factual. Therefore, we can give you no assurance that our position would be sustained if challenged by the Internal Revenue Service, or IRS. A successful challenge of this position by the IRS would affect the amount and timing of a U.S. holder's income and would generally cause the gain from the sale or other disposition of a note to be treated as ordinary income, rather than capital gain. Our position for purposes of the contingent payment debt instrument regulations as to the likelihood of these additional payments being remote is binding on a U.S. holder, unless the U.S. holder discloses in the proper manner to the IRS that it is taking a different position. If, contrary to our expectations, we pay additional interest, such additional interest should be taxable to a U.S. holder as ordinary interest income at the time it is paid or accrues in accordance with the U.S. holder's method of accounting for U.S. federal income tax purposes.

Constructive distributions

The conversion rate of the notes will be adjusted in certain circumstances, such as a stock split or stock dividend, a distribution of cash or other assets to our stockholders (including certain self-tender transactions), and certain transactions that constitute a fundamental change. See "Description of notes-Conversion rights-Conversion rate adjustments" and "Description of notes-Conversion rights-Adjustments to shares delivered upon conversion upon certain fundamental changes." Under Section 305(c) of the Code, adjustments (or failures to make adjustments) that have the effect of increasing a holder's proportionate interest in our assets or earnings may in some circumstances result in a deemed distribution to a holder. Adjustments to the conversion rate made pursuant to a bona fide reasonable adjustment formula that has the effect of preventing the dilution of the interest of the holders of the notes, however, will generally not be considered to result in a deemed distribution. Conversion rate adjustments arising from a stock split or a stock dividend are generally considered to be pursuant to a bona fide reasonable adjustment formula and thus will not give rise to a deemed dividend. However, certain of the possible conversion rate adjustments (generally including adjustments to the conversion rate to compensate holders for distributions of cash or property to our stockholders) will not qualify as being pursuant to a bona fide reasonable adjustment formula. If such adjustments are made, the U.S. holders of notes will be deemed to have received a distribution even though they have not received any cash or property as a result of such adjustments. Conversely, if an event occurs that increases the interests of holders of the notes and the conversion rate is not adjusted, the resulting increase in the proportionate interests of

holders of the notes could be treated as a taxable stock dividend to such holders. In addition, if an event occurs that dilutes the interests of holders of the notes and the conversion rate is not adjusted, the resulting increase in the proportionate interests of our stockholders could be treated as a taxable stock dividend to those stockholders.

Such constructive distributions would result in dividend income to the recipient to the extent of our current or accumulated earnings and profits, with any excess treated as a nontaxable return of capital or as capital gain as more fully described in "Dividends on the common stock" below. It is not clear whether any such constructive dividend would be eligible for the preferential rates of U.S. federal income tax applicable to certain dividends received by noncorporate holders or whether a corporate holder would be entitled to claim the dividends-received deduction with respect to such constructive dividend. Any taxable constructive stock dividends resulting from a change to, or a failure to change, the conversion rate would in other respects be treated in the same manner as dividends paid in cash or other property. Holders should carefully review the conversion rate adjustment provisions and consult their tax advisors with respect to the tax consequences of any such adjustment, including any potential consequences of a taxable stock dividend to basis and holding period.

Sale, exchange, redemption or other disposition of notes

A U.S. holder will generally recognize gain or loss upon the sale, exchange, redemption or other disposition of a note (including a conversion entirely paid in cash) equal to the difference between the amount realized (less any accrued interest, which will be taxable as such) upon the sale, exchange, redemption or other disposition and the holder's tax basis in the note. A U.S. holder's tax basis in a note will generally equal the amount paid for the note. Any gain or loss recognized on a taxable disposition of the note will be capital gain or loss. A non-corporate U.S. holder who has held the note for more than one year generally will be subject to reduced rates of taxation on such gain. The ability to deduct capital losses may be limited.

Conversion of notes into common stock and cash

The U.S. federal income tax treatment of a U.S. holder's conversion of the notes into our common stock and cash is uncertain. U.S. holders should consult their tax advisors to determine the correct treatment of such conversion. It is possible that the conversion may be treated as a recapitalization or as a partially taxable exchange, as briefly discussed below.

Possible treatment as a recapitalization. The conversion of a note into common stock and cash may instead be treated in its entirety as a recapitalization for U.S. federal income tax purposes, in which case a U.S. holder would be required to recognize gain on the conversion but would not be allowed to recognize any loss. Accordingly, such tax treatment may be less favorable to a U.S. holder than if the conversion were treated as part conversion and part redemption, as described below. If the conversion constitutes a recapitalization, a U.S. holder generally would recognize gain (but not loss) in an amount equal to the lesser of (i) the excess (if any) of (A) the amount of cash (not including cash received in lieu of fractional shares) and the fair market value of common stock received (treating fractional shares as received for this purpose) in the exchange (other than any cash or common stock attributable to accrued interest) over (B) the U.S. holder's adjusted tax basis in the notes, and (ii) the amount of cash received upon conversion (other than cash received in lieu of fractional shares or cash attributable to accrued interest, which will be treated in the manner described below). The U.S. holder would have an aggregate tax basis in the common stock received in the conversion equal to the aggregate tax basis of the notes converted, decreased by the aggregate amount of cash (other than cash in lieu of fractional shares and cash attributable to accrued interest) received upon conversion and increased by the aggregate amount of gain (if any) recognized upon conversion (other than gain realized as a result of cash received in lieu of fractional shares). The holding period for such common stock received by the U.S. holder (other than common stock received attributable to accrued interest) would include the period during which the U.S. holder held the notes. Gain recognized will be long-term capital gain if the U.S. holder has held the notes for more than one year. In the case of certain non-corporate U.S. holders (including individuals), long-term capital gains are generally eligible for a reduced rate of taxation.

Possible treatment as part conversion and part redemption. The conversion of a note into our common stock and cash may instead be treated for U.S. federal income tax purposes as in part a conversion into stock and in part a payment in redemption of a portion of the notes. In that event, a U.S. holder would not recognize any income, gain or loss with respect to the portion of the notes considered to be converted into stock, except with respect to any cash received in lieu of a fractional share of stock or any common stock attributable to accrued interest (which will be treated in the manner described below). A U.S. holder's tax basis in the stock received upon conversion generally would be equal to the portion of its tax basis in a note allocable to the portion of the note deemed converted. A U.S. holder's holding period for such common stock generally would include the period during which the U.S. holder held the note.

With respect to the part of the conversion that would be treated under this characterization as a payment in redemption of the remaining portion of the note, a U.S. holder generally would recognize gain or loss equal to the difference between the amount of cash received (other than amounts attributable to accrued interest) and the U.S. holder's tax basis allocable to such portion of the note. Gain or loss recognized will be long-term capital gain or loss if the U.S. holder has held the note for more than one year. In the case of certain non-corporate U.S. holders (including individuals), long-term capital gains are generally eligible for a reduced rate of U.S. federal income taxation. The deductibility of capital losses is subject to certain limitations under the Code.

Although the law on this point is not entirely clear, a holder would likely allocate its tax basis in a note between the portion of the note that is deemed to have been converted and the portion of the note that is deemed to have been redeemed based on the relative fair market value of common stock and the amount of cash received upon conversion. In light of the uncertainty in the law, holders are urged to consult their own tax advisors regarding such basis allocation.

Treatment of cash in lieu of a fractional shares. If a U.S. holder receives cash in lieu of a fractional share of common stock, such U.S. holder would be treated as if the fractional share had been issued and then redeemed for cash. Accordingly, a U.S. holder generally will recognize capital gain or loss with respect to the receipt of cash in lieu of a fractional share measured by the difference between the cash received for the fractional share and the portion of the U.S. holder's tax basis in the notes that is allocated to the fractional share.

Treatment of amounts attributable to accrued interest. Any cash and the value of any common stock received that is attributable to accrued interest on the notes not yet included in income would be taxed as ordinary interest income. The basis in any shares of common stock attributable to accrued interest would equal the fair market value of such shares when received. The holding period for any shares of common stock attributable to accrued interest would begin the day after the date of receipt.

U.S. holders are urged to consult their tax advisors with respect to the U.S. federal income tax consequences resulting from the conversion of notes into a combination of cash and common stock.

Possible effect of changes to the terms of the notes

In certain situations, we may adjust the conversion rate of the notes and provide for the exchange of the notes into publicly traded securities. See "Fundamental change permits holders to require us to repurchase the notes." Depending on the circumstances, such adjustments could result in a deemed taxable exchange to a holder and the modified note could be treated as newly issued at that time. In addition, the exchange of the notes for the publicly traded securities may be treated as a taxable event to a holder.

Dividends on the common stock

A distribution in respect of our common stock generally will be treated as a dividend to the extent paid from our current or accumulated earnings and profits. If the distribution exceeds our current and accumulated earnings and profits, the excess will be treated as a nontaxable return of capital reducing the U.S. holder's tax basis in our common stock to the extent of the U.S. holder's tax basis in that stock. Any remaining excess will be treated as capital gain. Dividends received by individual holders generally will be subject to a reduced maximum tax rate of 15% for taxable years beginning on or before December 31, 2010, after which the rate applicable to dividends is scheduled to return to the tax rate generally applicable to ordinary income. The rate reduction will not apply to dividends received to the extent that the U.S. holder elects to treat dividends as "investment income," which may be offset by investment interest expense. Furthermore, the rate reduction also will not apply to dividends that are paid to a U.S. holder with respect to shares of our common stock that are held by such holder for less than 61 days during the 121-day period beginning on the date that is 60 days before the date on which the shares of our common stock became ex-dividend with respect to such dividend. If a U.S. holder is a U.S. corporation, it will be able to claim the deduction allowed to U.S. corporations in respect of dividends received from other U.S. corporations equal to a portion of any dividends received, subject to generally applicable limitations on that deduction. In general, a dividend distribution to a corporate U.S. holder may qualify for the dividends received deduction.

U.S. holders should consult their tax advisors regarding the holding period and other requirements that must be satisfied in order to qualify for the dividends-received deduction and the reduced maximum tax rate on dividends.

Sale, exchange, redemption or other disposition of common stock

A U.S. holder will generally recognize capital gain or loss on a sale or exchange of our common stock. The U.S. holder's gain or loss will equal the difference between the amount realized by the U.S. holder and the U.S. holder's tax basis in the stock. The amount realized by the U.S. holder will include the amount of any cash and the fair market value of any other property received for the stock. Gain or loss recognized by a U.S. holder on a sale or exchange of stock will be long-term capital gain or loss if the holder held the stock for more than one year. Long-term capital gains of non-corporate taxpayers are generally taxed at lower rates than those applicable to ordinary income. The deductibility of capital losses is subject to certain limitations.

Information reporting and backup withholding

When required, we or our paying agent will report to U.S. holders of the notes and our common stock and to the IRS amounts paid on or with respect to the notes and the common stock during each calendar year and the amount of tax, if any, withheld from such payments. A U.S. holder will be subject to backup withholding on interest payments made on the notes and dividends paid on the common stock and proceeds from the sale of the common stock or the notes (including a redemption or retirement) at the applicable rate (which is currently 28%) if the U.S. holder (a) fails to provide us or our paying agent with a correct taxpayer identification number or certification of exempt status (such as a certification of corporate status), (b) has been notified by the IRS that it is subject to backup withholding as a result of the failure to properly report payments of interest or dividends, or (c) in certain circumstances, has failed to certify under penalty of perjury that it is not subject to backup withholding. A U.S. holder may be eligible for an exemption from backup withholding by providing a properly completed IRS Form W-9 to us or our paying agent. Any amounts withheld under the backup withholding rules will generally be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability provided the required information is properly furnished to the IRS on a timely basis.

Consequences to non-U.S. holders

The following is a summary of the U.S. federal income tax consequences that will apply to you if you are a non-U.S. holder of notes or shares of our common stock. The term "non-U.S. holder" means a beneficial owner of a note or shares of our common stock that is, for U.S. federal income tax purposes, an individual, corporation, trust or estate that is not a U.S. holder. Special rules may apply to certain non-U.S. holders such as "controlled foreign corporations" or "passive foreign investment companies." Such entities should consult their own tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them.

Stated interest

Subject to the discussion of backup withholding below, a non-U.S. holder will not be subject to the 30% U.S. federal withholding tax or U.S. federal income tax at graduated rates in respect of interest income on the notes, provided that:

- interest paid on the note is not effectively connected with the non-U.S. holder's conduct of a trade or business in the United States;
- the non-U.S. holder does not actually or constructively own 10% or more of the total combined voting power of all classes of our stock that are entitled to vote within the meaning of Section 871(h)(3) of the Code;
- the non-U.S. holder is not a controlled foreign corporation that is related to us (actually or constructively) through stock ownership;
- the non-U.S. holder is not a bank whose receipt of interest on a note is described in Section 881(c)(3)(A) of the Code; and
- the non-U.S. holder provides its name and address, and certifies, under penalties of perjury, that it is not a U.S. person (which certification may be made on an IRS Form W-8BEN (or successor form)) or (b) the non-U.S. holder holds the notes through foreign intermediaries or certain foreign partnerships, and satisfies the certification requirements of applicable Treasury regulations.

If a non-U.S. holder does not satisfy the requirements described above, payments of interest will be subject to the 30% U.S. federal withholding tax, unless the holder provides us with a properly executed (1) IRS Form W-8BEN (or successor form) claiming an exemption from or reduction in withholding under the benefit of an applicable income tax treaty or (2) IRS Form W-8ECI (or successor form) stating that interest paid on the note is not subject to withholding tax because it is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States.

If a non-U.S. holder is engaged in a trade or business in the United States and interest received or accrued by the non-U.S. holder on the note is effectively connected with the conduct of that trade or business, such interest (although exempt from the 30% withholding tax, provided the non-U.S. holder complies with certain certification and disclosure requirements) will be subject to U.S. federal income tax on that interest on a net income basis in the same manner as a U.S. holder (unless, under an applicable treaty, the interest is not attributable to a U.S. permanent establishment of the holder). In addition, a foreign corporation may be subject to a branch profits tax equal to 30% (or lower applicable income tax treaty rate) of its earnings and profits for the taxable year, subject to adjustments, that are effectively connected with its conduct of a trade or business in the United States.

Dividends on the common stock

Any dividend paid with respect to our common stock (and any deemed dividends resulting from certain adjustments, or failure to make adjustments, to the conversion rate, see "Consequences to U.S. holders-Constructive distributions" above) will be subject to withholding tax at a 30% rate or such lower rate as specified by an applicable income tax treaty. However, dividends that are effectively connected with the conduct of a trade or business within the United States are not subject to the withholding tax, but instead are subject to U.S. federal income tax on a net income basis at applicable graduated individual or corporate rates (unless, under an applicable treaty, such dividends are not attributable to a U.S. permanent establishment of such holder). Certain certification and disclosure requirements must be complied with in order for effectively connected income to be exempt from withholding. Any such effectively connected dividends received by a foreign corporation may, under certain circumstances, be subject to an additional branch profits tax at a 30% rate or such lower rate as specified by an applicable income tax treaty.

A non-U.S. holder of shares of common stock who wishes to claim the benefit of an applicable treaty rate is required to satisfy applicable certification and other requirements. If a non-U.S. holder is eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty, the holder may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Sale, exchange, redemption or other disposition of notes or common stock

Any gain realized by a non-U.S. holder upon the sale, exchange, redemption or other taxable disposition of a note or shares of our common stock (including a conversion of the note into shares of common stock that is treated as a taxable event, see "Consequences to U.S. holders-Conversion of notes into common stock and cash") generally will not be subject to U.S. federal income tax unless:

- that gain is effectively connected with the conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment);
- the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met; or
- we are or have been a "U.S. real property holding corporation" during the applicable statutory period. We are not, and do not anticipate that we will become, a "U.S. real property holding corporation" for U.S. federal income tax purposes.

A non-U.S. holder described in the first bullet point above will be subject to U.S. federal income tax on the net gain derived from the sale in the same manner as a U.S. holder. If a non-U.S. holder is eligible for the benefits of a tax treaty between the United States and its country of residence, any such gain will be subject to U.S. federal income tax in the manner specified by the treaty and generally will only be subject to such tax if such gain is attributable to a permanent establishment maintained by the non-U.S. holder in the United States. To claim the benefit of a treaty, a non-U.S. holder must properly submit an IRS Form W-8BEN (or suitable successor or substitute form). A non-U.S. holder that is a foreign corporation and is described in the first bullet point above will be subject to tax on gain at regular graduated U.S. federal income tax rates and, in addition, may be subject to a branch profits tax at a 30% rate or a lower rate if so specified by an applicable income tax treaty. An individual non-U.S. holder described in the second bullet point above will be subject to a flat 30% U.S. federal income tax on the gain derived from the sale, which may be offset by U.S. source capital losses, even though the holder is not considered a resident of the United States.

Information reporting and backup withholding

Generally, we must report to the IRS and to non-U.S. holders the amount of interest and dividends paid to the holder and the amount of tax, if any, withheld with respect to those payments. Copies of the information returns reporting such interest and dividend payments and any withholding may also be made available to the tax authorities in the country in which the holder resides under the provisions of an applicable income tax treaty.

In general, a non-U.S. holder will not be subject to backup withholding with respect to payments of interest or dividends that we make to the holder if the non-U.S. holder has provided the statement described above in the fifth bullet point under "—Consequences to non-U.S. holders—Stated interest." A non-U.S. holder will be subject to information reporting and, depending on the circumstances, backup withholding with respect to the proceeds of the sale or other disposition (including a redemption or retirement) of a note or shares of our common stock within the United States or conducted through certain U.S.-related payors, unless the payor of the proceeds receives the statement described above or the holder otherwise establishes an exemption.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a holder's U.S. federal income tax liability provided the required information is furnished to the IRS.

Selling securityholders

We originally issued the notes in a private placement to J.P. Morgan Securities, Inc., Banc of America Securities LLC, Morgan Stanley & Co. Incorporated, Raymond James & Associates, Inc., SunTrust Capital Markets, Inc. and Wachovia Capital Markets, LLC, as initial purchasers, on May 16, 2007 pursuant to Section 4(2) of the Securities Act. The notes were resold by the initial purchasers to qualified institutional buyers under Rule 144A under the Securities Act. Those purchasers may have made subsequent transfers of the notes to purchasers that are qualified institutional buyers pursuant to Rule 144A. We have no knowledge whether the selling securityholders listed below received the notes on the initial distribution or through subsequent transfers after the close of the initial private placement.

The notes and our shares of common stock to be issued upon conversion of the notes are being registered pursuant to a registration rights agreement between us and the initial purchasers. In that agreement, we undertook to file a registration statement with respect to the notes and our shares of common stock issuable upon conversion of the notes and, subject to certain exceptions, to use commercially reasonable efforts to keep the shelf registration statement continuously effective until such time as each of the notes, and each share of common stock issuable on the conversion thereof, either (i) is no longer outstanding, (ii) has been sold or otherwise transferred pursuant to an effective registration statement, (iii) is freely transferable by persons who are not our affiliates without registration under the Securities Act, or (iv) is eligible to be sold pursuant to Rule 144(k) under the Securities Act or any successor or similar provision. See “Description of notes—Registration rights.” The selling securityholders, which term includes their transferees, pledges, donees and successors, may from time to time offer and sell pursuant to this prospectus any and all of the notes and the shares of our common stock issuable upon conversion of the notes. Upon request by a selling securityholder following the effectiveness of the registration statement of which this prospectus is a part, we will file a prospectus supplement naming those transferees, donees or pledgees or their successors who are able to offer and sell the notes and the underlying common stock pursuant to this prospectus.

The following table sets forth information that we have received through October 1, 2007 regarding the principal amount of notes and the underlying common stock, beneficially owned by each selling securityholder, that may be offered using this prospectus. Information with respect to selling securityholders and beneficial ownership of the notes is based upon information provided by or on behalf of the selling securityholders. Unless otherwise described below, no selling securityholder nor any of its affiliates is a broker-dealer, has held any position or office with, been employed by or otherwise has had any material relationship with us or our affiliates during the three years prior to the date of this prospectus. No selling securityholder that is a broker-dealer acquired the notes as compensation for underwriting activities, purchased the securities outside of the ordinary course of business or, at the time of the purchase of the securities, had any agreements or understandings, directly or indirectly, with any person to distribute the securities. Selling securityholders that are affiliates of broker-dealers purchased the securities in the ordinary course of business and at the time of the purchase of the securities, had no agreements or understandings, directly or indirectly, with any person to distribute the securities. If, after the date of this prospectus, a securityholder notifies us pursuant to the registration rights agreement of its intent to dispose of notes pursuant to the registration statement, we may supplement this prospectus to include that information. With respect to any securityholder who acquires notes after the effectiveness of this registration statement, we may supplement this prospectus under the Securities Act to add that securityholder to the table.

A selling securityholder may offer all, some or none of the notes or the shares of the common stock issuable upon conversion of the notes. Accordingly, no estimate can be given as to the amount or percentage of the notes or our common stock that will be held by the selling securityholders upon termination of sales pursuant to this prospectus. In addition, the selling securityholders identified below may have sold, transferred or disposed of all or a portion of their notes since the date on which they provided the information regarding their holdings in transactions exempt from the registration requirements of the Securities Act. Information about the selling securityholders may change over time. Changed information regarding selling securityholders will be set forth in an amendment to the registration statement, of which this prospectus is a part, or a supplement to this prospectus, as required by law.

Name	Principal Amount of Notes Beneficially Owned that may be Offered ($)	Percentage of Notes Outstanding	Number of Shares of Common Stock Beneficially Owned (1)	Number of Shares of Common Stock that may be Offered (1)	Percentage of Common Stock Outstanding (2)	Number of Shares of Common Stock upon Completion of the Offering (3)
Absolute Strategies Fund, Forum Funds Trust (4)	625,000	*	11,436	11,436	*	0
Argent Classic Convertible Arbitrage Fund II, L.P. (5)	140,000	*	2,561	2,561	*	0
Argent Classic Convertible Arbitrage Fund L.P. (5)	490,000	*	8,966	8,966	*	0
Argent Classic Convertible Arbitrage Fund Ltd. (5)	4,680,000	1.56%	85,638	85,638	*	0
Argentum Multi-Strategy Fund Ltd-Classic (5)	90,000	*	1,646	1,646	*	0
Bank of America Pension Plan (6)	400,000	*	7,319	7,319	*	0
CBARB (7)	7,500,000	2.50%	137,241	137,241	*	0
Citadel Equity Fund, Ltd. (8)	21,500,000	7.17%	393,426	393,426	1.29%	0
CNH CA Master Account, L.P. (9)	1,000,000	*	18,298	18,298	*	0
CQS Convertible and Quantitative Strategies Master Fund Limited (10)	2,000,000	*	36,597	36,597	*	0
Elite Classic Convertible Arbitrage Ltd. (5)	250,000	*	4,574	4,574	*	0
Highbridge Convertible Arbitrage Master Fund LP (11)	5,600,000	1.87%	102,473	102,473	*	0
Highbridge International LLC. (12)	32,400,000	10.80%	592,884	592,884	1.94%	0
Institutional Benchmark Series (Master Feeder) Limited in Respect of Electra Series c/o Quattro Global Capital, LLC (13)	1,020,000	*	18,664	18,664	*	0
JABCAP Multi Strategy Master Fund Limited (14)	15,390,000	5.13%	281,620	281,620	*	0
J-Invest Ltd. (14)	3,610,000	1.20%	66,059	66,059	*	0
Lehman Brothers Inc. (15)	1,000,000	*	18,298	18,298	*	0
Linden Capital LP (16)	27,500,000	9.17%	503,219	503,219	1.65%	0
Mohican VCA Master Fund, Ltd. (17)	1,200,000	*	21,958	21,958	*	0
Peoples Benefit Life Insurance Company Teamsters (6)	1,260,000	*	23,056	23,056	*	0
Polygon Global Opportunities Master Fund (18)	4,000,000	1.33%	73,195	73,195	*	0

Name	Principal Amount of Notes Beneficially Owned that may be Offered ($)	Percentage of Notes Outstanding	Number of Shares of Common Stock Beneficially Owned (1)	Number of Shares of Common Stock that may be Offered (1)	Percentage of Common Stock Outstanding (2)	Number of Shares of Common Stock upon Completion of the Offering (3)
Quattro Fund Ltd. (19)	6 ,970,000	2.32%	127,543	127,543	*	0
Quattro Multistrategy Masterfund LP (19)	510,000	*	9,332	9,332	*	0
Redbourn Partners Ltd. (6)	340,000	*	6,221	6,221	*	0
Silvercreek Limited Partnership (20)	12,060,000	4.02%	220,684	220,684	*	0
Silvercreek II Limited (20)	5,940,000	1.98%	108,695	108,695	*	0
Steelhead Pathfinder Master LP (21)	250,000	*	4,574	4,574	*	0
TQA Master Fund LTD. (22)	1,535,000	*	28,088	28,088	*	0
TQA Master Plus Fund LTD. (23)	959,000	*	17,548	17,548	*	0
UBS (Lux) Bond Sican Convert Global USD B (24)	1,500,000	*	27,448	27,448	*	0
UBS (Lux) Institutional Fund Global Convertible Bonds (24)	8,600,000	2.87%	157,370	157,370	*	0
UBS O'Connor LLC F/B/O: O'Connor Global Convertible Arbitrage Master Limited (25)	9,460,000	3.15%	173,107	173,107	*	0
UBS O'Connor LLC F/B/O: O'Connor Global Convertible Arbitrage II Master Limited (26)	540,000	*	9,881	9,881	*	0
Vicis Capital Master Fund (27)	6,000,000	2.00%	109,793	109,793	*	0
Wachovia Capital Markets LLC (28)	8,750,000	2.92%	160,115	160,115	*	0
Xavex Convertible Arbitrage 10 Fund (5)	350,000	*	6,404	6,404	*	0
Zurich Institutional Benchmarks Master Fund Ltd. c/o TQA Investors, LLC (29)	506,000	*	9,259	9,259	*	0

* Less than 1%.

(1) Assumes conversion of all of the holder's notes at a conversion rate of 18.2989 shares of common stock per $1,000 principal amount of notes. However, this conversion rate is subject to adjustment as described under "Description of notes — Conversion rights." As a result, the number of shares of common stock issuable upon conversion of the notes may increase or decrease in the future.

(2) Calculated based on Rule 13d-3(d)(1), using 30,003,706 shares of common stock outstanding as of October 1, 2007. In calculating this amount for each holder, the number of shares of common stock issuable upon conversion of all of that holder's notes, but not any other holder's notes, are treated as outstanding.

(3) The information presented assumes that all of the selling securityholders will fully convert the notes for shares of our common stock and that the selling securityholders will sell all shares of our common stock that they received pursuant to such conversion.

(4) Mohican Financial Management, LLC is the portfolio manager of Absolute Strategies Fund, Forum Funds Trust. Eric Hage of Mohican Financial Management, LLC is the natural person who has voting and investment control over the securities being offered.

(5) Messrs. Nathaniel Brown and Robert Richardson are the natural persons who have voting and investment control over the securities being offered.

(6) Tomas Kirviatis is the natural person who has voting and investment control over the securities being offered.

(7) CBARB is a segregated account of Geode Capital Master Fund Ltd., which is an open-ended exempted mutual fund company registered as a segregated accounts company under the laws of Bermuda. Phil Dumas is the natural person who has dispositive power over the securities being offered.

(8) Citadel Limited Partnership is the trading manager of Citadel Equity Fund, Ltd. and consequently has investment discretion over securities held by Citadel Equity Fund, Ltd. Citadel Investment Group L.L.C. controls Citadel Limited Partnership. Kenneth C. Griffin controls Citadel Investment Group L.L.C. and therefore has ultimate investment discretion over the securities being offered. Citadel Limited Partnership, Citadel Investment Group L.L.C. and Mr. Griffin each disclaim beneficial ownership of the securities being offered.

(9) CNH Partners, LLC is the Investment Advisor of CNH CA Master Account, L.P. and has sole voting and dispositive power over the securities being offered. Investment principals for CNH Partners, LLC are Messrs. Robert Krail, Mark Mitchell and Todd Pulvino.

(10) Karla Bodden, Jane Fleming, Dennis Hunter, Alan Smith and Gary Trehiou, as directors of CQS Convertible and Quantitative Strategies Master Fund Limited, are the natural persons who have voting and investment control over the securities being offered.

(11) Highbridge Capital Management, LLC is the trading manager of Highbridge Convertible Arbitrage Master Fund, L.P. and has voting control and investment discretion over the securities held by Highbridge Convertible Arbitrage Master Fund, L.P. Glenn Dubin and Henry Swieca control Highbridge Capital Management, LLC and have voting control and investment discretion over the securities held by Highbridge Convertible Master Fund, L.P. Each of Highbridge Capital Management, LLC, Glenn Dubin and Henry Swieca disclaims beneficial ownership of the securities held by Highbridge Convertible Arbitrage Master Fund, L.P.

(12) Highbridge Capital Management, LLC is the trading manager of Highbridge International LLC and has voting control and investment discretion over the securities held by Highbridge International LLC. Glenn Dubin and Henry Swieca control Highbridge Capital Management, LLC and have voting control and investment discretion over the securities held by Highbridge Capital Management, LLC. Each of Highbridge Capital Management, LLC, Glenn Dubin and Henry Swieca disclaims beneficial ownership of the securities held by Highbridge International, LLC.

(13) Gary Crowder is the natural person who has voting and investment control over the securities being offered

(14) Philippe Jabre is the natural person who has voting and investment control over the securities being offered.

(15) Lehman Brothers, Inc. is a reporting company under the Exchange Act. Lehman Brothers, Inc. has identified itself as a registered broker-dealer and, accordingly, it is, under the interpretations of the Securities and Exchange Commission, an “underwriter” within the meaning of the Securities Act of 1933. Please see “Plan of distribution” for required disclosure regarding this selling securityholder.

(16) Siu Min Wong is the natural person who has voting and investment control over the securities being offered.

(17) Eric Hage and Daniel Hage are the natural persons who have voting and investment control over the securities being offered.

(18) Polygon Investment Partners LLP, Polygon Investment Partners LP, Polygon Investments Ltd., Alexander E. Jackson, Reade E. Griffith and Patrick G. G. Dear share voting and dispositive power over the securities being offered. Polygon Investment Partners LLP, Polygon Investment Partners LP, Polygon Investments Ltd., Alexander E. Jackson, Reade E. Griffith and Patrick G. G. Dear disclaim beneficial ownership of the securities being offered.

(19) Andrew Kaplan, Brian Swain, and Louis Napoli are the natural persons who have voting and investment control over the securities being offered.

(20) Louise Morwick, Bryn Joynt, and Chris Witkowski are the natural persons who have voting and investment control over the securities being offered.

(21) Steelhead PF Capital LTD is the general partner of Steelhead Pathfinder Master LP. Steelhead Partners LLC is the shareholder of Steelhead PF Capital LTD. Michael Johnson and Brian K. Klein are the managing members of Steelhead Partners LLC.

(22) TQA Investors, LLC is the controlling shareholder of TQA Master Fund LTD. Andrew Anderson, Paul Bucci, Robert Butman and George Esser are the principals of TQA Investors, LLC and are the natural persons who have voting and investment control over the securities being offered.

(23) TQA Investors, LLC is the controlling shareholder of TQA Master Plus Fund LTD. Andrew Anderson, Paul Bucci, Robert Butman and George Esser are the principals of TQA Investors, LLC and are the natural persons who have voting and investment control over the securities being offered.

(24) UBS Global Asset Management (UK) Ltd. is the investment manager and has voting and investment control over the securities being offered. UBS Global Asset Management (UK) Ltd. is a wholly owned subsidiary of UBS AG, which is a publicly held entity.

(25) UBS O'Connor LLC is the investment manager of UBS O'Connor LLC F/B/O: O'Connor Global Convertible Arbitrage Master Limited and has voting and investment control over the securities being offered. UBS O'Connor LLC is a wholly owned subsidiary of UBS AG, which is a reporting company under the Exchange Act.

(26) UBS O'Connor LLC is the investment manager of UBS O'Connor LLC F/B/O: O'Connor Global Convertible Arbitrage II Master Limited and has voting and investment control over the securities being offered. UBS O'Connor LLC is a wholly owned subsidiary of UBS AG, which is a reporting company under the Exchange Act.

(27) Vicis Capital LLC is the investment manager for Vicis Capital Master Fund. Shad Stastney, John Succo and Sky Lucas control Vicis Capital LLC and are the natural persons who have voting and investment control over the securities being offered.

(28) Wachovia Capital Markets LLC is a subsidiary of Wachovia Corp., which is a publicly held entity.

(29) TQA Investors, LLC is the controlling shareholder of Zurich Institutional Benchmarks Master Fund Ltd. c/o TQA Investors, LLC. Andrew Anderson, Paul Bucci, Robert Butman and George Esser are the principals of TQA Investors, LLC and are the natural persons who have voting and investment control over the securities being offered.

Plan of distribution

We will not receive any of the proceeds of the sale of the notes and the underlying common stock offered by this prospectus. The aggregate proceeds to the selling securityholders will be the purchase price of the notes less any discounts and commissions. The notes and the underlying common stock may be sold from time to time to purchasers:

- directly by the selling securityholders; or
- through underwriters, broker-dealers or agents who may receive compensation in the form of discounts, concessions or commissions from the selling securityholders or the purchasers of the notes and the underlying common stock.

Each selling securityholder reserves the right to accept and, together with its agents, to reject, any proposed purchases of notes or common stock to be made directly or through agents.

The selling securityholders and any such broker-dealers or agents who participate in the distribution of the notes and the underlying common stock may be deemed to be "underwriters" within the meaning of the Securities Act. As a result, any profits on the sale of the underlying common stock by selling securityholders and any discounts, commissions or concessions received by any such broker-dealers or agents might be deemed to be underwriting discounts and commissions under the Securities Act. These discounts, commissions or concessions may be in excess of those customary in the types of transactions involved. If the selling securityholders are deemed to be underwriters, the selling securityholders may be subject to certain statutory liabilities as underwriters under the Securities Act and the Exchange Act.

If the notes and the underlying common stock are sold through underwriters or broker-dealers, the selling securityholders will be responsible for underwriting discounts or commissions or agent's commissions.

The notes and the underlying common stock may be sold in one or more transactions at:

- fixed prices;
- prevailing market prices at the time of sale;
- varying prices determined at the time of sale; or
- negotiated prices.

These sales may be effected in transactions:

- on any national securities exchange or quotation service on which the notes and underlying common stock may be listed or quoted at the time of the sale, including the New York Stock Exchange in the case of the common stock;
- in the over-the-counter market;
- in transactions otherwise than on such exchanges or services or in the over-the-counter market; or
- through the writing of options.

