CACI INTERNATIONAL INC /DE/

FORM 10-K
(Annual Report)

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Industry	Computer Services
Sector	Technology
Fiscal Year	06/30

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

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended June 30, 2007

OR

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

For the transition period from to

Commission File Number 001-31400

CACI International Inc

(Exact name of registrant as specified in its charter)

Delaware	**54-1345888**
(State or other jurisdiction of incorporation or organization)	**(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)

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ . No ☒ .

Indicate by check mark whether the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ . No ☒ .

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Annual Report on Form 10-K or any amendment to this Annual Report on Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ . No ☒ .

The aggregate market value of common shares held by non-affiliates of the registrant on December 31, 2006 was $1,730,684,892, based upon the closing price of the registrant's common shares as quoted on the New York Stock Exchange composite tape on such date.

As of August 24, 2007, the registrant had 29,993,206 shares of common stock issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates by reference certain information from the registrant's proxy statement for its 2007 annual meeting of stockholders. With the exception of the sections of the 2007 proxy statement specifically incorporated herein by reference, the 2007 proxy statement is not deemed to be filed as part of this Annual Report on Form 10-K.

Unless the context indicates otherwise, the terms "we", "our", "the Company" and "CACI" as used in Parts I and II include CACI International Inc and its subsidiaries. The term "the registrant", as used in Parts I and II refers to CACI International Inc only.

INFORMATION RELATING TO FORWARD-LOOKING STATEMENTS

Certain information included or incorporated by reference in this document and in press releases, written statements or other documents filed with the U.S. Securities and Exchange Commission (SEC), or in the Company's communications and discussions through webcasts, telephone calls and conference calls, may not address historical facts and, therefore, could be interpreted to be "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995 and other federal securities laws. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including projections of financial performance; statements of plans, strategies and objectives of management for future operations; any statement concerning developments, performance or industry rankings relating to products or services; any statements regarding future economic conditions or performance; any statements of assumptions underlying any of the foregoing; and any other statements that address activities, events or developments that CACI intends, expects, projects, believes or anticipates will or may occur in the future. Forward-looking statements may be characterized by terminology such as "believe," "anticipate," "expect," "should," "intend," "plan," "will," "estimates," "projects," "strategy" and similar expressions. These statements are based on assumptions and assessments made by the Company's management in light of its experience and its perception of historical trends, current conditions, expected future developments and other factors it believes to be appropriate. These forward-looking statements are subject to a number of risks and uncertainties that include but are not limited to the factors set forth under Item 1A, Risk Factors in this Annual Report on Form 10-K.

Any such forward-looking statements are not guarantees of future performance, and actual results, developments and business decisions may differ materially from those envisaged by such forward-looking statements. The forward-looking statements included herein speak only as of the date of this Annual Report on Form 10-K. The Company disclaims any duty to update such forward-looking statements, all of which are expressly qualified by the foregoing.

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PART I

Item 1. Business

Background

CACI International Inc was organized as a Delaware corporation under the name "CACI WORLDWIDE, INC." on October 8, 1985. By a merger on June 2, 1986, the registrant became the parent of CACI, Inc., a Delaware corporation, and CACI N.V., a Netherlands corporation. Effective April 16, 2001, CACI, Inc. was merged into its wholly-owned subsidiary, CACI, INC.-FEDERAL, such that the registrant is now the corporate parent of CACI, INC.-FEDERAL, a Delaware corporation, and CACI N.V., a Netherlands corporation. The registrant is a holding company and its operations are conducted through subsidiaries, which are located in the U.S. and Europe.

Our telephone number is (703) 841-7800 and our Internet page can be accessed at www.caci.com. We make our web site content available for information purposes only. It should not be relied upon for investment purposes, nor is it incorporated by reference into this Annual Report on Form 10-K.

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act are made available free of charge on our Internet website at www.caci.com as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Documents filed by us with the SEC can also be viewed at www.sec.gov.

Overview

CACI founded its business in 1962 in simulation technology, and has strategically diversified primarily within the information technology (IT) and communications industries. With revenue for the year ended June 30, 2007 (FY2007) of $1.9 billion, CACI serves 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. We deliver IT and communication solutions, along with professional services, to our clients. Our primary areas of expertise include: systems integration, managed network services, knowledge management and engineering services. 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, 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. As a result of these broad capabilities, many of our client relationships have existed for ten years or more.

Our high quality service has enabled us to gain repeat business and sustain long-term client relationships and also to compete effectively for new clients and new contracts. We seek competitive business opportunities and have designed our operations to support major programs through centralized business development and business alliances. 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.

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.

At June 30, 2007, CACI had approximately 10,400 employees. We currently operate from our headquarters at Three Ballston Plaza, 1100 North Glebe Road in Arlington, Virginia. CACI has offices and facilities in over 120 other locations throughout the United States, Europe, and Asia.

Domestic Operations

Our domestic operations are conducted through a number of subsidiaries, and account for 100 percent of our U.S. government revenue and approximately 12.4 percent of our commercial revenue. Some of the contracts performed by our domestic operations involve assignment of employees to international locations and at June 30, 2007, approximately 510 employees were performing such assignments. We provide IT and communications solutions, along with other professional services, to our domestic clients through all four of our major service offerings: systems integration, managed network services, knowledge management and engineering services. Generally, the solutions offered by our domestic operations are applied by clients to improve their organizational performance by enhancing system infrastructures.

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.

Managed network services offerings include a complete suite of solutions for total life cycle support of global communication networks. These offerings include planning and building voice, video and data networks; managing network communication infrastructures; operating network systems, including monitoring codes, traffic, security, and fault isolation and resolution; and assuring that information is secure from unauthorized interception and intrusion during its storage and transmission.

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. These technologies enable users to automate all aspects of document administration, including warehousing, retrieving, and sharing, while improving processes, enhancing support and allowing organizations to achieve higher operational efficiencies and mission effectiveness.

Engineering services offerings enable clients to standardize and improve the way they manage the logistical life cycles of systems, products, and material assets, resulting in cost savings and increased productivity. 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. The solutions provided are often coupled with our simulation and programming services to deliver advanced logistics planning solutions.

In fashioning solutions utilizing the technologies of each of these service offerings, we make extensive use of our wide array of modeling and simulation products and services, thereby enabling clients to visualize the impact of proposed changes or new technologies before implementation. Our simulation offerings address client needs in the areas of military training and war-gaming, logistics, manufacturing, wide area networks, including satellites and land lines, local area networks, the study of business processes, and the design of distributed computer systems architecture.

International Operations

Our international operations are conducted primarily through our operating subsidiary in Europe, CACI Limited, and account for all revenue generated from international clients and 87.6 percent of our commercial revenue. CACI Limited is headquartered in London, England, and operates primarily in support of our systems integration line of business.

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.

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 do. 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 marketed by us. We know of no single competitor that is dominant in our fields of technology. We have a relatively small share of the available worldwide market for our products and services and intend to achieve growth and increasing market share in part by organic growth, and in part through strategic acquisitions.

Strengths and Strategy

Although we are a supplier of proprietary computer-based technology products and marketing systems products, we are not primarily focused on being a software product developer-distributor (see discussion following under “Patents, Trademarks, Trade Secrets and Licenses”).

We offer substantially our entire range of information systems, technical and communications services, professional services, and proprietary products to defense intelligence and civilian agencies of the U.S. government. In order to do so, we must maintain expert knowledge of agency policies and operations. Our work for U.S. government agencies may combine a wide range of skills drawn from our major service offerings, including information systems design, development and maintenance, systems engineering, telecommunications, logistics sciences, information assurance and security, military systems engineering, simulation, automated document management, and litigation support. We occasionally contract through both our domestic and international operations to supply services and/or products to governments of other nations.

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.

Decisions regarding contract awards by both our government and commercial clients typically are based on assessment of the quality of past performance, responsiveness to proposal requirements, price, and other factors.

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. This capability provides us with opportunities either to compete directly for, or to support other bidders in competition for, multi-million dollar and multi-year award contracts from the U.S. government.

We have 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 development of these kinds of relationships wherever they support our growth objectives.

Our marketing and new business development is conducted by virtually all of our officers and managers including the Chief Executive Officer, executive officers, vice presidents, and division managers. 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.

Much of our business is won through submission of formal competitive bids. Commercial bids are frequently negotiated as to terms and conditions for schedule, specifications, delivery and payment. With respect to bids for government work, however, in most cases the client specifies the terms and conditions and form of contract. In situations where the client-imposed contract type and/or terms appear to expose us to inappropriate risk, we may seek alternate arrangements or opt not to bid for the work. Essentially all contracts with the U.S. government, and many contracts with other government entities, permit the government client to terminate the contract at any time for the convenience of the government or for default by the contractor. Although we operate under the risk that such terminations may occur and have a material impact on operations, throughout our 45 years in business such terminations have been rare and, generally, have not materially affected operations. As with other government contractors, our business is subject to government client funding decisions and actions that are beyond our control. Our contracts and subcontracts are composed of a wide range of contract types, including firm fixed-price, cost reimbursement, time-and-materials, indefinite delivery/indefinite quantity (IDIQ) and government wide acquisition contracts (known as GWACS) such as General Services Administration (GSA) schedule contracts. By company policy, fixed-price contracts require the approval of at least two of our senior officers.

At any one time, we may have more than a thousand separate active contracts and/or task orders. In FY2007, the ten top revenue-producing contracts accounted for 30.6 percent of our revenue, or $593.7 million; however, no single contract accounted for more than 10 percent of our total revenue.

In FY2007, 94.2 percent of our revenue came from U.S. government prime contracts or subcontracts. Of our total revenue, 71.9 percent came from U.S. Department of Defense (DoD) contracts, and 22.3 percent from other civilian agency government clients. The remaining 5.8 percent of revenue came from commercial business, both domestic and international, and state and local contracts.

Although we are continuously working to diversify our client base, we will continue to aggressively seek additional work from the DoD. In FY2007, DoD revenue grew by 8.7 percent, or $111.2 million. The acquisitions during the year ended June 30, 2006 (FY2006), of National Security Research, Inc. (NSR) in October 2005, Information Systems Support, Inc. (ISS) in March 2006, and AlphaInsight Corporation in May 2006 and the FY2007 acquisition of Institute for Quality Management, Inc. (IQM) in May 2007 accounted for 81.6 percent of the revenue growth within DoD. Internal growth accounted for the remaining 18.4 percent of the DoD revenue growth.

Industry Trends

The federal government is the largest consumer of information technology services and solutions in the United States. We believe that the following trends will impact the federal government's future spending on the types of services we provide:

- Increased Congressional oversight—The increased role of Democratic Congressional leaders in what was formerly a Republican-controlled Congress, as well as high profile cases involving alleged and proven abuses, are increasing oversight at the Congressional level and audit scrutiny at the agency level. These factors require compromise between the Legislative and Executive branches of the government and introduce delays in procurement.
- Election year dynamics—With presidential and Congressional elections being held in calendar year 2008, there will be political appointees, as well as others closely aligned to the current administration, who will be leaving government early as their potential job prospects in a new administration will likely diminish. Vacancies in key positions can have the impact of slowing the decision process around procurements and in particular new or relatively controversial acquisitions.
- Best value versus best price—Performance-based contracting, in which a contractor's fee payment is tied to its level of performance, is a technique for structuring all aspects of a contract around the purpose and outcome desired as opposed to the process by which the work is to be performed. While this is not a

new contracting strategy, nor is it a mandate, agencies are now assigned a target achievement goal to write performance-based techniques into 40% of the total eligible service contracts worth more than $25,000. This practice is intended to shift risk from the government to the contractor.

- Small business participation expectations—According to the Small Business Administration, small business preferences accounted for 25.4% of all prime contract dollars awarded during government fiscal year 2005. Legislation is being considered that would raise the current goal of 23% to either a 25% or a 30% goal for small business set asides. Increased small business preferences will make it more difficult for larger companies to compete for the remaining prime contract dollars.
- Supplemental funding and the continuing cost of asymmetric warfare—Once the level of involvement in Iraq and Afghanistan begins to wind down, the military role will likely evolve from less dependence on major combat operations to an increased use of precision strikes. Intelligence gathering, processing and analysis will become even more important to the mission of the commanders in the field. Future administrations may choose to pay for these activities through annual appropriations instead of supplemental funding. Going forward, a substantial portion of the military budget will be needed to re-set and modernize equipment and infrastructure. This will likely fuel a continuing demand for logistics services and network enabled mission capabilities that will provide an increasing level of performance efficiency while also introducing elements of cost-effectiveness as should be realized with highly scalable solutions and services.
- Strategic alliances—The current strategic environment dictates the need for more inter-company dependencies in the form of alliances and partnerships. Alliances with large and small companies who have agency mission knowledge and/or established credentials related to specific commercial-off-the-shelf (COTS) solutions are critical to winning large contracts as a prime contractor. Proficiencies through alliances with software application suppliers are increasingly important as the government adopts more solutions.
- Strategic sourcing—This is an Office of Management and Budget (OMB) directive to make business decisions about acquiring commodities and services more effectively and efficiently. In many cases, these strategies are designed to drive specific services to commodity status in order to leverage the government's purchasing power. Many of the multiple-award, IDIQ contracts that typify today's market are derived from strategic sourcing initiatives that aggregate requirements and provide many options for users over extended performance periods.

Recent Significant Acquisitions

During the past three fiscal years, we completed a total of eight acquisitions, five in the U.S. and three in the U.K. including:

- The March 2006 acquisition of substantially all of the assets of ISS for $145.8 million. ISS specializes in providing information technology, communications and logistics services to U.S. government clients including the Army, Navy, Air Force, the Social Security Administration, the General Services Administration, and the Departments of Justice and Transportation.
- The May 2007 acquisition of all of the outstanding stock of IQM for $40.5 million. IQM provides management consulting and operational support services to the intelligence community and homeland security markets.
- The June 2007 acquisition of all the outstanding stock of The Wexford Group International, Inc. (WGI) for $115.0 million. WGI provides management and technical consulting services in the areas of acquisition management, strategic communications, the application of technology to improve operations, and the enhancement of an enterprise's management, organization, and performance. The acquisition of WGI gives us the opportunity to provide Army Special Operations services (i.e. counterterrorism training) and provides us with entry into a high barrier area of DoD business. Major

clients include Departments of the Army, Navy, and Air Force as well as Department of Information Systems Agency (DISA) and the Deployment Health Support Directorate.

Over the past several years, the U.S. government has organized the armed services so that military personnel focus on combat and war-fighter roles, while many non-combatant roles are filled by personnel provided by contractors. The acquisitions we completed, including those as described above, have positioned us to respond to certain aspects of this transformation of DoD, and deliver contract personnel to fill some of these non-combatant roles including logistics, intelligence gathering and analysis, organizational realignment and training.

Seasonal Nature of Business

Our business in general is not seasonal, although the summer and holiday seasons affect our revenue because of the impact of holidays and vacations on our labor and on product and service sales by our international operations. Variations in our business also may occur at the expiration of major contracts until such contracts are renewed or new business obtained.

The U.S. government's fiscal year ends on September 30 of each year. It is not uncommon for government agencies to award extra tasks or complete other contract actions in the weeks before the end of the fiscal year in order to avoid the loss of unexpended fiscal year funds. Moreover, in years when the U.S. government does not complete its budget process before the end of its fiscal year, government operations typically are funded pursuant to a continuing resolution that authorizes agencies of the U.S. government to continue to operate, but traditionally does not authorize new spending initiatives. When much of the U.S. government operates under a continuing resolution, as occurred during the federal fiscal year ending September 30, 2007, delays can occur in procurement of products and services, and such delays can affect our revenue and profit during the period of delay.

CACI Employment and Benefits

Our employees are our most valuable resource. We are in continuing competition for highly skilled professionals in virtually all of our business areas. The success and growth of our business is significantly correlated with our ability to recruit, train, promote and retain high quality people at all levels of the organization.

For these reasons, we endeavor to maintain competitive salary structures, incentive compensation programs, fringe benefits, opportunities for growth, and individual recognition and award programs. Fringe benefits are generally consistent across our subsidiaries, and include paid vacations and holidays; medical, dental, disability and life insurance; tuition reimbursement for job-related education and training; and other benefits under various retirement savings and stock purchase plans.

We have published policies that set high standards for the conduct of our business. We require all of our employees, consultants, officers, and directors annually to execute and affirm to the code of ethics applicable to their activities. In addition, we have launched annual ethics and compliance training for all of our employees to provide them with the knowledge necessary to maintain our high standards of ethics and compliance.

Patents, Trademarks, Trade Secrets and Licenses

We own 17 patents in the United States and one patent in Canada. While we believe our patents are valid, we do not consider that our business is dependent on patent protection in any material way. We claim copyright, trademark and other proprietary rights in a variety of intellectual property, including each of our proprietary computer software and data products and the related documentation. We presently own 22 registered trademarks and service marks in the U.S. and 55 registered trademarks and service marks in other countries, primarily the U.K. All of our registered trademarks and service marks may be renewed indefinitely. In addition, we assert copyrights in essentially all of our electronic and hard copy publications, our proprietary software and data products and in software produced at the expense of the U.S. government, which rights can be maintained for up to 75 years.

Because most of our business involves providing services to government entities, our operations generally are not substantially dependent upon obtaining and/or maintaining copyright or trademark protections, although our operations make use of such protections and benefit from them as discriminators in competition. We are also a party to agreements that give us the right to distribute computer software, data and other products owned by other companies, and to receive income from such distribution. As a systems integrator, it is important that we maintain access to software, data and products supplied by such third parties, but we generally have experienced little difficulty in doing so. The durations of such agreements vary according to the terms of the agreements themselves.

We maintain a number of trade secrets that contribute to our success and competitive distinction and endeavor to accord such trade secrets protection adequate to ensure their continuing availability to us. From time to time, we are required to assert our rights against former employees or other third parties who attempt to misappropriate our trade secrets and confidential information for their own personal or professional gain. We take such matters seriously and pursue claims against such individuals to the extent necessary to adequately protect our rights. While retaining protection of our trade secrets and vital confidential information is important, we are not materially dependent on maintenance of a specific trade secret.

Backlog

Our backlog as of June 30, 2007, which consists primarily of contracts with the U.S. government, was $6.4 billion, of which $1.2 billion was for funded orders. Total backlog as of June 30, 2006 was $4.6 billion. We presently anticipate, based on current revenue projections, that the majority of the funded backlog as of June 30, 2007 will result in revenue during the fiscal year ending June 30, 2008.

Our backlog represents the aggregate contract revenue we estimate will be earned over the remaining life of our contracts. We include in estimated remaining contract value only the contract revenue we expect to earn over the remaining term of the contract, even in cases where more than one company is awarded work under a given contract. Funded backlog is based upon amounts appropriated by a customer for payment for goods and services and as the U.S. government operates under annual appropriations, agencies of the U.S. government generally fund contracts on an incremental basis. As a result, the majority of our estimated remaining contract value is not funded backlog. The estimates used to compile remaining contract value are based on our experience under contracts, and we believe the estimates are reasonable. However, there can be no assurance that existing contracts will result in earned revenues in any future period or at all.

Business Segments, Foreign Operations, and Major Customer

Additional business segment, foreign operations and major customer information is provided in our Consolidated Financial Statements contained in this Report. In particular, see note 16, Business Segment, Customer and Geographic Information, in the Notes to Consolidated Financial Statements contained in this Annual Report on Form 10-K.

Revenue by Contract Type

The following information is provided on the amounts of our revenue attributable to time-and-materials contracts, cost reimbursable contracts and firm fixed-price contracts (including proprietary software product sales), during each of the last three fiscal years:

	Year Ended June 30,					
	2007		2006		2005	
	(amounts in thousands)					
Time and materials	$1,021,129	52.7%	$ 899,151	51.2%	$ 925,074	57.0%
Cost reimbursable	531,336	27.4%	500,463	28.5%	405,801	25.0%
Firm fixed-price	385,507	19.9%	355,710	20.3%	292,187	18.0%
Total	$1,937,972	100.0%	$1,755,324	100.0%	$1,623,062	100.0%

Item 1A. Risk Factors

You should carefully consider the risks and uncertainties described below, together with the information included elsewhere in this Annual Report on Form 10-K and other documents we file with the SEC. The risks and uncertainties described below are those that we have identified as material, but 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.

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 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 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/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 government 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 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 (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 (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 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 impact 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. 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 approximately 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 United Kingdom on the 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 (the 2004 Credit Facility) imposes significant restrictions on our ability to take certain actions which may have an impact on our business, operating results and financial conditions.

The 2004 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 the following:

- incurring or guaranteeing additional debt;
- paying dividends or other distributions to our stockholders or redeeming, repurchasing or retiring our capital 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 the 2004 Credit Facility. A default, if not waived, could cause our debt to become immediately due and payable. In such situations, 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.

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 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 default on our debt obligations.

Despite our substantial debt, we may incur additional indebtedness.

The 2004 Credit Facility consists of a $200 million revolving credit facility and a $350 million term loan. In addition, we have $300 million outstanding under our convertible senior subordinated notes due 2014 (the Notes). We are able to incur additional debt in the future and have flexibility under the 2004 Credit Facility to increase the revolving credit facility to $300 million. If new debt is added to our current debt levels, the risks related to our ability to service that debt could increase.

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

The 2004 Credit Facility provides that certain change in control events with respect to us will constitute a default. A fundamental change, as defined under the Notes, will constitute a change of control under the 2004 Credit Facility, and therefore will constitute a default under such facility. If investors in the Notes exercise the repurchase right for a fundamental change, it may cause a default under the 2004 Credit Facility, even if the fundamental change itself does not cause a default on the 2004 Credit Facility, due to the financial effect of such a repurchase on us. 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.

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 the Notes will be entitled to convert the Notes at any time during specified periods at their option. 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 the 2004 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 (FASB) is currently contemplating 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 accounting standards.

The FASB is currently evaluating 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 and made applicable to the Notes, 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. If they occur, 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 Notes holders, or on our cash flow. We are unable to estimate the likelihood that the proposed changes will be adopted, whether they will apply to the Notes, or the date they would be effective if adopted.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

As of June 30, 2007, we leased office space at 117 U.S. locations containing an aggregate of approximately 2.2 million square feet located in 31 states and the District of Columbia. In three countries outside the U.S., we leased office space at six locations containing an aggregate of approximately 35,000 square feet. Our leases expire primarily within the next five years, with the exception of four leases in Northern Virginia and two leases outside of Northern Virginia, which will expire within the next seven to ten years. We anticipate that most of these leases will be renewed or replaced by other leases. All of our offices are in reasonably modern and well-maintained buildings. The facilities are substantially utilized and adequate for present operations.

As of June 30, 2007, we maintained our corporate headquarters in approximately 118,000 square feet of space at 1100 North Glebe Road, Arlington, Virginia. See note 14, Leases, in the Notes to Consolidated Financial Statements contained in this Annual Report on Form 10-K for additional information regarding our lease commitments.

We acquired certain real estate in Dayton, Ohio in connection with the purchase of MTL Systems, Inc. in January, 2004. The real estate consists of 2.6 acres, a 7,110 square foot garage, and a 36,360 square foot two-story office building.

Item 3. Legal Proceedings

Saleh, et al.v. Titan Corp., et al, Case No. 05 CV 1165 (D.D.C.)

Plaintiffs filed a twenty-six count class-action complaint on June 9, 2004, originally on behalf of seven named Plaintiffs and a class of similarly situated Plaintiffs, against a number of corporate Defendants and individual corporate employees. The complaint, originally filed in the U.S. District Court for the Southern District of California, named CACI International Inc; CACI, INC.-FEDERAL, and CACI N.V. as Defendants. The complaint also named CACI Premier Technology, Inc. employee Stephen A. Stefanowicz as a Defendant.

Plaintiffs alleged, inter alia, that Defendants formed a conspiracy to increase demand for interrogation services in Iraq and violated U.S. domestic and international law. Plaintiffs seek, inter alia, declaratory relief, a permanent injunction against contracting with the government, compensatory damages, treble damages and attorney's fees.

Plaintiffs subsequently amended their complaint several times and the action was ultimately transferred to the U.S. District Court for the District of Columbia. In March 2006, Plaintiffs filed a Third Amended Complaint adding several new counts, adding CACI Premier Technology, Inc. as a Defendant, dropping CACI, N.V. as a Defendant, and adding two former CACI Premier Technology employees, Timothy Dugan and Daniel Johnson, as Defendants.

On June 29, 2006, the Court entered an Order granting the Defendants' motions to dismiss with respect to numerous claims, and granting the motions of the three individual Defendants to dismiss for lack of personal jurisdiction. The Court then invited the corporate Defendants to file summary judgment motions. Finally, the Court consolidated the *Saleh* and *Ibrahim* actions for discovery purposes only.

On August 4, 2006, the CACI Defendants filed a summary judgment motion. Plaintiffs thereafter engaged in document and deposition discovery for purposes of opposing CACI's summary judgment motion. Plaintiffs subsequently filed a memorandum in opposition to CACI's summary judgment motion, and in August 2007, CACI filed a reply memorandum in support of its summary judgment motion. That motion is pending.

Ibrahim, et al. v. Titan Corp. et al., Case No. 1:04-CV-01248-JR (D.D.C. 2004)

Plaintiffs filed a nine-count complaint on July 27, 2004 in the U.S. District Court for the District of Columbia. Plaintiffs are five Iraqis who claim they suffered significant physical injury, emotional distress, and/or

wrongful death while they or their family members were held at Abu Ghraib prison in Iraq. The lawsuit names CACI International Inc, CACI, INC.-FEDERAL, and CACI N.V. as Defendants, along with Titan Corporation.

On August 12, 2005, the U.S. District Court for the District of Columbia issued a Memorandum Opinion dismissing many of the claims. The Court invited the Defendants to submit a motion for summary judgment with respect to the remaining claims. Subsequently, CACI Premier Technology, Inc. was substituted as a Defendant in lieu of CACI International Inc, CACI, INC.-FEDERAL and CACI N.V.

In December 2005, CACI filed a motion for summary judgment. Plaintiffs, in conjunction with the *Saleh* Plaintiffs, thereafter engaged in document and deposition discovery for purposes of opposing the summary judgment motion. Subsequently, Plaintiffs filed a memorandum in opposition to CACI's summary judgment motion. In August 2007, CACI filed a reply memorandum in support of its summary judgment motion. That motion is pending.

We are vigorously defending the above-described legal proceedings, and, based on our present knowledge of the facts, we believe the lawsuits are completely without merit.

Item 4. Submission of Matters to a Vote of Security Holders

No matter was submitted to a vote of security holders during the fourth quarter of our fiscal year ended June 30, 2007, through the solicitation of proxies or otherwise.

PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is listed on the New York Stock Exchange under the ticker symbol "CAI".

The ranges of high and low sales prices of our common stock quoted on the New York Stock Exchange for each quarter during the fiscal years ended June 30, 2007 and 2006 were as follows:

	2007		2006	
Quarter	High	Low	High	Low
1st	$59.80	$47.26	$68.75	$58.50
2nd	$62.02	$53.64	$62.53	$51.45
3rd	$57.55	$44.40	$65.97	$54.99
4th	$52.36	$42.04	$68.24	$58.33

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. The 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.

As of August 24, 2007, the number of stockholders of record of our common stock was approximately 412. The number of stockholders of record is not representative of the number of beneficial stockholders due to the fact that many shares are held by depositories, brokers, or nominees.

We administer an employee stock purchase plan under which eligible employees may purchase shares of common stock at a discount as provided by the plan. To provide the shares purchased under the plan, we repurchase outstanding shares on the open market. Shares are repurchased on a quarterly basis, generally within two weeks of the end of each quarter, and are distributed within three days thereafter to employees purchasing shares. Quarterly information regarding the number of shares repurchased for this plan during the year ended June 30, 2007, and the weighted-average price paid per share, is as follows:

	Total Number of Shares Purchased	Average Price Paid Per Share
Quarter ended:		
September 30, 2006	23,226	$ 56.41
December 31, 2006	23,800	$ 57.71
March 31, 2007	21,048	$ 46.45
June 30, 2007	22,758	$ 47.19

In May 2007, we used $45.5 million of the net proceeds from the issuance of the Notes to purchase one million shares of our common stock at a price of $45.54 per share. Also, to provide shares to a participant under a director stock purchase plan whose restricted grants vested during the fiscal year, we issued 1,032 shares of common stock from treasury that were originally purchased at an average price of $45.85.

The graph below matches the cumulative 5-year total return of holders of CACI's common stock with the cumulative total returns of the Russell 1000 index and the DJ Wilshire Computer Services index. The graph assumes that the value of the investment in our common stock and in each of the indexes (including reinvestment of dividends) was $100 on June 30, 2002 and tracks it through June 30, 2007.

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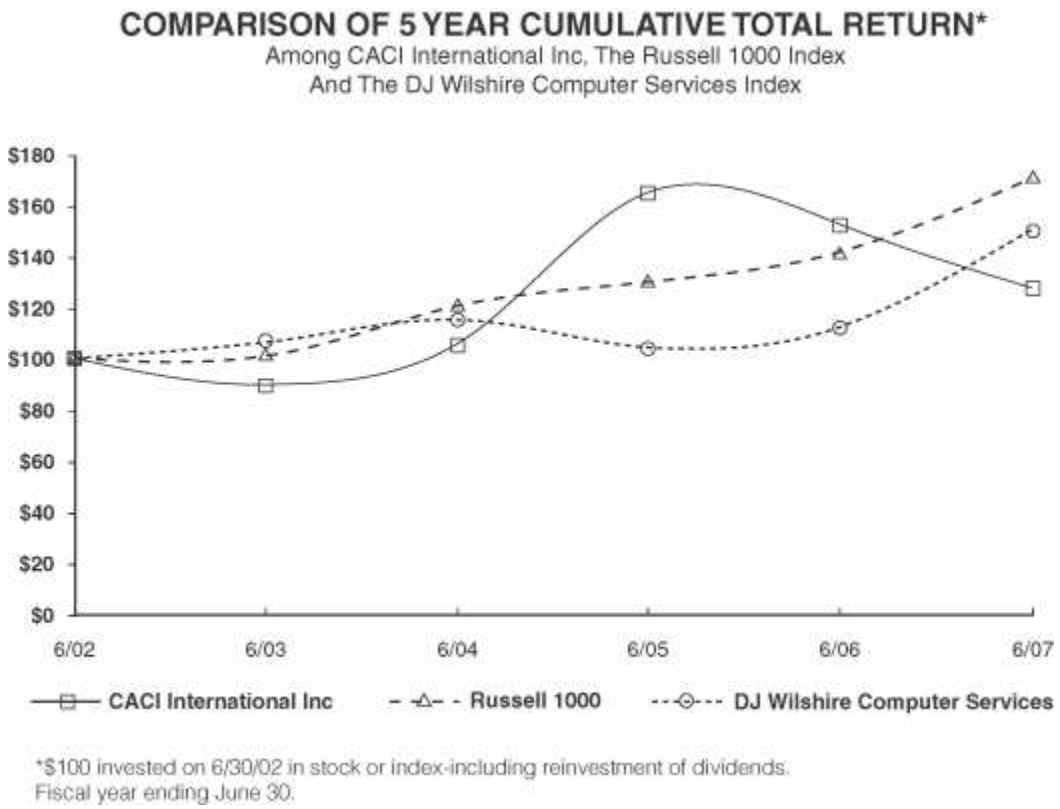

	June 30,					
	2002	2003	2004	2005	2006	2007
CACI International Inc	100.00	89.81	105.89	165.38	152.74	127.91
Russell 1000	100.00	100.95	120.62	130.18	142.00	171.01
DJ Wilshire Computer Services	100.00	106.48	115.31	104.47	112.53	150.72

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

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Item 6. Selected Financial Data

The selected financial data set forth below is derived from our audited financial statements for each of the fiscal years in the five year period ended June 30, 2007. This information should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations, and our consolidated financial statements and the notes thereto included in Part II in this Annual Report on Form 10-K.

Income Statement Data

	Year Ended June 30,				
	2007	2006	2005	2004	2003
	(amounts in thousands, except per share data)				
Revenue	$1,937,972	$1,755,324	$1,623,062	$1,145,785	$843,138
Costs of revenue	1,792,119	1,605,044	1,480,930	1,050,698	780,319
Net income	78,532	84,840	79,725	57,714	39,985
Earnings per common share and common share equivalent:					
Basic:					
Weighted-average shares outstanding	30,643	30,242	29,675	29,051	28,647
Net income	$ 2.56	$ 2.81	$ 2.69	$ 1.99	$ 1.40
Diluted:					
Weighted-average shares and equivalent shares outstanding	31,256	31,161	30,568	29,877	29,425
Net income	$ 2.51	$ 2.72	$ 2.61	$ 1.93	$ 1.36

Balance Sheet Data

	Year ended June 30,				
	2007	2006	2005	2004	2003
	(amounts in thousands)				
Total assets	$1,791,947	$1,368,090	$1,206,639	$1,154,304	$562,050
Long-term	683,079	411,366	376,861	423,553	19,519
Working capital	413,982	238,464	284,186	208,195	182,585
Shareholders' equity	813,847	745,359	621,034	506,490	427,206

Item 7. Management's Discussion and Analysis of Financial Condition & Results of Operations

The following discussion and analysis of our financial condition and results of operations is provided to enhance the understanding of, and should be read together with, our consolidated financial statements and the notes to those statements that appear elsewhere in this Annual Report on Form 10-K. This discussion contains forward-looking statements that involve risks and uncertainties. For additional information regarding some of the risks and uncertainties that affect our business and the industry in which we operate, please read "Risk Factors," included elsewhere in this Annual Report on Form 10-K. Unless otherwise specifically noted, all years refer to our fiscal year which ends on June 30.

Overview

We are a leading provider of information-based systems, integrated solutions and services to the U.S. government. We derived 94.2% of our revenues during the year ended June 30, 2007 from contracts with U.S. government agencies, including 71.9% from DoD customers, and 22.3% from U.S. federal civilian agencies customers including the Department of Homeland Security. We also provide services to state and local governments and commercial customers.

For the year ended June 30, 2007, approximately 82.1% of our U.S. government revenue was from contracts where we were the lead, or "prime," contractor. Our diverse contract base has approximately 600 active contracts and more than 2,500 active task orders. For the year ended June 30, 2007, no single task order or contract accounted for more than 10 percent of our revenues. We have a diverse mix of contract types, with approximately 52.7%, 27.4%, and 19.9% of our revenues for the year ended June 30, 2007, derived from time-and-materials, cost-plus and fixed-price contracts, respectively. We generally do not pursue fixed-price software development contracts that may create financial risk.

Critical Accounting Policies

Critical accounting policies are defined as those that are reflective of significant judgments and uncertainties, and potentially result in materially different results under different assumptions and conditions. Application of these policies is particularly important to the portrayal of our financial condition and results of operations. The following are considered our critical accounting policies:

Revenue Recognition/Contract Accounting

We generate almost all of our revenue from three different types of contractual arrangements: cost-plus-fee contracts, time-and-materials contracts, and fixed-price contracts. Revenue on cost-plus-fee contracts is recognized to the extent of allowable costs incurred plus an estimate of the applicable fees earned. We consider fixed fees under cost-plus-fee contracts to be earned in proportion to the allowable costs incurred in performance of the contract. For cost-plus-fee contracts that include performance based fee incentives, and that are subject to the provisions of Statement of Position 81-1, *Accounting for Performance of Construction-Type and Certain Production-Type Contracts* (SOP 81-1), we recognize the relevant portion of the expected fee to be awarded by the customer at the time such fee can be reasonably estimated, based on factors such as our prior award experience and communications with the customer regarding performance. For such cost-plus-fee contracts subject to the provisions of U.S. Securities and Exchange Commission Staff Accounting Bulletin No. 104, *Revenue Recognition* (SAB 104), we recognize the relevant portion of the fee upon customer approval. Revenue on time-and-material contracts is recognized to the extent of billable rates times hours delivered plus allowable expenses incurred.

We have four basic categories of fixed price contracts: fixed unit price, fixed price-level of effort, fixed price-completion, and fixed price-license. Revenue on fixed unit price contracts, where specified units of output under service arrangements are delivered, is recognized as units are delivered based on the specified price per unit. Revenue on fixed unit price maintenance contracts is recognized ratably over the length of the service period. Revenue for fixed price-level of effort contracts is recognized based upon the number of units of labor actually delivered multiplied by the agreed rate for each unit of labor. A significant portion of our fixed price-completion contracts involve the design and development of complex client systems. For these contracts that are within the scope of SOP 81-1, revenue is recognized on the percentage of completion method using costs incurred in relation to total estimated costs. For fixed price-completion contracts that are not within the scope of SOP 81-1, revenue is generally recognized ratably over the service period. Our fixed price-license agreements and related services contracts are primarily executed in our international operations. As the agreements to deliver software require significant production, modification or customization of software, revenue is recognized using the contract accounting guidance of SOP 81-1. For agreements to deliver data under license and related services, revenue is recognized as the data is delivered and services are performed. Except for losses on contracts accounted for under SAB 104, provisions for estimated losses on uncompleted contracts are recorded in the period such losses are determined. Projected losses on contracts accounted for under SAB 104 are recognized as the services and materials are provided.

Our contracts may include the provision of more than one of our services. In these situations, we recognize revenue in accordance with FASB's Emerging Issues Task Force (EITF) Issue 00-21, *Revenue Arrangements with Multiple Deliverables.* Accordingly, for applicable arrangements, revenue recognition includes the proper

identification of separate units of accounting and the allocation of revenue across all elements based on relative fair values, with proper consideration given to the guidance provided by other authoritative literature.

Contract accounting requires judgment relative to assessing risks, estimating contract revenues and costs, and making assumptions for schedule and technical issues. Due to the size and nature of many of our contracts, the estimation of total revenues and cost at completion is complicated and subject to many variables. Contract costs include material, labor, subcontracting costs, and other direct costs, as well as an allocation of allowable indirect costs. Assumptions have to be made regarding the length of time to complete the contract because costs also include expected increases in wages and prices for materials. For contract change orders, claims or similar items, we apply judgment in estimating the amounts and assessing the potential for realization. These amounts are only included in contract value when they can be reliably estimated and realization is considered probable. Incentives or penalties related to performance on contracts are considered in estimating sales and profit rates, and are recorded when there is sufficient information for us to assess anticipated performance. Estimates of award fees for certain contracts may also be a factor in estimating revenue and profit rates based on actual and anticipated awards.

Long-term development and production contracts make up a large portion of our business, and therefore the amounts we record in our financial statements using contract accounting methods are material. For our federal contracts, we follow U.S. government procurement and accounting standards in assessing the allowability and the allocability of costs to contracts. Due to the significance of the judgments and estimation processes, it is likely that materially different amounts could be recorded if we used different assumptions or if the underlying circumstances were to change. We closely monitor compliance with, and the consistent application of, our critical accounting policies related to contract accounting. Business operations personnel conduct periodic contract status and performance reviews. When adjustments in estimated contract revenues or costs are required, any significant changes from prior estimates are included in earnings in the current period. Also, regular and recurring evaluations of contract cost, scheduling and technical matters are performed by management personnel who are independent from the business operations personnel performing work under the contract. Costs incurred and allocated to contracts with the U.S. government are scrutinized for compliance with regulatory standards by our personnel, and are subject to audit by the DCAA.

From time to time, we may proceed with work based on client direction prior to the completion and signing of formal contract documents. We have a formal review process for approving any such work. Revenue associated with such work is recognized only when it can be reliably estimated and realization is probable. We base our estimates on previous experiences with the client, communications with the client regarding funding status, and our knowledge of available funding for the contract or program.

Costs of Revenue

Costs of revenue include all direct contract costs as well as indirect overhead costs and selling, general and administrative expenses that are allowable and allocable to contracts under federal procurement standards. Costs of revenue also include costs and expenses that are unallowable under applicable procurement standards, and thus are not allocable to contracts for billing purposes. Such costs and expenses do not directly generate revenues, but are necessary for business operations.

Allowance For Doubtful Accounts

Management establishes bad debt reserves against certain billed receivables based upon the latest information available to determine whether invoices are ultimately collectible. Whenever judgment is involved in determining the estimates, there is the potential for bad debt expense and the fair value of accounts receivable to be misstated. Given that we primarily serve the U.S. government and that, in our opinion, we have sufficient controls in place to properly recognize revenue, we believe the risk to be relatively low that a misstatement of accounts receivable would have a material impact on our financial results. Accounts receivable balances are written-off when the balance is deemed uncollectible after exhausting all reasonable means of collection.

Goodwill Valuation

Goodwill represents the excess of costs over fair value of assets of businesses acquired. Effective July 1, 2001, we adopted SFAS No. 142, *Goodwill and Other Intangible Assets* (SFAS No. 142), which establishes financial accounting and reporting for acquired goodwill and other intangible assets. Goodwill and intangible assets acquired in a purchase business combination and determined to have an indefinite useful life are not amortized, but instead tested for impairment at least annually in accordance with the provisions of SFAS No. 142. SFAS No. 142 also requires that intangible assets with estimable useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with SFAS No. 144, *Accounting for Impairment or Disposal of Long-Lived Assets* (SFAS No. 144).

SFAS No. 142 requires that goodwill be tested for impairment at the reporting unit level at least annually, utilizing a two-step methodology. The initial step requires us to assess whether indications of impairment exist. If indications of impairment are determined to exist, the second step of measuring impairment is performed, wherein the fair value of the relevant reporting unit is compared to the carrying value, including goodwill, of such unit. If the fair value exceeds the carrying value, no impairment loss is recognized. However, if the carrying value of the reporting unit exceeds its fair value, the goodwill of the reporting unit is impaired.

We perform our annual testing for impairment of goodwill and other intangible assets as of June 30 of each year. Based on testing performed as of June 30, 2007, there were no indications of impairment.

Stock-Based Compensation

We issue stock settled stock appreciation rights (SSARs) (non-qualified stock options (NQSOs) through May 2007) and shares of restricted stock, on an annual basis to our directors and key employees under our 2006 Stock Incentive Plan. We also issue equity instruments in the form of restricted stock units (RSUs) under our Management Stock Purchase Plan and Director Stock Purchase Plan. With the exception of SSARs that are granted with a market-based vesting feature, compensation expense attributable to SSARs and NQSOs is generally computed using the Black-Scholes valuation model. SSARs containing market-based vesting features are valued with a binomial lattice model. Assumptions relating to volatility are based on an analysis of our historical volatility. Through June 30, 2007, assumptions related to the expected term of NQSOs were based on a safe-harbor approach which allowed companies to assume an expected term at the mid-point between the end of the vesting period and the final expiration of the NQSOs. Beginning with SSARs issued during the year ending June 30, 2008, the safe harbor is no longer permissible and the expected term of SSARs issued during the year ending June 30, 2008 that do not contain market-based features will be based on an analysis of our historical NQSO exercises. The expected lives of SSARs containing market-based vesting features will be based on both historical exercise trends and expected exercise rates at various stock price levels.

Under the terms of the SSAR/stock option and RSU/restricted stock agreements, grantees retiring at or after age 65 will vest in 100 percent of their awards. We recognize the expense associated with stock options, SSARs, restricted stock and RSUs granted to employees who have reached age 65 in full at the time of grant. We recognize the expense associated with stock options, SSARs restricted stock and RSUs granted to employees nearing retirement age ratably over the period from the date of grant to the date the grantee is eligible for retirement. This treatment is referred to as the non-substantive vesting method and is applied even if the employee has remained or plans to remain an employee of the Company beyond the eligible retirement age.

Results of Operations

The following table sets forth the relative percentages that certain items of expense and earnings bear to revenue.

Consolidated Statements of Operations
Years ended June 30, 2007, 2006, and 2005

	Year Ended June 30,						Year to Year Change			
	2007	2006	2005	2007	2006	2005	2006 to 2007		2005 to 2006	
	Dollars			Percentages			Dollars	Percent	Dollars	Percent
	(dollar amounts in thousands)									
Revenue	$1,937,972	$1,755,324	$1,623,062	100.0%	100.0%	100.0%	$182,648	10.4%	$132,262	8.1%
Costs of revenue										
Direct costs	1,267,677	1,134,951	1,019,474	65.4	64.6	62.8	132,726	11.7	115,477	11.3
Indirect costs and selling expenses	485,359	436,656	429,434	25.1	24.9	26.4	48,703	11.2	7,222	1.7
Depreciation and amortization	39,083	33,437	32,022	2.0	1.9	2.0	5,646	16.9	1,415	4.4
Total costs of revenue	1,792,119	1,605,044	1,480,930	92.5	91.4	91.2	187,075	11.7	124,114	8.4
Income from operations	145,853	150,280	142,132	7.5	8.6	8.8	(4,427)	(2.9)	8,148	5.7
Interest expense, net	20,585	17,279	14,765	1.1	1.0	0.9	3,306	19.1	2,514	17.0
Net income before income taxes	125,268	133,001	127,367	6.5	7.6	7.9	(7,733)	(5.8)	5,634	4.4
Income taxes	46,736	48,161	47,642	2.4	2.8	3.0	(1,425)	(3.0)	519	1.1
Net income	$ 78,532	$ 84,840	$ 79,725	4.1%	4.8%	4.9%	$ (6,308)	(7.4)%	$ 5,115	6.4%

Revenue

For FY2007, our total revenue increased by $182.6 million, or 10.4 percent. Approximately 1.2 percent, or $21.9 million, of revenue growth was organic and resulted from an increase in services provided to a broad base of Department of Defense (DoD), intelligence, and federal civilian agency customers. The remaining 9.2 percent increase, or $160.7 million, was from acquisitions completed in FY2006 and FY2007.

