CACI INTERNATIONAL INC /DE/

FORM 10-Q
(Quarterly Report)

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Industry	Computer Services
Sector	Technology
Fiscal Year	06/30

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended December 31, 1995

Commission File Number 0-8401

CACI International Inc
(Exact name of registrant 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, VA 22201
(Address of principal executive offices)

(703) 841-7800
(Registrant's telephone number, including area code)

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

Title of each class	Name of each exchange on which registered
None	None

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

CACI International Inc Common Stock, $0.10 par value
(Title of each class)

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

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of December 31, 1995: CACI International Inc Common Stock, $0.10 par value, 10,103,000 shares.

CACI INTERNATIONAL INC AND SUBSIDIARIES

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Item 1. Financial Statements

CACI INTERNATIONAL INC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET (UNAUDITED)

ASSETS

	December 31, 1995	June 30, 1995
CURRENT ASSETS		
Cash and equivalents	$ 1,001,000	$ 1,996,000
Accounts receivable:		
Billed	46,922,000	42,188,000
Unbilled	9,465,000	6,134,000
Total accounts receivable	56,387,000	48,322,000
Deferred income taxes	152,000	156,000
Acquisition escrow deposit	6,833,000	0
Prepaid expenses and other	3,917,000	3,860,000
TOTAL CURRENT ASSETS	68,290,000	54,334,000
PROPERTY AND EQUIPMENT, NET		
Equipment and furniture	25,517,000	20,644,000
Leasehold improvements	2,728,000	1,809,000
Property and equipment, at cost	28,245,000	22,453,000
Accumulated depreciation and amortization	(19,283,000)	(13,927,000)
TOTAL PROPERTY & EQUIPMENT, NET	8,962,000	8,526,000
ACCOUNTS RECEIVABLE, LONG TERM	7,585,000	4,489,000
GOODWILL, NET	7,548,000	5,413,000
OTHER ASSETS	1,158,000	1,182,000
DEFERRED INCOME TAXES	381,000	698,000
TOTAL ASSETS	$93,924,000	$74,642,000

Item 1. Financial Statements

CACI INTERNATIONAL INC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET (UNAUDITED

LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 1995	June 30, 1995
CURRENT LIABILITIES		
Note payable	$ 13,098,000	$ 0
Accounts payable		
and accrued expenses	15,406,000	11,719,000
Accrued compensation & benefits	10,895,000	13,310,000
Deferred rent expense	749,000	561,000
Income taxes payable	1,512,000	1,944,000
Deferred income taxes	403,000	283,000
TOTAL CURRENT LIABILITIES	42,063,000	27,817,000
DEFERRED RENT EXPENSES	2,483,000	2,197,000
DEFERRED INCOME TAXES	143,000	143,000
SHAREHOLDERS' EQUITY		
Common stock -		
$.10 par value,		
40,000,000 shares authorized,		
13,629,000 & 13,568,000 shares issued	1,363,000	1,357,000
Capital in excess of par	5,455,000	5,053,000
Retained earnings	57,348,000	52,777,000
Cumulative currency		
translation adjustments	(1,269,000)	(1,040,000)
Treasury stock, at cost		
(3,526,000 shares & 3,526,000 shares)	(13,662,000)	(13,662,000)
TOTAL SHAREHOLDERS' EQUITY	49,235,000	44,485,000
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	$93,924,000	$74,642,000

See notes to consolidated financial statements (unaudited).

CACI INTERNATIONAL INC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)

	Three Months Ended December 31, 1995	1994
REVENUE	$ 59,332,000	$ 57,394,000
COSTS AND EXPENSES:		
Direct costs	31,211,000	31,333,000
Indirect costs & selling expenses	22,726,000	21,494,000
Depreciation and amortization	1,391,000	1,192,000
Total Operating Expenses	55,328,000	54,019,000
	4,004,000	3,375,000
Interest expense	129,000	149,000
INCOME BEFORE INCOME TAXES	3,875,000	3,226,000
INCOME TAXES	1,528,000	1,238,000
NET INCOME	$ 2,347,000	$ 1,988,000
EARNINGS PER COMMON AND COMMON EQUIVALENT SHARE:	$ 0.22	$ 0.19
AVERAGE NUMBER OF SHARES AND EQUIVALENT SHARES OUTSTANDING	10,675,000	10,600,000
Dividends paid per share	NONE	NONE

See notes to consolidated financial statements (unaudited).

