

# CACI INTERNATIONAL INC /DE/

## FORM 10-K405

(Annual Report (Regulation S-K, item 405))

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Industry	Computer Services
Sector	Technology
Fiscal Year	06/30

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the Fiscal Year Ended June 30, 2000

Commission File Number 0-8401

CACI International Inc  
(Exact name of Registrant as  
specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

54-1345888  
(I.R.S. Employer Identification No.)

1100 North Glebe Road, Arlington, VA 22201  
(Address of principal executive offices)

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

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

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
None	None

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

CACI International Inc Common Stock, \$0.10 par value

(Title of each class)

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

The aggregate market value of the voting stock held by non-affiliates of the Registrant as of August 31, 2000, was approximately \$258,442,470.

Indicate the number of shares outstanding of each of the Registrant's classes of Common Stock, as of August 31, 2000: CACI International Inc Common Stock, \$.10 par value, 11,486,332 shares.

Documents Incorporated by Reference

(1) The information relating to directors and officers contained in the proxy statement of the Registrant to be filed in connection with its 2000 Annual Meeting of Stockholders is incorporated by reference into Part III, Items 10, 11, 12, and 13 of this Form 10-K.

## **BUSINESS INFORMATION**

Unless the context indicates otherwise, the terms "the Company" and "CACI" as used in Parts I and II, include both CACI International Inc and its wholly-owned subsidiaries. The term "the Registrant", as used in Parts I and II, refers to CACI International Inc only.

### **PART I**

#### **Item 1. Business**

##### **Background**

CACI International Inc (the "Registrant") was organized as a Delaware corporation under the name of "CACI WORLDWIDE, INC." on October 8, 1985. By a merger effected on June 2, 1986, the Registrant became the parent of CACI, Inc., a Delaware corporation, and CACI N.V., a Netherlands corporation.

The Registrant is a holding company and its operations are conducted through wholly-owned subsidiaries which are located in the U.S. and Europe.

##### **Overview**

CACI founded its business in 1962 in simulation technology, and has strategically diversified within the information technology ("IT") industry. With 2000 revenue of \$490 million, CACI serves clients in major segments of government and commercial markets primarily throughout North America and Western Europe, delivering client solutions for systems integration, information assurance and security, reengineering, logistics and engineering support, electronic commerce ("e-commerce"), intelligent document management, debt management systems and services, litigation support systems and services, product data management, software development and reuse, telecommunications, simulation and planning, and demographics and customer data analysis. Many of the Company's client relationships have existed for five years or more.

The Company's service and value have enabled it not only to sustain high rates of repeat business and long-term client relationships, but also to compete effectively for new clients and new contracts. The Company is organized to seek competitive business opportunities and has designed its operations to support major programs through centralized business development and industry alliances. CACI has structured its new business development organization to respond to the competitive marketplace. The Company employs full-time marketing, sales, communications, and proposal development specialists who support Company marketing and sales activities.

The Company's primary markets -- both domestic and international -- are agencies of national governments, major corporations, state and local governments, and other business organizations. The market for CACI's information systems and advanced technology services is created by the complex systems and information environment in which clients operate and the continuous demand to stay current with emerging technology while increasing performance.

The Company operates through wholly-owned subsidiaries established to serve specific market segments or conduct business in specific geopolitical jurisdictions. The subsidiaries are primarily organized into the Information Systems Group and the Marketing Systems Group.

In CACI's Information Systems Group, systems integration solutions are applied throughout the federal and commercial arenas to improve organizational performance by enhancing system infrastructure through such activities as migrating legacy systems to more powerful or new environments such as the Internet, automating procurement, assuring security and accessibility of vital information, and reusing legacy software and data.

CACI provides e-commerce solutions -- including electronic purchasing and payment products and services -- to both public sector and private sector industries. Its complete suite of e-commerce products is available on a GSA schedule and provides a flexible and fully-featured configuration to enable easy management of purchases and contracts, as well as electronic management and payment of invoices.

CACI's RENovate <sup>SM</sup> methodology combines tasks and methodologies to plan, integrate, and manage technology change - without losing existing investments in technology.

The Company offers services that enable clients to visualize the impact of proposed changes or new technologies before implementation. CACI's simulation offerings address client needs in the areas of military training and war-gaming exercises, air traffic control, logistics, manufacturing, wide area communications networks including satellites, land lines, local area computer networks, the study of business processes, and the design of distributed computer systems architectures.

The Company has generated commercial business from solutions built on CACI's thirty-three year history of logistics and engineering support for the Department of Defense ("DoD"). CACI's C · GATE <sup>TM</sup> product data management system enables clients to standardize and improve the

way they manage the life cycle of systems, products, and material assets, resulting in cost savings and increased productivity. C · GATE™ solutions are often coupled with CACI's simulation and programming services to optimize complex supply chains to deliver advanced logistics planning solutions to the aerospace and defense industry.

The Company's intelligent document management solutions provide a range of enabling technologies that facilitate the management of large document collections and allow organizations to achieve higher operational efficiencies and mission effectiveness. The enabling technologies include Internet-based user interfaces; integration of commercial off-the-shelf software, mass storage architectures, data warehousing and data mining, and work flow management design and implementation. CACI provides intelligent document management systems and related litigation support services to the Department of Justice ("DoJ"), the U.S. Navy, the U.S. Army, other federal agencies, and commercial clients.

CACI's major operating subsidiary in Europe, CACI Limited, is headquartered in London, England, and operates primarily in support of CACI's information systems and marketing systems lines of business in the U.K.

With locations in the U.S. and U.K., the Marketing Systems Group offers marketing systems software and database products, targeted to clients who need systems and analysis for retail sales of consumer products, direct marketing campaigns, franchise or branch site location projects, and similar requirements.

At June 30, 2000, CACI employed approximately 4,800 people. This total includes 527 part-time employees. The corporation currently operates from its headquarters at Three Ballston Plaza, 1100 N. Glebe Road, Arlington, Virginia. CACI has operating offices and facilities in over 73 other locations throughout the U.S. and Western Europe.

#### General Description of CACI Systems, Technologies and Products

Representative systems applications, services and products include:

- Asset management systems and services
- Customer database management systems
- Debt management systems and services
- Electronic commerce and automated purchasing and payment systems and services
- Information management systems
- Intelligent document management systems and services
- Litigation support services
- Logistics and engineering support services and products, computer-aided logistics/data information systems
- Marketing data, demographic information systems and services, site location planning and analysis systems
- Network services, information assurance/security, and telecommunications network services
- Product data and supply chain management
- Records management systems and services
- Simulation and modeling products and services
- Software development and reuse
- Systems and process reengineering
- Systems integration
- State motor vehicle registration and related management information systems
- Weapons systems/equipment configuration management systems
- World Wide Web integration; web hosting and application management services

CACI products are installed in numerous locations worldwide, and many are designed to run on a variety of commercially available computers. Representative CACI software and marketing systems include:

- Performance Prediction Technology:
  - SIMSCRIPT II.5® Simulation Programming Language. A language designed especially for analysts to build computer-based representations ("models") of complex activities, e.g., airways and airport traffic; maintenance procedures for fleets of ships; warfare studies of military equipment and tactics; and communications networks.
  - SIMPROCESS® III Object-oriented Analytical Simulation Software. A prototyping tool for business process reengineering that enables managers to model a current business process, then explore alternative approaches before implementation.

- Marketing Data and Information Products:

- InSite <sup>TM</sup> Marketing and Demographics Information System. PC-based geodemographics information system combining software, data and mapping capabilities to enable planners to study markets to help determine the location of retail outlets, branch networks, sales territories, potential customers, and competitors.
- ACORN <sup>SM</sup> (A Classification of Residential Neighborhoods) Classification System. A system that classifies consumers according to the type of residential area in which they live, used to identify the prime prospects for all types of consumer goods and services.
- AnaData <sup>TM</sup> Database Marketing System. A database marketing system that enables companies to analyze their customers by product holding and usage for the purpose of cross-selling other products and services.
- eTypes <sup>TM</sup> Classification System. A system that analyzes consumers according to their likely Internet activities and further identifies those behaviors based on distinguishing demographic and lifestyle attributes.
- e@nalysis® e-Commerce Market Research Services. A marketing resource to analyze Internet use to enable clients to customize target and promotional distributions.
- Map Data <sup>TM</sup> Electronic Mapping Software. PC-based software on CD-ROM that provides electronic maps for all major U.S. roads to form a seamless national network.
- PayCheck <sup>TM</sup> Household Income System. A system that analyzes consumers according to their likely income.
- *people\*UK* <sup>TM</sup> Classification System. A system that analyzes actual, individual consumers as to the types of goods and services that they are likely to buy.
- StreetValue® Property Valuation System. A proprietary database that provides accurate property valuations for small geographic areas in the U.K. as well as housing types and other information.
- CACI Lifestyles\*UK® Database. An extensive database of U.K. consumers showing likely lifestyles and purchasing behavior.
- UpFront® Graphical Interface Software. A graphical user interface that enables software to be used in an object-oriented manner.
- SITE® Demographic Information Software and Reports. Detailed demographic and applied market research database services for any geographic area, such as county, zip code, TV broadcast area, congressional district, or retail trade area.

- Electronic Commerce Products:

- Comprizon <sup>TM</sup> .Buy Automated Contracting System. A commercial off-the-shelf system that provides clients an automated, cost effective way to complete procurement activities and improve productivity.
- QuickBid <sup>®</sup> Automated Bid/Contracting System. A World Wide Web-based value-added network that allows electronic identification of and competition for U.S. Government business.
- SACONS® Automated Contracting System. A commercial off-the-shelf system that provides clients an automated, cost effective way to complete procurement activities and improve productivity.

- Product Data Management and Supply Chain Management:

- ACIM (Availability Centered Inventory Model) Inventory Management System. A marginal cost inventory model designed to optimize expensive service part inventory across multiple levels of repair and geographically disbursed distribution centers to obtain the minimum investment consistent with a desired customer service.
- C · GATE <sup>TM</sup> Product Data and Configuration Management System. A system tailored to the requirements of the aerospace and defense industry which enables firms and government agencies to simultaneously manage configuration and distribute product data across their enterprises, without respect to geographic or organizational boundaries.

- Imaging and Document Management Products:

- ADIIS <sup>TM</sup> Document Imaging Software System. A flexible automated document conversion and workflow management system that includes advanced imaging, optical character recognition, indexing, document retrieval and work process management.

## U.S. Government Agencies

CACI offers its entire range of information systems, technical services and proprietary products to defense and civilian agencies of the U.S. Government. These activities require CACI's expert knowledge of agency policies and operations. These assignments may combine a wide range of CACI's skills in information systems, systems engineering, telecommunications, logistics sciences, information assurance and security, weapons systems, simulation, automated document management, litigation support and debt management. CACI also contracts with other national governments.

## State and Local Governments

CACI is a leader in the supply of automated information systems for state government management of vehicle registration, licensing and wheeled vehicle revenue support, and for local government management of false alarm billing systems and housing registration systems. The Company also offers its software and systems integration services and its e-commerce solutions to this market segment.

### Major Corporations

CACI's commercial market base consists primarily of large corporations (nominally characterized as the "Fortune 1000"). This market is a primary target of the Company's proprietary software and database products in its marketing systems and simulation technology lines of business. The Company's commercial e-commerce focus is in the financial services, retail, telecommunications and utilities industries.

### Other Services

CACI also provides information about its products and services, investor relations, and career opportunities on its World Wide Web home page at <http://www.caci.com>.

### CACI Employment and Benefits

The most valuable asset and resource the Company has is its people. The Company is in continuing competition for highly skilled professionals in virtually all of its high technology areas. CACI's business success is highly correlated with the Company's ability to recruit, train, promote, and retain exceptional people at all levels of the organization.

For these reasons, the Company has endeavored to develop and maintain competitive salary structures, incentive compensation programs, fringe benefits, opportunities for growth, and individual recognition and award programs.

In order to compete effectively in attracting and retaining highly skilled personnel, the Company and its subsidiaries provide substantial benefits to their employees. These benefits vary among the Company's subsidiaries, but generally include paid vacations and holidays, medical, dental, disability and life insurance, incentive bonuses, tuition reimbursement for job-related education and training, technical training, and other benefits under various retirement savings and stock purchase plans.

The Company recruits people from various populations, including experienced professionals, university graduates, trade and technical school graduates, seasoned technicians, and entry-level employees. The Company's employee profile includes a high-percentage of college graduates, many with masters and doctoral degrees. The Company seeks professionals with credentials in computer-based information sciences, systems engineering, modeling and simulation, telecommunications, network systems, management systems, market research, economics, environmental sciences, military sciences, law, and other scientific and research-oriented disciplines.

The Company has structured its promotion and advancement policies to meet the current market environment. Individuals advance in relation to their demonstrated abilities to perform, their leadership skills, or their managerial achievements.

CACI's advancement criteria incorporate specific requirements to demonstrate a client-service orientation and to work synergistically within the Company. This philosophy is consistent with CACI's current market, and is a catalyst for individuals to support Company objectives.

The Company has published policies that set high standards for the conduct of its business. The Company also requires all of its employees, consultants, officers, and directors to subscribe annually to and affirm the Company's published Code of Ethics and Business Conduct Standards.

### Marketplace, Description and Significant Activities

CACI operates in an industry which includes many highly competitive firms. At the same time, CACI is one of the larger public corporations in its segment of the information technology industry. Although the Company is a supplier of proprietary computer-based simulation technology products, and is a supplier of proprietary marketing systems products in both the U.S. and the U.K., CACI is not primarily a software product developer-distributor (See discussion following on Patents, Trademarks, Trade Secrets and Licenses).

Competition for new contracts centers on past performance, responsiveness to proposal requirements, price, and many other factors. Competition for software products and services focuses on reputation, applicability to client needs and market demand, and quality of product support and maintenance services, among other elements.

The Company has established the capability to combine comprehensive knowledge of client challenges with significant expertise in the design, integration, development and implementation of advanced information technology solutions. This capability provides CACI with important opportunities to support large equipment manufacturers with the systems integration and software services required to compete for multi-million dollar contracts from the U.S. Government.