During FY2006, total revenue increased by $132.3 million, or 8.1 percent. Approximately 3.4 percent or $55.5 million of this growth was organic and resulted primarily from increases in services and solutions provided to our DoD customers. The remaining 4.7 percent or $76.8 million of the FY2006 revenue growth was generated by acquisitions completed in FY2006.

Revenue generated from the date a business is acquired through the first anniversary of that date is considered acquired revenue. Our acquired revenue for FY2007 and FY2006 is as follows (in millions):

Business Acquired	2007	2006
Information Systems Support, Inc. (ISS)	$ 96.0	$49.0
AlphaInsight	40.0	8.1
National Security Research, Inc. (NSR)	6.3	14.6
Others	18.4	5.1
Total	$160.7	$76.8

The following table summarizes revenue earned by each of the customer groups for the three most recent fiscal years:

	Year ended June 30,					
	2007		2006		2005	
	(dollar amounts in thousands)					
Department of Defense	$1,393,735	71.9%	$1,282,582	73.1%	$1,179,259	72.7%
Federal civilian agencies	431,752	22.3	374,502	21.3	350,886	21.6
Commercial and other	91,946	4.7	73,644	4.2	68,140	4.2
State & local government	20,539	1.1	24,596	1.4	24,777	1.5
Total	$1,937,972	100.0%	$1,755,324	100.0%	$1,623,062	100.0%

Revenue from DoD customers increased 8.7 percent, or $111.2 million, to approximately $1.4 billion for FY2007 as compared to FY2006. The aforementioned acquisitions accounted for approximately 81.6 percent of this growth, contributing $90.7 million. DoD revenue includes that earned for services provided to the U.S. Army, our largest customer, where our services focus on supporting readiness, tactical military intelligence, and communications of the combat operations in Iraq and Afghanistan. DoD revenue also includes work with the U.S. Navy, such as services to support the Navy's automatic identification technologies and a mine countermeasure program that protects its fleet.

Revenue from DoD customers increased 8.8 percent, or $103.3 million, to approximately $1.3 billion for FY2006 as compared to FY2005. The aforementioned acquisitions accounted for approximately 52.7 percent of this growth, contributing $54.5 million.

Revenue from federal civilian agencies increased $57.3 million, or 15.3 percent, to $431.8 million during FY2007 as compared to FY2006. The primary revenue growth drivers in this area came from acquisitions, which accounted for 83.1 percent of the increase. Approximately 15.4 percent of federal civilian agency revenue for the year was derived from the Department of Justice (DoJ), for whom we provide litigation support services. Revenue from DoJ was $66.6 million in FY2007 versus $79.0 million in FY2006. The decrease in revenue earned from DoJ resulted primarily from the reduced level of services provided to support both DoJ litigation efforts involving the tobacco industry and the Department of Energy. Federal civilian agency revenue also includes services provided to non-DoD national intelligence agencies.

During FY2006 as compared to FY2005, revenue from federal civilian agencies increased $23.6 million, or 6.7 percent, to $374.5 million. The primary revenue growth drivers in this area came from acquisitions, which accounted for almost 60 percent of the increase. Approximately 21.1 percent of federal civilian agency revenue for the year was derived from DoJ. Revenue from DoJ was $79.0 million in FY2006 versus $92.7 million in FY2005. The decrease in revenue earned from DoJ resulted from the conclusion, early in FY2006, of services provided to support DoJ litigation efforts involving the tobacco industry.

Commercial revenue increased 24.9 percent, or $18.3 million, to $91.9 million in FY2007 as compared to FY2006. Commercial revenue is derived from both international and domestic operations. In FY2007, international operations accounted for 87.6 percent, or $80.5 million, of the total commercial revenue, while the domestic operations accounted for 12.4 percent, or $11.4 million. The increase in Commercial revenue was primarily from our operations in the United Kingdom (U.K.), which increased by 28.2 percent, or $17.7 million. Growth in the U.K. was generated by two acquisitions completed in FY2006 and favorable exchange rates.

Commercial revenue increased 8.1 percent, or $5.5 million, to $73.6 million in FY2006 as compared to FY2005. In FY2006, international operations accounted for 85.3 percent, or $62.8 million, of the total commercial revenue, while the domestic operations accounted for 14.7 percent, or $10.8 million. The increase in commercial revenue was primarily from our U.K. operations, which increased by 12.5 percent, or $7.0 million.

Growth in the U.K. was generated by two acquisitions completed in FY2006, and from increased sales by its marketing systems group that supplies demographic software and data services. This increase was partly offset by a downturn in domestic commercial revenue primarily due to software sales and services.

Revenue from state and local governments decreased by 16.5 percent, or $4.1 million during FY2007, as compared to FY2006. The decrease is attributable to a decreased demand for our information technology services that were provided across a number of states. In FY2006 as compared to FY2005, revenue from state and local governments decreased by 0.7 percent, or $0.2 million. The main driver of the decrease was the downturn of contract work within two state contracts during the fourth quarter of FY2006. Revenue from state and local governments represented 1.1 percent and 1.4 percent of our total revenue in FY2007 and FY2006, respectively. Our continued focus on DoD and federal civilian agency opportunities has resulted in a relatively reduced emphasis on state and local government business.

Income from Operations. Operating income decreased 2.9 percent, or $4.4 million, in FY2007 as compared to FY2006. Our operating margin in FY2007 was 7.5 percent compared to 8.6 percent a year earlier. The decline in income from operations as a percentage of revenue was due primarily to an increase in subcontract labor and materials as a percent of total direct costs. These generate a lower margin than our direct labor. In FY2006 as compared to FY2005, operating income increased 5.7 percent, or $8.1 million. Our operating margin in FY2006 was 8.6 percent compared to 8.8 percent a year earlier. This decrease in margin rate also relates primarily to an increase in subcontract labor and materials as a percent of total direct costs.

During the fiscal years ended June 30, 2007, 2006 and 2005, as a percentage of revenue, total direct costs were 65.4 percent, 64.6 percent and 62.8 percent, respectively. The year-to-year increases in direct costs as a percentage of revenue have been driven primarily by an increase in the use of subcontractors. These costs are common in our industry, are typically incurred in response to specific client tasks and may vary from period to period.

The single largest component of direct costs, direct labor, was $548.5 million, $507.5 million and $490.4 million in FY2007, FY2006 and FY2005, respectively. The increase in direct labor during the last three fiscal years is attributable to the internal growth in our federal government business both in the DoD and federal civilian agencies, and to acquisitions. Other direct costs, which include, among other costs, subcontractor labor and materials along with equipment purchases and travel expenses, were $719.1 million, $627.4 million, and $529.1 million in FY2007, FY2006 and FY2005, respectively. The year over year increase was primarily the result of increased volume of tasking across system integration, knowledge management and engineering services including the aforementioned acquisitions.

Indirect costs and selling expenses include fringe benefits, marketing and bid and proposal costs, indirect labor and other discretionary costs. As a percentage of revenue, indirect costs and selling expenses were 25.1 percent, 24.9 percent and 26.4 percent for FY2007, FY2006 and FY2005, respectively. The fluctuation in percentage experienced during these fiscal years is primarily the result of integrating acquired businesses while controlling our various indirect and general and administrative expenses in these periods of growth. A component of indirect costs and selling expenses is stock compensation. Total stock compensation expense was $13.0 million, $15.5 million, and $11.2 million for the fiscal years ended June 30, 2007, 2006, and 2005, respectively. The decrease in stock compensation expense from FY2006 to FY2007 was due to fewer grants issued in FY2007 as compared to FY2006.

Depreciation and amortization expense increased $5.6 million, or 16.9 percent, in FY2007 as compared to FY2006. The increase was primarily attributable to the amortization of the identifiable intangible assets acquired with the five business combinations completed during FY2006 and one completed during May of FY2007. In FY2006 as compared to FY2005, depreciation and amortization expense increased $1.4 million or 4.4 percent primarily from the amortization of acquired intangible assets.

Net interest expense increased $3.3 million, or 19.1 percent in FY2007, as compared to FY2006. The primary driver for the increase was an approximate 1.0 percent increase in the weighted-average interest rate, excluding the effects of two interest rate swap agreements, of our average borrowings. Net interest expense also increased as a result of the issuance of $300 million of convertible notes in May 2007. The higher interest expense was partially offset by interest income generated from cash on hand. We had outstanding borrowings of $643.4 million at June 30, 2007. We are required to repay a minimum of $3.5 million annually through FY2010 under the terms of our credit facility.

Net interest expense increased $2.5 million in FY2006 as compared to FY2005. The primary driver for the increase was an approximate 1.5 percent increase in the weighted-average interest rate, excluding the effects of two interest rate swap agreements, of our average borrowings. Higher interest expense also resulted from borrowings of $25 million to supplement available cash necessary to complete the acquisition of AlphaInsight. The higher interest expense was partially offset by interest income generated from cash on hand.

The effective income tax rates in FY2007, FY2006 and FY2005, were 37.3 percent, 36.2 percent and 37.4 percent, respectively. The higher tax rate in FY2007 as compared to FY2006 reflects a reduction in benefits realized from research and development credits and higher state taxes based upon recently filed tax returns.

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 this Annual Report on Form 10-K .

Effects of Inflation

Based on our contract mix reported for FY2007, approximately 27 percent of our business is conducted under cost-reimbursable contracts which automatically adjust revenue to cover costs that are affected by inflation. Approximately 53 percent of our revenue is earned under time-and-material contracts, where labor rates for many of the services provided are often fixed for several years. Under certain time-and-material contracts containing indefinite-delivery, indefinite-quantity procurement arrangements, we do adjust labor rates annually as permitted. The remaining portion of our business is fixed-price and may span multiple years. We generally have been able to price our time-and-materials and fixed-price contracts in a manner that accommodates the rates of inflation experienced in recent years.

Liquidity and Capital Resources

Historically, our positive cash flow from operations and our available credit facilities have provided adequate liquidity and working capital to fund our operational needs. Cash flows from operations totaled $168.0 million, $107.1 million and $126.6 million for the years ended June 30, 2007, 2006 and 2005, respectively.

Effective May 16, 2007, we issued an aggregate of $300.0 million of 2.125% convertible senior subordinated notes (the Notes) that mature on May 1, 2014 in a private placement pursuant to Rule 144A of the Securities Act of 1933. The Notes are subordinate to our senior secured debt, and interest on the Notes is payable on May 1 and November 1 of each year. We have filed a registration statement with the SEC to register resales of the Notes and the common stock issuable upon conversion of the Notes, and expect that the registration statement will be effective no later than November 12, 2007, 180 days from the date of closing.

Holders may convert their notes at a conversion rate of 18.2989 shares of CACI common stock for each $1,000 of note principal (an initial conversion price of $54.65 per share) under the following circumstances: 1) if the last reported sale price of CACI stock is greater than or equal to 130% of the conversion price for at least 20 trading days in the period of 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter; 2) during the five consecutive business day period immediately after any five consecutive trading day period (the note measurement period) in which the average of the trading price per $1,000 principal amount of

convertible note was equal to or less than 97% of the average product of the closing price of a share of our common stock and the conversion rate of each date during the note measurement period; 3) upon the occurrence of certain corporate events, as defined; or 4) during the last three-month period prior to maturity. We are required to satisfy 100% of the principal amount of these notes solely in cash, with any amounts above the principal amount to be satisfied in common stock. As of June 30, 2007, none of the conditions permitting conversion of the Notes had been satisfied.

In the event of a fundamental change, as defined, holders may require us to repurchase the Notes at a price equal to the principal amount plus any accrued interest. Also, if certain fundamental changes occur prior to maturity, we will in certain circumstances increase the conversion rate by a number of additional shares of common stock or, in lieu thereof, we may in certain circumstances elect to adjust the conversion rate and related conversion obligation so that these notes are convertible into shares of the acquiring or surviving company. We are not permitted to redeem the Notes.

The contingently issuable shares are not included in our diluted share count for the fiscal year ended June 30, 2007, because our average stock price during that period was below the conversion price. Debt issuance costs of approximately $7.3 million are being amortized to interest expense over seven years. Upon closing of the sale of the Notes, approximately $45 million of the net proceeds was used to concurrently repurchase one million shares of our common stock.

In connection with the issuance of the Notes, we purchased in a private transaction at a cost of $84.4 million call options (the Call Options) to purchase approximately 5.5 million shares of our common stock at a price equal to the conversion price of $54.65 per share. The Call Options allow us to receive shares of our common stock from the counterparties equal to the amount of common stock related to the excess conversion value that we would pay the holders of the Notes upon conversion.

For income tax reporting purposes, the Notes and the Call Options are integrated. This creates an original issue discount for income tax reporting purposes, and therefore the cost of the Call Options will be accounted for as interest expense over the term of the Notes for income tax reporting purposes. The associated income tax benefit of $32.8 million to be realized for income tax reporting purposes over the term of the Notes has been reflected as an increase in additional paid-in-capital and a long-term deferred tax asset.

In addition, we sold warrants (the Warrants) to issue approximately 5.5 million shares of CACI common stock at an exercise price of $68.31 per share. The proceeds from the sale of the Warrants totaled $56.5 million.

On a combined basis, the Call Options and the Warrants are intended to reduce the potential dilution of CACI’s common stock in the event that the Notes are converted by effectively increasing the conversion price of these notes from $54.65 to $68.31. The Call Options are anti-dilutive and are therefore excluded from the calculation of diluted shares outstanding. The Warrants will result in additional diluted shares outstanding if our average common stock price exceeds $68.31. The Call Options and the Warrants are separate and legally distinct instruments that bind us and the counterparties and have no binding effect on the holders of the Notes.

We also maintain a $550 million credit facility (the 2004 Credit Facility), which includes a $200 million revolving credit facility (the Revolving Facility), and a $350 million institutional term loan (the Term Loan). The initial borrowings under the 2004 Credit Facility were $422.6 million, of which $338.6 million was outstanding under the Term Loan at June 30, 2007.

The Revolving Facility is a five-year, secured facility that permits continuously renewable borrowings of up to $200 million, with annual sublimits on amounts borrowed for acquisitions. The Revolving Facility also contains an accordion feature under which the Company may borrow up to an additional $100 million with prior lender approvals. The Revolving Facility permits one, two, three and six month interest rate options, and repayment of any outstanding balances is due in full May 2, 2009. We pay a fee on the unused portion of the

facility. During the year ended June 30, 2007, we paid down borrowings of $25.0 million under the Revolving Facility and there was no outstanding balance under the Revolving Facility at June 30, 2007.

The Term Loan portion of the 2004 Credit Facility is a seven-year secured facility under which principal payments are due in quarterly installments of $0.9 million at the end of each fiscal quarter through March 2011, and the balance of $325.5 million is due in full on May 2, 2011.

Interest rates for both Revolving Facility and Term Loan borrowings are based on LIBOR, or the higher of the prime rate, or federal funds rate, plus applicable margins. Margin and unused fee rates are determined quarterly based on our leverage ratios. We are expected to operate within certain limits on leverage, net worth and fixed-charge coverage ratios throughout the term of the 2004 Credit Facility. The total costs associated with securing the 2004 Credit Facility, as amended, were approximately $8.7 million, and are being amortized over the life of the 2004 Credit Facility.

We have amounts due under a lease agreement classified as a capital lease for reporting purposes and amounts due under a mortgage note payable. We also maintain a line of credit facility in the United Kingdom. The total amount of reported principal due under the capital lease agreement and mortgage note payable was $0.7 million at June 30, 2007. The total amount available under the line-of-credit facility in the U.K., which is scheduled to expire in December 2007, is approximately $1.0 million. As of June 30, 2007, the Company had no borrowings under this facility.

Cash and cash equivalents were $285.7 million and $24.7 million as of June 30, 2007 and 2006, respectively. Cash and cash equivalents at June 30, 2007 includes $49.0 million of cash paid in July 2007 in connection with the acquisition of WGI. Working capital was $414.0 million and $238.5 million as of June 30, 2007 and 2006, respectively. Our operating cash flow was $168.0 million for FY2007, compared to $107.1 million for the same period a year ago. The current year increase in operating cash flow results from both strong collection activity from receivables billed during the year and the timing of certain large dollar subcontractor payments. Days-sales outstanding improved to 66 at June 30, 2007, compared to 74 for the same period a year ago.

We used $116.2 million and $259.1 million of cash in investing activities during FY2007 and FY2006, respectively. The significant decrease in FY2007 was attributed to decreased acquisitions during the year. We completed two acquisitions, IQM and WGI, in FY2007 as compared to five acquisitions in FY2006.

Purchases of office and computer related equipment of $7.9 million and $9.5 million in FY2007 and FY2006, respectively, accounted for a majority of the remaining funds used in investing activities. We have relatively low capital expenditure requirements for our business, and expect these expenditures in the coming years to remain consistent with the levels reported in recent fiscal years.

Cash provided by financing activities totaled $208.0 million and $43.3 million during FY2007 and FY2006, respectively. During FY2007 financing activities reflect the sale of the Notes. We used $45.5 million of cash from the sales of the Notes to repurchase one million shares of our common stock. Cash provided by financing activities during FY2006 consisted primarily of a $25 million borrowing under our Revolving Facility that was made to help finance the FY2006 acquisition of AlphaInsight. This Revolving Facility borrowing was repaid during the first quarter of FY2007.

Cash flows from financing activities continued to benefit from proceeds received from the exercise of stock options, and purchases of stock under our employee stock purchase plan. Proceeds from these activities totaled $13.9 million and $17.6 million during FY2007 and FY2006, respectively. These were offset by cash used to purchase stock to fulfill obligations under the employee stock purchase plan. Cash used to acquire stock under the employee stock purchase plan was $4.7 million and $7.5 million during FY2007 and FY2006, respectively.

We believe that the combination of internally generated funds, available bank borrowings, and cash and cash equivalents on hand will provide the required liquidity and capital resources necessary to fund on-going operations, customary capital expenditures, debt service obligations, and other working capital requirements over the next twelve months. Over the longer term, our ability to generate sufficient cash flows from operations necessary to fulfill the obligations under our 2004 Credit Facility and the Notes will depend on our future financial performance which will be affected by many factors outside of our control.

Off-Balance Sheet Arrangements and Contractual Obligations

We use off-balance sheet financing primarily to finance the lease of operating facilities. With the exception of a building acquired in connection with an acquisition completed during the year ended June 30, 2004, we have financed the use of all of our office and warehouse facilities through operating leases.

Operating leases are also used to finance the use of computers, servers, phone systems, and to a lesser extent, other fixed assets, such as furnishings, that are obtained in connection with business acquisitions. We generally assume the lease rights and obligations of companies acquired in business combinations and continue financing equipment under operating leases until the end of the lease term following the acquisition date. We generally do not finance capital expenditures with operating leases, but instead finance such purchases with available cash balances.

The following table summarizes our contractual obligations as of June 30, 2007 that require us to make future cash payments:

	Payments Due By Period				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
	(amounts in thousands)				
Contractual obligations:					
Long-term debt(1)	$338,625	$ 3,500	$ 7,000	$328,125	$ —
Capital lease obligations(2)	54	54	—	—	—
Convertible notes(1)	300,000	—	—	—	300,000
Acquired note payable(1)	4,097	4,097	—	—	—
Operating leases(3)	146,728	30,642	50,988	27,549	37,549
Other long-term liabilities reflected on our balance sheet under GAAP					
Other notes payable(1)	693	46	100	113	434
Deferred compensation(4)	42,527	4,788	7,758	4,173	25,808
Total	$832,724	$43,127	$65,846	$359,960	$363,791

(1) See note 13 to our consolidated financial statements for additional information regarding debt and related matters.
(2) The principal portion of capital lease obligations totaling $50,000 is included in our consolidated balance sheet at June 30, 2007.
(3) See note 14 to our consolidated financial statements for additional information regarding operating lease commitments.
(4) This liability is substantially offset by investments held by the plan provider to be reimbursed to us upon the payment of the liability to the plan participant. See note 20 to our consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosure About Market Risk

The interest rates on both the Term Loan and the Revolving Facility are affected by changes in market interest rates. A one percent change in interest rates on variable rate debt would have resulted in our interest expense fluctuating by approximately $2.5 million for the fiscal year ended June 30, 2007.

We seek to manage these fluctuations, in part, through interest rate swaps. As of June 30, 2007, we were party to two interest rate swap agreements with a notional amount of debt of $98.0 million that provide fixed-rate payments in lieu of floating rate payments over a twenty-seven month period beginning in March 2006. We continue to monitor market conditions to determine if additional interest rate swap agreements are appropriate.

Approximately 4.2 percent and 3.6 percent of our total revenues in FY2007 and FY2006, respectively, were derived from our international operations in the U.K. Our practice in the U.K. is to negotiate contracts in the same currency in which the predominant expenses are incurred, thereby mitigating the exposure to foreign currency exchange fluctuations. It is not possible to accomplish this in all cases; thus, there is some risk that profits will be affected by foreign currency exchange fluctuations. As of June 30, 2007 we held pounds sterling in the U.K. equivalent to approximately $18.2 million. This allows us to better utilize our cash resources on behalf of our foreign subsidiaries, thereby mitigating foreign currency conversion risks.

Item 8. Financial Statements and Supplementary Data

The Consolidated Financial Statements of CACI International Inc and subsidiaries are provided in Part IV in this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

We had no disagreements with our independent registered public accounting firm on accounting principles, practices or financial statement disclosure during and through the date of the consolidated financial statements included in this report.

Item 9A. Controls and Procedures

A. Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as defined in the Exchange Act Ruling 13a-15(e) and 15d-15(e), that are designed to ensure that information required to be disclosed in our periodic filings with the Securities and Exchange Commission (SEC) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Our disclosure controls and procedures are also designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), as appropriate, to allow timely decisions regarding required disclosure.

The effectiveness of a system of disclosure controls and procedures is subject to various inherent limitations, including cost limitations, judgments used in decision making, assumptions about the likelihood of future events, the soundness of internal controls, and fraud. Due to such inherent limitations, there can be only reasonable, and not absolute, assurance that any system of disclosure controls and procedures will be successful in detecting or preventing all errors or fraud, or in making all material information known in a timely manner to the appropriate levels of management.

We performed an evaluation of the effectiveness of our disclosure controls and procedures under the supervision of the CEO and CFO, as of June 30, 2007. Based on the evaluation procedures, our management, including the CEO and CFO, concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of June 30, 2007.

B. Internal Control Over Financial Reporting

The management of CACI International Inc is responsible for establishing and maintaining effective internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f), and for its assessment of the effectiveness of internal control over financial reporting.

We maintain internal controls over financial reporting that are designed to provide reasonable assurance regarding the reliability of financial reporting, and the preparation of financial statements. CACI International Inc's internal control over financial reporting includes those policies and procedures that 1) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles; 2) ensure the maintenance of records that accurately and fairly reflect our transactions; 3) ensure that our receipts, expenditures and asset dispositions are made in accordance with director and management authorizations; and 4) provide reasonable assurance that our assets are properly safeguarded.

With the participation of our CEO and CFO, we performed an evaluation of the effectiveness of the internal control over financial reporting to comply with the rules on internal control over financial reporting issued pursuant to the Sarbanes-Oxley Act of 2002. In making this evaluation, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control—Integrated Framework* . Based on the evaluation procedures, our management, including the CEO and CFO, concluded that, as of June 30, 2007, our internal control over financial reporting was effective based on those criteria. In addition, our independent registered public accounting firm evaluated the effectiveness of our internal control over financial reporting, and audited management's assessment of our internal control over financial reporting. Management's report on the effectiveness of internal control over financial reporting, and the independent auditors' report on management's assessment, are included in Part IV of this report.

C. Changes in Internal Control Over Financial Reporting

Under the supervision and with the participation of our management, an evaluation was also performed of any changes in our internal control procedures over financial reporting that occurred during our last fiscal quarter. Based on this evaluation, management determined there were no changes in our internal control over financial reporting that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART III

The Information required by Items 10, 11, 12, 13 and 14 of Part III of Form 10-K has been omitted in reliance on General Instruction G (3) and is incorporated herein by reference to our proxy statement to be filed with the SEC pursuant to Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended, except for the specific disclosures below:

Item 10. Officers, Directors and Executive Officers of the Registrant

Audit Committee and Financial Expert

The Board of Directors has determined that at least one member of our Audit Committee qualifies as an audit committee financial expert as that term is defined in Item 401(h) of Regulation S-K, and that at least one member of the Audit Committee, Director Richard L. Leatherwood, has accounting or related financial management expertise within the meaning of the listing standards of the New York Stock Exchange, and that each member of the Audit Committee is financially literate within the meaning of the listing standards of the New York Stock Exchange. Mr. Leatherwood is "independent" for the purposes of Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended, and the listing standards of the New York Stock Exchange.

Code of Ethics

We have adopted a code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer and persons performing similar functions. That code, our Standards of Ethics and Business Conduct, can be found posted in the "Investors" section of our website at www.caci.com and a printed copy of such code will be furnished to any shareholder who requests a copy.

We intend to disclose any amendment to the Standards of Ethics and Business Conduct that relates to any element of the code of ethics definition enumerated in Item 406(b) of Regulation S-K, and any waiver from a provision of the Standards of Ethics and Business Conduct granted to any director, principal executive officer, principal financial officer, principal accounting officer, or any other executive officer of the Company, in the "Investors" section of our website at www.caci.com within four business days following the date of such amendment or waiver.

Corporate Governance Guidelines

We have adopted a set of corporate governance guidelines in accordance with the requirements of the Section 303A of the New York Stock Exchange Listed Company Manual. Those guidelines can be found posted on our website at www.caci.com and a printed copy will be furnished to any shareholder who requests a copy.

Item 11. Executive Compensation

The information required by this Item 11 is included in the text and tables under the caption "Executive Officer Compensation" in our 2007 Proxy Statement for the annual meeting to be held with respect to the fiscal year ended June 30, 2007.

Item 12. Security Ownership Of Certain Beneficial Owners And Management

The information required by this Item 12 is included under the heading "Security Ownership of Certain Beneficial Owners and Management" in our 2007 Proxy Statement for the annual meeting to be held with respect to the fiscal year ended June 30, 2007.

Item 13. Certain Relationships and Related Transactions

The information required by Item 404 of Regulation S-K concerning certain relationships and related transactions is included under the caption “Director Compensation” in our 2007 Proxy Statement for the annual meeting to be held with respect to the fiscal year ended June 30, 2007.

Item 14. Principal Accounting Fees and Services

The information required by Item 9(e) of Schedule 14A concerning principal accounting fees and services is included under the caption “Fees Paid to Ernst & Young” in our 2007 Proxy Statement for the annual meeting to be held with respect to the fiscal year ended June 30, 2007.

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PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents filed as part of this Report

1. Financial Statements
   - A. Report of Management on Internal Control Over Financial Reporting
   - B. Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting
   - C. Report of Independent Registered Public Accounting Firm
   - D. Consolidated Statements of Operations for the fiscal years ended June 30, 2007, 2006 and 2005
   - E. Consolidated Balance Sheets as of June 30, 2007 and 2006
   - F. Consolidated Statements of Cash Flows for the fiscal years ended June 30, 2007, 2006 and 2005
   - G. Consolidated Statements of Shareholders' Equity for the fiscal years ended June 30, 2007, 2006 and 2005
   - H. Consolidated Statements of Comprehensive Income for the fiscal years ended June 30, 2007, 2006 and 2005
   - I. Notes to Consolidated Financial Statements
2. Supplementary Financial Data

   Schedule II—Valuation and Qualifying Accounts for the fiscal years ended June 30, 2007, 2006 and 2005

(b) Exhibits

Exhibit No.	Description	Filed with this Form 10-K	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

Exhibit No.	Description	Filed with this Form 10-K	Incorporated by Reference		
			Form	Filing Date	Exhibit No.
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
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
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

Exhibit No.	Description	Filed with this Form 10-K	Incorporated by Reference		
			Form	Filing Date	Exhibit No.
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

Exhibit No.	Description	Filed with this Form 10-K	Incorporated by Reference		
			Form	Filing Date	Exhibit No.
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.	X			
10.21	Amended and Restated Employment Agreement dated July 1, 2007 between J.P. London and CACI International Inc	X			
10.22	Employment Agreement dated July 1, 2007 between Paul M. Cofoni and CACI International Inc	X			
10.23	Severance Compensation Agreement dated July 1, 2007 between Gregory R. Bradford and CACI International Inc	X			
10.24	Severance Compensation Agreement dated July 1, 2007 between William M. Fairl and CACI International Inc	X			
21.1	Significant Subsidiaries of the Registrant	X			
23.1	Consent of Independent Registered Public Accounting Firm.	X			
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14 (a)/15d-14(a) of the Securities and Exchange Commission	X			
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14 (a)/15d-14(a) of the Securities and Exchange Commission	X			
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350	X			
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350	X			
99.1	Certification of Chief Executive Officer pursuant to Regulation 303A.12(b) of the New York Stock Exchange	X			

Report of Management on Internal Control Over Financial Reporting

August 27, 2007

To the Stockholders
CACI International Inc

The management of CACI International Inc is responsible for establishing and maintaining effective internal control over financial reporting, and for assessing the effectiveness of internal control over financial reporting. Management maintains a comprehensive system of internal controls intended to ensure that transactions are executed in accordance with management's authorization, that assets are safeguarded, and that financial records are reliable. CACI International Inc's internal control system is designed to provide reasonable assurance to Company management and its Board of Directors regarding the preparation and fair presentation of consolidated financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

Due to inherent limitations, internal control systems can provide only reasonable assurance with respect to financial statement preparation and presentation, and may not prevent or detect financial statement misstatements. Also, projections of any evaluation of internal control effectiveness to future periods are subject to the risk that existing controls may become inadequate because of changing conditions, or that the degree of compliance with existing policies and procedures may deteriorate.

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of CACI International Inc's internal control over financial reporting based on the framework and criteria established in *Internal Control-Integrated Framework* , issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, our management has concluded that CACI International Inc's internal control over financial reporting was effective as of June 30, 2007.

Ernst & Young LLP, an independent registered public accounting firm, has audited the Company's consolidated financial statements included herein and has reported on management's assessment of the effectiveness of the Company's internal control over financial reporting as of June 30, 2007.

/s/ PAUL M. COFONI
Paul M. Cofoni
President and
Chief Executive Officer

/s/ THOMAS A. MUTRYN
Thomas A. Mutryn
Executive Vice President and
Chief Financial Officer

Report of Independent Registered Public Accounting Firm
on Internal Control Over Financial Reporting

Board of Directors and Stockholders
CACI International Inc

We have audited management's assessment, included in the accompanying Report of Management on Internal Control Over Financial Reporting, that CACI International Inc maintained effective internal control over financial reporting as of June 30, 2007, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). CACI International Inc's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

In our opinion, management's assessment that CACI International Inc maintained effective internal control over financial reporting as of June 30, 2007, is fairly stated, in all material respects, based on the COSO criteria. Also, in our opinion, CACI International Inc maintained, in all material respects, effective internal control over financial reporting as of June 30, 2007, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of CACI International Inc as of June 30, 2007 and 2006, and the related consolidated statements of operations, shareholders' equity, cash flows, and comprehensive income for each of the three years in the period ended June 30, 2007 and our report dated August 27, 2007 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

McLean, Virginia
August 27, 2007

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
CACI International Inc

We have audited the accompanying consolidated balance sheets of CACI International Inc, as of June 30, 2007 and 2006, and the related consolidated statements of operations, shareholders' equity, cash flows and comprehensive income for each of the three years in the period ended June 30, 2007. Our audits also included the financial statement schedule listed in the Index at Item 15(a) (2). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of CACI International Inc at June 30, 2007 and 2006, and the consolidated results of its operations and its cash flows for each of the three years in the period ended June 30, 2007, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of CACI International Inc's internal control over financial reporting as of June 30, 2007, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated August 27, 2007, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

McLean, Virginia
August 27, 2007

CACI INTERNATIONAL INC

CONSOLIDATED STATEMENTS OF OPERATIONS
(amounts in thousands, except share and per share data)

	Fiscal year ended June 30,		
	2007	2006	2005
Revenue	$1,937,972	$1,755,324	$1,623,062
Costs of revenue:			
Direct costs	1,267,677	1,134,951	1,019,474
Indirect costs and selling expenses	485,359	436,656	429,434
Depreciation and amortization	39,083	33,437	32,022
Total costs of revenue	1,792,119	1,605,044	1,480,930
Income from operations	145,853	150,280	142,132
Interest expense and other	25,791	21,684	16,898
Interest income	(5,206)	(4,405)	(2,133)
Income before income taxes	125,268	133,001	127,367
Income taxes	46,736	48,161	47,642
Net income	$ 78,532	$ 84,840	$ 79,725
Basic earnings per share	$ 2.56	$ 2.81	$ 2.69
Diluted earnings per share	$ 2.51	$ 2.72	$ 2.61
Weighted-average basic shares outstanding	30,643	30,242	29,675
Weighted-average diluted shares outstanding	31,256	31,161	30,568

See Notes to Consolidated Financial Statements.

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CACI INTERNATIONAL INC

CONSOLIDATED BALANCE SHEETS
(amounts in thousands, except per share data)

	June 30, 2007	June 30, 2006
ASSETS		
Current assets:		
Cash and cash equivalents	$ 285,682	$ 24,650
Accounts receivable, net	386,150	392,013
Deferred income taxes	14,980	11,142
Prepaid expenses and other current assets	22,191	22,024
Total current assets	709,003	449,829
Goodwill	848,820	722,458
Intangible assets, net	113,270	109,726
Property and equipment, net	22,695	25,082
Supplemental retirement savings plan assets	40,544	32,137
Accounts receivable, long-term, net	10,657	10,170
Deferred income taxes	20,841	—
Other long-term assets	26,117	18,688
Total assets	$1,791,947	$1,368,090
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 7,643	$ 3,543
Accounts payable	59,827	44,921
Accrued compensation and benefits	96,978	93,398
Other accrued expenses and current liabilities	130,573	69,503
Total current liabilities	295,021	211,365
Long-term debt, net of current portion	635,772	364,317
Supplemental retirement savings plan obligations	37,808	32,734
Other long-term obligations	9,499	14,315
Total liabilities	978,100	622,731
Commitments and contingencies		
Shareholders' equity:		
Preferred stock $0.10 par value, 10,000 shares authorized, no shares issued	—	—
Common stock $0.10 par value, 80,000 shares authorized, 38,750 and 38,403 shares issued, respectively	3,875	3,840
Additional paid-in capital	347,207	314,573
Retained earnings	521,234	442,702
Accumulated other comprehensive income	8,605	5,840
Treasury stock, at cost (8,772 and 7,784 shares, respectively)	(67,074)	(21,596)
Total shareholders' equity	813,847	745,359
Total liabilities and shareholders' equity	$1,791,947	$1,368,090

See Notes to Consolidated Financial Statements.

CACI INTERNATIONAL INC

CONSOLIDATED STATEMENTS OF CASH FLOWS
(amounts in thousands)

	Fiscal year ended June 30,		
	2007	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 78,532	$ 84,840	$ 79,725
Reconciliation of net income to net cash provided by operating activities:			
Depreciation and amortization	39,083	33,437	32,022
Amortization of deferred financing costs	1,603	1,421	1,344
Stock-based compensation expense	13,019	15,496	11,207
Deferred income tax expense (benefit)	2,062	1,140	(9,665)
Changes in operating assets and liabilities, net of effect of business acquisitions:			
Accounts receivable, net	24,952	161	5,493
Prepaid expenses and other current assets	(5,778)	(8,487)	(1,390)
Accounts payable and other accrued expenses	12,850	(16,207)	(11,920)
Accrued compensation and benefits	359	(3,324)	8,293
Income taxes payable and receivable	(2,006)	(10,572)	4,366
Deferred rent expense	(1,574)	1,226	1,206
Supplemental retirement savings plan obligations and other long-term liabilities	4,929	7,956	5,875
Net cash provided by operating activities	168,031	107,087	126,556
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	(7,898)	(9,521)	(8,793)
Cash paid for business acquisitions, net of cash acquired	(106,212)	(244,293)	(6,647)
Other	(2,063)	(5,279)	(1,119)
Net cash used in investing activities	(116,173)	(259,093)	(16,559)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of convertible notes, net of transaction costs	292,654	—	—
Proceeds from borrowings under bank credit facilities	—	25,000	—
Payments made under bank credit facilities	(28,543)	(3,641)	(65,729)
Purchase of call options, net of proceeds from sale of warrants	(27,870)	—	—
Proceeds from employee stock purchase plans	5,378	7,158	7,261
Proceeds from exercise of stock options	8,524	10,422	16,351
Repurchases of common stock	(50,275)	(7,512)	(8,362)
Incremental tax benefit from stock-based compensation expense	8,083	11,883	10,490
Net cash provided by (used in) financing activities	207,951	43,310	(39,989)
Effect of exchange rate changes on cash and cash equivalents	1,223	381	(72)
Net increase (decrease) in cash and cash equivalents	261,032	(108,315)	69,936
Cash and cash equivalents, beginning of year	24,650	132,965	63,029
Cash and cash equivalents, end of year	$ 285,682	$ 24,650	$132,965
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid for income taxes, net of refunds	$ 38,703	$ 47,403	$ 43,438
Cash paid for interest	$ 22,499	$ 18,866	$ 16,674

See Notes to Consolidated Financial Statements.

CACI INTERNATIONAL INC

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(amounts in thousands)

	Preferred Stock		Common Stock		Additional	Retained	Accumulated Other Comprehensive	Treasury Stock		Total Shareholders'
	Shares	Amount	Shares	Amount	Paid-in Capital	Earnings	Income	Shares	Amount	Equity
BALANCE, June 30, 2004	—	—	36,956	$ 3,696	$ 243,869	$ 278,137	$ 3,660	7,815	$(22,872)	$ 506,490
Net income	—	—	—	—	—	79,725	—	—	—	79,725
Stock-based compensation expense	—	—	—	—	11,207	—	—	—	—	11,207
Exercise of stock options	—	—	851	85	26,528	—	—	—	—	26,613
Currency translation adjustment	—	—	—	—	—	—	(749)	—	—	(749)
Change in fair value of interest rate swap agreements	—	—	—	—	—	—	(190)	—	—	(190)
Repurchase of common stock	—	—	—	—	—	—	—	158	(8,362)	(8,362)
Treasury stock issued under stock purchase plans	—	—	—	—	(2,108)	—	—	(160)	8,408	6,300
BALANCE, June 30, 2005	—	—	37,807	3,781	279,496	357,862	2,721	7,813	(22,826)	621,034
Net income	—	—	—			84,840	—	—	—	84,840
Stock-based compensation expense	—	—	—		15,496	—	—	—	—	15,496
Exercise of stock options	—	—	596	59	21,044	—	—	—	—	21,103
Currency translation adjustment	—	—	—	—	—	—	1,458	—	—	1,458
Change in fair value of interest rate swap agreements	—	—	—	—	—	—	1,661	—	—	1,661
Repurchase of common stock	—	—	—	—	—	—	—	121	(7,512)	(7,512)
Treasury stock issued under stock purchase plans	—	—	—	—	(1,463)	—	—	(150)	8,742	7,279
BALANCE, June 30, 2006	—	—	38,403	3,840	314,573	442,702	5,840	7,784	(21,596)	745,359
Net income	—	—	—	—	—	78,532	—	—	—	78,532
Stock-based compensation expense	—	—	—	—	13,019	—	—	—	—	13,019
Exercise of stock options and vesting of restricted stock units	—	—	348	35	14,577	—	—	—	—	14,612
Purchase of call options, net of proceeds from sale of warrants	—	—	—	—	(27,870)	—	—	—	—	(27,870)
Tax benefit of call options	—	—	—	—	32,816	—	—	—	—	32,816
Currency translation adjustment	—	—	—	—	—	—	4,333	—	—	4,333
Change in fair value of interest rate swap agreements	—	—	—	—	—	—	(834)	—	—	(834)
Initial effect of adoption of Statement of Financial Accounting Standards No.158, *Employers Accounting for Defined Benefit Pension and Other Post-Retirement Plans*	—	—	—	—	—	—	(734)	—	—	(734)
Repurchases of common stock	—	—	—	—	—	—	—	1,091	(50,275)	(50,275)
Treasury stock issued under stock purchase plans	—	—	—	—	92	—	—	(103)	4,797	4,889
BALANCE, June 30, 2007	—	$ —	38,751	$ 3,875	$ 347,207	$ 521,234	$ 8,605	8,772	$(67,074)	$ 813,847

See Notes to Consolidated Financial Statements.

CACI INTERNATIONAL INC

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(amounts in thousands)

	Fiscal Year ended June 30,		
	2007	2006	2005
Net income	$78,532	$84,840	$79,725
Change in foreign currency translation adjustment	4,333	1,458	(749)
Initial recognition of prior service cost, net of tax, with the adoption of Statement of Financial Accounting Standards No. 158	(734)	—	—
Change in fair value of interest rate swap agreements	(834)	1,661	(190)
Comprehensive income	$81,297	$87,959	$78,786

See Notes to Consolidated Financial Statements.

CACI INTERNATIONAL INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND BASIS OF PRESENTATION

Business Activities

CACI International Inc, along with its wholly-owned subsidiaries and joint ventures that are more than 50% owned or otherwise controlled by it (collectively, the Company), is an international information systems, high technology services, and professional services corporation. It delivers information technology and communications solutions, along with professional services, to its clients, primarily the U.S. government. CACI's areas of expertise include: systems integration, managed network services, knowledge management and engineering services. The Company provides these services in support of U.S. national defense, intelligence and civilian agencies, agencies of foreign governments, state and local governments, and commercial enterprises.

The Company's operations are subject to certain risks and uncertainties including, among others, the dependence on contracts with federal government agencies, dependence on revenues derived from contracts awarded through competitive bidding, existence of contracts with fixed pricing, dependence on subcontractors to fulfill contractual obligations, dependence on key management personnel, ability to attract and retain qualified employees, ability to successfully integrate acquired companies, and current and potential competitors with greater resources.

Principles of Consolidation

The consolidated financial statements include the statements of CACI International Inc and its subsidiaries and joint ventures that are more than 50% owned or otherwise controlled by it. All intercompany balances and transactions have been eliminated in consolidation.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

The Company generates its revenue from three different types of contractual arrangements: cost-plus-fee contracts, time-and-materials contracts, and fixed price contracts. Revenue on cost-plus-fee contracts is recognized to the extent of costs incurred plus an estimate of the applicable fees earned. The Company considers fixed fees under cost-plus-fee contracts to be earned in proportion to the allowable costs incurred in performance of the contract. For cost-plus-fee contracts that include performance based fee incentives, and that are subject to the provisions of Statement of Position 81-1, *Accounting for Performance of Construction-Type and Certain Production-Type Contracts* (SOP 81-1), the Company recognizes the relevant portion of the expected fee to be awarded by the customer at the time such fee can be reasonably estimated, based on factors such as the Company's prior award experience and communications with the customer regarding performance. For such cost-plus-fee contracts subject to the provisions of U.S. Securities and Exchange Commission (SEC) Staff Accounting Bulletin (SAB) No. 104, *Revenue Recognition* (SAB 104), the Company recognizes the relevant portion of the fee upon customer approval. Revenue on time-and-material contracts is recognized to the extent of billable rates times hours delivered for services provided, to the extent of material cost for products delivered to customer, and to the extent expenses incurred on behalf of the customers. Shipping and handling fees charged to the customers are recognized as revenue at the time products are delivered to the customers.

The Company has four basic categories of fixed price contracts: fixed unit price, fixed price-level of effort, fixed price-completion, and fixed price-license. Revenue on fixed unit price contracts, where specified units of output under service arrangements are delivered, is recognized as units are delivered based on the specified price per unit. Revenue on fixed unit price maintenance contracts is recognized ratably over the length of the service period. Revenue for fixed-price level of effort contracts is recognized based upon the number of units of labor actually delivered multiplied by the agreed rate for each unit of labor.