These transactions may include block transactions or crosses. Crosses are transactions in which the same broker acts as an agent on both sides of the trade.

In connection with the sales of the notes and the underlying common stock or otherwise, the selling securityholders may enter into hedging transactions with broker-dealers. These broker-dealers may in turn engage in short sales of the notes and the underlying common stock in the course of hedging their positions. The selling securityholders may also sell the notes and the underlying common stock short and deliver notes and the underlying common stock to close out short positions, or loan or pledge notes and the underlying common stock to broker-dealers that in turn may sell the notes and the underlying common stock.

To our knowledge, there are currently no plans, arrangements or understandings between any selling securityholders and any underwriter, broker-dealer or agent regarding the sale of the notes and the underlying common stock by the selling securityholders. We cannot assure you that any selling securityholder will sell any or all of the notes or the underlying common stock offered by them pursuant to this prospectus. Any notes or underlying common stock covered by this prospectus that qualify for sale pursuant to Rule 144 or Rule 144A of the Securities Act may be sold under Rule 144 or Rule 144A rather than pursuant to this prospectus. In addition, we cannot assure you that any selling securityholder will not transfer, devise or gift the notes and the underlying common stock by other means not described in this prospectus.

Our common stock trades on the New York Stock Exchange under the symbol “CAI.” We do not intend to apply for listing of the notes on any securities exchange. Accordingly, no assurance can be given as to the development of liquidity or any trading market for the notes.

The selling securityholders and any other person participating in such distribution will be subject to the Exchange Act. The Exchange Act rules include, without limitation, Regulation M, which may limit the timing of purchases and sales of any of the notes and the underlying common stock by the selling securityholders and any such other person. In addition, Regulation M of the Exchange Act may restrict the ability of any person engaged in the distribution of the notes and the underlying common stock being distributed for a period of up to five business days prior to the commencement of such distribution. This may affect the marketability of the notes and the underlying common stock and the ability of any person or entity to engage in market-making activities with respect to the notes and the underlying common stock.

Any selling securityholder who is a “broker-dealer” may be deemed to be an “underwriter” within the meaning of Section 2(11) of the Securities Act. To our knowledge, Lehman Brothers Inc. is the only selling securityholder that is a registered broker-dealer or is affiliated with a registered broker-dealer. We do not have a material relationship with Lehman Brothers Inc., and it does not have the right to designate or nominate a member or members of our board of directors.

Pursuant to the registration rights agreement that has been incorporated by reference as an exhibit to this registration statement, we and the selling securityholders will each indemnify the other against specified liabilities, including liabilities under the Securities Act, or will be entitled to contribution in connection with these liabilities.

We have agreed to pay substantially all of the expenses incidental to the registration, offering and sale of the underlying common stock to the public other than commissions, fees and discounts of underwriters, brokers, dealers and agents.

Legal matters

The validity of the notes and common stock offered by this prospectus and the enforceability of our obligations under the notes are being passed upon for us by Foley Hoag LLP, Boston, Massachusetts.

Experts

The consolidated financial statements of CACI International Inc included in CACI International Inc's Annual Report (Form 10-K) for the year ended June 30, 2007 (including the schedule included therein), and CACI International Inc's management's assessment of the effectiveness of internal control over financial reporting as of June 30, 2007 included therein, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements and management's assessment are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

Where you can find more information

We file annual, quarterly and special reports, proxy statements, and other information with the SEC. You may read and copy any materials we file with the SEC at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for more information on its public reference room. The SEC also maintains a website at http://www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

We have filed with the SEC a registration statement that contains this prospectus on Form S-1 under the Securities Act. The registration statement relates to the notes and the common stock issuable on conversion of the notes offered by the selling securityholders. This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules to the registration statement. Please refer to the registration statement and its exhibits and schedules for further information about us, the notes and our common stock. Statements contained in this prospectus as to the contents of any contract or other document are not necessarily complete and, in each instance, we refer you to the copy of that contract or document filed as an exhibit to the registration statement. You may read and obtain a copy of the registration statement and its exhibits and schedules from the SEC, as described in the preceding paragraph.

Documents incorporated by reference

The SEC allows us to "incorporate by reference" the information we have filed with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus. The documents we have filed with the SEC (File No. 1-31400) that we incorporate by reference are:

1. Our Annual Report on Form 10-K for the fiscal year ended June 30, 2007 (including information specifically incorporated by reference into our Form 10-K from our Proxy Statement for our Annual Meeting of Stockholders to be held on November 14, 2007); and
2. Our Current Reports on Form 8-K filed on July 11, 2003, July 3, 2007, September 24, 2007, September 25, 2007, and October 4, 2007.

We will furnish without charge to you, on written or oral request, a copy of any or all of the documents incorporated by reference, including exhibits to such documents. You should direct any requests for documents to CACI's Chief Legal Officer, 1100 North Glebe Road, Arlington, Virginia 22201, (703) 841-7800. You should rely only on the information incorporated by reference or provided in this prospectus.

PART II

Information not required in prospectus

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the various expenses payable by the registrant in connection with the sale and distribution of the securities being registered hereby. Normal commission expenses and brokerage fees are payable individually by the selling securityholders. All amounts are estimated except the SEC registration fee.

	Amount
SEC registration fee	$ 9,210
Printing costs	10,000
Accounting fees and expenses	100,000
Legal fees and expenses	100,000
Trustee and Transfer Agent fees and expenses	10,000
Miscellaneous	10,000
Total	$239,210

Item 14. Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law provides that a corporation may indemnify any person, including an officer and director, who was or is, or is threatened to be made, a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such cooperation), by reason of the fact that such person is or was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of such corporation, and, with respect to any criminal actions and proceedings, had no reasonable cause to believe that his conduct was unlawful. A Delaware corporation may indemnify any person, including an officer or director, who was or is, or is threatened to be made, a party to any threatened, pending or contemplated action or suit by or in the right of such corporation, under the same conditions, except that no indemnification is permitted without judicial approval if such person is adjudged to be liable to such corporation. Where an officer or director of a corporation is successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to above, or any claim, issue or matter herein, the corporation must indemnify such person against the expenses (including attorneys' fees) which such officer or director actually and reasonably incurred in connection therewith.

The registrant's certificate of incorporation exonerates the registrant's directors from personal liability for monetary damages for breach of the fiduciary duty of care as a director, except for any breach of the directors' duty of loyalty for acts or omissions not in good faith or which involve intentional misconduct or knowing violations of law, for any improper declaration of dividends or for any transaction from which the director derived an improper personal benefit. The registrant's certificate of incorporation does not eliminate a stockholder's right to seek non-monetary, equitable remedies, such as an injunction or rescission, to redress an action taken by the directors. However, as a practical matter, equitable remedies may not be available in all situations, and there may be instances in which no effective remedy is available.

The registrant maintains directors' and officers' liability insurance policies. The registrant has entered into contracts with its directors and executive officers providing for indemnification of the registrant's officers and directors to the fullest extent permitted by applicable law.

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Item 16. Exhibits and Financial Statement Schedules

Exhibit No.	Description	Filed with this Form S-1	Incorporated by Reference		
			Form	Filing Date	Exhibit No.
3.1	Certificate of Incorporation of CACI International Inc, as amended to date.		10-K	September 13, 2006	3.1
3.2	Amended and Restated By-laws of CACI International Inc amended as of March 15, 2007.		8-K	March 21, 2007	3.1
4.1	Clause FOURTH of CACI International Inc's Certificate of Incorporation, incorporated above as Exhibit 3.1.		10-K	September 13, 2006	4.1
4.2	The Rights Agreement incorporated below as Exhibit 10.6.		8-K	July 11, 2003	4.1
4.3	Indenture, dated as of May 16, 2007, between CACI International Inc and The Bank of New York, including the form of Note.		8-K	May 16, 2007	4.1
4.4	Registration Rights Agreement, dated as of May 16, 2007, among CACI International Inc and J.P. Morgan Securities Inc., Banc of America Securities LLC, Morgan Stanley & Co. Incorporated, Raymond James & Associates, Inc., SunTrust Capital Markets, Inc. and Wachovia Capital Markets, LLC.		8-K	May 16, 2007	4.2
4.5	Letter Agreement re Call Option Transaction dated as of May 10, 2007, by and between CACI International Inc and Morgan Stanley & Co. International plc, as amended May 11, 2007.		8-K	May 16, 2007	4.3
4.6	Letter Agreement re Warrants dated as of May 10, 2007, by and between CACI International Inc and Morgan Stanley & Co. International plc, as amended May 11, 2007.		8-K	May 16, 2007	4.4
4.7	Letter Agreement re Call Option Transaction dated as of May 10, 2007, by and between CACI International Inc and J.P. Morgan Chase Bank, National Association, as amended May 11, 2007.		8-K	May 16, 2007	4.5
4.8	Letter Agreement re Warrants dated as of May 10, 2007, by and between CACI International Inc and J.P. Morgan Chase Bank, National Association, as amended May 11, 2007.		8-K	May 16, 2007	4.6
4.9	Letter Agreement re Call Option Transaction dated as of May 10, 2007, by and between CACI International Inc and Bank of America, N.A., as amended May 11, 2007.		8-K	May 16, 2007	4.7
4.10	Letter Agreement re Warrants dated as of May 10, 2007, by and between CACI International Inc and Bank of America, N.A., as amended May 11, 2007.		8-K	May 16, 2007	4.8
5.1	Opinion of Foley Hoag LLP.	X			
8.1	Tax Opinion of Foley Hoag LLP.	X			
10.1	Employment Agreement between CACI International Inc and Dr. J. P. London dated August 17, 1995.		10-K	September 27, 1995	10.3
10.2	The 1996 Stock Incentive Plan of CACI International Inc.		S-8	February 15, 2005	4.3
10.3	Form of Stock Option Agreement between CACI International Inc and certain employees.		10-K	September 27, 2002	10.10

Exhibit No.	Description	Filed with this Form S-1	Incorporated by Reference		
			Form	Filing Date	Exhibit No.
10.4	Form of Performance Accelerated Stock Option Agreement between CACI International Inc and certain employees.		10-K	September 27, 2002	10.11
10.5	The Rights Agreement dated July 11, 2003 between CACI International Inc and American Stock Transfer & Trust Company.		8-K	July 11, 2003	4.1
10.6	The 2002 Employee Stock Purchase Plan of CACI International Inc.		S-8	March 28, 2003	4.3
10.7	Amended and Restated Management Stock Purchase Plan of CACI International Inc.		Def 14A	October 13, 2006	Appendix B
10.8	Director Stock Purchase Plan of CACI International Inc.		S-8	March 28, 2003	4.5
10.9	The Credit Agreement dated May 3, 2004, between CACI International Inc, Bank of America, N.A. and a consortium of participating banks.		10-K	September 13, 2004	10.21
10.10	First Amendment dated May 18, 2005 to the Credit Agreement dated May 3, 2004, between CACI International Inc, Bank of America, N.A. and a consortium of participating banks.		8-K	May 18, 2005	99
10.11	The Amended and Restated Asset Purchase Agreement dated February 16, 2006 between CACI International Inc, CACI, INC.-FEDERAL, CACI Acquisition, Inc., Information Systems Support, Inc., Young Yong Lee, AE Kyung Lee, Jack A. Garson, as Voting Trustee.		8-K	March 1, 2006	99b
10.12	2006 Stock Incentive Plan of CACI International Inc.		Def 14A	October 13, 2006	Appendix A
10.13	Amended and Restated Employment Agreement dated November 13, 2006 between J.P. London and CACI International Inc.		10-Q	February 9, 2007	10.1
10.14	Amended and Restated Severance Compensation Agreement dated December 13, 2006 between Paul M. Cofoni and CACI International Inc.		10-Q	February 9, 2007	10.2
10.15	Amended and Restated Severance Compensation Agreement dated December 18, 2006 between William M. Fairl and CACI International Inc.		10-Q	February 9, 2007	10.3
10.16	Amended and Restated Severance Compensation Agreement dated December 27, 2006 between Gregory R. Bradford and CACI International Inc.		10-Q	February 9, 2007	10.4
10.17	CACI Separation and Severance Agreement dated January 23, 2007 between Stephen L. Waechter and CACI, INC.-FEDERAL.		10-Q	February 9, 2007	10.5
10.18	Second Amendment, dated May 9, 2007, to the Credit Agreement dated as of May 3, 2004 among CACI International Inc, the guarantors identified therein, the lenders identified therein, and Bank of America, N.A., as Administrative Agent.		8-K	May 11, 2007	10.1
10.19	Purchase Agreement, dated May 10, 2007, among CACI International Inc and J.P. Morgan Securities Inc., Banc of America Securities LLC, Morgan Stanley & Co. Incorporated, Raymond James & Associates, Inc., SunTrust Capital Markets, Inc. and Wachovia Capital Markets, LLC.		8-K	May 16, 2007	10.1
10.20	Stock Purchase Agreement by and among CACI International Inc, CACI, INC. – FEDERAL and The Wexford Group International, Inc. and the Stockholders of The Wexford Group International, Inc., dated May 30, 2007.		10-K	August 29, 2007	10.20

Exhibit No.	Description	Filed with this Form S-1	Incorporated by Reference		
			Form	Filing Date	Exhibit No.
10.21	Amended and Restated Employment Agreement dated July 1, 2007 between J.P. London and CACI International Inc		10-K	August 29, 2007	10.21
10.22	Employment Agreement dated July 1, 2007 between Paul M. Cofoni and CACI International Inc		10-K	August 29, 2007	10.22
10.23	Severance Compensation Agreement dated July 1, 2007 between Gregory R. Bradford and CACI International Inc		10-K	August 29, 2007	10.23
10.24	Severance Compensation Agreement dated July 1, 2007 between William M. Fairl and CACI International Inc		10-K	August 29, 2007	10.24
10.25	Severance Compensation Agreement dated October 1, 2007 between Thomas A. Mutryn and CACI International Inc.	X			
10.26	Severance Compensation Agreement dated October 1, 2007 between Randall C. Fuerst and CACI International Inc.	X			
10.27	Stock Purchase Agreement by and among Athena Holding LLC, Athena Holding Corp., Athena Innovative Solutions, Inc., CACI International Inc and CACI, Inc. - FEDERAL, dated September 19, 2007	X			
12.1	Computation of Ratios of Earnings to Fixed Charges.	X			
21.1	Significant Subsidiaries of CACI International Inc.		10-K	August 29, 2007	21.1
23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.	X			
23.2	Consents of Foley Hoag LLP (included with Exhibits 5.1 and 8.1).	X			
24.1	Power of Attorney.		S-1	June 28, 2007	4.1
25.1	Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of a Corporation Designated to Act as a Trustee on Form T-1.	X			

Item 17. Undertakings

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to the registration statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that paragraphs (i), (ii) and (iii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining any liability under the Securities Act to any purchaser,

(i) each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(ii) each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(b) That, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) To deliver or cause to be delivered with the prospectus, to each person to whom the prospectus is sent or given, the latest annual report to securityholders that is incorporated by reference in the prospectus and furnished pursuant to and meeting the requirements of Rule 14a-3 or Rule 14c-3 under the Securities Exchange Act of 1934; and, where interim financial information required to be presented by Article 3 of Regulation S-X are not set forth in the prospectus, to deliver, or cause to be delivered to each person to whom the prospectus is sent or given, the latest quarterly report that is specifically incorporated by reference in the prospectus to provide such interim financial information.

(d) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Arlington, Commonwealth of Virginia, on October 9, 2007.

CACI International Inc

By: /s/ Thomas A. Mutryn
Thomas A. Mutryn
Executive Vice President, Chief Financial Officer and Treasurer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signatures	Title	Date
* **Paul M Cofoni**	President, Chief Executive Officer and Director (Principal Executive Officer)	October 9, 2007
* **Thomas A. Mutryn**	Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)	October 9, 2007
* **Carol P. Hanna**	Sr. Vice President, Corporate Controller and Chief Accounting Officer (Principal Accounting Officer)	October 9, 2007
* **Dr. J. P. London**	Chairman of the Board, Executive Chairman	October 9, 2007

* **Herbert W. Anderson**	Director	October 9, 2007
* **Dan R. Bannister**	Director	October 9, 2007
* **Peter A. Derow**	Director	October 9, 2007
* **Gregory G. Johnson**	Director	October 9, 2007
* **Richard L. Leatherwood**	Director	October 9, 2007
* **Barbara A. McNamara**	Director	October 9, 2007
* **Dr. Warren R. Phillips**	Director	October 9, 2007
* **Charles P. Revoile**	Director	October 9, 2007
* **General Henry Hugh Shelton**	Director	October 9, 2007

* /s/ Arnold D. Morse
Arnold D. Morse
Attorney-in-Fact

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EXHIBIT INDEX

Exhibit No.	Description	Filed with this Form S-1	Incorporated by Reference		
			Form	Filing Date	Exhibit No.
3.1	Certificate of Incorporation of CACI International Inc, as amended to date.		10-K	September 13, 2006	3.1
3.2	Amended and Restated By-laws of CACI International Inc amended as of March 15, 2007.		8-K	March 21, 2007	3.1
4.1	Clause FOURTH of CACI International Inc's Certificate of Incorporation, incorporated above as Exhibit 3.1.		10-K	September 13, 2006	4.1
4.2	The Rights Agreement incorporated below as Exhibit 10.6.		8-K	July 11, 2003	4.1
4.3	Indenture, dated as of May 16, 2007, between CACI International Inc and The Bank of New York, including the form of Note.		8-K	May 16, 2007	4.1
4.4	Registration Rights Agreement, dated as of May 16, 2007, among CACI International Inc and J.P. Morgan Securities Inc., Banc of America Securities LLC, Morgan Stanley & Co. Incorporated, Raymond James & Associates, Inc., SunTrust Capital Markets, Inc. and Wachovia Capital Markets, LLC.		8-K	May 16, 2007	4.2
4.5	Letter Agreement re Call Option Transaction dated as of May 10, 2007, by and between CACI International Inc and Morgan Stanley & Co. International plc, as amended May 11, 2007.		8-K	May 16, 2007	4.3
4.6	Letter Agreement re Warrants dated as of May 10, 2007, by and between CACI International Inc and Morgan Stanley & Co. International plc, as amended May 11, 2007.		8-K	May 16, 2007	4.4
4.7	Letter Agreement re Call Option Transaction dated as of May 10, 2007, by and between CACI International Inc and J.P. Morgan Chase Bank, National Association, as amended May 11, 2007.		8-K	May 16, 2007	4.5
4.8	Letter Agreement re Warrants dated as of May 10, 2007, by and between CACI International Inc and J.P. Morgan Chase Bank, National Association, as amended May 11, 2007.		8-K	May 16, 2007	4.6
4.9	Letter Agreement re Call Option Transaction dated as of May 10, 2007, by and between CACI International Inc and Bank of America, N.A., as amended May 11, 2007.		8-K	May 16, 2007	4.7
4.10	Letter Agreement re Warrants dated as of May 10, 2007, by and between CACI International Inc and Bank of America, N.A., as amended May 11, 2007.		8-K	May 16, 2007	4.8
5.1	Opinion of Foley Hoag LLP.	X			
8.1	Tax Opinion of Foley Hoag LLP.	X			
10.1	Employment Agreement between CACI International Inc and Dr. J. P. London dated August 17, 1995.		10-K	September 27, 1995	10.3
10.2	The 1996 Stock Incentive Plan of CACI International Inc.		S-8	February 15, 2005	4.3
10.3	Form of Stock Option Agreement between CACI International Inc and certain employees.		10-K	September 27, 2002	10.10
10.4	Form of Performance Accelerated Stock Option Agreement between CACI International Inc and certain employees.		10-K	September 27, 2002	10.11

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Exhibit No.	Description	Filed with this Form S-1	Incorporated by Reference		
			Form	Filing Date	Exhibit No.
10.5	The Rights Agreement dated July 11, 2003 between CACI International Inc and American Stock Transfer & Trust Company.		8-K	July 11, 2003	4.1
10.6	The 2002 Employee Stock Purchase Plan of CACI International Inc.		S-8	March 28, 2003	4.3
10.7	Amended and Restated Management Stock Purchase Plan of CACI International Inc.		Def 14A	October 13, 2006	Appendix B
10.8	Director Stock Purchase Plan of CACI International Inc.		S-8	March 28, 2003	4.5
10.9	The Credit Agreement dated May 3, 2004, between CACI International Inc, Bank of America, N.A. and a consortium of participating banks.		10-K	September 13, 2004	10.21
10.10	First Amendment dated May 18, 2005 to the Credit Agreement dated May 3, 2004, between CACI International Inc, Bank of America, N.A. and a consortium of participating banks.		8-K	May 18, 2005	99
10.11	The Amended and Restated Asset Purchase Agreement dated February 16, 2006 between CACI International Inc, CACI, INC.-FEDERAL, CACI Acquisition, Inc., Information Systems Support, Inc., Young Yong Lee, AE Kyung Lee, Jack A. Garson, as Voting Trustee.		8-K	March 1, 2006	99b
10.12	2006 Stock Incentive Plan of CACI International Inc		Def 14A	October 13, 2006	Appendix A
10.13	Amended and Restated Employment Agreement dated November 13, 2006 between J.P. London and CACI International Inc.		10-Q	February 9, 2007	10.1
10.14	Amended and Restated Severance Compensation Agreement dated December 13, 2006 between Paul M. Cofoni and CACI International Inc.		10-Q	February 9, 2007	10.2
10.15	Amended and Restated Severance Compensation Agreement dated December 18, 2006 between William M. Fairl and CACI International Inc.		10-Q	February 9, 2007	10.3
10.16	Amended and Restated Severance Compensation Agreement dated December 27, 2006 between Gregory R. Bradford and CACI International Inc.		10-Q	February 9, 2007	10.4
10.17	CACI Separation and Severance Agreement dated January 23, 2007 between Stephen L. Waechter and CACI, INC.-FEDERAL.		10-Q	February 9, 2007	10.5
10.18	Second Amendment, dated May 9, 2007, to the Credit Agreement dated as of May 3, 2004 among CACI International Inc, the guarantors identified therein, the lenders identified therein, and Bank of America, N.A., as Administrative Agent.		8-K	May 11, 2007	10.1
10.19	Purchase Agreement, dated May 10, 2007, among CACI International Inc and J.P. Morgan Securities Inc., Banc of America Securities LLC, Morgan Stanley & Co. Incorporated, Raymond James & Associates, Inc., SunTrust Capital Markets, Inc. and Wachovia Capital Markets, LLC.		8-K	May 16, 2007	10.1
10.20	Stock Purchase Agreement by and among CACI International Inc, CACI, INC. – FEDERAL and The Wexford Group International, Inc. and the Stockholders of The Wexford Group International, Inc., dated May 30, 2007.		10-K	August 29, 2007	10.20
10.21	Amended and Restated Employment Agreement dated July 1, 2007 between J.P. London and CACI International Inc		10-K	August 29, 2007	10.21

Exhibit No.	Description	Filed with this Form S-1	Incorporated by Reference		
			Form	Filing Date	Exhibit No.
10.22	Employment Agreement dated July 1, 2007 between Paul M. Cofoni and CACI International Inc		10-K	August 29, 2007	10.22
10.23	Severance Compensation Agreement dated July 1, 2007 between Gregory R. Bradford and CACI International Inc		10-K	August 29, 2007	10.23
10.24	Severance Compensation Agreement dated July 1, 2007 between William M. Fairl and CACI International Inc		10-K	August 29, 2007	10.24
10.25	Severance Compensation Agreement dated October 1, 2007 between Thomas A. Mutryn and CACI International Inc	X			
10.26	Severance Compensation Agreement dated October 1, 2007 between Randall C. Fuerst and CACI International Inc	X			
10.27	Stock Purchase Agreement by and among Athena Holding LLC, Athena Holding Corp., Athena Innovative Solutions, Inc., CACI International Inc and CACI, Inc. - FEDERAL, dated September 19, 2007	X			
12.1	Computation of Ratios of Earnings to Fixed Charges.	X			
21.1	Significant Subsidiaries of CACI International Inc.		10-K	August 29, 2007	21.1
23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.	X			
23.2	Consents of Foley Hoag LLP (included with Exhibits 5.1 and 8.1).	X			
24.1	Power of Attorney.		S-1	June 28, 2007	24.1
25.1	Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of a Corporation Designated to Act as a Trustee on Form T-1.	X			

Exhibit 5.1

October 9, 2007

CACI International Inc
1100 North Glebe Road
Arlington, Virginia 22201

Re: Registration Statement on Form S-1

Ladies and Gentlemen:

We are acting as counsel for CACI International Inc, a Delaware corporation (the "Company"), in connection with the Registration Statement on Form S-1, as amended, File# 333-144127 (the "Registration Statement"), relating to the registration under the Securities Act of 1933, as amended (the "Act"), of $300,000,000 aggregate principal amount of 2.125% Convertible Senior Subordinated Notes due 2014 (the "Securities") and the shares of Common Stock, par value $0.10 per share (the "Common Stock"), of the Company initially issuable upon conversion of the Securities (the "Conversion Shares"). The Securities were issued pursuant to an Indenture dated as of May 16, 2007 between the Company and The Bank of New York, as Trustee (the "Indenture"). The Securities and the Conversion Shares are to be offered for the respective accounts of the holders thereof.

We have reviewed and are familiar with such corporate proceedings and other matters as we have deemed necessary for this opinion. In rendering this opinion, we have assumed that the signatures on all documents examined by us are genuine. To the extent that the obligations of the Company under the Securities and the Indenture may be dependent upon such matters, we assume for purposes of this opinion that (i) the Trustee is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (ii) the Trustee is duly qualified to engage in the activities contemplated by the Indenture, (iii) the Indenture has been duly authorized, executed and delivered by the Trustee and constitutes the legally valid and binding obligation of the Trustee, enforceable against the Trustee in accordance with its terms, (iv) the Securities have been properly authenticated by the manual signature of an authorized representative of the Trustee, (v) the Trustee is in compliance, generally and with respect to acting as a trustee under the Indenture, with all applicable laws and regulations, and (vi) the Trustee has the requisite organizational and legal power and authority to execute and deliver and to perform its obligations under the Indenture.

The opinion rendered in numbered paragraph 1 below is subject to the following exceptions, limitations and qualifications: (i) the effect of bankruptcy, insolvency, reorganization, preference, fraudulent transfer, moratorium or other similar laws now or hereafter in effect relating to or affecting the rights and remedies of creditors; (ii) the effect of general principles of equity, whether enforcement is considered in a proceeding in equity or at law (including the possible unavailability of specific performance or injunctive relief), concepts of materiality, reasonableness, good faith and fair dealing, and the discretion of the court before which any proceeding therefor may be brought; (iii) the unenforceability under certain circumstances under law or court decisions of provisions providing for the indemnification of or contribution to a party with respect to a liability where such indemnification or contribution is contrary to public policy; and (iv) the unenforceability of any provision requiring the payment of attorneys' fees, where such payment is contrary to law or public policy.

Subject to the foregoing and the other matters set forth herein, it is our opinion that, as of the date hereof:

1. the Securities have been duly authorized and are valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms, and entitled to the benefits of the Indenture; and
2. the Conversion Shares have been duly authorized and, when issued by the Company upon conversion of the Securities in accordance with the Indenture, will be legally issued, fully paid and nonassessable.

We have made such examination of the laws of the State of New York and the General Corporation Law of the State of Delaware, and made such consultation with counsel, as we have deemed relevant for the purposes of this opinion. This opinion is limited to matters governed by the General Corporation Law of the State of Delaware, including the statutory provisions and all applicable provisions of the Delaware Constitution, including reported judicial decisions interpreting these laws, and the laws of the State of New York.

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement and to the use of our name under the caption “Legal Matters” in the Registration Statement and in the Prospectus included therein. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

Very truly yours,

/s/ Foley Hoag LLP

Exhibit 8.1

October 9, 2007

CACI International Inc
1100 North Glebe Road
Arlington, Virginia 22201

Re: *$300,000,000 of 2.125% Convertible Senior Subordinated Notes Due 2014 and Shares of Common Stock Issuable upon Conversion of the Notes*

Ladies and Gentlemen:

Reference is made to the information set forth under the heading "Certain U.S. federal income tax considerations" (the "U.S. Tax Summary") contained in the Registration Statement on Form S-1 (the "Registration Statement"), filed by CACI International Inc (the "Company"), with the Securities and Exchange Commission (the "SEC") on October 9, 2007, for the purpose of registering $300,000,000 of 2.125% Convertible Senior Subordinated Notes Due 2014, of the Company, which were issued in a private placement in May 2007, and up to 5,489,670 shares (plus such indeterminate number of shares issuable pursuant to anti-dilution and similar adjustments) of common stock issuable upon conversion of the Notes.

We have aided in the preparation of the Registration Statement, including in particular the U.S. Tax Summary. We have examined the law and such papers, including (i) the Registration Statement and (ii) the Indenture, dated as of May 16, 2007, between CACI International Inc and The Bank of New York, including the form of Note, (iii) the Purchase Agreement, dated May 10, 2007, among CACI International Inc and J.P. Morgan Securities Inc., Banc of America Securities LLC, Morgan Stanley & Co. Incorporated, Raymond James & Associates, Inc., SunTrust Capital Markets, Inc. and Wachovia Capital Markets, LLC, as deemed necessary to render the opinion expressed below. Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Indenture. As to questions of fact material to our opinion we have relied upon representations set forth in the Indenture (including the Exhibits thereto), without undertaking to verify the same by independent investigation.

In our examination we have assumed that (i) the transactions contemplated by the documents described in the preceding paragraph (the "Documents") will be consummated and performed in accordance with the terms described therein; (ii) each entity that is a party to any of the Documents has been duly organized under the laws of

its state or country of organization, is validly existing and in good standing under such laws, and is duly qualified and in good standing in each jurisdiction in which it is required to be qualified to engage in the transactions contemplated by the Documents; (iii) each such entity has full power, authority, capacity and legal right to enter into and perform the terms of the Documents and the transactions contemplated thereby; (iv) the copies or originals of the Documents furnished to us are authentic (if originals) or accurate (if copies), those that are contracts or instruments are enforceable and effective in accordance with their terms against all parties thereto, and all signatures are genuine; (v) each representation made in any of the Documents is, and will continue to be, true and complete, and no default exists under any of the Documents; (vi) the business and affairs of each of the entities that is a party to any of the Documents will be conducted in accordance with the Documents and all relevant laws; (vii) no actions will be taken, no change in any of the Documents will occur, and no other events will occur, after the date hereof, that would have the effect of altering the facts, Documents or assumptions upon which this opinion is based; and (viii) the parties to the Documents and the holders of Notes will treat the Notes as indebtedness of the Company for United States federal income tax purposes.

The opinion rendered herein is based upon the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), Treasury Department proposed, temporary and final regulations, judicial decisions, and rulings and administrative interpretations of the Internal Revenue Service, as each of the foregoing exists on the date hereof. The opinion rendered below is not binding on the Internal Revenue Service or a court of law, and no assurance can be given that legislative or administrative action or judicial decisions that differ from the opinion rendered below will not be forthcoming. Any such differences could be retroactive to transactions or business operations prior to such action or decisions. We express no opinion as to the federal income tax consequences, if any, of the issuance or conversion of the Notes other than that described below; as to the effect of such issuance on other transactions; or as to any state, local or foreign income or other tax consequences with respect to such issuance or conversion.

Based on the foregoing, we are of opinion, as of the date hereof and under existing law, that the statements set forth in the U.S. Tax Summary, insofar as such statements constitute matters of law or legal conclusions, present a fair and accurate summary of the matters addressed therein.

We are furnishing this letter to you solely for the purpose of filing the letter with the Securities and Exchange Commission as an exhibit to the Registration Statement. We hereby consent to such filing and to the references to our firm in the U.S. Tax Summary and under the caption “Legal Matters” in the Registration Statement. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder, nor do

we thereby admit that we are experts with respect to any part of the Registration Statement within the meaning of the term “experts” as used in the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder. This letter is not to be relied upon, used, circulated, quoted, or otherwise referred to for any other purpose or by any other person or entity without our prior written consent. We undertake no responsibility to update or supplement this letter.

Very truly yours,

/s/ FOLEY HOAG LLP

Exhibit 10.25

SEVERANCE COMPENSATION AGREEMENT

THIS AGREEMENT is made as of the 1 st day of October, 2007, between CACI International Inc, a Delaware corporation headquartered at 1100 North Glebe Road, Arlington, Virginia, and Thomas A. Mutryn (the "Executive") residing at 8411 Rapley Ridge, Potomac, MD 20854.

W I T N E S S E T H:

WHEREAS, the Executive is employed by CACI International Inc and/or one or more of its wholly-owned subsidiaries ("the Company"), and the services of the Executive, his managerial experience, and his knowledge of the affairs of the Company are of great value to the Company; and

WHEREAS, the Board of Directors of CACI International Inc has determined that it is in the best interests of the Company and the Executive to enter into this agreement setting forth the obligations of the Company and the Executive upon the Executive's termination of employment.

NOW, THEREFORE, in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. At-Will Employment . The Company and the Executive agree that the Executive is employed on an at-will basis. Unless otherwise specifically provided in a written agreement signed by both the Company and the Executive, the parties understand that the Executive is employed for no fixed term or period, that either the Company or the Executive may terminate the Executive's employment with the Company at any time with or without a reason, and that this Agreement creates no contract of employment between the Company and the Executive.

2. Term . The term of this Agreement shall be for the period from July 1, 2007 through June 30, 2008, and shall automatically renew itself from year-to-year thereafter, unless the Company provides to the Executive written notice of the Company's intent to amend the Company's severance policy with respect to its senior executives and to apply the amended policy to the Executive. In the event the Company provides such notice to the Executive, this Agreement shall expire by its terms at the end of the full term year that begins on the next July 1 following the date such notice is received by the Executive.

3. Death or Disability . The Executive's employment shall terminate (without severance) automatically upon the death of the Executive. The Company shall have the right to terminate the Executive's employment without payment of severance on thirty (30) days written notice in the event of the Executive's Disability. For purposes of this Agreement, "Disability" shall mean (i) if the Executive is subject to a legal decree of incompetency (the date of such decree being deemed the date on which such disability occurred), (ii) the written determination by a physician selected by the Company that, because of a

medically determinable disease, injury or other physical or mental disability, the Executive is unable substantially to perform all of the services required of his position with the Company, and that such disability has lasted for the immediately preceding ninety (90) days and is, as of the date of determination, reasonably expected to last an additional ninety (90) days or longer after the date of determination, in each case based upon medically available reliable information, or (iii) Executive's qualifying for benefits under the Company's long-term disability coverage, if any. The Company's right to terminate the Executive's employment without payment of severance under this Paragraph shall not limit or reduce in anyway the Executive's right to receive benefits under any disability insurance or plan maintained by the Company for the benefit of the Executive.