CACI has developed strategic business relationships with companies such as Microsoft Corporation, Sun Microsystems, Infonet Services Corporation, PKS, Viasoft, Inc., NCR Corporation, Compaq, Intelisys Alliance Connection, Oracle Corporation, Cyclone Commerce, Inc.,

Commerce One, Computer Associates, Lotus Development Corporation and Equifax. These businesses have perspectives and objectives compatible with those of the Company, and offer products and services that complement CACI's. The Company intends to continue development of these kinds of relationships wherever they support CACI's growth objectives.

Marketing and new business development for the Company's services and products is conducted by all the officers and managers of the Company, including the Chief Executive Officer, executive officers, vice presidents, and division and department managers. CACI's proprietary software and data products are sold primarily by full-time salespeople. For its information systems and services markets, the Company employs several marketing professionals who support the Company's targeting of major contract opportunities in the U.S. Government, state, local and commercial markets. The Company also has established agreements for the sale of certain third party products in specified domestic and international markets.

CACI competes with a substantial number of firms, some of which are larger in size and have greater financial resources. The Company obtains much of its business on the basis of proposals submitted in response to requests from potential and current customers, who may also request proposals from other firms. Additionally, the Company faces indirect competition from certain government agencies that perform services for themselves similar to those marketed by CACI. The Company knows of no single competitor that is dominant in its fields of technology. The Company has a relatively small share of the available worldwide market for its products and services and has a goal of achieving growth in part through increased market share.

CACI's sales of proprietary software and data products are generally effected by limited duration or perpetual licenses.

The Company generally prices its products in catalog fashion and via the Internet. Often, product prices are determined based on the target computer on which the product will run, by the number of users or by frequency of usage.

For CACI's information systems and professional services contracts, the Company submits bids for work and products to be delivered. Commercial bids are frequently negotiated as to terms and conditions for schedule, specifications, delivery, and payment. CACI's contracts and subcontracts include a wide range of contractual types, including firm fixed-price, cost reimbursement and labor-hour-and-materials expense.

Often, the form of contract and terms will be specified by the client. This is especially the case with government clients. In these situations, the Company may seek alternative arrangements or choose not to bid in those cases where the contracting arrangement appears to expose the Company to inappropriate risk. By Company policy, fixed-price contracts require the approval of at least two senior officers of the Company.

At any one time, the Company may have several hundred separate contract obligations. In 2000, the ten top revenue-producing contracts accounted for 46% of CACI's revenue, or \$226 million. One contract for automated litigation support to the Civil Division of DoJ, accounted for 12% of total 2000 Company revenue.

In 2000, 80% of CACI's revenue came from U.S. Government contracts, the remaining 20% coming from commercial, including international operations, and state and local contracts, as well as proprietary product and data sales. Of that total, 51% of the Company's revenue came from DoD contracts, 15% from contracts with DoJ, and 14% from other civilian agency government clients.

The Company is working to diversify its business portfolio. The Company, nonetheless, will aggressively seek additional work from DoD. In 2000, the DoD revenue grew by 15%, or \$33 million, primarily as a result of the November 13, 1998 acquisition of QuesTech, Inc., the February 1, 2000 acquisition of XEN Corporation ("XEN") and the acquisition of the business of Century Technologies, Incorporated (CENTECH) ("CENTECH") on April 1, 2000.

The Company believes it is the largest supplier of litigation support and related automation services to the U.S. Government. The Company intends to seek additional litigation support work from the U.S. Government and offers significant economies to the Government through its specialization in this field. The Company also provides automated debt management support services to DoJ and seeks to expand this business line into other agencies and commercial clients.

On November 2, 1999, the Company executed a letter of intent to sell its COMNET products business to Compuware Corporation. On December 15, 1999, the Company completed the sale of the net assets of the COMNET products business for \$37 million in cash and \$3 million in escrow to be received one year from the settlement date. This resulted in a net after tax gain for the Company of \$21.1 million. Included in the gain was a net after tax loss from discontinued operations of \$118 thousand for the period from November 3, 1999 to December 15, 1999. The consolidated statements of operations for prior periods have been restated for consistent presentation of discontinued operations.

During the past two fiscal years, the Company examined a number of acquisition opportunities. As noted above, on April 1, 2000 the Company purchased substantially all of the assets of CENTECH for \$7.7 million. This acquisition enhanced the Company's capabilities in network services and e-commerce, fits the Company's plan for growth in the state and local market and complements current offerings for federal and commercial clients. On February 1, 2000 the Company completed its acquisition of all the common stock of XEN for \$4.3 million. XEN specializes in providing quality systems engineering, engineering design, distance learning, training development, multimedia support, e-commerce, and data security services to national intelligence organizations, the DoD and the U.S. Navy. On November 13, 1998, the Company purchased all of the outstanding stock of QuesTech, Inc., now known as CACI Technologies, Inc., for \$42 million. This acquisition has expanded the Company's Information Systems Group contract base with DoD and provided new opportunities in the areas of network security and information assurance.

The Company's Marketing System Group ("MSG") in the U.S. also made two acquisitions over the past two years. On September 23, 1999, the Company purchased the assets of MapData Online International Ltd and Digital MapData Online Ltd. (collectively, "MapData") for \$0.6 million. MapData provided demographic software which, when bundled with the Company's existing products, will enhance MSG's capabilities in the U.S. markets. On August 13, 1998, the Company purchased substantially all of the assets of Information Decision Systems ("IDS") for \$2.6 million. IDS provided internet access to demographic site information and the acquisition enhanced the Marketing Systems Group share of the U.S. demographics information market.

#### Seasonal Nature of Business

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

#### Research and Development

During fiscal years 2000, 1999 and 1998, the Company incurred \$1,523,000, \$2,258,000 and \$1,894,000, respectively, for research and development.

#### Environmental Protection Requirements

There has been no significant adverse impact on the Company's business as a result of laws that have been enacted for the protection of the environment.

#### Patents, Trademarks, Trade Secrets and Licenses

The Company owns two patents in the United States and one patent in Canada. While the Company believes its patents are valid, it does not consider that its business is dependent on patent protection in any material way.

CACI claims copyright, trademark and proprietary rights in each of its proprietary computer software and data products and the related documentation. The Company presently owns approximately 31 registered trademarks and service marks in the U.S. and 43 registered trademarks and service marks in other countries, primarily in the U.K. All of the Company's registered trademarks and service marks may be renewed indefinitely. CACI also is a party to agreements which give it the right to distribute computer software and other products owned by other companies, and to receive income from those products.

The Company has developed and holds proprietary rights in a number of computer software packages, databases and methodologies, including, but not limited to: ACORN<sup>SM</sup>, ADIIS<sup>TM</sup>, CASTELLAN®, C · GATE<sup>TM</sup>, CACI Coder/plus<sup>TM</sup>, Comprizon<sup>TM</sup>.Buy, FAR-TRIEVE®, L · NET®, MapData<sup>TM</sup>, MapLoader<sup>TM</sup>, QuickBid®, RENovate<sup>SM</sup>, SACONS®, SACONS- Federal®, SIMANIMATION®, SIMBASE<sup>TM</sup>, SIMPROCESS® III, SIMSCRIPT II.5®, SimTrainer®, SiteFacts<sup>TM</sup>, SITE · POTENTIAL®, SiteReporter<sup>TM</sup>, Sourcebook · America<sup>TM</sup>, SUPERSITE®, Vision & Solution Center<sup>SM</sup>, and ZIP · DEMOGRAPHICS®.

In addition, subsidiaries of the Registrant claim foreign copyright, trademark and proprietary rights in computer software products, databases and methodologies including, but not limited to: ACORN® (and the related Change\*ACORN®, Financial\*ACORN®, Investor\*ACORN®, Scottish\*ACORN®), ACORN Lifestyles®, ALEX®, AnaBase®, AnaData®, Auto\*InSite®, CACI Charity Focus®, CACI Lifestyles UK®, CACI National Mortgage Database®, CACI Savings Market Database®, FINPIN®, GEOMATCH®, GEOTRIEVE®, InSite<sup>TM</sup>, MONICA®, PayCheck<sup>TM</sup>, *people* \*UK<sup>TM</sup>, PIN®, Pinpoint®, Pinpoint Address Code®, SITE®, StreetValue®, and UpFront®.

Some of the Registrant's subsidiaries are party to agreements pursuant to which they may have the right to distribute computer software products owned by others, and to obtain income therefrom.

#### Backlog

The Company's backlog as of June 30, 2000 was \$.96 billion, of which \$280 million was funded for orders believed to be firm. Total backlog as of June 30, 1999 was \$1.1 billion, of which \$260 million were believed to be firm orders. The source of backlog is primarily contracts with the U.S. Government. It is presently anticipated that all of the firm backlog will be filled during the fiscal year ending June 30, 2001.

#### Business Segments, Foreign Operations, and Major Customer

The business segment, foreign operations and major customer information is provided in the Company's Consolidated Financial Statements contained in this Report. In particular, see Note 11, Business Segment Information, to the Notes to Consolidated Financial Statements.



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

Fiscal Year Ended June 30,	Firm Fixed-Price	Time-and- Materials	Cost Reimbursable	Total
2000	\$94,575	\$277,827	\$ 118,071	\$490,473
1999	\$82,679	\$263,895	\$ 86,875	\$433,449
1998	\$75,366	\$171,137	\$ 70,361	\$316,864

## **Item 2. Properties**

As of June 30, 2000, CACI leased office space at 73 locations containing an aggregate of approximately 960,279 square feet located in 24 states and the District of Columbia. In two countries outside the U.S., CACI leased four offices containing about 25,279 square feet. CACI's leases expire primarily within the next five years, with the exception of two leases in Chantilly, Virginia, that will expire in 10 years. In most cases, CACI anticipates that leases will be renewed or replaced by other leases.

All of CACI's offices are in modern and well-maintained buildings. The facilities are substantially utilized and adequate for present operations.

As of June 30, 2000, CACI International Inc maintained its corporate headquarters in approximately 105,296 square feet of space at 1100 North Glebe Road, Arlington, Virginia. See Note 9, Commitments and Contingencies, to the Notes to Consolidated Financial Statements, for additional information regarding the Company's lease commitments.

## **Item 3. Legal Proceedings**

### **CACI, INC.-FEDERAL v. Arizona Department of Transportation**

Reference is made to Part II, Item 1, Legal Proceedings, in the Registrant's Quarterly Report on Form 10-Q for the period ended March 31, 2000 for the most recently filed information concerning the lawsuit filed on June 25, 1996, by CACI, INC.-FEDERAL ("CACI"), the Registrant's wholly-owned subsidiary, in Superior Court for Maricopa County, Arizona, against the Arizona Department of Transportation ("ADOT"). This suit sought the following: (i) a declaratory judgment that the disputes procedure mandated by the Arizona Procurement Code is unconstitutional; (ii) a declaratory judgment that ADOT could assert claims against CACI under the mandated disputes procedure; (iii) a declaratory judgment that ADOT was not entitled to recover consequential damages in connection with the dispute; (iv) \$2,938,990 plus interest in breach of contract damages; (v) the return of CACI's property seized by ADOT in connection with the termination of the contract; and (vi) lawyers' fees. ADOT counterclaimed, seeking in excess of \$100 million in damages allegedly caused by CACI's breach of contract.

Since the filing of Registrant's report indicated above, the parties have executed final settlement documentation and the case was dismissed on July 24, 2000. The settlement had no adverse financial or legal consequences to CACI.

### **John Chrysogelos v. V.L. Salvatori, et al.**

Reference is made to Part II, Item 1, Legal Proceedings, in the Registrant's Report on Form 10-Q for the quarter ended March 31, 2000 for the most recent information concerning this lawsuit filed in the Chancery Court for the State of Delaware on September 3, 1999. The suit sets forth both class and derivative claims alleging that the Registrant's Directors breached their fiduciary and other duties to the Registrant and its stockholders by (i) adopting by-law amendments specifying procedures for stockholder actions by consent and calling of special meetings; and (ii) failing to evaluate and fairly respond to a premium cash offer to purchase the stock of the Registrant.

Since the filing of Registrant's report indicated above, there has been no change in the status of the litigation.

### **Parsow Partnership, Ltd., et al., v. J.P. London, et al.**

Reference is made to Part II, Item 1, Legal Proceedings, in the Registrant's Report on Form 10-Q for the quarter ended March 31, 2000 for the most recent information concerning the lawsuit filed in the Chancery Court for the State of Delaware on November 10, 1999. The suit alleges that the Board of Directors and senior management of the Registrant had solicited proxies in violation of Section 14(a) and 20(2) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 14(a-9) promulgated thereunder.

Since the filing of the Registrant's report indicated above, the parties continue to be engaged in discovery.

## **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 the Registrant's fiscal year ended June 30, 2000, through the solicitation of proxies or otherwise.

## PART II

### **Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters**

The Registrant's Common Stock became publicly traded on June 2, 1986, replacing paired units of common stock of CACI, Inc. and beneficial interests in common shares of CACI N.V. which had been traded in the over-the-counter market.

From July 1, 1999 to June 30, 2000, the ranges of high and low sales prices of the common shares of the Registrant quoted on the Nasdaq National Market System for each quarter during this period were as follows:

Quarter	2000		1999	
	High	Low	High	Low
1 <sup>st</sup>	\$23 <sup>5</sup> / <sub>8</sub>	\$20 <sup>1</sup> / <sub>4</sub>	\$22	\$15
2 <sup>nd</sup>	\$24	\$19 <sup>3</sup> / <sub>4</sub>	\$20 <sup>1</sup> / <sub>4</sub>	\$14 <sup>5</sup> / <sub>8</sub>
3 <sup>rd</sup>	\$30 <sup>1</sup> / <sub>4</sub>	\$20 <sup>3</sup> / <sub>4</sub>	\$18 <sup>3</sup> / <sub>4</sub>	\$16
4 <sup>th</sup>	\$30 <sup>1</sup> / <sub>8</sub>	\$18 <sup>1</sup> / <sub>4</sub>	\$22 <sup>7</sup> / <sub>8</sub>	\$16 <sup>1</sup> / <sub>8</sub>

The Registrant has never paid a cash dividend. The present policy of the Registrant is to retain earnings to provide funds for the operation and expansion of its business. The Registrant does not intend to pay any cash dividends at this time.

At August 31, 2000, the number of record stockholders of the Registrant's Common Stock was approximately 694.