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

A significant portion of the Company's fixed price-completion contracts involve the design and development of complex, client systems. For these contracts that are within the scope of SOP 81-1, revenue is recognized on the percentage-of-completion method using costs incurred in relation to total estimated costs. For fixed price-completion contracts that are not within the scope of SOP 81-1, revenue is generally recognized ratably over the service period. The Company's fixed price-license agreements and related services contracts are primarily executed in its international operations. As the agreements to deliver software require significant production, modification or customization of software, revenue is recognized using the contract accounting guidance of SOP 81-1. For agreements to deliver data under license and related services, revenue is recognized as the data is delivered and services are performed. Except for losses on contracts accounted for under SAB 104, provisions for estimated losses on uncompleted contracts are recorded in the period such losses are determined. Projected losses on contracts accounted for under SAB 104 are recognized as the services and materials are provided.

The Company's contracts may include the provision of more than one of its services. In these situations, the Company recognizes revenue in accordance with the Financial Accounting Standards Board's (FASB's) Emerging Issues Task Force (EITF) Issue 00-21, *Revenue Arrangements with Multiple Deliverables* . Accordingly, for applicable arrangements, revenue recognition includes the proper identification of separate units of accounting and the allocation of revenue across all elements based on relative fair values, with proper consideration given to the guidance provided by other authoritative literature.

Contract accounting requires judgment relative to assessing risks, estimating contract revenues and costs, and making assumptions for schedule and technical issues. Due to the size and nature of many of the Company's contracts, the estimation of total revenues and cost at completion is complicated and subject to many variables. Contract costs include material, labor and subcontracting costs, as well as an allocation of allowable indirect costs. Assumptions have to be made regarding the length of time to complete the contract because costs also include expected increases in wages and prices for materials. For contract change orders, claims or similar items, the Company applies judgment in estimating the amounts and assessing the potential for realization. These amounts are only included in contract value when they can be reliably estimated and realization is considered probable. Incentives or penalties related to performance on contracts are considered in estimating sales and profit rates, and are recorded when there is sufficient information for the Company to assess anticipated performance. Estimates of award fees for certain contracts are also a factor in estimating revenue and profit rates based on actual and anticipated awards.

Long-term development and production contracts make up a large portion of the Company's business, and therefore the amounts recorded in the Company's financial statements using contract accounting methods are material. For federal government contracts, the Company follows U.S. government procurement and accounting standards in assessing the allowability and the allocability of costs to contracts. Due to the significance of the judgments and estimation processes, it is likely that materially different amounts could be recorded if the Company used different assumptions or if the underlying circumstances were to change. The Company closely monitors compliance with, and the consistent application of, its critical accounting policies related to contract accounting. Business operations personnel conduct thorough periodic contract status and performance reviews. When adjustments in estimated contract revenues or costs are required, any changes from prior estimates are generally included in earnings in the current period. Also, regular and recurring evaluations of contract cost, scheduling and technical matters are performed by management personnel who are independent from the business operations personnel performing work under the contract. Costs incurred and allocated to contracts with the U.S. government are scrutinized for compliance with regulatory standards by Company personnel, and are subject to audit by the DCAA.

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

From time to time, the Company may proceed with work based on client direction prior to the completion and signing of formal contract documents. The Company has a formal review process for approving any such work. Revenue associated with such work is recognized only when it can be reliably estimated and realization is probable. The Company bases its estimates on previous experiences with the client, communications with the client regarding funding status, and its knowledge of available funding for the contract or program.

The Company's U.S. government contracts (approximately 94 percent of total revenue in the year ended June 30, 2007) are subject to subsequent government audit of direct and indirect costs. Incurred cost audits have been completed through June 30, 2002. Management does not anticipate any material adjustment to the consolidated financial statements in subsequent periods for audits not yet completed.

Costs of Revenue

Costs of revenue include all direct contract costs as well as indirect overhead costs and selling, general and administrative expenses that are allowable and allocable to contracts under federal procurement standards. Costs of revenue also include costs and expenses that are unallowable under applicable procurement standards, and are not allocable to contracts for billing purposes. Such costs and expenses do not directly generate revenues, but are necessary for business operations.

Cash and Cash Equivalents

The Company considers all investments with an original maturity of three months or fewer on their trade date to be cash equivalents. The Company classifies investments with an original maturity of more than three months, but less than twelve months on their trade date as short-term marketable securities.

Investments in Marketable Securities

From time to time the Company invests in marketable securities that are classified as available-for-sale using the accounting guidance in FASB Statement of Financial Accounting Standards (SFAS) No. 115 , *Accounting for Certain Investments in Debt and Equity Securities* (SFAS No. 115), and are reported at fair value. Unrealized gains and losses as a result of changes in the fair value of the available-for-sale investments are recorded as a separate component within accumulated other comprehensive income in the accompanying consolidated balance sheets. If these securities were instead determined to be trading securities, any unrealized gains or losses would be reported in the consolidated statement of operations and would impact net earnings.

The fair value of marketable securities is determined based on quoted market prices at the reporting date for those securities. The cost of securities sold is determined using the specific identification method. Premiums and discounts are amortized over the period from acquisition to maturity, and are included in investment income, along with interest and dividends.

Allowance For Doubtful Accounts

The Company establishes bad debt reserves against certain billed receivables based upon the latest information available to determine whether invoices are ultimately collectible. Whenever judgment is involved in determining the estimates, there is the potential for bad debt expense and the fair value of accounts receivable to be misstated. Given that the Company primarily serves the U.S. government and that, in management's opinion, the Company has sufficient controls in place to properly recognize revenue, the Company believes the risk to be relatively low that a misstatement of accounts receivable would have a material impact on its consolidated financial statements. Accounts receivable balances are written-off when the balance is deemed uncollectible after exhausting all reasonable means of collection.

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Goodwill

Goodwill represents the excess of costs over fair value of assets of businesses acquired. Effective July 1, 2001, the Company adopted SFAS No. 142, *Goodwill and Other Intangible Assets* (SFAS No. 142), which establishes financial accounting and reporting for acquired goodwill and other intangible assets. Goodwill and intangible assets acquired in a purchase business combination and determined to have an indefinite useful life are not amortized, but instead tested for impairment at least annually in accordance with the provisions of SFAS No. 142. SFAS No. 142 also requires that intangible assets with estimable useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with SFAS No. 144, *Accounting for Impairment or Disposal of Long-Lived Assets* (SFAS No. 144).

SFAS No. 142 requires that goodwill be tested for impairment at the reporting unit level at least annually, utilizing a two-step methodology. The initial step requires the Company to assess whether indications of impairment exist. If indications of impairment are determined to exist, the second step of measuring impairment is performed, wherein the fair value of the relevant reporting unit is compared to the carrying value, including goodwill, of such unit. If the fair value exceeds the carrying value, no impairment loss is recognized. However, if the carrying value of the reporting unit exceeds its fair value, the goodwill of the reporting unit is impaired.

The Company performs its annual testing for impairment of goodwill and other intangible assets as of June 30 of each year. Based on testing performed as of June 30, 2007, there were no indications of impairment.

Long-Lived Assets (Excluding Goodwill)

The Company follows the provisions of SFAS No. 144 in accounting for long-lived assets such as property and equipment and intangible assets subject to amortization. SFAS No. 144 requires that long-lived assets be reviewed for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss is recognized if the sum of the long-term undiscounted cash flows is less than the carrying amount of the long-lived asset being evaluated. Any write-downs are treated as permanent reductions in the carrying amount of the assets. The Company believes that the carrying values of its long-lived assets as of June 30, 2007 and 2006 are fully realizable.

Property and Equipment

Property and equipment is recorded at cost. Depreciation of equipment and furniture has been provided over the estimated useful life of the respective assets (ranging from three to seven years) using the straight-line method. The Company's building is being depreciated over a 20-year period on a straight-line basis. Leasehold improvements are generally amortized using the straight-line method over the remaining lease term or the useful life of the improvements, whichever is shorter. Repairs and maintenance costs are expensed as incurred.

External Software Development Costs

Costs incurred in creating a software product to be sold or licensed for external use are charged to expense when incurred as indirect costs and selling expenses until technological feasibility has been established for the software. Technological feasibility is established upon completion of a detailed program design or, in its absence, completion of a working software version. Thereafter, all such software development costs are capitalized and subsequently reported at the lower of unamortized cost or estimated net realizable value. Capitalized costs are amortized on a straight-line basis over the remaining estimated economic life of the product.

Internal Software Development Costs

The Company follows the provisions of Statement of Position 98-1, *Accounting for the Costs of Computer Software Developed or Obtained for Internal Use* (SOP 98-1), as issued by the American Institute of Certified

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Public Accountants in accounting for development costs of software to be used internally. SOP 98-1 requires that both internal and external costs incurred to develop internal-use computer software during the application development stage be capitalized and subsequently amortized over the estimated economic useful life of the software. The Company amortizes such costs over periods ranging from 5 to 10 years.

Supplemental Retirement Savings Plan

The Company maintains a non-qualified defined contribution supplemental retirement savings plan for certain key employees whereby participants may elect to defer and contribute a portion of their compensation, as permitted by the plan. The Company maintains supplemental retirement savings plan assets that are accounted for in accordance with EITF Issue No. 97-14, *Accounting for Deferred Compensation Arrangements Where Accounts are Held in a Rabbi Trust and Invested* (EITF 97-14), and the underlying assets are held in a Rabbi Trust. The participants can direct their investments in the supplemental retirement plan savings (see note 20).

A Rabbi Trust is a grantor trust established to fund compensation for a select group of management. The assets of this trust are available to satisfy the claims of general creditors in the event of bankruptcy of the Company. The assets held by the Rabbi Trust, which are classified as trading securities, are recorded at fair value in the consolidated financial statements as supplemental retirement savings plan assets. The participants' investments are recorded at fair value as supplemental retirement savings plan obligations.

Deferred Financing Costs

Costs associated with obtaining the Company's financing arrangements are deferred and amortized over the term of the financing arrangements using the effective interest method.

Income Taxes

Income taxes are accounted for using the asset and liability method under SFAS No. 109, *Accounting for Income Taxes* (SFAS No. 109), whereby deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of assets and liabilities, and their respective tax bases, and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities due to a change in tax rates is recognized in income in the period that includes the enactment date. Estimates of the realizability of deferred tax assets are based on the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies.

Costs of Acquisitions

Costs incurred by legal, financial and other professional advisors that are directly related to successful acquisitions are capitalized as a cost of the acquisition, while costs incurred by the Company for unsuccessful or terminated acquisition opportunities are expensed when the Company determines that the opportunity will no longer be pursued. Costs incurred on anticipated acquisitions are deferred and are included in other long-term assets in the accompanying consolidated balance sheets.

Research and Development Costs

Company-sponsored research and development costs, including costs to develop proprietary software for external use prior to establishing technological feasibility, are expensed as incurred. Such expenses are included in indirect costs and selling expenses in the accompanying consolidated statements of operations.

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Foreign Currency Translation

The assets and liabilities of the Company's foreign subsidiaries whose functional currency is other than the U.S. dollar are translated at the exchange rate in effect on the reporting date, and income and expenses are translated at the weighted-average exchange rate during the period. The Company's primary practice is to negotiate contracts in the same currency in which the predominant expenses are incurred, thereby mitigating the exposure to foreign currency fluctuations. The net translation gains and losses are not included in determining net income, but are accumulated as a separate component of shareholders' equity. Foreign currency transaction gains and losses are included in determining net income, but are insignificant. These costs are included as indirect costs and selling expenses in the accompanying consolidated statements of operations.

Earnings Per Share

Basic and diluted earnings per share are presented in conformity with SFAS No. 128, *Earnings Per Share* (SFAS No. 128). Basic earnings per share is computed using the sum of the weighted-average number of shares of common stock outstanding during the period and shares issued during the period are weighted for the portion of the period that they were outstanding. Diluted earnings per share is computed in a manner similar to that used for basic earnings per share after giving effect to the dilutive effects of the exercise of stock settled stock appreciation rights and stock options and the vesting of restricted stock and restricted stock units. Information about the weighted-average number of basic and diluted shares is presented in note 22.

Derivative Instrument and Hedging Activities

The Company accounts for derivative instruments and hedging activities in accordance with SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities* (SFAS No. 133), as amended. Derivatives are recognized as either assets or liabilities in the consolidated balance sheet, and gains and losses are recognized based on changes in the fair values. Gains and losses on derivatives designated as a hedge, or deemed to be an effective hedge, are deferred in accumulated other comprehensive income in the accompanying consolidated balance sheets, and then recognized upon contract completion. Gains and losses on derivatives that are not designated as a hedge, or that are not intended to be an effective hedge, are recognized upon the changes in fair values and are recorded in the accompanying consolidated statements of operations. The classification of gains and losses resulting from the changes in fair values is dependent on the intended use of the derivative and its resulting designation. The Company uses the change in variable cash flow method to measure the effectiveness of its hedges.

From time to time the Company will enter into interest rate swap agreements to manage exposure to fluctuations in rates on its variable rate debt. These agreements effectively allow the Company to exchange variable rate debt for fixed rate debt. The Company enters into such derivative instrument agreements only to hedge cash flows. The Company does not hold or issue such financial instruments for trading purposes, nor is it a party to leveraged derivatives. As of June 30, 2007, the Company was party to two interest rate swap agreements (note 13).

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and amounts included in other current assets and current liabilities that meet the definition of a financial instrument approximate fair value because of the short-term nature of these amounts.

The fair value of the Company's long-term debt is estimated by discounting the future cash flows at rates currently offered to the Company for similar debt instruments of comparable maturities by the Company's lenders. The fair value of the long-term debt approximates its carrying value at June 30, 2007. The fair value of the Company's interest rate swaps as of June 30, 2007 was based on current market pricing models (note 13).

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to credit risk include accounts receivable and cash equivalents. Management believes that credit risk related to the Company's accounts receivable is limited due to a large number of customers in differing segments and agencies of the U.S. government. Accounts receivable credit risk is also limited due to the creditworthiness of the U.S. government. Management believes the credit risk associated with the Company's cash equivalents is limited due to the credit worthiness of the obligors of the investments underlying the cash equivalents. In addition, although the Company maintains cash balances at financial institutions that exceed federally insured limits, these balances are placed with high quality financial institutions.

Comprehensive Income

Comprehensive income is the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. Other comprehensive income refers to revenue, expenses, and gains and losses that under U.S. generally accepted accounting principles are included in comprehensive income, but excluded from the determination of net income. The elements within other comprehensive income, net of tax, consisted of foreign currency translation adjustments, the changes in the fair value of interest rate swap agreements and the initial recognition of prior service costs and net gains and losses with the adoption of SFAS No. 158, *Employers Accounting for Defined Benefit Pension and Other Post-Retirement Plans – an amendment of FASB Statements No. 87, 88, 106 and 132(R),* (SFAS No. 158).

As of June 30, 2007 the accumulated other comprehensive income, net of income tax effects, included gains of $8.7 million related to the foreign currency translation adjustments and $0.6 million related to the fair value of the interest rate swaps. These gains were partially offset by $0.7 million of unrecognized post-retirement medical plan costs and related plan net gains and losses that were recorded effective June 30, 2007 with the adoption of SFAS No. 158 (see note 5).

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported periods. The significant management estimates include estimated costs to complete fixed-price contracts, estimated award fees for contracts accounted for under SOP 81-1, amortization period for long-lived intangible assets, recoverability of long-lived assets, reserves for accounts receivable, fair values of options granted and loss contingencies. Actual results could differ from these estimates.

Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated.

Reclassifications

Certain reclassifications have been made to the prior years' financial statements in order to conform to the current presentation.

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

NOTE 3. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Stock Based Compensation

Effective July 1, 2005, the Company adopted SFAS No. 123R, *Share Based Payment* (SFAS No. 123R), using the modified retrospective application transition method. Prior to July 1, 2005, the Company had accounted for stock-based compensation using the intrinsic method under Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees* (APB No. 25), as amended by FASB Interpretation No. 44, *Accounting for Certain Transactions Involving Stock Compensation.* The Company also followed the disclosure provisions of SFAS No. 123, *Accounting for Stock Based Compensation* (SFAS No. 123), for periods prior to July 1, 2005.

Under the modified retrospective application method, the Company restated its consolidated statements of operations, comprehensive income, and cash flows for each of the years in the three-year period ended June 30, 2005, and its consolidated balance sheets as of June 30, 2005 and 2004. Restatements of selected footnote disclosures in the consolidated financial statements included with the Company's Annual Report on Form 10-K/A for the year ended June 30, 2005, have also been made. On June 6, 2006, the Company filed these restated consolidated financial statements, as a Current Report on Form 8-K, with the SEC.

Under the modified retrospective application transition method, the Company calculated the cumulative impact of stock-based compensation expense as though it had adopted the provisions of SFAS No. 123 effective July 1, 1995. The impact of stock-based compensation expense on earnings, comprehensive income, deferred income taxes, additional paid-in-capital, and cash flows for all equity grants made since this date have been calculated. The accompanying consolidated statement of operations, comprehensive income, and cash flows for the year ended June 30, 2005, reflect the retroactive adoption of SFAS No. 123R. The impact on statement of operations and cash flows as previously reported for that year is as follows:

	Amounts Reported for the Year Ended June 30, 2005 (in thousands except per share amounts)		
	As Previously Reported	Effect of Retrospective Application of SFAS No. 123R	As Restated
Consolidated Statement of Operations:			
Indirect costs and selling expenses	$ 420,502	$ 8,932	$429,434
Income from operations	151,064	(8,932)	142,132
Income before income taxes	136,299	(8,932)	127,367
Income taxes	50,983	(3,341)	47,642
Net income	$ 85,316	$ (5,591)	$ 79,725
Earnings per share:			
Basic	$ 2.88	$ (0.19)	$ 2.69
Diluted	$ 2.79	$ (0.18)	$ 2.61
Consolidated Statement of Cash Flows:			
Cash flows provided by operations	$ 137,046	$ (10,490)	$126,556
Cash flows used in financing activities	$ (50,479)	$ 10,490	$ (39,989)
Consolidated Statement of Comprehensive Income:			
Comprehensive income	$ 84,377	$ (5,591)	$ 78,786

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

In conjunction with its adoption of SFAS No. 123R, the Company began recognizing the expense associated with restricted stock units (RSUs) and non-qualified stock options granted to employees that have reached, or are close to reaching, age 65, in accordance with Issue No. 19 of EITF Bulletin No. 00-23, *Issues Related to the Accounting for Stock Compensation under APB Opinion No. 25 and FASB Interpretation No. 44* , (EITF 00-23, Issue 19). EITF 00-23, Issue 19 requires that the value of equity instruments awarded to employees that are eligible for retirement, and that contain terms which provide for immediate vesting upon retirement, be recognized in full upon grant. Issue 19 of EITF 00-23 also requires that the value of such equity instruments granted to employees nearing retirement age be recognized ratably over the period from the date of grant, to the date the grantee is eligible for retirement. Immediate recognition of expense (the non-substantive vesting method) is required under Issue 19 of EITF 00-23 even when the grantee has, or plans to, remain an employee of the Company beyond the eligible retirement age.

The Company did not apply the non-substantive vesting method in recognizing compensation expense pertaining to RSUs in its consolidated financial statements for the year ended June 30, 2005. In accordance with SFAS No. 123R, the Company maintained its application methods in this period when the modified retrospective restatement was completed. Furthermore, the Company did not apply the provisions of Issue 19 of EITF 00-23 when disclosing in the footnotes to its consolidated financial statements under the provisions of SFAS No. 123 the pro-forma effect of stock-based compensation expense pertaining to stock options granted to those age 65 or older. Had the Company applied the provisions of Issue 19 of EITF 00-23 to its stock compensation expense for the year ended June 30, 2005, its net income and basic and diluted earnings per share would have been affected as follows (unaudited) (in thousands except per share amounts):

	Amounts as Restated for Retroactive Application of SFAS No. 123R	Effect of Retirement Vesting Provisions on Stock-Based Compensation Expense	Amounts Adjusted to Reflect Retirement Vesting Provisions
Year Ended June 30, 2005:			
Net income	$ 79,725	$ (1,366)	$ 78,359
Weighted-average earnings per share:			
Basic	$ 2.69	$ (0.05)	$ 2.64
Diluted	$ 2.61	$ (0.04)	$ 2.57

Other Accounting Pronouncements

In June 2006, the EITF reached a consensus on Issue No. 06-3, *How Sales Taxes Collected from Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement (That Is, Gross Versus Net Presentation)* (EITF 06-3) by concluding that companies should disclose their accounting policy (i.e., gross or net presentation) regarding presentation of taxes within the scope of this issue. The Task Force also concluded that once the new standard is effective (January 1, 2007), companies should disclose the amount of such taxes for periods in which these taxes included in gross revenues are considered material. The Company collects and remits sales taxes on equipment that it purchases and sells under its contracts with customers, and reports such amounts under the gross method as revenue, and as other direct costs, in its consolidated statements of operations. The Company has evaluated the amount of sales taxes collected and remitted to government authorities in recent years and determined that such amounts are insignificant. The Company will monitor amounts of sales taxes collected and remitted in future periods and will disclose such amounts if they are material.

In July 2006, the FASB issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FIN No. 48), which prescribes a recognition threshold and measurement process for recording in the financial

statements uncertain tax positions taken or expected to be taken in a tax return. Additionally, FIN No. 48 provides guidance on the recognition, classification, accounting in interim periods and disclosure requirements for uncertain tax positions. The provisions of FIN No. 48 will be effective for the Company on July 1, 2007. The Company is in the process of determining the effect, if any, the adoption of FIN No. 48 will have on its financial statements and related disclosures.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* (SFAS No. 157). SFAS No. 157 establishes a framework for measuring fair value in generally accepted accounting principles, clarifies the definition of fair value and expands disclosures about fair value measurements. SFAS No. 157 does not require any new fair value measurements. However, the application of SFAS No. 157 may change current practice for some entities. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company does not expect the adoption of SFAS No. 157 to have a material impact on its results of operations or financial position.

In September 2006, the FASB issued SFAS No. 158, which requires companies to recognize in their balance sheets any under- or over-funded status of defined benefit post-retirement plans and applies to the post-retirement medical benefits offered to certain current and former executives, and to the supplemental retirement plan covering the Company's current chief executive officer. The Company adopted the provisions of SFAS No. 158 effective June 30, 2007 by recording approximately $1.2 million of unrecognized prior service costs and net losses as accrued benefits. This additional liability is reflected within other long-term liabilities in the accompanying consolidated balance sheet, and the offset to this, net of income tax effects of $0.5 million, has been recorded as a reduction to accumulated other comprehensive income within stockholders' equity.

In September 2006, the SEC issued SAB No. 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements* (SAB No. 108). SAB No. 108 requires companies to use both a balance sheet and an income statement approach when quantifying and evaluating the materiality of a misstatement, and contains guidance on correcting errors under the dual approach. SAB No. 108 also provides transition guidance for correcting errors existing in prior years. SAB No. 108 was effective for the Company as of June 30, 2007 and the Company's adoption of this standard did not have a material impact on its results of operations or financial position.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115* (SFAS No. 159). SFAS No. 159 permits entities to choose to measure certain financial instruments and other items at fair value. The fair value option generally may be applied instrument by instrument, is irrevocable, and is applied only to entire instruments and not to portions of instruments. SFAS No. 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007. The Company has not yet evaluated what impact, if any, SFAS No. 159 will have on its results of operations or financial position.

NOTE 4. ACQUISITIONS

Year Ended June 30, 2007

During the year ended June 30, 2007, the Company completed acquisitions of two businesses, both in the U.S., as follows:

- On May 31, 2007, 100% of the common stock of Institute for Quality Management, Inc (IQM) a company providing management consulting and operational support services to the intelligence community and homeland security markets; and

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

- On June 29, 2007, 100% of the common stock of The Wexford Group International, Inc (WGI) a company providing management and technical consulting services in the areas of acquisition management, strategic communications, the application of technology to improve operations, and the enhancement of an enterprise's management, organization, and performance. Major clients include Departments of the Army, Navy, and Air Force as well as Department of Information Systems Agency (DISA) and the Deployment Health Support Directorate.

The total consideration paid for these two businesses, including transaction costs and the assumption of $4.1 million of debt, was $159.9 million. The Company has recognized estimated fair values of the assets acquired and liabilities assumed and has preliminarily allocated a portion of the total consideration paid to identifiable intangible assets and goodwill, as follows (in thousands):

Accounts receivable	$ 17,860
Prepaid expenses and property and equipment	1,634
Contract backlog and customer relationships value	25,283
Goodwill	121,042
Other assets	6,059
Accounts payable	(2,093)
Other accrued expenses	(4,552)
Accrued compensation	(2,249)
Other liabilities	(3,060)
Total consideration paid	$159,924

Of the total consideration, $49.0 million was paid to the selling shareholders of WGI in July 2007 (see note 12) and $17.0 million was paid into separate escrow accounts, to secure satisfaction of the sellers' representations and warranties as provided for in the acquisition agreements. At the expiration of the representation and warranty period of two years in the case of each acquisition, remaining escrowed funds, if any, will be remitted to the respective selling shareholders.

The fair values as reported above represent management's estimates of the fair values as of the acquisition dates for each purchase completed during the year ended June 30, 2007, and are based on initial analysis of supporting information. The Company, with assistance from an independent valuation specialist, is in the process of completing its detailed valuation of the assets acquired and liabilities assumed. The final results of the valuations may differ from management's estimate currently recorded, and the balances will be adjusted to reflect final results. Management, however, does not expect that any such adjustments will have a material effect on the Company's financial position or results of operations. The Company is amortizing substantially all of the identifiable intangible assets on an accelerated basis over nine years.

In connection with both acquisitions, the Company may be required to pay additional consideration, or receive a refund of consideration, based on the final agreed upon net worth of the tangible assets acquired, as defined. Subsequent to June 30, 2007, the Company and the selling shareholders of IQM agreed upon the final net worth of the IQM tangible assets acquired. In connection with this agreement, the Company paid the IQM selling shareholders additional consideration of $0.2 million. The Company and the selling shareholders of WGI are currently working to finalize the WGI net worth calculation. The Company expects that the calculation will result in the payment of approximately $2.1 million in additional consideration payable to the WGI selling shareholders. The Company has recorded both of these amounts as estimated accrued additional purchase consideration as of June 30, 2007.

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

During the year ended June 30, 2007, these two businesses generated $1.2 million of revenue from the dates of acquisition through the Company's fiscal year end.

Year Ended June 30, 2006

During the year ended June 30, 2006, the Company completed acquisitions of five businesses, three in the U.S., and two in the U.K. The acquisitions completed in the U.S. were:

- On October 15, 2005, 100 percent of the common stock of National Security Research, Inc. (NSR), a company which provided strategic consulting services in the areas of national security policies, homeland security initiatives, missile defense systems, and command and control initiatives of the Department of Defense. NSR customers included various agencies of the Departments of Defense and Homeland Security, and major aerospace and defense companies;
- On March 1, 2006, substantially all of the assets of Information Systems Support, Inc. (ISS), a provider of information technology, communications and logistics services to the U.S. Army, Navy, Air Force, the Social Security Administration, the General Services Administration, and the Departments of Justice and Transportation; and
- On May 1, 2006, 100 percent of the outstanding stock of AlphaInsight, Inc. (AI), an information technology company that provided primarily software and systems engineering, network engineering and management, and information assurance and security assurance to various federal agencies including the Departments of State, Justice, and Homeland Security.

Acquisitions completed in the U.K. were:

- On October 1, 2005, 100 percent of the outstanding stock of Tech Computer Office Limited (TCO), a company which sold proprietary resource management software to agencies of the U.K. government, and related specialized software systems to architects and engineers; and
- On May 31, 2006, 100 percent of the outstanding common stock of Sophron Partners Limited (Sophron), a consulting company which specialized in strategic sales, customer contact planning, call center analysis, marketing database design, and marketing campaign management services.

The total consideration paid for the five businesses during the year was $257.0 million, including transaction costs. The acquisition of ISS was the largest of the five businesses acquired; representing $145.8 million of the total consideration paid during the year ended June 30, 2006. Excluding the purchase of AI, the Company funded the acquisitions with available cash balances. The purchase of AI was funded with available cash and $25.0 million of borrowings under a revolving credit facility (note 13).

In addition to the consideration paid as of June 30, 2006, the Company may be required to pay up to an additional $10.4 million for AI based on revenue earned on contracts that fall under the small business and 8(A) sections of federal contract regulations. In March 2007, the Company paid $4.4 million of this contingent consideration and recorded this amount as additional goodwill. The remaining contingent consideration will be paid in April 2008 if the revenue targets for this work are achieved. Any additional consideration paid will also be recorded as an increase to goodwill.

In January 2007, the Company paid an additional $1.6 million to the selling shareholders of ISS based on the final agreed-upon net worth of the tangible assets acquired, as defined in the purchase agreement. This additional consideration has been recorded as an increase to goodwill.

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The Company is scheduled to make additional payments of up to approximately $7.8 million for the two acquisitions in the U.K. The payments, which are subject to financial goals and warranty claims, will be made on an installment basis over a two-year period for the acquisition of TCO, and over a three-year period for the acquisition of Sophron. Additional payments of $1.2 million were made during the year ended June 30, 2007. This additional consideration has been recorded as an increase to goodwill.

Year Ended June 30, 2005

In August 2004, the Company acquired all of the outstanding capital stock of IMAJ Consulting Limited (IMAJ), a U.K. based company that provided classical statistics and advanced intelligent system consulting services for various analytical projects. The purchase consideration was $3.7 million, and based on the fair values of the net liabilities assumed, and $0.9 million of value assigned to identifiable intangible assets, the Company recognized $3.0 million of goodwill. The intangible assets are being amortized on a straight-line basis over a 5-year period.

Pro Forma Information (unaudited)

The following unaudited pro forma combined condensed statement of operations information sets forth the consolidated revenue, net income and diluted earnings per share of the Company for the years ended June 30, 2007 and 2006 as if each of the above-mentioned acquisitions completed during the years ended June 30, 2007 and 2006 had occurred as of July 1, 2005. This unaudited pro forma information does not purport to be indicative of the actual results that would have occurred if these acquisitions had actually been completed at the start of the fiscal years as indicated (in thousands except per share amounts):

	Year Ended June 30,	
	2007	2006
Revenue	$ 2,025,516	$ 2,013,886
Net income	79,079	90,563
Diluted earnings per share	2.53	2.91

NOTE 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following (in thousands):

	June 30,	
	2007	2006
Money market funds	$223,771	$17,675
Cash	61,911	6,975
Total cash and cash equivalents	$285,682	$24,650

Included in the cash balance at June 30, 2007 was $49.0 million of cash paid in July 2007 in connection with the acquisition of WGI.

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

NOTE 6. ACCOUNTS RECEIVABLE

Total accounts receivable are net of allowance for doubtful accounts of approximately $3.5 million and $4.6 million at June 30, 2007 and 2006, respectively, and consisted of the following (in thousands):

	June 30,	
	2007	2006
Billed receivables	$301,005	$300,903
Billable receivables at end of period	44,510	48,176
Unbilled receivables pending receipt of contractual documents authorizing billing	40,635	42,934
Total accounts receivable, current	386,150	392,013
Unbilled receivables, retainages and fee withholdings expected to be billed beyond the next 12 months	10,657	10,170
Total accounts receivable	$396,807	$402,183

NOTE 7. GOODWILL

For the year ended June 30, 2007, goodwill increased primarily as a result of the acquisitions of two companies (note 4) for which goodwill of $121.0 million was recognized. Several of the acquisitions completed by the Company are structured in a manner whereby goodwill is deductible for income tax purposes. Of the Company's $848.8 million of goodwill as of June 30, 2007, $550.0 million is deductible for income tax purposes.

NOTE 8. INTANGIBLE ASSETS

Intangible assets related to customer contracts and programs acquired are as follows (in thousands):

	June 30,	
	2007	2006
Customer contracts and related customer relationships	$185,923	$160,049
Covenants not to compete	1,682	1,682
Other	746	746
Intangible assets	188,351	162,477
Less accumulated amortization	(75,081)	(52,751)
Total intangible assets, net	$113,270	$109,726

Intangible assets are primarily amortized on an accelerated basis over periods ranging from 12 to 120 months. The weighted-average period of amortization for all intangible assets as of June 30, 2007 is 8.2 years, and the weighted-average remaining period of amortization is 6.5 years. Effective July 16, 2006, the Company sold its rights under certain tasks of a contract relating to the Surface Ship Maintenance Improvement Program (SSMIP) to an unrelated third party (see note 18). As a result of this sale, $3.2 million of fully amortized intangible assets were removed from cost of intangible assets and accumulated amortization during the first quarter of the fiscal year ended June 30, 2007.

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Amortization expense for the years ended June 30, 2007, 2006 and 2005 was $25.7 million, $20.6 million and $19.3 million, respectively. Expected amortization expense for each of the fiscal years through June 30, 2012 and for periods thereafter is as follows (in thousands):

	Amount
Year ended June 30, 2008	$ 27,496
Year ended June 30, 2009	24,895
Year ended June 30, 2010	22,617
Year ended June 30, 2011	17,452
Year ended June 30, 2012	9,487
Thereafter	11,323
Total intangible assets, net	$113,270

NOTE 9. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following (in thousands):

	June 30,	
	2007	2006
Equipment and furniture	$ 52,584	$ 51,863
Leasehold improvements	25,515	23,694
Building and land	479	479
Property and equipment, at cost	78,578	76,036
Less accumulated depreciation and amortization	(55,883)	(50,954)
Total property and equipment, net	$ 22,695	$ 25,082

Depreciation expense, including amortization of leasehold improvements and assets capitalized under capital lease agreements, was $11.2 million, $10.7 million and $10.4 million for the years ended June 30, 2007, 2006 and 2005, respectively.

NOTE 10. CAPITALIZED EXTERNAL SOFTWARE DEVELOPMENT COSTS

A summary of changes in external capitalized software development costs, including costs capitalized and amortized during each of the years in the three-year period ended June 30, 2007, is as follows (in thousands):

	Year Ended June 30,		
	2007	2006	2005
Capitalized software development costs, beginning of year	$ 8,296	$ 4,261	$ 4,911
Capitalized development costs	3,377	6,141	1,699
Amortization	(2,221)	(2,106)	(2,349)
Capitalized software development costs, end of year	$ 9,452	$ 8,296	$ 4,261

The $3.4 million of costs capitalized during the year ended June 30, 2007 pertains to development upgrades to proprietary software. Capitalized software development costs are presented within other long-term assets in the accompanying consolidated balance sheets.

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

NOTE 11. ACCRUED COMPENSATION AND BENEFITS

Accrued compensation and benefits consisted of the following (in thousands):

	June 30,	
	2007	2006
Accrued salaries and withholdings	$49,557	$48,613
Accrued leave	38,657	35,845
Accrued fringe benefits	8,764	8,940
Total accrued compensation and benefits	$96,978	$93,398

NOTE 12. OTHER ACCRUED EXPENSES AND CURRENT LIABILITIES

Other accrued expenses and current liabilities consisted of the following (in thousands):

	June 30,	
	2007	2006
Vendor obligations	$ 50,918	$40,617
Acquisition consideration payable	48,970	—
Deferred revenue	16,254	15,537
Income taxes payable	3,448	1,138
Accrued sales and property taxes	3,071	3,239
Accrued interest	3,059	1,386
Contract loss reserves	209	3,992
Other	4,644	3,594
Total other accrued expenses and current liabilities	$130,573	$69,503

The acquisition consideration payable balance of $49.0 million as of June 30, 2007 represents purchase consideration due to a selling shareholder of WGI (note 4) which was paid in full in July 2007. The contract loss reserves as of June 30, 2006 represent the costs required to fulfill obligations under two fixed-price software development contracts acquired as part of the May 1, 2004 acquisition of the Defense and Intelligence Group (D&IG) of American Management Systems, Inc. As of June 30, 2007, the Company had fulfilled its obligations on one of the contracts and expects to fulfill its obligations on the other by September 30, 2007.

NOTE 13. LONG TERM DEBT

Long-term debt consisted of the following (in thousands):

	June 30,	
	2007	2006
Bank credit facilities:		
Revolving credit loans	$ —	$ 25,000
Term loans	338,625	342,125
Convertible notes payable	300,000	—
Acquired note payable	4,097	—
Mortgage note payable	693	735
Total long-term debt	$643,415	$367,860
Less current portion	(7,643)	(3,543)
Long-term debt, net of current portion	$635,772	$364,317

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Convertible Notes Payable

Effective May 16, 2007, the Company issued an aggregate of $300.0 million of 2.125% convertible senior subordinated notes (the Notes) that mature on May 1, 2014 in a private placement pursuant to Rule 144A of the Securities Act of 1933. The aggregate principal amount of the Notes sold reflects the full exercise by the initial purchasers of their option to purchase additional Notes to cover over-allotments. The Notes were issued at par value and are subordinate to the Company's senior secured debt. Interest on the Notes is payable on May 1 and November 1 of each year. The Company has filed a registration statement with the SEC to register resales of the Notes and the common stock issuable upon conversion of the Notes, and expects that the registration statement will be effective no later than November 12, 2007, 180 days from the date of closing.

Holders may convert their notes at a conversion rate of 18.2989 shares of CACI common stock for each $1,000 of note principal (an initial conversion price of $54.65 per share) under the following circumstances: 1) if the last reported sale price of CACI stock is greater than or equal to 130% of the applicable conversion price for at least 20 trading days in the period of 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter; 2) during the five consecutive business day period immediately after any five consecutive trading day period (the note measurement period) in which the average of the trading price per $1,000 principal amount of convertible note was equal to or less than 97% of the average product of the closing price of a share of the Company's common stock and the conversion rate of each date during the note measurement period; 3) upon the occurrence of certain corporate events, as defined; or 4) during the last three-month period prior to maturity. CACI is required to satisfy 100% of the principal amount of these notes solely in cash, with any amounts above the principal amount to be satisfied in common stock. As of June 30, 2007, none of the conditions permitting conversion of the Notes had been satisfied.

In the event of a fundamental change, as defined, holders may require the Company to repurchase the Notes at a price equal to the principal amount plus any accrued interest. Also, if certain fundamental changes occur prior to maturity, the Company will in certain circumstances increase the conversion rate by a number of additional shares of common stock or, in lieu thereof, the Company may in certain circumstances elect to adjust the conversion rate and related conversion obligation so that these notes are convertible into shares of the acquiring or surviving company. The Company is not permitted to redeem the Notes.

The fair value of the Notes as of June 30, 2007 was $319.9 million based on quoted market values.

The contingently issuable shares are not included in CACI's diluted share count for the fiscal year ended June 30, 2007, because CACI's average stock price during that period was below the conversion price. Debt issuance costs of approximately $7.3 million are being amortized to interest expense over seven years. Upon closing of the sale of the Notes, $45.5 million of the net proceeds was used to concurrently repurchase one million shares of CACI's common stock.

In connection with the issuance of the Notes, the Company purchased in a private transaction at a cost of $84.4 million call options (the Call Options) to purchase approximately 5.5 million shares of its common stock at a price equal to the conversion price of $54.65 per share. The cost of the Call Options was recorded as a reduction of additional paid-in capital. The Call Options allow CACI to receive shares of its common stock from the counterparties equal to the amount of common stock related to the excess conversion value that CACI would pay the holders of the Notes upon conversion.

For income tax reporting purposes, the Notes and the Call Options are integrated. This creates an original issue discount for income tax reporting purposes, and therefore the cost of the Call Options will be accounted for as interest expense over the term of the Notes for income tax reporting purposes. The associated income tax

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

benefit of $32.8 million to be realized for income tax reporting purposes over the term of the Notes has been reflected as an increase in additional paid-in capital and a long-term deferred tax asset.

In addition, the Company sold warrants (the Warrants) to issue approximately 5.5 million shares of CACI common stock at an exercise price of $68.31 per share. The proceeds from the sale of the Warrants totaled $56.5 million and were recorded as an increase to additional paid-in capital.

On a combined basis, the Call Options and the Warrants are intended to reduce the potential dilution of CACI's common stock in the event that the Notes are converted by effectively increasing the conversion price of these notes from $54.65 to $68.31. The Call Options are anti-dilutive and are therefore excluded from the calculation of diluted shares outstanding. The Warrants will result in additional diluted shares outstanding if CACI's average common stock price exceeds $68.31. The Call Options and the Warrants are separate and legally distinct instruments that bind CACI and the counterparties and have no binding effect on the holders of the Notes.

Bank Credit Facilities

In connection with an acquisition completed in May 2004, the Company entered into a $550.0 million credit facility (the 2004 Credit Facility), consisting of a $200.0 million revolving credit facility (the Revolving Facility) and a $350.0 million institutional term loan (the Term Loan). The 2004 Credit Facility also provides for stand-by letters of credit aggregating up to $25.0 million that reduce the funds available under the Revolving Facility when issued. As of June 30, 2007, the Company had $0.1 million of outstanding letters of credit, and, accordingly, $199.9 million was available for borrowing under the Revolving Facility as of that date.

The Revolving Facility is a five-year, secured facility that permits continuously renewable borrowings of up to $200.0 million, with an expiration date of May 2, 2009, and annual sub-limits on amounts borrowed for acquisitions. The Revolving Facility contains an accordion feature under which the facility may be expanded to $300.0 million with prior lender approvals. The Revolving Facility permits one, two, three and six month interest rate options. The Company pays a fee on the unused portion of the Revolving Facility, based on its leverage ratio, as defined. Any outstanding balances under the Revolving Facility are due in full May 2, 2009.

The Term Loan is a seven year secured facility under which principal payments are due in quarterly installments of $0.9 million at the end of each fiscal quarter through March 2011, and the balance of $325.5 million is due in full on May 2, 2011.

Borrowings under both the Revolving Facility and the Term Loan bear interest at rates based on LIBOR, or the higher of the prime rate or federal funds rate plus 0.5 percent, as elected by the Company, plus applicable margins based on the leverage ratio as determined quarterly. To date, the Company has elected to apply LIBOR to outstanding borrowings. As of June 30, 2007, the effective interest rate, excluding the effect of amortization of debt financing costs, for the outstanding borrowings under the 2004 Credit Facility was 6.65 percent. The weighted average interest rate related to the Revolving Facility was 6.61 percent.

The 2004 Credit Facility contains financial covenants that stipulate a minimum amount of net worth, a minimum fixed-charge coverage ratio, and a maximum leverage ratio. Substantially all of the Company's assets serve as collateral under the 2004 Credit Facility. As of June 30, 2007, the Company was in compliance with the financial covenants of the 2004 Credit Facility.

The Company capitalized $8.2 million of debt issuance costs in May 2004 associated with the origination of the 2004 Credit Facility and an additional $0.5 million of financing costs to amend the 2004 Credit Facility in

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

May 2005 by re-pricing downward the margins that are applied to the interest rate options. Other key terms of the 2004 Credit Facility were not changed with this amendment. All debt financing costs are being amortized from the date incurred to the expiration date of the Term Loan. The unamortized balance of $4.3 million at June 30, 2007 is included in long-term assets.

As a condition of its 2004 Credit Facility, the Company entered into two forward interest rate swap agreements in June 2005 under which it exchanged floating-rate interest payments for fixed-rate interest payments. The agreements cover a combined notional amount of debt totaling $98.0 million, provide for swap payments over a 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 percent.

The Company accounts for its interest rate swap agreements under the provisions of SFAS No. 133, and has determined that the two swap agreements qualify as effective hedges. Accordingly, the fair value of the interest rate swap agreements at June 30, 2007 of $1.0 million has been reported in prepaid expenses and other current assets with an offset, net of an income tax effect, included in accumulated other comprehensive income in the accompanying consolidated balance sheet. The decrease in fair value of $0.8 million, which is net of income tax effects of $0.5 million, is reported as comprehensive loss in the accompanying consolidated statement of comprehensive income for the year ended June 30, 2007. These amounts will be reclassified into interest expense as a yield adjustment in the period during which the related floating-rate interest is incurred.

Mortgage Note Payable

Long-term debt as of June 30, 2007 also includes $0.7 million due under a mortgage note payable agreement. The Company assumed obligations of the mortgage as part of its acquisition of MTL Systems, Inc. in January 2004. Outstanding balances under the mortgage note payable bear interest at 5.88 percent, and are secured by an interest in real property located in Dayton, Ohio.

Acquired Note Payable

The current portion of long-term debt as of June 30, 2007 includes $4.1 million due under a note payable agreement. The Company assumed obligations under this note agreement in connection with its acquisition of WGI in June 2007. The outstanding balance was subsequently paid in full on July 3, 2007.