4. Voluntary Separation (Other Than For Good Reason) . The Executive shall have the right to terminate his employment with the Company on thirty (30) days written notice to the Company at any time on written notice to the Company indicating the Executive's desire to retire or to resign from the Company's employment.

5. Termination For Cause .

(a) The Board of Directors of the Company may terminate this Agreement for "Cause." For the purposes of this Agreement "Cause" shall be defined as:

(i) Gross negligence, willful misconduct or willful malfeasance by the Executive in connection with the performance of any material duty for the Company;

(ii) The Executive's continued failure, after being provided notice specifying the nature of such failure, to comply with a direction of the President and Chief Executive Officer or the Board with respect to an act, omission or failure to act on the part of the Executive;

(iii) A breach of the Executive's fiduciary obligations to the Company;

(iv) A violation by the Executive of any legal requirement or obligation relating to the Company that the Board of Directors, acting in good faith, reasonably determines is likely to have a material adverse impact on the Company (unless the Executive had a reasonable good faith belief that the act, omission or failure to act in question was not a violation of such legal requirement or obligation);

(v) The Executive's indictment for, conviction of, or plea of guilty or nolo contendere to a felony involving theft, embezzlement, fraud, dishonesty, or any similar offense;

(vi) Theft, embezzlement or fraud by the Executive in connection with the performance of his duties for the Company;

(vii) A material failure to comply with any lawful direction of the Executive Chairman, Chief Executive Officer or Board of Directors of the Company;

(viii) A breach of any material obligation imposed on the Executive by this Agreement or the Employee Agreement dated September 15, 2006;

(ix) A material violation of the Company's Code of Ethics and Business Conduct Standard or any other published Company policy;

(x) Any act, omission or failure to act on the part of the Executive (including an act, omission or failure to act prior to the commencement of the Executive's employment with the Company) that results in the inability of the Executive to secure or maintain security clearances necessary or appropriate to Executive's position with the Company and the conduct of the Company's business; and

(xi) The misappropriation of any material business opportunity.

"Cause" shall be based only on material matters and not on matters of minor importance.

(b) The Executive may be terminated for Cause only in accordance with a resolution duly adopted by an absolute majority of the entire number of the non-management directors of the Company finding that, in the good faith opinion of the Board of Directors, the Executive engaged in conduct justifying a termination for Cause as that term is defined above and specifying the particulars of the conduct motivating the Board's decision to terminate the Executive for Cause. Such resolution may be adopted by the Board only after the Board has provided to the Executive (i) advance written notice of a meeting of the Board called for the purpose of determining Cause for termination of the Executive, (ii) a statement setting forth the alleged grounds for termination, and (iii) an opportunity for the Executive, and, if the Executive so desires, the Executive's counsel to be heard before the Board. Prior to such meeting of the Board, the Executive shall be given a reasonable opportunity to cure any act or omission which the Board, in its reasonable judgment, determines is susceptible of cure. The action required to cure the act or omission, and the time period in which cure must be effected, shall be communicated to the Executive in writing.

6. Termination Payment (Not In Connection With A Change In Control) . If, prior to, or more than twelve (12) months following a Change in Control Date (as defined in Paragraph 7 below), the Executive's employment is terminated by the Company for any reason other than those set forth in Paragraphs 3, 4 or 5 above, or the Executive resigns for "Good Reason" (as defined in Paragraph 7 below) within six (6) months following the initial existence of such Good Reason, then the following provisions shall apply:

(a) The Company shall pay to the Executive an amount equal to twelve (12) months of the Executive's "Current Base Salary." For this purpose, the Executive's "Current Base Salary" shall be deemed to be the amount of base salary being paid to the Executive at the time of termination.

(b) The Company shall pay to the Executive a cash lump sum amount equal to the one year anniversary portion of any outstanding acquisition bonus(es) Executive would have been eligible to receive had he continued employment through the applicable one year anniversary date. The amount payable shall be determined by (i) identifying each active one year anniversary acquisition bonus opportunity, and (ii) calculating for each the EBITDA bonus to be paid based on actual EBITDA results and projected EBITDA results derived from (i) the then current FY operating plan, or (ii) in the event that the current FY operating plan does not include the applicable time period, good faith estimates of projected EBITDA prepared by the Company.

For example, if Executive terminates or resigns pursuant to this Section 6, on March 1, and the Company FY Plan 2 is the then current FY operating plan, the calculation of the one year anniversary portion of an outstanding acquisition bonus shall be based on the actual results for the most recently completed monthly financials plus the projections derived from the FY Plan 2 Company operating plan.

(c) The Executive shall continue to participate in, and be covered under, the Company's health care coverage for a period of twelve (12) months following the Executive's termination of employment (the "Medical Benefits Continuation Period") on the same basis as other senior executives of the Company. Notwithstanding the foregoing, if the Executive accepts post-employment with another entity that provides health care coverage during the Medical Benefits Continuation Period, the Company shall not provide the Executive with health care coverage under this Paragraph (but the Executive shall retain any rights to continuation coverage that he may have under applicable law). For purposes of the Executive's continuation coverage rights under Section 601 et. seq. of the Employee Retirement Income Security Act, Section 4980B of the Internal Revenue Code of 1986, as amended (the "Code"), or any similar state or local law, the continuation period shall be deemed to have commenced as of the beginning of the period for which the Company has agreed to continue benefits following the Executive's termination of employment. To the extent that the coverage provided to the Executive is taxable for federal income tax purposes, then the Executive shall pay the full cost of coverage during the Medical Benefits Continuation Period and the Company shall pay the Executive an amount equal to (i) the cost of such coverage, less any amount that would have been payable by the Executive if he were actively employed by the Company, plus (ii) an additional amount designed to cover all estimated applicable local, state and federal income and payroll taxes imposed on the Executive with respect to such additional payment.

(d) Before the Executive may resign for Good Reason, the Executive must provide the Company at least thirty (30) days' prior written notice of his intent to resign for Good Reason and specify in reasonable detail the Good Reason upon which such resignation is based. The Company shall have a reasonable opportunity to cure any such Good Reason (that is susceptible of cure) within thirty (30) days after the Company's receipt of such notice. The Executive's delay in providing such notice shall not be deemed to be a waiver of any such Good Reason, nor does the failure to resign for one Good Reason prevent any later Good Reason resignation for a similar or different reason.

7. Termination Payment (In Connection With A Change In Control) .

(a) For purposes of this Agreement:

(i) A "Change of Control" occurs whenever there is a change in control of the Company within the meaning of the CACI International, Inc 2006 Stock Incentive Plan.

(ii) The "Change of Control Date" shall be the date on which a Change of Control event is legally consummated and legally binding upon the parties.

(iii) Prior to a Change in Control Date, "Good Reason" for the Executive's resignation shall mean the occurrence of any of the following circumstances without the Executive's prior written consent:

(1) A material reduction in the Executive's total compensation and benefit opportunity (other than a reduction made by the Board, acting in good faith, based upon the performance of the Executive, or to align the compensation and benefits of the Executive with that of comparable executives, based on market data); or

(2) A substantial adverse alteration in the conditions of the Executive's employment.

(iv) Following a Change in Control Date, "Good Reason" for the Executive's resignation shall also include the occurrence of any of the following circumstances without the Executive's prior written consent:

(1) A substantial adverse alteration in the nature or status of the Executive's position or responsibilities from those in effect on the day before the Change in Control Date; or

(2) A change in the geographic location of the Executive's job more than fifty (50) miles from the place at which such job was based on the day before the Change in Control Date.

(b) If, within twelve (12) months of the Change in Control Date, the Executive resigns for Good Reason, or the Executive's employment is terminated for any reason other than the reasons set forth in Paragraphs 3, 4 or 5 above, then the Company shall pay to the Executive the following amounts:

(i) An amount equal to twenty four (24) months of the Executive's Current Base Salary (as defined in Paragraph 6 above).

(ii) A prorated portion of the cash incentive (including, for this purpose, the annual component and any partial quarterly component) otherwise payable to the Executive for the fiscal year of termination under the annual incentive or bonus plan maintained by the Company for its senior executives (the "Annual Incentive Plan") (or any replacement bonus or incentive arrangement covering the Executive). Such amount shall be determined based on Company performance consistent with the cash incentive paid under the Annual Incentive Plan to comparable active executives in good standing who meet expectations and remained on the payroll and eligible for a bonus. The amount payable shall be determined by multiplying the cash incentive that the Executive would have received had his employment not terminated, by a fraction, the numerator of which is the number of months in the fiscal year (in the case of the annual component) or fiscal quarter (in the case of the quarterly component) during which Executive was employed (including the month in which the termination occurs) and the denominator of which is twelve (in the case of the annual component) or three (in the case of the quarterly component).

(iii) A cash lump sum amount equal to the average cash incentive (including, for this purpose, any quarterly, annual, and acquisition components) actually paid to the Executive under the Annual Incentive Plan for the five (5) fiscal years immediately preceding the year of termination.

(iv) A cash lump sum amount equal to the one year anniversary portion of any outstanding acquisition bonus(es) Executive would have been eligible to receive had he continued employment through the applicable one year anniversary date. The amount payable shall be determined by (i) identifying each active one year anniversary acquisition bonus opportunity, and (ii) calculating for each the EBITDA bonus to be paid based on actual EBITDA results and projected EBITDA results derived (i) from the then current FY operating plan, or (ii) in the event that the current FY operating plan does not include the applicable time period, good faith estimates of projected EBITDA prepared by the Company.

For example, if Executive terminates or resigns pursuant to this Section 6, on March 1, and the Company FY Plan 2 is the then current FY operating plan, the calculation of the one year anniversary portion of an outstanding acquisition bonus shall be based on the actual results for the most recently completed monthly financials plus the projections derived from the FY Plan 2 Company operating plan.

(c) In addition, the Executive shall continue to participate in, and be covered under, the Company's health care coverage in accordance with (and subject to the limitations imposed by) Paragraph 6(c).

(d) The ability of the Executive to resign for Good Reason shall be subject to the notice and opportunity to cure provisions contained in Paragraph 6(d).

8. Parachute Treatment .

(a) If it shall be determined that in connection with a Change in Control, any payment, vesting, distribution, or transfer by the Company or any successor, or any affiliate of the foregoing or by any other person, or any other event occurring with respect to the Executive and the Company for the Executive's benefit, whether paid or payable or distributed or distributable under the terms of this Agreement or otherwise (including under any employee benefit plan) (a "Parachute Payment") would be subject to or result in the imposition of the excise tax imposed by Section 4999 of the Code (and any regulations issued thereunder, any successor provision, and any similar provision of state or local income tax law) (collectively, an "Excise Tax"), then, subject to the provisions of Paragraph 8(b) below, the Company shall pay to the Executive an amount equal to two thirds of the Excise Tax, up to an overall maximum payment of $500,000 with respect to such Change in Control.

(b) Notwithstanding the provisions of Paragraph 8(a), no such amount shall be payable or made under Paragraph 8(a) if the Executive would, on a net after-tax basis (taking into account the amount of any payment required under Paragraph 8(a) and any prior Parachute Payments in connection with such Change in Control) receive less compensation than he would receive if the Parachute Payment were reduced by the amount necessary to avoid subjecting such Parachute Payment to the Excise Tax. In such event, then, in lieu of any payment under Paragraph 8(a), the amount of the Parachute Payment shall be reduced by the amount necessary to avoid subjecting such Payment to the Excise Tax (the "Parachute Payment Reduction"). The Executive shall have the right, in his sole discretion, to designate those payments or benefits, if any, that shall be reduced or eliminated under the Parachute Payment Reduction.

(c) The determination required under Paragraph 8(b) shall be made with respect to each Parachute Payment and shall take into account all Parachute Payments previously made to the Executive in connection with the Change in Control. If a determination under Paragraph 8(b) resulted in a Parachute Payment Reduction, and, as a result of a subsequent Parachute Payment, a determination is made that the Executive would, on a net after-tax basis (taking into account the aggregate Parachute Payments paid or payable to the Executive), receive more compensation with the payment under Paragraph 8(a) (and no Parachute Payment Reduction), then, in addition to the payment required under Paragraph 8(a), the Executive shall receive an amount equal to any prior Parachute Payment Reduction plus interest from the date of such reduction at the applicable Federal rate provided for in Section 1274(d) of the Code.

(d) All determinations required to be made under this Paragraph, including whether and when an amount is subject to Section 4999 and whether the provisions of Paragraph 8(a) or (b) are applicable (and if applicable, the amount of any Parachute Payment Reduction under Paragraph 8(b) or any restored Parachute Payment under Paragraph 8(c)), shall be made by the Company's outside auditors at the time of such determination (the "Accounting Firm"), which Accounting Firm shall provide detailed supporting calculations to the Executive and the Company. All fees and expenses of the Accounting Firm shall be borne by the Company. If the Accounting Firm shall determine that no Excise Tax is payable by the Executive, it shall furnish to the Executive written advice that failure to report the Excise Tax on his applicable federal income tax return would not be reasonably likely to result in the imposition of a penalty for fraud, negligence, or disregard of rules or regulations. Any determination by the Accounting Firm shall be binding upon the Company and the Executive in determining whether a payment is required under this Paragraph and the amount thereof, in the absence of material mathematical or legal error.

(e) As a result of uncertainty in the application of Sections 280G and 4999 of the Code that may exist at the time of a determination by the Accounting Firm, it may be possible that in making the calculations required to be made hereunder, the Accounting Firm shall determine that a Parachute Payment Reduction that was not made should have been made, or a larger Parachute Payment Reduction should have been made, or that a payment made under Paragraph 8(a) or (c) should not have been made, or a smaller payment under Paragraph 8(a) or (c) should have been made (an "Overpayment"), or that a Parachute Payment Reduction should not have been made, or a smaller Parachute Payment Reduction should have been made, or that a payment under Paragraph 8(a) or (c) should have been made, or a larger payment under Paragraph 8(a) or (c) should have been made (an "Underpayment"). If the Accounting Firm, the Internal Revenue Service or other applicable taxing authority shall determine that an Overpayment was made, any such Overpayment shall be repaid by the Executive with interest at the applicable Federal rate provided for in Section 1274(d) of the Code; provided,

however, that, subject to applicable law, the amount to be repaid by the Executive to the Company shall be reduced to the extent that any portion of the Overpayment to be repaid will not be offset by a corresponding reduction in tax by reason of such repayment of the Overpayment; provided, further, that to the extent the Overpayment relates to a payment made under Paragraph 8(a) or (c), the Executive shall be obligated to repay such amount only at such time and to such extent as the Executive receives a refund of the Overpayment from the Internal Revenue Service or applicable taxing authority. If the Accounting Firm, the Internal Revenue Service or other applicable taxing authority shall determine that an Underpayment was made, then, subject to the overall $500,000 limit on payments by the Company made in connection with a Change in Control, two-thirds of any such Underpayment (together with two-thirds of any interest and penalties imposed thereon) shall be due and payable by the Company to the Executive within thirty-five (35) days after the Company receives notice of such Underpayment, but in no event later than the date the Executive must pay such amounts to the Internal Revenue Service or other applicable taxing authority.

(f) The Executive shall give written notice to the Company of any claim by the Internal Revenue Service or other applicable taxing authority that, if successful, would require the payment by the Executive of an Excise Tax, such notice to be provided within a reasonable period of time after the Executive shall have received written notice of such claim. The Company and the Executive shall cooperate in determining whether to contest or pay such claim and the Executive shall not pay such claim without the written consent of the Company, which consent shall not be unreasonably withheld, conditioned or delayed. The Company and the Executive shall have the right to jointly direct the contest of such claim with counsel jointly selected by the Company and the Executive, but the Executive shall have the power to settle or compromise such claim subject to the consent of the Company (which consent may not be unreasonably withheld, conditioned or delayed). Subject to the overall $500,000 limit on payments by the Company made in connection with a Change in Control, the Company shall bear and pay two-thirds of all costs and expenses (including two-thirds of any additional interest and penalties) incurred in connection with such contest and shall indemnify and hold Executive harmless for two-thirds of any Excise Tax or income tax (including two-thirds of any interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. If the Company and the Executive determine to pay a claim and sue for a refund, then subject to the overall $500,000 limit on payments by the Company made in connection with a Change in Control, the Company shall advance two-thirds of the amount of such payment to the Executive, on an interest-free basis (subject to any prohibitions, limitations or restrictions imposed by applicable law), and shall indemnify and hold the Executive harmless from two-thirds of any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance. The Executive shall (subject to the Company's

complying with the foregoing requirements) promptly pay to the Company, up to the amount of the advance from the Company, the amount of any refund received by the Executive (together with any interest paid or credited thereon after taxes applicable thereto).

(g) To the extent that any payment to the Executive under his Paragraph 8 does not constitute a payment in accordance with a fixed schedule pursuant to Treas. Reg. §1.409A-3(i)(1) and would trigger an additional tax under Section 409A of the Code, payment of such amount shall be delayed until the earliest time that payment is permitted under Section 409A(a)(2)(A) of the Code (including, to the extent applicable, Section 409A(a)(2)(B)).

9. Payment of Other Compensation . In addition to any payment due the Executive pursuant to Paragraphs 6, 7 or 8 above, at the time of termination of the Executive's employment, the Executive shall be paid all other compensation and benefits that may be due or provided to the Executive in accordance with the terms and conditions of any applicable plan, policy or arrangement governing the payment of such compensation or benefits.

10. Timing of Payment .

(a) The compensation payable in accordance with Paragraph 6(a) and 6(b), or 7(b)(i), (iii), and (iv) shall be paid in a lump sum within thirty days following the Executive's termination of employment.

(b) The compensation payable in accordance with Paragraph 7(b)(ii) shall be paid in a lump sum on the date on which the Company pays bonuses for the fiscal year of termination to actively employed senior executives; provided, however, in no event shall such payment be made more than 2 $^{1}/_{2}$ months following the close of the fiscal year of the Company to which such bonus relates.

(c) The compensation payable in accordance with Paragraph 8 shall be paid in a lump sum as soon as the determination of the amount payable to the Executive is made by the Accounting Firm, but in all events within thirty (30) days of the date the Executive remits the Excise Tax to the appropriate taxing authority. Any reimbursement or payment required under Paragraph 8(f) shall be made as soon as reasonably practical after such expense was incurred (but in all events no later than the close of the year following the year in which such expense was incurred). All payments made under Paragraph 8 shall be made in accordance with the provisions of Treas. Reg. §1.409A-3(i)(1).

(d) Any additional amount payable in accordance with Paragraph 6(c) shall be paid to the Executive in cash (less required withholding), on a monthly basis, at the same time that the underlying medical coverage benefit is provided to the Executive. In determining the amount of such payment the Executive shall be deemed to pay federal income tax at the highest marginal rate applicable to individuals in the

calendar year in which the payment is made and to pay state and local income taxes at the highest effective rate in the state or locality in which such payment is taxable. All payments made under Paragraph 6(c) shall be made in accordance with the provisions of Treas. Reg. §1.409A-3(i)(1).

11. Employee Agreement . This agreement incorporates by reference the Employee Agreement between the Executive and the Company, a copy of which is attached hereto. The payments and benefits provided to the executive under this Agreement are further consideration for the Executive's compliance with each and every term of the Employee Agreement and such compliance is a condition precedent to the Executive's entitlement to any payment or benefit hereunder. The covenants, restrictions and terms of this Agreement are intended to supplement, and do not supersede, the covenants, restrictions and terms of the Employee Agreement. To the extent any covenant, restriction or term of this Agreement is more restrictive than a similar covenant, restriction or term of the Employee Agreement, the covenant, restriction or term of this Agreement shall control. To the extent any covenant, restriction or term of the Employee Agreement is more restrictive than a similar covenant, restriction or term of this Agreement, the covenant, restriction or term of the Employee Agreement shall control.

12. Non-Competition . The terms of this Paragraph are intended to supplement (and are in addition to) the non-compete provisions contained in the Employee Agreement.

(a) The Executive understands and agrees that this non-compete restriction is aimed at protecting CACI's relationship with its current and prospective clients, as such clients are specifically named in written proposals, contracts and task orders (collectively, these are referred to as "CACI Clients"). The Executive understands and agrees that the definition of CACI Clients as used in this Agreement is intended to cover the specific program offices or activities which CACI pursues, or for which CACI performs work, within large governmental departments, such as the Department of the Navy or the Army, not the greater department in general.

(b) The Executive agrees that CACI may reasonably protect its relationships with CACI Clients by prohibiting the Executive from competing with CACI for work with: (i) any CACI Clients while the Executive is employed by CACI, and (ii) certain CACI Clients for a reasonable period of time following termination of the Executive's CACI employment.

(c) During the Executive's employment with CACI, the Executive will not directly or indirectly sell, market or otherwise provide goods or services to any CACI Clients in competition with CACI.

(d) For a period of two (2) years following termination of the Executive's employment, the Executive will not directly or indirectly provide goods or services to CACI Clients when such goods or services are in competition with those goods or services (i) provided within the year prior to termination of the

Executive's employment under contract or task order, or (ii) offered pursuant to a formal or informal proposal, to CACI Clients by any CACI organizational unit for which the Executive worked or for which the Executive had responsibility within one (1) year prior to the termination of the Executive's employment.

(e) During the Executive's employment with CACI and for a period of two (2) years following termination of that employment, the Executive will not participate in competition for the award of any contract or task order for which any CACI organizational unit for which the Executive worked or for which the Executive had responsibility within one (1) year prior to the end of the Executive's CACI employment is competing.

(f) During the Executive's employment and for a period of two (2) years following termination of that employment, the Executive will not, directly or indirectly interfere with, disparage or damage, or attempt to interfere with, disparage or damage, the Company's reputation, or any relationship between the Company or its affiliated or subsidiary companies and any other entity.

(g) The Executive agrees not to hire or solicit for hiring, directly or indirectly any person now or hereafter employed by, or providing services as a subcontractor or consultant to, CACI and its affiliate companies, for a period of two (2) years after termination of employment.

(h) The Executive understands and agrees that the payments made under this Agreement constitute additional consideration for the Executive's performance of the covenants set forth in this Paragraph 12 and in the Employee Agreement.

13. No Disparaging Comments . During his period of employment and at all times thereafter, the Executive shall refrain from making any disparaging remarks about the businesses, services and products of the Company, its subsidiaries and affiliates, as well as their respective officers, directors, executives, managers, stockholders, employees, agents, or representatives.

14. Release . In consideration of any payment made to the Executive pursuant to this Agreement (and as a condition precedent to the Executive's right to any such payment), the Executive agrees to release the Company and its subsidiaries, affiliates, officers, directors, stockholders, employees, agents, representatives, and successors from and against any and all claims that the Executive may have against any such person or entity relating to the Executive's employment by the Company and the termination thereof, such release to be in form and substance reasonably satisfactory to the Company.

15. Assignment . By reason of the special and unique nature of the obligations hereunder, it is agreed that neither party hereto may assign any interests, rights or duties which the party may have in this Agreement without the prior written consent of the other party, except that upon any "Change in Control," this Agreement shall inure to the benefit of and be binding upon the Executive and the purchasing, surviving or resulting entity, company or corporation in the same manner and to the same extent as though such entity, company or corporation were the Company.

16. Dispute Resolution .

(a) Except as provided in subsection (b) below, the Company and the Executive agree that any controversy or claim arising out of or relating to this Agreement, or its breach by the Company shall be resolved by arbitration. This arbitration shall be held in Arlington, Virginia in accordance with the model employment arbitration procedures of the American Arbitration Association. Judgment upon award rendered by the arbitrator shall be binding upon both parties and may be entered and enforced in any court of competent jurisdiction.

(b) The Executive acknowledges and agrees that notwithstanding subsection (a) above, if the Executive breaches any of the provisions of Paragraph 12 hereof, the Company will suffer immediate and irreparable harm for which monetary damages alone will not be a sufficient remedy, and that, in addition to all other remedies that the Company may have, the Company shall be entitled to seek injunctive relief, specific performance or any other form of equitable relief to remedy a breach or threatened breach of Paragraph 12 by the Executive and to enforce the provisions of this Agreement. The existence of this right shall not preclude or otherwise limit the applicability or exercise of any other rights and remedies which the Company may have at law or in equity.

17. Amendments. No provision of this Agreement may be amended, modified, waived or discharged unless such amendment, waiver, modification or discharge is agreed to in a writing signed by the Executive and the Company. No waiver by either party of any breach or failure to comply with any condition or provision of this Agreement by the other party at any time shall be deemed a waiver of any other breach or failure to comply with the conditions or provisions of this Agreement. No agreements or representations, oral or otherwise, expressed or implied, concerning the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

18. Entire Agreement . This Agreement constitutes the entire understanding and agreement between the Company and the Executive with regard to all matters herein. It supersedes and replaces any and all prior agreements written or oral between the Company and the Executive concerning the severance benefits that may be payable to the Executive. However, this Agreement does not affect or supersede the terms of the Employee Agreement dated September 15, 2006 or the Indemnification Agreement to be entered into within thirty (30) days between the Company and the Executive, which shall remain in full force and effect.

19. Compliance with Section 409A . Paragraphs 6(a) and 7(b)(i), (ii), (iii), and (iv) of this Agreement are intended to constitute a separation pay arrangement that does not provide for the deferral of compensation subject to Section 409A of the Code (under the short-term deferral exception contained in Treas. Reg. §1.409A-1(b)(4)) and, if any provision of Paragraphs 6 and 7(b)(i), (ii), (iii), or (iv) are subject to more than one interpretation or construction, such ambiguity shall be resolved in favor of that interpretation or construction which is consistent with such provisions not being subject to the provisions of Section 409A. The provisions of Paragraphs 6(c) and 8 are intended to comply with the provisions of Section 409A of the Code (to the extent applicable) and, to the extent that Section 409A applies to Paragraph 6(c) or 8 (or any provision of this Agreement) and such provision is subject to more than one interpretation or construction, such ambiguity shall be resolved in favor of that interpretation or construction which is consistent with the provision complying with the provisions of Section 409A of the Code (including, but not limited to the requirement that any payment made on account of the Executive's separation from service (within the meaning of Section 409A(a)(2)(A)(i) of the Code and the regulations issued thereunder) ("Separation from Service"), shall not be made earlier than the first business day of the seventh month following the Executive's Separation from Service, or if earlier the date of death of the Executive). Any payment that is delayed in accordance with the foregoing sentence shall be made on the first business day following the expiration of such six (6) month period.

20. Tax Consequences of Payments . The Executive understands and agrees that the Company makes no representations as to the tax consequences of any compensation or benefits provided hereunder (including, without limitation, under Section 409A of the Code, if applicable). Executive is solely responsible for any and all income, excise or other taxes imposed on Executive with respect to any and all compensation or other benefits provided to Executive.

21. Governing Law . This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia without regard to its principles of conflicts of laws.

22. Notices . For purposes of this Agreement, notices and communications hereunder shall be in writing and shall be deemed properly given and effective when received, if sent by facsimile or telecopy, or by postage prepaid by registered or certified mail, return receipt requested, or by other delivery service which provides evidence of delivery, as follows:

If to the Company:

CACI International Inc
1100 N. Glebe Road
16th Floor
Arlington, Virginia 22201
Attention: General Counsel

If to the Executive:

Thomas A. Mutryn
8411 Rapley Ridge
Potomac, MD 20854.

or such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

23. Enforceability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

24. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

25. Initials . Each page of this Agreement shall be initialed and dated by the Executive and the official signing for and on behalf of the Company.

IN WITNESS WHEREOF the parties have executed this Agreement to be effective the day and year first above written.

CACI International Inc	Thomas A. Mutryn
By: /s/ Arnold D. Morse	/s/ Thomas A. Mutryn

Exhibit 10.26

SEVERANCE COMPENSATION AGREEMENT

THIS AGREEMENT is made as of the 1 st day of October, 2007, between CACI International Inc, a Delaware corporation headquartered at 1100 North Glebe Road, Arlington, Virginia, and Randall C. Fuerst (the "Executive") residing at 12179 Richland Drive, Catharpin, VA 20143.

W I T N E S S E T H:

WHEREAS, the Executive is employed by CACI International Inc and/or one or more of its wholly-owned subsidiaries ("the Company"), and the services of the Executive, his managerial experience, and his knowledge of the affairs of the Company are of great value to the Company; and

WHEREAS, the Board of Directors of CACI International Inc has determined that it is in the best interests of the Company and the Executive to enter into this agreement setting forth the obligations of the Company and the Executive upon the Executive's termination of employment.

NOW, THEREFORE, in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. At-Will Employment . The Company and the Executive agree that the Executive is employed on an at-will basis. Unless otherwise specifically provided in a written agreement signed by both the Company and the Executive, the parties understand that the Executive is employed for no fixed term or period, that either the Company or the Executive may terminate the Executive's employment with the Company at any time with or without a reason, and that this Agreement creates no contract of employment between the Company and the Executive.

2. Term . The term of this Agreement shall be for the period from July 1, 2007 through June 30, 2008, and shall automatically renew itself from year-to-year thereafter, unless the Company provides to the Executive written notice of the Company's intent to amend the Company's severance policy with respect to its senior executives and to apply the amended policy to the Executive. In the event the Company provides such notice to the Executive, this Agreement shall expire by its terms at the end of the full term year that begins on the next July 1 following the date such notice is received by the Executive.

3. Death or Disability . The Executive's employment shall terminate (without severance) automatically upon the death of the Executive. The Company shall have the right to terminate the Executive's employment without payment of severance on thirty (30) days written notice in the event of the Executive's Disability. For purposes of this Agreement, "Disability" shall mean (i) if the Executive is subject to a legal decree of incompetency (the date of such decree being deemed the date on which such disability occurred), (ii) the written determination by a physician selected by the Company that, because of a

medically determinable disease, injury or other physical or mental disability, the Executive is unable substantially to perform all of the services required of his position with the Company, and that such disability has lasted for the immediately preceding ninety (90) days and is, as of the date of determination, reasonably expected to last an additional ninety (90) days or longer after the date of determination, in each case based upon medically available reliable information, or (iii) Executive's qualifying for benefits under the Company's long-term disability coverage, if any. The Company's right to terminate the Executive's employment without payment of severance under this Paragraph shall not limit or reduce in anyway the Executive's right to receive benefits under any disability insurance or plan maintained by the Company for the benefit of the Executive.

4. Voluntary Separation (Other Than For Good Reason) . The Executive shall have the right to terminate his employment with the Company on thirty (30) days written notice to the Company at any time on written notice to the Company indicating the Executive's desire to retire or to resign from the Company's employment.

5. Termination For Cause .

(a) The Board of Directors of the Company may terminate this Agreement for "Cause." For the purposes of this Agreement "Cause" shall be defined as:

(i) Gross negligence, willful misconduct or willful malfeasance by the Executive in connection with the performance of any material duty for the Company;

(ii) The Executive's continued failure, after being provided notice specifying the nature of such failure, to comply with a direction of the President and Chief Executive Officer or the Board with respect to an act, omission or failure to act on the part of the Executive;

(iii) A breach of the Executive's fiduciary obligations to the Company;

(iv) A violation by the Executive of any legal requirement or obligation relating to the Company that the Board of Directors, acting in good faith, reasonably determines is likely to have a material adverse impact on the Company (unless the Executive had a reasonable good faith belief that the act, omission or failure to act in question was not a violation of such legal requirement or obligation);

(v) The Executive's indictment for, conviction of, or plea of guilty or nolo contendere to a felony involving theft, embezzlement, fraud, dishonesty, or any similar offense;

(vi) Theft, embezzlement or fraud by the Executive in connection with the performance of his duties for the Company;

(vii) A material failure to comply with any lawful direction of the Executive Chairman, Chief Executive Officer or Board of Directors of the Company;

(viii) A breach of any material obligation imposed on the Executive by this Agreement or the Employee Agreement dated January 5, 2005;

(ix) A material violation of the Company's Code of Ethics and Business Conduct Standard or any other published Company policy;

(x) Any act, omission or failure to act on the part of the Executive (including an act, omission or failure to act prior to the commencement of the Executive's employment with the Company) that results in the inability of the Executive to secure or maintain security clearances necessary or appropriate to Executive's position with the Company and the conduct of the Company's business; and

(xi) The misappropriation of any material business opportunity.

"Cause" shall be based only on material matters and not on matters of minor importance.

(b) The Executive may be terminated for Cause only in accordance with a resolution duly adopted by an absolute majority of the entire number of the non-management directors of the Company finding that, in the good faith opinion of the Board of Directors, the Executive engaged in conduct justifying a termination for Cause as that term is defined above and specifying the particulars of the conduct motivating the Board's decision to terminate the Executive for Cause. Such resolution may be adopted by the Board only after the Board has provided to the Executive (i) advance written notice of a meeting of the Board called for the purpose of determining Cause for termination of the Executive, (ii) a statement setting forth the alleged grounds for termination, and (iii) an opportunity for the Executive, and, if the Executive so desires, the Executive's counsel to be heard before the Board. Prior to such meeting of the Board, the Executive shall be given a reasonable opportunity to cure any act or omission which the Board, in its reasonable judgment, determines is susceptible of cure. The action required to cure the act or omission, and the time period in which cure must be effected, shall be communicated to the Executive in writing.

6. Termination Payment (Not In Connection With A Change In Control) . If, prior to, or more than twelve (12) months following a Change in Control Date (as defined in Paragraph 7 below), the Executive's employment is terminated by the Company for any reason other than those set forth in Paragraphs 3, 4 or 5 above, or the Executive resigns for "Good Reason" (as defined in Paragraph 7 below) within six (6) months following the initial existence of such Good Reason, then the following provisions shall apply:

(a) The Company shall pay to the Executive an amount equal to twelve (12) months of the Executive's "Current Base Salary." For this purpose, the Executive's "Current Base Salary" shall be deemed to be the amount of base salary being paid to the Executive at the time of termination.