### **Item 6. Selected Financial Data**

The selected financial data set forth below is derived from the audited financial statements of the Company for the years ended June 30, 2000, 1999, 1998, 1997 and 1996. This information should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements of the Company and the notes thereto included as Item 8 in this Form 10-K. On December 15, 1999, the Company sold its COMNET products business to Compuware. Operating results from the Company's discontinued operations are shown in Note 12, Discontinued Operations, of the Notes to Consolidated Financial Statements.

(dollars in thousands, except per share)

#### Income Statement Data

Year Ended June 30,	2000	1999	1998	1997	1996
Revenue	\$ 490,473	\$ 433,449	\$ 316,864	\$ 264,283	\$ 236,466
Operating expenses	458,281	405,846	298,308	247,210	220,877
Income from continuing operations	17,598	14,554	10,643	9,573	9,136
Net Income	\$ 38,412	\$ 14,170	\$ 11,715	\$ 10,072	\$ 9,851
<b>Earnings per common and common share equivalent:</b>					
Average shares outstanding	11,310	10,896	10,779	10,504	10,140
Basic:					
Income from continuing operations	\$1.56	\$1.34	\$0.99	\$0.91	\$0.90
Net Income	\$3.40	\$1.30	\$1.09	\$0.96	\$0.97
Average shares and equivalent shares outstanding	11,577	11,220	11,153	11,005	10,716

Diluted:

Income from continuing operations	\$1.52	\$1.30	\$0.95	\$0.87	\$0.85
Net Income <sup>(1)</sup>	\$3.32	\$1.26	\$1.05	\$0.92	\$0.92

(1) Computed on the basis described in Note 1, Earnings Per Share, of the Notes to Consolidated Financial Statements.

#### Balance Sheet Data

(dollars in thousands)

June 30,	2000	1999	1998	1997	1996
Total assets	\$ 235,997	\$ 221,712	\$ 163,060	\$ 118,860	\$ 103,308
Long-term obligations	31,913	67,027	31,231	10,568	2,414
Working capital	69,814	66,726	54,878	42,014	28,675
Stockholders' equity	141,968	98,937	84,327	70,774	55,338

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

The following discussion and analysis is provided to enhance the understanding of, and should be read in conjunction with, the Financial Statements and the related Notes. All years refer to the Company's fiscal year which ends on June 30 and have been restated for consistent presentation of discontinued operations.

The table below sets forth, for the periods indicated, the customer mix in revenue with related percentages of total revenue.

(dollars in thousands)	2000		1999		1998	
Department of Defense	\$249,776	50.9 %	\$216,573	50.0 %	\$160,982	50.8 %
Federal Civilian Agencies	141,393	28.8	130,766	30.2	89,768	28.3
Commercial	66,109	13.5	63,837	14.7	56,632	17.9
State & Local Government	33,195	6.8	22,273	5.1	9,482	3.0
Total	\$490,473	100.0 %	\$433,449	100.0 %	\$316,864	100.0 %

**Revenue** . For the year ended June 30, 2000, the Company's total revenue increased by \$57.0 million, or 13%. The increase was attributable to acquisitions made during 2000 and to a 5% internal growth rate mainly in the Federal Department of Defense and state and local markets. Total revenue in 1999 increased by \$116.6 million, or 37%, from \$316.9 million to \$433.4 million. This increase was primarily due to acquisitions coupled with continued internal revenue growth of 15% generated from Federal Civilian Agencies, increased revenue from year 2000 software remediation services, and higher commercial sales from the Company's Marketing Systems Group in the U.K.

All of the Company's acquisitions have been accounted for using the purchase method of accounting and the results of their operations have been included in the Company's revenue since the date of acquisition. Acquisitions made during the last two years, including QuesTech, accounted for \$40.7 million of the 2000 revenue growth. On September 23, 1999, the Company purchased the assets of MapData; MapData contributed revenue of \$1 million in 2000. On February 1, 2000, the Company acquired all of the issued and outstanding common stock of XEN. XEN contributed revenue of \$3.6 million in 2000. On April 1, 2000, the Company purchased substantially all the assets of CENTECH. Since the acquisition, the operations of CENTECH have contributed \$5.7 million of revenue in 2000.

Revenue from the DoD increased 15.3%, or \$33.2 million, for 2000 as compared to 1999. In 1999, DoD revenue increased 34.5%, or \$55.6 million, as compared to 1998. Revenue growth from 1998 to 2000 with the DoD is primarily due to acquisitions.

Revenue from Federal Civilian Agencies increased 8.1%, or \$10.6 million, for 2000 as compared to 1999. Approximately 52% of Federal Civilian Agency revenue was derived from DoJ in providing litigation support services and in developing an automated debt collection system. Revenue for DoJ was \$73.6 million, \$75.0 million and \$58.4 million in 2000, 1999 and 1998, respectively. In 2000, the Company experienced

significant revenue growth, 21.6%, or \$12.0 million, from Federal Civilian Agencies other than DoJ as compared to 1999. Continued and expanded use of the GSA supply schedule contract, through which orders have focused on system integration services and Year 2000 software remediation, has resulted in incremental revenue of \$8.3 million for 2000. For the years 2000 and 1999, the GSA supply schedule revenue was \$32.7 million and \$24.4 million, respectively. In addition, the Company continued to derive revenues from the Federal Aviation Administration of \$8.7 million and \$12.4 million, for 2000 and 1999 respectively. In 1998, revenue from Federal Civilian Agencies other than DoJ were enhanced by \$10.1 million from the acquisition of substantially all of the business of Government Systems, Inc. ("GSI"), which resulted primarily from services and equipment provided to the Federal Aviation Administration, and by \$4.9 million of internal growth, primarily in the Company's Year 2000 software remediation services.

Commercial revenue was derived primarily from the Company's Marketing Systems Group in the U.K., and to a lesser degree from the COMNET products business, the bulk of the assets which were sold on December 15, 1999. For the years ended 2000 and 1999, commercial revenue increased by 3.6%, or \$2.3 million, and 12.7%, or \$7.2 million, respectively. These increases were primarily the result of growth in the Marketing Systems Group's sales of territory optimization and marketing analysis software products and services, as well as continued increased demand for systems integration services. Total Marketing Systems Group revenue was \$45.1 million, \$43.9 million, and \$36.8 million in 2000, 1999 and 1998, respectively. The nature of the Company's proprietary software products business is inherently less predictable than the Company's longer-term contract work with the Federal Government and may fluctuate from year to year.

As a percentage of total revenue, revenue from state and local governments has increased to 6.8% from 5.1% a year ago. The \$10.9 million increase in revenue to \$33.2 million in 2000 versus \$22.3 million in 1999 was largely due to Year 2000 remediation and systems integration services. In 1999, revenue from state and local governments increased \$12.8 million from 1998 also due to Year 2000 remediation and system intergration services.

A significant part of the Company's growth over the past two years, both internal and from acquisitions, has been to support telecommunications networks and to provide services to the nation's intelligence communities. These are markets that the Company identified as growth opportunities over two years ago. Since then, the Company has focused much of its investment in these markets and continues to view them as high growth areas.

The Company's total funded and unfunded backlog at June 30, 2000 was to \$.96 billion compared to \$1.1 billion a year ago. The Company's backlog excludes short-cycle commercial business prospects and Indefinite Delivery/Indefinite Quantity ("ID/IQ") contracts, due to the uncertainty of funding from these contract vehicles. Last year, the Company had a total of approximately \$50 million of GSA business and \$45 million of commercial business.

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

	2000	1999	1998
Revenue	100.0 %	100.0 %	100.0 %
Costs and expenses			
Direct costs	58.8	58.7	55.9
Indirect & selling expenses	32.2	32.5	35.5
Depreciation & amortization	1.6	1.7	2.1
Goodwill amortization	0.8	0.7	0.6
Total operating expenses	93.4	93.6	94.1
Income from operations	6.6	6.4	5.9
Interest expense	0.7	0.9	0.6
Income before income taxes	5.9	5.5	5.3
Income taxes	2.3	2.2	1.9
Income from continuing operations	3.6%	3.3%	3.4%

**Income from Operations.** Operating income increased 16.6% for 2000 as compared to 1999. This was due to the 13.1% growth in revenue and a reduction in indirect expenses. In 1999, the Company reported a 48.8% increase in operating income, which was primarily due to a 36.8% growth in revenue and a reduction in indirect expenses.

During the last three years, as a percentage of revenue, total direct costs were 58.8%, 58.7% and 55.9%. Direct costs include direct labor and other direct costs such as equipment purchases, subcontract costs and travel expenses. The largest component of direct costs, direct labor, was \$147.1 million, \$125.9 million and \$103.1 million in 2000, 1999 and 1998, respectively. Other direct costs were \$141.2 million, \$128.6 million

and \$74.0 million in 2000, 1999 and 1998, respectively, and have grown over the three-year period as the Company has a higher number of prime contracts with an increased level of other direct costs, the most notable increases coming from equipment purchases for contracts with the FAA, DoJ and DoD, as well as subcontract costs and travel costs incurred in performing Year 2000 remediation services.

Indirect costs and selling expenses include fringe benefits, marketing and bid & proposal costs, indirect labor, and other discretionary costs. Most of these expenses are highly variable and have grown in proportion with the growth in revenue. As a percentage of revenue, indirect costs were 32.2%, 32.5% and 35.5% for 2000, 1999 and 1998, respectively. The continued decline, as a percentage of revenue, is due to the impact of higher other direct costs on revenue.

Depreciation and amortization of property and equipment increased \$0.7 million from \$7.3 million in 1999 to \$8.0 million in 2000. The increase was primarily due to property and equipment acquired for CACI's recently opened Vision & Solutions Center <sup>TM</sup>, a new financial management software system and leasehold improvements which together resulted in additional expense of \$0.5 million. The increase in 1999 from 1998 of \$0.7 million was primarily due to property and equipment acquired with QuesTech, which resulted in an additional depreciation and amortization expense of \$0.5 million. The increase in depreciation and amortization in 1998 from 1997 was primarily due to the property and equipment acquired with GSI.

Goodwill amortization increased \$0.7 million in 2000 as a result of recent acquisitions. The acquisitions of XEN and CENTECH resulted in incremental goodwill amortization expense of \$0.1 million and \$0.2 million, respectively in 2000. The acquisitions of QuesTech, IDS and GSI resulted in incremental goodwill amortization expense of \$0.6 million, \$0.2 million and \$0.4 million, respectively, in 1999. The 1998 increase in goodwill amortization of \$0.8 million was due to the acquisition of GSI.

Interest expense decreased in 2000 by \$0.4 million after increasing by \$1.9 million in 1999. The lower interest costs in 2000 were the result of lower average borrowings, \$48.4 million in 2000 compared to \$58.3 million in 1999. The Company reduced borrowings using the proceeds of the COMNET products business sale. In 1999, the higher interest costs were the result of higher average borrowings of \$58.3 million compared to \$27.2 million in 1998. The increased borrowings in 1998 were primarily the result of the acquisitions discussed previously.

The effective income tax rates in 2000, 1999 and 1998 were 39.0%, 39.1% and 36.3%, respectively. The lower effective tax rate in 1998 was primarily the result of a lower effective tax rate on foreign earnings and reduced tax effect of goodwill associated with stock purchase acquisitions. The increase in the 1999 rate was primarily due to higher non-deductible goodwill amortization expense associated with acquisition of QuesTech.

#### Effects of Inflation

Approximately 24% of the Company's business is conducted under cost-reimbursable contracts which automatically adjust revenue to cover costs increased by inflation. Over 57% of the business is under time-and-materials contracts where labor rates are often fixed for several years. The Company generally has been able to price these contracts in a manner to accommodate rates of inflation as experienced in recent years. The remaining portion of the Company's business is fixed-price and relates primarily to product sales or other short-term efforts that generally are not adversely affected by inflation.

#### Liquidity and Capital Resources

Historically, the Company's positive cash flow from operations and its available credit facilities have provided adequate liquidity and working capital to fully fund the Company's operational needs and support acquisition activities. Working capital was \$69.8 million and \$66.7 million as of June 30, 2000 and 1999, respectively. The slight increase in working capital in 2000 was primarily due to higher accounts receivable attributable to increased revenue. Operating activities provided cash of \$19.9 million and \$18.7 million for 2000 and 1999, respectively. The increase in cash provided by operating activities was primarily due to the growth in earnings.

The Company provided \$10.9 million from investing activities in 2000 versus \$52.1 million used for investing activities for the same period last year. This change of \$63 million was due primarily to proceeds received from the sale of the COMNET products business. The acquisitions of MapData, XEN and CENTECH accounted for \$17.5 million of the total cash invested in 2000. In 1999, the acquisitions of QuesTech and IDS accounted for a combined purchase price of \$44.4 million, which was financed through bank borrowings. Purchases of office and computer-related equipment of \$8.1 million, \$7.5 million and \$6.4 million in 2000, 1999 and 1998, respectively, accounted for a significant portion of the remaining cash used in investing activities.

During 2000, the Company financed its investing activities from operating cash flow, the proceeds from the sale of the COMNET products business, which was the major contributor to the net decrease in borrowings of \$33.8 million under its line of credit, and \$5.8 million cash received from the exercise of stock options. For 1999, financing activities provided cash of \$33.9 million primarily from a net increase in borrowings of \$32.3 million to fund the acquisitions made in 1999.

In anticipation of continuing its strategy of acquisitions and in order to secure lower interest rates, on June 19, 1998 the Company executed a new five-year unsecured revolving line of credit. The agreement permits borrowings of up to \$125 million with annual sublimits on amounts borrowed for acquisitions. (See also Note 4 to the Notes to Consolidated Financial Statements.) The Company also maintains a 500,000 pound sterling unsecured line of credit in London, England, which expires in November 2000. At June 30, 2000, the Company had approximately \$98 million available for borrowings under its lines of credit.

While the Company did not purchase any of its shares in 1999 or 2000, it has repurchased its shares in the market in prior years. The Company has never paid any cash dividends as its policy is to invest earnings in the growth of the Company.

The Company believes that the combination of internally generated funds, available bank borrowings and cash on hand will provide the required liquidity and capital resources for the foreseeable future.