The aggregate maturities of long-term debt at June 30, 2007 are as follows (in thousands):

Year ending June 30,	
2008	$ 7,643
2009	3,548
2010	3,552
2011	328,180
2012	58
Thereafter	300,434
Total long-term debt	$643,415

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

NOTE 14. LEASES

The Company conducts its operations from leased office facilities, all of which are classified as operating leases and expire primarily over the next nine years. Future minimum lease payments due under non-cancelable leases as of June 30, 2007, are as follows (in thousands):

Year ending June 30:	
2008	$ 30,696
2009	28,688
2010	22,300
2011	15,896
2012	11,653
Thereafter	37,549
Total minimum lease payments	$146,782

The minimum lease payments above are shown net of sublease rental income of $0.8 million scheduled to be received over the next 4.2 years under non-cancelable sublease agreements. The amounts above also include $54,000 due under capital lease arrangements covering office equipment, and that have an average effective interest rate of 4.80 percent. The principal portion of $50,000 of these non-cancelable future minimum lease payments is included in other current liabilities.

Rent expense incurred from operating leases for the years ended June 30, 2007, 2006 and 2005 totaled $37.0 million, $35.6 million and $34.1 million, respectively.

NOTE 15. OTHER LONG-TERM OBLIGATIONS

Other long-term obligations consisted of the following (in thousands):

	June 30,	
	2007	2006
Deferred rent, net of current portion	$5,814	$ 7,954
Accrued post-retirement obligations	2,281	867
Deferred income taxes	164	4,232
Other	1,240	1,262
Total other long-term obligations	$9,499	$14,315

Accrued post retirement obligations include projected liabilities for benefits the Company is obligated to provide under a long-term care, a group health, and an executive life insurance plan, each of which is unfunded. Plan benefits are provided to certain current and former executives, their dependants and other eligible employees, as defined. The post retirement obligations also include accrued benefits under a supplemental retirement benefit plan covering the Company's current chief executive officer. The plan became effective in August 2005 and replaced the retirement benefits that were forfeited to a former employer. The costs under this plan were approximately $145,000 during the year ended June 30, 2007.

Effective June 30, 2007, the Company adopted SFAS No. 158 which requires that the consolidated balance sheet reflect the full funded status of the long-term care, group health life insurance and supplemental retirement benefit plans. The full funded status of the plans is measured as the difference between the plan assets at fair value and the projected benefit obligations. As none of the plans are currently funded, all are under-funded as of

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

June 30, 2007. The aggregate of all under-fundings is reported within other long-term obligations in the accompanying consolidated balance sheet.

At June 30, 2007, the aggregate of previously unrecognized differences between actual amounts and estimates based on actuarial assumptions are included as a component within accumulated other comprehensive income in the Company's consolidated balance sheet in accordance with SFAS No. 158. SFAS No. 158 does not change the measurement or reporting of periodic pension or post-retirement benefit costs. In future reporting periods, the difference between actual amounts and estimates based on actuarial assumptions will be recognized in other comprehensive loss in the period in which they occur.

The adoption of SFAS No. 158 had the following impact on the Company's consolidated balance sheet: deferred tax assets increased by $0.5 million, other long-term obligations increased by $1.2 million, and accumulated other comprehensive income decreased by $0.7 million.

The other obligations of $1.2 million and $1.3 million at June 30, 2007 and 2006, respectively, include deferred revenue, sublease security deposits, and amounts due under lease agreements classified as capital leases.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

NOTE 16. BUSINESS SEGMENT, CUSTOMER AND GEOGRAPHIC INFORMATION

Segment Information

The Company reports operating results and financial data in two segments: domestic operations and international operations. Domestic operations provide information technology and communications solutions, along with other professional services, to its customers. The Company's areas of expertise include: systems integration, managed network services, knowledge management and engineering services. Its customers are primarily U.S. federal government agencies. The Company does not measure revenue or profit by its major service offerings, either for internal management or external financial reporting purposes, as it would be impractical to do so. In many cases more than one offering is provided under a single contract, to a single customer, or by a single employee or group of employees, and segregating the costs of the service offerings in situations for which it is not required would be difficult and costly. The Company also serves customers in the commercial and state and local governments sectors and, from time to time, serves a number of agencies of foreign governments. The Company places employees in locations around the world in support of its clients. International operations offer services to both commercial and non-U.S. government customers primarily through the Company's systems integration line of business. The Company evaluates the performance of its operating segments based on net income. Summarized financial information concerning the Company's reportable segments is shown in the following tables.

	Domestic Operations	International Operations	Total
		(in thousands)	
Year Ended June 30, 2007			
Revenue from external customers	$1,857,450	$ 80,522	$1,937,972
Net income	73,843	4,689	78,532
Goodwill	830,931	17,889	848,820
Total long-term assets	1,055,097	27,847	1,082,944
Total assets	1,706,793	85,154	1,791,947
Capital expenditures	6,651	1,247	7,898
Depreciation and amortization	36,996	2,087	39,083
Year Ended June 30, 2006			
Revenue from external customers	$1,692,533	$ 62,791	$1,755,324
Net income	80,865	3,975	84,840
Goodwill	707,673	14,785	722,458
Total long-term assets	895,256	23,004	918,260
Total assets	1,297,794	70,296	1,368,090
Capital expenditures	8,799	722	9,521
Depreciation and amortization	31,828	1,609	33,437
Year Ended June 30, 2005			
Revenue from external customers	$1,567,249	$ 55,813	$1,623,062
Net income	77,089	2,636	79,725
Goodwill	549,321	6,026	555,347
Total long-term assets	701,200	12,509	713,709
Total assets	1,151,566	55,073	1,206,639
Capital expenditures	7,966	827	8,793
Depreciation and amortization	30,747	1,275	32,022

Interest income and interest expense are not presented above as the amounts attributable to the Company's international operations are insignificant.

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Customer Information

The Company earned approximately 94 percent of its revenue from various agencies and departments of the U.S. government for each of the years ended June 30, 2007, 2006 and 2005, respectively. For each of these three years, no single customer provided more than 10 percent of the Company's total revenue. Revenue by customer sector was as follows (dollars in thousands):

	Year Ended June 30,					
	2007	%	2006	%	2005	%
Department of Defense	$1,393,735	71.9%	$1,282,582	73.1%	$1,179,259	72.7%
Federal civilian agencies	431,752	22.3	374,502	21.3	350,886	21.6
Commercial and other	91,946	4.7	73,644	4.2	68,140	4.2
State and local governments	20,539	1.1	24,596	1.4	24,777	1.5
Total revenue	$1,937,972	100.0%	$1,755,324	100.0%	$1,623,062	100.0%

Geographic Information

Revenue is attributed to geographic areas based on the location of the reportable segment's management and is disclosed above. The international operations amounts consist primarily of product and systems integration sales in the United Kingdom. Financial information relating to the Company's operations by geographic area is as follows (in thousands):

	Year Ended June 30		
	2007	2006	2005
Revenue			
Domestic	$ 1,857,450	$ 1,692,533	$ 1,567,249
International	80,522	62,791	55,813
Total revenue	$ 1,937,972	$ 1,755,324	$ 1,623,062
Net Assets			
Domestic	$ 757,764	$ 698,145	$ 578,456
International	56,083	47,214	42,578
Total net assets	$ 813,847	$ 745,359	$ 621,034

NOTE 17. INVESTMENT IN eVENTURE TECHNOLOGIES, LLC

eVenture Technologies, LLC (eVentures) is a joint venture between the Company and ActioNet, Inc., a Virginia corporation (ActioNet), and is the entity through which work is being performed on a contract awarded in January 2007 by the United States Navy. The Company owns 60% of eVentures and ActioNet owns the remaining 40%. eVentures was funded through capital contributions made by the Company and by ActioNet. As the Company owns and controls more than 50% of eVentures, the Company's results include those of eVentures. ActioNet's share of eVentures' assets, liabilities, results of operations, and cash flows have been accounted for as minority interest.

NOTE 18. OTHER COMMITMENTS AND CONTINGENCIES

General Legal Matters

The Company is involved in various lawsuits, claims, and administrative proceedings arising in the normal course of business. Management is of the opinion that any liability or loss associated with such matters, either

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

individually or in the aggregate, will not have a material adverse effect on the Company's operations and liquidity.

Iraq Investigations

On April 26, 2004, the Company received information indicating that one of its employees was identified in a report authored by U.S. Army Major General Antonio M. Taguba as being connected to allegations of abuse of Iraqi detainees at the Abu Ghraib prison facility. To date, despite the Taguba Report and the subsequently-issued Fay Report addressing alleged inappropriate conduct at Abu Ghraib, no present or former employee of the Company has been officially charged with any offense in connection with the Abu Ghraib allegations.

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

The Company does not believe the outcome of these matters will have a material adverse effect on its financial statements.

Potential Recovery of Defense Costs

The Company is currently in discussions with its insurance carrier to negotiate a settlement for the defense costs it has incurred to date as well as future defense costs of defending civil lawsuits arising from professional services provided by the Company in Iraq (the Iraq-Related Actions) and for any liability that may arise from such litigation. While the insurance company previously filed a lawsuit against the Company seeking a declaration that its policies provided no coverage for the Iraq-Related Actions, that lawsuit was voluntarily dismissed in November 2004 and, since that time, the parties' respective causes of action have been placed on hold pursuant to a written agreement between the parties. The Company's defense costs to date for the Iraq-Related Actions are in excess of $5 million.

Subcontract Purchase Commitment

The Company has entered into a subcontract agreement with a vendor to purchase a number of directional finding units to be ordered in connection with the performance of one of the Company's contracts. The subject subcontract provides for unit price decreases as the number of units purchased under the subcontract increases. Based on the present status of contract performance, management believes that the Company will purchase a sufficient number of units over the subcontract term to allow it to realize the lowest unit cost available. Based upon that expectation, unit costs incurred to date have been recognized as direct costs at such lowest unit cost in the accompanying consolidated statements of operations. Based on the number of units ordered to date and assuming that no other units are ordered under the subcontract, the Company's maximum unit price exposure (the difference between the unit price that would be applicable to the number of units actually purchased as compared to the discount price at which the Company has recognized the purchases to date) is estimated to be $2.1 million, which has not been recorded in the Company's consolidated financial statements as of June 30, 2007.

Department of Energy Office of Inspector General Subpoena

On March 27, 2006, CACI received a subpoena from the Department of Energy, Office of Inspector General (OIG) seeking documents regarding "alliance benefits" allegedly granted to and received by CACI from a number of hardware and software vendors. By way of example, some types of agreements that may involve alliance benefits include teaming agreements, strategic partnering agreements and reseller agreements. The

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Company has met with OIG and Department of Justice (DOJ) personnel to provide documentation pertaining to certain equipment vendor arrangements, and the accounting treatment of such arrangements. In mid April, 2007, DOJ personnel informed the Company that there were no indications that CACI improperly accounted for any "alliance benefits" and that DOJ would not proceed against the Company for alleged violations of the False Claims Act.

Notice of Organizational Conflict of Interest

During the year ended June 30, 2006, the Company was formally notified that it performed certain work for a customer that raised organizational conflict of interest (OCI) issues that needed to be addressed. The Company and customer personnel negotiated a resolution to eliminate the OCI issues, which included the sale of certain contract work for which actual or potential OCI issues could not be otherwise mitigated.

Effective July 16, 2006, to comply with the customer's requirements to mitigate the conflict, the Company sold to a third party its rights under certain tasks of a contract relating to the Surface Ship Maintenance Improvement Program (SSMIP). This conflicted work provided approximately $20.0 million of revenue during the year ended June 30, 2006. As of June 30, 2007, the Company had received $1.0 million for the sale of its rights covering the conflicted work, and anticipates receiving additional consideration depending on the amount of funding ultimately received by the purchaser. The sale did not have a material impact on the Company's consolidated financial statements. The net proceeds were, and any future payments will be, recorded as an offset against indirect costs and selling expenses on the Company's consolidated statements of operations.

Government Contracting

As a general practice within the defense industry, the Defense Contract Audit Agency (the DCAA) continually reviews the cost accounting and other practices of government contractors, including the Company. In the course of those reviews, cost accounting and other issues are identified, discussed and settled. As with many government contractors, the DCAA has from time to time recommended changes in methodology for allocating certain of the Company's costs. The Company is currently engaged in discussions with the DCAA regarding compliance with two particular sections of the Cost Accounting Standards (CAS) used by the DCAA.

In the first matter, the DCAA has questioned the Company's compliance with CAS 410, *Allocation of Business Unit General and Administrative Expenses to Final Cost Objectives* . Specifically, the DCAA is questioning the Company's allocation of indirect costs as overhead versus general and administrative and the use of total cost input versus value added bases for some of its subsidiaries. Although the Company believes it has properly complied with the requirements of CAS 410, it has agreed to make certain adjustments effective at the start of its fiscal year beginning July 1, 2007. The Company is still discussing with the Administrative Contracting Officer if there is to be any retroactive impact. At the present time, the Company believes that the resolution of this matter will not have a material impact on the Company's results of operations.

In the second matter, the DCAA has questioned the Company's treatment of certain allowances paid to certain of its overseas employees. The DCAA's position is that under CAS 418, *Allocation of Direct and Indirect Costs*, the Company has charged these direct expenses to the incorrect cost base. In the absence of specific Federal Acquisition Regulation guidance regarding treatment of these specific costs, and consistent with industry practice, the Company believes it has properly complied with the requirements of CAS 418, but has accrued its current best estimate of the potential outcome within its estimated range of zero to $2.2 million.

In addition, in April 2007, DCAA conducted a contract review and questioned certain costs on a contract in which the Company is a subcontractor. The Company believes that all costs allocated to this contract were appropriately allocated, but has accrued its current best estimate of the potential outcome within its estimated range of zero to $3.4 million.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

NOTE 19. INCOME TAXES

The components of income tax expense are as follows (in thousands):

	Year ended June 30,		
	2007	2006	2005
Current:			
Federal	$33,786	$40,145	$48,964
State and local	8,477	5,725	6,773
Foreign	2,411	1,151	1,570
Total current	44,674	47,021	57,307
Deferred:			
Federal	2,056	405	(8,189)
State and local	100	54	(1,081)
Foreign	(94)	681	(395)
Total deferred	2,062	1,140	(9,665)
Total income tax expense	$46,736	$48,161	$47,642

The income tax expense differs from the amounts computed by applying the statutory U.S. income tax rate of 35 percent as a result of the following (in thousands):

	Year ended June 30,		
	2007	2006	2005
Expected tax expense computed at federal rate	$43,844	$46,550	$44,579
(Nonincludable) nondeductible items	(2,091)	464	447
State and local taxes, net of federal benefit	6,192	3,278	2,892
Incremental effect of foreign tax rates	(135)	(232)	(283)
Research and development activity credit	(1,030)	(1,800)	—
Other	(44)	(99)	7
Total income tax expense	$46,736	$48,161	$47,642

The tax effects of temporary differences that give rise to significant deferred tax assets are presented below (in thousands):

	June 30,	
	2007	2006
Deferred tax assets:		
Original issue discount related to the Notes	$ 32,354	$ —
Reserves and accruals	18,575	18,086
Deferred compensation and post-retirement obligations	17,639	13,100
Stock-based compensation	14,377	12,019
Depreciation	3,921	2,283
Deferred rent	3,199	3,645
Net operating loss carryforward	3,189	3,535
Total deferred tax assets	93,254	52,668
Deferred tax liabilities:		
Goodwill and other intangible assets	(46,205)	(33,652)
Capitalized software	(3,638)	(3,146)
Prepaid expenses	(3,398)	(3,782)
Unbilled revenue	(3,299)	(4,050)
Other	(1,049)	(1,128)
Total deferred tax liabilities	(57,589)	(45,758)
Net deferred tax asset	$ 35,665	$ 6,910

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

During the year ended June 30, 2007 and 2006, the Company recorded $1.0 million and $1.8 million of research and development credits, respectively, in accordance with Internal Revenue Code (IRC) Section 41. Included in the amount recognized in the year ended June 30, 2007 was $0.4 million of research and development credits attributable to the period January 1, 2006 through June 30, 2006 that were not reflected in the results for that period due to the expiration of IRC Section 41 as of December 31, 2005. In December 2006, IRC Section 174 was extended retroactively to January 1, 2006. The Company's income tax expense for the year ended June 30, 2007 was also impacted by $1.1 million of additional income tax expense related to a review that increased the Company's effective state rate and $1.5 million related to additional deductions that were not previously recorded attributable to corporate owned life insurance policies.

In connection with the issuance of the Notes, original issue discount (OID) was created for income tax purposes. Over the term of the Notes, this OID will generate additional interest expense for income tax reporting purposes (see note 13).

U.S. income taxes have not been provided for with respect to undistributed earnings of foreign subsidiaries that have been permanently reinvested outside the United States. As of June 30, 2007, the deferred liability associated with these undistributed earnings is $18.3 million. If such earnings were distributed to the United States, certain foreign tax credits would be available to reduce this deferred liability.

As of June 30, 2007, the Company had a net operating loss carryforward for federal income tax purposes of $8.2 million, which expires in 2020. The net operating loss carryforward was acquired in connection with the Company's acquisition of NSR (note 4), and is subject to the ownership change limitations under IRC Section 382, which limits the amount of the acquired net operating loss carryforward that may be used to $1.1 million per year.

NOTE 20. RETIREMENT SAVINGS PLANS

401(k) Plan

The Company maintains a defined contribution plan under Section 401(k) of the Internal Revenue Code, the CACI $MART Plan (the 401 (k) Plan). Through December 31, 2004, employees could contribute up to 25 percent (subject to certain statutory limitations) of their total cash compensation. Beginning January 1, 2005, the deferred contribution limit, while still subject to statutory limits, was increased to 75 percent of cash compensation. The Company provides matching contributions equal to 50 percent of the amount of salary deferral employees elect, up to 6 percent of each employee's total calendar year cash compensation, as defined. The Company may also make discretionary profit sharing contributions to the 401(k) Plan. Employee contributions vest immediately. Employer contributions vest in full after three years of employment.

Total Company contributions to the 401(k) Plan for the years ended June 30, 2007, 2006 and 2005 were $17.6 million, $15.0 million and $14.2 million, respectively. The increase in Company contributions during the years ended June 30, 2007 and 2006 are due primarily to the higher number of employees joining the Company from businesses acquired in recent years.

Supplemental Retirement Savings Plan

The Company administers the CACI International Inc Group Executive Retirement Plan (the Supplemental Savings Plan) through which, on a calendar year basis, officers at the vice president level and above can elect to defer for contribution to the Supplemental Savings Plan up to 50 percent of their base compensation, and up to 100 percent of their bonus and commissions. The Company provides a matching contribution of 5 percent of compensation for each participant's compensation that exceeds the limit as set forth in IRC 401(a)(17) (currently

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

$225,000 per year). The Company also has the option to make annual discretionary contributions. Company contributions vest over a 5-year period, and vesting is accelerated in the event of a change of control of the Company. Participant deferrals and Company contributions will be credited with the rate of return based on the investment options and asset allocations selected by the Participant. Participants may change their asset allocation as often as daily, if they so chose. A rabbi trust has been established to hold and provide a measure of security for the investments that finance benefit payments. Distributions from the Plan are made upon retirement, termination, death, or total disability.

Supplemental Savings Plan obligations due to participants totaled $42.5 million at June 30, 2007, of which $4.7 million is included in other accrued expenses in the accompanying consolidated balance sheet. Supplemental Savings Plan obligations increased by $9.2 million during the year ended June 30, 2007, consisting of participant compensation deferrals of $5.7 million, investment gains of $5.4 million and Company contributions of $0.4 million, offset by $2.3 million of distributions.

The Company maintains investment assets in a Rabbi Trust to offset the obligations under the Supplemental Savings Plan. The value of the investments in the Rabbi Trust was $40.5 million at June 30, 2007. Investment gains were $5.1 million for the year ended June 30, 2007.

Contribution expense for the Supplemental Savings Plan during the years ended June 30, 2007, 2006, and 2005, was $0.4 million, $0.4 million, and $0.6 million, respectively.

NOTE 21. STOCK PLANS AND STOCK-BASED COMPENSATION

Effective July 1, 2005, the Company adopted the provisions of SFAS No. 123R using the modified retrospective transition method and has previously restated the accompanying consolidated statements of operations, cash flows, and comprehensive income for the year ended June 30, 2005. Stock-based compensation expense is recognized on a straight-line basis ratably over the respective vesting periods, and is adjusted as required for options subject to graded vesting schedules. A summary of the components of stock-based compensation expense recognized during the years ended June 30, 2007, 2006 and 2005, together with the income tax benefits realized, is as follows (in thousands):

	Year ended June 30,		
	2007	2006	2005
Stock-based compensation included in indirect costs and selling expense:			
Non-qualified stock option expense	$ 7,978	$10,517	$ 8,932
Restricted stock and restricted stock unit expense	5,041	4,979	2,275
Total stock-based compensation expense	13,019	15,496	11,207
Income tax benefit recognized for stock-based compensation expense	$ 4,860	$ 5,554	$ 4,192

For the year ended June 30, 2005, stock compensation expense reflects the effect of actual forfeitures as they occurred. Stock compensation expense for 2005 has been reduced by the fair value of the equity instruments forfeited during such year. Beginning July 1, 2005, the Company recognized the effect of expected forfeitures of equity grants under SFAS No. 123R by estimating an expected forfeiture rate for grants of equity instruments. Amounts recognized for expected forfeitures are subsequently adjusted annually at major vesting dates to reflect actual forfeitures.

SFAS No. 123R also requires that certain incremental income tax benefits realized upon the exercise or vesting of equity instruments be reported as financing cash flows. Previously, the tax benefits resulting from the

excess of the income tax deduction over the expense recognized for financial reporting purposes were reported as operating cash flows. The effect of this change is a decrease in operating cash flows, and an increase in financing cash flows. During the years ended June 30, 2007, 2006 and 2005, the Company recognized $8.1 million, $11.9 million, and $10.5 million of excess tax benefits, respectively, which have been reported as financing cash inflows in the accompanying consolidated statements of cash flows.

Equity Grants and Valuation

Under the terms of its 2006 Stock Incentive Plan (the 2006 Plan), the Company may issue, among others, non-qualified stock options, restricted stock, restricted stock units (RSUs) and stock-settled stock appreciation rights (SSARs), collectively referred to herein as equity instruments. The 2006 Plan was approved by the Company's stockholders in November 2006 and replaced the 1996 Stock Incentive Plan (the 1996 Plan) which was due to expire at the end of a ten-year period. The Company generally issues equity instruments on an annual basis to its directors and key employees. Annual grants under the 2006 Plan (and previous grants under the 1996 Plan) are generally made during the first quarter of the Company's fiscal year. With the approval of its Chief Executive Officer, the Company also issues equity instruments to strategic new hires and to officers who have demonstrated superior performance.

Effective in June 2007, the Company began issuing equity instruments under the 2006 Plan in the form of SSARs and shares of restricted stock. Previously, through May 2007, the Company issued non-qualified stock options instead of SSARs and through December 31, 2005 had issued restricted stock units instead of restricted stock. The Company also issues equity instruments in the form of RSUs under its Management Stock Purchase Plan (MSPP) and Director Stock Purchase Plan (DSPP).

For the year ended June 30, 2007, the exercise price of all SSAR and non-qualified stock option grants and the value of restricted stock grants were set at the closing price of a share of the Company's common stock on the date of grant, as reported by the New York Stock Exchange. Prior to the year ended June 30, 2007, the exercise prices of all stock option awards and the value of all restricted stock and RSU grants were set at the closing market price of a share of Company stock on the date of grant except for certain modified awards.

The number of shares authorized by shareholders for grants under the 1996/2006 Plan was 9,450,000 as of June 30, 2007. The aggregate number of grants that may be made under the 2006 Plan may exceed this approved amount as forfeited SSARS, options, restricted stock and RSUs, and vested but unexercised SSARs and options that expire, become available for future grants. As of June 30, 2007, cumulative grants of 8,416,924 equity instruments underlying the shares authorized for the Plan have been awarded, and 1,586,047 of these instruments have been forfeited.

Non-qualified stock options granted prior to January 1, 2004 lapse and are no longer exercisable if not exercised within ten years of the date of grant. Equity instruments granted on or after January 1, 2004 have a term of seven years. For SSAR and option awards, grantees whose employment has terminated have 60 days after their termination date to exercise vested SSARs and options, or they forfeit their right to the instruments. Grantees whose employment is terminated due to death or permanent disability will vest in 100 percent of their equity instrument grants. Also, effective for grants made on or after July 1, 2004, grantees retiring on or after age 65 will vest in 100 percent of their equity instrument grants upon retirement.

Stock options vest ratably over a three, four, or five year period, depending on the year of grant. Restricted shares and RSUs vest in full three years from the date of grant. SSARs granted as part of the Company's customary annual award vest ratably over a five year period in a manner consistent with the vesting of stock

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

options. Special grants of SSARs, such as those described in the following paragraph, contain market-based vesting features under which, beginning one year from the date of award, a grantee may exercise portions of his or her SSARs if the average of the closing prices of a share of the Company's common stock for 20 consecutive trading days equals or exceeds pre-defined amounts. Greater portions of the grants vest as the average of the closing prices increases. Any SSARs that do not vest under the market-based feature will vest in full five years from the date of grant.

For its fiscal year ending June 30, 2008, the annual equity grant was made effective July 2, 2007 and was comprised of 680,000 SSARs and 125,090 restricted shares. On July 2, 2007, the Company also made one-time special grants totaling 50,000 SSARs to its newly appointed President of U.S. Operations and its Chief Operating Officer. In addition, effective June 20, 2007, the Company made a one-time special grant of 300,000 SSARs to its newly appointed Chief Executive Officer.

The fair value of each option award is estimated on the date of grant using the Black-Scholes valuation model. The fair value of SSARs with market-based vesting features is also measured on the grant date, but is done so using a binomial lattice model. The fair values of both options and SSARs are based on the following assumptions:

	For Stock Options Granted During the Year ended June 30,		
	2007	2006	2005
Historical volatility	28.3% - 35%	32% - 35%	34% - 37%
Expected dividends	0%	0%	0%
Expected life (in years)	3 -6	4 -6	5
Risk-free rate	4.39% - 5.03%	4.13% - 4.99%	3.36% - 4.13%

The expected lives of the SSAR and option grants represent the period of time SSARs and options are expected to be outstanding and are based on the contractual terms of the grant, vesting schedules, and, for options, past exercise behaviors. The risk-free rates for periods approximating the expected lives are based on the U.S. treasury yield curve in effect at the time of the respective grant.

The weighted-average fair value of SSARs and stock options granted during the years ended June 30, 2007, 2006, and 2005, was $21.64, $26.53, and $15.96, respectively, and the weighted-average fair value of restricted stock and RSUs granted during the years ended June 30, 2007, 2006, and 2005, was $54.07, $62.37, and $42.24, respectively.

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Activity for all outstanding SSARs and options, and the corresponding exercise price and fair value information, for the years ended June 30, 2007, 2006 and 2005, is as follows:

	Number of Shares	Exercise Price	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value
Outstanding, June 30, 2004	2,756,175	$ 7.50 - 49.34	$ 22.70	$ 9.94
Issued	498,834	40.00 - 64.36	42.97	15.96
Exercised	(845,112)	8.16 - 46.77	19.59	8.22
Forfeited	(163,949)	21.80 - 40.00	36.82	14.11
Outstanding, June 30, 2005	2,245,948	7.50 - 64.36	28.44	11.62
Exercisable, June 30, 2005	1,401,277	7.50 - 64.36	22.19	8.52
Issued	863,395	21.40 - 65.04	62.76	26.53
Exercised	(588,192)	7.50 - 46.37	18.14	7.49
Forfeited	(123,309)	21.40 - 62.48	42.66	27.48
Outstanding, June 30, 2006	2,397,842	8.16 - 65.04	41.86	17.19
Exercisable, June 30, 2006	1,392,944	8.16 - 64.36	30.21	9.37
Issued	716,200	34.10 - 60.50	52.79	21.64
Exercised	(283,794)	8.16 - 49.43	30.04	12.58
Forfeited	(127,855)	32.86 - 62.48	54.62	22.45
Outstanding, June 30, 2007	2,702,393	8.44 - 65.04	45.40	18.60
Exercisable, June 30, 2007	1,236,243	$ 8.44 - 64.36	$ 31.79	$ 12.85

Changes in the number of unvested SSARs and stock options and in unvested restricted stock and RSUs during each of the years in the three-year period ended June 30, 2007, together with the corresponding weighted-average fair values, is as follows:

	SSARs and Stock Options		Restricted Stock and Restricted Stock Units	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Unvested at June 30, 2004	1,226,581	$ 12.45	20,002	$ 44.06
Granted	498,834	15.96	154,217	42.24
Vested	(716,795)	11.53	(9,167)	40.00
Forfeited	(163,949)	14.11	(22,747)	40.00
Unvested at June 30, 2005	844,671	14.99	142,305	43.00
Granted	863,395	26.53	130,980	62.37
Vested	(579,859)	15.28	(8,333)	40.00
Forfeited	(123,309)	27.48	(11,222)	47.87
Unvested at June 30, 2006	1,004,898	23.63	253,730	52.87
Granted	716,200	21.64	102,763	54.07
Vested	(127,093)	15.71	(61,748)	40.88
Forfeited	(127,855)	22.45	(68,180)	45.00
Unvested at June 30, 2007	1,466,150	$ 23.45	226,565	$ 58.70

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Information regarding the cash proceeds received, and the intrinsic value and total tax benefits realized resulting from option exercises is as follows:

	Year ended June 30,		
	2007	2006	2005
Cash proceeds received	$8,524	$10,422	$16,351
Intrinsic value realized	$6,353	$26,887	$34,828
Income tax benefit realized	$2,471	$10,255	$13,177

The total intrinsic value of RSUs that vested during the years ended June 30, 2007, 2006 and 2005 were $4.7 million, $0.5 million and $0.6 million, respectively, and the tax benefit realized for these vestings was $1.8 million, $0.2 million and $0.2 million, respectively. Also, during the year ended June 30, 2007, the Company recognized a current tax benefit of $6.7 million pertaining to an officer's sale of restricted stock. The benefit is reflected as an increase to additional paid-in capital.

The fair value of stock options that vested during each of the years in the three-year period ended June 30, 2007 was $2.0 million, $8.9 million and $8.3 million, respectively.

Outstanding SSAR and Stock Option Information

Information regarding the SSARs and stock options outstanding and exercisable as of June 30, 2007, is as follows (intrinsic value in millions):

	SSARs and Options Outstanding				SSARs and Options Exercisable			
Range of exercise Price	Number of Instruments	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Intrinsic Value	Number of Instruments	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Intrinsic Value
$0.00-$9.99	153,656	$ 9.57	2.07	$ 6,036	153,656	$ 9.57	2.07	$ 6,036
$10.00-$19.99	19,332	12.96	2.86	694	19,332	12.96	2.86	694
$20.00-$29.99	237,449	21.54	4.04	6,484	237,449	21.54	4.04	6,484
$30.00-$39.99	534,615	35.37	5.59	7,208	534,615	35.37	5.59	7,208
$40.00-$49.99	319,119	41.65	4.57	2,296	213,856	41.69	4.53	1,530
$50.00-$59.99	692,350	52.83	6.32	—	28,834	54.59	3.52	—
$60.00-$69.99	745,872	63.10	5.01	—	48,501	63.24	3.57	—
	2,702,393	$ 45.39	5.14	$22,718	1,236,243	$ 31.79	4.50	$21,952

As of June 30, 2007, there was $25.0 million of unrecognized compensation costs related to SSARs and stock options scheduled to be recognized over a weighted-average period of 3.55 years, and $6.5 million of unrecognized compensation cost related to restricted stock and RSUs scheduled to be recognized over a weighted-average period of 1.53 years.

Stock Purchase Plans

The Company adopted the 2002 Employee Stock Purchase Plan (ESPP), MSPP and DSPP in November 2002, and implemented these plans beginning July 1, 2003. There are 500,000, 500,000, and 75,000 shares authorized for grants under the ESPP, MSPP and DSPP, respectively.

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The ESPP allows eligible full-time employees to purchase shares of common stock at 95 percent of the fair market value of a share of common stock on the last day of the quarter. The maximum number of shares that an eligible employee can purchase during any quarter is equal to two times an amount determined as follows: 20 percent of such employee's compensation over the quarter, divided by 95 percent of the fair market value of a share of common stock on the last day of the quarter. The ESPP is a qualified plan under Section 423 of the Internal Revenue Code and, for financial reporting purposes, was amended effective July 1, 2005 so as to be considered non-compensatory under SFAS No. 123R. Accordingly, there is no stock-based compensation expense associated with shares acquired under the ESPP for the years ended June 20, 2007 and 2006. As of June 30, 2007, participants have purchased 473,480 shares under the ESPP, at a weighted-average price per share of $45.55. Of these shares, 90,832 were purchased at a weighted-average price per share of $51.73 during the year ended June 30, 2007.

The MSPP provides those senior executives with stock holding requirements a mechanism to receive RSUs in lieu of up to 30 percent of their annual bonus. Beginning with the fiscal year ended June 30, 2006, RSUs awarded in lieu of bonuses earned have been granted at 95 percent of the closing price of a share of the Company's common stock on the date of the award, as reported by the New York Stock Exchange. For bonuses earned during the fiscal years ended June 30, 2003, 2004 and 2005, RSUs were granted at 85 percent of the price of a share of Company common stock on the date of grant. RSUs granted under the MSPP vest at the earlier of 1) three years from the grant date, 2) upon a change of control of the Company, 3) upon a participant's retirement at or after age 65, or 4) upon a participant's death or permanent disability. Vested RSUs are settled in shares of common stock. The Company recognizes the value of the discount applied to RSUs granted under the MSPP as stock compensation expense ratably over the three-year vesting period. As of June 30, 2007, the Company had granted 96,184 RSUs under the MSPP at a weighted-average purchase price of $36.91, as adjusted for the applicable discounts. Of these, 14,145 RSUs were granted during the year ended June 30, 2007. Since July 1, 2003, 53,196 of the RSUs granted under the MSPP have vested, and 19,112 have been forfeited, leaving 23,876 RSUs outstanding under the MSPP as of June 30, 2007. Shares underlying the forfeited RSUs are credited back to the MSPP and become available for future grants. In November 2006, the MSPP was amended and restated. Under the terms of the amended and restated MSPP, the Compensation Committee of the Company's Board of Directors may authorize the issuance of RSUs at a discount to fair market value of up to 15%, rather than 5%. In addition, the amended and restated MSPP provides that the Compensation Committee may require a mandatory deferral of a portion of a participant's bonus towards the purchase of RSUs and may allow elective deferrals of up to all of a participant's remaining bonus. The amended and restated MSPP also provides that the Company may grant matching awards, in an amount not to exceed 25% of the participant's mandatory and elective deferrals, at the discretion of the Compensation Committee.

The DSPP allows directors to elect to receive RSUs at the market price of the Company's common stock on the date of the award in lieu of up to 50 percent of their annual retainer fees. Vested RSUs are settled in shares of common stock. As of June 30, 2007, 4,097 RSUs had been granted under the DSPP at a weighted-average price per share of $46.96 and of these, 540 were granted during the year ended June 30, 2007 at a weighted average price per share of $50.91. Since July 1, 2003, 1,939 RSUs granted under the DSPP have vested, leaving 2,158 outstanding as of June 30, 2007.

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

NOTE 22. EARNINGS PER SHARE

Earnings per share and the weighted-average number of diluted shares are computed as follows (in thousands, except per share data):

	Year ended June 30,		
	2007	2006	2005
Net income	$78,532	$84,840	$79,725
Weighted-average number of basic shares outstanding during the period	30,643	30,242	29,675
Dilutive effect of stock options after application of treasury stock method	613	919	893
Weighted-average number of diluted shares outstanding during the period	31,256	31,161	30,568
Basic earnings per share	$ 2.56	$ 2.81	$ 2.69
Diluted earnings per share	$ 2.51	$ 2.72	$ 2.61

The total number of weighted-average common stock equivalents excluded from the diluted per share computations due to their anti-dilutive effects for the years ended June 30, 2007, 2006 and 2005, were 1.5 million, 0.8 million and 0.5 million, respectively. In addition to the anti-dilutive equivalents described above, the shares underlying the Notes were not included in the computation of diluted earnings per share because the conversion price of $54.65 exceeded the average share price during both the fourth quarter and the year ended June 30, 2007. The Warrants were also excluded from the computation of diluted earnings per share because the Warrants' exercise price of $68.31 was greater than the average market price of a share of Company common stock during the periods in which the Warrants were outstanding.

NOTE 23. COMMON STOCK DATA (UNAUDITED)

The ranges of high and low sales prices of the Company's common stock as reported by the New York Stock Exchange for each quarter during fiscal years ended June 30, 2007 and 2006 were as follows:

	2007		2006	
Quarter	High	Low	High	Low
1st	$59.80	$47.26	$68.75	$58.50
2nd	$62.02	$53.64	$62.53	$51.45
3rd	$57.55	$44.40	$65.97	$54.99
4th	$52.36	$42.04	$68.24	$58.33

Since August 16, 2002, the Company's stock has traded on the New York Stock Exchange under the ticker symbol, "CAI".

NOTE 24. QUARTERLY FINANCIAL DATA (UNAUDITED)

This data is unaudited, but in the opinion of management, includes and reflects all adjustments that are normal and recurring in nature, and necessary, for a fair presentation of the selected data for these interim periods. Quarterly condensed financial operating results of the Company for the years ended June 30, 2007 and 2006, are presented below (in thousands except per share data).

	Year ended June 30, 2007			
	First	Second	Third	Fourth
Revenue	$ 467,623	$ 476,909	$ 473,055	$ 520,385
Income from operations	$ 36,535	$ 36,965	$ 34,479	$ 37,874
Net income	$ 18,803	$ 20,463	$ 18,442	$ 20,824
Basic earnings per share	$ 0.61	$ 0.67	$ 0.60	$ 0.68
Diluted earnings per share	$ 0.60	$ 0.65	$ 0.59	$ 0.67
Weighted-average shares outstanding:				
Basic	30,629	30,696	30,835	30,414
Diluted	31,278	31,440	31,410	30,896

CACI INTERNATIONAL INC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

	Year ended June 30, 2006			
	First	Second	Third	Fourth
Revenue	$ 423,106	$ 419,530	$ 435,359	$ 477,329
Income from operations	$ 33,488	$ 39,227	$ 36,818	$ 40,747
Net income	$ 19,123	$ 22,270	$ 21,357	$ 22,090
Basic earnings per share	$ 0.64	$ 0.74	$ 0.71	$ 0.72
Diluted earnings per share	$ 0.62	$ 0.72	$ 0.69	$ 0.71
Weighted-average shares outstanding:				
Basic	30,073	30,130	30,226	30,544
Diluted	31,002	30,985	31,159	31,300

NOTE 25. SUBSEQUENT EVENT

On July 5, 2007, CACI Limited, a wholly owned subsidiary of CACI International Inc, completed the acquisition of all the capital stock of Arete Software, Ltd., for 3.5 million pounds sterling (approximately $7 million). Arete is an information technology company that specializes in serving the local government education market in the UK.

SCHEDULE II

CACI INTERNATIONAL INC
VALUATION AND QUALIFYING ACCOUNTS
FOR YEAR ENDED JUNE 30, 2007, 2006 AND 2005
(dollars in thousands)

	Balance at Beginning of Period	Additions at Cost	Deductions	Other Changes	Balance at End of Period
2007					
Reserves deducted from assets to which they apply:					
Allowances for doubtful accounts	$ 4,607	$ 2,326	$ (2,960)	$ (504)	$ 3,469
2006					
Reserves deducted from assets to which they apply:					
Allowances for doubtful accounts	$ 4,168	$ 1,336	$ (1,906)	$1,009	$ 4,607
2005					
Reserves deducted from assets to which they apply:					
Allowances for doubtful accounts	$ 4,890	$ 207	$ (903)	$ (26)	$ 4,168

Items included as “Other Changes” include amounts for reserves acquired in acquisitions and foreign currency exchange differences.

The decrease from June 30, 2006 to June 30, 2007 is primarily due to the Company reaching settlement or ceasing collection efforts on certain receivables that were fully reserved.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized, on the 28 th day of August 2007.

CACI International Inc
Registrant

Date: August 28, 2007

By:

/s/ PAUL M. COFONI
Paul M. Cofoni
President
Chief Executive Officer and Director (Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in capacities and on the dates indicated.

Signatures	Title	Date
/s/ DR. J. P. LONDON **Dr. J. P. London**	Chairman of the Board, Executive Chairman	August 28, 2007
/s/ PAUL M. COFONI **Paul M. Cofoni**	President Chief Executive Officer and Director (Principal Executive Officer)	August 28, 2007
/s/ THOMAS A. MUTRYN **Thomas A. Mutryn**	Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)	August 28, 2007
/s/ CAROL P. HANNA **Carol P. Hanna**	Senior Vice President, Corporate Controller (Principal Accounting Officer)	August 28, 2007
/s/ HERBERT W. ANDERSON **Herbert W. Anderson**	Director	August 28, 2007
/s/ DAN R. BANNISTER **Dan R. Bannister**	Director	August 28, 2007
/s/ PETER A. DEROW **Peter A. Derow**	Director	August 28, 2007
/s/ Gregory G. Johnson **Adm Gregory G. Johnson, USN (Ret.)**	Director	August 28, 2007
/s/ RICHARD L. LEATHERWOOD **Richard L. Leatherwood**	Director	August 28, 2007

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Signatures	Title	Date
/s/ B ARBARA A. M C N AMARA **Barbara A. McNamara**	Director	August 28, 2007
/s/ D R . W ARREN R. P HILLIPS **Dr. Warren R. Phillips**	Director	August 28, 2007
/s/ C HARLES P. R EVOILE **Charles P. Revoile**	Director	August 28, 2007
/s/ H. H UGH S HELTON **General H. Hugh Shelton, USA (Ret.)**	Director	August 28, 2007

Exhibit 10.20

STOCK PURCHASE AGREEMENT

by and among

CACI INTERNATIONAL INC
CACI, INC. – FEDERAL
THE WEXFORD GROUP INTERNATIONAL, INC.

and

THE STOCKHOLDERS OF THE WEXFORD GROUP INTERNATIONAL, INC.

Effective: May 30, 2007

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Exhibit 10.20

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT is made as of May 30, 2007 (the " *Agreement* "), by and among (i) **CACI International Inc** , a Delaware corporation (" *Parent* "), (ii) **CACI, INC. – FEDERAL** , a Delaware corporation and wholly-owned subsidiary of Parent (" *Federal* "), (iii) **The Wexford Group International, Inc.,** a Delaware corporation (" *WGI* "), (iv **)** the holders of all of the outstanding shares of stock of WGI, which are listed on Schedule 3.2 hereto (each a " *Stockholder* " and collectively, the " *Stockholders* "), (v) William H. Reno in his capacity as the Non-ESOP Stockholders' Representative (as defined in Section 2.4.1), and (vi) Bryan Stanford in his capacity as the ESOP Stockholder's Representative (as defined in Section 2.5.1).

WITNESSETH

WHEREAS, the Stockholders own all of the issued and outstanding shares of common stock, $0.01 par value per share, of WGI (the " *WGI Common Stock* ");

WHEREAS, at the closing of the transactions contemplated by this Agreement, the Stockholders desire to sell all of their shares of WGI Common Stock (the " *Shares* ") and Federal desires to purchase all (but not less than all) of the Shares (the " *Transaction* "); and

WHEREAS, Parent, Federal, the Stockholders and WGI desire to make certain representations and warranties and other agreements in connection with the Transaction;

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby 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. Any agreement, instrument, law or regulation defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or law or regulation as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of laws and regulations) by succession of comparable successor laws or regulations and references to all attachments thereto and instruments incorporated therein. 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
338 Forms	Section 6.6.9
338(h)(10) Election	Section 6.6.8
ADSP	Section 6.6.9
Agreement	Preamble
Allocation Schedule	Section 6.6.9
Allocations	Section 6.6.9
Antitrust Filings	Section 6.8
Auditor	Section 2.6.3
Closing	Section 2.1
Closing Balance Sheet	Section 2.6.1
Closing Date	Section 2.1
Direct Claim Notice	Section 6.2.4(a)
Direct Claim Notice Period	Section 6.2.4(a)
Direct Payment	Section 2.2.2
Employee List	Section 3.12.2
Encumbrances	Section 3.15.1
Escrow Account or Accounts	Section 2.2.3
Escrow Agent	Section 2.2.3
Escrow Agreement	Section 2.2.3
Escrow Payment	Section 2.2.3
ESOP Stockholder's Representative	Section 2.5.1
Expenses	Section 6.1.1
FAR	Section 3.24.3
Federal	Preamble
Final Closing Balance Sheet	Section 2.6.4
Final Escrow Distribution	Section 6.2.10(b)
Fully Diluted Per Share Closing Purchase Price	Section 2.2.2(a)
GAAP	Section 2.6.1
Governmental Entity	Section 3.4.2
Indemnified Persons	Section 6.13.1
Independent Contractor List	Section 3.12.5
Initial Escrow Distribution	Section 6.2.10(a)
Initial Escrow Distribution Date	Section 6.2.10(a)
Insurance Amount	Section 6.13.2
Key Person Non-Compete Agreement	Section 7.2.8(b)
Material Contracts	Section 3.17.1
Non-ESOP Stockholders' Representative	Section 2.4.1
Objection	Section 2.6.2
Parent	Preamble
Parent Indemnitees	Section 6.2.2(a)
Permits	Section 3.8
Post Closing Tax Period	Section 6.6.2(b)(i)

Pre-Closing Tax Period	Section 6.6.2(a)
Purchase Price	Section 2.2.1
Shadow Stockholder or Shadow Stockholders	Section 3.11.8
Shadow Stockholder Releases	Section 7.2.18
Shares	Recitals
Special Account	Section 6.12
Stockholder or Stockholders	Preamble
Stockholder Indemnitees	Section 6.2.1(a)
Stockholder Consulting Agreement	Section 7.2.8(a)
Straddle Period or Straddle Periods	Section 6.6.2(a)
Survival Date	Section 8.1
Surviving Representations	Section 8.1(b)
Transaction	Recitals
Welfare Plan	Section 3.11.6
WGI	Preamble
WGI Balance Sheet	Section 3.5
WGI Common Stock	Recitals
WGI Financial Statements	Section 3.5
WGI Government Contract	Section 3.24.1
WGI Insurance Contracts	Section 3.19
WGI Plans	Section 3.11.1
WGI Proprietary Rights	Section 3.18.1

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).