(b) The Executive shall continue to participate in, and be covered under, the Company's health care coverage for a period of six (6) months following the Executive's termination of employment (the "Medical Benefits Continuation Period") on the same basis as other senior executives of the Company. Notwithstanding the foregoing, if the Executive accepts post-employment with another entity that provides health care coverage during the Medical Benefits Continuation Period, the Company shall not provide the Executive with health care coverage under this Paragraph (but the Executive shall retain any rights to continuation coverage that he may have under applicable law). For purposes of the Executive's continuation coverage rights under Section 601 et. seq. of the Employee Retirement Income Security Act, Section 4980B of the Internal Revenue Code of 1986, as amended (the "Code"), or any similar state or local law, the continuation period shall be deemed to have commenced as of the beginning of the period for which the Company has agreed to continue benefits following the Executive's termination of employment. To the extent that the coverage provided to the Executive is taxable for federal income tax purposes, then the Executive shall pay the full cost of coverage during the Medical Benefits Continuation Period and the Company shall pay the Executive an amount equal to (i) the cost of such coverage, less any amount that would have been payable by the Executive if he were actively employed by the Company, plus (ii) an additional amount designed to cover all estimated applicable local, state and federal income and payroll taxes imposed on the Executive with respect to such additional payment.

(c) Before the Executive may resign for Good Reason, the Executive must provide the Company at least thirty (30) days' prior written notice of his intent to resign for Good Reason and specify in reasonable detail the Good Reason upon which such resignation is based. The Company shall have a reasonable opportunity to cure any such Good Reason (that is susceptible of cure) within thirty (30) days after the Company's receipt of such notice. The Executive's delay in providing such notice shall not be deemed to be a waiver of any such Good Reason, nor does the failure to resign for one Good Reason prevent any later Good Reason resignation for a similar or different reason.

7. Termination Payment (In Connection With A Change In Control) .

(a) For purposes of this Agreement:

(i) A "Change of Control" occurs whenever there is a change in control of the Company within the meaning of the CACI International, Inc 2006 Stock Incentive Plan.

(i) The "Change of Control Date" shall be the date on which a Change of Control event is legally consummated and legally binding upon the parties.

(ii) Prior to a Change in Control Date, "Good Reason" for the Executive's resignation shall mean the occurrence of any of the following circumstances without the Executive's prior written consent:

(1) A material reduction in the Executive's total compensation and benefit opportunity (other than a reduction made by the Board, acting in good faith, based upon the performance of the Executive, or to align the compensation and benefits of the Executive with that of comparable executives, based on market data); or

(2) A substantial adverse alteration in the conditions of the Executive's employment.

(iii) Following a Change in Control Date, "Good Reason" for the Executive's resignation shall also include the occurrence of any of the following circumstances without the Executive's prior written consent:

(1) A substantial adverse alteration in the nature or status of the Executive's position or responsibilities from those in effect on the day before the Change in Control Date; or

(2) A change in the geographic location of the Executive's job more than fifty (50) miles from the place at which such job was based on the day before the Change in Control Date.

(b) If, within twelve (12) months of the Change in Control Date, the Executive resigns for Good Reason, or the Executive's employment is terminated for any reason other than the reasons set forth in Paragraphs 3, 4 or 5 above, then the Company shall pay to the Executive the following amounts:

(i) An amount equal to eighteen (18) months of the Executive's Current Base Salary (as defined in Paragraph 6 above).

(ii) A prorated portion of the cash incentive (including, for this purpose, the annual component and any partial quarterly component) otherwise payable to the Executive for the fiscal year of termination under the annual incentive or bonus plan maintained by the Company for its senior executives (the "Annual Incentive Plan") (or any replacement bonus or incentive arrangement covering the Executive). Such amount shall be determined based on Company performance consistent with the cash incentive paid under the Annual Incentive Plan to comparable active executives in good standing who meet expectations and remained on the

payroll and eligible for a bonus. The amount payable shall be determined by multiplying the cash incentive that the Executive would have received had his employment not terminated, by a fraction, the numerator of which is the number of months in the fiscal year (in the case of the annual component) or fiscal quarter (in the case of the quarterly component) during which Executive was employed (including the month in which the termination occurs) and the denominator of which is twelve (in the case of the annual component) or three (in the case of the quarterly component).

(iii) A cash lump sum amount equal to the average cash incentive (including, for this purpose, any quarterly and annual components) actually paid to the Executive under the Annual Incentive Plan for the five (5) fiscal years immediately preceding the year of termination.

(c) In addition, the Executive shall continue to participate in, and be covered under, the Company's health care coverage in accordance with (and subject to the limitations imposed by) Paragraph 6(b).

(d) The ability of the Executive to resign for Good Reason shall be subject to the notice and opportunity to cure provisions contained in Paragraph 6(c).

8. Parachute Treatment .

(a) If it shall be determined that in connection with a Change in Control, any payment, vesting, distribution, or transfer by the Company or any successor, or any affiliate of the foregoing or by any other person, or any other event occurring with respect to the Executive and the Company for the Executive's benefit, whether paid or payable or distributed or distributable under the terms of this Agreement or otherwise (including under any employee benefit plan) (a "Parachute Payment") would be subject to or result in the imposition of the excise tax imposed by Section 4999 of the Code (and any regulations issued thereunder, any successor provision, and any similar provision of state or local income tax law) (collectively, an "Excise Tax"), then, subject to the provisions of Paragraph 8(b) below, the Company shall pay to the Executive an amount equal to two thirds of the Excise Tax, up to an overall maximum payment of $500,000 with respect to such Change in Control.

(b) Notwithstanding the provisions of Paragraph 8(a), no such amount shall be payable or made under Paragraph 8(a) if the Executive would, on a net after-tax basis (taking into account the amount of any payment required under Paragraph 8(a) and any prior Parachute Payments in connection with such Change in Control) receive less compensation than he would receive if the Parachute Payment were reduced by the amount necessary to avoid subjecting such Parachute Payment to the Excise Tax. In such event, then, in lieu of any payment under Paragraph 8(a), the amount of the Parachute Payment shall be reduced by

the amount necessary to avoid subjecting such Payment to the Excise Tax (the "Parachute Payment Reduction"). The Executive shall have the right, in his sole discretion, to designate those payments or benefits, if any, that shall be reduced or eliminated under the Parachute Payment Reduction.

(c) The determination required under Paragraph 8(b) shall be made with respect to each Parachute Payment and shall take into account all Parachute Payments previously made to the Executive in connection with the Change in Control. If a determination under Paragraph 8(b) resulted in a Parachute Payment Reduction, and, as a result of a subsequent Parachute Payment, a determination is made that the Executive would, on a net after-tax basis (taking into account the aggregate Parachute Payments paid or payable to the Executive), receive more compensation with the payment under Paragraph 8(a) (and no Parachute Payment Reduction), then, in addition to the payment required under Paragraph 8(a), the Executive shall receive an amount equal to any prior Parachute Payment Reduction plus interest from the date of such reduction at the applicable Federal rate provided for in Section 1274(d) of the Code.

(d) All determinations required to be made under this Paragraph, including whether and when an amount is subject to Section 4999 and whether the provisions of Paragraph 8(a) or (b) are applicable (and if applicable, the amount of any Parachute Payment Reduction under Paragraph 8(b) or any restored Parachute Payment under Paragraph 8(c)), shall be made by the Company's outside auditors at the time of such determination (the "Accounting Firm"), which Accounting Firm shall provide detailed supporting calculations to the Executive and the Company. All fees and expenses of the Accounting Firm shall be borne by the Company. If the Accounting Firm shall determine that no Excise Tax is payable by the Executive, it shall furnish to the Executive written advice that failure to report the Excise Tax on his applicable federal income tax return would not be reasonably likely to result in the imposition of a penalty for fraud, negligence, or disregard of rules or regulations. Any determination by the Accounting Firm shall be binding upon the Company and the Executive in determining whether a payment is required under this Paragraph and the amount thereof, in the absence of material mathematical or legal error.

(e) As a result of uncertainty in the application of Sections 280G and 4999 of the Code that may exist at the time of a determination by the Accounting Firm, it may be possible that in making the calculations required to be made hereunder, the Accounting Firm shall determine that a Parachute Payment Reduction that was not made should have been made, or a larger Parachute Payment Reduction should have been made, or that a payment made under Paragraph 8(a) or (c) should not have been made, or a smaller payment under Paragraph 8(a) or (c) should have been made (an "Overpayment"), or that a Parachute Payment Reduction should not have been made, or a smaller Parachute Payment Reduction should have been made, or that a payment under Paragraph 8(a) or (c) should

have been made, or a larger payment under Paragraph 8(a) or (c) should have been made (an "Underpayment"). If the Accounting Firm, the Internal Revenue Service or other applicable taxing authority shall determine that an Overpayment was made, any such Overpayment shall be repaid by the Executive with interest at the applicable Federal rate provided for in Section 1274(d) of the Code; provided, however, that, subject to applicable law, the amount to be repaid by the Executive to the Company shall be reduced to the extent that any portion of the Overpayment to be repaid will not be offset by a corresponding reduction in tax by reason of such repayment of the Overpayment; provided, further, that to the extent the Overpayment relates to a payment made under Paragraph 8(a) or (c), the Executive shall be obligated to repay such amount only at such time and to such extent as the Executive receives a refund of the Overpayment from the Internal Revenue Service or applicable taxing authority. If the Accounting Firm, the Internal Revenue Service or other applicable taxing authority shall determine that an Underpayment was made, then, subject to the overall $500,000 limit on payments by the Company made in connection with a Change in Control, two-thirds of any such Underpayment (together with two-thirds of any interest and penalties imposed thereon) shall be due and payable by the Company to the Executive within thirty-five (35) days after the Company receives notice of such Underpayment, but in no event later than the date the Executive must pay such amounts to the Internal Revenue Service or other applicable taxing authority.

(f) The Executive shall give written notice to the Company of any claim by the Internal Revenue Service or other applicable taxing authority that, if successful, would require the payment by the Executive of an Excise Tax, such notice to be provided within a reasonable period of time after the Executive shall have received written notice of such claim. The Company and the Executive shall cooperate in determining whether to contest or pay such claim and the Executive shall not pay such claim without the written consent of the Company, which consent shall not be unreasonably withheld, conditioned or delayed. The Company and the Executive shall have the right to jointly direct the contest of such claim with counsel jointly selected by the Company and the Executive, but the Executive shall have the power to settle or compromise such claim subject to the consent of the Company (which consent may not be unreasonably withheld, conditioned or delayed). Subject to the overall $500,000 limit on payments by the Company made in connection with a Change in Control, the Company shall bear and pay two-thirds of all costs and expenses (including two-thirds of any additional interest and penalties) incurred in connection with such contest and shall indemnify and hold Executive harmless for two-thirds of any Excise Tax or income tax (including two-thirds of any interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. If the Company and the Executive determine to pay a claim and sue for a refund, then subject to the overall $500,000 limit on payments by the Company made in connection with a Change in Control, the Company shall advance two-thirds of the amount of such payment to the Executive, on an interest-free basis

(subject to any prohibitions, limitations or restrictions imposed by applicable law), and shall indemnify and hold the Executive harmless from two-thirds of any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance. The Executive shall (subject to the Company's complying with the foregoing requirements) promptly pay to the Company, up to the amount of the advance from the Company, the amount of any refund received by the Executive (together with any interest paid or credited thereon after taxes applicable thereto).

(g) To the extent that any payment to the Executive under his Paragraph 8 does not constitute a payment in accordance with a fixed schedule pursuant to Treas. Reg. §1.409A-3(i)(1) and would trigger an additional tax under Section 409A of the Code, payment of such amount shall be delayed until the earliest time that payment is permitted under Section 409A(a)(2)(A) of the Code (including, to the extent applicable, Section 409A(a)(2)(B)).

9. Payment of Other Compensation . In addition to any payment due the Executive pursuant to Paragraphs 6, 7 or 8 above, at the time of termination of the Executive's employment, the Executive shall be paid all other compensation and benefits that may be due or provided to the Executive in accordance with the terms and conditions of any applicable plan, policy or arrangement governing the payment of such compensation or benefits.

10. Timing of Payment .

(a) The compensation payable in accordance with Paragraph 6(a) or 7(b)(i) and (iii) shall be paid in a lump sum within thirty days following the Executive's termination of employment.

(b) The compensation payable in accordance with Paragraph 7(b)(ii) shall be paid in a lump sum on the date on which the Company pays bonuses for the fiscal year of termination to actively employed senior executives; provided, however, in no event shall such payment be made more than 2 $^{1}/_{2}$ months following the close of the fiscal year of the Company to which such bonus relates.

(c) The compensation payable in accordance with Paragraph 8 shall be paid in a lump sum as soon as the determination of the amount payable to the Executive is made by the Accounting Firm, but in all events within thirty (30) days of the date the Executive remits the Excise Tax to the appropriate taxing authority. Any reimbursement or payment required under Paragraph 8(f) shall be made as soon as reasonably practical after such expense was incurred (but in all events no later than the close of the year following the year in which such expense was incurred). All payments made under Paragraph 8 shall be made in accordance with the provisions of Treas. Reg. §1.409A-3(i)(1).

(d) Any additional amount payable in accordance with Paragraph 6(b) shall be paid to the Executive in cash (less required withholding), on a monthly basis, at the same time that the underlying medical coverage benefit is provided to the Executive. In determining the amount of such payment the Executive shall be deemed to pay federal income tax at the highest marginal rate applicable to individuals in the calendar year in which the payment is made and to pay state and local income taxes at the highest effective rate in the state or locality in which such payment is taxable. All payments made under Paragraph 6(b) shall be made in accordance with the provisions of Treas. Reg. §1.409A-3(i)(1).

11. Employee Agreement . This agreement incorporates by reference the Employee Agreement between the Executive and the Company, a copy of which is attached hereto. The payments and benefits provided to the executive under this Agreement are further consideration for the Executive's compliance with each and every term of the Employee Agreement and such compliance is a condition precedent to the Executive's entitlement to any payment or benefit hereunder. The covenants, restrictions and terms of this Agreement are intended to supplement, and do not supersede, the covenants, restrictions and terms of the Employee Agreement. To the extent any covenant, restriction or term of this Agreement is more restrictive than a similar covenant, restriction or term of the Employee Agreement, the covenant, restriction or term of this Agreement shall control. To the extent any covenant, restriction or term of the Employee Agreement is more restrictive than a similar covenant, restriction or term of this Agreement, the covenant, restriction or term of the Employee Agreement shall control.

12. Non-Competition . The terms of this Paragraph are intended to supplement (and are in addition to) the non-compete provisions contained in the Employee Agreement.

(a) The Executive understands and agrees that this non-compete restriction is aimed at protecting CACI's relationship with its current and prospective clients, as such clients are specifically named in written proposals, contracts and task orders (collectively, these are referred to as "CACI Clients"). The Executive understands and agrees that the definition of CACI Clients as used in this Agreement is intended to cover the specific program offices or activities which CACI pursues, or for which CACI performs work, within large governmental departments, such as the Department of the Navy or the Army, not the greater department in general.

(b) The Executive agrees that CACI may reasonably protect its relationships with CACI Clients by prohibiting the Executive from competing with CACI for work with: (i) any CACI Clients while the Executive is employed by CACI, and (ii) certain CACI Clients for a reasonable period of time following termination of the Executive's CACI employment.

(c) During the Executive's employment with CACI, the Executive will not directly or indirectly sell, market or otherwise provide goods or services to any CACI Clients in competition with CACI.

(d) For a period of two (2) years following termination of the Executive's employment, the Executive will not directly or indirectly provide goods or services to CACI Clients when such goods or services are in competition with those goods or services (i) provided within the year prior to termination of the Executive's employment under contract or task order, or (ii) offered pursuant to a formal or informal proposal, to CACI Clients by any CACI organizational unit for which the Executive worked or for which the Executive had responsibility within one (1) year prior to the termination of the Executive's employment.

(e) During the Executive's employment with CACI and for a period of two (2) years following termination of that employment, the Executive will not participate in competition for the award of any contract or task order for which any CACI organizational unit for which the Executive worked or for which the Executive had responsibility within one (1) year prior to the end of the Executive's CACI employment is competing.

(f) During the Executive's employment and for a period of two (2) years following termination of that employment, the Executive will not, directly or indirectly interfere with, disparage or damage, or attempt to interfere with, disparage or damage, the Company's reputation, or any relationship between the Company or its affiliated or subsidiary companies and any other entity.

(g) The Executive agrees not to hire or solicit for hiring, directly or indirectly any person now or hereafter employed by, or providing services as a subcontractor or consultant to, CACI and its affiliate companies, for a period of two (2) years after termination of employment.

(h) The Executive understands and agrees that the payments made under this Agreement constitute additional consideration for the Executive's performance of the covenants set forth in this Paragraph 12 and in the Employee Agreement.

13. No Disparaging Comments . During his period of employment and at all times thereafter, the Executive shall refrain from making any disparaging remarks about the businesses, services and products of the Company, its subsidiaries and affiliates, as well as their respective officers, directors, executives, managers, stockholders, employees, agents, or representatives.

14. Release . In consideration of any payment made to the Executive pursuant to this Agreement (and as a condition precedent to the Executive's right to any such payment), the Executive agrees to release the Company and its subsidiaries, affiliates, officers, directors, stockholders, employees, agents, representatives, and successors from and against any and all claims that the Executive may have against any such person or entity relating to the Executive's employment by the Company and the termination thereof, such release to be in form and substance reasonably satisfactory to the Company.

15. Assignment . By reason of the special and unique nature of the obligations hereunder, it is agreed that neither party hereto may assign any interests, rights or duties which the party may have in this Agreement without the prior written consent of the other party, except that upon any "Change in Control," this Agreement shall inure to the benefit of and be binding upon the Executive and the purchasing, surviving or resulting entity, company or corporation in the same manner and to the same extent as though such entity, company or corporation were the Company.

16. Dispute Resolution .

(a) Except as provided in subsection (b) below, the Company and the Executive agree that any controversy or claim arising out of or relating to this Agreement, or its breach by the Company shall be resolved by arbitration. This arbitration shall be held in Arlington, Virginia in accordance with the model employment arbitration procedures of the American Arbitration Association. Judgment upon award rendered by the arbitrator shall be binding upon both parties and may be entered and enforced in any court of competent jurisdiction.

(b) The Executive acknowledges and agrees that notwithstanding subsection (a) above, if the Executive breaches any of the provisions of Paragraph 12 hereof, the Company will suffer immediate and irreparable harm for which monetary damages alone will not be a sufficient remedy, and that, in addition to all other remedies that the Company may have, the Company shall be entitled to seek injunctive relief, specific performance or any other form of equitable relief to remedy a breach or threatened breach of Paragraph 12 by the Executive and to enforce the provisions of this Agreement. The existence of this right shall not preclude or otherwise limit the applicability or exercise of any other rights and remedies which the Company may have at law or in equity.

17. Amendments. No provision of this Agreement may be amended, modified, waived or discharged unless such amendment, waiver, modification or discharge is agreed to in a writing signed by the Executive and the Company. No waiver by either party of any breach or failure to comply with any condition or provision of this Agreement by the other party at any time shall be deemed a waiver of any other breach or failure to comply with the conditions or provisions of this Agreement. No agreements or representations, oral or otherwise, expressed or implied, concerning the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

18. Entire Agreement . This Agreement constitutes the entire understanding and agreement between the Company and the Executive with regard to all matters herein. It supersedes and replaces any and all prior agreements written or oral between the Company and the Executive concerning the severance benefits that may be payable to the Executive. However, this Agreement does not affect or supersede the terms of the Employee Agreement dated January 5, 2005 or the Indemnification Agreement between the Company and the Executive to be entered into within thirty (30) days, which shall remain in full force and effect.

19. Compliance with Section 409A . Paragraphs 6(a) and 7(b)(i), (ii) and (iii) of this Agreement are intended to constitute a separation pay arrangement that does not provide for the deferral of compensation subject to Section 409A of the Code (under the short-term deferral exception contained in Treas. Reg. §1.409A-1(b)(4)) and, if any provision of Paragraphs 6 and 7(b)(i), (ii) or (iii) are subject to more than one interpretation or construction, such ambiguity shall be resolved in favor of that interpretation or construction which is consistent with such provisions not being subject to the provisions of Section 409A. The provisions of Paragraphs 6(b) and 8 are intended to comply with the provisions of Section 409A of the Code (to the extent applicable) and, to the extent that Section 409A applies to Paragraph 6(b) or 8 (or any provision of this Agreement) and such provision is subject to more than one interpretation or construction, such ambiguity shall be resolved in favor of that interpretation or construction which is consistent with the provision complying with the provisions of Section 409A of the Code (including, but not limited to the requirement that any payment made on account of the Executive's separation from service (within the meaning of Section 409A(a)(2)(A)(i) of the Code and the regulations issued thereunder) ("Separation from Service"), shall not be made earlier than the first business day of the seventh month following the Executive's Separation from Service, or if earlier the date of death of the Executive. Any payment that is delayed in accordance with the foregoing sentence shall be made on the first business day following the expiration of such six (6) month period.

20. Tax Consequences of Payments . The Executive understands and agrees that the Company makes no representations as to the tax consequences of any compensation or benefits provided hereunder (including, without limitation, under Section 409A of the Code, if applicable). Executive is solely responsible for any and all income, excise or other taxes imposed on Executive with respect to any and all compensation or other benefits provided to Executive.

21. Governing Law . This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia without regard to its principles of conflicts of laws.

22. Notices . For purposes of this Agreement, notices and communications hereunder shall be in writing and shall be deemed properly given and effective when received, if sent by facsimile or telecopy, or by postage prepaid by registered or certified mail, return receipt requested, or by other delivery service which provides evidence of delivery, as follows:

If to the Company:

CACI International Inc
1100 N. Glebe Road
16th Floor
Arlington, Virginia 22201
Attention: General Counsel

If to the Executive:

Randall C. Fuerst
12179 Richland Drive
Catharpin, VA 20143

or such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

23. Enforceability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

24. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

25. Initials . Each page of this Agreement shall be initialed and dated by the Executive and the official signing for and on behalf of the Company.

IN WITNESS WHEREOF the parties have executed this Agreement to be effective the day and year first above written.

CACI International Inc	Randall C. Fuerst
By: /s/ Arnold D. Morse	/s/ Randall C. Fuerst

Exhibit 10.27

STOCK PURCHASE AGREEMENT

by and among

ATHENA HOLDING LLC
ATHENA HOLDING CORP.
ATHENA INNOVATIVE SOLUTIONS, INC.
CACI INTERNATIONAL INC

and

CACI, INC.-FEDERAL

Dated September 19, 2007

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STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this " *Agreement* "), dated as of September 19, 2007, by and among ATHENA HOLDING LLC, a Delaware limited liability company (" *Seller* "), ATHENA HOLDING CORP., a Delaware corporation (" *Holding* "), ATHENA INNOVATIVE SOLUTIONS, INC., a Delaware corporation (the " *Company* ", and together with Holding and the Company Subsidiaries (as defined below), " *Athena* "), CACI INTERNATIONAL INC, a Delaware corporation (" *Parent* "), and CACI, INC. – FEDERAL, a Delaware corporation and wholly owned subsidiary of Parent (" *Federal* "). Seller, Holding, the Company, Parent and Federal are sometimes individually referred to herein as a " *Party* " and collectively as the " *Parties* ".

W I T N E S S E T H :

WHEREAS, Seller owns all of the issued and outstanding shares of capital stock of Holding and Holding owns all of the issued and outstanding shares of capital stock of the Company;

WHEREAS, at the closing of the transactions contemplated by this Agreement, Seller desires to sell all of the issued and outstanding shares of capital stock of Holding (the " *Shares* "), and Federal desires to purchase, all (but not less than all) of the Shares, on the terms and subject to the conditions set forth herein (the " *Transaction* ");

WHEREAS, Parent, Federal, Seller, Holding and the Company desire to make certain representations and warranties and other agreements in connection with the Transaction; and

WHEREAS, capitalized terms used in this Agreement shall have the meanings specified in Section 1.3 or elsewhere in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

1.1 Certain Matters of Construction. A reference to an article, section, exhibit or schedule shall mean an Article of, a Section in, or Exhibit or Schedule to, this Agreement unless otherwise expressly stated. The titles and headings herein are for reference purposes only and shall not in any manner limit the construction of this Agreement, which shall be considered as a whole. The words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation." All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms. References to a Person are also to its permitted successors and assigns.

1.2 Cross References. The following terms defined elsewhere in this Agreement in the Sections set forth below shall have the respective meanings therein defined:

Term	*Definition*
Affected Employees	Section 7.14
Agreement	Preamble
Antitrust Filings	Section 7.8
Athena	Preamble
Athena Financial Statements	Section 3.5
Athena Government Contract	Section 3.24.1
Athena Insurance Contracts	Section 3.19
Athena Plans	Section 3.11.1
Athena Proprietary Rights	Section 3.18.1
Audited Financial Statements	Section 3.5
Auditor	Section 2.4.3
Bid	Section 3.24.1(b)
Closing	Section 2.1
Closing Balance Sheet	Section 2.4.1
Closing Date	Section 2.1
Company	Preamble
Company Common Stock	Section 3.2.2
Company Share	Section 3.2.2
Confidentiality Agreement	Section 7.10.1
Direct Claim Notice	Section 7.2.4(a)
Direct Claim Notice Period	Section 7.2.4(a)
Direct Payment	Section 2.2.2
Discussion Period	Section 2.4.3
Employee List	Section 3.12.2
Encumbrances	Section 3.15.1
Escrow	Section 2.2.3
Escrow Agent	Section 2.2.3
Escrow Agreement	Section 2.2.3
Escrow Distribution	Section 7.2.10
Escrow Payment	Section 2.2.3
Expenses	Section 7.1.1
FAR	Section 3.24.3
Federal	Preamble
Final Closing Balance Sheet	Section 2.4.4
GAAP	Section 2.4.1
Governmental Entity	Section 3.4.2
Holding	Preamble
Holding Common Stock	Section 3.2.1
Holding Share	Section 3.2.1

Indemnified Directors and Officers	Section 7.13
Indemnified Party	Section 7.2.3
Indemnifying Party	Section 7.2.3
Interim Balance Sheet	Section 3.5
Interim Financial Statements	Section 3.5
Objection	Section 2.4.2
Jefferies Quarterdeck	Section 3.14
OC	Section 3.1
OC Interests	Section 3.3
Parent	Preamble
Parent Indemnitees	Section 7.2.2(a)
Parent Liens	Section 2.1
Party or Parties	Preamble
Permits	Section 3.8
Post Closing Tax Period	Section 7.6.2(b)(i)
Pre-Closing Tax Period	Section 7.6.2(a)
Prior Period Returns	Section 7.6.1
Purchase Price	Section 2.2.1
SBIR	Section 3.24.1(d)
Second Direct Claim Notice	Section 7.2.4(a)
Second Direct Claim Notice Period	Section 7.2.4(a)
Seller	Preamble
Seller Indemnitees	Section 7.2.1(a)
Shares	Recitals
Special Consents	Section 8.2.5
Straddle Period or Straddle Periods	Section 7.6.2(a)
Subsidiaries Shares	Section 3.3
Survival Date	Section 9.1
Transaction	Recitals
Welfare Plan	Section 3.11.6

1.3 Certain Definitions. As used herein, the following terms shall have the following meanings:

Affiliate : with respect to any Person, any Person which, directly or indirectly, controls, is controlled by, or is under common control with, such Person.

Affiliated Group: any affiliated group within the meaning of Code section 1504(a).

Athena 401(k) Plans : each of the Athena Innovative Solutions, Inc. 401(k) Profits Sharing Plan and Trust (Plan # 001), Business Defense and Security Corporation 401(k) Plan and IPA International Inc. Simplified Employee Pension Plan.

Athena Leases : each lease, sublease, license or other agreement under which Athena use, occupy or have the right to occupy any real property or interest therein.

Athena Material Adverse Effect : any materially adverse change in or effect on the financial condition, business, operations, assets, properties or results of operations of Athena taken as a whole; *provided, however* , that (i) changes in general industry or economic conditions (except to the extent such changes disproportionately affect Athena), (ii) changes in law and regulation affecting the industry in which Athena operates (except to the extent such changes disproportionately affect Athena), (iii) adverse effects arising from the announcement or consummation of the Transaction, (iv) the failure of Athena to be awarded any new Government Contract or the failure of the United States Government to exercise the option for the contract year beginning on November 1, 2007 for, or any change in funding levels available for such option year under, the Athena Government Contract: Management Integrated Support Services CIFA/CILEC, contract number: HC1013-06-F-2287, (v) changes or effects resulting or arising from Athena's performance of its obligations hereunder, (vi) matters disclosed on the Schedules hereto, or (vii) the taking of any action by Parent, Federal or any of their respective Affiliates, in each case, shall not be deemed to have caused or constituted an Athena Material Adverse Effect.

Business Day : any day other than a Saturday, Sunday, or any Federal or Commonwealth of Virginia holiday. If any period expires on a day that is not a Business Day or any event or condition is required by the terms of this Agreement to occur or be fulfilled on a day that is not a Business Day, such period shall expire or such event or condition shall occur or be fulfilled, as the case may be, on the next succeeding Business Day.

COBRA : Section 4980B of the Code, Part 6 of Subtitle B of Title I of ERISA and any similar state law.

Code : the United States Internal Revenue Code of 1986, as amended from time to time.

Commercial Software : packaged commercial software programs generally available to the public through retail dealers in computer software or directly from the manufacturer which have been licensed to Athena and which are used in Athena's business but are in no way a component of or incorporated in Athena's products and related technology.

Commercially Reasonable Efforts : the efforts that a prudent business person desirous of achieving a result would use under similar circumstances to efficiently and expeditiously achieve that result, taking into account the potential benefits of achieving that result and the potential costs and risks of taking such actions.

Company Subsidiaries : Business Defense and Security Corporation, a Virginia corporation, IPA International, Inc., a Virginia corporation, and Operational Concepts LLC, a Virginia limited liability company.

Direct Claim and *Direct Claims* : any claim or claims by an Indemnified Party against an Indemnifying Party for which the Indemnified Party may seek indemnification under this Agreement (other than any claim or demand made by a third party upon the Indemnified Party for which the Indemnified Party may seek indemnification from the Indemnifying Party under this Agreement).

Environmental Claim : any actual notice alleging potential liability (including, without limitation, potential liability for investigatory costs, cleanup costs, response or remediation costs, natural resources damages, property damages, personal injuries, fines or penalties) arising out of, based on or resulting from (a) the presence, or release of any Materials of Environmental Concern at any location, or (b) any violation of any Environmental Law.

Environmental Laws : any Legal Requirement relating to the protection of public health, safety or the environment.

ERISA : the Employee Retirement Income Security Act of 1974, as amended.

ERISA Affiliate : any Person at any relevant time considered a single employer under Code Section 414 with Holding, the Company or any Company Subsidiary, or any member of a controlled group of corporations, group of trades or businesses under common control or affiliated service group that includes Holding, the Company or any Company Subsidiary (as defined for purposes of Section 414(b), (c) and (m) of the Code).

Flow of Funds Memorandum : a memorandum that sets forth the distribution of the Purchase Price and other payments in connection with the Transaction, which shall be mutually agreed to by Parent and Seller.

Government Contract : any prime contract, purchase order, delivery order or task order with the United States Government and any contract, purchase order, delivery order or task order with a prime contractor or higher-tier subcontractor under a prime contract, purchase order, delivery order or task order with the United States Government.

HSR Act: the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

Indemnified Party : a Party that has the right under Section 7.2 to seek indemnification from an Indemnifying Party.

Indemnifying Party : a Party that has the obligation under Section 7.2 to indemnify an Indemnified Party.

IPA : IPA International, Inc.

IPA Purchase Agreement : the Stock Purchase Agreement, dated as of March 3, 2006, as amended, by and among the Company, IPA and the IPA Sellers.

IPA Sellers : the stockholders of IPA.

Knowledge of Seller : shall mean the actual knowledge of James C. King, Wayne Wilkinson, Michael J. Woods, Dave Grogan, Brian Page, and Jon Flowers after due inquiry by such individuals with the personnel of the Company and the Company Subsidiaries.

Legal Requirement : any federal, state, local, municipal or foreign law, statute, constitution, resolution, ordinance, code, order, edict, decree, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Entity or any principle of common law.

Liability: any liability or obligation, known or unknown, asserted or unasserted, accrued or unaccrued, absolute or contingent, liquidated or unliquidated, or otherwise, and whether due or to become due, including any liability for Taxes.

Losses : the amount of any actual damages, liabilities, obligations, deficiencies, losses, expenditures, costs or expenses (including without limitation reasonable attorneys' fees and disbursements).

Materials of Environmental Concern : petroleum and its by-products and any and all other substances or constituents to the extent that they are regulated by, or form the basis of liability under, any Environmental Law.

Money Purchase Plan : IPA International, Inc. Money Purchase Pension Plan.

Net Assets : total tangible assets of Athena (excluding cash) less total liabilities (excluding debt) of Athena as of the Closing Date and as set forth on the Final Closing Balance Sheet, each as determined in accordance with GAAP consistently applied with the Audited Financial Statements and Exhibit A .

Net Assets Adjustment : the number (positive or negative) calculated on the basis of the Net Assets, which is determined as follows:

if the Net Assets are greater than $14,250,000, then the Net Assets Adjustment is a positive number equal to such excess;

if the Net Assets equal $14,250,000, then the Net Assets Adjustment is zero; and

if the Net Assets are less than $14,250,000, then the Net Assets Adjustment is a negative number equal to such deficit.

Permitted Encumbrances : (a) liens for current Taxes and other statutory liens and trusts for Taxes not yet due and payable or that are being contested in good faith, (b) liens incurred in the ordinary course of business, such as carriers', warehousemen's, landlords' and mechanics' liens and other similar liens arising in the ordinary course of business, (c) liens on personal property leased under operating leases, (d) liens, pledges or deposits incurred or made in connection with workmen's compensation, unemployment insurance and other social security benefits, or securing the performance of bids, tenders, leases, contracts (other than for the repayment of borrowed money), statutory obligations, progress payments, surety and appeal bonds and other obligations of like nature, in each case incurred in the ordinary course of business, (e) pledges of or liens on manufactured products as security for any drafts or bills of exchange drawn in connection with the importation of such manufactured products in the ordinary course of business, (f) liens under Article 2 of the Uniform Commercial Code that are special property interests in goods identified as goods to which a contract refers, (g) liens under Article 9 of the Uniform Commercial Code that are purchase money security interests, and (h) such imperfections or minor defects of title, easements, rights-of-way and other similar restrictions (if any) as are insubstantial in character, amount or extent, do not materially detract from the value or interfere with the present or proposed use of the properties or assets of the Party subject thereto or affected thereby, and do not otherwise adversely affect or impair the business or operations of such Party.

Person : an individual, a corporation, an association, a partnership, an estate, a trust or any other entity or organization.

Security Interest : any mortgage, pledge, lien, encumbrance, charge, or other security interest, other than (a) mechanic's, materialman's, and similar liens, (b) liens for Taxes not yet due and payable, (c) purchase money liens and liens securing rental payments under capital lease arrangements, and (d) other liens arising in the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency) and not incurred in connection with the borrowing of money.