CACI INTERNATIONAL INC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)

	Six Months Ended December 31, 1995	1994
REVENUE	$ 116,942,000	$ 112,275,000
COSTS AND EXPENSES:		
Direct costs	62,680,000	60,990,000
Indirect costs & selling expenses	43,963,000	42,277,000
Depreciation and amortization	2,633,000	2,355,000
Total Operating Expenses	109,276,000	105,622,000
	7,666,000	6,653,000
Interest expense	170,000	291,000
INCOME BEFORE INCOME TAXES	7,496,000	6,362,000
INCOME TAXES	2,925,000	2,461,000
NET INCOME	4,571,000	3,901,000
EARNINGS (LOSS) PER COMMON AND COMMON EQUIVALENT SHARE:	$ 0.43	$ 0.37
AVERAGE NUMBER OF SHARES AND EQUIVALENT SHARES OUTSTANDING	10,684,000	10,598,000
Dividends paid per share	NONE	NONE

See notes to consolidated financial statements (unaudited).

CACI INTERNATIONAL INC AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS(UNAUDITED)

	Six Months Ended December 31, 1995	1994
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 4,571,000	$ 3,901,000
Reconciliation of net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,632,000	2,355,000
Provision for deferred income taxes	437,000	418,000
Loss on sale of property and equipment	62,000	0
Changes in operating assets and liabilities:		
Accounts receivable	(10,723,000)	(8,366,000)
Prepaid expenses and other assets	(313,000)	(209,000)
Acquisition escrow deposit	(6,833,000)	0
Accounts payable and accrued expenses	3,549,000	379,000
Accrued compensation and benefits	(2,470,000)	263,000
Deferred rent expense	474,000	126,000
Income taxes payable	(408,000)	(450,000)
Net cash used in operating activities	(9,022,000)	(1,583,000)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions of property and equipment	(2,464,000)	(1,910,000)
Proceeds from sale of property & equipment	27,000	0
Acquisition	(2,449,000)	0
Other, net	(584,000)	(57,000)
Net cash used in investing activities	(5,470,000)	(1,967,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds under line-of-credit	51,656,000	49,605,000
Reductions under line-of-credit	(38,558,000)	(44,865,000)
Issuance of common stock	408,000	294,000
Purchase of common stock for treasury	0	(2,154,000)
Net cash provided by financing activities	13,506,000	2,880,000
EFFECT OF EXCHANGE RATES ON CASH & EQUIVALENTS:	(9,000)	43,000
Net decrease in cash and equivalents	(995,000)	(627,000)
Cash and equivalents, beginning of period	1,996,000	941,000
Cash and equivalents, end of period	$ 1,001,000	$ 314,000
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFO:		
Cash paid during the year for:		
Income taxes, net of refunds	3,863,000	2,627,000
Interest	170,000	280,000

See notes to consolidated financial statements (unaudited).

CACI INTERNATIONAL INC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

A. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and note disclosures normally included in the annual financial statements, prepared in accordance with generally accepted accounting principles, have been condensed or omitted pursuant to those rules and regulations, although the Company believes that the disclosures made are adequate to make the information presented not misleading.

In the opinion of management, the unaudited accompanying consolidated financial statements reflect all necessary adjustments and reclassifications (all of which are of a normal, recurring nature) that are necessary for fair presentation for the periods presented. It is suggested that these consolidated financial statements be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's latest annual report to the Securities and Exchange Commission on Form 10-K for the year ended June 30, 1995.

B. ACCOUNTS RECEIVABLE

Total accounts receivable are net of allowance for doubtful accounts of $1,856,000 and $1,415,000 at December 31, 1995 and June 30, 1995, respectively. Accounts Receivable are classified as follows:

	December 31, 1995	June 30, 1995
BILLED AND BILLABLE RECEIVABLES:		
Billed receivables	$ 42,446,000	$ 35,960,000
Billable receivables at end of period	4,476,000	6,228,000
TOTAL BILLED AND BILLABLE RECEIVABLES	46,922,000	42,188,000
UNBILLED RECEIVABLES:		
Unbilled pending receipt of contractual documents authorizing billing	9,313,000	5,799,000
Unbilled retainages and fee withholds expected to be billed within the next 12 months	152,000	335,000
	9,465,000	6,134,000
Unbilled retainages and fee withholds expected to be billed beyond the next 12 months	7,585,000	4,489,000
TOTAL UNBILLED RECEIVABLES	17,050,000	10,623,000
TOTAL ACCOUNTS RECEIVABLE	$ 63,972,000	$ 52,811,000

C. ACQUISITION ESCROW DEPOSIT

As a pre-requisite to the January 1, 1996 acquisition of IMS Technologies, Inc. ("IMS"), on December 28, 1995 the Company made a $6,833,000 deposit to a third party escrow account to cover the $6.5 million IMS purchase price with the remaining $383,000 to be applied towards the four founders' first year consulting fees (also see Note E).