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 WGI and which are used in WGI's business but are in no way a component of or incorporated in or specifically required to develop any of WGI's products and related trademarks and 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.

Control : (including with correlative meaning, controlled by and under common control with): as used with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

Direct Claim and *Direct Claims* : any claim or claims (other than Third Party Claims) by an Indemnified Party against an Indemnifying Party for which the Indemnified Party may seek indemnification 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) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law.

Environmental Laws : any Legal Requirement relating to the protection of public health, safety or the environment.

Equity Holders' Pro Rata Percentage : with respect to any (a) holder of WGI Common Stock, the percentage equivalent of the fraction, the numerator of which shall be the number of shares of WGI Common Stock held by each holder immediately prior to the Closing and the denominator of which shall be the total number of Fully Diluted Shares and (b) any holder of WGI Shadow Stock Units, the percentage equivalent of the fraction, the numerator of which shall be the number of WGI Shadow Stock Units held by each holder immediately prior to the Closing and the denominator of which shall be the total number of Fully Diluted Shares.

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 WGI or any Subsidiary; or any member of a controlled group of corporations, group of trades or businesses under common control or affiliated service group that includes WGI or any Subsidiary (as defined for purposes of Section 414(b), (c) and (m) of the Code).

ESOP : The Wexford Group International, Inc. Employee Stock Ownership Plan (Plan #002) and its related trust, originally effective January 1, 2005.

Exchange Act : the Securities Exchange Act of 1934, as amended.

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 agreed to by Parent and the Stockholders' Representatives.

Fully Diluted Shares : the sum of the number of shares of WGI Common Stock outstanding immediately prior to the Closing plus the number of WGI Shadow Stock Units outstanding immediately prior to the Closing.

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.

Indemnified Party : a party that has the right under Section 6.2 to seek indemnification from an Indemnifying Party.

Indemnifying Party : a party that has the obligation under Section 6.2 to indemnify an Indemnified Party.

HSR Act : the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

Knowledge of WGI : shall mean the actual, current knowledge of William H. Reno, Hank L. Kinnison, Janice M. Lynch, Paul Roche, Bryan Stanford, Randy Sullivan and John N. Turner.

Legal Requirement : any federal, state, local, municipal, foreign or other 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.

Letter of Intent : the letter dated April 3, 2007, from Thomas Mutryn, Executive Vice President, Acting Chief Financial Officer and Treasurer of Parent, to William H. Reno, President and CEO of WGI, expressing the companies' intention to effect the stock purchase and related transactions, subject to execution of this Agreement and other matters.

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 (including without limitation any actual diminution in value), 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.

Net Assets : total assets of WGI less total liabilities of WGI as of the Closing Date and as set forth on the Final Closing Balance Sheet, each as determined in accordance with GAAP applied consistently with WGI's past practices and Exhibit A .

Net Assets Adjustment : the number (positive or negative) calculated on the basis of the Net Assets, which is determined as follows:

(i) if the Net Assets are greater than $10,000,000, then the Net Assets Adjustment is a positive number equal to such excess;

(ii) if the Net Assets equal $10,000,000, then the Net Assets Adjustment is zero; and

(iii) if the Net Assets are less than $10,000,000, then the Net Assets Adjustment is a negative number equal to such deficit.

Non-ESOP Stockholders : the Stockholders other than the ESOP.

Permitted Encumbrances : (a) liens for current taxes and other statutory liens and trusts 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.

SEC : the United States Securities and Exchange Commission, or any Governmental Entity succeeding to its functions.

Securities Act : the Securities Act of 1933, as amended.

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.

Stockholders' Representatives : the Non-ESOP Stockholders' Representative and the ESOP Stockholder's Representative.

Subsidiary : any corporation, association, or other business entity a majority (by number of votes on the election of directors or persons holding positions with similar responsibilities) of the shares of capital stock (or other voting interests) of which is owned directly or indirectly by WGI.

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, 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, including any schedule or attachment thereto, and including any amendment thereof.

Third-Party Claims : a claim made by an Indemnified Party against an Indemnifying Party in connection with any third party litigation, arbitration, action, suit, proceeding, claim or demand made upon the Indemnified Party for which the Indemnified Party may seek indemnification from the Indemnifying Party under the terms of this Agreement.

Treasury Regulation : a regulation promulgated by the United States Treasury Department under one or more provisions of the Code.

Trust : The Reno Family Dynasty Trust, established on April 4, 2007.

WGI 401(k) Plan : The Wexford Group International Retirement Plan (Plan #001), formerly named Wexford Group International, Inc. 401(k) Profit Sharing Plan & Trust, originally effective September 1, 1999.

WGI Leases : each lease, sublease, license or other agreement under which WGI uses, occupies or has the right to occupy any real property or interest therein.

WGI Material Adverse Effect : means any effect that is material and adverse to the financial condition, results of operations, prospects or the economic aspects of the business of WGI; *provided, however* , that WGI Material Adverse Effect shall not be deemed to include the impact of (a) changes in laws of general applicability or interpretations thereof by governmental authorities, (b) changes in GAAP or regulatory accounting requirements, (c) changes in general economic or market conditions, (d) any public announcement of this Agreement in accordance with Section 6.2 of this Agreement or (e) the effects of any action or omission taken with the prior written consent of Parent or Federal or as otherwise required by this Agreement.

WGI Shadow Stock Units : Shadow Stock Units as defined in WGI's 2006 Long Term Shadow Stock Units Incentive Plan.

Article 2
The Purchase and Sale of Shares

2.1 Purchase of the Shares from the Stockholders . 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* "), the Stockholders shall sell, transfer, convey or assign and deliver to Federal, and Federal shall purchase, acquire and accept from the Stockholders, the Shares, free and clear of any and all liens, claims, encumbrances or rights of any third party. At the Closing, the Stockholders shall deliver to Federal certificates evidencing the Shares duly endorsed in blank or with stock powers or other appropriate instruments of transfer duly executed, with signatures guaranteed. The Closing shall take place at the offices of Parent in Arlington, Virginia, commencing at 10:00 a.m. local time on June 29, 2007, or on such other date as the parties may agree after the satisfaction or waiver of all conditions to the obligations of the parties to consummate the transactions contemplated hereby, but shall be effective as of June 30, 2007, at 11:59 pm. (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 One Hundred Fifteen Million Dollars ($115,000,000), subject to adjustment as provided below in Section 2.6. All payments of the Purchase Price under this Section 2.2 shall be made by wire transfer of immediately available funds in accordance with the Flow of Funds Memorandum, which shall be signed by the Stockholders' Representatives and Parent and delivered at the Closing.

2.2.2 The Purchase Price Paid at the Closing. The Purchase Price less (i) the Escrow Payment and (ii) the Expenses of WGI or the Stockholders being paid at the Closing pursuant to Section 6.1.2 (the " *Direct Payment* ") shall be paid by Federal on the Closing Date as follows:

(a) Federal shall pay to each Stockholder an amount equal to (i) the number of shares of WGI Common Stock being acquired by Federal at Closing from such Stockholder multiplied by (ii) the quotient obtained by dividing the Direct Payment by the total number of Fully Diluted Shares (the " *Fully Diluted Per Share Closing Purchase Price* "); and

(b) Federal shall pay WGI an amount equal to (i) the total number of WGI Shadow Stock Units being terminated at Closing in connection with the Transaction multiplied by (ii) the Fully Diluted Per Share Closing Purchase Price, which amount, less applicable withholding Taxes (which WGI will pay to the applicable Tax authorities), shall be distributed by WGI to the Shadow Stockholders, in proportion to their respective Equity Holders' Pro Rata Percentages, within three (3) Business Days following the Closing Date.

2.2.3 The Escrowed Portion of the Purchase Price . For the purpose of securing the Stockholders' and Shadow Stockholders' obligations pursuant to Section 6.2 and Federal's right, if any, to a refund as a result of a Net Assets Adjustment pursuant to Section 2.6, Twelve Million Five Hundred Thousand Dollars ($12,500,000) of the total Purchase Price (the

" *Escrow Payment* ") shall be delivered to PNC Bank NA (the " *Escrow Agent* ") to be administered by the Escrow pursuant to an escrow agreement substantially in the form of Exhibit B (the " *Escrow Agreement* "), which agreement shall provide for separate escrow accounts (each an " *Escrow Account* " and collectively, the " *Escrow Accounts* ") to hold William H. Reno's, the ESOP's, the Trust's and the Shadow Stockholders' portions of the Escrow Payment and shall provide that the Escrow Agent shall be the agent of the ESOP's trustee. The Escrow Payment shall be released as provided in Sections 2.6 and 6.4.10 and in the Escrow Agreement.

2.3 Additional Actions . If, at any time after the Closing Date, any further action is 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, the Stockholders, as well as the officers and directors of WGI and Federal, are fully authorized in their name and in the name of their respective corporations or otherwise to take, and upon request will take, all such Commercially Reasonable Efforts as are 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 this Agreement.

2.4 Non-ESOP Stockholders' Representative .

2.4.1 Appointment. The Non- ESOP Stockholders hereby appoint William H. Reno as the true and lawful agent and attorney-in-fact (the " *Non-ESOP Stockholders' Representative* ") of the Non-ESOP Stockholders with full power of substitution to act in the name, place and stead of the Non-ESOP Stockholders with respect to the surrender of the stock certificates owned by the Non-ESOP Stockholders to Federal in accordance with the terms and provisions of this Agreement, and to act on behalf of the Non-ESOP Stockholders in any litigation or arbitration involving this Agreement, do or refrain from doing all such further acts and things, and execute all such documents as the Non-ESOP Stockholders' Representative shall deem necessary or appropriate in connection with the transactions contemplated by this Agreement, including, without limitation, the power:

(a) to act for the Non-ESOP Stockholders with regard to matters pertaining to indemnification referred to in this Agreement, including the power to compromise any indemnity claim on behalf of the Non-ESOP Stockholders and to transact matters of litigation;

(b) to execute and deliver all ancillary agreements, certificates and documents that the Non-ESOP Stockholders' Representative deems necessary or appropriate in connection with the consummation of the transactions contemplated by this Agreement;

(c) to receive funds and give receipts for funds, including in respect of any adjustments to the Purchase Price;

(d) to do or refrain from doing any further act or deed on behalf of the Non-ESOP Stockholders that the Non-ESOP Stockholders' Representative deems necessary or appropriate in his sole discretion relating to the subject matter of this Agreement as fully and completely as the Non-ESOP Stockholders could do if personally present; and

(e) to receive service of process in connection with any claims under this Agreement.

The appointment of the Non-ESOP Stockholders' Representative shall be deemed coupled with an interest and shall be irrevocable, and Parent, Federal and WGI may conclusively and absolutely rely, without inquiry, upon any action of the Non-ESOP Stockholders' Representative in all matters referred to herein.

2.4.2 Successor Representative . If William H. Reno resigns, dies or is otherwise unable to serve as the Non-ESOP Stockholders' Representative, the successor Non-ESOP Stockholders' Representative shall be designated in writing by the Non-ESOP Stockholders who held a majority of the WGI Common Stock immediately prior to the Closing. Any change in the Non-ESOP Stockholders' Representative shall become effective only upon delivery of a written notice of such change to Parent.

2.4.3 Death, Incapacity or Termination of a Non-ESOP Stockholder . If any individual Non-ESOP Stockholders should die or become incapacitated, if any trust or estate should terminate or if any other such event should occur, any action taken by the Non-ESOP Stockholders' Representative pursuant to this Section 2.4 shall be as valid as if such death or incapacity, termination or other event had not occurred, regardless of whether or not the Non-ESOP Stockholders' Representative or the Surviving Corporation shall have received notice of such death, incapacity, termination or other event.

2.4.4 Notices . All notices required to be made or delivered by Parent, Federal or WGI to the Non-ESOP Stockholders shall be made to the Non-ESOP Stockholders' Representative for the benefit of the Non-ESOP Stockholders and shall discharge in full all notice requirements of Parent, Federal or WGI to the Non-ESOP Stockholders with respect thereto. The Non-ESOP Stockholders hereby confirm all that the Non-ESOP Stockholders' Representative shall do or cause to be done by virtue of his appointment as the Non-ESOP Stockholders' Representative of the Non-ESOP Stockholders.

2.4.5 Indemnity . The Non-ESOP Stockholders' Representative shall act for the Non-ESOP Stockholders on all of the matters set forth in this Agreement in the manner the Non-ESOP Stockholders' Representative believes to be in the best interest of the Non-ESOP Stockholders and consistent with the obligations under this Agreement, but the Non-ESOP Stockholders' Representative shall not be responsible to the Non-ESOP Stockholders for any loss or damages the Non-ESOP Stockholders may suffer by the performance by the Non-ESOP Stockholders' Representative of his duties under this Agreement, other than loss or damage arising from willful violation by the Non-ESOP Stockholders' Representative of the law or his duties under this Agreement. The Non-ESOP Stockholders' Representative and his heirs and personal or legal representatives shall be held harmless by the Non-ESOP Stockholders from, and indemnified against any loss or damages arising out of or in connection with the performance of his obligations in accordance with the provisions of this Agreement, except for any of the foregoing arising out of the willful violation of the law by the Non-ESOP Stockholders' Representative of his duties hereunder. The foregoing indemnity shall survive the resignation or substitution of the Non-ESOP Stockholders' Representative.

2.5 ESOP Stockholder's Representative.

2.5.1 Appointment. The ESOP hereby appoints Bryan Stanford as its true and lawful agent and attorney-in-fact (the " *ESOP Stockholder's Representative* ") with full power of substitution to act in the name, place and stead of the ESOP with respect to the surrender of the stock certificates owned by the ESOP to Federal in accordance with the terms and provisions of this Agreement, and to act on behalf of the ESOP in any litigation or arbitration involving this Agreement, do or refrain from doing all such further acts and things, and execute all such documents as the ESOP Stockholder's Representative shall deem necessary or appropriate in connection with the transactions contemplated by this Agreement, including, without limitation, the power:

(a) to act for the ESOP with regard to matters pertaining to indemnification referred to in this Agreement, including the power to compromise any indemnity claim on behalf of the ESOP and to transact matters of litigation;

(b) to execute and deliver all ancillary agreements, certificates and documents that the ESOP Stockholder's Representative deems necessary or appropriate in connection with the consummation of the transactions contemplated by this Agreement;

(c) to receive funds and give receipts for funds, including in respect of any adjustments to the Purchase Price;

(d) to do or refrain from doing any further act or deed on behalf of the ESOP that the ESOP Stockholder's Representative deems necessary or appropriate in his sole discretion relating to the subject matter of this Agreement as fully and completely as the ESOP could do if personally present; and

(e) to receive service of process in connection with any claims under this Agreement.

The appointment of the ESOP Stockholder's Representative shall be deemed coupled with an interest and shall be irrevocable, and Parent, Federal and WGI may conclusively and absolutely rely, without inquiry, upon any action of the ESOP Stockholder's Representative in all matters referred to herein.

2.5.2 Successor Representative . If Bryan Stanford resigns, dies or is otherwise unable to serve as the ESOP Stockholder's Representative, the successor ESOP Stockholder's Representative shall be designated in writing by the ESOP. Any change in the ESOP Stockholder's Representative shall become effective only upon delivery of a written notice of such change to Parent.

2.5.3 Notices . All notices required to be made or delivered by Parent, Federal or WGI to the ESOP shall be made to the ESOP Stockholder's Representative for the benefit of the ESOP and shall discharge in full all notice requirements of Parent, Federal or WGI to the ESOP with respect thereto. The ESOP hereby confirms all that the ESOP Stockholder's Representative shall do or cause to be done by virtue of his appointment as the ESOP Stockholder's Representative of the ESOP.

2.5.4 Indemnity . The ESOP Stockholder's Representative shall act for the ESOP on all of the matters set forth in this Agreement in the manner the ESOP Stockholder's Representative believes to be in the best interest of the ESOP and consistent with the obligations under this Agreement, but the ESOP Stockholder's Representative shall not be responsible to the ESOP for any loss or damages the ESOP may suffer by the performance by the ESOP Stockholder's Representative of his duties under this Agreement, other than loss or damage arising from willful violation of the law by the ESOP Stockholder's Representative of his duties under this Agreement. The ESOP Stockholder's Representative and his heirs and personal or legal representatives shall be held harmless by the ESOP from, and indemnified against any loss or damages arising out of or in connection with the performance of his obligations in accordance with the provisions of this Agreement, except for any of the foregoing arising out of the willful violation by the ESOP Stockholder's Representative of the law or his duties hereunder. The foregoing indemnity shall survive the resignation or substitution of the ESOP Stockholder's Representative.

2.6 Net Assets Adjustment to Purchase Price.

2.6.1 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 and shall deliver to the Stockholders' Representatives a Closing Balance Sheet for WGI as of the close of business on the Closing Date (the " *Closing Balance Sheet* "). The Closing Balance Sheet shall be prepared in accordance with United States generally accepted accounting principles (" *GAAP* ") consistently applied with the past practices of WGI.

2.6.2 Review of Closing Balance Sheet . The Stockholders' Representatives, upon receipt of the Closing Balance Sheet, shall (a) review the Closing Balance Sheet and (b) to the extent the Stockholders' Representatives may deem necessary or appropriate, make reasonable inquiry of WGI, Federal and its accountants (if any are used), relating to the preparation of the Closing Balance Sheet. The Stockholders' Representatives and their advisors shall have full and unobstructed 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, the Stockholders' Representatives on behalf of the Stockholders unless either of the Stockholders' Representatives shall have notified Federal in writing of any objections thereto (the " *Objection* ") within thirty (30) days after receipt of the Closing Balance Sheet.

2.6.3 Disputes . In the event of the Objection, Federal shall have twenty (20) days to review and respond in writing to the Objection, and Federal and the Stockholders' Representatives and their respective employees and/or advisors shall attempt to resolve the differences underlying the Objection within twenty (20) days following completion of Federal's review of the Objection. Disputes between Federal and the Stockholders' Representatives which cannot be resolved by them within such 20-day period shall be referred no later than such twentieth (20 th) day for decision to a nationally-recognized independent public accounting firm mutually selected by the Stockholders' Representatives and Federal (which firm shall not be

either of (a) the independent public accountants of Federal or (b) the independent public accountants used by WGI prior to the Closing Date) (the " *Auditor* ") who shall act as arbitrator and determine, based solely on presentations by the Stockholders' Representatives and Federal 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 the Representative each agree to execute a reasonable engagement letter proposed by the Auditor. The Auditor shall deliver its written determination to Federal and the Stockholders' Representatives no later than the thirtieth (30 th) 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 equally between Federal and the Stockholders. Federal and the Stockholders 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 the Stockholders' Representatives' disagreement.

2.6.4 Final Closing Balance Sheet . The Closing Balance Sheet shall become final and binding upon the parties upon the earlier of (a) the Stockholders' Representatives' failure to object thereto within the period permitted under Section 2.6.2, (b) the agreement between Federal and the Stockholders' Representatives with respect thereto and (c) the decision by the Auditor with respect to any disputes under Section 2.6.3. 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* ."

2.6.5 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 2.6, (a) if the Net Assets Adjustment is negative, an amount equal to the absolute value of the Net Assets Adjustment shall be promptly distributed to Parent out of the funds held in the Escrow Accounts in proportion to William H. Reno's, the ESOP's, the Trust's and the Shadow Stockholders' share (based upon their respective Equity Holders' Pro Rata Percentage) of such distribution, which shall constitute an immediate adjustment of the Purchase Price in such amount, and (b) if the Net Assets Adjustment is positive, Parent or Federal shall pay to the Non-ESOP Stockholders and Shadow Stockholders and the escrow agent of an escrow to be set up by Parent at Closing shall pay to the ESOP Stockholder, based on their Equity Holders' Pro Rata Percentage, the amount of the Net Assets Adjustment, which shall constitute an immediate adjustment of the Purchase Price in such amount. Any payment to the Shadow Stockholders shall be net of any required Tax withholdings, which amounts shall be paid by Federal to the appropriate Tax authorities.

Article 3
Representations and Warranties of WGI and the Stockholders

Except for those representations and warranties expressly set forth in this Article 3 , neither WGI nor any Stockholder makes any representations or warranties, express or implied, at law or in equity, of any kind or nature whatsoever concerning the organization, business, assets,

liabilities and operations of WGI or any other matter, and any such other representations or warranties are hereby expressly disclaimed in full and for all time. WGI and each of the Stockholders jointly and severally represent and warrant to Parent and Federal as follows:

3.1 Corporate Status of WGI . WGI 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. WGI is duly qualified or licensed to do business as a foreign corporation and is in good standing in all jurisdictions in which the character of the properties owned or held under lease by it or the nature of the business transacted by it makes qualification necessary. All jurisdictions in which WGI is qualified to do business are set forth on Schedule 3.1 hereto.

3.2 Capital Stock.

3.2.1 Authorized Stock of WGI . The authorized capital stock of WGI consists of 3,000,000 shares of WGI Common Stock, of which 2,552,000 shares are issued and outstanding. All of the outstanding shares of WGI 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. Schedule 3.2 hereto accurately lists the name of each holder of issued and outstanding capital stock of WGI and the number of shares owned by each. The Stockholders together own of record and beneficially all the outstanding shares of WGI Common Stock.

3.2.2 Options and Convertible Securities of WGI . There are no outstanding subscriptions, options, warrants, conversion rights or other rights, securities, agreements or commitments obligating WGI 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 WGI or any Stockholder is a party with respect to the voting of the shares of WGI Common Stock, and WGI 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 WGI Common Stock or any other securities of WGI.

3.3 Subsidiaries. WGI has no Subsidiaries. WGI has not acquired, sold, divested or liquidated any corporate entity or line of business.

3.4 Authority for Agreement; Noncontravention.

3.4.1 Authority . WGI has the corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby to the extent of its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, to the extent of WGI's obligations hereunder, have been duly and validly authorized by the board of directors of WGI, and no other corporate proceedings on the part of WGI are necessary to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, to the extent of WGI's obligations hereunder. This Agreement and the other agreements contemplated hereby to be signed by WGI and the Stockholders have been duly executed and delivered by WGI and the Stockholders and

constitute valid and binding obligations of WGI and the Stockholders, enforceable against WGI and the Stockholders 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 transactions contemplated hereby or thereby will (a) conflict with or result in a violation of any provision of WGI's charter documents or by-laws, (b) violate any provisions of any trust document of any Stockholder that is a trust, (c) with respect to the ESOP, violate any provisions of any ESOP document, or violate Section 409(e)(3) of the Code, or constitute or result in a prohibited transaction under the Code or ERISA, or result in any improper delegation of fiduciary duties to any Person, including, but not limited to, the ESOP Stockholder's Representative, (d) with respect to the ESOP, result in a Tax imposed under either Section 4978 or Section 4979A of the Code or (e) 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 WGI is a party or by which WGI or any of its assets or properties are bound or which is applicable to WGI or any of its assets or properties. Except to the extent that novation is required as further described in Section 6.5.2 below, 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 transactions contemplated hereby, except for (i) the filing of a pre-merger notification and report form by WGI under the HSR Act and any other documents or information requested by the United States Department of Justice or the United States Federal Trade Commission in connection therewith; (ii) the filing of merger notifications, applications, documents and information with competition authorities of foreign jurisdictions to the extent applicable; and (iii) such consents, authorizations, filings, approvals and registrations which if not obtained or made would not have an WGI Material Adverse Effect.

3.5 Financial Statements . WGI has previously furnished Parent with a copy of (a) the audited balance sheet of WGI as of December 31, 2006 and the audited statements of operations, cash flows and changes in the stockholders' equity of WGI for the year then ended and (b) the unaudited balance sheet of WGI as of March 31, 2007, and the unaudited statement of operations of WGI for the three-month period then ended. The annual financial statements were audited by Argy, Wiltse & Robinson, P.C., certified public accountants. Collectively, the financial statements referred to in the immediately preceding sentence are sometimes referred to herein as the " *WGI Financial Statements* " and the balance sheet of WGI as of December 31, 2006 is referred to herein as the " *WGI Balance Sheet* ." Each of the balance sheets included in the WGI Financial Statements (including any related notes) fairly presents in all material respects the financial position of WGI as of its date, and the other statements included in the WGI Financial Statements (including any related notes) fairly present in all material respects the

results of operations, cash flows and the stockholders' equity, as the case may be, of WGI for the periods therein set forth, in each case in accordance with GAAP consistently applied, subject, in the case of the three-month period ended on March 31, 2007, to normal year-end audit adjustments.

3.6 Absence of Material Adverse Changes . Except as set forth on Schedule 3.6 hereto, since December 31, 2006, WGI has not suffered any WGI Material Adverse Effect, and there has not occurred or arisen any event, condition or state of facts of any character that could reasonably be expected to result in an WGI Material Adverse Effect. Except as set forth on Schedule 3.6 hereto, since December 31, 2006, there have been no dividends or other distributions declared or paid in respect of, or any repurchase or redemption by WGI of, any of the shares of capital stock of WGI, or any commitment relating to any of the foregoing.

3.7 Absence of Undisclosed Liabilities . Except as set forth on Schedule 3.7 hereto, WGI has no Liabilities that are not fully reflected or provided for on, or disclosed in the notes to, the balance sheets included in the WGI Financial Statements, except (a) Liabilities incurred in the ordinary course of business since the date of the WGI Balance Sheet, none of which individually or in the aggregate has had or could reasonably be expected to have an WGI Material Adverse Effect, (b) Liabilities permitted or contemplated by this Agreement, and (c) Liabilities expressly disclosed on the Schedules delivered hereunder.

3.8 Compliance with Applicable Law, Charter and By-Laws . WGI 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, 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 WGI Material Adverse Effect or prevent or materially delay the consummation of the transactions contemplated hereby (collectively and after giving effect to such exceptions, the " *Permits* "). All of such Permits are in full force and effect. WGI 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 WGI, threatened, which may result in revocation, cancellation, suspension, or any materially adverse modification of any of such Permits. The business of WGI is being conducted in compliance in all material respects with all applicable law, statute, ordinance, regulation, rule, judgment, decree, order, Permit, concession, grant or other authorization of any Governmental Entity. WGI 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) there is no investigation by any Governmental Entity with respect to WGI pending or, to the Knowledge of WGI, threatened, nor has any Governmental Entity indicated to WGI an intention to conduct the same; (b) there is no claim, action, suit, arbitration or proceeding pending or, to the Knowledge of WGI, threatened against or involving WGI 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 WGI.

3.10 Tax Matters.

3.10.1 Filing of Returns. WGI has filed all Tax Returns that it is required to file (taking into account all extensions) under applicable laws and regulations on or before the Closing Date. 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 WGI have been paid. Except as set forth on Schedule 3.10 hereto, WGI is not currently the beneficiary of any extension of time within which to file any Tax Return. No claim has been made in the last two (2) years by an authority in a jurisdiction where WGI does not file Tax Returns that WGI is or may be subject to taxation by that jurisdiction, nor, to the Knowledge of WGI, is there any factual or legal basis for any such claim. There are no Security Interests (other than Permitted Encumbrances) upon any of the assets of WGI that arose in connection with any failure (or alleged failure) to pay any Tax.

3.10.2 Payment of Taxes. WGI has withheld and paid all Taxes required to have been withheld and paid by WGI in connection with any amounts paid or owing by WGI to any employee or stockholder, and all Forms W-2 and 1099 required with respect to employees, independent contractors and stockholders have been properly completed and timely filed.

3.10.3 Assessments or Disputes.

(a) The Stockholders do not expect any authority to assess any additional Taxes against WGI for any period for which Tax Returns have been filed. No foreign, federal, state, or local tax audits or administrative or judicial Tax proceedings are pending or being conducted with respect to WGI. WGI has not received from any foreign, federal, state, or local taxing authority (including jurisdictions where WGI has not filed Tax Returns) any (i) written notice indicating an intent to open an audit or other review, (ii) request for information related to Tax matters, or (iii) notice of deficiency or proposed adjustment for any amount of Tax proposed, asserted, or assessed by any taxing authority against WGI. Schedule 3.10 hereto lists those Tax Returns of WGI that have been audited, and indicates those Tax Returns of WGI that currently are the subject of audit. WGI has delivered to Parent correct and complete, in all material respects, copies of all federal income Tax Returns, examination reports, and statements of deficiencies assessed against or agreed to by WGI filed or received since December 31, 2000.

(b) WGI has no liability for any material dispute or claim concerning any Tax liability of the Stockholders relating to income of WGI either (A) claimed or raised by any authority in writing or (B) as to which the Stockholders have knowledge based upon personal contact with any agent of such authority. There is no dispute or claim for which WGI could have liability concerning any Tax liability of the Stockholders relating to the income of WGI for any taxable period during which the Stockholders have owned shares in WGI.

3.10.4 Waiver of Statute of Limitations . WGI has not 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 . To the Knowledge of WGI, WGI has disclosed on its federal income Tax Returns all positions taken therein that could

give rise to a substantial understatement of federal income Tax within the meaning of Code §6662. WGI is not a party to and is not bound by any Tax allocation or sharing agreement. WGI (a) has not been a member of an Affiliated Group filing a consolidated federal income Tax Return (other than a group the common parent of which was WGI) and (b) does not have any Liability for the Taxes of any Person (other than WGI) under Reg. §1.1502-6 (or any similar provision of state, local, or foreign law), as a transferee or successor, by contract, or otherwise.

3.10.6 Unpaid Taxes . The unpaid Taxes of WGI (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 WGI in filing their Tax Returns. Since the date of the most recent balance sheet, WGI 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 . WGI has no material assets that may constitute unclaimed property under applicable law. WGI has complied in all material respects with all applicable unclaimed property laws. Without limiting the generality of the foregoing, WGI 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. WGI'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 . WGI 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) change in method of accounting for a taxable period ending on or prior to the Closing Date;

(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);

(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 . WGI 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 WGI's 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) acquired the stock of any corporation which was a subchapter S corporation or a qualified subchapter S subsidiary.

3.10.10 S Corporation . WGI has been a validly electing S corporation within the meaning of Code sections 1361 and 1362 at all times since January 6, 1992, and WGI will be an S corporation up to and including the Closing Date. Since January 6, 1992, WGI has had only one class of stock within the meaning of section 1361(b)(1)(D) of the Code and the Treasury Regulations thereunder, and each outstanding share of WGI Common Stock confers identical rights to distributions and liquidation proceeds, taking into account the corporate charter, articles of incorporation, bylaws, applicable state law, and binding agreements relating to distribution and liquidation proceeds.

3.10.11 Built-In Gain . WGI will not recognize any built-in gain under Section 1374 of the Code as a result of the 338(h)(10) Election contemplated by Section 6.6.7 hereof.

3.10.12 Limited NOLs . WGI does not have any net operating losses or other tax attributes that are subject to limitation under Code Sections 382, 383, or 384, or the federal consolidated return regulations.

3.10.13 Gain Recognition Agreements . WGI is not a party to any "Gain Recognition Agreements" as such term is used in the Treasury Regulations promulgated under Code Section 367.

3.10.14 Joint Ventures, Partnerships, etc . There are no joint ventures, partnerships, limited liability companies, or other arrangements or contracts to which WGI is a party and that could be treated as a partnership for federal income tax purposes.

3.10.15 Foreign Permanent Establishments . WGI does not have, nor has it ever had, a "permanent establishment" in any foreign country, 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 employment, consulting, 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, or has been at any time in the three (3) prior calendar years, maintained,

administered, contributed to or required to be contributed to by WGI or any Subsidiary, (ii) to which WGI or any Subsidiary 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 WGI, any Subsidiary or any ERISA Affiliate of WGI (collectively, the " *WGI Plans* "). WGI has made available to Parent (i) accurate and complete copies of all WGI Plan documents currently in effect or at any time in effect in the three (3) prior calendar years (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 WGI Plans, (ii) accurate and complete copies of the most recent financial statements and actuarial reports with respect to all WGI Plans for which financial statements or actuarial reports are required or have been prepared, and (iii) accurate and complete copies of all annual reports and summary annual reports for all WGI Plans (for which annual reports are required) prepared for the three (3) most recent plan years. WGI 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 WGI Plans) concerning the WGI Plans that are in possession of WGI, any Subsidiary or any ERISA Affiliate of WGI as of the date hereof. Except as provided in Schedule 3.11 hereto, neither WGI nor any Subsidiary nor any ERISA Affiliate of WGI has ever maintained or 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 WGI Plan that is a "nonqualified deferred compensation plan" (as defined in Section 409A(d)(1) of the Code) has been operated in good faith compliance since January 1, 2005 with the provisions of Section 409A of the Code and regulations and other guidance promulgated thereunder.

3.11.3 ERISA.

(a) No "accumulated funding deficiency," as defined in Section 412 of the Code, has been incurred with respect to any WGI Plan subject to such Section 412, whether or not waived. 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 WGI Plan that is subject to Title IV of ERISA. Neither WGI nor any of its ERISA Affiliates 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. The assets of WGI are not now, nor will they after the passage of time be, subject to any lien imposed under Code Section 412(n) by reason of a failure of WGI or any ERISA Affiliate to make timely installments or other payments required under Code Section 412 prior to the Closing Date.

(b) With respect to all the WGI Plans, WGI and every ERISA Affiliate of WGI 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 WGI Plans have been timely filed or delivered. Neither WGI nor any ERISA Affiliate of WGI, nor any of their directors, officers, employees or agents, nor any trustee or administrator of any trust created under the WGI 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 WGI or its Affiliates, directors or employees or the WGI Plans or the trusts relating thereto or any party dealing with any of the WGI 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 WGI Plan.

3.11.4 Plan Determinations. Each WGI 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 all determination letters have been delivered to Parent, and to the Knowledge of WGI, nothing has occurred since the date of such determination letters which is 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 WGI Plan.

3.11.5 Funding. Except as set forth on Schedule 3.11 hereto:

(a) all material contributions, premiums or other payments by WGI due or required to be made under any WGI Plan prior to the date hereof have been made as of the date hereof or, if required by GAAP, are properly reflected on WGI's financial statements;

(b) there are no pending or, to the Knowledge of WGI, threatened audits, investigations, examinations, actions, liens, suits, or proceedings relating to any WGI Plan other than routine claims by Persons entitled to benefits thereunder, nor is any WGI Plan the subject of any pending (or, to the Knowledge of WGI, 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 WGI Plan;

(d) with respect to any WGI Plan that is qualified under Section 401(k) of the Code (including, without limitation, the WGI 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 WGI could be subject to any 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 WGI 401(k) Plan and any other WGI Plan have been segregated from WGI's general assets and deposited into the

trust established pursuant to such plan in a timely manner in accordance with the regulations of the U.S. Department of Labor and other applicable law; and

(e) neither WGI nor any Subsidiary has liability (contingent or otherwise) 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 WGI 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 WGI or any Subsidiary 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 WGI 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 WGI or any Subsidiary or any ERISA Affiliate of any of them. None of the WGI Plans promises or provides retiree medical or other retiree welfare benefits to any Person except as required by COBRA, and, to the Knowledge of WGI, none of WGI or any Subsidiary or any ERISA Affiliate of any of them 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 WGI Plan or employment agreement provides health benefits that are not insured through an insurance contract other than a Code Section 125 WGI Plan. Each WGI Plan is amendable and terminable unilaterally by WGI at any time without material liability to WGI as a result thereof, and no WGI Plan, plan documentation or agreement, summary plan description or other written communication distributed generally to employees by its terms prohibits WGI from amending or terminating any such WGI Plan.

3.11.7 Effect of Transaction. Except as specifically set forth in Schedule 3.11 hereto, no employee or former employee of WGI, any Subsidiary or any ERISA Affiliate of WGI 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) as a result of the transactions contemplated by this Agreement, and there is no contract, plan or arrangement covering any employee or former employee of WGI, any Subsidiary or any ERISA Affiliate of WGI 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, WGI or any Subsidiary by reason of Sections 280G of the Code. Schedule 3.11 hereto accurately lists the name of each holder (each a " *Shadow Stockholder* " and collectively, " *Shadow Stockholders* ") of WGI Shadow Stock Units and the number of WGI Shadow Stock Units owned by each.

3.11.8 Requirements of Code Section 409(p). During all relevant time periods, there have been no failures to meet the requirements of Code Section 409(p). Except as described on Schedule 3.11 hereto, the ESOP is not, and will not become as a result of the transactions contemplated by this Agreement, a party to any loan or other extension of credit.

3.12 Employment-Related Matters.

3.12.1 Labor Relations. Except to the extent set forth on Schedule 3.12 hereto: (a) WGI is not a party to any collective bargaining agreement or other contract or agreement with any labor organization or other representative of employees of WGI; (b) there is no labor strike, dispute, slowdown, work stoppage or lockout that is pending or, to the Knowledge of WGI, threatened against or otherwise affecting WGI, and WGI has not experienced the same within the last three (3) years; (c) WGI has not closed any plant or facility, effectuated any layoffs of employees or implemented any early retirement or separation program within the last three (3) years, nor has WGI planned or announced any such action or program for the future with respect to which WGI has any material liability; and (d) all material salaries, wages, vacation pay, bonuses, commissions and other compensation due from WGI before the date hereof have been paid or accrued as of the date hereof.

3.12.2 Employee List. WGI 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 WGI 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. No third party has asserted any claim in the last five (5) years or, to the Knowledge of WGI, has any reasonable basis to assert any claim against WGI that either the continued employment by, or association with, WGI of any of the present officers or employees of, or consultants to, WGI contravenes any agreements or laws applicable to unfair competition, trade secrets or proprietary information. WGI shall deliver to Federal at the Closing an Employee List updated as of the Closing Date.

3.12.3 No Foreign Employees. Neither WGI nor any Subsidiary employs, or has in the past employed, Persons permanently located outside of the United States.

3.12.4 Employee Agreements. Except as set forth on Schedule 3.12 hereto, no employee, officer or consultant of WGI has executed an employment agreement or consultant agreement. WGI's standard forms of consultant agreement are attached hereto as Exhibit 3.12 . To the Knowledge of WGI, except as set forth on Schedule 3.12 hereto, no current or former employee, officer or consultant of WGI is in violation of any term of any confidentiality or non-competition agreement relating to the relationship of any such employee, officer or consultant with any previous employer.

3.12.5 Independent Contractors. WGI has heretofore delivered to Parent a list (the " *Independent Contractor List* ") dated as of the date of this Agreement containing (i) the name of every individual performing, as an independent contractor to WGI, services in support of the requirements of any WGI Government Contract or other agreement with a customer of WGI, (ii) the WGI Government Contract or other WGI customer agreement in support of which such individual is performing services, and (iii) a description, the date and the term of WGI's

agreement with such individual for such services, true and complete copies of which agreements have been made available by WGI to Parent The Independent Contractor List is correct and complete as of the date of the Independent Contractor List. WGI shall deliver to Federal at the Closing an Independent Contractor List updated as of the Closing Date.

3.12.6 Compliance. WGI has materially complied 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) WGI is and has been in compliance with all applicable Environmental Laws in effect on the date hereof; (b) WGI has not received any written communication that alleges that it is or was not in compliance with all applicable Environmental Laws in effect on the date hereof; (c) to the Knowledge of WGI, there are no circumstances that may prevent or interfere with compliance in the future with all applicable Environmental Laws; (d) all Permits and other governmental authorizations currently held by WGI pursuant to the Environmental Laws are in full force and effect, WGI is in material compliance with all of the terms of such Permits and authorizations, and to the Knowledge of WGI, no other Permits or authorizations are required by WGI for the conduct of its business on the date hereof; (e) such Permits will not be terminated or impaired or become terminable, in whole or in part, solely as a result of the transactions contemplated hereby; and (f) to the Knowledge of WGI, the management, handling, storage, transportation, treatment, and disposal by WGI of all Materials of Environmental Concern is and has been in compliance 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 WGI, threatened, against or involving WGI or against any Person whose liability for any Environmental Claim WGI has or may have retained or assumed either contractually or by operation of law.

3.13.3 No Basis for Claims. To the Knowledge of WGI, there are no past or present actions or activities by WGI, 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 WGI, that could reasonably form the basis of any Environmental Claim against WGI or against any Person or entity whose liability for any Environmental Claim WGI may have retained or assumed either contractually or by operation of law, 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 WGI.

3.13.4 Disclosure of Information. WGI has made, and during the period between the date of this Agreement and the Closing Date will continue to make, available to Parent and Federal all environmental investigations, studies, audits, tests, reviews and other analyses conducted in relation to Environmental Laws or Materials of Environmental Concern pertaining to WGI or any property or facility now or previously owned, leased or operated by WGI that are in the possession, custody, or control of WGI.

3.13.5 Liens. No lien imposed relating to or in connection with any Environmental Claim, Environmental Law, or Materials of Environmental concern has been (or, to the Knowledge of WGI, may be) filed or has been (or, to the Knowledge of WGI, may be) attached to any of the property or assets which are owned or, to the Knowledge of WGI, leased or operated by WGI.

3.14 No Broker's or Finder's Fees. WGI has not paid or agreed to pay any fee or commission to any broker, finder, financial advisor or intermediary in connection with the transactions contemplated by this Agreement.

3.15 Assets Other Than Real Property.

3.15.1 Title. WGI has good and marketable title to all of the material tangible assets shown on the WGI 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) assets disposed of since the date of the WGI Balance Sheet in the ordinary course of business and in a manner consistent with past practices, (b) liabilities, obligations and Encumbrances reflected in the WGI Balance Sheet or otherwise in the WGI Financial Statements, (c) Permitted Encumbrances, and (d) liabilities, obligations and Encumbrances set forth on Schedule 3.15 hereto. Each tangible asset of WGI that has a present value of $1,000.00 or more or that is otherwise material to the business of WGI 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 WGI Balance Sheet contains no material amount of slow-moving or obsolete items that have not been reserved for on WGI Balance Sheet. The values at which such inventories are carried on WGI Balance Sheet reflect the normal inventory valuation policies of WGI 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 WGI Balance Sheet and all receivables accrued by WGI since the date of the WGI Balance Sheet, 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 WGI Balance Sheet, any additional allowance in respect thereof is consistent with the allowance reflected in the WGI Balance Sheet.

3.15.4 Condition. All material facilities, equipment and personal property owned by WGI 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 does not

constitute a WGI Material Adverse Effect and does not affect WGI's ability to perform its obligations under this Agreement.

3.16 Real Property.

3.16.1 WGI Real Property. WGI neither owns nor has owned any real property.

3.16.2 WGI Leases. Schedule 3.16 hereto lists all WGI Leases. Complete copies of the WGI Leases, and all material amendments thereto (which are identified on Schedule 3.16 hereto), have been made available by WGI to Parent. The WGI Leases grant leasehold estates free and clear of all Encumbrances (except Permitted Encumbrances), and no Encumbrances (except Permitted Encumbrances) have been granted by or caused by the actions of WGI. The WGI 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 WGI nor, to the Knowledge of WGI, any other party to an WGI Lease, has committed a material breach or default under any WGI Lease, nor has there occurred any event that with the passage of time or the giving of notice or both would constitute such material breach or default, nor are there any facts or circumstances that would reasonably indicate that WGI is likely to be in material breach or default under any WGI Lease. Schedule 3.16 hereto correctly identifies each WGI Lease the provisions of which would be materially and adversely affected by the transactions contemplated hereby and each WGI Lease that requires the consent of any third party in connection with the transactions contemplated hereby. No material construction, alteration or other leasehold improvement work with respect to the real property covered by any WGI Lease remains to be paid for or to be performed by WGI. Except as set forth on Schedule 3.16 hereto, no WGI Lease has an unexpired term which including any renewal or extensions of such term provided for in such WGI Lease could exceed ten years.