Tax : any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code section 59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever payable to a Governmental Entity, including any interest, penalty, or addition thereto, whether disputed or not.

Tax Return : any return, declaration, report, claim for refund, or information return or statement relating to Taxes required to be filed with a Governmental Entity, including any schedule or attachment thereto, and including any amendment thereof.

Tax Sharing Agreement : any Tax allocation or sharing agreement the principal purpose of which is or was the allocation of Tax liabilities computed on a consolidated, combined, unitary or similar basis among entities that have been or will be required to compute their Tax liability by filing Tax Returns on such a basis.

Treasury Regulation : a regulation promulgated by the United States Treasury Department under one or more provisions of the Code.

ARTICLE 2

THE PURCHASE AND SALE OF THE SHARES

2.1 Purchase of the Shares from Seller. Subject to and upon the terms and conditions of this Agreement, and on the basis of the representations, warranties, covenants, and agreements herein contained, at the closing of the transactions contemplated by this Agreement (the " *Closing* "), Seller shall sell, transfer, convey or assign and deliver to Federal, and Federal shall purchase, acquire and accept from Seller, the Shares, free and clear of any and all liens, claims, encumbrances or rights of any third party (other than liens, claims, encumbrances or rights in favor of or arising from, by or through Parent or Federal (" *Parent Liens* "). At the Closing, Seller shall deliver to Federal certificates evidencing the Shares duly endorsed in blank or with stock powers or other appropriate instruments of transfer duly executed. The Closing shall take place at the offices of Parent in Arlington, Virginia, commencing at 10:00 a.m. local time (i) on October 31, 2007, if all conditions to the obligations of the Parties to consummate the

Transaction (other than delivery of the documents to be delivered at the Closing) have been satisfied or waived on or prior to such date, or (ii) at such other place and time and on such other date as the Parties may agree, with both Parties acting in good faith to establish a mutually acceptable date, but in no event later than November 16, 2007 (the " *Closing Date* "). To the extent permitted by Legal Requirement and GAAP, the Parties will treat the Closing as being effective at 11:59 p.m. local time on the Closing Date.

2.2 Purchase Price.

2.2.1 The Aggregate Purchase Price. The aggregate purchase price (the " *Purchase Price* ") to be paid by Federal for the Shares shall be Two Hundred Million Dollars ($200,000,000), subject to adjustment as provided in Sections 2.4, 7.1.2 and 7.12. All payments of the Purchase Price under this Section 2.2 to be made at Closing shall be made by wire transfer of immediately available U.S. funds in accordance with the Flow of Funds Memorandum, which shall be mutually agreed to and signed by Seller and Parent and delivered at the Closing.

2.2.2 The Purchase Price Paid at the Closing. An amount equal to the Purchase Price less the amount of the Escrow Payment (the " *Direct Payment* ") shall be paid to Seller by Federal on the Closing Date, subject to reduction as provided in Section 7.1.2.

2.2.3 The Escrowed Portion of the Purchase Price . For the purpose of serving as the exclusive source for effecting the payment and discharge of any indemnification obligations of Seller pursuant to Section 7.2, Ten Million Dollars ($10,000,000) of the total Purchase Price (the " *Escrow Payment* ") shall be delivered by Federal to an account (the " *Escrow* ") to be administered by PNC Bank NA (the " *Escrow Agent* ") pursuant to the terms of an escrow agreement to be entered into at Closing, substantially in the form of Exhibit B (the " *Escrow Agreement* "). The Escrow Payment shall be released as provided in Section 7.2.10 and in the Escrow Agreement.

2.3 Additional Actions . If, at any time after the Closing Date, any further action is reasonably necessary or desirable to carry out the purposes of this Agreement or to vest, perfect or confirm in Federal title to or ownership or possession of the Shares acquired pursuant to this Agreement, Seller, as well as the officers and directors of Athena and Federal, are fully authorized in their name and in the name of their respective corporations or otherwise to take, and will take, all such lawful and necessary action to so vest, perfect or confirm in Federal title to or ownership of the Shares, so long as such action is consistent with the intent of this Agreement.

2.4 Net Assets Adjustment to Purchase Price.

2.4.1 Preparation of Closing Balance Sheet . As soon as reasonably practicable after the Closing Date (but not later than sixty (60) days thereafter), Federal shall prepare or cause to be prepared, at its expense, and shall deliver to Seller a consolidated balance sheet for Athena as of the close of business on the Closing Date (the " *Closing Balance Sheet* ") together with a statement setting forth in reasonable detail Federal's calculation of the Net Asset Adjustment. The Closing Balance Sheet shall be prepared in accordance with United States generally accepted accounting principles (" *GAAP* ") consistently applied with the Audited Financial Statements and the principles set forth on Exhibit A .

2.4.2 Review of Closing Balance Sheet. Seller, upon receipt of the Closing Balance Sheet, shall (a) review the Closing Balance Sheet and (b) to the extent Seller may deem necessary, make reasonable inquiry of Athena, Federal and its accountants (if any are used), relating to the preparation of the Closing Balance Sheet. Seller and its advisors shall have full access upon prior written notice and during normal business hours to the books, papers, work papers, schedules, calculations, and records relating to the preparation of the Closing Balance Sheet in connection with such inquiry and the preparation of any objection thereto. The Closing Balance Sheet shall be binding and conclusive upon, and deemed accepted by, Seller unless Seller shall have notified Federal in writing of any objections thereto (the " *Objection* ") within thirty (30) days after receipt of the Closing Balance Sheet.

2.4.3 Disputes. In the event Seller has any Objection, Federal shall have 20 days to review and respond to the Objection, and Federal and Seller and their respective employees and/or advisors shall attempt in good faith to resolve the differences underlying the Objection within twenty (20) days (the " *Discussion Period* ") following the earlier of (i) completion of Federal's review of the Objection or (ii) the end of Federal's 20-day review period. Disputes between Federal and Seller which cannot be resolved by them within the Discussion Period shall be referred no later than the end of the Discussion Period for decision to a nationally-recognized independent public accounting firm mutually selected by Seller and Federal (which firm shall not be either of (a) the independent public accountants of Parent or Federal or (b) the independent public accountants used by Athena immediately prior to the Closing Date) (the " *Auditor* ") who shall act as arbitrator and determine, based solely on presentations by Seller and Federal (and their advisors) and only with respect to the remaining differences so submitted, whether and to what extent, if any, the Closing Balance Sheet requires adjustment. Federal and Seller each agree to execute a reasonable engagement letter proposed by the Auditor. The Auditor shall deliver its written determination to Federal and Seller no later than the 30th day after the remaining differences underlying the Objection are referred to the Auditor, or such longer period of time as the Auditor determines is necessary. The Auditor's determination shall be conclusive and binding upon the Parties. The fees and disbursements of the Auditor shall be allocated between Federal and Seller based upon the percentage which the portion of the contested amount not awarded to each Party bears to the amount actually contested by such Party, as determined by the Auditor. Parent and Federal, on the one hand, and Seller, on the other hand, shall make readily available to the Auditor all relevant information, books and records and any work papers relating to the Closing Balance Sheet and all other items reasonably requested by the Auditor, and the Auditor shall be required to maintain the confidentiality of the information and documents received by the Auditor. In no event may the Auditor's resolution of any difference be for an amount which is outside the range of Federal's and Seller's disagreement.

2.4.4 Final Closing Balance Sheet. The Closing Balance Sheet shall become final and binding upon the Parties upon the earlier of (a) Seller's failure to deliver an Objection within the period permitted under Section 2.4.2, (b) the written agreement between Federal and Seller with respect thereto affecting the agreed-to Final Closing Balance Sheet and (c) the final decision by the Auditor with respect to any disputes under Section 2.4.3. The Closing Balance Sheet, as adjusted pursuant to the agreement of the Parties or decision of the Auditor, when final and binding is referred to herein as the " *Final Closing Balance Sheet* ."

2.4.5 Adjustments to the Purchase Price . As soon as practicable (but not more than five (5) Business Days) after the date on which the Final Closing Balance Sheet shall have been determined in accordance with this Section 2.4, (a) if the Net Assets Adjustment is a negative number, the amount of the Net Assets Adjustment shall be paid by Seller to Parent in immediately available funds to an account of Parent designated by Parent, which shall constitute an immediate adjustment of the Purchase Price in such amount, and (b) if the Net Assets Adjustment is a positive number, the amount of the Net Asset Adjustment shall be paid by Parent or Federal to Seller in immediately available funds to an account of Seller designated by Seller, which shall constitute an immediate adjustment of the Purchase Price in such amount. In the event that Seller fails to fulfill its payment obligations under this Section 2.4.5, Parent shall be entitled to request (which request shall be made in writing sent to the Escrow Agent with copy to Seller) distribution of, and to receive, the amount payable to Parent from the funds held in Escrow.

2.4.6 Retention Bonus Payments . All Liabilities of Athena for retention bonus payments disclosed on Exhibit A to Schedule 3.7 hereto will be accrued as a Liability on the Closing Balance Sheet. In the event that any accrued retention bonus payment is not earned by an employee of the Company due to termination of such employee's employment under circumstances that disqualify such employee for such retention bonus payment under the terms of Athena's retention bonus program, then Parent shall pay, or cause Federal or the Company to pay, to Seller within three (3) Business Days after such employee's employment has so terminated the unearned amount of such employee's retention bonus.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF HOLDING AND THE COMPANY

All representations and warranties with respect to Athena made in this Article 3 shall be understood to refer to Holding, the Company and the Company Subsidiaries unless the context clearly indicates otherwise. Holding and the Company represent and warrant to Parent as follows:

3.1 Organization and Authority. Each of Holding, the Company and each Company Subsidiary, other than Operational Concepts, LLC, a Virginia limited liability company (" *OC* "), is a corporation duly incorporated, validly existing and in good standing under the laws of the state of its incorporation. OC is a limited liability company duly formed, validly existing and in good standing under the laws of the state of its formation. Each of Holding, the Company and each Company Subsidiary has full corporate or limited liability company power and authority, as applicable, to own, lease or operate its properties and to carry on its business as now being conducted. Each of Holding, the Company and each Company Subsidiary is duly qualified to transact business and is in good standing as a foreign corporation or limited liability company, as applicable, in each jurisdiction wherein the failure to so qualify would reasonably be expected to have a Material Adverse Effect. All jurisdictions in which Holding, the Company and each Company Subsidiary is qualified to do business are set forth on Schedule 3.1 hereto.

3.2 Capital Stock.

3.2.1 Authorized Stock of Holding . The authorized capital stock of Holding consists of One Thousand (1,000) shares of common stock, par value $0.01 (the " *Holding Common Stock* "). As of the date hereof, one (1) share of Holding Common Stock is issued and outstanding (the " *Holding Share* "), which is held by Seller. All of the outstanding shares of Holding Common Stock have been duly authorized and validly issued, were not issued in violation of any Person's preemptive rights, and are fully paid and nonassessable. Seller owns of record and beneficially all the outstanding shares of Holding Common Stock.

3.2.2 Authorized Stock of the Company . The authorized capital stock of the Company consists of One Thousand (1,000) shares of common stock, par value $0.01 per share (the " *Company Common Stock* "). As of the date hereof, one (1) share of Company Common Stock is issued and outstanding (the " *Company Share* "), which is owned of record and beneficially by Holding. Except for the Company Share, no other shares of capital stock or other securities of the Company are authorized, issued or outstanding and there are no outstanding subscriptions, options, warrants, convertible securities, commitments or demands of any character, preemptive or otherwise, other than this Agreement, relating to any of the capital stock or other securities of the Company.

3.2.3 Title to Company Share . Holding owns, beneficially and of record, and has good and marketable title to the Company Share. Except as disclosed on Schedule 3.2 , the Company Share is free and clear of all Security Interests, and is validly issued, fully paid and nonassessable, and there are no voting trust agreements or other contracts, agreements or arrangements restricting voting or dividend rights or transferability with respect to the Company Share.

3.2.4 Options and Convertible Securities of Holding . There are no outstanding subscriptions, options, warrants, conversion rights or other rights, securities, agreements or commitments obligating Holding to issue, sell or otherwise dispose of shares of its capital stock, or any securities or obligations convertible into, or exercisable or exchangeable for, any shares of its capital stock. There are no voting trusts or other agreements or understandings to which Holding or Seller is a party with respect to the voting of the shares of Holding Common Stock, and Holding is neither a party to, nor bound by, any outstanding restrictions, options or other obligations, agreements or commitments to sell, repurchase, redeem or acquire any outstanding shares of Holding Common Stock or any other securities of Holding.

3.3 Subsidiaries. The Company does not own, directly or indirectly, any shares of capital stock or other equity interests of any Person other than the Company Subsidiaries. Schedule 3.3 accurately sets forth the authorized capital stock of each Company Subsidiary, other than OC (the " *Subsidiaries Shares* "), as of the date hereof. The Company is the sole member of and owns all membership interests of OC (the " *OC Interests* "). The Company owns, beneficially and of record, and has good and marketable title to the Subsidiaries Shares and the OC Interests, and there are no outstanding subscriptions, options, warrants, convertible securities, commitments or demands of any character, preemptive or otherwise, other than this Agreement, relating to any of the capital stock or other securities or equity interests of the Company Subsidiaries. Except as disclosed on Schedule 3.3 , the Subsidiaries Shares and OC

Interests are free and clear of all Encumbrances, and are validly issued, fully paid and nonassessable, and there are no voting trust agreements or other contracts, agreements or arrangements restricting voting or dividend rights or transferability with respect to the Subsidiary Shares and OC Interests.

3.4 Authority for Agreement; Noncontravention.

3.4.1 Authority . Each of Holding and the Company has the corporate power and authority to enter into this Agreement and to consummate the Transaction to the extent of its obligations hereunder. The execution and delivery of this Agreement and the consummation of the Transaction, to the extent of Holding's and the Company's obligations hereunder, have been duly and validly authorized by the board of directors of Holding and the Company, and no other corporate proceedings on the part of Holding or the Company are necessary to authorize the execution and delivery of this Agreement and the consummation of the Transaction, to the extent of Holding's and the Company's obligations hereunder. This Agreement and the other agreements contemplated hereby to be signed by Holding and the Company have been (or will be) duly executed and delivered by Holding and the Company and constitute or when executed and delivered will constitute valid and binding obligations of Holding and the Company, enforceable against Holding and the Company in accordance with their terms, subject to the qualifications that enforcement of the rights and remedies created hereby and thereby is subject to (a) bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and other laws of general application affecting the rights and remedies of creditors and (b) general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

3.4.2 No Conflict . Except as set forth on Schedule 3.4 hereto, none of the execution, delivery or performance of this Agreement and the agreements referenced herein, nor the consummation of the Transaction or thereby will (a) conflict with or result in a violation of any provision of Holding's or the Company's charter documents or by-laws or (b) with or without the giving of notice or the lapse of time, or both, conflict with, or result in any violation or breach of, or constitute a default under, or result in any right to accelerate or result in the creation of any lien, charge or encumbrance pursuant to, or right of termination under, any provision of any note, mortgage, indenture, lease, instrument or other agreement, permit, concession, grant, franchise, license, judgment, order, decree, statute, ordinance, rule or regulation to which Holding or the Company is a party or by which Holding or the Company or any of their assets or properties are bound or which is applicable to Holding or the Company or any of their assets or properties, other than in the case of (b), where such conflict, violation, breach, default, right, novation, or termination could not reasonably be expected to have an Athena Material Adverse Effect. No authorization, consent or approval of, or filing with or notice to, any United States or foreign governmental or public body or authority (each a " *Governmental Entity* ") is necessary for the execution and delivery of this Agreement or the consummation of the Transaction, except for (i) the applicable requirements of the HSR Act and (ii) such consents, authorizations, filings, approvals and registrations which if not obtained or made would not have an Athena Material Adverse Effect.

3.5 Financial Statements . The Company has previously furnished Parent with a copy of the audited consolidated financial statements of the Company for the fiscal year ended December 31, 2006, consisting of the consolidated balance sheet as of December 31, 2006 and the related consolidated statements of income, stockholder's equity and cash flows for the fiscal year then ended, accompanied by the report thereon of McGladrey & Pullen, LLP, certified public accountants of the Company (the " *Audited Financial Statements* "). The Company has also delivered to Parent a copy of the unaudited consolidated financial statements of the Company as of July 31, 2007, consisting of the consolidated balance sheet as of July 31, 2007 (the " *Interim Balance Sheet* ") and the related consolidated statements of income and cash flows for the seven month period then ended (the " *Interim Financial Statements* ," and collectively with the Audited Financial Statements, the " *Athena Financial Statements* "). The Athena Financial Statements have been prepared from the books and records of the Company and the Company Subsidiaries and present fairly, in all material respects, the consolidated financial position and results of operations of the Company and the Company Subsidiaries, as of the dates and for the periods then ended, in conformity with GAAP, except for normal year-end adjustments and the absence of footnotes in the case of the Interim Financial Statements.

3.6 Absence of Material Adverse Changes . Since July 31, 2007, the Company has not suffered any Athena Material Adverse Effect, and there have been no dividends or other distributions declared or paid in respect of, or any repurchase or redemption by the Company of, any of the shares of capital stock of the Company, or any commitment relating to any of the foregoing.

3.7 Absence of Undisclosed Liabilities . Except as set forth on Schedule 3.7 hereto, Athena has no Liabilities that are not reflected or provided for on, or disclosed in the notes to, the balance sheets included in the Athena Financial Statements, except for (a) Liabilities incurred in the ordinary course of business since the date of the Interim Balance Sheet, none of which individually or in the aggregate has had or could reasonably be expected to have an Athena Material Adverse Effect, (b) Liabilities permitted or contemplated by this Agreement (including, without limitation, Liabilities for Expenses), (c) Liabilities expressly disclosed on the Schedules delivered hereunder and (d) Liabilities not required by GAAP to be set forth on, or included in or reserved on, a balance sheet of the Company.

3.8 Compliance with Applicable Law, Charter and By-Laws . Athena has all requisite licenses, permits and certificates from all Governmental Entities necessary to conduct its business as currently conducted, and to own, lease and operate its properties in the manner currently held and operated (collectively, " *Permits* "), except as set forth on Schedule 3.8 hereto and except for any Permits the absence of which, in the aggregate, do not and could not reasonably be expected to have an Athena Material Adverse Effect or prevent or materially delay the consummation of the Transaction. All of such Permits are in full force and effect. Athena is in compliance in all material respects with all the terms and conditions related to such Permits. There are no proceedings in progress, pending or, to the Knowledge of Seller, threatened, which may result in revocation, cancellation, suspension, or any materially adverse modification of any of such Permits. Athena is conducting business in material compliance with any applicable Legal Requirement. Athena is not in default or violation of any provision of its charter documents or its by-laws.

3.9 Litigation and Audits . Except for any claim, action, suit or proceeding set forth on Schedule 3.9 hereto, (a) to the Knowledge of Seller, there is no investigation by any Governmental Entity with respect to Athena, pending or threatened, nor, to the Knowledge of Seller, has any Governmental Entity indicated to Athena in writing an intention to conduct the same; (b) there is no claim, action, suit, arbitration or proceeding pending or, to the Knowledge of Seller threatened against or involving Athena or any of its assets or properties, at law or in equity, or before any arbitrator or Governmental Entity; and (c) there are no judgments, decrees, injunctions or orders of any Governmental Entity or arbitrator outstanding against Athena.

3.10 Tax Matters.

3.10.1 Filing of Returns. Athena has filed all Tax Returns that they were required to file under applicable laws and regulations. All such Tax Returns were correct and complete in all material respects and were prepared in compliance with all applicable laws and regulations. All Taxes shown as due and owing on such Tax Returns by Athena have been paid. Athena currently is not the beneficiary of any extension of time within which to file any Tax Return, which return has not yet been filed. No claim has been made in the last two (2) years by a taxing authority in a jurisdiction where Athena does not file Tax Returns that Athena is subject to taxation by that jurisdiction (nor, to the Knowledge of Seller, is there any material factual or legal basis for such a claim), nor has Athena commenced activities in any jurisdiction which will result in an initial filing of any Tax Return with respect to Taxes imposed by a Governmental Entity that it had not previously been required to file in the immediately preceding taxable period. There are no Security Interests (other than Permitted Encumbrances) upon any of the assets of Athena that arose in connection with any failure (or alleged failure) to pay any Tax.

3.10.2 Payment of Taxes . Athena has withheld all Taxes required to have been withheld in connection with any amounts paid or owing to any employee, independent contractor, creditor, stockholder, or other third party, and paid over to the relevant Governmental Entity all Taxes so withheld that are required to have been paid over, and all Forms W-2 and 1099 required with respect thereto have been properly completed and timely filed.

3.10.3 Assessments or Disputes. Seller has not received any communication in writing from a taxing authority proposing to assess additional Taxes for any period for which Tax Returns have been filed. No foreign, federal, state, or local tax audits or administrative or judicial proceedings relating to Taxes of Athena are pending or being conducted with respect to Athena. Athena has not received, since October 1, 2005, from any foreign, federal, state, or local taxing authority (including jurisdictions where Athena has not filed Tax Returns) any (i) written notice indicating an intent to open an audit or other review with respect to Tax liabilities or Tax Returns of Athena for any taxable year for which the statute of limitations for assessment of Taxes is still open, (ii) written request for information dealing with material Tax matters, or (iii) notice of deficiency or proposed adjustment for any amount of Tax proposed, asserted, or assessed by any taxing authority against Athena which has not been paid or otherwise finally resolved. Schedule 3.10 hereto lists those Tax Returns of Athena that have been audited since October 1, 2005, and indicates those Tax Returns of Athena that currently are the subject of audit. Athena has delivered to Parent correct and complete copies of all federal and state income Tax Returns filed by Athena with respect to taxable years ending on or after October 1, 2005, and examination reports, and statements of deficiencies assessed against or agreed to by Athena that were received since October 1, 2005.

3.10.4 Waiver of Statute of Limitations . Athena has not entered into an agreement with any Governmental Entity that has waived any statute of limitations with respect to Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

3.10.5 Tax Returns and Tax Sharing Agreements . No Tax Return filed by or on behalf of Athena has contained a disclosure statement under Section 6662 of the Code (or any similar provision of law), and no Tax Return has been filed by or on behalf of Athena with respect to which the preparer of such Tax Return advised consideration of inclusion of such a disclosure, which disclosure was not made. Athena is not a party to or bound by any Tax Sharing Agreement, the principal purpose of which is or was the allocation of Tax liabilities computed on a consolidated, combined, unitary or similar basis among entities that have been or will be required to compute their Tax liability by filing Tax Returns on such a basis. Athena (a) has not been a member of an Affiliated Group filing a consolidated federal income Tax Return or (b) does not have any Liability for the Taxes of any other Person (other than Athena) under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local, or foreign law), whether as a transferee or successor, by contract, or otherwise. Since October 1, 2005, Athena has not applied for a ruling related to Taxes from any Governmental Entity.

3.10.6 Unpaid Taxes . The unpaid Taxes of Athena required to be shown as accrued under GAAP (a) did not, as of the most recent fiscal month end, exceed the reserve for Tax liability (rather than any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the face of the Most Recent Balance Sheet (rather than in any notes thereto) and (b) will not exceed that reserve as adjusted for the passage of time through the Closing Date in accordance with the past custom and practice of Athena in filing its Tax Returns. Since the date of the Most Recent Balance Sheet, Athena has not incurred any liability for Taxes arising from extraordinary gains or losses, as that term is used in GAAP, outside the ordinary course of business consistent with past custom and practice.

3.10.7 Unclaimed Property . Athena has no assets that may constitute unclaimed property under applicable law. Athena has complied in all material respects with all applicable unclaimed property laws. Without limiting the generality of the foregoing, Athena has established and followed procedures to identify any unclaimed property and, to the extent required by applicable law, remit such unclaimed property to the applicable governmental authority. Athena's records are adequate to permit a governmental agency or authority or other outside auditor to confirm the foregoing representations.

3.10.8 No Changes in Accounting, Closing Agreement, Installment Sale . Athena will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any:

(a) adjustment under Code §481 as a result of a change in method of accounting for a taxable period ending on or prior to the Closing Date (other than as set forth on Schedule 3.10);

(b) “closing agreement” as described in Code §7121 (or any corresponding or similar provision of state, local or foreign income Tax law) executed on or prior to the Closing Date;

(c) intercompany transaction or excess loss account described in Treasury Regulations under Code §1502 (or any corresponding or similar provision of state, local or foreign income Tax law) occurring in a taxable period ending on or prior to the Closing Date;

(d) installment sale or open transaction disposition made on or prior to the Closing Date; or

(e) prepaid amount received on or prior to the Closing Date.

3.10.9 Transactions . Athena has not (a) distributed stock of another Person, or had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Code section 355 or section 361, (b) acquired assets from another corporation in a transaction in which Athena federal income Tax basis for the acquired assets was determined, in whole or in part, by reference to the Tax basis of the acquired assets (or any other property) in the hands of the transferor or (c) except for the acquisition of the stock of the Company Subsidiaries, other than OC, acquired the stock of any corporation which was a subchapter S corporation or a qualified subchapter S subsidiary.

3.10.10 Limited NOLs . Athena does not have any net operating losses or other tax attributes that are subject to limitation under Code Sections 382, 383, or 384 (determined without regard to the Transaction).

3.10.11 Gain Recognition Agreements . Athena is not a party to any “Gain Recognition Agreements” as such term is used in the Treasury Regulations promulgated under Code Section 367.

3.10.12 Joint Ventures, Partnerships, etc . There are no joint ventures, partnerships, limited liability companies, or other arrangements or contracts to which Athena is a participant and have been treated or are required to be treated as a partnership for federal income Tax purposes.

3.10.13 Foreign Permanent Establishments . Athena does not have, nor has it ever had, a “permanent establishment” in any country other than the United States, as such term is defined in any applicable Tax treaty or convention between the United States and such foreign country, nor has it otherwise taken steps that have exposed, or will expose, it to the taxing jurisdiction of a foreign country.

3.11 Employee Benefit Plans.

3.11.1 List of Plans. Schedule 3.11 hereto contains a correct and complete list of each “employee benefit plan”, as defined in Section 3(3) of ERISA, and each other material employment, bonus or other incentive compensation, salary continuation during any absence from active employment for disability or other reasons, supplemental retirement,

cafeteria benefit (Section 125 of the Code) or dependent care (Section 129 of the Code), sick pay, tuition assistance, club membership, employee discount, employee loan, vacation pay, severance, deferred compensation, incentive, fringe benefit, perquisite, change in control, retention, stock option, stock purchase, restricted stock or other compensatory plan, policy, agreement or arrangement (including, without limitation, any collective bargaining agreement) (i) that is currently maintained, administered, contributed to or required to be contributed to by Athena (ii) to which Athena is a party or has any Liability or (iii) that covers any current or former officer, director, employee or independent contractor (or any of their dependents) of Athena (collectively, the " *Athena Plans* "). Athena has made available to Parent (i) accurate and complete copies of all Athena Plan documents currently in effect or with respect to which Athena has any Liability (and, in the absence of such documents, written descriptions) and all other material documents relating thereto, including (if applicable) all documents establishing or constituting any related trust, annuity contract, insurance contract or other funding instruments, and summary plan descriptions relating to said Athena Plans, (ii) accurate and complete copies of the most recent financial statements and actuarial reports with respect to all Athena Plans for which financial statements or actuarial reports are required or have been prepared, and (iii) accurate and complete copies of all available annual reports and summary annual reports for all Athena Plans (for which annual reports are required). Athena has also made available to Parent complete copies of other current and material plan summaries, employee booklets, personnel manuals and other material documents or written materials (apart from routine forms and correspondence related to the Athena Plans) concerning the Athena Plans that are in possession of Holding, the Company or the Company Subsidiaries as of the date hereof. Except as provided on Schedule 3.11 hereto, Athena has never maintained and contributed to any "defined benefit plan" as defined in Section 3(35) of ERISA, nor do any of them have a current or contingent obligation to contribute to any "multiemployer plan" (as defined in Section 3(37) of ERISA), or to any multiple employer plan within the meaning of ERISA Section 210 or Code Section 413(c), or any "multiple employer welfare arrangement," as defined in ERISA Section 3(40).

3.11.2 Code Section 409A . Each Athena Plan that is a "nonqualified deferred compensation plan" within the meaning of Section 409A of the Code has been, and will be until the Closing, operated in accordance with a "good faith, reasonable interpretation" of Section 409A of the Code, with the intent to avoid the adverse Tax consequences described therein. Neither the Company nor the Company Subsidiaries have any obligations to any employee, officer or director with respect to any Tax that may be imposed under Section 409A of the Code.

3.11.3 ERISA.

(a) No "reportable event," within the meaning of Section 4043 of ERISA, and no event described in Section 4062 or 4063 of ERISA, has occurred in connection with any Athena Plan that is subject to Title IV of ERISA. Neither Athena nor any ERISA Affiliate has incurred, or reasonably expects to incur prior to the Closing Date, a Liability (direct or indirect) under Title IV of ERISA arising in connection with the termination of, or a complete or partial withdrawal from, any plan covered or previously covered by Title IV of ERISA.

(b) With respect to all of the Athena Plans, Holding, the Company, and the Company Subsidiaries are in material compliance with all requirements prescribed by all statutes, regulations, orders or rules currently in effect and have in all material respects performed all obligations required to be performed by them. All returns, reports and disclosure statements required to be made under ERISA and the Code with respect to all Athena Plans have been timely filed or delivered. Except as set forth on Schedule 3.11 hereto, neither Athena nor any of its directors, officers, employees or agents, nor any trustee or administrator of any trust created under the Athena Plans, has engaged in or been a party to any non-exempt "prohibited transaction" as defined in Section 4975 of the Code and Section 406 of ERISA which could subject the Company, Holding, the Company Subsidiaries or their directors or employees or the Athena Plans or the trusts relating thereto or any party dealing with any of the Athena Plans or trusts to any tax or penalty on "prohibited transactions" imposed by Section 4975 of the Code. No fiduciary (as defined in ERISA Section 3(21)) has any liability for breach of fiduciary duty or any other failure to act or comply in connection with either the administration or the assets of any Athena Plan that could reasonably be expected to result in a Liability to Athena. No event has occurred and no condition exists that would subject the Company or any of the Company Subsidiaries, by reason of the Company's affiliation with any ERISA Affiliate to any material Tax, fine, lien, penalty or other Liability imposed by ERISA, the Code or other applicable Legal Requirement.

3.11.4 Plan Determinations . Each Athena Plan intended to qualify under Section 401(a) of the Code has been determined by the Internal Revenue Service to so qualify or has a remaining period of time under applicable Treasury Regulations or IRS pronouncements in which to apply for such a determination, and the trusts created thereunder have been determined to be exempt from tax under Section 501 (a) of the Code or a period of time remains to apply for such a determination. Copies of the current determination letters for each such Athena Plan have been delivered to Parent, and nothing has occurred since the date of such determination letters which is reasonably likely to cause the loss of such qualification or exemption, or result in the imposition of any excise tax or income tax on unrelated business income under the Code or ERISA with respect to any Athena Plan.

3.11.5 Funding . Except as set forth on Schedule 3.11 hereto:

(a) all material contributions, premiums or other payments by Athena due or required to be made under any Athena Plan prior to the date hereof have been made as of the date hereof or, if required by GAAP, are properly reflected on the Athena Financial Statements;

(b) there are no pending or, to the Knowledge of Seller, threatened audits, investigations, examinations, actions, liens, suits, or proceedings relating to any Athena Plan other than routine claims by Persons entitled to benefits thereunder, nor is any Athena Plan the subject of any pending (or, to the Knowledge of Seller, any threatened) investigation or audit by the Internal Revenue Service, Department of Labor, the Pension Benefit Guaranty Corporation or any other Person;

(c) no event has occurred, and there exists no condition or set of circumstances, which presents a material risk of a partial termination (within the meaning of Section 411(d)(3) of the Code) of any Athena Plan;

(d) with respect to any Athena Plan that is qualified under Section 401(k) of the Code (including, without limitation, the Athena 401(k) Plan), individually and in the aggregate, no event has occurred, and there exists no condition or set of circumstances in connection with which Athena could be subject to any material Liability (except liability for benefits claims and funding obligations payable in the ordinary course) under ERISA, the Code or any other applicable law. All employee contributions, including elective deferrals, to the Athena 401(k) Plan and any other Athena Plan have been segregated from Athena's general assets and deposited into the trust established pursuant to such plan in a timely manner in all material respects in accordance with the regulations of the United States Department of Labor and other applicable Legal Requirement; and

(e) Athena has no Liability under Section 4069 of ERISA by reason of a transfer of an underfunded "defined benefit plan" (as defined in ERISA Section 3(35)).

3.11.6 Welfare Plans . With respect to any Athena Plan that is an employee welfare benefit plan (within the meaning of Section 3(1) of ERISA) (a " *Welfare Plan* ") and except as set forth on Schedule 3.11 hereto, (i) each Welfare Plan for which contributions are claimed by Athena as deductions under any provision of the Code is in material compliance with all applicable requirements pertaining to such deduction, (ii) with respect to any welfare benefit fund (within the meaning of Section 419 of the Code) related to a Welfare Plan, there is no disqualified benefit (within the meaning of Section 4976(b) of the Code) that would result in the imposition of a tax under Section 4976 (a) of the Code, (iii) any Athena Plan that is a group health plan (within the meaning of Section 4980B(g)(2) of the Code) complies, and in each and every case has complied, in all material respects with all of the applicable material requirements of COBRA, the Family Medical Leave Act of 1993, the Health Insurance and Portability and Accountability Act of 1996, the Women's Health and Cancer Rights Act of 1996, the Newborns' and Mothers' Health Protection Act of 1996, or any similar provisions of state law applicable to employees of Athena. None of the Athena Plans promises or provides retiree medical or other retiree welfare benefits to any Person except as required by COBRA, and neither the Company nor any Company Subsidiary has represented, promised or contracted (whether in oral or written form) to provide such retiree benefits to any employee, former employee, director, consultant or other Person, except to the extent required by COBRA or a similarly applicable state statute and except for the continuation of health or welfare benefits to former employees or service providers through the end of the month in which they terminate service, or pursuant to post-termination severance arrangements. No Athena Plan or employment agreement provides health benefits that are not insured through an insurance contract other than a Code Section 125 Company Plan.