D. ACQUISITION AND GOODWILL

On September 1, 1995, the Company purchased all of the outstanding stock of Automated Sciences Group, Inc. ("ASG") for $4.9 million payable in cash over four years. ASG provides information technology, engineering, and scientific environmental services to the U.S. Department of Defense ("DoD") and the U.S. Department of Energy ("DoE"). The purchase price is subject to a maximum $500,000 holdback contingent on the collectability of certain receivables. The transaction was financed primarily through bank borrowing under the Company's existing line of credit. The Company accounted for this acquisition by the purchase method of accounting. The purchase price was allocated to the net tangible and intangible assets acquired based upon preliminary estimates of their fair values at the date of acquisition. The excess of the purchase price over the fair value of net assets acquired was $2,449,000. This excess has been recorded as goodwill and will be amortized on a straight line basis over 15 years. The preliminary purchase price allocation is subject to change during the year ending June 30, 1996 as additional information concerning net asset valuations is obtained. Therefore, the final allocation may differ from the preliminary allocation.

E. EVENT SUBSEQUENT TO DECEMBER 31, 1995

On January 1, 1996, the Company purchased the outstanding common stock of IMS Technologies, Inc. ("IMS") for $6.5 million in cash payable at closing, plus $1.5 million in cash payable to the four founders of IMS over 3 years. IMS provides a wide range of computer services including consulting, programming, communications design and installation, software development and systems integration for a variety of applications. Because this acquisition occurred on January 1, 1996, it had no impact on the Company's results for the first and second quarter of FY 1996. The acquisition was financed with bank borrowings under existing lines of credit.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The following table sets forth the relative percentages that the items of expense and earnings bear to revenue for the three and six months ended December 31, 1995 and 1994.

	Percentage of Revenue			
	Three Months		Six Months	
	FY 1996	FY 1995	FY 1996	FY 1995
Revenue	100.0%	100.0%	100.0%	100.0%
Costs and Expenses				
Direct Costs	52.6%	54.6%	53.6%	54.3%
Indirect Costs and Selling Expenses	38.3%	37.4%	37.6%	37.7%
Depreciation and Amortization	2.4%	2.1%	2.3%	2.1%
Operating Expenses	93.3%	94.1%	93.5%	94.1%
Operating Income	6.7%	5.9%	6.5%	5.9%
Interest Expense	0.2%	0.3%	0.1%	0.3%
Income Before Income Taxes	6.5%	5.6%	6.4%	5.6%
Income Taxes	2.5%	2.2%	2.5%	2.2%
Net Income	4.0%	3.4%	3.9%	3.4%

THREE MONTHS ENDED 12/31/95 COMPARED WITH THREE MONTHS ENDED 12/31/94

Revenue for the current quarter was up $1.9 million or 3.4% to $59.3 million from $57.4 million in last year's second fiscal quarter. The increase was the result of a $2.0 million (6.7%) increase in the U.S. Department of Defense ("DoD"), a $0.7 million (45%) increase in revenue from other Federal Agencies, offset by a $0.6 million (31%) decrease in revenue from State governments and a $0.16 million (1.3%) decrease in revenue from DoJ. Revenue from Commercial Sales remained stable at $11.7 million.

The $2.0 million DoD revenue increase was primarily the result of internal growth and the September 1, 1995 acquisition of Automated Sciences Group ("ASG"), partially offset by the give back to the prime contractor of a DoD contract by the Company on April 1, 1995. This subcontract generated approximately $2.0 million in revenue in last year's second fiscal quarter, but was breakeven in terms of it's profitability. DoD accounted for 53.1% of the total revenue for the current quarter compared to 51.4% of total revenue during last year's second quarter.

The $0.7 million increase in revenue from other Federal Agencies was primarily the result of internal growth and the September 1, 1995 acquisition of ASG. Revenue from other Federal Agencies accounted for 4% of the total revenue for the current quarter compared to 2.9% of total revenue during last year's second quarter.