3.16.3 Condition. All buildings, structures, leasehold improvements and material fixtures, or parts thereof, used by WGI in the conduct of its business are in good operating condition and repair, ordinary wear and tear excepted.

3.17 Agreements, Contracts and Commitments.

3.17.1 WGI Agreements. Except as set forth on Schedule 3.17 hereto or any other Schedule hereto (the " *Material Contracts* "), WGI 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 WGI), other than WGI's standard form of employment agreement (as described in Section 3.12.4);

(c) any agreement of guarantee or indemnification in an amount that is material to WGI taken as a whole;

(d) any agreement or commitment containing a covenant limiting or purporting to limit the freedom of WGI to compete with any Person in any geographic area or to engage in any line of business;

(e) any lease, other than the WGI Leases under which WGI is lessee, that involves, in the aggregate, payments of $25,000 or more per annum or is material to the conduct of the business of WGI;

(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 WGI 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 $25,000 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 of, all or any portion of the WGI Proprietary Rights;

(j) any agreement or arrangement providing for the payment of any commission based on sales other than to employees of WGI;

(k) any agreement for the sale by WGI of materials, products, services or supplies that involves future payments to WGI of more than $50,000;

(l) any agreement for the purchase by WGI of any materials, equipment, services, or supplies, that either (i) involves a binding commitment by WGI to make future payments in excess of $50,000 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 asset expected to be used or currently used or useful in the business of WGI;

(n) any agreement or commitment for the acquisition, construction or sale of fixed assets owned or to be owned by WGI that involves future payments by WGI of more than $50,000;

(o) any agreement or commitment to which present or former directors, officers or Affiliates of WGI, 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 WGI of more than $50,000, other than the WGI Leases;

(q) any agreement that provides for any continuing or future obligation of WGI, actual or contingent, including but not limited to any continuing representation or warranty or any indemnification obligation that arose in connection with the disposition of any business or assets of WGI;

(r) any agreement awarded under the 8(a) Business Development Program or the Small Disadvantaged Business Certification Program; or

(s) any agreement not described above that was not made in the ordinary course of business and that is material to the financial condition, business, operations, assets, results of operations or prospects of WGI.

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 WGI nor, to the Knowledge of WGI, any other party thereto, has breached any material provision of, or defaulted under the material 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 WGI 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 a third party in connection with the transactions contemplated hereby.

3.18 Intellectual Property.

3.18.1 Right to Intellectual Property. Except as set forth on Schedule 3.18 hereto, WGI owns, or has perpetual, fully paid, worldwide rights to use, all patents, trademarks, trade names, service marks, copyrights, and any applications therefor, maskworks, net lists, 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 used in the business of WGI as currently conducted (the " *WGI Proprietary Rights* "). The Commercial Software used in the business of WGI in each case has been acquired and used by WGI on the basis of and in accordance with a valid license from the manufacturer or a dealer authorized to distribute such Commercial Software. A complete list of the Commercial Software used in the business of WGI is set forth on Schedule 3.18 hereto. WGI is not in material breach of any of the terms and conditions of any such license, and to the Knowledge of WGI, WGI 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 patents, trademarks, registered copyrights, trade names and service marks, and any applications therefor, included in WGI Proprietary Rights, specifying, where applicable, the jurisdictions in which each such WGI 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. Except as set forth on Schedule 3.18 hereto, no software product currently marketed by WGI has been registered for copyright protection with the United States Copyright Office or any foreign offices nor has WGI been requested to make any such registration. Set forth on Schedule 3.18 hereto is a complete list of all domain names, Secure Socket Layer (SSL) certificates and other World Wide Web certificates owned by WGI, which list includes all domain names used by WGI 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 WGI is a party and pursuant to which WGI or any other Person is authorized to use any WGI Proprietary Right or trade secrets material to the business of WGI; such schedule includes the identity of all parties to such licenses, sublicenses and other agreements, a description of the nature and subject matter thereof, the applicable royalty and the term thereof. WGI is not in 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 WGI, and the consummation of the transactions contemplated hereby, will neither cause WGI 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.

(c) Except as set forth on Schedule 3.18 hereto, WGI is the sole and exclusive owner or licensee of, with all right, title and interest in and to (free and clear of any and all liens, claims and encumbrances), all rights included among the WGI Proprietary Rights, and WGI 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 WGI Proprietary Rights are being used or might reasonably be used. No claims with respect to WGI Proprietary Rights have been asserted or, to the Knowledge of WGI, are threatened by any Person nor are there any valid grounds for any bona fide claims (a) to the effect that the manufacture, sale, licensing or use of any of the products of WGI as now manufactured, sold or licensed or used or proposed for manufacture, use, sale or licensing by WGI infringes on any copyright, patent, trademark, service mark, trade secret or other proprietary right, (b) against the use by WGI of any trademarks, service marks, trade names, trade secrets, copyrights, patents, technology, know-how or computer software programs and applications used in WGI's business as currently conducted or as proposed to be conducted, or (c) challenging the ownership by WGI, or the validity or effectiveness, of any of WGI Proprietary Rights.

(d) All material registered trademarks, service marks and copyrights held by WGI are valid and subsisting in the jurisdictions in which they have been filed. To the Knowledge of WGI, there is no material unauthorized use, infringement or misappropriation of any of WGI Proprietary Rights by any third party, including any employee or former employee

of WGI. No WGI Proprietary Right or product of WGI is subject to any outstanding decree, order, judgment, or stipulation restricting in any manner the use, licensing or transfer thereof by WGI. Except as set forth in Schedule 3.18 hereto, WGI has not entered into any agreement under which WGI is restricted from selling, licensing or otherwise distributing any of its products to any class of customers, in any geographic area, during any period of time or in any segment of the market. WGI's products, packaging and documentation contain copyright notices sufficient to maintain copyright protection on the copyrighted portions of the WGI 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 WGI. Such contracts of insurance and indemnity and those shown in other Schedules to this Agreement (collectively, the " *WGI Insurance Contracts* ") insure against such risks, and are, in the reasonable judgment of WGI, in such amounts, as are appropriate and reasonable considering WGI's property, business and operations. All of the WGI Insurance Contracts are in full force and effect, with no default thereunder by WGI which could permit the insurer to deny payment of claims thereunder. All premiums due and payable thereon have been paid and WGI has not received written or, to the Knowledge of WGI, oral 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 WGI Insurance Contracts will not be available in the future on substantially the same terms as now in effect. WGI has not received or given a notice of cancellation with respect to any of the WGI 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 WGI 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. WGI has no contingent or conditional liabilities or obligations of any kind arising from or relating to any acquisition of a Subsidiary or line of business.

3.22 Absence of Certain Relationships. Except as set forth on Schedule 3.22 hereto, none of (a) WGI, (b) any executive officer of WGI, (c) any Stockholder, or (d) to the Knowledge of WGI, any member of the immediate family of the Persons listed in (a) through (c) of this sentence, has any financial or employment interest in any subcontractor, supplier, or customer of WGI (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. WGI has not directly or indirectly taken any action which would cause WGI to be in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, or any rules and regulations thereunder. WGI has not directly or, to the Knowledge of WGI, 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 WGI, or (iv) in

violation of any law or regulation, or (b) established or maintained any fund or asset for use in connection with any of the foregoing that has not been recorded in the books and records of WGI.

3.24 Government Contracts.

3.24.1 Generally. Each WGI engagement and contract, which in either case is a Government Contract (each, a " *WGI Government Contract* "), is listed on Schedule 3.24 hereto and identified as a Government Contract. Also listed on Schedule 3.24 hereto and identified as a "Government Bid" is each outstanding quotation, bid or proposal for a Government Contract involving the business. Listed and separately identified on Schedule 3.24 hereto is each WGI Government Contract under which WGI has received any written or, to the Knowledge of WGI, oral notice from the customer on such WGI Government Contract that WGI's performance thereof is or may be (i) materially behind the contractually required schedule, (ii) failing to comply with some other material technical or other contractual requirement thereof or (iii) experiencing a material cost overrun.

3.24.2 Bids and Awards. To the Knowledge of WGI, (a) each WGI Government Contract was legally awarded, and (b) no such WGI Government Contract (or, where applicable, the prime contract with the United States Government under which such WGI Government Contract was awarded) is the subject of bid or award protest proceedings. Since December 31, 2006, WGI has not entered into any WGI Government Contract on which it was required to certify cost or pricing data under the Truth in Negotiations Act.

3.24.3 Compliance with Law and Regulation and Contractual Terms; Inspection and Certification. WGI has complied in all material respects with all statutory and regulatory requirements pertaining to the WGI 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, in each case to the extent applicable. WGI has complied in all material respects with all terms and conditions, including (but not limited to) all clauses, provisions, specifications, and quality assurance, testing and inspection requirements of the WGI 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 WGI in connection with any WGI Government Contracts and its quotations, bids and proposals for Government Contracts were current, accurate and complete as of the date of their submission. To the Knowledge of WGI, WGI has complied with all applicable representations, certifications and disclosure requirements under all WGI Government Contracts and each of its quotations, bids and proposals for Government Contracts. WGI 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. To the Knowledge of WGI, no facts exist which could reasonably be expected to give rise to liability to WGI under the False Claims Act. Except as described in Schedule 3.24 hereto, WGI 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 WGI Government Contract. WGI has made available to Parent the results of any audit, review, inspection, investigation, survey or examination of records described in

Schedule 3.24 hereto. WGI's cost accounting, purchasing, inventory and quality control systems are in material compliance with all applicable government procurement statutes and regulations and with the requirements of the WGI Government Contracts (or any of them).

3.24.4 Within the Scope. Except as specifically set forth in Schedule 3.24 hereto,

(a) WGI is not a party, and since December 31, 2001, 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 government 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) WGI has not sold, any goods or services to any government entity that are, or were, materially different from those described in the statement of work of a valid Government Contract pursuant to which the goods or services were delivered to the government entity; and

(c) to the Knowledge of WGI, there has been no allegation, charge, finding, investigation or report (internal or external to WGI) to the effect that WGI 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 government entity under the circumstances described in clause (b) above.

3.24.5 Credentials. To the Knowledge of WGI, each WGI employee performing services related to a WGI 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 WGI Government Contract.

3.24.6 Disputes, Claims and Litigation. Except as described in Schedule 3.24 hereto, to the Knowledge of WGI, there are neither any outstanding claims or disputes against WGI relating to any WGI Government Contract nor any facts or allegations that could give rise to such a claim or dispute in the future. Except as described in Schedule 3.24 hereto, there are neither any outstanding claims or disputes relating to any WGI Government Contract which, if resolved unfavorably to WGI, would materially increase WGI's cost to complete performance of such Government Contract above the amounts set forth in the estimates to complete previously prepared by WGI and delivered to Parent for each WGI Government Contract, nor, to the Knowledge of WGI, any reasonably foreseeable expenditures which would materially increase the cost to complete performance of any WGI Government Contract above the amounts set forth in the estimates to complete described above. WGI has not been and is not now, to the Knowledge of WGI, under any administrative, civil or criminal investigation or indictment involving alleged false statements, false claims or other misconduct relating to any WGI Government Contract or quotations, bids and proposals for Government Contracts, and to the Knowledge of WGI, there is no basis for any such investigation or indictment. WGI 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 WGI Government Contract or

quotations, bids and proposals for Government Contracts, and there is no basis for any such proceeding. Except as described in Schedule 3.24 hereto, neither the United States Government nor any prime contractor or higher-tier subcontractor under a Government Contract has withheld or set off, or, to the Knowledge of WGI, 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 WGI under any WGI Government Contract.

3.24.7 DCAA Audits. WGI has not had any adjustments arising out of audits by the Defense Contracting Audit Agency. Except as described in Schedule 3.24 hereto, neither the United States Government nor any prime contractor or higher-tier subcontractor under an outstanding Government Contract has disallowed any costs claimed by WGI under any WGI Government Contract, and there is no fact or occurrence that could be a basis for disallowing any such costs. The reserves established by WGI with respect to possible adjustments to the indirect and direct costs incurred by WGI on any Government Contract are reasonable and are adequate to cover any potential adjustments resulting from audits of any such Government Contract, in each case to the extent required by GAAP.

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 WGI 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. WGI has not received any show cause, cure, deficiency, default or similar notices in writing relating to any WGI Government Contract. Neither WGI nor any Stockholder, director, officer, executive employee, or to the Knowledge of WGI any consultant or Affiliate thereof has been or is not now suspended, debarred, or proposed for suspension or debarment from government contracting, and to the Knowledge of WGI, 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 WGI with respect to any quotation, bid or proposal for a Government Contract.

3.24.9 Terminations. Except as described in Schedule 3.24 hereto, no WGI Government Contract has been terminated for default within 24 months prior to the date of this Agreement. Except as described in Schedule 3.24 hereto, WGI has not received any notice in writing, terminating or indicating an intent to terminate any WGI Government Contract for convenience.

3.24.10 Assignments. Except as described in Schedule 3.24 hereto, WGI has not made any assignment of any WGI Government Contract or of any interest in any WGI Government Contract to any Person. Except as described in Schedule 3.24 hereto, WGI has not entered into any financing arrangements with respect to the performance of any WGI Government Contract.

3.24.11 Property. WGI is in material compliance with all applicable Legal Requirements with respect to the possession and maintenance of all government furnished property (as defined in the FAR).

3.24.12 National Security Obligations. Except to the extent prohibited by applicable Legal Requirements, Schedule 3.24 hereto sets forth all facility security clearances held by WGI. To the Knowledge of WGI, there is no existing information, fact, condition or circumstance that would cause WGI to lose its facility security clearances. WGI 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 WGI 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 hereto lists every inactive WGI Government Contract that is not closed out. WGI does not have any material Liabilities under any inactive WGI Government Contract that is not closed out.

3.25 Export Compliance. Except as listed on Schedule 3.25 hereto, WGI is in compliance with all U.S. export control Legal Requirements, including but not limited to US 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.

3.26 Full Disclosure. To the Knowledge of WGI, neither this Agreement nor any Section, agreement, document or certificate delivered pursuant hereto contains any untrue statement of a material fact by WGI or the Stockholders or omits to state a material fact necessary in order to make the statements of WGI or the Stockholders contained herein or therein. To the Knowledge of WGI, all documents and other papers delivered by or on behalf of the Stockholders or WGI in connection with this Agreement are true, complete and correct in all material respects.

3.27 Overlapping Disclosure. Any matter fully disclosed in one Schedule hereto shall be deemed to be disclosed in the other relevant Schedules.

Article 4
Representations And Warranties Of Parent And Federal

Parent and Federal, jointly and severally, represent and warrant to WGI as follows:

4.1 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.

4.2 Authority for Agreement; Noncontravention.

4.2.1 Authority of Parent. Each of Parent and Federal has the corporate power and authority to enter into this Agreement and to consummate the transactions

contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby 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 transactions contemplated hereby. 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).

4.2.2 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, nor the consummation by Parent or Federal of the transactions contemplated hereby 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 transactions contemplated hereby, except for (i) the filing of a pre-merger notification and report form by Parent under the HSR Act and any other documents or information requested by the United States Department of Justice or the United States Federal Trade Commission in connection therewith; (ii) the filing of merger notifications, applications, documents and information with competition authorities of foreign jurisdictions to the extent applicable; and (iii)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.

4.3 Financial Capability. Parent and Federal have and will have as of the Closing sufficient funds available to them to fund the Purchase Price required by Section 2.2. Parent and Federal's ability to consummate the transactions contemplated by this Agreement is not contingent on raising any equity capital, obtaining financing therefor, consent of any lender or any other matter relating to funding payments under this Agreement.

4.4 Sophisticated Investor. Parent is a sophisticated investor, represented by independent legal and investment counsel with experience in the acquisition and valuation of ongoing businesses and acknowledges that it has received, or has had access to, all information which it considers necessary or advisable to enable it to make an informed investment decision

concerning its purchase of WGI Common Stock. Parent is acquiring WGI Common Stock for investment purposes only, and not with a view to, or for, any public resale or other distribution thereof. Parent acknowledges that WGI Common Stock has not been registered under the Securities Act or any state or foreign securities laws and that WGI Common Stock may not be sold, transferred, offered for sale, pledged, hypothecation or other disposition is pursuant to the terms of an effective registration statement under the Securities Act and are registered under any applicable state or foreign securities laws or pursuant to an exemption from registration under the Securities Act and any applicable state or foreign securities laws. For the avoidance of doubt, the acknowledgements in this Section 4.4 shall not affect the rights of Parent Indemnitees under Section 6.2.

4.5 No Broker's or Finder's Fees. Neither Parent nor Federal has paid or agreed to pay any fee or commission to any broker, finder, financial advisor or intermediary in connection with the transactions contemplated by this Agreement.

Article 5
Conduct of Business Prior To The Closing Date

5.1 Conduct of WGI's Business.

5.1.1 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, WGI 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 organization, keep available the services of its present officers and employees and preserve its material relationships with customers, suppliers and others having business relationships with it, to the end that WGI'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 WGI Material Adverse Effect.

5.1.2 Actions Requiring Parent's Consent. Except as set forth on Schedule 5.1 hereto, 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, WGI shall not, except to the extent that Parent shall otherwise consent in writing (such consent not to be unreasonably withheld):

(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 material obligation or Liability, except obligations incurred in the ordinary course of business consistent with past practices;

(e) pay, discharge or satisfy any claim, obligation or Liability in excess of $50,000 (in any one case) or $100,000 (in the aggregate), other than the payment, discharge or satisfaction in the ordinary course of business of obligations reflected on or reserved against in the WGI Balance Sheet, or incurred since the date of the WGI Balance Sheet in the ordinary course of business consistent with past practices or in connection with this transaction;

(f) except as required by applicable law or this Agreement, 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 WGI, except in the ordinary course of business consistent with past practices;

(h) acquire by merging or consolidating with, or by purchasing any 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 WGI, except in the ordinary course of business consistent with past practices;

(i) 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 material 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 (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 WGI Proprietary Rights or enter into any settlement regarding the breach or infringement of, all or any part of the WGI 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 WGI Material Adverse Effect;

(k) sell, or grant any right to exclusive use of, all or any part of the WGI 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 could reasonably be expected to have an adverse impact on the transactions contemplated hereunder or that would have or could reasonably be expected to have an WGI Material Adverse Effect;

(m) amend in any material respect any agreement to which it is a party, the amendment of which will have or could reasonably be expected to have an WGI 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 $50,000 or (ii) the waiver, release, transfer or lapse of which would have or could reasonably be expected to have an WGI Material Adverse Effect;

(o) make or change any election, change an annual accounting period, adopt or change any accounting method, file any amended Tax Return, enter into any closing agreement, settle any Tax claim or assessment relating to WGI, surrender any right to claim a refund of Taxes, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment relating to WGI 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 materially increasing the Tax liability of WGI for any period ending after the Closing Date or decreasing any Tax attribute of WGI existing on the Closing Date;;

(p) make any change in any method of accounting or accounting practice other than changes required to be made in order that WGI's financial statements comply with GAAP; or

(q) agree, whether in writing or otherwise, to take any action prohibited in this Section 5.1.

5.2 Forbearances of Parent and Federal. From the date hereof until the Closing Date Time, except as expressly contemplated or permitted by this Agreement, without the prior written consent of WGI, Parent and Federal will not, and Parent will cause each of its other Subsidiaries not to:

5.2.1 Adverse Actions. Take any action that is intended or is reasonably likely to result in (i) any of its representations and warranties set forth in this Agreement being or becoming untrue in any material respect at any time at or prior to the Closing Date, (ii) any of the conditions to the transaction set forth in Sections 7.1 and 7.3 not being satisfied or (iii) a material violation of any provision of this Agreement, except as may be required by applicable law or regulation.

5.2.2 Commitments. Enter into any contract with respect to, or otherwise agree or commit to do, any of the foregoing.

Article 6
Additional Agreements

6.1 Expenses.

6.1.1 General. Except as provided in this Section 6.1, 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* ").

6.1.2 Certain Expenses. At the Closing, unless previously paid by WGI, Federal shall pay the fees, as designated in writing by WGI to Parent of (a) Argy, Wiltse & Robinson, P.C. and (b) Patton Boggs LLP, which amounts shall reduce the Purchase Price due to the Stockholders and Shadow Stockholders at the Closing in accordance with Section 2.2.2.

6.1.3 HSR Filing Fee. Parent and WGI shall share equally any filing fees related to Antitrust Filings as defined in Section 6.8.

6.1.4 Uncovered Expenses. WGI and the Stockholders shall ensure that either: (a) any valid, uncontested Expenses incurred by WGI, the Stockholders and the Shadow Stockholders are paid at or before the Closing from the aggregate Purchase Price so that such valid, uncontested Expenses do not continue to be or do not become the liability of WGI after the Closing or (b) provision is made for any such Expenses on WGI's books for payment after the Closing (it being understood that in such event the Net Assets on the Closing Balance Sheet shall be reduced by any such Expenses).

6.2 Indemnification.

6.2.1 By Parent .

(a) Subject to and as limited by the provisions contained in all of Section 6.2 and the subsections thereof, Parent shall protect, defend, indemnify and hold harmless the Stockholders and their Affiliates, respective agents, representatives, successors and assigns (" *Stockholder Indemnitees* ") from and against any Loss that may be sustained, suffered or incurred by the Stockholders or their Affiliates, and that arose from (i) any breach by Parent or Federal of its representations and warranties, (ii) any breach by Parent or Federal of its covenants in this Agreement, (iii) Taxes as provided in Section 6.2.1(b) or (iv) any liabilities of WGI following the Closing other than those liabilities for which the Stockholders have agreed to indemnify Parent pursuant to Section 6.2.2 of this Agreement.

(b) The obligations of Parent under Section 6.2.1(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 6.6.2.

6.2.2 By Stockholders and Shadow Stockholders .

(a) Subject to and as limited by the provisions contained in all of Section 6.2 and the subsections thereof, the Stockholders and, pursuant to the Shadow Stockholder Releases (to be executed by the Shadow Stockholders pursuant to Section 7.2.20), the Shadow Stockholders, jointly and severally shall protect, defend, indemnify and hold harmless Parent, Federal, WGI 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 Stockholders or WGI of their respective representations and warranties in this Agreement, (ii) any breach by the Stockholders or WGI of the covenants and obligations in or under this Agreement (iii) Taxes as provided in Section 6.2.2(b), to the extent such Taxes have not been accrued or otherwise reserved for on the Closing Balance Sheet and included in the calculation of the Net Assets Adjustment to the Purchase Price (it being the intent of the parties that all of the provisions of this Agreement shall be interpreted to avoid requiring the Stockholders to pay (or receive a reduction in the Purchase Consideration) twice for the same Tax) and (iv) the Stockholders' and WGI's Expenses (but in such cases only to the extent such amounts are not reflected in the Closing Balance Sheet or deducted from the Purchase Price).

(b) The obligations of the Stockholders and the Shadow Stockholders under Section 6.2.2(a) shall extend to (A) all Taxes with respect to taxable periods ending on or prior to the Closing Date and (B) all Taxes with respect to Straddle Periods to the extent that such Taxes are allocable to the period prior to Closing pursuant to Section 6.6.2. Such 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 6.2.2(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 WGI 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) the Stockholders' Representatives consent in their sole discretion or (z) Parent obtains a legal opinion from counsel reasonably acceptable to the Stockholders' Representatives 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 the Stockholders' Representatives).

6.2.3 Procedure for Third-Party Claims.

(a) If any Third-Party Claims shall be commenced, or any claim or demand shall be asserted (other than audits or contests with Taxing Authorities relating to Taxes), in respect of which the Indemnified Party proposes to demand indemnification by Indemnifying Party under Sections 6.4.1 or 6.4.2, the Indemnified Party shall notify the Indemnifying Party and the Escrow Agreement in writing of such demand, setting forth in reasonable detail the basis for the claim and a reasonable, good faith estimate of such claim, if estimatible, and 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, and the reasonable fees and expenses of such additional counsel shall be at the expense of the Indemnifying Party). The

Indemnifying Party will not compromise or settle any such action, suit, proceeding, claim or demand (other than, after consultation with 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 Parent with respect to activities of WGI without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld.

(b) Notwithstanding anything to the contrary contained in this Section 6.2.3, Parent shall have the sole right to control and make all reasonable decisions regarding interests in any Tax audit or administrative or court proceeding relating to Taxes, including selection of counsel and selection of a forum for such contest, *provided, however* , that in the event such audit or proceeding relates to Taxes for which the Stockholders are responsible and have agreed to indemnify Parent, (i) Parent, WGI, and the Stockholders shall cooperate in the conduct of any audit or proceeding relating to such period, (ii) the Stockholders acting through the Stockholders' Representatives, shall have the right (but not the obligation) to participate in such audit or proceeding at the Stockholders' expense, (iii) Parent shall not enter into any agreement with the relevant taxing authority pertaining to such Taxes without the written consent of the Stockholders' Representatives, which consent shall not unreasonably be withheld, and (iv) Parent may, without the written consent of the Stockholders' Representatives, enter into such an agreement, *provided* that Parent shall have agreed in writing to accept responsibility and liability for the payment of such Taxes and to forego any indemnification or other claim under this Agreement with respect to such Taxes.

(c) The parties will 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. Refunds of Tax relating to periods ending prior to the Closing Date (or to that portion of a Straddle Period that is prior to Closing under the principles of Section 6.6.2) shall be the property of the Stockholders, but only to the extent that such refunds are not attributable to (i) net operating loss or other carrybacks from periods ending after the Closing Date, (ii) refund claims that are initiated by Parent (provided that Parent gives the Stockholders' Representatives prior notice of such possible claim and the Stockholders decline to pursue such refund at its or their own expense) or (iii) refunds reflected in the calculation of the Net Assets Adjustment to the Purchase Price; *provided, however* , that Parent shall in no event have an obligation to file or cause to be filed a claim for refund with respect to any Taxes relating to any period.

(d) Any indemnity payment or payment of Tax by the Stockholders 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 periods ending after the Closing Date as a result thereof. All other refunds of Tax are 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 6.2.3 including, without limitation, by making available all pertinent books, records and other information and personnel under its control to the Indemnifying Party.

6.2.4 Procedure for Direct Claims.

(a) Any Direct Claim shall be asserted by written notice given by the Indemnified Party to the Indemnifying Party, which notice shall set forth in reasonable detail the basis for the claim and a reasonable, good faith estimate of such claim (each a " *Direct Claim Notice* "). The Indemnifying Party shall have a period of twenty (20) Business Days from the date of receipt (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, 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 particular claim. If the Indemnifying Party does respond in writing within the 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 Indemnitees ultimately prevail in finally adjudicating a Direct Claim (or the Stockholders' Representatives concede (on behalf of the Stockholders and the Shadow Stockholders), or otherwise do not timely respond to a Direct Claim Notice made by Parent), then the Direct Claim shall be satisfied from the Escrow Accounts in proportion to William H. Reno's, the ESOP's, the Trust's and the Shadow Stockholders' share (based upon their respective Equity Holders' Pro Rata Percentage) of such Direct Claim (and the Escrow Agent shall pay to Parent from the Escrow Accounts the amount of the Direct Claim) with no further action (except notice to the Stockholders' Representatives) required by Parent or the Stockholders' Representatives. Notwithstanding the foregoing, in the event that a Direct Claim is in excess of the funds remaining in the Escrow Accounts, the Stockholders and Shadow Stockholders shall be and remain jointly and severally liable for any or all of the Direct Claim subject to the limitations set forth in this Section 6.2.

(b) Notwithstanding anything in this Agreement to the contrary, the Stockholders Indemnitees and Parent Indemnitees shall each bear their own costs, including counsel fees and expenses, incurred in connection with Direct Claims against Parent and the Stockholders, respectively hereunder that are not based upon claims asserted by third parties.

6.2.5 Calculation of Amount of Claims and Losses. The amount of any claims or Loss subject to indemnification under Section 6.2.2 shall be calculated net of any amounts recovered by Parent or its Affiliates (including WGI after the Closing) under applicable insurance policies held by Parent or its Affiliates. The Parent Indemnities shall seek full recovery under all insurance policies covering any Loss to the same extent as they would if such Loss were not subject to indemnification hereunder, and Federal, Parent and WGI shall not terminate or cancel any insurance policies maintained by WGI for periods prior to the Closing. In the event that an insurance recovery is made by Federal, Parent, WGI or any of their Affiliates with respect to any Loss for which any such Person has been indemnified hereunder, then a refund equal to the aggregate amount of the recovery (net of all direct un-reimbursed collection expenses) shall be made promptly to the Stockholders' Representatives (on behalf of the Stockholders and Shadow Stockholders). The amount of any claims or Loss subject to indemnification under Section 6.2.2 shall be calculated net of any Tax benefits actually received by Parent or its Affiliates (including WGI after the Closing) resulting from the matter giving rise to the indemnification claim hereunder. In no event will Losses include claims for consequential, punitive or incidental damages, including consequential damages consisting of business interruption or lost profits.

6.2.6 Limitations on Rights of Parent Indemnitees.

(a) Notwithstanding anything to the contrary contained herein and subject to Section 6.2.6(b):

(i) except as provided in Section 8.1, any claim for indemnification by any of the Parent Indemnities under this Section 6.2 must be asserted by written notice on or before the Survival Date;

(ii) the rights of Parent Indemnitees to indemnification by the Stockholders and the Shadow Stockholders 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 the Stockholders unless the aggregate amount of all such claims exceeds $400,000, in which event the indemnity provided for in this Section 6.2 shall be effective with respect to the total amount of such damages (including the first $400,000);

(iii) notwithstanding anything to the contrary in this Agreement or elsewhere, the ESOP's sole and exclusive liability for monetary damages under this Agreement, and the Parent Indemnitees' sole and exclusive recourse for monetary damages against the ESOP, shall be limited to funds in the segregated ESOP Escrow Account, while such funds remain in such Escrow Account, and shall expire when the Escrow Agreement is terminated or the funds have been distributed, and

(iv) the Stockholders' and the Shadow Stockholders' aggregate maximum liability to the Parent Indemnitees under this Agreement for any reason whatsoever shall not exceed $15,000,000; *provided further that* , the maximum liability of each Non-ESOP Stockholder and each Shadow Stockholder shall not exceed their individual respective share of the Purchase Price actually received.

(b) The limitation in Section 6.2.6(a)(ii) shall not apply to claims based on the indemnification liabilities of the Stockholders and the Shadow Stockholders pursuant to clauses (ii), (iii) or (iv) of Section 6.2.2(a).

(c) Notwithstanding anything to the contrary in this Agreement, but subject to the limitations set forth in this Agreement, any indemnification obligations of the Stockholders or the Shadow Stockholders shall first be satisfied from the Escrow Accounts prior to any Parent Indemnitee exercising any other remedy, offset or action to seek recovery of amounts payable to any Parent Indemnitee pursuant to Non-ESOP Stockholders' and Shadow Stockholders' indemnification obligations.

(d) Notwithstanding anything to the contrary in this Agreement, but subject to the limitations set forth in this Agreement, only fifty percent (50%) of any Loss that may be sustained, suffered or incurred by Parent Indemnities arising from any breach by WGI of its representation and warranty that it has materially complied with all legal requirements applicable to the classification of employees and independent contractors in Section 3.12.6 (i) shall be counted toward the $400,000 limitation in Section 6.2.6(a)(ii) and the liability caps in

Section 6.2.6(a)(iv) and (ii) shall be required to be indemnified by the Stockholders and Shadow Stockholders pursuant to Section 6.2.2(a)(i).

6.2.7 Limitations on Rights of Stockholders Indemnitees. Parent's aggregate maximum liability for all indemnification claims under this Agreement shall not exceed $15,000,000.

6.2.8 Limitation on Rights Against WGI. Notwithstanding anything to the contrary, Parent, Federal and the Stockholders (and, pursuant to the Shadow Stockholder Releases, the Shadow Stockholders) each acknowledge and agree that that they shall have no right to make a claim against WGI pursuant to any indemnity provision or agreement or otherwise in respect of claims made solely by Parent Indemnitees pursuant to Section 6.2.2.

6.2.9 Adjustment to Purchase Price. All indemnity payments made pursuant to this Section 6.2 or otherwise shall be treated for all Tax purposes as an adjustment to the Purchase Price.

6.2.10 Escrow.

(a) Pursuant to Section 2.2.3 and the Escrow Agreement, at the Closing, Federal shall deliver to the Escrow Agent the Escrow Payment, and the Escrow Agent shall set up the separate Escrow Accounts pursuant to the terms of the Escrow Agreement to secure the Stockholders' and the Shadow Stockholders' indemnification obligations under this Section 6.2. Within ten (10) Business Days following the first (1st) year anniversary of the Closing Date (the " *Initial Escrow Distribution Date* "), the Escrow Agent shall, pursuant to the terms of the Escrow Agreement, deliver (i) to the Non-ESOP Stockholders' Representative an amount out of William H. Reno's Escrow Account equal to his share (based upon his Equity Holder Pro Rata Percentage) of the Initial Escrow Distribution (as hereinafter defined), if any, (ii) to the Non-ESOP Stockholders' Representative an amount out of the Trust's Escrow Account equal to its share (based upon its Equity Holder Pro Rata Percentage) of the Initial Escrow Distribution, if any; (iii) to the Non-ESOP Stockholders' Representative an amount out of the Shadow Stockholders' Escrow Account equal to their share (based upon their Equity Holder Pro Rata Percentage) of the Initial Escrow Distribution, if any, less the applicable Tax withholdings with respect thereto, which withholdings shall be paid to Federal for payment to the appropriate Tax authorities, and (iv) to the ESOP Shareholder's Representative an amount out of the ESOP's Escrow Account equal to its share (based upon its Equity Holder Pro Rata Percentage) of the Initial Escrow Distribution, if any. For purposes of this Agreement, the term " *Initial Escrow Distribution* " shall mean the Escrow Payment (including any undistributed earnings received thereon) less the sum of: (i) Six Million Two Hundred Fifty Thousand Dollars ($6,250,000), (ii) any disbursements previously made from the Escrow Accounts to Parent or the Escrow Agent, and (iii) an amount equal to the total of all then pending indemnity claims by Parent Indemnitees.

(b) Within ten (10) Business Days following the Survival Date, the Escrow Agent shall, pursuant to the terms of the Escrow Agreement, deliver (i) to the Non-ESOP Stockholders' Representative an amount out of William H. Reno's Escrow Account equal to his share (based upon his Equity Holder Pro Rata Percentage) of the Final Escrow Distribution (as hereinafter defined), if any; (ii) to the Non-ESOP Stockholders' Representative an amount out of

the Trust's Escrow Account equal to its share (based upon its Equity Holder Pro Rata Percentage) of the Final Escrow Distribution, if any; (iii) to the Non-ESOP Stockholders' Representative an amount out of the Shadow Stockholders' Escrow Account equal to their share (based upon their Equity Holder Pro Rata Percentage) of the Final Escrow Distribution, if any, less the applicable Tax withholdings with respect thereto, which withholdings shall be paid to Federal for payment to the appropriate Tax authorities, and (iv) to the ESOP Shareholder's Representative an amount out of the ESOP's Escrow Account equal to its share (based upon its Equity Holder Pro Rata Percentage) of the Final Escrow Distribution, if any. For purposes of this Agreement, the term " *Final Escrow Distribution* " shall mean the aggregate balance remaining in the Escrow Accounts on the Survival Date less the sum of the total of all then pending and unpaid indemnity claims by Parent. 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 the Non-ESOP Stockholders' Representative and the ESOP Stockholder's Representative, in accordance with the same procedures used for distribution of the Final Escrow Distribution, any amounts remaining from the amounts reserved for the released claims

(c) Prior to the payment of any funds from the Shadow Stockholders' Escrow Account to the Non-ESOP Stockholders' Representative, the Non-ESOP Stockholders' Representative and Federal shall agree upon the amount of Tax withholdings with respect to any such payment and shall promptly execute and provide joint written instructions to the Escrow Agent to pay the amount of such Tax withholdings to Federal for payment to the applicable Tax authorities when the Escrow Agent makes the payment to the Non-ESOP Stockholders' Representative.

(d) The Escrow Agent shall make all payments due the Non-ESOP Stockholders' Representative pursuant to this Section 6.2.10 to an account designated by the Non-ESOP Stockholders' Representative. The Non-ESOP Shareholders' Representative shall be responsible for disbursing all payments received pursuant to this Section 6.2.10 to the Non-ESOP Stockholders and the Shadow Stockholders in accordance with their Equity Holders Pro Rata Percentage and the Flow of Funds Memorandum. The Escrow Agent shall make all payments due the ESOP Stockholder's Representative pursuant to this Section 6.2.10 to an account designated by the ESOP Stockholder's Representative.

(e) Any earnings on the funds in the Escrow Accounts, net of escrow expenses, shall be paid to the Stockholders and Shadow Stockholders, and the Stockholders and Shadow Stockholders shall be responsible for all Taxes on any such earnings.

6.2.11 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 6.2. Except for claims against the Stockholders arising under this Agreement, neither Parent or Federal shall assert and shall cause WGI not to assert any claim against any Stockholder (in their capacity as a stockholder of WGI), for or with respect to any matter relating to WGI arising prior to the Closing.

6.2.12 Exclusive Remedy. From and after the Closing, the sole recourse and exclusive remedy of Parent, Federal, WGI and the Stockholders against each other arising out of

this Agreement or any certificate delivered in connection with this Agreement, or otherwise arising from the transactions contemplated hereby, shall be to assert a claim for indemnification under the indemnification provisions of Section 6.2.

6.2.13 Subrogation. Except to the extent of any insurance policy that includes a waiver of subrogation, to the extent that an Indemnifying Party has discharged any claim for indemnification hereunder, the Indemnifying Party shall be subrogated to all rights of the Indemnified Party against any Person to the extent of the Losses that relate to such claim. Any Indemnified Party shall, upon written request by the Indemnifying Party following the discharge of such claim, execute an instrument reasonably necessary to evidence such subrogation rights.

6.2.14 Effect of Notice. None of WGI, the Stockholders, Federal or Parent shall be deemed to have breached any representation, warranty, or covenant if (i) the Stockholders' Representative shall have notified Parent or Parent shall have notified the Stockholders' Representative, as the case may be, in writing, on or prior to the Closing Date, of the breach of, or inaccuracy in, or of any facts or circumstances constituting or resulting in the breach of, or inaccuracy in, such representation, warranty or covenant and (ii) the party or parties receiving such notice shall have waived in writing such breach or inaccuracy.

6.2.15 Bad Faith Estimate of Loss. In the event an Indemnified Party includes in notice of a Third Party Claim pursuant to Section 6.2.3(a) or in a Direct Claim Notice pursuant to Section 6.2.4(a) an estimate of the amount of such claim that was not prepared by the Indemnified Party in good faith, the Indemnifying Party shall be entitled to recover its reasonable expenses incurred in defending or disputing such claim from the Indemnified Party.

6.3 Access and Information. WGI shall afford to Parent, Federal, and to a reasonable number of their respective officers, employees, accountants, counsel and other authorized representatives reasonable access, upon reasonable advance telephone notice, 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 WGI's offices, properties, books and records, and WGI 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 WGI will be coordinated and conducted so as to not be disruptive to the operations of WGI and to preserve the confidentiality of the transactions contemplated hereby.

6.4 Public Disclosure. Except as otherwise required by law, any press release or other public disclosure of information regarding the transactions contemplated hereby (including the existence of this Agreement) shall be primarily in the control of Parent, *provided* that Parent shall afford WGI a reasonable opportunity to review any such press releases or other public disclosures prior to their dissemination and consult with WGI regarding the contents thereof.

6.5 Further Assurances.

6.5.1 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 laws and regulations to consummate and make effective this Agreement and the transactions contemplated hereby. In case at any time any further action, including, without limitation, 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.

6.5.2 Novation of Contracts. Each party agrees to use its Commercially Reasonable Efforts to take all actions required to novate each WGI Government Contract that may require novation under its terms or under applicable laws or regulations, 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 Part 42 of the Federal Acquisition Regulation to effect a novation of any WGI Government Contract. In particular and without limiting the generality of the foregoing, the Stockholders shall upon request continue to communicate with responsible officers of the Government of the United States from time to time as may be appropriate and permissible, to request speedy action on any and all requests for consent to novation.

6.6 Certain Tax Matters.

6.6.1 Tax Periods Ending on or Before the Closing Date. The Stockholders shall, at Federal's expense, prepare, or cause to be prepared, and file or cause to be filed (and Federal shall cooperate to the extent necessary in such preparation and filing) all Tax Returns for WGI for all periods ending on or prior to the Closing Date that are filed after the Closing Date. All such Tax Returns shall be prepared in a manner consistent with the past practice of WGI unless such past practice is contrary to applicable law. Such Tax Returns shall be subject to the approval of Federal, not to be unreasonably withheld. To the extent permitted by applicable law, each Stockholder shall include any income, gain, loss, deduction or other tax items for such periods on the Stockholder's Tax Return in a manner consistent with the Schedule K-1s furnished by WGI to the Stockholder for such periods. The Stockholders shall pay Federal for all Taxes of WGI with respect to such periods within fifteen (15) days after payment by Federal of such Taxes.

6.6.2 Tax Periods Beginning Before and Ending After the Closing Date.

(a) Federal shall prepare or cause to be prepared and file or cause to be filed, on a basis reasonably consistent with past practice, any Tax Returns of WGI for Tax periods that begin before the Closing Date and end after the Closing Date (collectively, the " *Straddle Periods* " and each a " *Straddle Period* "). Federal shall permit the Stockholders' Representatives to review and comment on each such Tax Return described in the preceding

sentence prior to filing, and Federal shall make all changes reasonably requested by the Stockholders' Representatives in good faith (unless Federal is advised in writing by its independent outside accountants or attorneys that such changes (i) are contrary to applicable Law, or (ii) will, or are likely to have a material adverse effect on Federal or any of its Affiliates). Within fifteen (15) days after the date on which Federal pays any Taxes of WGI with respect to any Straddle Period, the Stockholders shall, to the extent such Taxes have not been accrued or otherwise reserved for on the Closing Balance Sheet and included in the calculation of Net Assets Adjustment to the Purchase Price, pay to Federal the amount of such Taxes that relates to the portion of such Straddle Period ending on the Closing Date (the " *Pre-Closing Tax Period* "). In the event that the Stockholders for any reason fail to make the payment contemplated in the previous sentence, then Federal may bring an indemnification claim under Section 6.2 and, subject to the limitations contained in Section 6.2, the Stockholders shall be jointly and severally liable for that payment

(b) For purposes of this Agreement:

(i) 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 WGI.

(ii) In the case of any Taxes (other than gross receipts, income, or similar Taxes) 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 appropriate adjustments shall be made to reflect specific events that can be identified and specifically allocated as occurring on or prior to the Closing Date (in which case the Stockholders 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 (A) 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 (B) any Taxes with respect to the Post-Closing Tax Period of the Straddle Periods.

6.6.3 Cooperation on Tax Matters.

(a) Parent, Federal, WGI and the Stockholders 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 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. WGI and the Stockholders agree (i) to retain all books and records with respect to Tax matters pertinent to WGI 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 the Stockholders' Representatives, any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any taxing authority, 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, WGI or the Stockholders, as the case may be, shall allow the other to take possession of such books and records.

(b) Federal and the Stockholders 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 transactions contemplated hereby).

(c) Federal and the Stockholders 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.

6.6.4 Tax Sharing Agreements. All tax sharing agreements or similar agreements with respect to or involving WGI shall be terminated as of the Closing Date, and after the Closing Date, WGI shall not be bound thereby or have any liability thereunder.

6.6.5 Certain Taxes. All transfer, documentary, sales, use, stamp, registration and other such Taxes and fees (including any penalties and interest) incurred by the Stockholders in connection with this Agreement (including any transfer or similar tax imposed by any governmental authority), shall be paid by the Stockholders when due, and each Stockholder will, at his or his 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.

6.6.6 Indemnification and Tax Contests. Federal's and the Stockholders' indemnification obligations with respect to the covenants in this Section 6.6 together with the procedures to be observed in connection with any Tax Contest shall be governed by Section 6.2.

6.6.7 S Corporation Status. WGI and the Stockholders will not revoke WGI's election to be taxed as an S corporation within the meaning of Code sections 1361 and 1362. WGI and the Stockholders will not take or allow any action other than the sale of WGI's stock pursuant to this Agreement that would result in the termination of WGI's status as a validly electing S corporation within the meaning of Code sections 1361 and 1362.