#### Year 2000

In the Company's quarterly report to the Securities and Exchange Commission for the quarter ended March 31, 2000, the Company reported that it had not experienced any significant disruptions in any aspect of its operations and that it had not incurred any material expenditures in addition to those already reported in its prior filings. To date the Company has not experienced any material Year 2000 system problems, nor does it believe that there will be any future material impact on the Company's business, operations, or financial condition related to maintaining its Year 2000 compliance.

#### Forward Looking Statements

There are statements made herein which do 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. Such statements are subject to factors that could cause actual results to differ materially from anticipated results. The factors that could cause actual results to differ materially from those anticipated include, but are not limited to, the following: regional and national economic conditions; changes in interest rates; changes in foreign exchange rates; failure to achieve contract awards in connection with recompetes for present business and/or competition for new business; the risks and uncertainties associated with client interest in and purchases of new products and/or services; continued funding of U.S. Government or other public sector projects in the event of a priority need for funds; government contract procurement (such as bid protest) and termination risks; individual business decisions of our clients; paradigm shifts in technology; competitive factors such as pricing pressures and/or competition to hire and retain employees; our ability to complete acquisitions and/or divestitures appropriate to achievement of our strategic plans; material changes in laws or regulations applicable to our businesses; our own ability to achieve the objectives of near term or long range business plans, particularly those relating to investments in new product development and new business initiatives, and other risks described in the Company's Securities and Exchange Commission filings.

#### **Item 8. Financial Statements and Supplementary Data**

The Consolidated Financial Statements of CACI International Inc and subsidiaries are provided in Section II of the Report.

#### **Item 9. Disagreements on Accounting and Financial Disclosure**

The Company had no disagreements with its independent accountants on accounting principles, practices or financial statement disclosure during the two years prior to the date of the most recent financial statements included in this Report.

### **PART III**

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

### **PART IV**

#### **Item 14. Exhibits, Financial Statements, Schedules, and Reports on Form 8-K**

- (a) Documents filed as part of this Report
  - 1. Financial Statements
    - A. Independent Auditors' Report
    - B. Consolidated Statements of Operations for the years ended June 30, 2000, 1999 and 1998
    - C. Consolidated Balance Sheets as of June 30, 2000 and 1999
    - D. Consolidated Statements of Cash Flows for the years ended June 30, 2000, 1999 and 1998
    - E. Consolidated Statements of Shareholders' Equity for the years ended June 30, 2000, 1999 and 1998
    - F. Consolidated Statements of Comprehensive Income for the years ended June 30, 2000, 1999, 1998
    - G. Notes to Consolidated Financial Statements
  - 2. Supplementary Financial Data.
    - Schedule II - Valuation and Qualifying Accounts for the years ended June 30, 2000, 1999 and 1998
- (b) Reports on Form 8-K

- The Registrant filed a Current Report on Form 8-K on November 16, 1999, in which the Registrant reported that it had executed a Letter of Intent to sell its COMNET products business to Compuware Corporation.
  - The Registrant filed a Current Report on Form 8-K on November 16, 1999, in which the Registrant reported that it had executed a Letter of Intent to acquire all of the outstanding common stock of XEN Corporation.
  - The Registrant filed a Current Report on Form 8-K on December 20, 1999, in which the Registrant reported that it had completed the sale of its COMNET products business to Compuware Corporation.
  - The Registrant filed a Current Report on Form 8-K on February 14, 2000, in which the Registrant reported that it had acquired all of the common stock of XEN Corporation.
  - The Registrant filed a Current Report on Form 8-K on March 28, 2000, in which the Registrant reported that it would acquire substantially all of the assets of Century Technologies, Incorporated (CENTECH).
  - The Registrant filed a Current Report on Form 8-K on April 3, 2000, in which the Registrant reported that it had completed its acquisition of substantially all of the assets of Century Technologies, Incorporated (CENTECH).
  - The Registrant filed a Current Report on Form 8-K/A on April 17, 2000, in which the Registrant amended Items 7(a)(1) and 7(b)(2) of the Current Report on Form 8-K filed on February 14, 2000.
  - The Registrant filed a Current Report on Form 8-K on August 9, 2000, in which the Registrant reported that it had commenced a program to repurchase up to one million shares of its common stock.
- (c) Exhibits (listed by numbers corresponding to the exhibit table of Item 601 regulation S-K).
- (3) Articles of Incorporation and By-laws:
- 3.1 Certificate of Incorporation of the Registrant, as amended to date.
  - 3.2 By-laws of the Registrant, as amended to date.
- (4) Instruments Defining the Rights of Security Holders:
- 4.1 Clause FOURTH of the Registrant's Certificate of Incorporation, incorporated above as Exhibit 3.1.
- (10) Material Contracts:
- 10.1 Form of Stock Option Agreement between the Registrant and certain employees is incorporated by reference from Exhibit 10.6 of the Registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission for the fiscal year ended June 30, 1991.
  - 10.2 Employment Agreement between the Registrant and Dr. J. P. London dated August 17, 1995, is incorporated by reference from Exhibit 10.3 of the Registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission for the fiscal year ended June 30, 1995.
  - 10.3 The 1996 Stock Incentive Plan of the Registrant is incorporated by reference to the Registration Statement on Form S-8 filed with the Securities and Exchange Commission on January 24, 1997.
  - 10.4 The Revolving Credit Agreement dated June 19, 1998, between Registrant, NationsBank N.A., and certain other parties is incorporated by reference from Exhibit 10.8 of the Registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission for the fiscal year ended June 30, 1998.
  - 10.5 The Acquisition Agreement dated as of July 30, 1998, between the Registrant, QuesTech, Inc., and CACI Acquisition Corporation is incorporated by reference from Exhibit 99.1 of the Current Report on Form 8-K filed with the Securities and Exchange Commission on November 24, 1998.
  - 10.6 Consulting and Separation Agreement between the Registrant and Ronald R. Ross, former President and Chief Operating Officer, dated August 10, 1999, as incorporated by reference from Exhibit 10.7 of the Annual Report on Form 10-K filed with the Securities and Exchange Commission for the fiscal year ended June 30, 1999.
  - 10.7 The Asset Purchase Agreement dated as December 15, 1999, between Compuware Corporation, CACI International Inc, CACI Products Company, CACI Development Company and CACI Products Company California, is incorporated by reference from Exhibit 99.1 of the Current Report on Form 8-K filed with the Securities and Exchange Commission on December 20, 1999.
  - 10.8 The Agreement and Plan of Merger dated as of January 28, 2000, between the Registrant, XEN Corporation and CACI Acquisition Corporation, is incorporated by reference from Exhibit 99.1 of the Current Report on Form 8-K filed with the Securities and Exchange Commission on February 14, 2000.
  - 10.9 The Asset Acquisition Agreement dated as of March 16, 2000, between the Registrant, Century Technologies, Incorporated (CENTECH) and CACI, Inc. is incorporated by reference from Exhibit 99.1 of the Current Report on Form 8-K filed with the Securities and Exchange Commission on April 3, 2000.
- (11) Computation of Earnings per Common and Common Equivalent Share.
- (21) The significant subsidiaries of the Registrant, as defined in Section 1-02(w) of regulation S-X, are:
- CACI, Inc., a Delaware Corporation
  - CACI, INC.-FEDERAL, a Delaware Corporation
    - (also does business as "CACI Marketing Systems", "Information Decision Systems", "Demographics on Call" and "CACI IDS")

CACI, INC.-COMMERCIAL, a Delaware Corporation

CACI Products Company California, a California Corporation

CACI Field Services, Inc., a Delaware Corporation

CACI N.V., a Netherlands Corporation

CACI Limited, a United Kingdom Corporation

Automated Sciences Group, Inc., a Delaware Corporation

IMS Services, Incorporated, a Maryland Corporation

Integrated Microcomputer Systems, Inc., a Maryland Corporation

CACI Technologies, Inc., a Virginia Corporation

CACI Technology Services, Inc., a Virginia Corporation

XEN Corporation, a Virginia Corporation

(27) Financial Data Schedule

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## **SECTION II**

### **INDEPENDENT AUDITORS' REPORT**

#### **AND**

### **CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2000, 1999 AND 1998**

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### **INDEPENDENT AUDITORS' REPORT**

To The Board of Directors and Shareholders  
CACI International Inc  
Arlington, Virginia

We have audited the accompanying consolidated balance sheets of CACI International Inc and subsidiaries (the Company) as of June 30, 2000 and 1999, and the related consolidated statements of operations, shareholder's equity, cash flows, and comprehensive income for each of the three years in the period ended June 30, 2000. Our audits also included the financial statement schedule listed in the Index at Item 14(a)(2). These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion and financial statement schedule on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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, such financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2000, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth herein.

McLean, Virginia  
August 14, 2000

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CACI INTERNATIONAL INC  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(amounts in thousands, except per share data)

Year ended June 30,	2000	1999	1998
Revenue	\$ 490,473	\$ 433,449	\$ 316,864
Costs and expenses			
Direct costs	288,378	254,486	177,077
Indirect costs and selling expenses	157,936	140,770	112,610
Depreciation and amortization	8,038	7,366	6,645
Goodwill amortization	3,929	3,224	1,976
Total operating expenses	458,281	405,846	298,308
Income from operations	32,192	27,603	18,556
Interest expense	3,346	3,713	1,837
Income before income taxes	28,846	23,890	16,719
Income taxes	11,248	9,336	6,076
Income from Continuing Operations	17,598	14,554	10,643
Discontinued Operations			
(Loss)income from operations from discontinued COMNET products business (less applicable income tax expense (benefit) of (\$280), (\$245), and \$686)	(320)	(384)	1,072
Gain on disposal of COMNET products business including provision of \$118 for operating losses during phase-out period (less applicable income taxes of \$13,512)	21,134	0	0
Net Income	\$ 38,412	\$ 14,170	\$ 11,715
<b>Earnings per common and common equivalent share:</b>			
Average shares outstanding	11,310	10,896	10,779
Basic:			

Income from continuing operations	\$ 1.56	\$ 1.34	\$ 0.99
(Loss)income from discontinued operations	(0.03)	(0.04)	0.10
Gain on disposal	1.87	0.00	0.00
Net Income	\$ 3.40	\$ 1.30	\$ 1.09
Average shares and equivalent shares outstanding	11,577	11,220	11,153
Diluted:			
Income from continuing operations	\$ 1.52	\$ 1.30	\$ 0.95
(Loss)income from discontinued operations	(0.03)	(0.04)	0.10
Gain on disposal	1.83	0.00	0.00
Net Income	\$ 3.32	\$ 1.26	\$ 1.05

See Notes to Consolidated Financial Statements.

CACI INTERNATIONAL INC  
CONSOLIDATED BALANCE SHEETS  
(dollars in thousands)

June 30,	2000	1999
ASSETS		
Current assets		
Cash and equivalents	\$ 4,931	\$ 2,403
Accounts receivable		
Billed	103,504	99,681
Unbilled	14,400	12,264
Total accounts receivable	117,904	111,945
Income taxes receivable	-	948
Deferred income taxes	235	198
Deferred contract costs	1,488	1,543
Prepaid expenses and other	7,372	5,437
Total current assets	131,930	122,474
Property and equipment, net	15,039	13,762
Accounts receivable, long-term	3,814	7,036
Goodwill	75,402	67,767
Other assets	7,024	6,266
Deferred contract costs, long-term	-	989
Deferred income taxes	2,788	3,418
Total assets	\$ 235,997	\$ 221,712

## LIABILITIES AND SHAREHOLDERS' EQUITY

### Current liabilities

Accounts payable	\$ 7,087	\$ 5,353
Other accrued expenses	28,258	27,498
Accrued compensation and benefits	20,043	21,304
Income taxes payable	1,707	-
Deferred income taxes	5,021	1,593

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Total current liabilities	62,116	55,748
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Note payable, long-term	28,263	62,069
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Deferred rent expenses	1,025	720
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Deferred income taxes	125	138
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Other long-term obligations	2,500	4,100
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### Shareholders' equity

#### Common stock

\$ .10 par value, 40,000,000 shares authorized, 15,007,000 and 14,499,000 shares issued	1,501	1,450
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Capital in excess of par	19,716	13,932
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Retained earnings	136,997	98,585
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Cumulative currency translation adjustments	(2,584)	(1,368)
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Treasury stock, at cost (3,526,000 shares)	(13,662)	(13,662)
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Total shareholders' equity	141,968	98,937
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Total liabilities and shareholders' equity	\$ 235,997	\$ 221,712
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See Notes to Consolidated Financial Statements

## CACI INTERNATIONAL INC CONSOLIDATED STATEMENTS OF CASH FLOWS (dollars in thousands)

Year ended June 30,	2000	1999	1998
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income	\$ 38,412	\$ 14,170	\$ 11,715
Reconciliation of net income to net cash provided by operating activities			
Depreciation and amortization	11,967	10,878	8,892
(Gain) loss on sale of property and equipment	108	30	(166)
Provision (benefit) for deferred income taxes	4,008	1,512	(2,898)
Gain from sale of COMNET product business	(21,252)	-	-
Changes in operating assets and liabilities			
Accounts receivable	1,007	(10,023)	(12,014)
Prepaid expenses and other assets	(1,381)	(1,726)	273

Accounts payable and accrued expenses	1,505	2,169	1,481
Accrued compensation and benefits	(3,161)	4,589	4,192
Deferred rent expenses	332	(466)	(755)
Income taxes	(11,082)	(1,993)	7,374
Deferred contract costs	1,045	331	1,764
Other long-term obligations	(1,601)	(750)	-
Net cash provided by operating activities	19,907	18,721	19,858
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisitions of property and equipment	(8,090)	(7,507)	(6,428)
Purchase of businesses	(17,474)	(44,418)	(36,513)
Proceeds from sale of business	37,000	-	-
Proceeds from sale of property and equipment	16	9	1,207
Capitalized software costs and other	(521)	(195)	(837)
Net cash provided by (used in) investing activities	10,931	(52,111)	(42,571)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds under line of credit	168,614	200,630	175,950
Payments under line of credit	(202,420)	(168,361)	(154,950)
Proceeds from stock options	5,836	1,601	1,764
Net cash provided by (used in) financing activities	(27,970)	33,870	22,764
Effect of exchange rates on cash and equivalents	(340)	(158)	15
Net increase in cash and equivalents	2,528	322	66
Cash and equivalents, beginning of year	2,403	2,081	2,015
Cash and equivalents, end of year	\$ 4,931	\$ 2,403	\$ 2,081
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>			
Cash paid during the year for income taxes, net of refunds	\$ 15,933	7,909	\$ 1,483
Cash paid during the year for interest	\$ 3,599	\$ 3,160	\$ 1,909

See Notes to Consolidated Financial Statements.