3.11.7 Effect of Transaction . Except as specifically set forth on Schedule 3.11 hereto, no employee or former employee of Holding, the Company or any Company Subsidiary or any other person will become entitled to any material bonus, severance or similar benefit (including acceleration of vesting or exercise of an incentive award) by Seller, the Company, any Company Subsidiary or, to the Knowledge of Seller, any other Person as a result of the Transaction, and there is no contract, plan or arrangement covering any employee or former employee of Holding, the Company or any Company Subsidiary or any other person that, individually or collectively, could reasonably be expected to give rise to a payment that would not be deductible to Parent, Athena by reason of Sections 280G of the Code.

3.11.8 Athena 401(k) Plans . No assets of the Athena 401(k) Plans are invested in partnerships or in non-publicly traded business entities.

3.12 Employment-Related Matters.

3.12.1 Labor Relations . Except to the extent set forth on Schedule 3.12 hereto: (a) Athena is not a party to any collective bargaining agreement or other contract or agreement with any labor organization or other representative of employees of Athena; (b) there is no labor strike, dispute, slowdown, work stoppage or lockout that is pending or, to the Knowledge of Seller, threatened against or otherwise affecting Athena, and Athena has not experienced the same; (c) Athena has not closed any plant or facility, effectuated any layoffs of employees or implemented any early retirement or separation program at any time, nor has Athena planned or announced any such action or program for the future with respect to which Athena has any material liability; and (d) all salaries, wages, vacation pay, bonuses, commissions and other compensation due from Athena before the date hereof have been paid or accrued as of the date hereof.

3.12.2 Employee List . Athena has heretofore delivered to Parent a list (the " *Employee List* ") dated as of the date of this Agreement containing the name of each person employed by Athena and each such employee's position, starting employment date and annual salary. The Employee List is correct and complete as of the date of the Employee List. Since October 1, 2005, no third party has asserted any claim against Athena that either the continued employment by, or association with, Athena of any of the present officers or employees of, or consultants to, Athena contravenes any material agreements or laws applicable to unfair competition, trade secrets or proprietary information. To the Knowledge of Seller, no present officer or employee of, or consultant to, Athena has violated any material agreements or laws applicable to unfair competition, trade secrets or proprietary information.

3.12.3 No Foreign Employees . Except as set forth on Schedule 3.12 hereto, Athena does not employ, nor has in the past, employed individuals permanently located outside of the United States.

3.12.4 Employee Agreements . Except as set forth on Schedule 3.12 hereto, no employee, officer and consultant of Athena has executed an employment agreement or consultant agreement (as appropriate). To the Knowledge of Seller, except as set forth on Schedule 3.12 hereto, no current or former employee, officer or consultant of Athena is in violation in any material respect of any term of any employment or consulting contract, proprietary information and inventions agreement, non-competition agreement, or any other contract or agreement relating to the relationship of any such employee, officer or consultant with Athena or any previous employer.

3.12.5 Independent Contractors . Athena has complied in all material respects with all Legal Requirements applicable to employees, including but not limited to those relating to employment discrimination, disability rights or benefits, equal opportunity and other employee protections, such as those provided under the Federal Worker Adjustment Retraining and Notification Act, affirmative action, workers' compensation, severance pay, labor relations, employee leave, wage and hour standards, occupational safety and health requirements, unemployment insurance and related matters, immigration and the classification of employees and independent contractors.

3.13 Environmental.

3.13.1 Environmental Laws. Except as set forth on Schedule 3.13 hereto, (a) Athena is and has been in compliance in all material respects with all applicable Environmental Laws in effect on the date hereof (or, with respect to dates or times prior to the date hereof, the Environmental Laws then in effect); (b) Athena has not received any written communication that alleges that it is or was not in compliance with any applicable Environmental Laws in effect on the date hereof; (c) all Permits and other governmental authorizations currently held by Athena pursuant to Environmental Laws are in full force and effect, Athena is in compliance with all of the terms of such Permits and authorizations, and no other Permits or authorizations are required by Athena for the conduct of its business on the date hereof; (d) to the Knowledge of Seller, such Permits will not be terminated or materially impaired or become terminable, in whole or in part, solely as a result of the Transactions; and (e) the management, handling, storage, transportation, treatment, and disposal by Athena of all Materials of Environmental Concern is and has been in compliance in all material respects with all applicable Environmental Laws.

3.13.2 Environmental Claims. Except as set forth on Schedule 3.13 hereto, there is no Environmental Claim pending or, to the Knowledge of Seller, threatened, against or involving Athena or against any Person whose liability for any Environmental Claim Athena has retained or assumed either contractually or by operation of law.

3.13.3 No Basis for Claims. To the Knowledge of Seller, there are no past or present actions or activities by Athena, or any circumstances, conditions, events or incidents, including the storage, treatment, release, emission, discharge, disposal or arrangement for disposal of any Material of Environmental Concern, whether or not by Athena, in violation in any material respect of any Environmental Laws, including, without limitation, the storage, treatment, release, emission, discharge, disposal or arrangement for disposal of any Material of Environmental Concern or any other contamination or other hazardous condition, related to the premises at any time occupied by Athena.

3.13.4 Disclosure of Information. Seller has made available to Parent all environmental investigations, studies, audits, tests, reviews and other analyses conducted in relation to Environmental Laws or Materials of Environmental Concern pertaining to Athena or any property or facility now or previously owned, leased or operated by Athena that are in the possession, custody, or control of Seller.

3.13.5 Encumbrances. No Encumbrance (other than Permitted Encumbrances) imposed relating to or in connection with any Environmental Claim, Environmental Law, or Materials of Environmental Concern has been filed or has been attached to any of the property or assets which are owned, leased or operated by Athena.

3.13.6 Limitations. Parent and Federal acknowledge that (i) the representations and warranties contained in this Section 3.13 are the only representations and

warranties being made with respect to compliance with or liability under Environmental Laws, any Environmental Claims, Materials of Environmental Concern, or with respect to any environmental, health or safety matter, including natural resources, related in any way to Athena or to this Agreement or its subject matter, and (ii) no other representation contained in this Agreement shall apply to any such matters and no other representation or warranty, express or implied, is being made with respect thereto.

3.14 Broker. The Company has retained Jefferies Quarterdeck, a division of Jefferies & Company, Inc. (" *Jefferies Quarterdeck* "), whose fees and expenses as its investment advisor in connection with the Transaction shall be paid by the Company. Except for Jefferies Quarterdeck, Athena has not employed any broker, finder or investment banker or incurred any liability for investment banking fees, financial advisory fees, brokerage fees or finders' fees in connection with the Transactions.

3.15 Assets Other Than Real Property.

3.15.1 Title. Athena has good and valid title to all of the tangible assets shown on the Interim Balance Sheet, and such title is in each case free and clear of any mortgage, pledge, lien, security interest, lease or other encumbrance (collectively, " *Encumbrances* "), except for (a) liabilities, obligations and Encumbrances reflected on the Interim Balance Sheet or otherwise in the Athena Financial Statements, (b) Permitted Encumbrances, and (c) Liabilities and Encumbrances set forth on Schedule 3.15 hereto. Each tangible asset of Athena that has a present value of $1,000.00 or more is listed on Schedule 3.15 hereto.

3.15.2 Inventory. Except as set forth on Schedule 3.15 hereto, the inventory reflected as inventory on Interim Balance Sheet contains no material amount of slow-moving or obsolete items that have not been reserved for on Interim Balance Sheet. The values at which such inventories are carried on Interim Balance Sheet reflect the normal inventory valuation policies of Athena and are carried in accordance with GAAP, consistently applied.

3.15.3 Accounts Receivable. Except as set forth on Schedule 3.15 hereto, all receivables shown on the Interim Balance Sheet and all receivables accrued by the Company since the date of the Interim Balance Sheet and through the date hereof, have been collected or are collectible in the aggregate amount shown, less any allowances for doubtful accounts reflected therein, and, in the case of receivables arising since the date of the Interim Balance Sheet, any additional allowance in respect thereof has been established in a manner consistent with the allowance reflected in the Interim Balance Sheet.

3.15.4 Condition. All material equipment and personal property owned by Athena and regularly used in its business are in good operating condition and repair, ordinary wear and tear excepted, and all such wear and tear taken in the aggregate is not material to Athena and does not affect Athena's obligations to perform under this Agreement.

3.16 Real Property.

3.16.1 Real Property. Athena does not own any real property.

3.16.2 Leases. Schedule 3.16 hereto lists all Athena Leases. Complete copies of the Athena Leases, and all material amendments thereto (which are identified on Schedule 3.16 hereto), have been made available by Seller to Parent. The Athena Leases grant leasehold interests free and clear of all Encumbrances (except for Permitted Encumbrances), and no Encumbrances (except for Permitted Encumbrances) have been granted by or caused by the actions of Athena. The Athena Leases are in full force and effect and are binding and enforceable against each of the Parties thereto in accordance with their respective terms subject to (a) bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and other laws of general application affecting the rights and remedies of creditors and (b) general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law). Except as set forth on Schedule 3.16 hereto, neither Athena nor, to the Knowledge of Seller, any other party to an Athena Lease, has committed a material breach or default under any Athena Lease, nor has there occurred any event that with the passage of time or the giving of notice or both would constitute such a material breach or default. Schedule 3.16 hereto correctly identifies each Athena Lease the provisions of which would be materially and adversely affected by the Transaction and each Athena Lease that requires the consent of any third party in connection with the Transaction. No material construction, alteration or other leasehold improvement work with respect to the real property covered by any Athena Lease remains to be paid for or to be performed by Athena. Except as set forth on Schedule 3.16 hereto, no Athena Lease has an unexpired term which including any renewal or extensions of such term provided for in such Athena Lease could exceed ten years.

3.16.3 Condition. All buildings, structures, leasehold improvements and fixtures, or parts thereof, used by Athena under an Athena lease are in good operating condition and repair, ordinary wear and tear excepted.

3.17 Agreements, Contracts and Commitments.

3.17.1 Agreements. Except as set forth on Schedule 3.17 hereto or any other Schedule hereto, Athena is not a party to:

(a) any bonus, deferred compensation, pension, severance, profit-sharing, stock option, employee stock purchase or retirement plan, contract or arrangement or other employee benefit plan or arrangement;

(b) any employment or consulting agreement with any present employee, officer, director or consultant (or former employees, officers, directors and consultants to the extent there remain at the date hereof obligations to be performed by Athena), other than a standard form of employment agreement, a copy of which has been provided to Parent;

(c) any agreement of guarantee or indemnification in an amount that is material to Athena taken as a whole;

(d) any agreement or commitment containing a covenant limiting or purporting to limit the freedom of Athena to compete with any Person in any geographic area or to engage in any line of business;

(e) any lease, other than the Athena Leases under which Athena is lessee, that involves, in the aggregate, payments of $50,000 or more per annum or is material to the conduct of the business of Athena;

(f) any joint venture or profit-sharing agreement (other than with employees);

(g) except for trade indebtedness incurred in the ordinary course of business and equipment leases entered into in the ordinary course of business, any loan or credit agreements providing for the extension of credit to Athena or any instrument evidencing or related in any way to indebtedness incurred in the acquisition of companies or other entities or indebtedness for borrowed money by way of direct loan, sale of debt securities, purchase money obligation, conditional sale, guarantee, or otherwise that individually is in the amount of $50,000 or more;

(h) any license agreement, either as licensor or licensee, involving payments (including past payments) of $50,000 in the aggregate or more, or any distributor, dealer, reseller, franchise, manufacturer's representative, or sales agency or any other similar material contract or commitment;

(i) any agreement granting exclusive rights to, or providing for the sale and transfer of, all or any material portion of the Athena Proprietary Rights;

(j) any agreement or arrangement providing for the payment of any commission based on sales other than to employees of Athena;

(k) any agreement for the sale by Athena of materials, products, services or supplies that involves future payments to Athena of more than $50,000;

(l) any agreement for the purchase by Athena of any materials, equipment, services, or supplies, that either (i) involves a binding commitment by Athena to make future payments in excess of $25,000 and cannot be terminated by it without penalty upon less than three months' notice or (ii) was not entered into in the ordinary course of business;

(m) any agreement or arrangement with any third party for such third party to develop any intellectual property or other material asset currently expected to be used or currently used or useful in the business of Athena;

(n) any agreement or commitment for the acquisition, construction or sale of fixed assets owned or to be owned by Athena that involves future payments by Athena of more than $50,000;

(o) any agreement or commitment to which present or former directors, officers or Affiliates of Athena, or directors or officers of any Affiliate of any of the foregoing, are also parties;

(p) any agreement not described above (ignoring, solely for this purpose, any dollar amount thresholds in those descriptions) involving the payment or receipt by Athena of more than $50,000, other than the Athena Leases;

(q) any agreement that provides for any continuing or future obligation of Athena, actual or contingent, including but not limited to any continuing representation or warranty or any indemnification obligation in each case that arose in connection with the disposition of any material business or assets of Athena; or

(r) any agreement awarded under the 8(a) Business Development Program or the Small Disadvantaged Business Certification Program.

3.17.2 Validity. Except as set forth on Schedule 3.17 hereto, all contracts, leases, instruments, licenses and other agreements required to be set forth on Schedule 3.17 hereto are valid and in full force and effect; neither Athena nor, to the Knowledge of Seller, any other party thereto, has breached any provision of, or defaulted under the terms of any such contract, lease, instrument, license or other agreement, except for any breaches or defaults that, in the aggregate, would not be expected to have an Athena Material Adverse Effect or have been cured or waived.

3.17.3 Third-Party Consents. Schedule 3.17 hereto identifies each contract and other document set forth on Schedule 3.17 hereto that requires the consent of the other party thereto in connection with the Transaction, except for consents which, if not obtained, could not reasonably be expected to have an Athena Material Adverse Effect.

3.18 Intellectual Property.

3.18.1 Right to Intellectual Property. Except as set forth on Schedule 3.18 hereto, Athena owns, or has sufficient rights to use, all patents, trademarks, trade names, service marks, copyrights, and any applications therefor, maskworks, schematics, technology, know-how, computer software programs or applications (in both source code and object code form), and tangible or intangible proprietary information or material (excluding Commercial Software) that are material to and used in the business of Athena as currently conducted (to the extent owned by the Athena, the " *Athena Proprietary Rights* "). The Commercial Software used in the business of Athena in each case has been acquired and used by Athena on the basis of and in accordance with a valid license from the manufacturer or a dealer authorized to distribute such Commercial Software. To the Knowledge of Seller, Athena has not been infringing upon any rights of any third parties in connection with its acquisition or use of the Commercial Software.

3.18.2 No Conflict.

(a) Set forth on Schedule 3.18 hereto is a complete list of all registered patents, registered trademarks, registered copyrights, trade names and service marks, and any applications therefor, included in Athena Proprietary Rights, specifying, where applicable, the jurisdictions in which each such Athena Proprietary Right has been issued or registered or in which an application for such issuance and registration has been filed, including the respective registration or application numbers and the names of all registered owners. Set forth on Schedule 3.18 hereto is a complete list of all domain names owned by Athena, which list includes all domain names used by Athena in its business and respective registrars.

(b) Set forth on Schedule 3.18 hereto is a complete list of all material licenses, sublicenses and other agreements as to which Athena is a party and pursuant to which Athena or any other Person is authorized to use any Athena Proprietary Right or trade secrets material to the business of Athena; such schedule includes the identity of all parties to such licenses, sublicenses and other agreements. Athena is not in material violation of any license, sublicense or agreement described on such list. Except as disclosed Schedule 3.18 hereto, the execution and delivery of this Agreement by Athena, and the consummation of the Transaction, will neither cause Athena to be in violation or default under any such license, sublicense or agreement, nor entitle any other party to any such license, sublicense or agreement to terminate or modify such license, sublicense or agreement (other than in each case as would not reasonably be expected to result in an Athena Material Adverse Effect).

(c) Except as set forth on Schedule 3.18 hereto, Athena is the sole and exclusive owner of, with all right, title and interest in and to (free and clear of any and all Encumbrances, other than Permitted Encumbrances) all rights included among the Athena Proprietary Rights, and Athena has sole and exclusive rights (and is not contractually obligated to pay any compensation to any third party in respect thereof) to the use thereof or the material covered thereby in connection with the services or products in respect of which Athena Proprietary Rights are being used or might reasonably be used. No claims with respect to Athena Proprietary Rights have been asserted in writing or, to the Knowledge of Seller, are threatened by any Person (a) to the effect that the manufacture, sale, licensing or use of any of the products of Athena as now manufactured, sold or licensed or used or proposed for manufacture, use, sale or licensing by Athena infringes on any copyright, patent, trademark, service mark, trade secret or other proprietary right, (b) against the use by Athena of any trademarks, service marks, trade names, trade secrets, copyrights, patents, technology, know-how or computer software programs and applications used in Athena's business as currently conducted, or (c) challenging the ownership by Athena, or the validity or effectiveness, of any of Athena Proprietary Rights.

(d) To the Knowledge of Seller, there is no material unauthorized use, infringement or misappropriation of any of Athena Proprietary Rights by any third party, including any employee or former employee of Athena. No Athena Proprietary Right is subject to any outstanding decree, order, judgment, or stipulation restricting in any manner the use, licensing or transfer thereof by Athena. Athena's documentation contains copyright notices sufficient to maintain copyright protection on the copyrighted portions of the Athena Proprietary Rights.

3.19 Insurance Contracts. Schedule 3.19 hereto lists all contracts of insurance and indemnity in force at the date hereof with respect to Athena. Such contracts of insurance and indemnity and those shown in other Schedules to this Agreement (collectively, the " *Athena Insurance Contracts* ") insure against such risks, and are in such amounts, as are required by Legal Requirement or are appropriate and reasonable considering Athena's property, business and operations. All of the Athena Insurance Contracts are in full force and effect, with no default thereunder by Athena which could permit the insurer to deny payment of claims

thereunder. All premiums due and payable thereon have been paid and Athena has not received notice from any of its insurance carriers that any insurance premiums will be materially increased in the future or that any insurance coverage provided under any of the Athena Insurance Contracts will not be available in the future on substantially the same terms as now in effect. Athena has not received or given a notice of cancellation with respect to any of the Athena Insurance Contracts.

3.20 Banking Relationships. Schedule 3.20 hereto shows the name, location and respective account number of each account, line of credit, or safe deposit box that Athena has with any bank or trust company and the names of all Persons authorized to draw thereon or to have access thereto.

3.21 No Contingent Liabilities. The Company has no contingent or conditional liabilities or obligations of any kind arising from or relating to its acquisition of a Company Subsidiary or material line of business.

3.22 Absence of Certain Relationships. Except as set forth on Schedule 3.22 hereto, none of (a) Athena, (b) any executive officer of Athena or any member of such Person's immediate family, or (c) Seller, has any financial or employment interest in any subcontractor, supplier, or customer of Athena (other than holdings in publicly held companies of less than two percent (2%) of the outstanding capital stock of any such publicly held company).

3.23 Foreign Corrupt Practices and Bribes. Neither Holding, nor the Company, nor any Company Subsidiary has directly or, to the Knowledge of Seller, indirectly taken any action which would cause Athena to be in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, or any rules and regulations thereunder. Neither Holding, nor the Company, nor any Company Subsidiary has directly or, to the Knowledge of Seller, indirectly (a) made any contribution, gift, bribe, rebate, payoff, influence payment, kick-back, or other payment to any Person, private or public, regardless of form, whether in money, property or services (i) to obtain favorable treatment in securing business, (ii) to pay for favorable treatment for business secured, (iii) to obtain special concessions or for special concessions already obtained, for or in respect of Athena or any Affiliate of Athena, or (iv) in violation of any Legal Requirement, or (b) established or maintained any fund or asset that has not been recorded in the books and records of Athena.

3.24 Government Contracts.

3.24.1 Generally.

(a) Schedule 3.24.1(a) hereto lists and identifies each Athena engagement and contract, which in either case is a Government Contract on which final payment has not been made(each, " *Athena Government Contract* "), identified, to the extent not prohibited under the terms of such Government Contract or applicable Legal Requirement, by (i) contract name, (ii) customer, (iii) customer's contract or order number, (iv) date of award, (v) period of performance, (vi) Company's internal project code number, (vii) contract type (e.g., firm fixed price, cost reimbursable, time and material), and (viii) contract revenue from inception to July 31, 2007 (true and complete copies of which, including all modifications and amendments thereto, have been made available to Federal).

(b) Schedule 3.24.1(b) hereto lists and identifies each outstanding bid, proposal, offer or quotation made by Athena or by a contractor team or joint venture, in which Athena is participating, that, if accepted, would lead to a Government Contract (each, a " *Bid* "), identified, to the extent not prohibited under the terms of such Bid or applicable Legal Requirement, by (i) the Person to whom such Bid was made, (ii) the date submitted, (iii) the subject matter of such Bid, (iv) the anticipated award date, (v) the estimated period of performance, (vi) the estimated value based upon such Bid and (vii) whether any such Bid is dependent, in whole or in part, on the "small business" or other preferred status of Athena under any applicable Legal Requirement (true and complete copies of which, including all modifications and amendments thereto, have been made available to Federal).

(c) Schedule 3.24.1(c) hereto lists and separately identifies each Athena Government Contract under which Athena currently is experiencing a cost, schedule, technical or quality problem, except for routine cost verification inquiries and related payment delays in the ordinary course of business.

(d) Except as set forth on Schedule 3.24.1(d) hereto, no Athena Government Contract was awarded pursuant to the Small Business Innovative Research (" *SBIR* ") program or any set-aside program (small business, small disadvantaged business, 8(a), woman owned business, etc.) or as a result of Athena's "small business" or other preferred status under any applicable Legal Requirement.

3.24.2 Bids and Awards. To the Knowledge of Seller, each Athena Government Contract has been legally awarded, and no Athena Government Contract (or, where applicable, the prime contract with the United States Government under which such Athena Government Contract was awarded) is the subject of bid or award protest proceedings. No facts exist that could give rise to a material claim for price adjustment under any Athena Government Contract under the Truth in Negotiations Act.

3.24.3 Compliance with Law and Regulation and Contractual Terms; Inspection and Certification. Athena has complied with all statutory and regulatory requirements pertaining to the Athena Government Contracts, including the Armed Services Procurement Act, the Federal Procurement and Administrative Services Act, the Federal Acquisition Regulation (the " *FAR* "), the FAR cost principles and the Cost Accounting Standards. Athena has complied with all material terms and conditions, including (but not limited to) all clauses, provisions, specifications, and quality assurance, testing and inspection requirements of the Athena Government Contracts, whether incorporated expressly, by reference or by operation of law. All facts set forth in or acknowledged by any representations, certifications or disclosure statements made or submitted by or on behalf of Athena in connection with any Athena Government Contracts and its quotations, bids and proposals for Government Contracts were current, accurate and complete as of the date of their submission. Athena has complied with all applicable representations, certifications and disclosure requirements under all Athena Government Contracts and each of its quotations, bids and proposals for Government Contracts. Athena has developed and implemented a government contracts compliance program which

includes corporate policies and procedures designed to ensure compliance with applicable government procurement statutes, regulations and contract requirements. No facts exist which could reasonably be expected to give rise to liability to Athena under the False Claims Act. Except as described on Schedule 3.24.3 hereto, Athena has not undergone and is not undergoing any audit (other than routine DCAA audits), review, inspection, investigation, survey or examination of records relating to any Athena Government Contract. Athena has made available to Parent the results of any audit, review, inspection, investigation, survey or examination of records described on Schedule 3.24.3 hereto. Athena's cost accounting, purchasing, inventory and quality control systems are in compliance with all applicable government procurement statutes and regulations and with the requirements of the Athena Government Contracts.

3.24.4 Within the Scope. Except as specifically set forth on Schedule 3.24.4 hereto,

(a) Athena is not a party, and since October 1, 2005, has not been a party, to any task order or delivery order, under a multiple award schedule contract or any other Government Contract, where the goods or services purchased, or identified to be purchased, by a Governmental Entity under such task order or delivery order are different from those described in the statement of work contained in the multiple award schedule contract or other Government Contract under which the task order or delivery order was issued;

(b) Athena has not sold, any goods or services to any Governmental Entity that are, or were, different from those described in the statement of work of a Government Contract pursuant to which the goods or services were delivered to the Governmental Entity; and

(c) to the Knowledge of Seller, there has been no allegation, charge, finding, investigation or report (internal or external to Athena) to the effect that Athena has been, or may have been, a party to a task order or delivery order under the circumstances described in clause (a) above, or sold goods or services to a Governmental Entity under the circumstances described in clause (b) above.

3.24.5 Credentials. Unless waived by a Governmental Entity under an Athena Government Contract, to the Knowledge of Seller, each Athena employee performing services related to such Athena Government Contract possessed (during the time of such performance) all of the required credentials (e.g., education and experience) specified in or required by such Athena Government Contract.

3.24.6 Disputes, Claims and Litigation. Except as described on Schedule 3.24.6 hereto, to the Knowledge of Seller, there are neither any outstanding claims or disputes against Athena relating to any Athena Government Contract nor any facts or allegations that could reasonably be expected to give rise to such a claim or dispute in the future. Except as described on Schedule 3.24.6 hereto, there are neither any outstanding claims or disputes relating to any Athena Government Contract which, if resolved unfavorably to Athena, would increase Athena's cost to complete performance of such Government Contract above the amounts set forth in the estimates to complete previously prepared by Athena and delivered to Parent for each Athena Government Contract, nor, to the Knowledge of Seller, any reasonably foreseeable

expenditures which would increase the cost to complete performance of any Athena Government Contract above the amounts set forth in the estimates to complete described above. Athena has not been and is not now, to the Knowledge of Seller, under any administrative, civil or criminal investigation or indictment involving alleged false statements, false claims or other misconduct relating to any Athena Government Contract or quotations, bids and proposals for Government Contracts, and there is no basis for any such investigation or indictment. Athena has not been, and is not now, a party to any administrative or civil litigation involving alleged false statements, false claims or other misconduct relating to any Athena Government Contract or quotations, bids and proposals for Government Contracts, and there is no basis for any such proceeding. Except as described on Schedule 3.24.6 hereto, neither the United States Government nor any prime contractor or higher-tier subcontractor under a Government Contract has withheld or set off, or attempted to withhold (other than the hold-backs pursuant to contracts in the ordinary course of business), or set off, amounts of money otherwise acknowledged to be due to Athena under any Athena Government Contract.

3.24.7 DCAA Audits. Since October 1, 2005, Athena has not been audited by the Defense Contract Audit Agency. Athena has not had any adjustments arising out of audits by the Defense Contracting Audit Agency. Except in connection with routine cost verification inquiries in the ordinary course of business and as described on Schedule 3.24.7 hereto, neither the United States Government nor any prime contractor or higher-tier subcontractor under an outstanding Government Contract has questioned or disallowed any costs claimed by Athena under any Athena Government Contract, and, to the Knowledge of Seller, there is no fact or occurrence that could be a basis for disallowing any such costs. The reserves established by Athena with respect to possible adjustments to the indirect and direct costs incurred by Athena on any Athena Government Contract are reasonable and are adequate to cover any potential adjustments resulting from audits of any such Government Contract.

3.24.8 Sanctions. Neither the United States Government nor any prime contractor or higher-tier subcontractor under a Government Contract nor any other Person has notified Athena in writing of any actual or alleged violation or breach of any statute, regulation, representation, certification, disclosure obligation, contract term, condition, clause, provision or specification. Athena has not received any show cause, cure, deficiency, default or similar notices in writing relating to any Athena Government Contract. Neither Athena nor any stockholder, director, officer, executive, employee, or, to the Knowledge of Seller, any consultant or Affiliate of Athena has been or is now suspended, debarred, or proposed for suspension or debarment from government contracting, and to the Knowledge of Seller, no facts exist which would reasonably be expected to give rise to such suspension or debarment, or proposed suspension or debarment. No determination of non-responsibility has ever been issued against Athena with respect to any quotation, bid or proposal for a Government Contract. Athena has put in place and continuously maintained the standards of conduct and internal control systems designed to prevent misconduct and has developed, implemented and maintained a comprehensive compliance program, in each case as described in that certain letter dated May 4, 2006, from Veritas Capital to the Procurement Fraud Branch of the U.S. Army Legal Services Agency.

3.24.9 Terminations. Except as described on Schedule 3.24.9 hereto, no Athena Government Contract has been terminated for default within 24 months prior to the date of this Agreement. Except as described on Schedule 3.24.9 hereto, Athena has not received any notice in writing, terminating or indicating an intent to terminate any Athena Government Contract for convenience.

3.24.10 Assignments. Except as described on Schedule 3.24.10 hereto, Athena has not made any assignment of any Athena Government Contract or of any interest in any Athena Government Contract to any Person. Except as described on Schedule 3.24.10 hereto, Athena has not entered into any financing arrangements with respect to the performance of any Athena Government Contract.

3.24.11 Property. Athena is in compliance with all applicable Legal Requirements with respect to the possession and maintenance of all government furnished property (as defined in the FAR at Section 45.101, *et seq* ., as applicable).

3.24.12 National Security Obligations. Except to the extent prohibited by applicable Legal Requirements, Schedule 3.24.12 hereto sets forth all facility security clearances held by Athena. To the Knowledge of Seller, there is no existing information, fact, condition or circumstance that would cause Athena to lose its facility security clearances. Athena is in material compliance with all applicable Legal Requirements regarding national security, including those obligations specified in the National Industrial Security Program Operating Manual, DOD 5220.22-M (January 1995), and any supplements, amendments or revised editions thereof.

3.24.13 No Contingent Fees. No facts, events or other circumstances exist that violates or otherwise constitutes a basis on which the United States Government or any other Person might reasonably claim to violate, the covenant against contingent fees under any Athena Government Contract, or 10 U.S.C. § 2506, 41 U.S.C. § 254 or FAR 52.303-5.

3.24.14 Certain Inactive Contracts. Schedule 3.24.14 hereto lists every inactive Athena Government Contract that is not closed out as of the date of this Agreement. Athena does not have any material Liabilities under any inactive Athena Government Contract that is not closed out as of the date of this Agreement.

3.24.15 "At Risk" Work. Except as set forth on Schedule 3.24.15 hereto, Athena has not begun performance of any anticipated Government Contract or any anticipated option exercise or modification of any Athena Government Contract prior to award, option exercise or modification or made any expenditures or incurred costs or obligations in excess of any applicable limitation of government liability, limitation of cost, limitation of funds or similar clause limiting the U.S. Government's liability on any Athena Government Contract (including without limitation, any work being performed "at risk" in advance of receipt of funding).

3.24.16 Multiple Award Schedules.

(a) With respect to each multiple award schedule Athena Government Contract, Schedule 3.24.16(a) hereto identifies the basis of award customer (or category of customers) and the United States Government's price or discount relationship to the identified basis of award customer (or category of customers) agreed to by the United State General Services Administration and Athena at time of award or pricing of such Athena Government Contract.

(b) Schedule 3.24.16(b) hereto sets forth a description of the processes that Athena has implemented to track sales to the basis of award customer (or category of customer) to assure compliance with the Price Reductions clause in each multiple award schedule Athena Government Contract. There are no facts or circumstances that could reasonably be expected to result in a demand by the United States Government for a refund based upon Athena's failure to comply with the Price Reductions clause.

3.24.17 Organizational Conflicts of Interest. Except as set forth on Schedule 3.24.17 hereto, to the Knowledge of Seller, since October 1, 2005, Athena has not had access to non-public information nor provided systems engineering, technical direction, consultation, technical evaluation, source selection services or services of any type, nor prepared specifications or statements of work, nor engaged in any other conduct that would create in any procurement by the U.S. Government an "organizational conflict of interest," as defined in FAR 9.501, for Athena.

3.25 Export Compliance. Except as listed on Schedule 3.25 hereto, Athena is in compliance with all U.S. export control Legal Requirements, including but not limited to U.S. Department of State International Trafficking in Arm Regulations, U.S. Department of Commerce Export Administration Regulations, US/Canada Joint Certification Program and U.S. Customs Legal Requirements.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF SELLER REGARDING SELLER, THE TRANSACTION AND TITLE TO THE HOLDING SHARE

Seller represents and warrants to Parent as follows:

4.1 Organization. Seller is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware.

4.2 Authority; Noncontravention.

4.2.1 Authority. Seller has all requisite limited liability company power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the Transaction have been duly and validity authorized by all necessary limited liability company action required on the part of Seller. No other limited liability company acts or proceedings on the part of Seller are necessary to authorize this Agreement or the Transaction, and this Agreement constitutes the valid and legally binding obligation of Seller and is enforceable against Seller in accordance with its terms, except as may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights in general and subject to general principles of equity.

4.2.2 Consents. Except for applicable requirements of the HSR Act, no filing or registration with, and no permit, authorization, consent or approval of, any Governmental Entity is necessary for the consummation by Seller of the Transactions.

4.2.3 No Conflict. Neither the execution and delivery of this Agreement nor the consummation of the Transaction, nor compliance by Seller with any of the provisions hereof will: (i) violate or conflict with, or result in a breach of any provisions of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, any of the terms, conditions or provisions of the Certificate of Formation or the Amended and Restated Limited Liability Company Operating Agreement of Seller or under any of the terms, conditions or provisions of any contract, agreement or instrument to which Seller is a party or by which Seller or its respective properties or assets may be bound, or (ii) violate any Legal Requirement applicable to Seller or any of its respective properties and assets.

4.3 Title to Holding Share. Seller owns, beneficially and of record, and has good and marketable title to the Holding Share. The Holding Share is free and clear of all Encumbrances, and is validly issued, fully paid and nonassessable, and there are no voting trust agreements or other contracts, agreements or arrangements restricting voting or dividend rights or transferability with respect to the Holding Share.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF PARENT

Parent represents and warrants to Seller, Holding and the Company as follows:

5.1 Corporate Status of Parent and Federal. Each of Parent and Federal is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, with the requisite corporate power to own, operate and lease its properties and to carry on its business as now being conducted.