6.6.8 338(h)(10) Election. The Stockholders will join with Federal in making an election under Section 338(h)(10) of the Code (the *" 338(h)(10) Election "*) with

respect to WGI and any comparable election under state or local income tax law, and the Stockholders shall cooperate in the completion and timely filing of such elections in accordance with the provisions of Treasury Regulation §1.338(h)(10)-1 (or any comparable provisions of state or local income tax law) or any successor provision. Not less than three (3) Business Days prior to the Closing Date, Federal shall deliver to the Stockholders' Representatives a completed copy of IRS Form 8023, which the Stockholders shall execute and deliver to Federal at the Closing. The Stockholders shall include any income, gain, loss, deduction, or other tax item resulting from the 338(h)(10) Election on their Tax Returns to the extent required by applicable law. The Stockholders shall pay to Federal the amount of any Tax imposed on WGI attributable to the making of the 338(h)(10) Election, including (i) any Tax imposed under Code section 1374, (ii) any tax imposed under Treas. Reg. section 1.338(h)(10)-1(e)(5), or (iii) any state, local or foreign Tax imposed on WGI's gain. Federal shall be responsible for filing the 338(h)(10) Election.

6.6.9 Allocation of Purchase Price. Within sixty (60) days after the Closing Date, Federal shall deliver to the Stockholders' Representatives completed copies of IRS Form 8883 and required schedules thereto as well as any applicable state or local forms (together with IRS Form 8023, the " *338 Forms* "). Federal and the Stockholders' Representatives shall act in good faith to (i) determine and agree upon the amount of the aggregate deemed sales price (" *ADSP* ") (within the meaning to Treas. Reg. §1.338(h)(10) 1(d)(3) and §1.338-4 and (ii) agree upon the proper allocations (the " *Allocations* ") of the ADSP among the assets of WGI in accordance with Treas. Reg. §1.338(h)(10)-1(d) (3), §1.338-6, and §1.338-7. The allocation of the Purchase Price among the assets of WGI shall be made in accordance with Code Section 338 and Treasury Regulations thereunder and any comparable provisions of state or local Income Tax law in a manner consistent with the Allocation Schedule attached hereto as Exhibit C (the " *Allocation Schedule* "). Federal and Stockholders will, subject to the requirements of any applicable tax law or election, file all Tax Returns and reports consistent with the 338 Forms and the allocation provided in the Allocation Schedule. In addition, the Closing cash payment plus assumed liabilities is agreed by the parties to be paid in consideration of (a) all assets the Stockholders transferred to Federal under this Agreement other than goodwill, up to the full fair market value of such other assets, and (b) to the extent of any excess of such payment over the fair market value of such other assets, to goodwill. All post Closing payments including payments from the Escrow Accounts pursuant to Section 6.4.10 and the Net Assets Adjustment to the Purchase Price in Section 2.6 are agreed by the parties to be paid in consideration for goodwill transferred.

6.7 Resignations. Each officer and member of the board of directors of WGI shall tender their resignation as an officer and director of WGI effective as of the Closing Date.

6.8 Antitrust Filings. As promptly as practicable after the execution of this Agreement, WGI and Parent (i) shall use all Commercially Reasonable Efforts to cooperate with one another in determining which filings are required to be made by each party and which consents, approvals, permits or authorizations are required to be obtained by each party from Governmental Authorities or other third parties in connection with the consummation of the transaction (the " *Antitrust Filings* ") and (ii) shall use all Commercially Reasonable Efforts to assist the other party in timely making all such filings and timely seeking all such consents, approvals, permits authorizations and waivers required to be made and obtained by the other

party. Without limiting the foregoing, each of the parties hereto shall (and shall use all Commercially Reasonable Efforts to cause their affiliates, directors, officers, employees, agents, attorneys, accountants and representatives to) consult and fully cooperate with and provide assistance to each other in seeking the termination of any waiting period under the HSR Act or other merger notification laws, if applicable. Prior to making any application to or filing with any Governmental Entity in connection with this Agreement, each party shall provide the other party with drafts thereof (excluding any confidential information included therein) and afford the other party a reasonable opportunity to comment on such drafts. Each of WGI and Parent will notify the other promptly upon the receipt of any comments from any Governmental Entity in connection with any filing made pursuant hereto and of any request by any Governmental Entity for amendments or supplements to the Antitrust Filings or for additional information and will supply the other with copies of all relevant correspondence between such party or any of its representatives and the Governmental Entity, with respect to any Antitrust Filing (excluding any confidential information included therein.

6.9 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, WGI 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 6.9 shall (i) be deemed to cure any breach of any representation or warranty that was inaccurate at the time it was made 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.

6.10 Stockholders' Post-Closing Obligation. From the date of this Agreement and continuing through and following the Closing, except as otherwise expressly provided in this Agreement or in other agreements delivered in connection herewith, the Stockholders shall, and shall use Commercially Reasonable Efforts to cause their respective Affiliates, officers, agents, heirs, 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 WGI, and (c) not divulge, to any Person (other than their Representatives) all confidential or proprietary information of WGI 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 Law; provided, however, that the foregoing limitations shall not apply to information that (i) otherwise becomes lawfully available to the Stockholders, or their respective Affiliates, officers, agents, heirs, representatives, successors and assigns after the Closing Date on a non-confidential basis from a third party who is not under an obligation of confidentiality to Parent or WGI or (ii) is or becomes generally available to the public without breach of this Agreement by the Stockholders, or their respective Affiliates, officers agents and representatives.

6.11 Termination of 401(k) Plan. WGI shall, at its expense, terminate the WGI 401(k) Plan prior to the Closing Date, by resolution adopted by the Board of Directors of WGI, on terms acceptable to Parent; and shall simultaneously amend the WGI 401(k) Plan to the extent

necessary to comply with all applicable laws to the extent not previously amended. Said termination shall provide that all participants in the WGI 401(k) Plan shall be fully vested in their account balances under said Plan. WGI shall further notify participants in the WGI 401(k) of its termination prior to the Closing Date.

6.12 Termination of ESOP. Prior to the Closing, WGI's board of directors shall adopt resolutions, the form and substance of which are reasonably satisfactory to Parent: (i) approving the termination of the ESOP, with such termination effective immediately prior to and contingent on the Closing; (ii) providing that, as of the Closing Date, all individuals with account balances in the ESOP on the Closing Date shall have a 100% vested interest in their account balances in such plan, (iii) providing that each ESOP participant's or beneficiary's interest in the Escrow Account will be maintained in a separate account under the plan (the " *Special Account* ") until such time as the ESOP receives complete distribution of its interest in the Escrow Account (or, if earlier, the date that the independent fiduciary determines that maintaining the Special Account has ceased to be in the best interests of the ESOP's participants and beneficiaries); (iv) providing that upon complete payment of all amounts due to the ESOP from the Escrow Account and the ESOP's receipt of a favorable determination letter from the IRS with respect to the termination of the ESOP, the ESOP shall complete the distribution of all ESOP assets in a lump sum cash distribution and the winding up of the plan's affairs in accordance with the terms of the ESOP and the determination letter; and (v) providing that until complete payment of all amounts due to the ESOP from the Escrow Account, the Escrow Agent shall invest the assets held in the Special Account as the agent of the ESOP's trustee. At the Closing, the Stockholders, at WGI's expense, shall deliver to Parent (i) a complete IRS Form 5310 determination letter application (completed to the reasonable satisfaction of Parent's legal counsel) that, at the Closing, shall be signed by WGI and mailed to the IRS and (ii) all supporting documentation (reasonably satisfactory to Parent's legal counsel) relating to such IRS Form 5310. Following the Closing and for so long as the Special Account exists, an independent trustee shall be appointed for the ESOP (or any successor plan). The Stockholders, Parent and WGI shall cooperate and take any all action reasonably necessary to facilitate the termination and winding up of the ESOP, including the Closing Date filing of the IRS determination letter request and adoption of any amendments necessary to maintain the tax qualified status of the ESOP and the tax-exempt status of its related trust. The ESOP will, to the maximum extent permitted by ERISA and the ESOP plan documents, as determined by the ESOP trustee, pay all expenses incurred with respect to the transactions contemplated by this Agreement, the administration of the ESOP and the implementation of the termination of the ESOP; and to the extent such expenses may not be paid by the ESOP, such expenses will be paid by the Non-ESOP Stockholders to the extent that such expenses arise out of any action, including any amendment, testing or other actions required in order to obtain a favorable IRS determination letter relating to the termination of the ESOP and the IRS form 5310 determination letter application.

6.13 Directors and Officers.

6.13.1 Indemnification by Parent. From and after the Closing Date, Parent shall indemnify and hold harmless each present and former director and officer of WGI, determined as of the Closing Date (the " *Indemnified Persons* "), 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 WGI or is or was serving at the request of WGI as a director or officer of another corporation, partnership, joint venture, trust, employee stock ownership plan (including, without limitation, acting as trustee of the ESOP) 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 Persons would be entitled under WGI's Certificate of Incorporation and Bylaws or under applicable law.

6.13.2 Insurance. Prior to the Closing Date, Parent shall cause the persons serving as directors and officers of WGI immediately prior to the Closing Date to be covered by the directors' and officers' liability insurance policy maintained by WGI for a period of six (6) years after the Closing Date (*provided* that Parent may substitute therefor policies from an insurer of at least equivalent financial strength of at least the same coverage and amounts containing terms and conditions which are in the aggregate not materially less advantageous than such policy or single premium tail coverage with policy limits equal to WGI's existing coverage limits) with respect to acts or omissions occurring prior to or on the Closing Date which were committed by such directors and officers in their capacities as such, *provided* that in no event shall Parent be required to expend for any one year an amount in excess of 200% of the annual premium currently paid by WGI for such insurance (the " *Insurance Amount* "), and further provided that if Parent is unable to maintain or obtain the insurance called for by this Section 6.13.2, Parent shall, in consultation with the Stockholders' Representatives, use its reasonable best efforts to obtain the most advantageous coverage as is available for the Insurance Amount.

6.14 Payment of ESOP Loans. Immediately upon the ESOP's receipt of its share of the Direct Payment, the ESOP shall repay all outstanding principal and accrued interest on all ESOP loans.

Article 7
Conditions Precedent

7.1 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:

7.1.1 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) government agency since the date of this Agreement that would prohibit or materially restrict the Transaction or any other material transaction contemplated hereby.

7.1.2 HSR Act. The waiting period (and any extension thereof) applicable to the Transaction under the HSR Act and any other merger notification law shall have been terminated or shall have expired.

7.1.3 Government Consents. Other than contract novations referenced in Section 6.5.2 hereof, all filings with and notifications to, and all approvals and authorizations of, third parties (including, without limitation, Governmental Entities) required for the consummation of the Transaction and the other material transactions contemplated hereby 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.

7.1.4 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 seeking any injunction or restraining or other order that seeks to prohibit, restrain, invalidate or set aside consummation of the transactions contemplated hereby.

7.1.5 Escrow Agreement. Each of the parties hereto, together with the Escrow Agent, shall have entered into the Escrow Agreement.

7.1.6 Flow of Funds Memorandum. Parent and the Stockholders' Representatives shall have executed and delivered the Flow of Funds Memorandum.

7.2 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:

7.2.1 Representations and Warranties. The representations and warranties of WGI contained in Article 3 of 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 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 WGI 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 after execution of this Agreement, including the Updated Schedules, shall be disregarded); and WGI and the Stockholders shall have delivered to Parent a certificate to that effect, dated the Closing Date and signed on behalf of WGI by the President and Chief Financial Officer of WGI and signed by each Stockholder on his or its own behalf.

7.2.2 Agreements and Covenants. WGI 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 WGI and the Stockholders shall have delivered to Parent a certificate to that effect, dated as of the Closing Date and signed on behalf of WGI by the President and Chief Financial Officer of and signed by each Stockholder on his or its own behalf.

7.2.3 Legal Opinion. Parent and Federal shall have received an opinion from Patton Boggs LLP, counsel to WGI, in substantially the form attached hereto as Exhibit D .

7.2.4 Closing Documents. WGI and the Stockholders shall have delivered to Parent the closing certificate described hereafter in this paragraph and such closing documents as the Parent shall reasonably request (other than additional opinions of counsel), including a good standing certificate from Delaware with respect to WGI. The closing certificate, dated as of the Closing Date, duly executed by WGI's President, Treasurer, and Secretary, 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 WGI in connection herewith, (b) the resolutions adopted by the board of directors of WGI 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 WGI.

7.2.5 Third Party Consents. All third party consents or approvals listed in Schedule 7.2.5 hereto shall have been obtained by WGI and shall be effective and shall not have been suspended, revoked, or stayed by action of any such third party.

7.2.6 No Severance Obligations. Except as described in Section 7.3.5, WGI (and Parent and Federal) shall not be subject to any severance agreements or other obligations, in each case, triggered solely by the transactions contemplated hereby.

7.2.7 Updated Employee List. WGI shall have delivered to Federal a list dated as of the Closing Date containing the name of each person then employed by WGI and each such employee's position and annual salary.

7.2.8 Consulting, Non-Compete, Non-Solicitation, and Non-Disturbance Agreement.

(a) The Consulting, Non-Compete, Non-Solicitation and Non-Disturbance Agreement, in the form attached hereto as Exhibit E (the " *Stockholder Consulting Agreement* "), entered into by and between William H. Reno and Parent, dated as of the date hereof and executed simultaneously herewith, shall be in full force and effect and shall not have been amended or rescinded as of the Closing Date. Each of Parent and the Stockholders agrees that no portion of the Purchase Price shall be allocated for Tax purposes to the Stockholder Consulting Agreement.

(b) The written non-compete, non-solicitation and non-disturbance agreement, in the form attached hereto as Exhibit F , entered into by and between Parent and Hank L. Kinnison, dated as of the date hereof and executed simultaneously herewith, shall be in full force and effect and shall not have been amended or rescinded as of the Closing Date.

7.2.9 Employment Offers. Hank L. Kinnison, Janice M. Lynch, Bryan Stanford, Randy Sullivan and John N. Turner and a minimum of 90% of all full time direct billable employees of WGI as of the date hereof shall have accepted employment offers from

Parent and will have executed all standard agreements required of new Parent employees, copies of which are attached hereto as Exhibit G .

7.2.10 Updated Independent Contractor List. WGI 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 WGI, services in support of the requirements of any WGI Government Contract or other agreement with a customer of WGI, (ii) the WGI Government Contract or other WGI customer agreement in support of which such individual is performing services, and (iii) a description, the date and the term of WGI's agreement with such individual for such services.

7.2.11 Independent Contractors. Not more than fifteen percent (15%) of the individuals, who are performing, as independent contractors to WGI, services in support of the requirements of any WGI Government Contract or other agreement with a customer of WGI 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 WGI to provide such services or otherwise have ceased (or provided notice of their intent to cease) providing such services.

7.2.12 Material Adverse Effect. Since the date of this Agreement, WGI shall not have suffered an WGI Material Adverse Effect.

7.2.13 No Outstanding Options, Warrants, etc. There shall be no outstanding subscriptions, options, warrants, conversion rights or other rights, securities, agreements or commitments obligating WGI 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.

7.2.14 Resignation of Officers and Directors. WGI shall have delivered to Federal written resignations, dated as of the Closing Date, of all of the officers and directors of WGI.

7.2.15 Termination of Credit Facilities. WGI shall have delivered evidence satisfactory to Federal that all amounts outstanding under any credit or loan agreements between WGI and Bank of America 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 Liens on WGI's assets is available for filing immediately after the Closing.

7.2.16 Release of Liens. WGI shall have delivered evidence satisfactory to Federal that all liens on WGI's assets (other than Permitted Encumbrances) and the Shares have been released or terminated, as the case may be.

7.2.17 Certificate as to Certain Tax Matters. WGI shall have delivered to Federal statements, substantially in the form attached hereto as Exhibit H , that meet the requirements of Sections 1.1445-2(c)(3) and 1.897-2(h) of the Treasury Regulations and certify that WGI is not and has not been a United States real property holding corporation (as defined in Section 897(c)(2) of the Code) during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code.

7.2.18 IRS Form 8023. WGI shall have delivered to Federal a properly completed and executed IRS Form 8023 as required by Section 6.6.8.

7.2.19 ESOP. Parent shall have received:

(a) an opinion, dated as of the Closing Date, issued to the ESOP by a financial advisor to the ESOP that the transactions contemplated by this Agreement are fair to the ESOP from a financial point of view;

(b) a legal opinion of McDermott, Will and Emery, counsel to the ESOP, dated as of the Closing Date, substantially in the form of Exhibit I attached hereto;

(c) evidence reasonably satisfactory to Parent as to the authority of the ESOP's fiduciary(ies) to sell the Shares held by the ESOP pursuant to the terms of this Agreement;

(d) calculations and supporting documentation reasonably satisfactory to Parent evidencing compliance with Code Section 409(p) for each year during which Code Section 409(p) has been applicable to the ESOP;

(e) evidence reasonably satisfactory to Parent as to the Closing Date principal balance and accrued interest on any ESOP loan; and

(f) an estimated Closing Balance Sheet, prepared by WGI in accordance with GAAP consistently applied with the past practices of WGI, showing an estimate of the Net Assets so that Parent may estimate the ESOP Stockholder's share of any potential positive Net Assets Adjustment and deposit such estimated amount into escrow to fund the payment of any positive Net Assets Adjustment pursuant to Section 2.6.5.

7.2.20 Shadow Stockholder Releases. Each of the Shadow Stockholders shall have executed and delivered to Parent a Shadow Stock Release and Termination Agreement (the " *Shadow Stockholder Releases* ") in the form attached hereto as Exhibit J .

7.3 Conditions to Obligations of WGI and the Stockholders to Consummate the Transaction. The obligation of WGI and the Stockholders 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 WGI or the Stockholders' Representatives prior to Closing:

7.3.1 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 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 WGI a certificate to that effect, dated the date of the Closing and signed on behalf of Parent by its President and Chief Financial Officer.

7.3.2 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 WGI a certificate to that effect, dated as of the Closing Date and signed on behalf of Parent by its President and Chief Financial Officer.

7.3.3 Closing Documents. Parent and Federal shall have delivered to WGI closing certificates of Parent and Federal and such other closing documents as WGI shall reasonably request (other than additional opinions of counsel). 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 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 Certificate of Incorporation and By-Laws of Parent and Certificate of Incorporation and By-Laws of Federal as currently in effect.

7.3.4 Payment of Purchase Price. Parent shall have tendered the Direct Payment pursuant to the provisions of Section 2.2.2 hereof and shall have delivered the Escrow Payment to the Escrow Agent pursuant to the provisions of Section 2.2.3 hereof.

7.3.5 Employment or Severance Arrangements.

(a) Federal shall have paid an amount equal to nine (9) months of Paul Roche's current base salary to WGI, which amount, less applicable withholding taxes, WGI shall pay to him within three (3) Business Days of the Closing, *provided* that prior to the Closing he shall have entered into an agreement with WGI, in a form reasonably satisfactory to Federal, containing (i) nine (9) month post-employment non-compete and non-solicitation covenants and (ii) his agreement to provide up to forty (40) hours of post-Closing transition support for the Transaction.

(b) Federal shall have entered into a mutually acceptable agreement with each of Bryan Stanford, Randy Sullivan, Hank Kinnison, John Turner, Christy Samuels and Jan Lynch, which agreement shall provide for a severance payment of an amount equal to six (6) months of such person's post-Closing base salary if such person's post-Closing employment by WGI or Federal is terminated by WGI or Federal within six (6) months after the Closing without "cause" as defined in paragraph 3027 of Patent's Personnel Policies, entitled "Employee Terminations," version 1.2, dated August 8, 2006.

(c) Federal shall have paid an amount equal to six (6) months of David T. Fee's current base salary to WGI, which amount, less applicable withholding taxes, WGI shall pay to him within three (3) Business Days of the Closing, *provided* that prior to the Closing he shall have entered into an agreement with WGI, in a form reasonably satisfactory to Federal, containing (i) twelve (12) month post-employment non-compete and non-solicitation covenants

and (ii) his agreement to provide up to forty (40) hours of post-Closing transition support for the Transaction.

Article 8
Survival of Representations

8.1 WGI's and the Stockholders' Representations. Except for the Surviving Representations, the representations and warranties of the Stockholders and WGI 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 eighteen (18) months after 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 the Stockholders, as the case may be, with respect thereto on or before the expiration of such period, *provided however* the following representations and warranties shall survive the Survival Date until the date specified below. Claims for indemnification based on breaches of representations and warranties in Section 3.2 (Capital Stock), Section 3.10 (Taxes), Section 3.11 (Employee Benefits), Section 3.13 (Environmental), and Section 3.24.8 (DCAA Audits) (collectively the " *Surviving Representations* ") shall survive the Survival Date and remain effective until the fifth (5th) year anniversary of the Closing Date and thereafter shall be of no further force and effect, and claims for indemnification based on breaches of the Surviving Representations may be made up to and including such date. In addition, claims for indemnification arising under Section 6.2.2(a)(iii) may be made up to and including the fifth (5 th) year anniversary of the Closing Date.

8.2 Covenants. The parties acknowledge and agree that the covenants contained in this Agreement, including, but not limited to the covenants contained in Section 6.13 above, shall survive Closing and are unaffected by Section 8.1.

Article 9
Other Provisions

9.1 Termination.

9.1.1 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 WGI;

(b) by Parent if there has been a material breach of any representation, warranty, covenant or agreement contained in this Agreement on the part of WGI or any Stockholder and such breach has not been cured within ten (10) Business Days after written notice to WGI (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 7.2.1 or Section 7.2.2 hereof, as the case may be, will not be satisfied;

(c) by WGI, if there has been a material 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 WGI 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 7.3.1 or Section 7.3.2 hereof, as the case may be, will not be 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 WGI, or compel Parent or Federal to dispose of or hold separate all or a material portion of the business or assets of WGI or Parent or Federal as a result of the Transaction; or

(e) by any party hereto if the Transaction shall not have been consummated on or before July 1, 2007 , provided that the right to terminate this Agreement under this Section 9.1(h) 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.

9.1.2 Procedure and Effect of Termination. In the event of the termination of this Agreement and the abandonment of the Transaction, written notice thereof shall be given by a terminating party to the other parties, and this Agreement shall terminate and the Transaction shall be abandoned without further action by the Stockholders or Parent. If this Agreement is terminated pursuant to Section 9.1.1:

(a) Parent shall upon written request from the Stockholders return all documents, work papers and other materials (and all copies thereof) obtained from the Stockholders or WGI relating to the Transaction, whether so obtained before or after the execution hereof, to the party furnishing the same;

(b) At the option of the Stockholders, 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 9.1.2 and Section 6.1 (Expenses) shall survive any such termination of this Agreement; and

(d) Notwithstanding anything in this Agreement to the contrary but subject to the limitations of liability set forth in this Agreement, the termination of this Agreement shall not relieve any party from liability for breach of this Agreement.

9.2 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) 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 or on the third (3rd) 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: Dr. J. P. London, Chairman

with copies to:

CACI International Inc
1100 North Glebe Road
Arlington, VA 22201
Attention: Larry White, Office of the General Counsel

and

Squire, Sanders & Dempsey L.L.P.
8000 Towers Crescent Drive, 14th Floor
Tysons Corner, VA 22182-2700
Attention: Robert E. Gregg

To WGI :

The Wexford Group International, Inc.
8618 Westwood Center Drive, Suite 200
Vienna, VA 22182
Attention: William H. Reno, President and CEO

with a copy to:

Patton Boggs LLP
2550 M Street, NW
Washington, D.C. 20037-1350
Attention: Geoffrey G. Davis

To the Non-ESOP Stockholders' Representative :

William H. Reno
2706 So. Ives Street
Arlington, VA 22202

To the ESOP Stockholders' Representative :

Bryan Stanford
22482 Forest Manor Drive
Ashburn, VA 20148

9.3 Disclosure Schedules. Each Schedule delivered pursuant to the terms of this Agreement shall be in writing 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.

9.4 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.

9.5 Entire Agreement. Unless otherwise herein specifically provided, this Agreement, that certain side letter of even date herewith among WGI, Parent and the Stockholders' Representatives 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, including the Letter of Intent. Each party hereto acknowledges that, in entering this Agreement and completing the transactions contemplated hereby, 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.

9.6 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.

9.7 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.

9.8 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 assigns. 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, the Indemnified Persons pursuant to Section 6.13 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 WGI, Parent or any of their Affiliates.

9.9 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.

9.10 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.

9.11 Time of Essence. With regard to all time periods set forth or referred to in this Agreement, time is of the essence.

9.12 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, 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.

9.13 Governing Law; Venue. This Agreement shall take effect and shall be construed as a contract under the laws of the Commonwealth of Virginia, 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 Fairfax County, Virginia, 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 Fairfax County, Virginia.

9.14 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.

9.15 Counterparts. This Agreement may be executed in one or more counterparts, all of which together shall constitute one and the same agreement.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the parties have duly executed this Stock Purchase Agreement under seal as of the date first above written.

CACI International Inc

By: /s/ Thomas A. Mutryn
Thomas A. Mutryn, Chief Financial Officer

CACI, INC.-FEDERAL

By: /s/ Thomas A. Mutryn
Thomas A. Mutryn, Chief Financial Officer

The Wexford Group International, Inc.

By: /s/ William H. Reno
William H. Reno, President and CEO

/s/ William H. Reno
William H. Reno, *as the Non-ESOP Stockholders' Representative*

/s/ Bryan Stanford
Bryan Stanford, *as the ESOP Stockholder's Representative*

/s/ William H. Reno
William H. Reno, *individually*

The Reno Family Dynasty Trust

By: /s/ LuAnn F. Reno
LuAnn F. Reno, Trustee

The Wexford Group International, Inc. Employee Stock Ownership Plan

By: /S/ BRYAN STANFORD
Bryan Stanford, Trustee

Exhibit 10.21

EMPLOYMENT AGREEMENT

(As Amended and Restated Effective July 1, 2007)

THIS AGREEMENT is made as of the 1st day of July, 2007, between CACI International Inc, a Delaware corporation headquartered at 1100 North Glebe Road, Arlington, Virginia, and Dr. J. P. London (the "Executive") residing at 1200 North Veitch Street, Arlington, VA 22201. This Agreement amends and restates the Employment Agreement dated August 17, 1995, as previously amended effective January 1, 2005.

WITNESSETH:

WHEREAS, the Executive has been employed by CACI International Inc ("the Company") for a substantial length of time, 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 Executive has served as the President and Chief Executive Officer of the Company; and

WHEREAS, effective as of July 1, 2007, the Executive will cease to hold the positions of President and Chief Executive Officer but will continue service as Chairman of the Board of the Company and have the title of Executive Chairman; and

WHEREAS, the Company deems it essential to set forth the terms and conditions of the Executive's employment in his capacity as Executive Chairman and Chairman of the Board.

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

1. Executive Position and Scope . The Board of Directors of the Company has elected the Executive as Chairman of Board, and, in such capacity, the Executive shall be an employ of the Company, with the title of Executive Chairman ("Executive Chairman") and the powers and duties as are ascribed to the Chairman of the Board under the By-laws of the Company and as are customary to someone holding such position in similarly situated publicly-held companies. The Executive hereby accepts the position of Chairman of the Board and his employment as Executive Chairman.
2. Term . The initial term of this Agreement shall be for one (1) year commencing on the date set forth above. This Agreement shall automatically renew itself for an additional one (1) year term on each anniversary of the commencement date of the Agreement from year-to-year so long as the Agreement is in effect, subject to termination upon any basis listed in Paragraphs 5, 6, 7 or 9 herein.
3. Compensation . The Executive shall receive the following compensation for his services as Executive Chairman:

(a) During the period of the Executive's employment as Executive Chairman, the Company shall pay to the Executive an annual base salary, the amount of which shall be fixed by the Board of Directors of the Company from time to time, provided that in no event shall the Executive's base salary be at a rate less than $200,000 per year. As of July 1, 2007, the Executive's annual base salary is $500,000. Such compensation shall be paid to the Executive with the same frequency as the other Executives of the Company are compensated. During the period of the Executive's employment hereunder, the Executive's base salary shall be reviewed at least annually by the Compensation Committee of the Board of Directors.

(b) The Executive shall be entitled to participate in any bonus plan, incentive compensation plan, deferred compensation plan, pension or profit-sharing plan, stock purchase or stock option plan, savings plan, annuity or group insurance plan, medical plan, and other non-severance related benefits maintained by the Company for its executive officers.

(c) The Company shall reimburse the Executive in accordance with the current expense reimbursement policies of the Company for expenses incurred by the Executive in the performance of the Executive's duties hereunder, including, but not limited to, transportation, meals, accommodations, entertainment, and other expenses (including business-related charitable contributions up to an amount approved by the Compensation Committee for any given year) incurred in connection with the business of the Company. Reimbursement of expenses incurred by the Executive shall be made by March 15 th of the calendar year following the calendar year in which the expenses were incurred, so that such reimbursements are not treated as deferred compensation under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"). Amounts which are not submitted within the required timeframe shall not be eligible for reimbursement hereunder.

4. Business Duty and Location . During the period of employment hereunder, and except for illness, reasonable vacation periods, and reasonable leaves of absence, (vacations or leaves of absences not to be of more than thirty (30) consecutive days duration), the Executive agrees to devote in good faith his full time and best efforts, during reasonable business hours, to the services which he is required to render to the Company hereunder, and agrees to travel to the extent reasonably necessary to perform such duties.

However, with the approval of the Board of Directors from time to time, the Executive may serve, or continue to serve, on the board(s) of directors of, and hold any other offices or positions in, companies or organizations, which, in the judgment of the Board of Directors, will benefit the Company and will not present any conflict of interest with the Company, or materially affect the performance of the Executive's duties.

The Company agrees that the Executive's principal site of employment shall be at the principal office of the Company in the Washington, D.C. metropolitan area, and that the Executive shall not be arbitrarily relocated outside of the Washington, D.C. metropolitan area. Any relocation of the Executive's principal site of employment shall be effected, if at all, only after good faith consultation and mutual agreement between the Company and the Executive.

In the event that the Executive shall agree to relocate his principal residence outside of the Washington, D.C. metropolitan area by reason of the relocation of the principal office of the Company, the Company shall defray all reasonable expenses incurred by the Executive in relocating the personal belongings of the Executive and the members of his family who reside with the Executive.

5. Death and Disability . This Agreement shall terminate automatically upon the death of the Executive. The Board shall have the right to terminate this Agreement in the event that (i) the Executive is subject to a legal decree of incompetency, or (ii) the Executive shall be unable, or shall fail, to perform services pursuant to this Agreement as a result of a mental or physical incapacitating disability, and such failure or incapacitating disability has lasted for the immediately preceding six (6) months and is, as of the date of determination, reasonably expected to last an additional six (6) months or longer after the date of determination, in each case based upon medically available reliable information. The Executive shall not be deemed to have been terminated for mental or physical disability under (ii) above unless and until there has been delivered to the Executive a copy of a resolution duly adopted by a two-thirds (66 2/3%) majority vote of the entire number of the non-management directors of the Company's Board of Directors at a meeting of the Board called and held for the purpose (after reasonable notice to the Executive and an opportunity for the Executive and/or the Executive's counsel to be heard before the Board), finding that in the good faith opinion of the Board on the basis of an opinion of a qualified physician mutually agreed upon by the Company and the Executive (or the Executive's designated representative), that the Executive is unable to perform the duties of his position due to mental or physical disability and specifying the particulars thereof in detail.

6. Cause .

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

(i) gross negligence, willful misconduct or fraud on the part of Executive; or

(ii) a material violation by the Executive of the Directors' Code of Business Ethics and Conduct.

(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.

7. Voluntary Separation . Except as specifically provided in Paragraph 9, the Executive shall have the right to terminate his employment with the Company or resign as Executive Chairman at any time by providing six (6) months advance written notice to the Board of Directors of the Company indicating the Executive's desire to retire or to resign from his position as Executive Chairman. Except as specifically provided in Paragraph 9, in the event of the Executive's voluntary retirement or resignation, the Company shall not be obligated to pay to the Executive any termination or severance payment as described in Paragraph 8 below.

8. Termination Payment. Except in connection with a Change in Control as defined in Paragraph 9 below, if the Executive ceases to hold the position of Executive Chairman (and Chairman of the Board) or this Agreement is terminated for any reason other than death, disability (as defined in Paragraph 5), Cause (as defined in Paragraph 6), or voluntary retirement or resignation in accordance with Paragraph 7, then the Company shall pay to the Executive an amount equal to eighteen (18) months of the Executive's "Current Base Salary." For this purpose, the Executive's "Current Base Salary" shall be deemed to be the highest annual rate of base salary paid to the Executive at any time during the sixty (60) months prior to termination of the Executive's employment.

9. Change in Control and Termination Payments .

(a) For purposes of this Agreement:

(i) A "Change in Control" means the occurrence of any one of the following events:

(A) any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Exchange Act) becomes a "beneficial owner" (as such term

is defined in Rule 13d-3 promulgated under the Exchange Act) (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company), directly or indirectly, of securities of the Company representing twenty percent (20%) or more of the combined voting power of the Company's then outstanding securities; or

(B) persons who, as of July 1, 2006, constituted the Company's Board (the "Incumbent Board") cease for any reason, including without limitation as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Board, provided that any person becoming a director of the Company subsequent to July 1, 2006 whose election was approved by, or who was nominated with the approval of, at least a majority of the directors then comprising the Incumbent Board shall, for purposes of this Plan, be considered a member of the Incumbent Board; or

(C) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation or other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or

(D) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

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

(b) If, following a Change in Control, the Executive's employment is terminated within one (1) year of the Change in Control Date (a) involuntarily for any reason other than death or Cause or (b) voluntarily by the Executive for any reason, then the Company shall pay to the Executive the following amounts:

(i) an amount equal to thirty-six (36) months of the Executive's Current Base Salary (as defined in Paragraph 8 above).

(ii) a prorated portion the bonus otherwise payable to the Executive for the fiscal year of termination under the Executive Bonus Plan (or any replacement bonus arrangement covering the Executive). The amount payable shall be determined by multiplying the bonus 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 during which Executive was employed (including the month in which the termination occurs) and the denominator of which is twelve.

(iii) a cash lump sum amount equal to two (2) times the average bonus actually paid to the Executive under the Executive Bonus Plan for the five (5) fiscal years immediately preceding the year of termination.

(c) Parachute Payment .

(i) 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 9(c)(ii) 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.

(ii) Notwithstanding the provisions of Paragraph 9(c)(i), no such amount shall be payable or made under Paragraph 9(c)(i) if the Executive would, on a net after-tax basis (taking into account the amount of any payment required under Paragraph 9(c)(i) 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 9(c)(i), 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.

(iii) The determination required under Paragraph 9(c)(ii) 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 9(c)(ii) 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 9(c)(i) (and no Parachute Payment Reduction), then, in addition to the payment required under Paragraph 9(c)(i), 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.

(iv) 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 9(c)(i) or (ii) are applicable (and if applicable, the amount of any Parachute Payment Reduction under Paragraph 9(c)(ii) or any restored Parachute Payment under Paragraph 9(c)(iii)), 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.

(v) 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 9(c)(i) or (iii) should not have been made, or a smaller payment under Paragraph 9(c)(i) or (iii) 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 9(c)(i) or (iii) should have

been made, or a larger payment under Paragraph 9(c)(i) or (iii) 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 9(c)(i) or (iii), 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.

(vi) 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).

(vii) To the extent that any payment to the Executive under his Paragraph 9(c) does not constitute a payment in accordance with a fixed schedule pursuant to Treas. Reg. §1.409A-3(i)(l) 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)).

10. Payment of Other Compensation . In addition to any payment due the Executive pursuant to Paragraphs 8 or 9 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.

11. Timing of Payment .

(a) The compensation payable in accordance with Paragraph 8 or 9(b)(i) and (iii) shall be paid in a lump sum on the first business day of the seventh month following 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"), or if earlier the date of death of the Executive.

(b) The compensation payable in accordance with Paragraph 9(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 me made (i) 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), or (ii) later than December 31 following the calendar year of termination.

(c) The compensation payable in accordance with Paragraph 9(c) 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.

12. Confidentiality . The Executive shall not disclose, publish, or use for any purpose not directly related to the performance of the Executive's duties for the Company, or permit anyone else to disclose, publish, or use any proprietary or confidential information or trade secrets of the Company at any time during or after his employment with the Company. This obligation shall continue so long as such information remains legally protectable as to persons receiving it in a confidential relationship. The Executive agrees to return to the Company all proprietary material which he possesses on the date of termination of the Executive's active employment with the Company.

13. Non-Competition . For a period of nine (9) months following termination of the Executive's employment with the Company for any reason other than death or "Cause", and provided that the Company does not breach its obligations under this Agreement, the Executive shall not (1) directly or indirectly, sell, market, or otherwise provide any client or previously identified prospective client of the Company, products or services similar to or in competition with those sold or distributed by the Company, in any geographic area in which the Company offers any such products or services, or (2) participate directly or indirectly in the hiring or soliciting for employment of any person employed by the Company.

14. Release . In consideration of any payment made to the Executive pursuant to Paragraph 8 or 9 (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; provided, however, that (i) in lieu of accepting any payments or benefit pursuant to Paragraph 8 or 9, the Executive may decline to sign the release and preserve any rights to sue, and (ii) such release shall not cover (A) any claims that the Executive may have under this Agreement, (B) any claims to the payment or receipt of any compensation or benefits earned or accrued by the Executive in accordance with the terms and conditions of any plan, policy or arrangement of the Company (including, without limitation, any accrued rights under the CACI International Inc 1996 or 2006 Stock Incentive Plan), or (C) any claims that Executive may have in his capacity as a shareholder of the Company.

15. Assignment . By reason of the special and unique nature of the services hereunder, it is agreed that neither party hereto may assign any interest, rights or duties which it or he may have in this Agreement without the prior written consent of the other party, except that upon any Change in Control Disposition as defined above in Paragraph 9, this

Agreement shall inure to the benefit of and be binding upon the Executive and the purchasing, surviving or resulting person, company or entity in the same manner and to the same extent as though such entity were the Company.

In the event a successor or assignee (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or, substantially all of the business and/or assets of the Company, does not, expressly, absolutely and unconditionally assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place (with such assumption in form and substance satisfactory to the Executive), then the Executive shall be entitled to resign and receive payment of the severance compensation described in Paragraph 9 above.

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, or otherwise arising out of or relating to the Executive's employment (including without limitation to any claim of discrimination whether based on race, color, religion, national origin, gender, age, sexual preference, disability, status as disabled or Vietnam-era veteran, or any other legally protected status, and whether based on federal or state law, or otherwise) by the Company shall be resolved by arbitration. This arbitration shall be held in the jurisdiction appropriate to the principal location of the Company (currently 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. The above notwithstanding, nothing in this Paragraph 16(a) shall be deemed a waiver of any of the Executive's or the Company's rights or entitlements under law.

(b) The Executive acknowledges and agrees that notwithstanding subsection (a) above, if the Executive breaches any of the provisions of Paragraph 12 or 13 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 or 13 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. Executive's Estate . This Agreement shall inure to the benefit of and be enforceable by the Executive's personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amounts are still payable to him hereunder, all such amounts shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee, or other designee or, if there be no such designee, to the Executive's estate.

18. 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.

19. Governing Law . This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

20. 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:

Dr. J. P. London
1200 North Veitch Street
Arlington, VA 22201

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.

21. 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.

22. 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.

23. Legal Fees . The Company shall pay any reasonable legal fees and expenses including those of experts and witnesses which Executive may incur in connection with any dispute or proceeding brought to interpret or enforce this Agreement. The amount reimbursed to the Executive in any year shall not affect the amount reimbursable in any other year and any such reimbursement shall be made in accordance with the provisions of Treas. Reg. §1.409A-3(i)(l)(iv).

24. Headings . The headings of numbered Paragraphs in this Agreement have been included for convenience only and in no way define or limit the scope, content or substance of this Agreement, nor in any way affect its provisions or obligations.

25. 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 Executive's employment, including the Executive's Employment Agreement dated July 1, 1990, except that the Executive's Agreement for Life Time Medical Benefits with the Company dated August 17, 1995, is not effected in any way hereunder, and remains in full force and effect as a separate agreement between the Executive and the Company.

26. Compliance with Section 4Q9A . The Agreement is intended to comply with the provisions of Section 409A of the Code (to the extent applicable) and, if any provision of this Agreement 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 Agreement complying with the provisions of Section 409A of the Code.

27. 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.

28. 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 first above written.

CACI INTERNATIONAL INC

By: /s/ Robert Turner
Robert Turner

/s/ Dr. J. P. London
Dr. J. P. London

I, Arnold D. Morse, certify that I am the Senior Vice President, Chief Legal Officer and Secretary of CACI International Inc; that Robert Turner, who signed this Agreement for this Corporation, was then EVP, Business Operations of this Corporation; and that this Agreement was duly signed for and on behalf of this Corporation by authority of its governing body and within the scope of its corporate powers.

Witness my hand and the seal of this Corporation this 29th day of June, 2007

/s/ Arnold D. Morse
Arnold D. Morse
Senior Vice President, Chief Legal Officer and Secretary

Exhibit 10.22

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is executed effective as of the 1st day of July, 2007 (the "Effective Date"), by and between CACI International Inc, a Delaware corporation (the "Company"), and Paul M. Cofoni (the "Executive").

RECITALS

The Executive has been employed by the Company as an executive officer and the Company now wishes to employ the Executive as its President and Chief Executive Officer.

It is in the best interests of the Company and the Executive to enter into this employment agreement setting forth the terms of the Executive's employment as President and Chief Executive Officer.

Accordingly, in consideration of the foregoing, and the mutual agreements contained in this Agreement, the parties hereto, intending to be legally bound, agree as follows:

1. Employment of Executive; Duties and Status .

(a) The Company hereby agrees to engage the Executive as the President and Chief Executive Officer of the Company during the "Employment Period" (as defined in Section 2 hereof), and the Executive hereby accepts such employment, all on the terms and conditions set forth in this Agreement. During the Employment Period, the Executive shall (i) have responsibility for the active management of the Company and general supervision and direction of the affairs of the Company, (ii) have such duties, obligations and responsibilities as are customarily performed by chief executive officers of companies of like size and type as the Company or are imposed by applicable law, including, without limitation, the Sarbanes-Oxley Act of 2002, as amended and in effect from time to time (the "Sarbanes-Oxley Act"), (iii) have such other authority and perform such other executive duties (including, without limitation, serving as an officer of an "Affiliate" (as defined in Section 4 (d) hereof) of the Company), as shall be assigned to the Executive by the Executive Chairman or the Board of Directors of the Company (the "Board"), and (iv) administer such other business affairs of the Company as shall be assigned to the Executive by the Executive Chairman or Board. For purposes of Section 302 of the Sarbanes-Oxley Act the Executive will be deemed to be the principal executive officer and for purposes of 906 of Sarbanes-Oxley Act the Executive will be deemed to be the principal chief executive officer and the Executive acknowledges his responsibility to comply with the certification requirements of the Sarbanes-Oxley Act.

(b) The Executive agrees that, at all times, the Executive shall act in a manner consistent with his fiduciary obligations to the Company, and otherwise comply with the Company's Code of Ethics and Business Conduct Standard, as the same may be amended and in effect from time to time and timely provided to the Executive (the "Standards of Conduct"). In addition, the Executive shall comply with all laws, rules and regulations that are generally

applicable to the Company and its employees, directors and officers, and the Executive shall perform all services in accordance with the policies, procedures and rules established by the Company and the Board.

(c) During the Employment Period, the Executive shall be a full-time employee of the Company and shall devote all business time and energies to the Company. So long as such activities, in the aggregate, do not interfere with the performance by the Executive of the Executive's duties hereunder, or conflict with the Standards of Conduct, (i) the Executive may supervise personal financial investments; and (ii) the Executive may participate (as board member, officer, volunteer or otherwise) in professional, charitable, educational, religious, civic, and/or trade associations and similar types of activities. If requested by the Board, the Executive shall provide the Board with a description of the activities of the Executive described in item (ii) above.

(d) The Executive agrees that, within twelve (12) months of the Effective Date, he will establish, and during the Employment Period he will maintain, his legal residence within fifty (50) miles of the main office of the Company (which is currently at 1100 N. Glebe Road, Arlington, Virginia 22201).

(e) The Board shall establish criteria for measuring the Executive's performance as President and Chief Executive Officer and shall review and assess the Executive's performance in accordance with such criteria at least annually. The Executive Chairman or the Board shall advise the Executive of the Board's performance assessment.

2. Term of Employment . The Executive's employment hereunder shall continue until the third anniversary of the Effective Date, unless such employment is terminated earlier in accordance with the provisions of this Agreement (the "Employment Period"). This Agreement shall automatically renew itself for an additional one (1) year term on the third anniversary of the Effective Date and on each anniversary of the Effective Date thereafter. Such extended term will then constitute the term of the Employment Period. Notwithstanding the forgoing, this Agreement may be terminated at any time in accordance with the provisions of Section 5.