The slight revenue decline ($0.16 million) in the DoJ arena was the result of a reduction to the on-going DoJ litigation, for which the Company provides automated litigation support services. Revenue from DoJ is dependent upon the level of DoJ litigation (cases and projects) that the Company is supporting at any period in time and can fluctuate from quarter to quarter. The Company believes that due to anticipated reductions to certain DoJ support efforts, revenue for the remainder of this fiscal period will diminish by approximately $3.0 million. However, this decline is anticipated to be offset by the January 1, 1996 acquisition of IMS and its revenue from the DoJ (See Note E). DoJ accounted for 20.7% of total revenue during the current quarter, compared to 21.6% of total revenue during the last year's second fiscal quarter.

The $0.6 million revenue decline from State governments was the result of an early termination of a state support effort that was slated for completion at the end of this fiscal quarter. While the Company has recently received certain new contract awards from State governments, the full impact of these awards will not materialize until next fiscal year. Accordingly, the State government sales for the remainder of this fiscal period are projected to be approximately $3.0 million versus $4.5 million during last year's second half. State government revenue accounted for 2.4% of total revenue during the current quarter, compared to 3.6% of total revenue during the last year's second fiscal quarter.

For the quarter, Commercial revenue remained stable; however, as a percentage of total revenue, decreased to 19.8% versus last year's 20.5%. Management believes that the recent launch in the current quarter of its InSite 95 market analysis product to run under Microsoft's Windows 95 [InSite 95 is a trademark of CACI, Inc.-Federal; Windows 95 is a trademark of the Microsoft Corporation.] will result in increased sales in the United Kingdom for the balance of this fiscal period. Management believes that sales from its network and telecommunications simulation product, COMNET III [COMNET III is a trademark of CACI Products Company], will continue to show steady growth performance in the remainder of the fiscal year. Revenue from the Company's Commercial litigation support division declined. The nature of the Company's proprietary software products business, primarily its simulation products line and its market analysis products, is inherently less predictable than the Company's longer-term contract project work with the Federal Government and may fluctuate significantly from quarter to quarter. This is also the case, but to a lesser degree, for the company's short-term Commercial contract projects and State government contract projects.

The addition of ASG and the recent acquisition of IMS (See Note E) are anticipated to generate revenue of approximately $17 million for the remainder of this fiscal year.

For the quarter, direct costs remained stable; however, as a percentage of total revenue, declined to 52.6% from 54.6%. Direct labor, the principal driving component of contract revenue, was up by $0.6 million or 2.7%, while non-labor direct costs decreased by $0.6 million or 5.6%.

Indirect costs grew by $1.2 million or 5.7% to $22.7 million from $21.5 million, and as a percentage of revenue, increased to 38.3% from 37.4%. Indirect costs increased in labor, fringe and Bid and Proposal ("B&P"). The increase in indirect labor costs were largely due to the increased sales in the U.K. this quarter. Fringe benefits, the largest category of indirect expenses (33% of total), increased in proportion to the increase in total payroll (direct labor, B&P labor and incentive compensation). B&P labor increased in response to increases in volume of actual and planned proposals for the year.

Depreciation and amortization increased by $199,000 to $1.391 from $1.192 million. An increased level of fixed assets (primarily from purchases of computing and network equipment coupled with the addition of ASG fixed assets) accounted for $157,000 or 79% of the growth. The other $42,000, or 21% of the growth was primarily the result of ASG Goodwill amortization.

Income before interest and income taxes grew by $629,000 or 18.6% to $4.0 million from $3.4 million. This increase resulted from i) an increase in more profitable direct labor revenue and ii) a replacement of the non-profit- generating revenue associated with the DoD give back contract discussed above.

Interest costs totalled $129,000 (0.2% of revenue) down $20,000 (13%) from last year's $149,000. The decrease is a result of an $0.7 million or 8% decrease in average borrowings from $8.4 million to $7.8 million.

Income before income taxes rose to $3.9 million from last year's earnings of $3.2 million. The $649,000 (20%) increase was attributable to the growth in operating income and the decrease in interest expense.

Income tax expense of $1,528,000 is consistent with the growth in income before income tax as the effective tax rate has remained constant from year to year.