CACI INTERNATIONAL INC  
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY  
(amounts in thousands)

Common stock		Capital in excess of par	Retained earnings	Cumulative currency translation adjustments	Treasury stock		Total shareholders'
Shares	Amount				Shares	Amount	

								equity
BALANCE, July 1, 1997	14,215	\$ 1,422	\$ 10,595	\$ 72,700	\$ (281)	3,526	\$(13,662)	\$ 70,774
Net income	-	-	-	11,715	-	-	-	11,715
Currency translation adjustments	-	-	-	-	74	-	-	74
Exercise of stock options (including \$834 income tax benefit)	156	15	1,749	-	-	-	-	1,764
BALANCE, June 30, 1998	14,371	1,437	12,344	84,415	(207)	3,526	(13,662)	84,327
Net income	-	-	-	14,170	-	-	-	14,170
Currency translation adjustments	-	-	-	-	(1,161)	-	-	(1,161)
Exercise of stock options (including \$436 income tax benefit)	128	13	1,588	-	-	-	-	1,601
BALANCE, June 30, 1999	14,499	1,450	13,932	98,585	(1,368)	3,526	(13,662)	\$ 98,937
Net income	-	-	-	38,412	-	-	-	38,412
Currency translation adjustments	-	-	-	-	(1,216)	-	-	(1,216)
Exercise of stock options (including \$2,129 income tax benefit)	508	51	5,784	-	-	-	-	5,835
BALANCE, June 30, 2000	15,007	\$ 1,501	\$ 19,716	\$136,997	\$(2,584)	3,526	\$(13,662)	\$141,968

See Notes to Consolidated Financial Statements.

CACI INTERNATIONAL INC AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
(dollars in thousands)

Year ended June 30,	2000	1999	1998
Net income	\$ 38,412	\$ 14,170	\$ 11,715
Currency translation adjustment	(1,216)	(1,161)	74
Comprehensive income	\$ 37,196	\$ 13,009	\$ 11,789

See Notes to Consolidated Financial Statements.

CACI INTERNATIONAL INC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## Business Activities

The Company is an international information systems and high technology services corporation. It is a leader in computer-based information technology systems, custom software, integration and operations, communication and network services, imaging and document management, simulation, and proprietary database and software products. The Company provides worldwide services in support of U.S. national defense and civilian agencies, state and local governments, and commercial enterprises.

## Principles of Consolidation

The consolidated financial statements include the statements of CACI International Inc and its wholly-owned subsidiaries (collectively, the "Company"). All significant intercompany balances and transactions have been eliminated in consolidation.

## Revenue Recognition

Revenue on cost-plus-fee contracts is recognized to the extent of costs incurred plus a proportionate amount of the fee earned. Revenue on fixed-price contracts is recognized on the percentage-of-completion method based on costs incurred in relation to total estimated costs. Revenue on time-and-material contracts is recognized to the extent of billable rates times hours delivered plus expenses incurred. Revenue from software license sales under agreement is recognized upon delivery when there is no significant obligation to perform after the sale, but is recognized under the percentage-of-completion method when there is significant obligation for production, modification or customization after the sale. Revenue from maintenance support services on these products is nonrefundable and is generally recognized on a straight-line basis over the term of the service agreement. Provisions for estimated losses on uncompleted contracts are recorded in the period such losses are determined.

The Company's U.S. Government contracts (approximately 80% of total revenue in 2000) are subject to subsequent government audit of direct and indirect costs. The majority of such incurred cost audits have been completed through June 30, 1998. Management does not anticipate any material adjustment to the consolidated financial statements in subsequent periods for audits not yet completed.

## Property and Equipment

Property and equipment is recorded at cost. Depreciation of equipment has been provided over the estimated useful life of the respective assets of three to ten years, using the straight-line method. Leasehold improvements are generally amortized using the straight-line method over the respective remaining lease term or the useful life of the improvements, whichever is shorter.

June 30,	2000	1999
<hr/>		
(dollars in thousands)		
Equipment and furniture	\$ 47,868	\$ 40,388
Leasehold improvements	5,946	3,008
<hr/>		
Property and equipment, at cost	53,814	43,396
Less accumulated depreciation and amortization	(38,775)	(29,634)
<hr/>		
Total property and equipment, net	\$ 15,039	\$ 13,762
<hr/>		

## Deferred Contract Costs

Deferred contract costs include the cost of equipment acquired by the Company to provide communications services under contract. The costs are charged to expense as the associated service revenue is billed to the customer. As of June 30, 2000, total deferred costs of approximately \$1.5 million are classified as a current asset, because this amount is expected to be recovered within the next twelve months.

## Capitalized Software Costs

Costs incurred internally in creating a computer software product to be sold or licensed are charged to expense when incurred as research and development until technological feasibility has been established for the product. Technological feasibility is established upon completion of a detailed program design or, in its absence, completion of a working model. 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 based on current and future revenue for each product with annual minimum amortization equal to the straight-line amortization over the remaining estimated economic life of the product, which ranges from three to eight years.

## Goodwill

The excess of cost over fair market value of net assets acquired is being amortized using the straight-line method, generally over 10 to 30 years. All future acquisitions will be amortized over 20 years or less. Accumulated amortization was \$12,140,000 and \$8,211,000 at June 30, 2000, and June 30, 1999, respectively.

## Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, as well as operating loss and tax credit carry forwards.

U.S. income taxes have not been provided on \$25,786,000 in undistributed earnings of foreign subsidiaries that have been permanently reinvested outside the United States. If such earnings were distributed to the United States, certain foreign tax credits would be available to reduce the associated tax liability.

## 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 rates in effect on the reporting date, and income and expenses are translated at the weighted average exchange rate during the period. The net effect of such translation gains and losses is not included in determining net income, but is accumulated as a separate component of shareholders' equity. Foreign currency transaction gains and losses are included in determining net income.

## Earnings Per Share

SFAS No. 128 requires dual presentation of basic and diluted earnings per share on the face of the income statement. Basic earnings per share excludes dilution and is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. Diluted earnings per share includes the incremental effect of stock options calculated using the treasury stock method.

## Statement of Cash Flows

For purposes of the Statement of Cash Flows, short-term investments with an original maturity of three months or less are considered cash equivalents.

## Fair Value of Financial Instruments

The carrying amounts of the Company's accounts payable and accrued expenses approximate their fair value. The lines of credit have floating interest rates that vary with current indices and, as such, the recorded value approximates fair value.

## Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

## Reclassifications

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

## New Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 established methods of accounting for derivative financial instruments and hedging activities related to those instruments as well as other hedging activities. Because the Company currently holds no derivative instruments and does not engage in hedging activities, the Company expects that the adoption of SFAS No. 133 will not have a material impact on its financial position, results of operations or cash flows. The Company will be required to implement SFAS No. 133 for the year ending June 30, 2001.

In March 2000, the FASB issued Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation, an

**Interpretation of APB Opinion No. 25."** With the exception of certain provisions which require earlier application, this interpretation is effective for all applicable transactions beginning July 1, 2000. The Company does not expect that the adoption of this Interpretation will have a material impact on its financial statements.

## **NOTE 2. CAPITALIZED SOFTWARE DEVELOPMENT COSTS**

The costs for software development capitalized and amortized for the years ended June 30, 2000, 1999 and 1998, included on the Consolidated Balance Sheets as other assets, were as follows:

(dollars in thousands)	2000	1999	1998
Annual activity			
Balance, beginning of year	\$ 1,548	\$ 1,863	\$ 2,029
Capitalized during year	4,504	501	694
Amortized during year	(1,783)	(816)	(860)
Balance, end of year	\$ 4,269	\$ 1,548	\$ 1,863

## **NOTE 3. ACCOUNTS RECEIVABLE**

Total accounts receivable are net of allowance for doubtful accounts of \$2,817,000 and \$3,050,000 at June 30, 2000 and 1999, respectively. Accounts receivable are classified as follows:

(dollars in thousands)	2000	1999
Billed receivables		
Billed receivables	\$ 90,491	\$ 88,918
Billable receivables at end of period	13,013	10,763
Total billed receivables	103,504	99,681
Unbilled receivables		
Unbilled pending receipt of contractual documents authorizing billing	14,341	12,172
Unbilled retainages and fee withholdings expected to be billed within the next 12 months	59	92
	14,400	12,264
Unbilled retainages and fee withholdings expected to be billed beyond the next 12 months	3,814	7,036
Total unbilled receivables	18,214	19,300
Total accounts receivable	\$ 121,718	\$ 118,981

## **NOTE 4. NOTE PAYABLE**

On June 19, 1998, the Company replaced an existing credit facility with a new five-year unsecured credit agreement, which permits borrowings of up to \$125 million with a sublimit of \$55 million of borrowings in the first year for acquisitions and a sublimit of \$40 million per year for acquisitions in subsequent years. The existing agreement permits similar borrowing options and interest rates as those offered by the prior agreement. The current LIBOR option is at the applicable period rate plus 0.375%. In addition, the Company pays a fee on the unused portion of the facility. The interest rate and unused portion fee are determined quarterly based on debt leverage ratio thresholds. The agreement contains customary financial covenants and ratios related to debt leverage, fixed charges



coverage and net worth. Under this agreement, the Company had outstanding borrowings of \$28,263,000 and \$62,069,000 at June 30, 2000 and 1999, respectively. The applicable interest rate was 7.0% and 5.8% and at June 30, 2000 and 1999, respectively.

## NOTE 5. INCOME TAXES

The provision (benefit) for income taxes for the years ended June 30, consists of:

(dollars in thousands)	2000	1999	1998
Current			
Federal	\$ 5,056	\$ 5,958	\$ 7,423
State and local	487	713	526
Foreign	1,697	1,153	1,025
Total current	7,240	7,824	8,974
Deferred			
Federal	4,066	1,626	(2,261)
State and local	152	(129)	(731)
Foreign	(210)	15	94
Total deferred	4,008	1,512	(2,898)
Total	\$ 11,248	\$ 9,336	\$ 6,076

A reconciliation of the income tax provision (benefit) and the amount computed by applying the statutory U.S. income tax rate of 35% for the years ended June 30, 2000, 1999, and 1998 is as follows:

(dollars in thousands)	2000	1999	1998
Amount at statutory U.S. rate	\$ 10,096	\$ 8,361	\$ 5,852
State taxes, net of U.S. income tax benefit	415	351	96
Taxes on foreign earnings at different effective rates	(106)	(39)	(65)
Non-deductible goodwill	449	667	235
Other	394	(4)	(42)
Total	\$ 11,248	\$ 9,336	\$ 6,076
Effective tax rate	39.0 %	39.1 %	36.3 %

The tax effects of temporary differences that give rise to significant deferred tax assets and deferred tax liabilities at June 30, 2000 and 1999, are as follows:

(dollars in thousands)	2000	1999
Deferred tax assets		
Accrued vacation and other expenses	\$ 3,494	\$ 5,333
Appreciation of options	1,606	1,606
Accrued post-retirement obligations	421	1,415
Deferred rent	552	427

Other long-term obligations	367	355
Foreign transactions	109	61
Pension	31	7
Depreciation	413	188
Other	11	20
Total deferred tax assets	7,004	9,412
Deferred tax liabilities		
Unbilled revenues	(4,746)	(6,512)
401(k)	(2,614)	-
Capitalized software	(1,348)	(335)
Goodwill	(368)	(255)
Other	(51)	(425)
Total deferred tax liabilities	(9,127)	(7,527)
Net deferred tax asset (liability)	\$ (2,123)	\$ 1,885

#### NOTE 6. STOCK INCENTIVE PLAN

Until September 24, 1996, the Company granted stock options under the Employee Stock Incentive Plan (the "1986 Plan") which provided that key employees could be awarded some or all of the following: non-qualified stock options; incentive stock options within the meaning of the Internal Revenue Code; and common stock. In 1996, the shareholders approved a new Stock Incentive Plan (the "1996 Plan"). The 1996 Plan permits award of incentive and non-qualified stock options, stock appreciation rights and stock grants to officers and employees of the Company, and limits total awards and stock grants to 1,500,000 shares over the life of the 1996 Plan. Options for 1,429,500 shares have been granted under the 1996 Plan through June 30, 2000 and, with certain exceptions, one-third of the shares become exercisable each year over a three year period, beginning one year from the date of grant.

Pursuant to the terms of the 1986 Plan, no grants of options or other securities could be made after September 24, 1996, and all unexercised options under that Plan must be exercised by the close of business on December 29, 2000. Unexercised options after that date forfeit and become null and void. Under the 1996 Plan, options lapse and are no longer exercisable if not exercised within ten years of the date of grant. Grantees who terminate their CACI employment have 60 days after their termination date to exercise options that are then exercisable or risk forfeiture of their right to the options. Options that would have been exercisable at a future date are forfeited by the terminating employee and become available to the pool for future grants under the plan.