3. Compensation and General Benefits .

(a) Base Salary . The Company agrees to pay to the Executive an annual base salary of Six Hundred and Seventy-Five Thousand Dollars ($675,000) (such base salary, as adjusted from time to time, is referred to herein as the "Base Salary"). The Executive's Base Salary, less amounts required to be withheld under applicable law, shall be payable in equal installments in accordance with the practice of the Company in effect from time to time for the payment of salaries to executives of the Company, but in no event less frequently than monthly. The Executive's Base Salary shall be reviewed annually by the Compensation Committee and the Board in connection with the Executive's performance review.

(b) Annual Incentive . During the Employment Period, the Executive shall be eligible to participate in any annual incentive or bonus plan maintained by the Company for its senior executives (the "Annual Incentive Plan"). The Executive's award under such plan will be

determined by the Compensation Committee and the Board from time to time. The Executive's award under such plan will be based on the achievement of strategic performance metrics established by the Compensation Committee and approved by the Board.

(c) Expenses . During the Employment Period, the Executive shall be entitled to cause payment by, or to receive prompt reimbursement from, the Company for all reasonable and necessary expenses incurred by the Executive in performing the duties required hereunder on behalf of the Company. All payments and reimbursements by the Company pursuant to this Section 3(c) shall be subject to, and consistent with, the Company's policies for expense payment and reimbursement, as in effect from time to time. Such payment or reimbursement shall be made on or before March 15 th following the close of the calendar year in which the expense or liability was incurred. To the extent that payment or reimbursement is based on claims, bills, invoices or other documentation that the Executive is required to submit to the Company, such documentation must be submitted by the Executive on or before March 1 st following the close of the calendar year in which the expense or liability was incurred. Amounts which are not submitted within the required timeframe shall not be eligible for payment or reimbursement hereunder.

(d) Fringe Benefits .

(i) Company Plans . During the Employment Period, in addition to any amounts to which the Executive may be entitled pursuant to the other provisions of this Section 3 or elsewhere herein, the Executive shall be entitled to participate in, and to receive benefits under, any deferred compensation plan (funded solely by elective deferrals by the Executive), qualified retirement plan, profit-sharing plan, savings plan, group life, disability, sickness, accident and health insurance programs, or any other similar benefit plan or arrangement generally made available by the Company to its senior executive employees, subject to and on a basis consistent with the terms, conditions and overall administration of each such plan or arrangement. The Executive may also participate in any long term incentive, equity or other non-qualified deferred compensation plan on such terms and on such conditions as may be established by the Board or the Compensation Committee. The award of any additional incentive under this Section 3(d)(i) shall be separate and distinct from the right of the Executive to receive the annual incentive or bonus payment from the Company described in Section 3(b).

(ii) SERP . The Company will provide the Executive with a supplemental retirement benefit in accordance with the terms of the Supplemental Executive Retirement Plan dated January 24, 2006, as amended from time to time (the "SERP").

(iii) Leave . The Executive shall be entitled to paid annual leave during the Employment Period in accordance with the Company's leave policy for senior executives. Leave shall accrue monthly during the Employment Period (based on a full year). In addition, the Executive shall be entitled to all paid holidays given by the Company to its senior executives. The extent to which the Executive may receive payment for unused annual leave at the end of the Employment Period shall be determined in accordance with the Company's policies for its senior executives.

(iv) Office . During the Employment Period, the Company shall provide the Executive with an office of a size and with furnishings and other appointments commensurate with the Executive's office at the Company on the Effective Date, and full-time secretarial and administrative assistance and the support staff necessary in order to perform his duties hereunder.

(e) Parachute Treatment .

(i) If it shall be determined that in connection with a change in control of the Company within the meaning of the CACI International, Inc 2006 Stock Incentive Plan (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 (as defined in Section 4(d) hereof), 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 (including Section 5(h)(ii)) or otherwise (including under the SERP or 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 Internal Revenue Code of 1986, as amended (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 Section 3(e)(ii) 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.

(ii) Notwithstanding the provisions of Section 3(e)(i), no such amount shall be payable or made under Section 3(e)(i) if the Executive would, on a net after-tax basis (taking into account the amount of any payment required under Section 3(e)(i) 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 Section 3(e)(i), 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.

(iii) The determination required under Section 3(e)(ii) 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 Section 3(e)(ii) 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 Section 3(e)(i) (and no Parachute Payment Reduction), then, in addition to the payment required under Section 3(e)(i), 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.

(iv) All determinations required to be made under this Section, including whether and when an amount is subject to Section 4999 and whether the provisions of Section 3(e)(ii) or 3(e)(iii) are applicable (and if applicable, the amount of any Parachute Payment Reduction under Section 3(e)(ii) or any restored Parachute Payment under Section 3(e)(iii)), 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 Section and the amount thereof, in the absence of material mathematical or legal error.

(v) 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 Section 3(e)(i) or 3(e)(iii) should not have been made, or a smaller payment under Section 3(e)(i) or 3(e)(iii) 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 Section 3(e)(i) or 3(e)(iii) should have been made, or a larger payment under Section 3(e)(i) or 3(e)(iii) 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 Section 3(e)(i) or 3(e)(iii), 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.

(vi) 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).

(vii) Any amount payable to the Executive in accordance with Section 3(e)(i) or (ii) 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 Section 3(e)(vi) 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 this Section 3(e) shall be made in accordance with the provisions of Treas. Reg. §1.409A-3(i)(l).

(viii) To the extent that any payment to the Executive under his Section 3(e) does not constitute a payment in accordance with a fixed schedule pursuant to Treas. Reg. §1.409A-3(i)(l) 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)).

4. Covenants of the Executive .

(a) No Conflicts . The Executive represents and warrants to the Company that the Executive is not subject to any contract, agreement, judgment, order or decree of any kind, or any restrictive agreement of any character, that restricts the Executive's ability to perform his obligations under this Agreement or that would be breached by the Executive upon his

performance of his duties pursuant to this Agreement. The Executive also understands that as a condition of his employment as the President and Chief Executive Officer of the Company, he must secure and maintain appropriate security clearances and he represents and warrants that he is not aware of any reason he should not be able to secure and maintain such security clearances.

(b) Confidentiality; Intellectual Property .

(i) The Executive recognizes and acknowledges that (i) the Executive's employment with the Company has provided (and in the future, will provide) the Executive with access to "Trade Secrets" or "Confidential or Proprietary Information" (each, as defined in Section 4(d) hereof), (ii) the Company is engaged in a highly competitive enterprise, so that any unauthorized disclosure or unauthorized use by the Executive of the Trade Secrets or Confidential or Proprietary Information protected under this Agreement, or any unauthorized competition, whether during his employment with the Company or after its termination, would cause immediate, substantial and irreparable injury to the business and goodwill of the Company, (iii) the Company's Trade Secrets and Confidential and Proprietary Information was developed by the Company at considerable expense, that this information is a valuable Company asset and part of its goodwill, that this information is vital to the Company's success and is the sole property of the Company, and (iv) the Company's business interests require a confidential relationship between the Company and the Executive and the fullest practical protection and confidential treatment of all Trade Secrets and Confidential or Proprietary Information. Accordingly, the Executive agrees that, except (A) as required by law, Governmental Authority or court order, or (B) in the good faith furtherance of the business of the Company, the Executive will keep confidential and will not publish, make use of, or disclose to anyone (or aid others in publishing, making use of, or disclosing to anyone), in each case, other than the Company or any Persons designated by the Company, or otherwise "Misappropriate" (as defined in Section 4(d) hereof) any Trade Secrets or Confidential or Proprietary Information at any time. The Executive's obligations hereunder shall continue during the Employment Period and thereafter for so long as such Trade Secrets or Confidential or Proprietary Information remain Trade Secrets or Confidential or Proprietary Information.

(ii) The Executive acknowledges and agrees that:

(A) all Trade Secrets and Confidential or Proprietary Information shall be "Trade Secrets" (as defined under the Uniform Trade Secrets Act) of the Company and/or its Affiliates, as the case may be;

(B) the Executive occupies a unique position within the Company, and he is and will be intimately involved in the development and/or implementation of Trade Secrets and Confidential or Proprietary Information;

(C) in the event the Executive breaches Section 4(b) hereof with respect to any Trade Secrets or Confidential or Proprietary Information, such breach shall be deemed to be a Misappropriation of such Trade Secrets or Confidential or Proprietary Information; and

(D) any Misappropriation of Trade Secrets or Confidential or Proprietary Information will result in immediate and irreparable harm to the Company.

(iii) The Executive recognizes that the Company has received, and in the future will receive, "Information" (as defined in Section 4(d) hereof) from Persons subject to a duty on the Company's part to maintain the confidentiality of such Information and to use it only for certain limited purposes. Without limiting anything in Section 4(b)(i) hereof, the Executive agrees that he owes the Company and such Persons, during the Employment Period and thereafter, a duty to hold all such Information in the strictest confidence and, except with the prior written authorization of the Company, or as required by law, Governmental Authority or court order, not to disclose such Information to any Person (except as necessary in carrying out the Executive's duties for the Company consistent with the Company's agreement with such Person) or to use it for the benefit of anyone other than for the Company or such Person (consistent with the Company's agreement with such Person).

(iv) All memoranda, notes, lists, records and other documents or papers (and all copies thereof), including but not limited to, such items stored in computer memories, on microfiche, electronically, or by any other means, made or compiled by or on behalf of the Executive, or made available to the Executive or in the Executive's possession concerning or in any way relating to the conduct of the business of the Company or any of its Affiliates, are and shall be the property of the Company or such Affiliate and shall be delivered to the Company promptly upon the Company's request following the termination of the Executive's employment with the Company or at any other time on request. The Executive acknowledges and stipulates that all Electronic Equipment (as defined in Section 4(d) hereof) of the Company or any Affiliate are the sole property of the Company or such Affiliate, and that any information transmitted by, received from, or stored in such Electronic Equipment is also the property of the Company or such Affiliate. Executive agrees that, after his termination of employment, he shall not, directly or indirectly, for himself or for any other person or entity, use, access, copy, or retrieve, or attempt to use, access, copy, or retrieve, any of the Electronic Equipment of the Company or any Affiliate or any information on the Equipment of the Company or an Affiliate.

(v) "Work Product" (as defined in Section 4(d) hereof) relating to any work performed by or assigned to the Executive during, and in connection with, his employment with the Company, shall belong solely and exclusively to the Company.

(vi) From time to time, at the reasonable request of the Company, the Executive agrees to disclose promptly to the Company all Work Product and relevant records, which records will remain the sole property of the Company; provided that the Executive shall not have an obligation to disclose Work Product or records hereunder to the extent the Company already has actual knowledge of such Work Product and originals or copies of such records.

(vii) The Executive hereby assigns to the Company, without further consideration, his entire right, title, and interest (throughout the United States and in all foreign countries) in and to all Work Product, whether or not patentable. Should the Company be unable to secure the Executive's signature on any document necessary to apply for, prosecute, obtain, or enforce any patent, copyright, or other right or protection relating to any Work Product, whether

due to the Executive's mental or physical incapacity, or the Executive's unavailability for a reasonable period under the circumstances, the Executive hereby irrevocably designates and appoints the Company and each of its duly authorized officers and agents as his agent and attorney-in-fact (such designation and appointment being coupled with an interest), solely for the specific instance in which the Company is unable to secure such signature, to act for and in his behalf and stead, to execute and file any such document, and to do all other lawfully permitted acts to further the prosecution, issuance, and enforcement of patents, copyrights, or other rights or protections with the same force and effect as if executed and delivered by the Executive.

(viii) There is no Information which the Executive wishes to exclude from the operation of this Section 4(b). To the best of the Executive's knowledge, there is no existing contract in conflict with this Agreement or any other contract to assign Information that is now in existence between the Executive and any other Person.

(ix) To the extent that any Work Product incorporates pre-existing material to which the Executive possesses copyright, trade secret, patent, trademark or other proprietary rights, and such rights are not otherwise assigned to the Company herein, the Executive hereby grants to the Company a royalty-free, irrevocable, worldwide, exclusive, perpetual license to make, have made, sell, use and disclose, reproduce, modify, transmit, prepare Derivative Works based on, distribute, perform and display (publicly or otherwise), such material, with full right to authorize others to do so.

(c) Noncompetition and Nonsolicitation .

(i) Subject to the provisions of Section 4(c)(iii) hereof, during his period of employment and thereafter for a period of two years following termination of his employment (and up to five years in the case of the restriction contained in Section 4(c)(ii)) (the "Restricted Period"), the Executive agrees that he will not, directly or indirectly, on his own behalf or as a partner, owner, officer, director, stockholder, member, employee, agent or consultant of any other Person, within any state (including the District of Columbia), territory, possession or country where the Company conducts business during the Employment Period or during the Restricted Period:

(A) own, manage, operate, control, be employed by, provide services as a consultant to, or participate in the ownership, management, operation, or control of, any Person engaged in any activity competitive with the Company or any of its Affiliates;

(B) engage in the business of providing goods or services that are the same as or similar to the goods or services of the Company or any of its Affiliates;

(C) contact any of the Company's Customers or potential Customers or solicit or induce (or attempt to solicit or induce) any of the Company's Customers to discontinue or reduce its business with the Company, or any potential Customers not to conduct business with the Company, or any Customer or potential Customer to conduct business with or contract with any other Person that competes with the Company or its Affiliates; or

(D) persuade or attempt to persuade any supplier, agent, broker, or contractor of the Company or any of its Affiliates to discontinue or reduce its business with the Company (or any prospective supplier, broker, agent, or contractor to refrain from doing business with the Company or any of its Affiliates).

(ii) Subject to the provisions of Section 4(c)(iii) hereof, during a Restricted Period of up to five years, the Executive agrees that he will not, directly or indirectly, on his own behalf or as a partner, owner, officer, director, stockholder, member, employee, agent or consultant of any other Person, within any state (including the District of Columbia), territory, possession or country where the Company conducts business during the Employment Period or during the Restricted Period solicit, hire, or otherwise attempt to establish for any Person, any employment, agency, consulting or other business relationship with any Person who is an employee or consultant of the Company or any of its Affiliates, provided that the prohibition in this Section 4(c)(ii)(C) shall not bar the Executive from soliciting or hiring any former employee or former consultant who at the time of such solicitation or hire had not been employed or engaged by the Company or any of its Affiliates for a period of at least six (6) months, or any other provider of services to the Company or any of its Affiliates, as long as such Person's engagement by the Executive does not interfere or conflict with the provision of services to the Company or an Affiliate by such Person.

(iii) The parties hereto acknowledge and agree that, notwithstanding anything in Section 4(c)(i) or (ii) hereof the Executive may own or hold, solely as passive investments, securities of Persons engaged in any business that would otherwise be included in Section 4(c)(i) or (ii), as long as with respect to each such investment, the securities held by the Executive do not exceed five percent (5%) of the outstanding securities of such Person and such securities are publicly traded and registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); provided, that in the case of investments otherwise permitted under this clause, the Executive shall not be permitted to, directly or indirectly, participate in, or attempt to influence, the management, direction or policies of (other than through the exercise of any voting rights held by the Executive in connection with such securities), or lend the Executive's name to, any such Person.

(d) Definitions . For purposes of this Agreement, the following terms shall have the following meanings:

(i) Affiliate means a Person, whether now or hereafter existing, directly or indirectly controlling or controlled by, or under direct or indirect common control with, such specified Person. For purposes hereof, "control" or any other form thereof, when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

(ii) Confidential or Proprietary Information means:

(A) any and all information and ideas in whatever form (including, without limitation, written or verbal form, and including information or data recorded or retrieved by any means, tangible or intangible), whether disclosed to or learned or developed by the Executive, pertaining in any manner to the business of the Company or any of the Company's Affiliates (collectively, "Information") that (a) derives independent economic value, actual or potential, from not being generally known to the public or to other Persons who can obtain economic value from its disclosure or use, and (b) is the subject of efforts by the Company and/or its Affiliates that are reasonable under the circumstances to maintain its secrecy; and

(B) any and all other Information unique to the Company and/or or its Affiliates which has a significant business purpose and is not known or generally available from sources outside of such Persons or typical of industry practice.

(iii) Customer means all Persons that have either sought or purchased the Company's goods or services, have contacted the Company for the purpose of seeking or purchasing the Company's goods or services, or have been contacted by the Company for the purpose of selling its goods and services during the Executive's employment and for one year prior thereto, and all Persons subject to the control of those Persons. The Customers covered by this Agreement shall include any Customer or potential Customer of the Company at any time during the Executive's employment. In the case of a Governmental Authority, the Customer or potential Customer shall be determined by reference to the specific program offices or activities for which the Company provides (or may reasonably provide) goods or services.

(iv) Electronic Equipment means electronic and telephonic communication systems, computers and other business equipment of the Company or any Affiliate including, but not limited to, computer systems, data bases, phone mail, modems, e-mail, Internet access, Web sites, fax machines, techniques, processes, formulas, mask works, source codes, programs, semiconductor chips, processors, memories, disc drives, tape heads, computer terminals, keyboards, storage devices, printers and optical character recognition devices, and any and all components, devices, techniques or circuitry incorporated in any of the above and similar business devices.

(v) Governmental Authority means any federal, state, local or other governmental, regulatory or administrative agency, commission, department, board, or other governmental subdivision, court, tribunal, arbitral body or other governmental authority.

(vi) Information includes, without limitation, any and all (A) information regarding business strategy, operations and methods of operation including, without limitation, business or strategic plans, plans regarding business acquisitions, mergers, sales or divestures, marketing and sales information, and information regarding Customers, potential Customers, suppliers, manufacturers, distributors, contractors or other business contacts; (B) information regarding products and services including, without limitation, production, distribution, design, development, techniques, processes, software (including, without limitation, designs, programs and codes), and know how; (C) information regarding technology, software,

concepts, research, formulae, inventions, techniques, and other work product (of the Executive or any other employee of Company or an Affiliate); (D) financial information including, without limitation, budget, cost and expense information, pricing, revenue, or profit information and/or analysis, statistical information, economic models and forecasts, operating and other financial reports and/or analysis; and (E) human resource information such as compensation policies and schedules, employee recruiting and retention plans, organization charts and personnel data.

(vii) Misappropriation , or any form thereof, means:

(A) the acquisition of any Trade Secret or Confidential or Proprietary Information by a Person who knows or has reason to know that the Trade Secret or Confidential or Proprietary Information was acquired by theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy, or espionage through electronic or other means (each, an "Improper Means"); or

(B) the disclosure or use of any Trade Secret or Confidential or Proprietary Information without the express consent of the Company by a Person who (1) used Improper Means to acquire knowledge of the Trade Secret or Confidential or Proprietary Information; or (2) at the time of disclosure or use, knew or had reason to know that his or her knowledge of the Trade Secret or Confidential or Proprietary Information was (a) derived from or through a Person who had utilized Improper Means to acquire it, (b) acquired under circumstances giving rise to a duty to maintain its secrecy or limit its use, or (c) derived from or through a Person who owed a duty to the Company and/or any of its Affiliates to maintain its secrecy or limit its use; or (3) before a material change of his or her position, knew or had reason to know that it was a Trade Secret or Confidential or Proprietary Information and that knowledge of it had been acquired by accident or mistake.

(viii) Person means any individual, corporation, partnership, limited liability company, joint venture, association, business trust, joint-stock company, estate, trust, unincorporated organization, or government or other agency or political subdivision thereof, or any other legal or commercial entity.

(ix) Trade Secrets means all information of the Company or any of the Company's Affiliates that would be deemed to be "trade secrets" within the meaning of the Uniform Trade Secrets Act.

(x) Uniform Trade Secrets Act means the Uniform Trade Secrets Act as promulgated by the United States National Conference of Commissioners on Uniform State Laws or such other or similar statute of any jurisdiction which is found to be applicable to this Agreement, its enforcement or its interpretation.

(e) Remedies . The Executive acknowledges and agrees that if the Executive breaches any of the provisions of Section 4 or 5(i) 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 this Agreement (including, without limitation, any actual or threatened Misappropriation) 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. The Executive waives any and all defenses he may have on the grounds of lack of jurisdiction or competence of a court to grant the injunctions or other equitable relief provided above and to the enforceability of this Agreement.

(f) Further Acknowledgements; Severability .

(i) The Executive recognizes and acknowledges that his experience, skills, education and training are readily transferable and of such breadth that he can employ them to his advantage in many other fields of endeavor, and that consequently, the terms of this Agreement will not unreasonably impair the Executive's ability to engage in business or employment activities.

(ii) The Executive has carefully considered the possible effects on the Executive of the covenants not to compete, the confidentiality provisions, and the other obligations contained in this Agreement, and the Executive recognizes that the Company has made every effort to limit the restrictions placed upon the Executive to those that are reasonable and necessary to protect the Company's legitimate business interests.

(iii) The Executive understands that he may not accept employment with any Person if the nature of his position with such Person will inevitably require or lead to the disclosure of any Trade Secrets or Confidential and Proprietary Information.

(iv) The Executive acknowledges and agrees that the restrictive covenants set forth in this Agreement are reasonable and necessary in order to protect the Company's valid business interests. It is the intention of the parties hereto that the covenants, provisions and agreements contained herein shall be enforceable to the fullest extent allowed by law.

(v) If any covenant, provision, or agreement contained herein is found by a court having jurisdiction to be unreasonable in duration, scope or character of restrictions, or otherwise to be unenforceable, such covenant, provision or agreement shall not be rendered unenforceable thereby, but rather the duration, scope or character of restrictions of such covenant, provision or agreement shall be deemed reduced or modified with retroactive effect to render such covenant, provision or agreement reasonable or otherwise enforceable (as the case may be), and such covenant, provision or agreement shall be enforced as modified. If the court having jurisdiction will not review the covenant, provision or agreement, the parties hereto shall mutually agree to a revision having an effect as close as permitted by applicable law to the provision declared unenforceable. The parties hereto agree that if a court having jurisdiction determines, despite the express intent of the parties hereto, that any portion of the covenants, provisions or agreements contained herein are not enforceable, the remaining covenants, provisions and agreements herein shall be valid and enforceable. Moreover, to the extent that

any provision is declared unenforceable, the Company shall have any and all rights under applicable statutes or common law to enforce its rights with respect to any and all Trade Secrets or Confidential or Proprietary Information or unfair competition by the Executive.

5. Termination .

(a) General . The employment of the Executive hereunder (and the Employment Period) shall terminate (or may be terminated) in accordance with the provisions of this Section 5.

(b) Termination Upon Mutual Agreement . The Company and the Executive may, by mutual written agreement, terminate this Agreement and/or the employment of the Executive (and the Employment Period) at any time.

(c) Death or Disability of the Executive .

(i) The employment of the Executive hereunder (and the Employment Period) shall terminate (A) upon the death of the Executive, and (B) at the option of the Company, upon not less than thirty (30) days prior written notice to the Executive or his personal representative or guardian, if the Executive suffers a "Total Disability" (as defined in Section 5(c)(ii) below). Upon termination for death or Total Disability, the Company shall pay to the Executive's guardian or personal representative, as the case may be, in addition to any insurance or disability benefits to which he may be entitled hereunder, the "Accrued Rights" (as defined in Section 5(h) hereof). Notwithstanding the foregoing, to the extent that the payment of any amount under this Section 5(c) on account of the Executive's Total Disability is deemed to constitute deferred compensation for purposes of Section 409A of the Code, and such Total Disability does not constitute a "disability" under Section 409A(a)(2)(C) of the Code, then payment of such amount shall be deferred and made on the first business day following the expiration of the six (6) month period following the Executive's Separation from Service (as defined in Section 6(j)).

(ii) For purposes of this Agreement, "Total Disability" shall mean (A) 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), (B) 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 each of the material duties of the Executive required hereby, 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 six (6) months or longer after the date of determination, in each case based upon medically available reliable information, or (C) qualification by the Executive for benefits under the Company's long-term disability coverage, if any.

(iii) The date of any legal decree of incompetency or written opinion which is conclusive as to the Total Disability of the Executive shall be deemed the date on which such Total Disability occurred. Any leave on account of illness or temporary disability which is short of Total Disability shall not constitute a breach of this Agreement by the Executive, and in

no event shall any party be entitled to terminate this Agreement for Good Cause due to any such leave. All physicians selected hereunder shall be board-certified in the specialty most closely related to the nature of the disability alleged to exist. In conjunction with determining mental and/or physical disability for purposes of this Agreement, the Executive consents to any such examinations which are relevant to a determination of whether he is mentally and/or physically disabled, and which are required by the aforesaid Company physician, and to furnish such medical information as may be reasonably requested, and to waive any applicable physician patient privilege that may arise because of such examination.

(d) Termination For Good Cause .

(i) The Company may, upon action of the Board in accordance with Section 5(d)(iii) hereof, terminate the employment of the Executive (and the Employment Period) at any time for "Good Cause" (as defined below).

(ii) For purposes of this Agreement, "Good Cause" means:

(A) A failure by the Executive to comply with any material obligation imposed by this Agreement (including, without limitation, any violation of Sections 4 hereof);

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

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

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

(E) 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);

(F) 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;

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

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

(I) A material violation of the Company's Standards of Conduct or any other published Company policy; and

(J) 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 as President and Chief Executive Officer and the conduct of the Company's business; and

(K) The misappropriation of any material business opportunity.

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

(iii) The Executive may be terminated for Good 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, the Executive engaged in conduct justifying a termination for Good Cause and specifying the particulars of the conduct motivating the Board's decision to terminate the Executive for Good Cause. Such resolution may be adopted by the Board only after the Board has provided to the Executive (A) advance written notice of a meeting of the Board called for the purpose of determining Good Cause for termination of the Executive, (B) a statement setting forth the alleged grounds for termination, and (C) 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. The Board's delay in providing such notice shall not be deemed to be a waiver of any such Good Cause nor does the failure to terminate for one Good Cause prevent any later Good Cause termination for a similar or different reason.

(e) Termination For Good Reason .

(i) The Executive may resign, and thereby terminate his employment (and the Employment Period), within six (6) months following the initial existence of "Good Reason" (as defined below). Following a Change in Control (as defined below) the Executive may resign for Good Reason within twelve (12) months following the Change in Control Date. Before resigning, the Executive must provide the Company prior written notice to the Company of his intent to resign to for Good Reason. Such notice must be provided at least thirty (30) days' prior to the Executive's resignation date and must specify in reasonable detail the Good Reason for the Executive's resignation. 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.

(ii) For purposes of this Agreement, "Good Reason" means the occurrence of any of the following circumstances without the Executive's written consent:

(A) A material failure by the Company to comply with any material obligation imposed by this Agreement;

(B) The Executive's demotion from the position of President and Chief Executive Officer of the Company;

(C) The level of the Executive's duties and responsibilities are materially and substantially diminished as a whole;

(D) There is a substantial adverse alteration in the conditions of the Executive's employment; or

(E) A material reduction in the Executive's total compensation and benefits 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).

(iii) Following the date on which a Change of Control event is legally consummated and legally binding upon the parties (the "Change of Control Date"), Good Reason shall also include the occurrence of any of the following circumstances without the Executive's written consent:

(A) The Executive ceases to be an "Executive Officer" (as such term is defined by the Securities Exchange Act of 1933);

(B) The Company requires the Executive to be based (excluding travel responsibilities in the ordinary course of business) at any office or location more than fifty (50) miles from the office of the Company at 1100 N. Glebe Road, Arlington, Virginia 22201; or

(C) The failure by any successor to the Company to expressly assume all obligations of the Company under this Agreement.

Notwithstanding anything herein to the contrary, in no event shall any action otherwise meeting the definition of Good Reason under clauses 5 (e)(ii) above taken by the Company for Good Cause, constitute, or be deemed to constitute, grounds for Good Reason termination hereunder.

(f) Resignation other than for Good Reason . The Executive may resign and thereby terminate his employment (and the Employment Period) under this Agreement at any time upon not less than thirty (30) days' prior written notice.

(g) Termination without Good Cause . The Company may, for any or no reason, terminate the employment of the Executive (and the Employment Period) under this Agreement at any time upon not less than thirty (30) days' prior written notice. In the event the Company does not offer to extend Employment Period beyond the third anniversary of the Effective Date on terms comparable to those contained in this Agreement, then the termination of the Executive's employment at the end of the Employment Period shall be treated as a termination by the Company without Good Cause for purposes of Section 5.8(h).

(h) Payments Upon Termination .

(i) Without Good Cause (Not In Connection With A Change In Control) . In the event the Executive's employment is terminated by the Company without "Good Cause," or by the Executive for "Good Reason," prior to, or more than twelve (12) months following a Change in Control Date, then the following provisions shall apply:

(A) The Company shall pay to the Executive an amount equal to twenty-four (24) months of the Executive's "Current Base Salary." For this purpose, the Executive's "Current Base Salary" shall be deemed to be the highest Base Salary paid to the Executive at any time during the thirty-six (36) months prior to termination of the Executive's employment. Such payment shall be made in a single lump sum as soon as administratively practical (but no later than thirty (30) days) following the Executive's termination of employment.

(B) The Executive shall continue to participate in, and be covered under, the Company's health care coverage for a period of one (1) year 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 Section (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 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 (in cash, less required withholding) 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. Any additional amount payable in accordance with this Section 5(h)(i)(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 this Section 5(h)(i)(B) shall be made in accordance with the provisions of Treas. Reg. §1.409A-3(i)(1).

(C) The Company shall pay to the Executive, without duplication, (i) the Base Salary through the date of termination, (ii) any incentive compensation earned but unpaid as of the date of termination for any fiscal year prior to the year in which such termination occurs; (iii) reimbursement for any unreimbursed business expenses properly incurred by the Executive prior to the date of termination (in accordance with Section 3(c) hereof); and (iv) such employee benefits, if any, to which the Executive is entitled under the employee benefit plans and arrangements of the Company (in accordance with Section 3(d)(i) hereof) (the amounts described in clauses (i) through (iv) hereof being referred to as the "Accrued Rights").

(ii) Without Good Cause (In Connection With A Change In Control) . In the event the Executive's employment is terminated by the Company without "Good Cause," or by the Executive for "Good Reason," within twelve (12) months following a Change in Control, then the following provisions shall apply:

(A) The Company shall pay to the Executive an amount equal to thirty-six (36) months of the Executive's Current Base Salary (as defined in Section 5(h)(i)(A) above). Such payment shall be made in a single lump sum as soon as administratively practical (but no later than thirty (30) days) following the Executive's termination of employment.

(B) The Company shall pay to the Executive 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 Plan (or any replacement bonus 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). The

amount payable to the Executive in accordance with this Section 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 2/4 months following the close of the fiscal year of the Company to which such bonus relates.

(C) The Company shall pay to the Executive an amount equal to two (2) times 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. Such payment shall be made in a single lump sum as soon as administratively practical (but no later than thirty (30) days) following the Executive's termination of employment.

(D) The Executive shall be entitled to the payments and benefits described in Section 5(h)(i)(B) and 5(h)(i)(C) above.

(iii) Good Cause . In the event the Executive's employment is terminated (i) by the Company for Good Cause, or (ii) by the Executive without Good Reason, then the Company shall have no duty to make any payments or provide any benefits to the Executive pursuant to this Agreement (other than the Accrued Rights).

(iv) Release . The Executive agrees to release the Company and its 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 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.

(i) No Disparaging Comments . During the Employment Period and at all times thereafter, the Executive shall refrain from making any disparaging remarks about the businesses, services, products, members, managers, officers, directors, employees or other personnel of the Company and/or its Affiliates.

6. Miscellaneous .

(a) ARBITRATION . SUBJECT TO THE RIGHTS UNDER SECTION 4(e) TO SEEK INJUNCTIVE OR OTHER EQUITABLE RELIEF AS SPECIFIED IN THIS AGREEMENT, ANY DISPUTE BETWEEN THE PARTIES HERETO ARISING UNDER OR RELATING TO THIS AGREEMENT (INCLUDING, BUT NOT LIMITED TO, THE AMOUNT OF DAMAGES, THE NATURE OF THE EXECUTIVE'S TERMINATION OR THE CALCULATION OF ANY BONUS OR OTHER AMOUNT OR BENEFIT DUE) SHALL BE RESOLVED IN ACCORDANCE WITH THE MODEL EMPLOYMENT ARBITRATION PROCEDURES OF THE AMERICAN ARBITRATION ASSOCIATION. ANY RESULTING HEARING SHALL BE HELD IN THE JURISDICTION APPROPRIATE TO THE PRINCIPAL LOCATION OF THE COMPANY (CURRENTLY ARLINGTON, VIRGINIA). THE RESOLUTION OF ANY DISPUTE ACHIEVED THROUGH SUCH ARBITRATION SHALL BE BINDING AND ENFORCEABLE BY A COURT OF COMPETENT

JURISDICTION. COSTS AND FEES INCURRED IN CONNECTION WITH SUCH ARBITRATION SHALL BE BORNE BY THE PARTIES AS DETERMINED BY THE ARBITRATION.

(b) Indemnification and Insurance . The Company and the Executive are parties to an Indemnification Agreement dated November 16, 2006 (the "Indemnification Agreement"), which shall remain in full force and effect accordance with, and subject to, its terms. During the Employment Period, the Company shall provide directors' and officers' liability insurance covering the Executive and errors and omissions insurance covering the activities of the Executive in the exercise of the Executive's duties in the interest of the Company comparable to and no less favorable to the Executive than similar insurance provided by the Company to or for other senior executives of the Company.

(c) Entire Agreement . This Agreement and the agreements, schedules and exhibits incorporated herein by reference contain the entire agreement between the Executive and the Company with respect to the subject matter hereof, and supersede any and all prior understandings or agreements, whether written or oral, including, without limitation, the Severance Compensation Agreement between the Company and the Executive. However, this Agreement does not affect or supersede the terms of the SERP or the Indemnification Agreement. No modification or addition hereto or waiver or cancellation of any provision hereof shall be valid except by a writing signed by the party to be charged therewith.

(d) Waiver . No waiver by either party hereto of any of the requirements imposed by this Agreement on, or any breach of any condition or provision of this Agreement to be performed by, the other party shall be deemed a waiver of a similar or dissimilar requirement, provision or condition of this Agreement at the same or any prior or subsequent time. Any such waiver shall be express and in writing, and there shall be no waiver by conduct. Pursuit by either party of any available remedy, either in law or equity, or any action of any kind, does not constitute waiver of any other remedy or action. Such remedies are cumulative and not exclusive.

(e) Governing Law . The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the Commonwealth of Virginia applicable to contracts executed by, and to be performed entirely within, said State, without regard to principles of conflict of laws.

(f) Successors and Assigns; Binding Agreement . The rights and obligations of the parties under this Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, personal representatives, successors and permitted assigns. This Agreement is a personal contract, and, except as specifically set forth herein, the rights and interests of the Executive herein may not be sold, transferred, assigned, pledged or hypothecated by any party without the prior written consent of the others. As used herein, the term "successor" as it relates to the Company, shall include, but not be limited to, any successor by way of merger, consolidation, sale of all or substantially all of such Person's assets or equity interests. The Company may only assign this Agreement with the Executive's consent.

(g) Representation by Counsel . Each of the parties hereto acknowledges that (i) it or he has read this Agreement in its entirety and understands all of its terms and conditions, (ii) it or he has had the opportunity to consult with any individuals of its or his choice regarding its or his agreement to the provisions contained herein, including legal counsel of its or his choice, and any decision not to was his or its alone, and (iii) it or he is entering into this Agreement of its or his own free will, without coercion from any source.

(h) Interpretation . The parties and their respective legal counsel actively participated in the negotiation and drafting of this Agreement, and in the event of any ambiguity or mistake herein, or any dispute among the parties with respect to the provisions hereto, no provision of this Agreement shall be construed unfavorably against any of the parties on the ground that he, it, or his or its counsel was the drafter thereof.

(i) Notices . All 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, to:

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

If to the Executive, to:

Paul M. Cofoni
7761 Indersham Drive
Falls Church, VA 22042

or to such other address as one party may provide in writing to the other party from time to time.

(j) Compliance with Section 409A . To the extent that Section 409A of the Code applies to any election or payment required under this Agreement, such payment or election shall be made in conformance with the provisions of Section 409A of the Code. Certain provisions of this Agreement are intended to constitute a short-term deferral under Treas. Reg. §1.409A-l(b)(4) or 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) and, if any 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 such provisions not being subject to the provisions of Section 409A. The remaining provisions of this Agreement 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 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 applicable 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.

(k) Withholding Taxes . All amounts payable hereunder shall be subject to the withholding of all applicable taxes and deductions required by any applicable law.

(l) Tax Consequences of Payments . 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.

(m) Counterparts . This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

(n) Duration . Notwithstanding the Employment Term hereunder, this Agreement shall continue for so long as any obligations remain under this Agreement.

(o) Section References . The word Section herein shall refer to provisions of this Agreement unless expressly indicated otherwise.

(p) Captions . Section headings are for convenience only and shall not be considered a part of this Agreement.

IN WITNESS WHEREOF, the parties have duly executed this Agreement, intending it as a document under seal, as of the date first above written.

WITNESS/ATTEST:

[Sig] _____

CACI INTERNATIONAL INC

By: /s/ Robert Turner (SEAL)
Name: Robert Turner
Title: EVP, Director of Business Operations

EXECUTIVE

[Sig] _____

/s/ Paul M. Cofoni (SEAL)
Paul M. Cofoni

Exhibit 10.23

SEVERANCE COMPENSATION AGREEMENT

THIS AGREEMENT is made as of the 1st day of July, 2007, between CACI International Inc, a Delaware corporation headquartered at 1100 North Glebe Road, Arlington, Virginia, and Gregory R. Bradford (the "Executive") residing at 5 Roehampton Gate, London SW15 5JR United Kingdom. This Agreement replaces the Severance Compensation Agreement between the parties dated December 27, 2006.

WITNESSETH:

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;

(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 four (4) months of the Executive's "Current Base Salary," plus one (1) month base salary for each year of service by the Executive with the Company, up to an aggregate maximum of 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) 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 equal to eight (8) months of the Executive's Current Base Salary (as defined in Paragraph 6 above), plus two (2) months base salary for each year of service by the Executive with the Company, up to an aggregate maximum of twenty-four (24) months of the Executive's Current Base Salary.

(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).

(c) 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(b).

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)(l) 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) 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)(l).

11. Employee Agreement . This agreement incorporates by reference the Employee Agreements between the Executive and the Company, copies of which are 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 Agreements 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 Agreements. To the extent any covenant, restriction or term of this Agreement is more restrictive than a similar covenant, restriction or term of the Employee Agreements, the covenant, restriction or term of this Agreement shall control. To the extent any covenant, restriction or term of the Employee Agreements is more restrictive than a similar covenant, restriction or term of this Agreement, the covenant, restriction or term of the Employee Agreements 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, including the Executive's Severance Agreement dated December 27, 2006. However, this Agreement does not affect or supersede the terms of the Indemnification Agreement between the Company and the Executive dated November 16, 2006, which shall remain in full force and effect.

19. Compliance with Section 409A . Paragraphs 6(a) and 7(b)(i), and (ii) 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-l(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 Paragraph 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 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:

Gregory R. Bradford
5 Roehampton Gate
London SW15 5JR
United Kingdom

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	Gregory R. Bradford
By: [SIG]	/s/ Gregory R. Bradford

Exhibit 10.24

SEVERANCE COMPENSATION AGREEMENT

THIS AGREEMENT is made as of the 1st day of July, 2007, between CACI International Inc, a Delaware corporation headquartered at 1100 North Glebe Road, Arlington, Virginia, and William M. Fairl (the "Executive") residing at 5884 Iron Stone Court, Centreville, VA 20120. This Agreement replaces the Severance Compensation Agreement between the parties dated December 18, 2006

WITNESSETH:

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 8, 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 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 one-and-one-half (1.5) times 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)(l) 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)(l).

(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)(l).

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,

including the Executive's Severance Agreement dated December 18, 2006. However, this Agreement does not affect or supersede the terms of the Employee Agreement dated September 8, 2005 or the Indemnification Agreement dated November 16, 2006 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) 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-l(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:

William M. Fairl
5884 Iron Stone Court
Centreville, VA 20120

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	William M. Fairl
By: [SGD]	[SGD]

Exhibit 21.1

Significant Subsidiaries of the Registrant

The significant subsidiaries of the Registrant, as defined in Section 1-02(w) of regulation S-X, are:

CACI, INC.-FEDERAL, a Delaware corporation

CACI, INC.-COMMERCIAL, a Delaware corporation

CACI Limited, a United Kingdom corporation

CACI Technologies, Inc., a Virginia corporation (also does business as “CACI Productions Group”)

CACI Dynamic Systems, Inc., a Virginia corporation

CACI Premier Technology, Inc., a Delaware corporation

CACI Systems, Inc., a Virginia corporation

CACI MTL Systems, Inc., a Delaware corporation

CACI Enterprise Solutions, Inc., a Delaware corporation

CACI-NSR, Inc., a Delaware corporation

CACI-ISS, Inc., a Delaware corporation

CACI Technology Insights, Inc., a Virginia corporation

CACI-WGI, Inc., a Delaware corporation

CACI-IQM, Inc., a Virginia corporation

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-3 No. 333-122784) pertaining to the offering of up to $400 million of common stock, preferred stock and debt securities by CACI International Inc, and in the Registration Statements (Forms S-8 Nos. 333-122843, 333-104118, & 333-91676) pertaining to the 1996 Stock Incentive Plan, as amended, the 2002 Employee, Management, and Director Stock Purchase Plans, and the CACI $MART Plan, respectively, of CACI International Inc, of our reports dated August 27, 2007, with respect to the consolidated financial statements and schedule of CACI International Inc, CACI International Inc 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 this Annual Report (Form 10-K) for the year ended June 30, 2007.

/s/ Ernst & Young LLP

McLean, Virginia
August 27, 2007

Exhibit 31.1

Section 302 Certification

I, Paul M. Cofoni certify that:

1. I have reviewed this Annual Report on Form 10-K, of CACI International Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financing reporting, to the Registrant's auditors and the audit committee of the Registrant's Board of Directors (or persons performing the equivalent function):

(a) All significant deficiencies and material weaknesses in the designs or operation of internal control over financial reporting which are reasonably likely to affect the Registrant's ability to record, process, summarize, and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: August 27, 2007

/s/ PAUL M. COFONI

Paul M. Cofoni
President
Chief Executive Officer and Director
(Principal Executive Officer)

Exhibit 31.2

Section 302 Certification

I, Thomas A. Mutryn, certify that:

1. I have reviewed this Annual Report on Form 10-K, of CACI International Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financing reporting, to the Registrant's auditors and the audit committee of the Registrant's Board of Directors (or persons performing the equivalent function):

(a) All significant deficiencies and material weaknesses in the designs or operation of internal control over financial reporting which are reasonably likely to affect the Registrant's ability to record, process, summarize, and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls over financial reporting.

Date: August 27, 2007

/s/ THOMAS A. MUTRYN

Thomas A. Mutryn
Executive Vice President, Chief Financial Officer
and Treasurer
(Principal Financial Officer)

Exhibit 32.1

Section 906 Certification

In connection with the Annual Report on Form 10-K of CACI International Inc (the "Company") for the fiscal year ended June 30, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned President and Chief Executive Officer of the Company certifies, to the best of his knowledge and belief pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 27, 2007

/s/ P AUL M. C OFONI

Paul M. Cofoni
President
Chief Executive Officer and Director
(Principal Executive Officer)

Exhibit 32.2

Section 906 Certification

In connection with the Annual Report on Form 10-K of CACI International Inc (the "Company") for the fiscal year ended June 30, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Executive Vice President, Chief Financial Officer and Treasurer of the Company certifies, to the best of his knowledge and belief pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 27, 2007

/s/ THOMAS A. MUTRYN

Thomas A. Mutryn
Executive Vice President, Chief Financial Officer
and Treasurer
(Principal Financial Officer)

Exhibit 99.1

New York Stock Exchange Regulatory 303A.12 Certification

Domestic Company
Section 303A
Annual CEO Certification

As the Chief Executive Officer of CACI International Inc (CAI) and as required by Section 303A.12(a) of the New York Stock Exchange Listed Company Manual, I hereby certify that as of the date hereof I am not aware of any violation by the Company of NYSE's corporate governance listing standards, other than has been notified to the Exchange pursuant to Section 303A.12(b) and disclosed on Exhibit H to the Company's Domestic Company Section 303A Annual Written Affirmation.

This certification is: ☒ Without qualification or ☐ With qualification

Date: August 27, 2007

/s/ PAUL M. COFONI

Paul M. Cofoni
President
Chief Executive Officer and Director
(Principal Executive Officer)