SIX MONTHS ENDED 12/31/95 COMPARED WITH SIX MONTHS ENDED 12/31/94

Revenue grew $4.6 million (4%) to $116.9 million from $112.3 million. DoD revenue for the first six months grew $2.6 million (4.4%) of which approximately $4.7 million is a result of the acquisition of ASG on September 1, 1995, offset by $3.9 million DoD revenue associated with the give back contract discussed earlier, with the remainder derived from new contracts and additions to existing contracts. A $2.7 million (12%) increase in DoJ revenue was the result of new cases and an expansion of support to existing cases brought by DoJ in the first quarter of this fiscal period. Commercial revenue decreased $1.7 million (7%) as a result of the first quarter's downturn in U.K. and U.S. data marketing sales. Revenue from other Federal Agencies grew by $1.4 million (45%) due largely to the acquisition of ASG, and revenue from State governments decreased by $0.2 million or 5%.

Direct contract costs grew by $1.7 million (3%) to $62.7 million from $61.0 million. Direct labor, the principal driving component of contract revenue, was up $2.1 million or 5%, while non-labor direct costs decreased $0.4 million or 2%. Direct costs, as a percentage of revenue, decreased to 53.6% from 54.3%.

Indirect costs grew by $1.7 million or 4% to $44.0 million from $42.3 million and, as a percentage of revenue, remained stable at 38%. This reflects the Company's continuing emphasis on minimizing administrative indirect costs while increasing funds for marketing and bid and proposal (B&P) efforts. Indirect labor increased by $0.7 million or 5.6%. As a percentage of revenue, indirect labor costs remained stable at 11%.

Indirect costs also increased in B&P labor, incentive compensation and fringe benefits. B&P labor increased in response to increases in the volume of actual and planned proposals for the year. Fringe benefits, the largest category of indirect expenses (34.5% of total), increased in proportion to the increase in total payroll (direct labor, B&P labor, indirect labor and incentive compensation).

Depreciation and amortization increased by $278,000 to $2.633 million from $2.355 million. An increased level of fixed asset acquisitions (primarily purchases of computing and network equipment coupled with the addition of ASG fixed assets) accounted for 74% of the growth. The other 21% of the growth was the result of Goodwill amortization.

Interest costs decreased by $121,000 to $170,000 from $291,000. The decrease is a result of a $4.4 million or 50% decrease in average borrowings from $8.8 million to $4.4 million, offset by the 6% increase in effective interest rates from 6.5% to 6.9%. As discussed previously, the increased borrowings were the result of the recent acquisitions discussed under "Liquidity and Capital Resources" (see below).

Income before income taxes rose to $7.5 million from last year's $6.4 million. The $1.1 million (18%) increase was primarily attributable to the growth in operating income and augmented by the decrease in interest expense.

Income tax expense of $2.9 million is consistent with the growth in income before income tax as the effective tax rate has remained constant from year to year.

LIQUIDITY AND CAPITAL RESOURCES

The Company's principal source of cash is from operating activities and bank borrowings. The Company's primary requirement for working capital is to carry billed and unbilled receivables, a majority of which are due under prime contracts with the U.S. Government, or subcontracts thereunder.

On January 1, 1996, the Company increased its unsecured line of credit with Signet Bank from $20 million to $25 million and extended its credit agreement through March 31, 1997. The Company also maintains a 500,000 pounds sterling unsecured line of credit with the National Westminster Bank in London, England which expires in November, 1996 (See Note 4 to the Consolidated Financial Statements for the year ended June 30, 1995). The Company believes it can renew and increase as necessary it's lines of credit to cover working capital or future acquisition requirements. Accordingly, the Company believes that the combination of internally generated funds, available bank credit and cash on hand will provide the required liquidity and capital resources for the foreseeable future.

As discussed in Note E, on January 1, 1996, the Company purchased all the outstanding common stock of IMS Technologies, Inc. for $6.5 million in cash payable at closing, plus $1.5 million in cash payable to four founders of IMS over 3 years. As discussed in Note C, on December 28, 1995, the Company made a $6.8 deposit to the IMS escrow account to execute the purchase transaction on January 1, 1996. The acquisition was financed with bank borrowings under the existing line of credit. This acquisition is expected to add $22 million in annual revenue, and at least $500,000 in net income in the first full year of operations. In addition, the Company projects to add approximately $2.5 million of goodwill, to be amortized over 15 years.