All awards granted under both the 1986 Plan and the 1996 Plan have been non-qualified stock options. The stock option exercise prices were at fair market value on the date of grant. Accordingly, no compensation cost has been recognized for stock option grants. Had compensation cost for the Company's stock-based compensation plans been determined based on the fair value at grant dates for awards under those plans consistent with the method of accounting under SFAS No. 123, the Company's net income and earnings per share would have been reduced to the pro forma amounts indicated below:

(dollars in thousands, except per share)	2000	1999	1998
Net income			
As reported	\$ 38,412	\$ 14,170	\$ 11,715
Pro forma	37,018	13,697	10,991
Diluted earnings per share			
As reported	\$3.32	\$1.26	\$1.05
Pro forma	3.20	1.22	0.99

The fair value of each option is estimated on the date of grant using the Black-Sholes option-pricing model with the following additional assumptions:

Year ended June 30,	2000	1999	1998
Dividend yield	0 %	0 %	0 %
Volatility rate	26.3 %	36.4 %	26.6 %
Discount rate	5.3 %	6.0 %	5.7 %
Expected term (years)	5	5	5

**Stock option activity and price information regarding the Plans follows:**

(shares in thousands)	Number of Shares	Exercise Price	Weighted Average Exercise Price
Shares under option, July 1, 1997	1,061	1.87 - 19.31	7.18
Granted	366	15.00 - 20.28	19.19
Exercised	(156)	1.87 - 14.63	5.98
Forfeited	(88)	2.59 - 19.31	14.76
Shares under option, June 30, 1998	1,183	1.87 - 20.28	10.14
Granted	375	15.41 - 18.81	17.27
Exercised	(128)	1.87 - 15.00	9.24
Forfeited	(51)	3.50 - 19.31	13.75
Shares under option, June 30, 1999	1,379	1.87 - 20.28	12.07
Granted	639	20.00 - 25.44	21.87
Exercised	(508)	1.87 - 25.44	9.45
Forfeited	(303)	15.00 - 22.38	19.63
Shares under option, June 30, 2000	1,207	1.87 - 25.44	16.62

(shares in thousands)	Number of Shares	Exercise Price	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
Shares under option, June 30, 2000	163	1.87 - 3.34	2.15	.50
	86	3.50 - 13.44	7.67	.50
	210	14.63 - 16.61	15.78	8.27
	156	16.88 - 18.81	18.61	7.40
	592	19.94 - 25.44	21.82	9.36
	1,207			
Options exercisable, June 30, 2000	163	1.87 - 3.34	2.08	
	86	3.50 - 13.44	7.67	
	64	14.63 - 16.61	15.78	
	57	16.88 - 18.81	18.61	
	80	19.94 - 25.44	21.82	

**NOTE 7. PENSION PLAN**

The Company maintains a defined contribution plan, under Section 401(k) of the Internal Revenue Code, the CACI \$SMART PLAN. Employees can contribute up to 15% (subject to certain statutory limitations) of their total compensation. The Company provides matching contributions equal to 50% of the amount of the employee's contribution, up to 6% of the employee's total fiscal year cash compensation. In addition, the Company may also make discretionary profit sharing contributions to the plan. Employer contributions vest to the employees according to a schedule entitling full vesting after five years of employment. The CACI \$SMART PLAN is qualified under the Internal Revenue Code, as determined by the Internal Revenue Service.

The Company maintains a non-qualified, defined contribution plan, the CACI, Inc. Group Executive Retirement Plan, which is available to certain executives participating in the CACI \$SMART PLAN whose annual compensation exceeds the statutory limit of the qualified plan. The Company contributes 5% of such excess eligible compensation to the Group Executive Retirement Plan. Each participant is fully vested immediately in his account balance. The Company contributions vest over a five year period.

The total consolidated expense for pension and Company contribution to the 401(k) plan and the Group Retirement Plan for the years ended June 30, 2000, 1999 and 1998 was \$5,909,000, \$5,401,000 and \$3,847,000, respectively. The Company funds the costs of the qualified plans as they accrue.

**NOTE 8. OTHER LONG-TERM OBLIGATIONS**

In connection with the acquisition of QuesTech, the Company acquired certain long-term obligations. At June 30, 2000, the balance of such obligations consists of the following:

(dollars in thousands)	2000
<hr/>	
Accrued post-retirement obligations:	
Group Health Plan	\$395
Executive Life	289
DefCom	1,123
	<hr/>
	1,807
Other long-term obligations	693
	<hr/>
Total	\$2,500
	<hr/>

**Group Health Plan.** QuesTech provided for extended medical and dental benefit coverage to eligible employees and their dependents. This plan was frozen as of July 1, 1999 to cover only those employees who met the eligibility or were currently covered on retirement. The accumulated post-retirement benefit obligation represents the present value of future claims by participants under this plan.

**Executive Life .** The Company maintains life insurance policies covering certain officers, both former and active, through their lifetimes, in accordance with their respective employment agreements. The cost of the insurees' premiums is treated as compensation expense.

**DefCom .** The Company assumed these Plans with the acquisition of QuesTech. The Plans allowed eligible employee participants to defer current compensation through June 30, 1999, at which time the Plan was amended to suspend employee contributions. Participant account balances accrued interest annually, as set by the Plan administrator. The Plan provided supplemental post retirement benefits along with certain specific death benefits payable to participant beneficiaries. Death benefits paid to beneficiaries were based upon the participant's actual account balance plus accrued interest and insurance rider. Supplemental death benefits were payable in some cases over a period of ten years provided death occurred while the participant was actively employed with the Company. Retirement or termination benefits were paid out over the same number of years the employee participated in the Plan. On April 17, 2000, the DefCom Plans were amended and merged into a restated CACI International Inc Executive Retirement Plan, effective July 1, 2000. For fiscal year 2000, CACI credited DefCom balances with interest at U.S. Treasury Bill rates. The life insurance policies that QuesTech invested in to fund benefits were cancelled, along with the obligation of the Company to pay death benefits. At June 30, 2000, the DefCom obligation (from terminated insurance policies and death benefits) transferred to the new trust was \$1,123,160. Under the restated Plan, DefCom participants may invest their trust balances in the Plan's investment options. The Company will not contribute on their behalf to the Plan, nor will interest be credited to participant balances. Upon termination or

retirement, account balances are paid to participants as taxable income.

Other long-term obligations consist primarily of amounts due to certain founders of QuesTech (no longer affiliated with Company as employees) under confidential settlement agreements. Payments under the agreements will continue through 2006.

#### NOTE 9. COMMITMENTS AND CONTINGENCIES

The Company conducts its operations from leased office facilities, all of which are classified as operating leases and expire primarily over the next ten years.

The following is a schedule of future minimum lease payments under non-cancelable leases with a remaining term greater than one year as of June 30, 2000:

Year ended June 30	Operating Leases (dollars in thousands)
2001	\$ 15,882
2002	13,117
2003	8,181
2004	6,417
2005	5,111
Thereafter	20,030
Total minimum lease payments	\$ 68,738

Operating leases reflect the minimum lease payments net of a minimal amount of sub-lease income. Rent expense incurred from operating leases for the years ended June 30, 2000, 1999 and 1998 amounted to \$15,579,000, \$13,383,000, and \$10,780,000, respectively.

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 will not have a material adverse effect on the Company's operations and liquidity.

#### NOTE 10. BUSINESS ACQUISITIONS

All of the acquisitions made by the Company have been accounted for using the purchase method of accounting, and the results of their operations have been included in the Company's statements of operations since the dates of acquisition. The purchase price for each acquisition was allocated to the acquired assets and liabilities using the respective fair value at the date of acquisition. The excess, if any, has been recorded as goodwill and is being amortized on a straight-line basis over 10 to 30 years. All future acquisitions will be amortized over 20 years or less. All of the acquisitions have been primarily financed through borrowings under the Company's existing line of credit.

##### 2000 Acquisitions

On April 1, 2000, the Company purchased substantially all of the assets of Century Technologies, Incorporated (CENTECH) ("CENTECH"), a company that provides full-service information technology ("IT") solutions for networking and telecommunications, e-commerce, geospatial technologies and software engineering. The total consideration paid by the Company was \$7.7 million in cash, plus an additional \$4 million for a split-dollar life insurance policy, plus \$2.7 million to pay off existing debt of CENTECH. Approximately \$5.2 million of the purchase consideration has been allocated to goodwill, based upon the excess of the purchase price over the estimated fair value of net assets acquired, and is being amortized over 20 years. The \$4 million of consideration for a split-dollar life insurance policy is included in goodwill and is being amortized over 7 years. CENTECH contributed revenue of \$5.7 million for the period from April 1, 2000 to June 30, 2000.

On February 1, 2000, the Company acquired all of the common stock of XEN Corporation ("XEN") for cash in the amount of \$4.3 million. XEN specializes in providing systems engineering, engineering design, distance learning, training development, multimedia support, e-commerce, and data security services to national intelligence organizations, the Department of Defense, and the U.S. Navy. The transaction was funded through borrowings under the Company's existing line of credit. Approximately \$2.4 million of the purchase consideration has been allocated to goodwill based upon the excess of the purchase price over the estimated fair value of net assets acquired, and will be amortized over 15 years. XEN contributed \$3.6 million of revenue for the period from February 1, 2000 to June 30, 2000.

On September 23, 1999, the Company purchased the assets of MapData Online International Ltd. and Digital MapData Online Ltd. (collectively, "MapData") for \$0.6 million in cash. MapData provided demographic software which, when bundled with existing products offered by the Company's Marketing System Group ("MSG"), will enhance MSG's capabilities in the U.S. market. The purchase price has been allocated based on the fair market value of the assets acquired. No goodwill has been recognized in connection with this transaction. Since the acquisition, the operations acquired from MapData have contributed \$0.1 million in revenue through June 30, 2000.

#### 1999 Acquisitions

On November 13, 1998, the Company acquired all of the common stock of QuesTech, Inc., a company that specialized in the development and application of information technology, scientific research and management support services for the defense and national security communities. The total consideration paid by the Company, including the assumption of liabilities, was approximately \$42 million. The transaction was funded through borrowings under the Company's existing line of credit. Approximately \$31 million of the purchase consideration has been allocated to goodwill based upon the excess of the purchase price over the estimated fair value of net assets acquired, and is being amortized over 30 years. QuesTech (renamed CACI Technologies, Inc.) contributed revenues of \$56.1 million for the period from November 13, 1998 to June 30, 1999.

On August 13, 1998, the Company purchased the assets of Information Decision System ("IDS") for \$2.6 million in cash. IDS provided internet access to demographic site information and the acquisition is expected to enhance the current U.S. market share of the Company's Marketing Systems Group in the industry. Approximately \$2.4 million has been allocated to goodwill, based upon the excess of the purchase price over the estimated fair value of net assets acquired, and is being amortized over 15 years. IDS contributed approximately \$1.2 million in revenue for the period August 13, 1998 to June 30, 1999.

#### 1998 Acquisitions

On November 1, 1997, the Company acquired the business and net assets of Government Systems, Inc. ("GSI"), a subsidiary of Infonet Services Corporation, a multinational communications network provider, for \$28 million in cash plus an additional \$5.5 million to pay off existing debt of GSI. GSI delivered international communications and network-related services to meet the networking needs of the U.S. Government and other organizations. GSI's annual revenue, prior to acquisition, was approximately \$36 million. Approximately \$23.5 million of the purchase consideration has been allocated to goodwill, based upon the excess of the purchase price over the estimated fair value of net assets acquired, and is being amortized over 20 years. The GSI business contributed revenue of \$22.3 million for the period from November 1, 1997 to June 30, 1998.

Also in November 1997, CACI Limited in London, England, acquired all of the share capital of AnaData Limited. The total consideration paid was \$1.9 million in cash, which was financed from CACI Limited's working capital. AnaData developed and marketed software products for managing marketing databases, and historically generated annual revenue of approximately \$2.5 million. Based upon estimated fair values, \$1 million of the purchase consideration has been allocated to software intellectual property rights which will be amortized over five years, and \$0.4 million has been allocated to goodwill which is being amortized over 10 years. Subsequent to its acquisition, the operations of AnaData generated \$1.5 million in revenue for the fiscal year ended June 30, 1998.

#### Pro Forma Information (unaudited)

The following unaudited pro forma combined condensed statements of operations set forth the consolidated results of operations of the Company for the years ended June 30, 2000, 1999 and 1998, as if the above-mentioned acquisitions had occurred at the beginning of both the year of acquisition and the year prior to the acquisition. The 1998 results have been adjusted for prior year restatements due to the sale of the COMNET products business. This unaudited pro forma information does not purport to be indicative of the actual financial position or the results that would actually have occurred if the combinations had been in effect for the years ended June 30:

(dollars in thousands, except per share amounts)	2000	1999	1998
Revenue	\$ 516,620	\$ 495,352	\$ 407,841
Net income	38,900	14,683	11,418
Diluted earnings per share	3.36	1.31	1.02

#### **NOTE 11. BUSINESS SEGMENT INFORMATION**

The Company reports operating results and financial data in two segments: the Information Systems Group ("ISG") and the Marketing Systems Group ("MSG"). The ISG delivers client solutions for systems integration, Year 2000 conversion, information assurance/security, reengineering, electronic commerce, intelligent document management, product data management, software development and reuse, telecommunications, and market analysis. Its customers are primarily U.S. Federal agencies, however, it does serve a growing number of customers in the commercial, state and local sectors. The MSG offers services to both commercial and government customers in four significant areas: market analysis, direct marketing, database marketing solutions and information

systems. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies in Note 1 to the financial statements. The Company evaluates the performance of its operating segments based on income (loss) before income taxes. Summarized financial information concerning the Company's reportable segments is shown in the following tables. The "Other" column includes the elimination of intersegment revenue and corporate related items. Corporate assets, primarily consisting of property and equipment, are reported in the "Other" column. The operating segments' income (loss) and corporate related amounts total the amount presented as income before taxes in the "Consolidated Statements of Operations". Prior year segment information has been restated in order to provide for consistent presentation with the current year and the information related to the discontinued operations has been excluded from this presentation.

(dollars in thousands)	ISG	MSG	Other	Total
<b><i>Year Ended June 30, 2000</i></b>				
Revenue from external customers	\$ 445,283	\$ 45,104	\$ 86	\$490,473
Pre-tax income (loss)	27,774	4,876	(3,804)	28,846
Total assets	199,119	30,587	6,291	235,997
Capital expenditures	6,182	767	1,665	8,614
Depreciation and amortization	8,782	2,110	1,075	11,967
<b><i>Year Ended June 30, 1999</i></b>				
Revenue from external customers	\$ 389,536	\$ 43,913	\$ -	\$433,449
Pre-tax income (loss)	23,364	3,441	(2,915)	23,890
Total assets	192,363	28,621	728	221,712
Capital expenditures	5,730	1,509	769	8,008
Depreciation and amortization	8,667	1,616	307	10,590
<b><i>Year Ended June 30, 1998</i></b>				
Revenue from external customers	\$ 279,936	\$ 36,822	\$ 106	\$316,864
Pre-tax income (loss)	14,923	3,410	(1,614)	16,719
Total assets	133,471	28,629	960	163,060
Capital expenditures	4,009	2,356	757	7,122
Depreciation and amortization	5,064	1,477	331	6,872

The loss in the "Other" column primarily represents unallocated corporate costs.