5.2 Authority for Agreement; Noncontravention.

5.2.1 Authority of Parent. Each of Parent and Federal has the corporate power and authority to enter into this Agreement and to consummate the Transaction to the extent of their obligations hereunder. The execution and delivery of this Agreement and the consummation of the Transaction, to the extent of Parent's and Federal's obligations hereunder, have been duly and validly authorized by the boards of directors of Parent and Federal, and no other corporate proceedings on the part of Parent or Federal are necessary to authorize the execution and delivery of this Agreement and the consummation of the Transaction to the extent of Parent's and Federal's obligations hereunder. This Agreement and the other agreements contemplated hereby to be signed by Parent or Federal have been duly executed and delivered by Parent and/or Federal, as the case may be, and constitute valid and binding obligations of Parent and/or Federal, as the case may be, enforceable against Parent and/or Federal in accordance with their terms, subject to the qualifications that enforcement of the rights and remedies created hereby and thereby are subject to (a) bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and other laws of general application affecting the rights and remedies of creditors and (b) general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

5.2.2 No Conflict. Neither the execution and delivery of this Agreement by Parent or Federal, nor the performance by Parent or Federal of its obligations hereunder and the agreements referenced herein, nor the consummation by Parent or Federal of the Transaction will (a) conflict with or result in a violation of any provision of the Certificate of Incorporation or by-laws of either Parent or Federal, or (b) with or without the giving of notice or the lapse of time, or both, conflict with, or result in any violation or breach of, or constitute a default under, or result in any right to accelerate or result in the creation of any lien, charge or encumbrance pursuant to, or right of termination under, any provision of any note, mortgage, indenture, lease, instrument or other agreement, permit, concession, grant, franchise, license, judgment, order, decree, statute, ordinance, rule or regulation to which Parent, Federal or any of Parent's other subsidiaries is a party or by which any of them or any of their assets or properties is bound or which is applicable to any of them or any of their assets or properties. No authorization, consent or approval of, or filing with or notice to, any Governmental Entity is necessary for the execution and delivery of this Agreement by Parent or Federal or the consummation by Parent or Federal of the Transaction, except for the applicable requirements of the HSR Act and such consents, authorizations, filings, approvals and registrations which if not obtained or made would not have a material adverse effect on the financial condition, business, operations, assets, properties, results of operations or prospects of Parent or Federal.

5.2.3 Financing. Parent and Federal have available, and on the Closing Date will have available, sufficient, immediately available funds to enable Parent and Federal to pay the Purchase Price and all of its fees and expenses related to the Transaction, and Federal's ability to consummate the Transaction is not contingent on raising any equity capital, obtaining debt financing therefor or consent of any lender.

5.3 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the Transaction based upon arrangements made by or on behalf of Parent or Federal.

5.4 Securities Laws. Federal is purchasing the Holding Share for purposes of investment only, for its own account, not with a view to public distribution or resale thereof, in whole or in part.

5.5 Parent's and Federal's Due Diligence. Parent acknowledges that, except for the matters that are expressly covered by the provisions of the Agreement, each of Parent and Federal is relying on its own investigation and analysis in entering into this Agreement and the Transaction. Each of Parent and Federal is an informed and sophisticated participant in the Transaction this Agreement and has undertaken such investigation, and has been provided with and has evaluated such documents and information, as it has deemed necessary with the execution, delivery and performance of this Agreement. Parent acknowledges that it is purchasing the Holding Share without any representation or warranty, express or implied, by Seller, Holding or the Company, except as expressly set forth in this Agreement.

ARTICLE 6

OBLIGATIONS OF THE PARTIES PRIOR TO CLOSING

6.1 Ordinary Course. Between the date of this Agreement and the Closing Date or the date, if any, on which this Agreement is earlier terminated pursuant to its terms, except as contemplated by this Agreement and the Transaction and as set forth on Schedule 6.1 hereto, Athena shall (a) carry on its business in the usual, regular and ordinary course in substantially the same manner as heretofore conducted, pay its debts and taxes when due subject to good faith disputes over such debts or taxes, pay or perform other material obligations when due, except when subject to good faith disputes over such obligations, and use all Commercially Reasonable Efforts consistent with past practices and policies to preserve intact its present business organizations, keep available the services of its present officers and employees and preserve its relationships with customers, suppliers and others having business relationships with it, to the end that Athena's goodwill and ongoing business shall be unimpaired at the Closing Date, and (b) promptly notify Parent of any event or occurrence which will have or could reasonably be expected to have an Athena Material Adverse Effect.

6.2 Actions Requiring Parent's Consent. Between the date of this Agreement and the Closing Date or the date, if any, on which this Agreement is earlier terminated pursuant to its terms, Athena shall not, except to the extent that Parent shall otherwise consent in writing (such consent not to be unreasonably withheld, conditioned or delayed), except as contemplated by this Agreement and the Transaction and as set forth on Schedule 6.1 hereto:

(a) amend its charter documents or by-laws;

(b) declare or pay any dividends or distributions on its outstanding shares of capital stock or purchase, redeem or otherwise acquire for consideration any shares of its capital stock or other securities except in accordance with agreements existing as of the date hereof;

(c) issue or sell any shares of its capital stock, effect any stock split or otherwise change its capitalization as it exists on the date hereof, or issue, grant, or sell any options, stock appreciation or purchase rights, warrants, conversion rights or other rights, securities or commitments obligating it to issue or sell any shares of its capital stock, or any securities or obligations convertible into, or exercisable or exchangeable for, any shares of its capital stock;

(d) borrow or agree to borrow any funds or voluntarily incur, or assume or become subject to, whether directly or by way of guaranty or otherwise, any obligation or Liability, except obligations and Liabilities incurred in the ordinary course of business consistent with past practices;

(e) pay, discharge or satisfy any Liability in excess of $100,000 (in any one case) or $200,000 (in the aggregate), other than the payment, discharge or satisfaction (i) of Expenses, (ii) in the ordinary course of business of Liabilities reflected on or reserved against in the Athena Balance Sheet, or incurred since the date of the Athena Balance Sheet in the ordinary course of business consistent with past practices or(iii) in connection with the Transaction;

(f) except as required by applicable law, adopt or amend in any material respect, any agreement or plan (including severance arrangements) for the benefit of its employees;

(g) sell, mortgage, pledge or otherwise encumber or dispose of any of its assets which are material, individually or in the aggregate, to the business of Athena, except in the ordinary course of business consistent with past practices;

(h) acquire by merging or consolidating with, or by purchasing any material equity interest in or a material portion of the assets of, any business or any corporation, partnership interest, association or other business organization or division thereof, or otherwise acquire any assets which are material, individually or in the aggregate, to the business of Athena, except in the ordinary course of business consistent with past practices;

(i) except to the extent required by applicable Legal Requirement or any Athena Plan, increase the following amounts payable or to become payable: (i) the salary of any of its directors or officers, other than increases in the ordinary course of business consistent with past practices and not exceeding, in any case, five percent (5%) of the director's or officer's salary on the date hereof, (ii) any other compensation of its directors or officers, including any increase in benefits under any bonus, insurance, pension or other benefit plan made for or with any of those persons, other than increases that are provided in the ordinary course of business consistent with past practices to broad categories of employees and do not discriminate in favor of the aforementioned persons and other payments or increases in benefits required by applicable Legal Requirements, and (iii) the compensation of any of its other employees, consultants or agents except in the ordinary course of business consistent with past practices;

(j) dispose of, permit to lapse, or otherwise fail to preserve its rights to use the Athena Proprietary Rights or enter into any settlement regarding the breach or infringement of, all or any part of the Athena Proprietary Rights, or modify any existing rights with respect thereto, other than in the ordinary course of business consistent with past practices, and other than any such disposal, lapse, failure, settlement or modification that does not have and could not reasonably be expected to have an Athena Material Adverse Effect;

(k) sell, or grant any right to exclusive use of, all or any material part of the Athena Proprietary Rights;

(l) enter into any contract or commitment or take any other action that is not in the ordinary course of its business or would have a material adverse impact on Athena's ability to consummate the Transaction or that would have an Athena Material Adverse Effect;

(m) amend in any material respect any agreement to which it is a party, the amendment of which would have an Athena Material Adverse Effect;

(n) waive, release, transfer or permit to lapse any claim or right (i) that has a value, or involves payment or receipt by it, of more than $100,000 or (ii) the waiver, release, transfer or lapse of which would have an Athena Material Adverse Effect;

(o) make or change any Tax election, change an annual accounting period for Tax purposes, adopt or change any accounting method, file any amended Tax Return, enter into any closing agreement under Code Section 7121, settle any claim or assessment relating to Taxes of Athena or any of its Subsidiaries, surrender any right to claim a refund of Taxes paid by Athena or any of its Subsidiaries, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment relating to Athena or any of its Subsidiaries, or take any other similar action relating to the filing of any Tax Return or the payment of any Tax, if such election, adoption, change, amendment, agreement, settlement, surrender, consent or other action would have the effect of increasing the Tax liability of Athena or any of its Subsidiaries for any taxable period ending after the Closing Date or decreasing any Tax attribute of Athena or any of its Subsidiaries existing on the Closing Date;

(p) make any change in any method of accounting or accounting practice other than changes required to be made by applicable Legal Requirements or in order that Athena's financial statements comply with GAAP; or

(q) agree, whether in writing or otherwise, to take any action described in this Section 6.1.

ARTICLE 7

ADDITIONAL AGREEMENTS AND ACKNOWLEDGMENTS

7.1 Expenses.

7.1.1 General. Except as provided in this Section 7.1, each Party hereto shall be responsible for its own costs and expenses in connection with the Transaction, including fees and disbursements of consultants, brokers, finders, investment bankers and other financial advisors, counsel and accountants (" *Expenses* ").

7.1.2 Certain Expenses. At or prior to the Closing, Seller will pay, or cause the Company to pay, all fees and expenses of Jefferies Quarterdeck and Schulte Roth & Zabel LLP. At the Closing, unless previously paid by Athena or Seller, Federal shall pay on behalf of Athena, or provide funds to Athena sufficient for Athena to pay in the event Athena is unable to pay, the then unpaid fees, if any, as designated in writing by Seller to Parent of, which unpaid amounts that are paid or funded by Federal shall reduce the Purchase Price and the Direct Payment due to Seller at the Closing pursuant to Section 2.2.

7.1.3 HSR Filing Fee. Parent and Athena shall share equally any filing fees related to Antitrust Filings as defined in Section 7.8. Athena's share of such filing fees shall reduce the Purchase Price and the Direct Payment due to Seller at the Closing pursuant to Section 2.2.

7.1.4 Uncovered Expenses . Athena, Seller and Federal shall ensure that either:

(a) any Expenses incurred by Athena are paid at or before the Closing (whether by Athena, by Seller or by Federal on behalf of Athena pursuant to Section 7.1.2) so that such Expenses do not continue to be or do not become the Liability of Athena after the Closing, or

(b) provision is made for any Liability for such Expenses on Athena's books for payment after the Closing (it being understood that in such event such Liability shall be reflected as a liability on the Final Closing Balance Sheet for purposes of computing the Net Assets Adjustment).

7.2 Indemnification.

7.2.1 By Parent .

(a) Subject to Section 7.2.7, after the Closing, Parent and Federal shall jointly and severally protect, defend, indemnify and hold harmless Seller and its Affiliates, officers, directors, employees, agents, representatives, successors and assigns (" *Seller Indemnitees* ") from and against any Loss that may be sustained, suffered or incurred by Seller Indemnitees, and that arose from (i) any breach by Parent or Federal of their respective representations and warranties, (ii) any breach by Parent or Federal of their respective covenants and obligations in or under this Agreement, (iii) Taxes described in Section 7.2.1(b), (iv) the occurrence of the Closing notwithstanding that any Special Consent was not obtained or delivered, or (v) any liabilities of Athena following the Closing other than those liabilities for which Seller have agreed to indemnify Parent pursuant to Section 7.2.2 of this Agreement.

(b) The obligations of Parent under Section 7.2.1(a) shall extend to (i) all Taxes with respect to taxable periods beginning after the Closing Date (including any Taxes with respect to transactions properly treated as occurring on the day after the Closing Date pursuant to Treasury Regulations Section 1.1502-76(b)(1)(ii)(B) or any similar provision of state, local or foreign law) and (ii) all Taxes (other than income Taxes) with respect to Straddle Periods to the extent that such Taxes are allocable to the period after Closing pursuant to Section 7.6.2.

7.2.2 By Seller .

(a) Subject to Sections 7.2.5, 7.2.6, 7.2.8 and 7.2.10, after the Closing, Seller shall protect, defend, indemnify and hold harmless Parent, Federal, Athena and their respective Affiliates, and their officers, directors, employees, agents, representatives, successors and assigns (" *Parent Indemnitees* ") from and against any Loss that may be sustained, suffered or incurred by Parent Indemnitees and that arose from (i) any breach by the Holding, the Company or Seller of their respective representations and warranties in this Agreement, (ii) any breach by Seller or Athena of their respective covenants and obligations in or under this Agreement, (iii) Taxes described in Section 7.2.2(b), to the extent such Taxes have not been accrued or otherwise reserved for on the Final Closing Balance Sheet and included in the calculation of the Net Assets Adjustment to the Purchase Price , (iv) Seller's and Athena's

Expenses in excess of the amounts required to be paid or funded by Federal pursuant to Section 7.1.2 or otherwise reflected in the Net Assets Adjustment to the Purchase Price pursuant to Section 7.1.3(b), (v) any bonus payments or change of control payments that are triggered solely by the Transaction or are set forth on Schedule 7.12 hereto (but in the case of clauses (iv) and (v) above, only if and to the extent such amounts are not paid by Athena at or prior to Closing, are not reflected in the Final Closing Balance Sheet and did not result in a downward adjustment or reduction of the Purchase Price pursuant to Sections 2.4, 7.1.2 or 7.11) and (vi) the matters described on Schedule 7.2.2 hereto; *provided* that, in each case, it is the intent of the Parties that all of the provisions of this Agreement shall be interpreted to avoid requiring Seller to pay (or suffer a reduction in the Purchase Price) twice for the same Liability.

(b) Subject to Section 7.2.6(a)(ii), the indemnity obligations of Seller under Section 7.2.2(a) with respect to Taxes shall be for (A) all Taxes of Athena with respect to taxable periods ending on or prior to the Closing Date and (B) all Taxes of Athena with respect to Straddle Periods to the extent that such Taxes are allocable to the period prior to Closing pursuant to Section 7.6.2. Such indemnity obligations shall be without regard to whether there was any breach of any representation or warranty under Article 3 with respect to such Tax or any disclosures that may have been made with respect to Article 3 or otherwise. The indemnification obligations under this Section 7.2.2(b) shall apply even if the additional Tax liability results from the filing of a return or amended return with respect to a pre-Closing Date transaction or period (or portion of a period) by Parent. Parent shall not cause or permit Athena to file an amended Tax Return with respect to any taxable period ending on or prior to the Closing Date or any Straddle Period unless (y) Seller consents in its sole discretion or (z) Parent obtains a legal opinion from counsel reasonably acceptable to Seller that such amendment is legally required to be filed (*provided , further* , that such legal opinion may not assume any facts that are disputed in good faith by Seller). In the event of any conflict between the provisions of this Section 7.2.2(b) and any other provision of this Agreement, the provisions of this Section shall control.

7.2.3 Procedure for Third-Party Claims .

(a) If any claim or demand shall be asserted by a third party (other than audits or contests with taxing authorities relating to Taxes), in respect of which a Party (the " *Indemnified Party* ") proposes to demand indemnification by the other Party (or Parties) (the " *Indemnifying Party* ") under Sections 7.2.1 or 7.2.2, the Indemnified Party shall promptly notify the Indemnifying Party in writing of such demand, setting forth in reasonable detail the basis for the claim and a reasonable estimate of the amount of such claim, if estimatible, but the failure to notify the Indemnifying Party will not relieve the Indemnifying Party of any liability that it may have to the Indemnified Party, except to the extent that the Indemnifying Party demonstrates that the defense of such third party claim or demand is prejudiced by the Indemnified Party's failure to give such notice. The Indemnifying Party shall have the right to assume the entire control of the defense, compromise or settlement thereof (including the selection of counsel), subject to the right of the Indemnified Party to participate (with counsel of its choice, but the fees and expenses of such additional counsel shall be at the expense of the Indemnified Party). The Indemnifying Party will not compromise or settle any such action, suit, proceeding, claim or demand (without the consent of the Indemnified Party, which shall not be unreasonably withheld or delayed) other than, after consultation with the Indemnified Party, an action, suit, proceeding, claim or demand

to be settled by the payment of money damages and/or the granting of releases, *provided* that no such settlement or release shall acknowledge the Indemnified Party's liability for future acts or obligate the Indemnified Party with respect to activities of Athena without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld.

(b) Except as provided herein, Parent shall have the right to control and make decisions regarding interests in any Tax audit or administrative or court proceeding relating to Taxes payable by Athena, including selection of counsel and selection of a forum for such contest, unless such audit or proceeding reasonably may be anticipated to affect or create a liability for Taxes for which Seller is responsible, including by reason of the indemnity provided under Section 7.2.2, in which case, (i) Parent and its Affiliates, Athena, and Seller shall cooperate in the conduct of any audit or proceeding relating to such period, (ii) Seller shall have the right (but not the obligation) to participate in such audit or proceeding at Seller's expense, directly and though counsel selected by Seller, each of whom shall be provided at Seller's request with such authorization by Athena, under powers of attorney or otherwise, as is reasonably necessary to obtain relevant information from, and negotiate with, the relevant taxing authority in such audit or proceeding and otherwise fully participate directly in all aspects of such audit or proceeding, and (iii) Parent shall not enter into any agreement with the relevant taxing authority pertaining to issues involved in or the conduct of such audit or proceeding without the written consent of Seller, which consent shall not unreasonably be withheld, *provided* that Parent may, without the written consent of Seller, enter into such an agreement provided that Parent shall have agreed in writing by prior notice to Seller to accept responsibility and liability for the payment of all Tax liabilities arising directly or indirectly from such agreement and to forego any indemnification under this Agreement with respect to such Taxes, and otherwise to release Seller from and indemnify Seller against any liability in respect of such Taxes.

(c) Any Party who receives any notice of a pending or threatened Tax audit, assessment, or adjustment against or with respect to Athena, which may give rise to Liability of another Party hereto, shall promptly notify such other Party within ten (10) Business Days of the receipt of such notice. The Parties agree to consult with and keep each other informed as to matters related to any audit or judicial or administrative proceedings involving Taxes for which indemnification may be sought hereunder, including, without limitation, any settlement negotiations. To the extent any determination of Tax liability of Athena, whether as the result of an audit or examination, a claim for refund, the filing of an amended Tax Return or otherwise, results in any refund or credit of overpaid Taxes attributable to any taxable period (or portion thereof under the principles of Section 7.6.2) which ends on or before the Closing Date, Parent shall promptly pay the amount of such refund or credit that is received or applied for the benefit of Parent or its Affiliates along with any interest actually received or credited thereon to Seller, upon receipt thereof by Parent or its Affiliates, but only to the extent that such refund or credit is (i) not attributable to net operating loss or other carrybacks from taxable periods (or portions thereof) ending after the Closing Date, or (ii) is in excess of the portion of such refund reflected in the calculation of the Net Assets Adjustment to the Purchase Price.

(d) Any indemnity payment or payment of Tax by Seller as a result of any audit or contest shall be reduced by the correlative amount, if any, by which any Tax of Parent or its Affiliates is actually reduced for taxable periods or portions thereof ending after the Closing Date. All other refunds of Tax of Parent or its Affiliates for such taxable periods shall be the property of Parent.

(e) The Indemnified Party shall cooperate fully in all respects with the Indemnifying Party in any defense, compromise or settlement, subject to this Section 7.2.3 including, without limitation, by making available all pertinent books, records and other information and personnel under its control to the Indemnifying Party.

7.2.4 Procedure for Direct Claims .

(a) Any Direct Claim shall be asserted by written notice given by the Indemnified Party to the Indemnifying Party (each a " *Direct Claim Notice* "). The Indemnifying Party shall have a period of thirty (30) days from the date of receipt of such Direct Claim Notice (the " *Direct Claim Notice Period* ") within which to respond to a Direct Claim Notice. If the Indemnifying Party does not respond in writing within the Direct Claim Notice Period, a second written notice asserting the Direct Claim shall promptly be delivered by the Indemnified Party to the Indemnifying Party (each a " *Second Direct Claim Notice* "). The Indemnifying Party shall have a period of fifteen (15) days from the date of receipt of such Second Direct Claim Notice (the " *Second Direct Claim Notice Period* ") within which to respond to a Second Direct Claim Notice. If the Indemnifying Party does not respond to the Second Direct Claim Notice in writing within the Second Direct Claim Notice Period, then the Indemnifying Party shall be deemed to have accepted responsibility for the claimed indemnification and shall have no further right to contest the validity of that claim. If the Indemnifying Party does respond in writing within the Direct Claim Notice Period or the Second Direct Claim Notice Period, and rejects the claim in whole or in part, the Indemnified Party shall be free to pursue all available remedies. To the extent that any Parent Indemnitee prevails in a Direct Claim (or Seller concedes, or otherwise does not timely respond to a Second Direct Claim Notice made by Parent), then the Direct Claim shall be satisfied from the Escrow (and the Escrow Agent shall pay to Parent from the Escrow the amount of the Direct Claim) in accordance with Section 7.2.10 and the terms of the Escrow Agreement.

(b) Notwithstanding anything in this Agreement to the contrary, Seller Indemnitees and Parent Indemnitees shall each bear their own costs, including counsel fees and expenses, incurred in connection with Direct Claims against Parent and Seller, respectively, hereunder that are not based upon claims asserted by third parties.

7.2.5 Calculation of Amount of Claims and Losses. The amount of any claims or Loss subject to indemnification under Section 7.2.2 shall be calculated net of any amounts recovered by Parent or its Affiliates (including Athena after the Closing) under applicable insurance policies held by Parent or its Affiliates, and Parent agrees to make or cause to be made all reasonable claims for insurance under such policies that may be applicable to the matter giving rise to the indemnification claim hereunder. The amount of any claims or Loss subject to indemnification under Section 7.2.2 shall be calculated net of any Tax benefits actually received by Parent or its Affiliates (including Athena after the Closing) resulting from the matter giving rise to the indemnification claim hereunder; *provided* , that, if a Tax benefit is not realized in the taxable period during which Seller makes an indemnification payment or a Parent Indemnitee incurs or pays any Loss, Parent shall thereafter make payments to Seller Indemnitees

promptly after the end of each subsequent taxable period to reflect the net Tax benefits realized by Parent Indemnitees in each such subsequent taxable period in connection with such Loss. No indemnification shall be payable to any Parent Indemnitee for any Losses arising from, relating to or in connection with (i) any Liability set forth on or for which a reserve exists on the Final Closing Balance Sheet until, and solely to the extent that (and subject to the other limitations set forth in this Section 7.2) the amount of a specific Loss exceeds the amount of the specific Liability reserved therefor and (ii) the occurrence of the Closing notwithstanding any failure to obtain any Special Consent, and in each case Parent Indemnitees shall be deemed to have waived their rights to indemnification in respect thereof. Solely when determining the amount of Losses suffered as a result of any breach of any representation or warranty, but not for any other purpose (including, without limitation, the purpose of determining whether any such breach has occurred), any representation or warranty that is qualified by "material," "material adverse effect" or the like, shall be deemed to be made or given without such qualification. In no event shall Losses include claims for consequential, punitive or incidental damages, including consequential damages for business interruption or lost profits.

7.2.6 Limitations on Rights of Parent Indemnitees .

(a) Notwithstanding anything to the contrary contained herein and subject to Section 7.2.6(b):

(i) the rights of Parent Indemnitees to indemnification by Seller for breaches of representations and warranties hereunder shall be subject to the limitation that Parent Indemnitees shall not be entitled to indemnification with respect to a claim or claims of breach of representation and warranty by Holding, the Company or Seller unless all such claims exceed $250,000, in which event the indemnity provided for in this Section 7.2 shall be effective with respect to the total amount of such damages (including the first $250,000); and

(ii) Seller's aggregate maximum Liability to Parent Indemnitees for all indemnification claims under this Section 7.2 shall not exceed $10,000,000, and all Losses for which Seller is required to indemnify Purchaser Indemnitees under this Section 7.2 shall be satisfied solely from the Escrow in accordance with the Section 7.2.10 and the terms of the Escrow Agreement.

(b) The limitation in Section 7.2.6(a)(i) shall not apply to claims based on breaches of representations and warranties set forth in Section 3.2 (Capital Stock), Section 3.10 (Taxes) and Section 4.3 (Title to Holding Share).

7.2.7 Limitations on Rights of Seller Indemnitees . Parent's aggregate maximum Liability for all indemnification claims under this Section 7.2 shall not exceed $10,000,000.

7.2.8 Limitation on Rights Against Athena . Notwithstanding anything to the contrary, Parent, Federal and Seller each acknowledge and agree that they shall have no right to make a claim against Athena pursuant to any indemnity provision or agreement or otherwise with respect to claims of Parent Indemnitees pursuant to Section 7.2.2 that are resolved in favor of Parent Indemnitees.

7.2.9 Adjustment to Purchase Price . All indemnity payments made pursuant to this Section 7.2 or otherwise shall be treated for all Tax purposes as an adjustment to the Purchase Price, to the extent legally permissible to be so characterized.

7.2.10 Escrow . Pursuant to Section 2 and the Escrow Agreement, at the Closing, Parent shall deliver to the Escrow Agent the Escrow Payment, and the Escrow Agent shall set up an escrow account pursuant to the terms of the Escrow Agreement, to secure and serve as exclusive source of effecting payment and discharge of any indemnification obligations of Seller under this Section 7.2. Within ten (10) Business Days following the Survival Date, the Escrow Agent shall, pursuant to the terms of the Escrow Agreement, deliver to Seller an amount equal to the Escrow Distribution (as hereinafter defined), if any. For purposes of this Agreement, the term " *Escrow Distribution* " shall mean the aggregate balance remaining in Escrow on the Survival Date less the sum of the total of all then pending and unpaid indemnity claims by Parent Indemnitees. As any pending indemnity claims referenced in the previous sentence are resolved, the Escrow Agent, after making any required payments related to such claims, shall release and deliver to Seller any amounts remaining from the amounts reserved for the released claims. Amounts payable with respect to indemnity claims resolved in favor of Parent Indemnitees shall be satisfied exclusively from the funds held in Escrow and paid to an account designated by Parent. The Escrow Agent shall make all payments due to Seller pursuant to this Section 7.2.10 to an account designated by Seller. Any earnings on the funds in the Escrow, net of escrow expenses, shall be paid to Seller, and Seller shall be responsible for all Taxes on any such earnings.

7.2.11 Duty to Mitigate . Each Party hereto agrees to use Commercially Reasonable Efforts to mitigate any damages which form the basis of any claim for indemnification under this Section 7.2.

7.2.12 Exclusive Remedy . From and after the Closing, the sole recourse and exclusive remedy of Parent, Federal, Athena and Seller against each other arising out of this Agreement or any certificate delivered in connection with this Agreement, or otherwise arising from the Transaction, shall be to assert a claim for indemnification under the indemnification provisions of Section 7.2, and each such Party waives all other remedies it may have from and after the Closing.

7.2.13 Subrogation . Except to the extent of any insurance policy which includes a waiver of subrogation, upon making an indemnity payment pursuant to this Agreement, the Indemnifying Party will, to the extent of such payment, be subrogated to all rights of the Indemnified Party against any third party in respect of the damages to which the payment related. Without limiting the generality of any other provision hereof, each such Indemnified Party and Indemnifying Party will duly execute upon request all instruments reasonably necessary to evidence and perfect the above described subrogation rights.

7.2.14 Money Purchase Plan Indemnification Rights . Parent and Federal acknowledge and agree that the Company shall have the right to assign, at any time prior to the Closing, its indemnification rights under the IPA Purchase Agreement relating to the Money Purchase Plan to Seller or any Affiliate of Seller. Parent shall cause the Company to cooperate fully with Seller or such Affiliate of Seller in connection with any claim for indemnification Seller or such Affiliate of Seller may have against the IPA Sellers.

7.3 Access and Information . Athena shall afford to Parent, Federal, and to a reasonable number of their respective officers, employees, accountants, counsel and other authorized representatives full and complete access, upon reasonable advance telephone notice to Seller, during regular business hours, throughout the period prior to the earlier of the Closing Date or the termination of this Agreement pursuant to its terms, to Athena's offices, properties, books and records, and Athena shall use Commercially Reasonable Efforts to cause its representatives and independent public accountants to furnish to Parent such additional financial and operating data and other information as to its business, customers, vendors and properties as Parent may from time to time reasonably request. Notwithstanding the foregoing, all visits to any office of Athena will be coordinated and conducted so as to not be disruptive to the operations of Athena and to preserve the confidentiality of the Transaction.

7.4 Public Disclosure . Except as otherwise required by Legal Requirement, from the date hereof through the Closing, no Party shall make or issue any press release or other public disclosure of information regarding the Transaction (including the existence of this Agreement) without the prior written consent of the other Parties. Following the Closing, no Party shall make or issue any press release or other public disclosure of information regarding the Transaction (including the existence of this Agreement) without affording the other Parties a reasonable opportunity to review and comment on any such press releases or other public disclosures prior to their dissemination.

7.5 Further Assurances.

7.5.1 Generally . Subject to terms and conditions herein provided and to the fiduciary duties of the board of directors and officers or representatives of any Party, each of the Parties agrees to use its Commercially Reasonable Efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable under applicable Legal Requirement to cause the conditions set forth in Article 8 to be satisfied and to consummate and make effective this Agreement and the Transaction. In case at any time any further action, including, the obtaining of waivers and consents under any agreements, material contracts or leases and the execution and delivery of any licenses or sublicenses for any software, is necessary, proper or advisable to carry out the purposes of this Agreement, the proper officers and directors or representatives of each Party to this Agreement are hereby directed and authorized to use Commercially Reasonable Efforts to effectuate all required action.

7.5.2 Novation of Contracts . Each Party agrees to take all actions required to novate each Athena Government Contract that may require novation under its terms or under applicable Legal Requirement, and further agrees to provide all documentation necessary to effect each such novation, including, without limitation, all instruments, certifications, requests, legal opinions, audited financial statements, and other documents required by FAR Part 42 to effect a novation of any Athena Government Contract. In particular and without limiting the generality of the foregoing, Seller shall continue to communicate with responsible officers of the United States Government from time to time as may be appropriate and permissible, to request speedy action on any and all requests for consent to novation.

7.6 Certain Tax Matters.

7.6.1 Tax Periods Ending on or Before the Closing Date . Federal shall properly and accurately prepare, or cause to be prepared, and file, or cause to be filed, on a timely basis (in each case, at its sole cost and expense and on a basis reasonably consistent with past practice of Athena, unless otherwise required by applicable Tax laws), all Tax Returns of Athena for taxable periods ending on or prior to the Closing Date that are required to be filed after the Closing Date (the " *Prior Period Returns* "). Federal shall provide a draft copy of each such Prior Period Return to Seller for its review and approval at least 30 days prior to the due date for filing such return (or, if required to be filed within 30 days after the Closing or within 45 days after the end of the taxable period to which such Tax Return relates, as soon as possible following the Closing or the end of such taxable period, as the case may be). Seller shall provide its comments to Federal at least fifteen days prior to the due date of each such return and Federal shall make all changes requested by Seller in good faith (unless such changes (i) are contrary to applicable Legal Requirement, or (ii) are inconsistent with the prior practice of Athena and would have a material adverse effect on Federal or any of its Affiliates such as would cause a taxpayer responsible for payment of all Tax liabilities affected by such reporting position to not adopt such position). Federal shall timely pay or cause to be timely paid, all Taxes with respect to Athena shown to be due on each Prior Period Return. Federal shall determine the portion of such Taxes associated with the Prior Period Return for which Seller is responsible under Section 7.2.2 and shall provide Seller with a written determination of such amount. Unless Seller gives notice of disagreement with Federal's determination within fifteen days prior to the due date of such return, Seller shall pay (as provided by Section 7.2.10) such amount to Federal within five (5) Business Days of the receipt of such determination, but in no event earlier than the day Federal is required to pay such Taxes to the relevant Governmental Entity. If Seller disagree with Federal's determination and the Parties are unable to resolve such dispute within such five (5) Business Day period, the Parties shall submit the dispute to the Auditor for resolution in accordance with the procedures set forth in Section 2.4.3, and the decision of the Auditor shall be binding on both Parties, and any required indemnity payment consistent with such resolution shall be made as provided by Section 7.2.10.

7.6.2 Tax Periods Beginning Before and Ending After the Closing Date .

(a) Federal shall properly and accurately prepare or cause to be prepared, and file or cause to be filed, on a timely basis (in each case, at its sole cost and expense, and on a basis consistent with past practice of Athena), all Tax Returns of Athena that are required to be filed for taxable periods that begin before the Closing Date and end after the Closing Date (collectively, the " *Straddle Periods* " and each a " *Straddle Period* "). Federal shall provide a draft copy of each such Straddle Period Tax Return to Seller for its review and approval at least 30 days prior to the due date for filing such return (or, if required to be filed within 30 days after the Closing or within 45 days after the end of the taxable period to which such Tax Return relates, as soon as possible following the Closing or the end of such taxable period, as the case may be). Seller shall provide its comments to Federal at least fifteen (15) days prior to the due date of each such return. Federal shall timely pay or cause to be timely paid, all Taxes of Athena shown to be due on each such Straddle Period Tax Return. Federal shall determine the portion of such Taxes associated with the Straddle Period Tax Return for which Seller is responsible under Section 7.2.2, in respect of the portion of such Straddle Period

ending on the Closing Date (the " *Pre-Closing Tax Period* "), and Section 7.6.2(b) and shall provide Seller with a written determination of such amount. Unless Seller gives notice of disagreement with Federal's determination within fifteen days prior to the due date of such return, Seller shall pay (as provided by Section 7.2.10) such amount to Federal within five (5) Business Days of the receipt of such determination, but in no event earlier than the day Federal is required to pay such Taxes to the relevant Governmental Entity. If Seller disagree with Federal's determination and the Parties are unable to resolve such dispute within such five (5) Business Day period, the Parties shall submit the dispute to the Auditor for resolution in accordance with the procedures set forth in Section 2.4.3, and the decision of the Auditor shall be binding on both Parties, and any required indemnity payment consistent with such resolution shall be made as provided by Section 7.2.10.

(b) For purposes of this Agreement:

(i) Federal and Athena shall, unless prohibited by applicable law, cause the taxable period of Athena to end as of the close of the Closing Date. Federal shall not permit Athena to take any actions after Closing on the Closing Date that are out of the ordinary course of business, except as contemplated by this Agreement or consented to by Seller.

(ii) In the case of any gross receipts, income, or similar Taxes that are payable with respect to a Straddle Period, the portion of such Taxes allocable to (A) the Pre-Closing Tax Period and (B) the portion of the Straddle Period beginning on the day next succeeding the Closing Date (the " *Post-Closing Tax Period* ") shall be determined on the basis of a deemed closing at the end of the Closing Date of the books and records of Athena. Any credits relating to a taxable period that begins before and ends after the Closing Date shall be taken into account as though the relevant taxable period ended on the Closing Date. All determinations necessary to give effect to the foregoing allocations shall be made in a manner consistent with prior practices of Athena.