As discussed above, on September 1, 1995, as part of its continuing strategy of acquiring small, synergistic companies within the same niche to broaden its client and product base, the Company purchased all of the outstanding stock of Automated Sciences Group, Inc. for $4.9 million payable in cash over four years. The purchase price is subject to a maximum $500,000 holdback contingent on the collectability of certain receivables. The transaction was financed primarily through bank borrowing under the Company's existing line of credit.

PART II

OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

PENTAGEN TECHNOLOGIES INTERNATIONAL, LTD. V. CACI INTERNATIONAL INC, ET AL.

Reference is made to Part II, Item 1, Legal Proceedings, in the Registrant's Quarterly Report on Form 10-Q for the period ending September 30, 1995 for the most recently filed information concerning the lawsuit filed on July 1, 1993, against the Registrant by Pentagen Technologies International, Ltd. ("Pentagen") in the Supreme Court for the State of New York alleging conversion of intellectual property and violation of statutory duties as to appropriation of computer software, and the lawsuit filed December 10, 1993 against the Registrant in the United States District Court for the Southern District of New York alleging copyright and trademark infringement and violation of the Major Fraud Against the United States Act. Since the filing of the Registrant's report indicated above, the information reported therein has changed as set forth below.

As a result of the decision of the Fourth Circuit Court of Appeals in the case of "CACI International Inc., et al v. Pentagen Technologies, Ltd., et al" issued November 16, 1995 affirming the decision of the United States District Court for the Eastern District of Virginia, on December 8, 1995, Judge Mukasey of the United States District Court for the Southern District of New York established schedules for submission of briefs on (1) the defendants' motions to dismiss, and (2) the plaintiff's motion for summary judgment in both cases. The Registrant believes that these cases are appropriate for dismissal by the Court in New York, or for transfer to the Eastern District of Virginia for dismissal.

CACI INTERNATIONAL INC, ET AL. V. PENTAGEN TECHNOLOGIES, LTD., ET AL.

Reference is made to Part II, Item 1, Legal Proceedings, in the Registrant's Quarterly Report on Form 10-Q for the period ending September 30, 1995 for the most recently filed information concerning the lawsuit filed on December 22, 1993, in the United States District Court for the Eastern District of Virginia against Pentagen Technologies International, Ltd., Baird Technologies, Inc., John C. Baird and Mitchell R. Leiser (principals of Pentagen and Baird).

As previously reported, the Court granted Summary Judgment in favor of CACI holding that: (i) CACI's marketing of certain work to the United States Army Materiel Command did not infringe Pentagen's MENTIX copyright or infringe any trademark held by Pentagen; (ii) CACI's proprietary RENovate software reengineering methodology does not infringe Pentagen's MENTIX copyright;
(iii) CACI's work on the Army's Sustaining Base Information Services ("SBIS") contract does not infringe Pentagen's MENTIX copyright; and (iv) Pentagen and its principals, John C. Baird and Mitchell R. Leiser, are liable for both compensatory and punitive damages for defamation per se.

Since the filing of CACI's report indicated above, the information reported therein on pending legal proceedings has changed as follows.

By Per Curiam Opinion dated November 16, 1995, the Fourth Circuit Court of Appeals affirmed the decision of the United States District Court for the Eastern District of Virginia in all respects.

The parties continue to engage in proceedings associated with Registrant's efforts to enforce the monetary awards affirmed by the Fourth Circuit. A hearing on charges of criminal contempt of court against defendant Mitchell R. Leiser is scheduled for February 29, 1996.

UNITED STATES OF AMERICA, EX REL., PENTAGEN TECHNOLOGIES INTERNATIONAL, LTD. V. CACI INTERNATIONAL INC ET AL.

Reference is made to Part II, Item 1, Legal Proceedings, in the Registrant's Quarterly Report on Form 10-K for the period ending September 30, 1995 for the most recently filed information concerning the lawsuit filed on April 21, 1994, in the U.S. District Court for the Southern District of New York against CACI International Inc and its wholly-owned subsidiaries, CACI Systems Integration, Inc. and CACI, INC.-FEDERAL, International Business Machines Corporation ("IBM"), Loral Corporation ("Loral"), American Telephone and Telegraph Company ("AT&T"), PRC, Inc., I-Net, Inc., and Statistica, Inc. asserting the same factual allegations that Pentagen asserted against CACI in the cases described above, and alleging that the defendants violated the False Claims Act, 31 USC Section 3732, in connection with the performance of the SBIS contract and certain marketing efforts to the Army Materiel Command. After the Government declined to intervene in the case, and after the U.S. District Court for the Eastern District of Virginia ruled against Pentagen on the factual allegations which underlie the case, the case was unsealed and Pentagen served an Amended Complaint on June 5, 1995, which changed the wording but not the substance of the allegations of the original Complaint.