**Major Customers.** The Company earned approximately 80%, 80% and 79% of its revenue from the U.S. Government for the years ended June 30, 2000, 1999, and 1998, respectively. Revenue by customer sector for the three years ended June 30, 2000 is as follows:

(dollars in thousands)	2000	1999	1998
Department of Defense	\$ 249,776	\$ 216,573	\$ 160,982
Federal Civilian	141,393	130,766	89,768
Commercial	66,109	63,837	56,632
State & local	33,195	22,273	9,482
Total	\$ 490,473	\$ 433,449	\$ 316,864

**Geographic Information.** Revenue is attributed to geographic areas based on the location of the assets producing the revenue. Revenue from ISG is generated predominantly in the United States. The foreign 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:

(dollars in thousands)	2000	1999	1998
<b>Revenue</b>			
United States	\$445,369	\$ 389,536	\$ 280,042

Foreign	45,104	43,913	36,822
	\$490,473	\$433,449	\$316,864
<b>Identifiable Assets</b>			
United States	\$205,410	\$193,091	\$134,431
Foreign	30,587	28,621	28,629
	\$235,997	\$221,712	\$163,060

#### NOTE 12. DISCONTINUED OPERATIONS

On November 2, 1999, the Company executed a letter of intent to sell its COMNET products business to Compuware Corporation. On December 15, 1999, the Company completed the sale of the net assets of the COMNET products business for \$37 million in cash and \$3 million in escrow to be received one year from the settlement date. Net income or (loss) from the Company's discontinued operations have been segregated from continuing operations and reported as a separate line item on the consolidated statements of operations. Prior year reported results have been restated in order to provide for consistent presentation.

The sale of the COMNET products business resulted in a net after tax gain for the Company of \$21.1 million. Included in the gain was a net after tax loss from discontinued operations of \$118 thousand for the period from November 3, 1999 to December 15, 1999. Revenues from discontinued operations were \$3.1 million, \$8.3 million, and \$9.2 million for the years ended June 30, 2000, 1999, and 1998, respectively.

#### NOTE 13. SUBSEQUENT EVENTS

Subsequent to June 30, 2000 the Company repurchased 224,500 shares of Common Stock, pursuant to its stock repurchase program authorized by the Board of Directors in August 2000. The program allows the Company to repurchase up to one million shares of its Common Stock from time to time on the open market.

#### NOTE 14. COMMON STOCK DATA (UNAUDITED)

The Company's stock trades on the Nasdaq National Market System. The ranges of high and low sales prices for each quarter during fiscal years 2000 and 1999 were as follows:

Quarter	2000		1999	
	High	Low	High	Low
1 <sup>st</sup>	\$23 <sup>5</sup> / <sub>8</sub>	\$20 <sup>1</sup> / <sub>4</sub>	\$22	\$15
2 <sup>nd</sup>	\$24	\$19 <sup>3</sup> / <sub>4</sub>	\$20 <sup>1</sup> / <sub>4</sub>	\$14 <sup>5</sup> / <sub>8</sub>
3 <sup>rd</sup>	\$30 <sup>1</sup> / <sub>4</sub>	\$20 <sup>3</sup> / <sub>4</sub>	\$18 <sup>3</sup> / <sub>4</sub>	\$16
4 <sup>th</sup>	\$30 <sup>1</sup> / <sub>8</sub>	\$18 <sup>1</sup> / <sub>4</sub>	\$22 <sup>7</sup> / <sub>8</sub>	\$16 <sup>1</sup> / <sub>8</sub>

#### NOTE 15. QUARTERLY FINANCIAL DATA (UNAUDITED)

The quarterly financial data is unaudited, but in the opinion of management, all adjustments necessary for a fair presentation of the selected data for these interim periods have been included.

(dollars in thousands, except per share)	First	Second	Third	Fourth
<b>Year ended June 30, 2000</b>				
Revenue	\$ 118,689	\$ 121,071	\$ 122,112	\$ 128,601
Income from operations	7,685	8,170	7,785	8,552
Income from continuing operations	4,012	4,345	4,419	4,822



Net Income	\$ 3,817	\$ 25,354	\$ 4,419	\$ 4,822
<hr/>				
Basic Shares				
Income from continuing operations	\$0.37	\$0.38	\$0.39	\$0.42
Loss from discontinued operations	(0.02 )	(0.01 )		
Gain on disposal		1.87		
<hr/>				
Net Income	\$0.35	\$2.24	\$0.39	\$0.42
<hr/>				
Diluted Shares				
Income from continuing operations	\$0.35	\$0.38	\$0.38	\$0.41
Loss from discontinued operations	(0.02 )	(0.01 )		
Gain on disposal		1.83		
Net Income	\$0.33	\$2.20	\$0.38	\$0.41
<hr/>				
Weighted average shares used in per share computation				
Basic	10,989	11,308	11,428	11,516
Diluted	11,361	11,537	11,693	11,718

(dollars in thousands, except per share)

	First	Second	Third	Fourth
<hr/>				
<b><i>Year ended June 30, 1999</i></b>				
Revenue	\$ 89,947	\$ 101,758	\$ 117,766	\$123,978
Income from operations	5,527	6,734	7,335	8,007
<hr/>				
Income from continuing operations	3,157	3,592	3,710	4,095
<hr/>				
Net Income	\$ 3,139	\$ 3,362	\$ 3,573	\$ 4,096
<hr/>				
Basic Shares				
Income from continuing operations	\$0.29	\$0.34	\$0.34	\$0.37
Loss from discontinued operations		(0.03 )	(0.01 )	
Gain on disposal				
<hr/>				
Net Income	\$0.29	\$0.31	\$0.33	\$0.37
<hr/>				
Diluted Shares				
Income from continuing operations	\$0.28	\$0.32	\$0.33	\$0.36
Loss from discontinued operations		(0.02 )	(0.01 )	
Gain on disposal				
<hr/>				
Net Income	\$0.28	\$0.30	\$0.32	\$0.36
<hr/>				
Weighted average shares used in per share computation				
Basic	10,858	10,874	10,892	10,960
Diluted	11,202	11,197	11,211	11,268

**SCHEDULE II**

**CACI INTERNATIONAL INC AND SUBSIDIARIES  
VALUATION AND QUALIFYING ACCOUNTS  
FOR YEARS ENDED JUNE 30, 2000, 1999 AND 1998  
(dollars in thousands)**

Description	Balance at Beginning of Period	Additions at Cost	Deductions	Other Changes Add (Deduct)	Balance at End of Period
<b>2000</b>					
Reserves deducted from assets to which they apply:					
Allowances for doubtful accounts	\$3,050	\$770	\$(1,322)	\$ 319	\$2,817
<b>1999</b>					
Reserves deducted from assets to which they apply:					
Allowances for doubtful accounts	\$3,637	\$789	\$(2,409)	\$1,033	\$3,050
<b>1998</b>					
Reserves deducted from assets to which they apply:					
Allowances for doubtful accounts	\$2,988	\$820	\$ (381)	\$ 210	\$3,637

**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, thereunto duly authorized, on the 22<sup>nd</sup> day of September, 1998.

CACI International Inc

By: \_\_\_\_\_ /s/

J.P. London  
Chairman of the Board, Chief Executive Officer  
and Director

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.

Signature	Title	Date
<u>/s/</u>	Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer)	<u>September __, 2000</u>
J.P. London		
<u>/s/</u>	Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)	<u>September 25, 2000</u>
Stephen L. Waechter		
<u>/s/</u>		<u>September 26, 2000</u>
Richard L. Armitage	Director	
<u>/s/</u>		<u>September 22, 2000</u>
Peter A. Derow	Director	
<u>/s/</u>		<u>September 22, 2000</u>
Richard L. Leatherwood	Director	
<u>/s/</u>		<u>September __, 2000</u>
Warren R. Phillips	Director	
<u>/s/</u>		<u>September 24, 2000</u>
Charles P. Revoile		
<u>/s/</u>		<u>September 22, 2000</u>
Glenn Ricart	Director	
<u>/s/</u>		<u>September 23, 2000</u>
Vincent L. Salvatori	Director	
<u>/s/</u>		<u>September 26, 2000</u>
William B. Snyder	Director	
<u>/s/</u>		<u>September 25, 2000</u>
Richard P. Sullivan	Director	
<u>/s/</u>		<u>September __, 2000</u>
John M. Toups	Director	

**Exhibit 3.1**

**CERTIFICATE OF INCORPORATION**  
of  
**CACI International Inc**

**THE UNDERSIGNED INCORPORATOR(S) , in order to form a corporation for the purposes hereinafter stated, under and pursuant to the provisions of the General Corporation Law of the State of Delaware, do hereby certify as follows:**

**FIRST :** The name of the corporation is CACI International Inc. <sup>(1)</sup>

**SECOND :** The registered office of the corporation is to be located at 306 South State Street, in the City of Dover in the County of Kent, in the State of Delaware, 19901. The name of its registered agent at the address is the United States Corporation Company.

**THIRD :** The objects and purposes of the corporation are to engage in any lawful business and activity for which a corporation may be organized under the General Corporation Law of Delaware, including:

The corporation shall have the power to do any and all acts and things necessary or useful to its business and purposes, and shall have the general, specific and incidental powers and privileges granted to it by statute, including:

To enter into and perform contracts; to acquire and exploit patents, trademarks, rights of all kinds and related and other interests; to acquire, use, deal in and with, encumber and dispose of real and personal property without limitation including obligations and/or securities; to borrow and lend money for its corporate purposes; to invest and reinvest its funds, and take, hold and deal with real and personal property as security for the payment of funds loaned or invested, or otherwise; to vary any investment or employment of capital of the corporation from time to time; to create and/or participate with other corporations and entities for the performance of all undertakings, as partner, joint venturer, or otherwise, and to share or delegate control therewith or thereto.

To pay pensions and establish and carry out pension, profit sharing, stock option, stock purchase, stock bonus, retirement, benefit, incentive or commission plans, trust and provisions for any or all of its directors, officers and employees, and for any or all of the directors, officers and employees of its subsidiaries; and to provide insurance for its benefit on the life of any of its directors, officers or employees, or on the life of a stockholder for the purpose of acquiring at his death shares of its stock owned by such stockholder.

To invest in and merge or consolidate with any corporation in such manner as may be permitted by law; to aid in any manner any corporation whose stocks, bonds or other obligations are held or in any manner guaranteed by this corporation, or in which this corporation is in any way interested; to do any other acts or things for the preservation, protection, improvement or enhancement of the value of any such stock, bonds or other securities; and while owner of any such stock, bonds or other securities to exercise all the rights, powers and privileges of ownership thereof, and to exercise any and all voting powers thereon; and to guarantee the indebtedness of others and the payment of dividends upon any stock, the principal or interest or both of any bonds or other securities, and the performance of any contracts.

To do all and everything necessary, suitable and proper for the accomplishment of any of the purposes or the attainment of any of the objects or the furtherance of any of the powers hereinbefore set forth, either alone or in association with other corporations, firms, partnerships or individuals, and to do every other act and thing incidental or appurtenant to or growing out of or connected with the aforesaid business or powers or any part or parts thereof, to the extent permitted by the laws of Delaware under which this corporation is organized, and to do all such acts and things and conduct business and have one or more offices and exercise its corporate powers in any and all places, without limitation.

**FOURTH <sup>(2)</sup> :** The total number of shares of all classes which the corporation shall have the authority to issue is Ninety Million (90,000,000), consisting of Forty Million (40,000,000) shares of Class A Common Stock of the par value of \$0.10 per share (hereinafter called "Class A Common Stock"), Forty Million (40,000,000) shares of Class B Common Stock of the par value of \$0.10 per share (hereinafter called "Class B Common Stock"), and Ten Million (10,000,000) shares of preferred stock (hereinafter called "Preferred Stock") of the par value of \$0.10 per share.

The Board of Directors is authorized, subject to limitations prescribed by law and the provisions of this Article FOURTH, to provide for the issuance of the shares of Preferred Stock in series, and by filing a certificate pursuant to the applicable law of the State of Delaware, to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each series and the qualifications, limitations or restrictions thereof.

The authority of the Board with respect to each series shall include, but not be limited to, determination of the following:

- (a) The number of shares constituting that series and the distinctive designation of that series;
- (b) The dividend rate on the shares of that series, whether dividends shall be cumulative, and, if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends on shares of that series;
- (c) Whether that series shall have voting rights, in addition to the voting rights provided by law, and, if so, the terms of such voting rights;
- (d) Whether that series shall have conversion privileges, and, if the terms and conditions of such conversion, including provision for adjustment of the conversion rate in such events as the Board of Directors shall determine;
- (e) Whether or not the shares of that series shall be redeemable, and, if so, the terms and conditions of such redemption,

including the date or dates upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

(f) Whether that series shall have a sinking fund for the redemption or purchase of shares of that series, and, if so, the terms and amount of such sinking fund;

(g) The rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution or winding up of the corporation, and the relative rights of priority, if any, of payment of shares of that series;

(h) Any other relative rights, preferences and limitations of that series.

Dividends on outstanding shares of Preferred Stock shall be paid or declared and set apart for payment before any dividends shall be paid or declared and set apart for payment on the common shares with respect to the same dividend period.

If upon voluntary or involuntary liquidation, dissolution or winding up of the corporation, the assets available for distribution to holders of shares of Preferred Stock of all series shall be insufficient to pay such holders the full preferential amount to which they are entitled, then such assets shall be distributed ratably among the shares of all series of Preferred Stock in accordance with the respective preferential amounts (including unpaid cumulative dividends, if any) payable with respect thereto.