(iii) In the case of any Taxes (other than gross receipts, income, or similar Taxes, but including periodically assessed ad valorem Taxes and Taxes not otherwise feasibly allocable to specific transactions or events) that are payable with respect to a Straddle Period, the portion of such Taxes allocable to the portion of the Straddle Period prior to the Closing Date shall be equal to the product of all such Taxes multiplied by a fraction the numerator of which is the number of days in the Straddle Period from the commencement of the Straddle Period through and including the Closing Date and the denominator of which is the number of days in the entire Straddle Period; *provided, however* , that to the extent feasible, such Taxes shall be allocated to either the Pre-Closing Tax Period or the Post-Closing Tax Period on a basis of specific events or transactions that can be identified as occurring on or prior to the Closing Date (in which case Seller shall be responsible for any Taxes related thereto) or occurring after the Closing Date (in which case, Federal shall be responsible for any Taxes related thereto).

(c) Federal shall be responsible for (i) any and all Taxes with respect to the Pre-Closing Tax Period of any applicable Straddle Period to (but only to) the extent such Taxes have been accrued or otherwise reserved for on the Closing Balance Sheet and included in the calculation of Net Assets Adjustment to the Purchase Price and (ii) any Taxes with respect to the Post-Closing Tax Period of the Straddle Periods.

7.6.3 Cooperation on Tax Matters .

(a) Parent, Federal, Athena and Seller shall cooperate fully, as and to the extent reasonably requested by any Party, in connection with the filing of Tax Returns pursuant to this Section and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other Party's request) the provision of records and information which are reasonably relevant to any such Tax Return, audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder, and provision of authorization to deal with taxing authorities on behalf of Athena and filing of amended Tax Returns with respect to Athena as reasonably appropriate as a defense against or collateral adjustment arising from any assertion of Tax liability against Athena by a taxing authority. Athena and Seller agree (i) to retain all books and records with respect to Tax matters pertinent to Athena relating to any taxable period beginning before the Closing Date until the expiration of the statute of limitations (and, to the extent notified by Federal or Seller, any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any taxing authority of which such Party has notice, and (ii) to give the other Party reasonable written notice prior to transferring, destroying or discarding any such books and records and, if the other so requests, Athena or Seller, as the case may be, shall allow the other to take possession of such books and records.

(b) Federal and Seller further agree, upon request, to use their Commercially Reasonable Efforts to obtain any certificate or other document from any governmental authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including, but not limited to, with respect to the Transaction).

(c) Federal and Seller further agree, upon request, to provide the other Party with all information that either Party may be required to report pursuant to section 6043 of the Code and all Treasury Department Regulations promulgated thereunder.

7.6.4 Tax Sharing Agreements . All of Athena's obligations under all Tax Sharing Agreements or similar agreements with respect to or involving Athena shall be terminated as of the Closing Date, such that after the Closing Date, Athena shall not be bound thereby or have any liability under such obligations.

7.6.5 Certain Taxes . All transfer, documentary, sales, use, stamp, registration and other such Taxes and fees imposed on Athena or Seller by reason of the transfer of the Holding Share (including any penalties and interest) incurred in connection with this Agreement (including any transfer or similar tax imposed by any governmental authority), shall be paid by Seller when due, and Seller will, at its own expense, file all necessary Tax Returns and other documentation with respect to all such transfer, documentary, sales, use, stamp, registration and other Taxes and fees, and, if required by applicable law, Federal will, and will cause its Affiliates to, join in the execution of any such Tax Returns and other documentation.

7.6.6 Indemnification and Tax Contests . Federal's and Seller's indemnification obligations with respect to the covenants in this Section 7.6 together with the procedures to be observed in connection with any indemnity claim relating to Taxes shall be governed by Section 7.2.

7.7 Resignations . Each officer and member of the board of directors of Holding, the Company and each Company Subsidiary shall resign as an officer and director of Holding, the Company and each Company Subsidiary, as applicable, effective as of the Closing Date.

7.8 Antitrust Filings . As promptly as practicable after the execution of this Agreement (but not later than five (5) Business Days thereafter), Athena and Parent will prepare and file with the United States Federal Trade Commission and the Antitrust Division of the United States Department of Justice Notification and Report Forms relating to the Transaction as required by the HSR Act (with a request for early termination of the waiting period under the HSR Act), as well as comparable pre-merger notification forms required by the merger notification or control laws and regulations of any applicable jurisdiction, as agreed to by the Parties (the " *Antitrust Filings* "). Each of Athena and Parent will notify the other promptly upon the receipt of any comments from any government officials in connection with any Antitrust Filing made pursuant hereto and of any request by any government officials for amendments or supplements to the Antitrust Filings or for additional information and will supply the other with copies of all correspondence between such Party or any of its representatives and the government officials, with respect to any Antitrust Filing.

7.9 Supplemental Schedules . The Schedules are attached to this Agreement as of the execution of this Agreement. On or prior to two (2) Business Days before the Closing, Athena will provide to Parent replacement Schedules, updated and revised as necessary from the version attached as of the execution of this Agreement, excluding any Schedules that are made with respect to specific dates, which are not required to be updated. No update or revision to any part of the Schedules pursuant to this Section 7.9 shall (i) be deemed to cure any breach of any representation or warranty or (ii) constitute a waiver by Parent of any condition set forth in this Agreement, unless, in either case, Parent specifically agrees thereto in writing.

7.10 Confidentiality.

7.10.1 Parent's Obligations . Parent will require its employees, agents, affiliates, consultants, representatives and advisors to hold any information that it or they receive, observe or otherwise come into the possession of in connection with the activities and transactions contemplated by this Agreement in strict confidence in accordance with and subject to the terms of that certain confidentiality letter agreement, dated July 9, 2007, between Jefferies Quarterdeck as agent-in-fact for Athena and Parent (the " *Confidentiality Agreement* ").

7.10.2 Seller's Post-Closing Obligation . From and after the Closing, except as otherwise expressly provided in this Agreement or in other agreements delivered in connection herewith, Seller shall, and shall use Commercially Reasonable Efforts to cause its Affiliates, officers, directors, employees, agents, representatives, successors and assigns, as applicable to, (a) maintain the confidentiality of, (b) not use in any way that would reasonably be expected to be adverse to, or have an adverse effect on, Parent or Athena, and (c) not divulge, to

any Person (other than their representatives and advisors) all confidential or proprietary information of Athena or Parent, except with the prior written consent of Parent (which consent will not be unreasonably withheld, delayed or conditioned) or except as may reasonably be necessary in connection with the performance, enforcement and/or defense of any indemnification obligations under this Agreement, to perform or enforce any covenants under this Agreement, or except as may be required by Legal Requirement; *provided, however* , that the foregoing limitations shall not apply to information that (i) otherwise becomes lawfully available to Seller or its Affiliates, officers, directors, employees, agents, representatives, successors and assigns after the Closing Date on a non-confidential basis from a third party who, to the Knowledge of Seller, is not under an obligation of confidentiality to Parent or Athena or (ii) is or becomes generally available to the public without breach of this Agreement by Seller or its Affiliates, officers, directors, employees, agents and representatives.

7.11 Termination of 401(k) Plans . Seller shall cause the Company and each Company Subsidiary shall terminate the Athena 401(k) Plans (and, if not previously terminated, the Money Purchase Plan) as of the Closing Date immediately prior to the Closing, by resolutions adopted by the board of directors of the applicable entity. Said terminations shall provide that all participants in the Athena 401(k) Plans shall be fully vested in their account balances under the applicable plan.

7.12 Severance, Merit, Signing and Retention Bonus Payments . At or prior to the Closing, Seller will pay, or cause the Company to pay, Michael J. Woods and Wayne A. Wilkinson the severance and other payments such Persons are entitled to under their employment agreements with the Company as well as all merit and signing bonuses payable to employees of Athena as set forth on Exhibit A to Schedule 3.7 hereto. At the Closing, unless previously paid by Seller or the Company, Federal shall pay on behalf of Seller or the Company, or provide funds to the Company sufficient to pay in the event the Company is unable to pay, the then unpaid merit and signing bonuses, as designated in writing by Seller, which amounts paid or funded by Federal shall reduce the Purchase Price and the Direct Payment due to Seller at the Closing pursuant to Section 2.2. After the Closing, Federal shall pay, or cause the Company to pay, when due, the retention bonus payable to Brian G. Page as well as the bonuses payable to employees under Athena's retention bonus program as set forth on Exhibit A to Schedule 3.7 hereto.

7.13 Directors and Officers Indemnification . From and after the Closing Date, Parent shall indemnify and hold harmless each present and former director and officer of Athena, determined as of the Closing Date (the " *Indemnified Directors and Officers* "), against any costs or expenses (including, without limitation, the advancement of expenses and payment of reasonable attorneys' fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of matters existing or occurring at or prior to the Closing Date, whether asserted or claimed prior to, at or after the Closing Date, arising in whole or in part out of or pertaining to the fact that he or she was a director or officer of Athena or is or was serving at the request of Athena as a director or officer of another corporation, partnership, joint venture, trust, or other enterprise, including, without limitation, matters related to the negotiation, execution and performance of this Agreement or consummation of the Transaction, to the fullest extent which such Indemnified Directors and Officers would be entitled under the charter documents and by-laws of Holding, the Company and the Company Subsidiaries, respectively, or under applicable Legal Requirements.

7.14 Benefit Coverage . Immediately following the Closing, except as otherwise provided herein, Parent and Federal shall cause the Company and each Company Subsidiary to continue to employ each Person (except for those Persons listed on Schedule 7.14 hereto) who is an employee of the Company and each Company Subsidiary immediately prior to the Closing (the " *Affected Employees* ") on terms no less favorable in the aggregate (including with respect to position, duties, responsibilities, compensation, incentives and location) than those in effect on the date hereof to the Affected Employees. For a period of at least 12 months following the Closing, Parent and Federal shall, or shall cause the Company and each Company Subsidiary to, provide each Affected Employee, while the Affected Employee is employed, with benefits (other than retiree health and life benefits and stock-based option or purchase programs) that are at least substantially equivalent in the aggregate to the benefits provided to each such Affected Employee immediately prior to the Closing; provided, that Parent and Federal, in providing such substantially equivalent benefits, shall not be required to provide or maintain any particular plan or benefit which was provided to or maintained for Affected Employees prior to the Closing.

ARTICLE 8

CONDITIONS PRECEDENT

8.1 Conditions Precedent to the Obligations of Each Party . The obligations of the Parties hereto to effect the Transaction shall be subject to the fulfillment at or prior to the Closing of the following conditions, any of which conditions may be waived in writing prior to Closing by the Party for whose benefit such condition is imposed:

8.1.1 No Illegality . There shall not have been any action taken, and no statute, rule or regulation shall have been enacted, by any state, federal or other (including foreign) Governmental Entity since the date of this Agreement that would prohibit or materially restrict the Transaction.

8.1.2 Government Consents . All filings with and notifications to, and all approvals and authorizations of, third parties (including, without limitation, Governmental Entities, but excluding under any Athena Government Contracts) required for the consummation of the Transaction shall have been made or obtained and all such approvals and authorizations obtained shall be effective and shall not have been suspended, revoked or stayed by action of any Governmental Entity (other than filings, notifications, approvals and authorizations which, if not made or obtained, would not have an Athena Material Adverse Effect).

8.1.3 No Injunction . No injunction or restraining or other order issued by a court of competent jurisdiction that prohibits or materially restricts the consummation of the Transaction contemplated hereby shall be in effect (each Party agreeing to use all Commercially Reasonable Efforts to have any injunction or other order immediately lifted), and no action or proceeding shall have been commenced or threatened in writing by any third party seeking any injunction or restraining or other order that seeks to prohibit, restrain, invalidate or set aside consummation of the Transaction.

8.2 Conditions Precedent to Obligation of Parent and Federal to Consummate the Transaction . The obligation of Parent and Federal to consummate the Transaction shall be subject to the fulfillment at or prior to the Closing of the following additional conditions, any of which conditions may be waived in writing by Parent or Federal prior to Closing:

8.2.1 Representations and Warranties . The representations and warranties of Seller, Holding and the Company contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date, except for changes contemplated by this Agreement and except for those representations and warranties which address matters only as of a particular date (which shall remain true and correct in all material respects as of such date), with the same force and effect as if made on and as of the Closing Date, except, in all such cases, for such breaches, inaccuracies or omissions of such representations and warranties which have neither had, nor reasonably would be expected to have, an Athena Material Adverse Effect (it being understood that, for purposes of determining the accuracy of such representations and warranties, any update of or modification to the Schedules made or purported to have been made after execution of this Agreement, including the Updated Schedules, shall be disregarded); and Seller, Holding and the Company shall have delivered to Parent a certificate to that effect, dated the Closing Date and signed on behalf of (i) Seller by its authorized signatory and (ii) Holding and the Company by its President and Chief Financial Officer.

8.2.2 Agreements and Covenants . Each of Seller, Holding and the Company shall have performed in all material respects all of its agreements and covenants set forth herein that are required to be performed at or prior to the Closing Date; and Seller, Holding and the Company shall have delivered to Parent a certificate to that effect, dated as of the Closing Date and signed on behalf of (i) Seller by its authorized signatory and (ii) Holding and the Company by its President and Chief Financial Officer.

8.2.3 Legal Opinion . Parent and Federal shall have received an opinion from Schulte Roth & Zabel LLP, counsel to Seller, Holding and the Company, in form and substance reasonably acceptable to Parent.

8.2.4 Closing Documents . Seller, Holding and the Company shall have delivered to Parent the closing certificate described hereafter in this paragraph and good standing certificates from the States of Delaware with respect to Seller, Holding and the Company and the Commonwealth of Virginia with respect to the Company. The closing certificate, dated as of the Closing Date, duly executed by an authorized signatory or officer of Seller, Holding and the Company, respectively, shall certify as to (a) the signing authority, incumbency and specimen signature of the signatories of this Agreement and other documents signed on behalf of such Party in connection herewith, (b) the resolutions adopted by the board of directors of such Party authorizing and approving the execution, delivery and performance of this Agreement and the other documents executed in connection herewith and the consummation of the transactions contemplated hereby and thereby and state that such resolutions have not been modified, amended, revoked or rescinded and remain in full force and effect, and (c) the charter documents and by-laws of Seller, Holding and the Company.

8.2.5 Intentionally Omitted .

8.2.6 No Severance Obligations . Athena (and Parent and Federal) shall not be subject to any severance agreements or other similar obligations, in each case, triggered solely by the Transaction.

8.2.7 Updated Employee List . Athena shall have delivered to Federal a list dated as of the Closing Date containing the name of each Affected Employee and each such employee's position and annual salary.

8.2.8 Existing Agreements . The existing agreements of Jon Flowers, David Grogan, James C. King and Brian Page described on Schedule 8.2.8 hereto shall not have been modified in any manner.

8.2.9 Employment Offers . A minimum of 80% of all full time direct billable employees of Athena, who were employed by Athena as of the date hereof (excluding all Athena employees set forth on Schedule 8.9 hereto) and who have been offered employment by Parent, shall have accepted employment offers from Parent and shall have executed all standard agreements required of new Parent employees, copies of which have been provided to Seller.

8.2.10 Updated Independent Contractor List . Athena shall have delivered to Federal a list dated as of the Closing Date containing (i) the name of every individual performing, as an independent contractor to Athena, services in support of the requirements of any Athena Government Contract or other agreement with a customer of Athena, (ii) the Athena Government Contract or other Athena customer agreement in support of which such individual is performing services, and (iii) a description, the date and the term of Athena's agreement with such individual for such services.

8.2.11 Independent Contractors . Not more than twenty percent (20%) of the individuals, who are performing, as independent contractors to Athena, services in support of the requirements of any Athena Government Contract or other agreement with a customer of Athena as of the date hereof and whose services continue to be required by such customer as of the Closing Date, shall have terminated (or provided notice terminating) their agreements with Athena to provide such services or otherwise have ceased (or provided notice of their intent to cease) providing such services.

8.2.12 Material Adverse Effect . Since the date of this Agreement, Athena shall not have suffered an Athena Material Adverse Effect.

8.2.13 No Outstanding Options, Warrants, etc . Other than the Holding Share, there shall be no outstanding subscriptions, options, warrants, conversion rights or other rights, securities, agreements or commitments obligating Holding to issue, sell or otherwise dispose of shares of its capital stock, or any securities or obligations convertible into, or exercisable or exchangeable for, any shares of its capital stock.

8.2.14 Resignation of Officers and Directors . Seller shall have delivered to Federal written resignations, dated as of the Closing Date, of all of the officers and directors of Holding, the Company and each Company Subsidiary.

8.2.15 Termination of Credit Facilities . Seller shall have delivered evidence satisfactory to Federal that all amounts outstanding under any credit or loan agreements between Athena and any institutional lender of Athena and related agreements and notes have been paid in full or will be paid in full from proceeds of the Transaction and that documentation providing for the release of all Security Interests on Athena's assets (other than Permitted Encumbrances) is available for filing immediately after the Closing.

8.2.16 Release of Security Interests . Seller shall have delivered evidence satisfactory to Federal that all Security Interests on Athena's assets (other than Permitted Encumbrances) and the Shares (other than Parent Liens) have been released or terminated, as the case may be.

8.2.17 Repayment of all Indebtedness . All indebtedness owed by Athena to any Person (other than trade credit incurred in the normal course of business) shall have been paid in full or will be paid in full from proceeds of the Transaction, and all amounts, if any, owed to Athena by Seller or any Affiliate of Seller (other than Athena) shall have been paid in full.

8.2.18 Certificate as to Certain Tax Matters . Prior to the Closing Date, Holding and Seller shall have delivered a Foreign Investment and Real Property Tax Act of 1980 Certification, which (i) states that Holding or Seller is not a foreign person, (ii) sets forth Holding's or Seller's name, identifying number and office address, and (iii) is signed by Holding or Seller under penalties of perjury, meeting the requirement of Treasury Regulations Section 1.1445-2(b)(2), and is otherwise in form and substance reasonably acceptable to Parent.

8.2.19 Escrow Agreement . Seller and the Escrow Agent shall have executed and delivered the Escrow Agreement.

8.2.20 Flow of Funds Memorandum . Seller shall have executed and delivered the Flow of Funds Memorandum.

8.2.21 338(h)(10) Election . Seller shall have delivered either (i) copies of the elections under section 338(h)(10) of the Code (Forms 8023) that were signed and timely mailed to the Internal Revenue Service with respect to the acquisition of the Company Subsidiaries other than OC or (ii) evidence, reasonably satisfactory to Federal, that new elections under section 338(h)(10) of the Code have been filed with respect to the acquisition of the Company Subsidiaries other than OC in accordance with the provisions of IRS Revenue Procedure 2003-33.

8.3 Conditions to Obligations of Seller and Athena to Consummate the Transaction . The obligation of Seller and Athena to consummate the Transaction shall be subject to the fulfillment at or prior to the Closing of the following additional conditions, any of which may be waived in writing by Seller prior to Closing:

8.3.1 Representations and Warranties . The representations and warranties of Parent and Federal contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date, except for changes contemplated by this Agreement and except for those representations and warranties which address matters only as of a particular date (which shall remain true and correct in all material respects as of such date), with the same force and effect as if made on and as of the Closing Date, and Parent shall have delivered to Seller a certificate to that effect, dated the date of the Closing and signed on behalf of Parent by its President and Chief Financial Officer.

8.3.2 Agreements and Covenants . Parent and Federal shall have performed in all material respects all of their agreements and covenants set forth herein that are required to be performed at or prior to the Closing Date; and Parent shall have delivered to Seller a certificate to that effect, dated as of the Closing Date and signed on behalf of Parent by its President and Chief Financial Officer.

8.3.3 Closing Documents . Parent and Federal shall have delivered to Seller closing certificates of Parent and Federal and good standing certificates for each, for the State of Delaware and the Commonwealth of Virginia. Each of the closing certificates of Parent and Federal, dated as of the Closing Date, duly executed by the Secretary of Parent and Federal, respectively, shall certify as to (a) the signing authority, incumbency and specimen signature of the signatories of this Agreement and other documents signed on behalf of Parent and Federal in connection herewith, (b) the resolutions adopted by the board of directors of Parent and Federal authorizing and approving the execution, delivery and performance of this Agreement and the other documents executed in connection herewith and the consummation of the Transaction and thereby and state that such resolutions have not been modified, amended, revoked or rescinded and remain in full force and effect, and (c) the Certificate of Incorporation and By-Laws of Parent and Certificate of Incorporation and By-Laws of Federal as currently in effect.

8.3.4 Payment of Purchase Price . Parent shall have delivered the Direct Payment to Seller pursuant to the provisions of Section 2.2.2 hereof, shall have delivered the Escrow Payment to the Escrow Agent pursuant to the provisions of Section 2.2.3 hereof and shall have made all payments of Expenses of Athena and Seller as directed by Seller pursuant to Section 7.1.2 and shall have made all payments of bonuses and change of control payments, if any, as directed by Seller pursuant to Section 7.12.

8.3.5 Escrow Agreement . Parent, Federal and the Escrow Agent shall have executed and delivered the Escrow Agreement.

8.3.6 Flow of Funds Memorandum . Parent shall have executed and delivered the Flow of Funds Memorandum.

ARTICLE 9

SURVIVAL OF REPRESENTATIONS AND COVENANTS

9.1 Athena's and Seller's Representations . The representations and warranties of Holding, the Company and Seller, on the one hand, and Parent, on the other hand, in this Agreement or in any certificate or document delivered on or before the Closing Date shall survive any due diligence investigation by or on behalf of the Parties hereto and the Closing and shall remain effective until the fifteen (15) month anniversary of the Closing Date (the " *Survival Date* "). After the expiration of such period, such representations and warranties shall expire and be of no further force and effect except to the extent that a claim or claims shall have been

asserted by Parent or Seller, as the case may be, with respect thereto on or before the expiration of such period (but in such event, such representation and warranty shall only survive for the purposes of, to, and until the resolution of, such timely-asserted claim and not for any other claim).

9.2 Covenants . The Parties acknowledge and agree that the covenants contained in this Agreement, including, but not limited to the covenants contained in Article 7 above, shall survive Closing and shall expire on the Survival Date except to the extent that a claim or claims shall have been asserted by Parent or Seller, as the case may be, with respect thereto on or before the Survival Date.

ARTICLE 10

OTHER PROVISIONS

10.1 Termination.

10.1.1 Termination Events . This Agreement may be terminated and the Transaction abandoned at any time prior to the Closing Date:

(a) by mutual written consent of Parent and Athena;

(b) by Parent if there has been a breach of any representation, warranty, covenant or agreement contained in this Agreement on the part of Athena or Seller and such breach has not been cured within ten (10) Business Days after written notice to Seller (provided, that neither Parent nor Federal is in material breach of the terms of this Agreement, and provided further, that no cure period shall be required for a breach which by its nature cannot be cured) such that the conditions set forth in Section 8.2.1 or Section 8.2.2 hereof, as the case may be, are incapable of being satisfied;

(c) by Seller, if there has been a breach of any representation, warranty, covenant or agreement contained in this Agreement on the part of Parent or Federal and such breach has not been cured within ten (10) Business Days after written notice to Parent (provided, that neither Seller, Holding nor the Company is not in material breach of the terms of this Agreement, and provided further, that no cure period shall be required for a breach which by its nature cannot be cured) such that the conditions set forth in Section 8.3.1 or Section 8.3.2 hereof, as the case may be, are incapable of being satisfied;

(d) by any Party hereto if: (i) there shall be a final, non-appealable order of a federal or state court in effect preventing consummation of the Transaction; or (ii) there shall be any final action taken, or any statute, rule, regulation or order enacted, promulgated or issued or deemed applicable to the Transaction by any Governmental Entity which would make consummation of the Transaction illegal or which would prohibit Parent’s or Federal’s ownership or operation of all or a material portion of the stock or assets of Athena, or compel Parent or Federal to dispose of or hold separate all or a material portion of the business or assets of Athena or Parent or Federal as a result of the Transaction; or

(e) by any Party hereto if the Transaction shall not have been consummated by November 16, 2007, provided that the right to terminate this Agreement under this Section 10.1.1(e) shall not be available to any Party whose failure to fulfill any material obligation under this Agreement has been the cause of, or resulted in, the failure of the Closing Date to occur on or before such date.

10.1.2 Procedure and Effect of Termination . In the event of the termination of this Agreement and the abandonment of the Transaction, in accordance with Section 10.1.1, written notice thereof shall be given by a terminating Party to the other Parties, and this Agreement shall thereupon terminate and be of no further force or effect (subject to subsections (a) through (d) below), and the Transaction shall be abandoned without further action by Seller or Parent. If this Agreement is terminated pursuant to Section 10.1.1:

(a) Parent shall upon written request from Seller return all documents, work papers and other materials (and all copies thereof) obtained from Seller or Athena relating to the Transaction, whether so obtained before or after the execution hereof, to the Party furnishing the same, and all confidential information received by Parent with respect to Athena shall be treated in accordance with Section 7.10 and the Confidentiality Agreement;

(b) At the option of Seller, all filings, applications and other submissions made pursuant to the provision of this Agreement shall, to the extent practicable, be withdrawn from the agency or other Person to which made;

(c) The obligations provided for in this Section 10.1.2, Section 7.1 (Expenses) and Section 7.10 (Confidentiality) and in the Confidentiality Agreement shall survive any such termination of this Agreement; and

(d) Notwithstanding anything in this Agreement to the contrary, the termination of this Agreement shall not relieve any Party from Liability for damages or otherwise by reason of the breach of any of the provisions of this Agreement.

10.2 Notices . All notices and other communications hereunder shall be in writing and shall be deemed given if delivered by hand sent via a reputable nationwide courier service or mailed by registered or certified mail (return receipt requested), or by a nationally recognized overnight courier, to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice) and shall be deemed given on the date on which so hand-delivered, on the Business Day immediately following the date so deposited with such overnight courier or on the third Business Day following the date on which so mailed or sent:

To Parent and Federal:

CACI International Inc
1100 North Glebe Road
Arlington, VA 22201
Attention: President

with copies to:

CACI International Inc
1100 North Glebe Road
Arlington, VA 22201
Attention: Legal Division

and

Squire, Sanders & Dempsey L.L.P.
8000 Towers Crescent Drive, 14 th Floor
Tysons Corner, VA 221820-2700
Attention: Robert E Gregg, Esq.

To Seller and to Holding and the Company prior to Closing:

c/o Veritas Capital Fund Management, L.L.C.
590 Madison Avenue
New York, New York 10022
Facsimile: (212) 688-9411
Attn: Robert B. McKeon

with a copy to:

Schulte Roth & Zabel LLP
919 Third Avenue
New York, New York 10022
Facsimile: (212) 593-5955
Attn: Benjamin M. Polk, Esq.

10.3 Disclosure Schedules . Each Schedule delivered pursuant to the terms of this Agreement shall be in writing, shall not be an independent document and shall constitute a part of this Agreement, although the Schedules need not be attached to each copy of this Agreement. Any fact or item that is disclosed on any Schedule to this Agreement in such a way as to make its relevance or applicability to information called for by another Schedule or other Schedules to this Agreement readily apparent shall be deemed to be disclosed on such other Schedule or Schedules, as the case may be, notwithstanding the omission of a reference or cross-reference thereto or the absence of a qualification of any representation and warranty by reference to a Schedule.

10.4 Effect of Waiver of Consent . No waiver or consent, express or implied, by any person to or of any breach or default by any Party in the performance by such Party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such Party of the same or any other obligations of such Party hereunder. No single or partial exercise of any right or power, or any abandonment or discontinuance of steps to enforce any right or power, shall preclude any other or further exercise thereof or the exercise of any other right or power. Failure on the part of a Party to complain of

any act of any Party or to declare any Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such person of its rights hereunder until the applicable statute of limitation period has run or as otherwise provided under applicable Legal Requirements.

10.5 Entire Agreement . Unless otherwise herein specifically provided, this Agreement and the documents and instruments and other agreements among the Parties hereto as contemplated by or referred to herein constitute the entire agreement among the Parties with respect to the subject matter hereof and supersede all other prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof, but excluding the Confidentiality Agreement. Except for the representations and warranties set forth in Articles 3 and 4, (i) neither Parent or Federal, on the one hand, nor Seller, Holding or the Company, on the other hand, has made any representation or warranty to the other Parties hereto in connection with this Agreement and the Transaction, and (ii) no Party is relying upon any representation or warranty of any other Party in connection herewith. Each Party hereto acknowledges that, in entering this Agreement and completing the Transaction, such Party is not relying on any representation, warranty, covenant or agreement not expressly stated in this Agreement or in the agreements among the Parties contemplated by or referred to herein.

10.6 Amendment . Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented or modified orally, but only by an instrument in writing signed by the Party against which the enforcement of the termination, amendment, supplement, or modification shall be sought.

10.7 Assignability . This Agreement is not intended to confer upon any Person other than the Parties hereto any rights or remedies hereunder, except as otherwise expressly provided herein. Neither this Agreement nor any of the rights and obligations of the Parties hereunder shall be assigned or delegated, whether by operation of law or otherwise, without the written consent of all Parties hereto.

10.8 Parties in Interest; Limitation on Rights of Others . The terms of this Agreement shall be binding upon, and inure to the benefit of, the Parties hereto and their respective legal representatives, successors and permitted assigns. Except as set forth in Section 7.13, nothing in this Agreement, whether express or implied, shall be construed to give any person (other than the Parties hereto and their respective legal representatives, successors and assigns and as expressly provided herein) any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenants, conditions or provisions contained herein, as a third party beneficiary or otherwise. Furthermore, nothing in this Agreement, whether express or implied, shall either (i) constitute an amendment to any Plan or to any other employee benefit plan or (ii) constitute the creation of a new employee benefit plan by either Athena, Parent or any of their Affiliates.

10.9 No Other Duties . The only duties and obligations of the Parties are as specifically set forth in this Agreement, and no other duties or obligations shall be implied in fact, law or equity, or under any principle of fiduciary obligation.

10.10 Validity . The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, each of which shall remain in full force and effect.

10.11 Time of Essence . With regard to all time periods set forth or referred to in this Agreement, time is of the essence.

10.12 Specific Performance . The Parties hereto acknowledge that damages alone may not adequately compensate a Party for violation by another Party of this Agreement. Accordingly, in addition to all other remedies that may be available hereunder or under applicable law (but subject in all events to Section 7.2.12), any Party shall have the right to any equitable relief that may be appropriate to remedy a breach or threatened breach by any other Party hereunder, including the right to enforce specifically the terms of this Agreement by obtaining injunctive relief in respect of any violation or non-performance hereof.

10.13 Governing Law; Venue . This Agreement shall take effect and shall be construed as a contract under the laws of the State of Delaware, without regard to its conflict of law principles. If any legal proceeding or other legal action relating to this Agreement is brought or otherwise initiated, the venue therefor shall be in the State and Federal courts located in the State of Delaware, which shall be deemed to be a convenient forum. The Parties hereto hereby expressly and irrevocably consent and submit to the jurisdiction of the courts in the State of Delaware.

10.14 Waiver of Jury Trial . THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT ANY MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONNECTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF EITHER PARTY IN CONNECTION WITH SUCH AGREEMENTS.

10.15 Counterparts . This Agreement may be executed in one or more counterparts, all of which together shall constitute one and the same agreement.

[signature page follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

ATHENA HOLDING LLC

By: The Veritas Capital Fund II, L.P.
Managing Member
By: Veritas Capital Management II, L.L.C.
General Partner

By: /s/ Robert B. McKeon
Name: Robert B. McKeon
Title: Authorized Signatory

ATHENA HOLDING CORP.

By: /s/ Robert B. McKeon
Name: Robert B. McKeon
Title: President

ATHENA INNOVATIVE SOLUTIONS, INC.

By: /s/ James C. King
Name: James C. King
Title: President and Chief Executive Officer

CACI INTERNATIONAL INC.

By: /s/ Thomas A. Mutryn
Name: Thomas A. Mutryn
Title: Chief Financial Officer

CACI, INC. – FEDERAL

By: /s/ Thomas A. Mutryn
Name: Thomas A. Mutryn
Title: Chief Financial Officer

Exhibit 12.1

Computation of Ratios of Earnings to Fixed Charges

	Year Ended June 30,				
	2003	2004	2005	2006	2007
	(in thousands, except for ratios)				
Fixed charges computation					
Interest expense	$ 1,274	$ 2,762	$ 15,546	$ 20,264	$ 24,188
Amortization of deferred financing charges	—	224	1,352	1,421	1,603
Reasonable approximation of interest within rental expense	1,492	1,918	2,655	2,954	3,060
Total fixed charges	$ 2,766	$ 4,904	$ 19,553	$ 24,639	$ 28,851
Earnings computation					
Income from continuing operations before income taxes	$64,193	$93,304	$127,367	$133,001	$125,268
Fixed charges included in earnings	2,766	4,904	19,553	24,639	28,851
Earnings available before fixed charges	$66,959	$98,208	$146,920	$157,640	$154,119
Ratio of earnings to fixed charges	24.2	20.0	7.5	6.4	5.3

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the reference to our firm under the caption "Experts" in Amendment No 1 to the Registration Statement (Form S-1 No. 333-144127) and related Prospectus of CACI International Inc for the registration of $300,000,000 of 2.125% Convertible Senior Subordinated Notes due 2014 and 5,489,670 shares of its common stock and to the incorporation by reference therein of our reports dated August 27, 2007, with respect to the consolidated financial statements and schedule of CACI International Inc, CACI International Inc's management's assessment of the effectiveness of internal control over financial reporting, and the effectiveness of internal control over financial reporting of CACI International Inc, included in its Annual Report (Form 10-K) for the year ended June 30, 2007, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

McLean, Virginia
October 3, 2007

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE
ELIGIBILITY OF A TRUSTEE PURSUANT TO
SECTION 305(b)(2) ☐

THE BANK OF NEW YORK

(Exact name of trustee as specified in its charter)

New York **(State of incorporation if not a U.S. national bank)**	**13-5160382** **(I.R.S. employer identification no.)**
One Wall Street, New York, N.Y. **(Address of principal executive offices)**	**10286** **(Zip code)**

CACI International Inc

(Exact name of obligor as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**54-1345888** **(I.R.S. employer identification no.)**
1100 North Glebe Road Arlington, Virginia **(Address of principal executive offices)**	**22201** **(Zip code)**

2.125% Convertible Senior Subordinated Notes due 2014
(Title of the indenture securities)

1. General information. Furnish the following information as to the Trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

Name	Address
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 2nd day of October, 2007.

THE BANK OF NEW YORK

By: /S/ FRANCA M. FERRERA
Name: FRANCA M. FERRERA
Title: ASSISTANT VICE PRESIDENT