Since the filing of Registrant's report indicated above, the information therein on pending legal proceedings has changed as follows.

By Opinion and Order dated November 21, 1995 (and amended on January 4, 1996 to correct certain scrivener errors), Judge Carter of the United States District Court for the Southern District of New York granted defendants' motions to dismiss all counts of the case on the grounds that Pentagen failed to meet the subject matter jurisdiction requirements for the case under the False Claims Act. The court also denied defendants' requests for sanctions against Pentagen.

On December 7, 1995, in an effort to avoid final dismissal of its case, Pentagen filed a motion to reconsider the decision, grant relief from the final judgment dismissing the case, amend its complaint for the second time, and to add a party to the lawsuit. On December 21, 1995, Registrant filed its response providing the court with a firm basis on which to deny such motion.

CACI views this case as being entirely without legitimate factual or legal basis, as evidenced in part by fact that the assertions which underlie the case already have been litigated and decided against Pentagen and in part by the Court's dismissal of all counts for lack of subject matter jurisdiction.

CERIDIAN CORPORATION V. CACI SYSTEMS INTEGRATION, INC.

On October 6, 1995, Ceridian Corporation ("Ceridian") filed suit in the District Court for Hennepin County Minnesota against Registrant's wholly-owned subsidiary, CACI Systems Integration, Inc. ("CACI"), alleging breach of contract, breach of warranty and repudiation by CACI in connection with a contract for the development of a manufacturing software system. On January 26, 1996 CACI filed its Answer and Counterclaims, denying Ceridian's allegations and seeking damages from Ceridian for breach of contract, intentional and negligent misrepresentation, and tortious interference with contract.

CACI INTERNATIONAL INC AND SUBSIDIARIES

INDEX TO EXHIBITS

Exhibit Number	Title
11	Computation of Earnings per Common and Common Equivalent Share
27	Financial Data Schedule

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CACI International Inc
(Registrant)

Date: February 9, 1996 *By: /s/*

Dr. J.P. London
Chairman of the Board,
President, and Director
(Principal Executive Officer)

Date: February 9, 1996 *By: /s/*

Milan J. Bogdanovic
Vice President & Corporate Controller
(Principal Accounting Officer)

EXHIBIT 11

CACI INTERNATIONAL INC AND SUBSIDIARIES

COMPUTATION OF EARNINGS PER COMMON AND COMMON EQUIVALENT SHARE

	Three Months Ended December 31, 1995	1994	Six Months Ended December 31, 1995	1994
Net Income	$2,347,000	$1,988,000	$4,571,000	$3,901,000
Average shares outstanding during the period	10,102,000	10,007,000	10,094,000	10,002,000
Dilutive effect of stock options after application of treasury stock method	573,000	593,000	590,000	596,000
Average number of shares outstanding during the period	10,675,000	10,600,000	10,684,000	10,598,000
Earnings per common and common equivalent share:	$ 0.22	$ 0.19	$ 0.43	$ 0.37

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM FORM 10-Q FOR FY 1996 QUARTER ENDED DECEMBER 31, 1995, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENT.

PERIOD TYPE	6 MOS
FISCAL YEAR END	JUN 30 1996
PERIOD END	DEC 31 1995
CASH	1,001,000
SECURITIES	0
RECEIVABLES	65,828,000
ALLOWANCES	(1,856,000)
INVENTORY	0
CURRENT ASSETS	68,290,000
PP&E	28,245,000
DEPRECIATION	(19,283,000)
TOTAL ASSETS	93,924,000
CURRENT LIABILITIES	42,063,000
BONDS	0
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	1,363,000
OTHER SE	47,872,000
TOTAL LIABILITY AND EQUITY	93,924,000
SALES	0
TOTAL REVENUES	116,942,000
CGS	0
TOTAL COSTS	62,680,000
OTHER EXPENSES	46,481,000
LOSS PROVISION	115,000
INTEREST EXPENSE	170,000
INCOME PRETAX	7,496,000
INCOME TAX	2,925,000
INCOME CONTINUING	4,571,000
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	4,571,000
EPS PRIMARY	0.43
EPS DILUTED	0.43

End of Filing