The powers, preferences and rights, and the qualifications, limitation and restrictions thereof, of each class of common stock, are as follows:

1. Voting :

(a) While any shares of Class B Common Stock are issued and outstanding, and subject to the provisions of the following paragraph (b), at every meeting of the stockholders every holder of Class A Common Stock shall be entitled to one (1) vote in person or by proxy for each share of Class A Common Stock standing in his name on the stock transfer records of the corporation, and every holder of Class B Common Stock shall be entitled to ten (10) votes in person or by proxy for each share of Class B Common Stock standing in his name on the stock transfer records of the corporation, provided that at every meeting of the stockholders called for the election of directors the holders of Class A Common Stock, voting separately as a class, shall be entitled to elect one-quarter (1/4) of the number of directors to be elected at such meeting. If one-quarter (1/4) of such number of directors is not a whole number, then the holders of Class A Common Stock, voting separately as a class, shall be entitled to elect the next higher whole number of directors to be elected at such meeting. The holders of Class B Common Stock voting as a class shall be entitled to elect the remaining number of directors constituting the full board. Directors elected by the holders of a Class of Common Stock, voting separately as a class, may be removed, with or without cause, only by a vote of the holders of a majority of the shares of such Class of Common Stock then outstanding, voting separately as a class. If, during the interval between annual meetings of stockholders for the election of directors, the number of directors who have been elected by the holders of either Class of Common Stock voting separately as a class shall, by reason of resignation, death or removal, be reduced, the vacancy or vacancies in the directors elected by the holders of such Class of Common Stock voting separately as a class shall be filled by a majority vote of the remaining directors representing such Class then in office, even if less than a quorum, and if not so filled within forty (40) days after the creation of such vacancy or vacancies, the Secretary of the corporation shall call a special meeting of the holders of such Class of Common Stock and such vacancy or vacancies shall be filled at such special meeting. Any director elected to fill any such vacancy by the remaining directors then in office may be removed from office by vote of the holders of a majority of the shares of the represented Class of Common Stock then outstanding, voting separately as a class.

(b) If, while any shares of Class B Common Stock are issued and outstanding, Herbert W. Karr shall cease to be a holder of Class B Common Stock, or if any "Conversion Event", as defined in subparagraph (c) of paragraph 4 below, shall occur as to Herbert W. Karr, then and in any such event (a "Change-over Event"), the number of directors which may be elected by each Class of Common Stock shall be adjusted as follows:

(i) Prior to the first annual meeting of stockholders following the first anniversary of the Changeover Event (the "Second Annual Meeting"), the holders of Class A Common Stock and Class B Common Stock shall be entitled to elect directors as provided in the preceding paragraph (a).

(ii) Commencing with the Second Annual Meeting, and prior to the annual meeting following the second anniversary of the Change-over Event (the "Third Annual Meeting"), the holders of Class B Common Stock shall be entitled to elect the largest whole number of directors which is equal to or less than five-eighths (5/8) of the full Board, and the holders of Class A Common Stock shall be entitled to elect the remaining directors.

(iii) Commencing with the Third Annual Meeting, and prior to the Conversion Date (defined hereinafter), the holders of Class B Common Stock shall be entitled to elect the largest whole number of directors which is equal to or less than one-half (1/2) of the full Board, and the holders of Class A Common Stock shall be entitled to elect the remaining directors.

(iv) At the close of business on the date (the "Conversion Date") that is sixty-one (61) days prior to the date on which the

annual meeting following the third anniversary of the Changeover Event would be held in accordance with the certificate of incorporation and the by-laws of the corporation, all issued and outstanding shares of Class B Common Stock, and all shares of Class B Common Stock held in treasury, shall be deemed to be converted into an equal number of shares of Class A Common Stock, immediately and without further action; and thereafter no share of Class B Common Stock shall be issued. Commencing on the Conversion Date and continuing thereafter, the holders of Class A Common Stock shall be entitled to elect all the directors of the corporation as provided in subparagraph (d) of this paragraph 1.

(c) At any time when the number of issued and outstanding shares of Class A Common Stock is less than 10% of the aggregate number of issued and outstanding shares of Common Stock of both Class A and Class B, then the provisions of the preceding paragraphs (a) and (b) shall not be applicable to the election of directors, and all holders of Common Stock of Class A and Class B shall be entitled to vote as a single class for the election of directors, with each share of Common Stock of either class having one (1) vote. Directors elected by the holders of both Classes of Common Stock may be removed, with or without cause, only by a vote of the holders of a majority of both Classes of Common Stock voting together as a single class.

(d) If and whenever there are no shares of Class B Common Stock issued and outstanding, every holder of Class A Common Stock shall be entitled to one (1) vote on all matters, including the election of directors, for each share of Class A Common stock standing in his name on the stock transfer records of the corporation.

(e) Every reference in this certificate of incorporation to a majority or other proportion of shares of stock shall refer to such majority or other proportion of the votes of such shares of stock of any applicable class.

## **2. Dividends.**

(a) No cash dividend shall be declared or paid with respect to shares of Class B Common Stock unless a cash dividend with respect to Class A Common Stock, equal in amount per share to one hundred ten per cent (110%) of the amount per share declared with respect to the Class B Common Stock, is declared and paid for the same dividend period.

(b) In the event of any stock split, stock dividend or similar adjustment to either Class of Common Stock, the voting rights and dividend preferences of such Class shall be proportionately adjusted to maintain the voting rights and dividend rights of the two Classes of Common Stock in the same proportions as they existed immediately prior to said adjustment; provided, no such proportionate adjustment shall be made on account of the 30% stock dividend (the "Exchange Offer Dividend") described in the Form S-4 registration statement of the corporation filed with the Securities and Exchange Commission in October 1985.

(c) In the event of any stock split, stock dividend (other than the Exchange Offer Dividend) or similar adjustment to either Class of Common Stock, the Offer Price (as defined in subparagraph (b) of paragraph 4) and the conversion ratio for the conversion of Class B Common Stock into Class A Common Stock shall be equitably adjusted by the Board of Directors.

## **3. Restrictions on Transfer.**

(a) No person holding shares of Class B Common Stock (hereinafter called a "Class B Holder") may transfer, and the corporation shall not register the transfer of such shares of Class B Common Stock, whether by sale, assignment, gift, bequest, appointment or otherwise, except to a Permitted Transferee of such Class B Holder, which term shall have the following meanings:

(i) Except as provided in the following clause (ii), "Permitted Transferee" shall mean only a person who, immediately before the registration of any such Transfer, is a holder of record of one or more shares of Class B Common Stock.

(ii) With respect to shares of Class B Common Stock which are the subject of the Shareholders' Agreement dated as of December 1, 1985 among the corporation, Herbert W. Karr ("Karr"), J.P. London ("London"), and certain other holders of Class B Common Stock (the "Shareholders' Agreement"), "Permitted Transferee" shall mean a person to whom, in the opinion of counsel to the corporation, shares of Class B Common Stock may be transferred in conformity with the provisions of the Shareholders' Agreement.

(b) Notwithstanding anything to the contrary set forth herein, any Class B Holder may pledge such Holder's shares of Class B Common Stock to a pledgee pursuant to a bona fide pledge of such shares as collateral security for indebtedness due to the pledgee, provided that such shares shall not be transferred to or registered in the name of the pledgee and shall remain subject to the provisions of this paragraph 3. In the event of foreclosure or other similar action by the pledgee, or the transfer, pursuant to an attachment, lien or similar process, of Class B Common Stock to a bona fide creditor of any Class B Holder in satisfaction of an obligation owed to said creditor, such shares of Class B Common Stock must, as soon as reasonably practicable, be either (i) transferred to a Permitted Transferee of the pledger or creditor or (ii) converted into shares of Class A Common Stock, as the pledgee or creditor may elect, in accordance with the restrictions on transfer and conversion as stated herein.

(c) Any purported transfer of shares of Class B Common Stock not permitted hereunder shall be void and of no effect, and the purported transferee shall have no rights as a stockholder of the corporation and no other rights against or with respect to the corporation. The corporation may, as a condition to the transfer or the registration of transfer of shares of Class B Common Stock to a

purported Permitted Transferee, require the furnishing of such affidavits or other proof as it deems necessary to establish that such transferee is a Permitted Transferee. The corporation may note on the certificates for shares of Class B Common Stock the restrictions on transfer and registration of transfer set forth in this paragraph 3.

#### 4. Conversion of Class B to Class A.

(a) Each share of Class B Common Stock may at any time be converted into one (1) fully paid and nonassessable share of Class A Common Stock subject to the provisions of this paragraph 4. Such right shall be exercised by the surrender to the corporation of the certificate representing such share of Class B Common Stock to be converted, at any time during normal business hours at the principal executive offices of the corporation, or if an agent for the registration of transfer of shares of Class B Common Stock is then duly appointed and acting (said agent being hereinafter called the "Transfer Agent") then at the office of the Transfer Agent, accompanied by (i) a written notice of the election by the holder thereof to convert, (ii) evidence satisfactory to the corporation's counsel of compliance with the provisions of the following paragraph (b), and (iii) (if so required by the corporation or the Transfer Agent) instruments of transfer in form satisfactory to the corporation and to the Transfer Agent, duly executed by such holder or his duly authorized attorney, and transfer tax stamps or funds therefor, if required pursuant to subparagraph (i) below.

(b) No share of Class B Common Stock shall be converted to Class A Common Stock unless the holder thereof has first offered to sell that share to the other Class B Holders and to the corporation, as follows:

(i) The Class B Holder wishing to convert (the "Converting Holder") shall give to the Secretary of the corporation a written notice (the "Notice") to that effect, which Notice shall be deemed to constitute an offer to sell, to the Offerees, at the Offer Price and upon the terms and conditions hereinafter set forth, the Class B shares that the Converting Holder proposes to convert (the "Offered Shares"). As promptly as practicable after the date on which he receives the Notice (the "Date of Receipt"), and in any event not more than five (5) days after the Date of Receipt, the Secretary shall (x) establish a record date not more than sixty (60) days prior to the Date of Receipt for purposes of determining the record holders of Class B Common Stock entitled to purchase their *pro rata* portion of the Offered Shares (the "Offerers"), and (y) give written notice simultaneously to all Offerees, informing each Offeree of the Converting Holder's offer to sell to that Offeree a *pro rata* portion of the Offered Shares, at an "Offer Price" per share equal to the mean between the high and low prices (or, if applicable, the mean between the closing bid and asked prices) for Class A Common Stock, as reported by NASDAQ or by any national securities exchange on which the Class A Common Stock is listed, on the business day immediately preceding the Date of Receipt. Simultaneous notice shall be deemed to have been given to all Offerees on the date (the "Offer Date") on which the Secretary sends to all Offerees, by delivery in hand or by deposit in the United States mail, registered or certified and postage prepaid, addressed to each Offeree at that Offeree's address appearing in the corporation's stock records as of the applicable record date, written notice as aforesaid. For purposes of this paragraph (b), the *pro rata* portion of Offered Shares to be offered to each Offeree shall be determined by the proportion that the amount of shares held of record by that Offeree as of the applicable record date bears to the aggregate amount of shares held of record by all Offerees as of that record date; provided, that the Secretary may apply rounding to avoid offering fractional shares.

(ii) Each Offeree may elect to purchase any or all of the shares offered to him by giving written notice thereof to the Secretary and the Converting Holder within fifteen (15) days after the Offer Date. Any shares so purchased shall be delivered against tender of the Offer Price in cash, certified or bank check, or wire transfer within seven (7) days after the giving of notice by the Offeree.

(iii) Commencing on the sixteenth (16th) day after the Offer Date, and continuing for fifteen (15) days until and including the thirtieth day after the Offer Date, the Notice given by the Converting Holder pursuant to the preceding clause (i) shall be deemed to constitute an offer to sell to the corporation at the Offer Price any and all of the Offered Shares that have been offered to but not accepted by the Offerees. The corporation may elect to purchase any or all of the Offered Shares within the fifteen (15) days described in the immediately preceding sentence.

(iv) Any shares of Class B Common Stock which have been offered to and have not been purchased by the Offerees and the Company, as provided in the preceding clauses (i)-(iii), shall be converted to shares of Class A Common Stock.

(c) Except as provided in clause (ii) of this paragraph (c), upon the occurrence of a Conversion Event, as defined in clause (i) of this paragraph (c), any and all shares of Class B Common Stock held by the shareholder as to whom the Conversion Event occurs shall be converted immediately and without further action into an equal number of shares of Class A Common Stock. Thereafter, any outstanding certificate representing any shares of Class B Common Stock so converted shall represent the corresponding shares of Class A Common Stock; and any holder of any such certificate shall be entitled to surrender it for issue of a certificate or certificates for shares of Class A Common Stock as provided in subparagraph (f) of this paragraph 4.

(i) A "Conversion Event" shall mean, as to any holder of Class B Common Stock, his death, or his permanent mental incapacity, or his being adjudged bankrupt, or the appointment of any receiver, agent, or other custodian of all or any part of his property that may include Class B Common Stock under any insolvency or similar law of any jurisdiction.

(ii) A Conversion Event shall not result in automatic conversion of any shares under this paragraph (c) if, before the occurrence of the Conversion Event, the affected shareholder had entered into a binding agreement to sell those shares (including a binding option to sell) to any Permitted Transferee, as defined in paragraph 3 of this Article FOURTH; provided, however, that if the sale is not consummated within sixty (60) days after the Conversion Event, then the shares shall be automatically converted as

provided in this paragraph (c).

(d) If and whenever the aggregate amount of shares of Class B Common Stock held of record by Karr and London, plus the number of shares of Class B Common Stock which Karr or London has a present or future right to acquire pursuant to a binding agreement, is less than twenty-five percent (25%) of the total amount of issued and outstanding Class B Common Stock, plus the number of shares of Class B Common Stock which Karr or London has a present or future right to acquire pursuant to a binding agreement, then all issued and outstanding shares of Class B Common Stock, and all shares of Class B Common Stock held in treasury, shall be deemed to be converted into an equal number of shares of Class A Common Stock, immediately and without further action; and thereafter no share of Class B Common Stock shall be issued.

(e) The Board of Directors may at any time declare that each issued and outstanding share of Class B Common Stock is converted into 1.3 shares of Class A Common Stock, immediately and without further action, if the Board determines that such action is in the best interest of the stockholders generally. Without limiting the generality of the foregoing, the Board may do so if it determines that the existence of classes of shares with unequal voting power substantially impairs the maintenance of a public market for shares of Class A Common Stock. The Board may make reasonable provision to avoid conversion into fractional shares, including without limitation provision for rounding of conversion amounts, or for payment of cash in lieu of fractional shares.

(f) As promptly as practicable after the surrender for conversion of a certificate representing shares of Class B Common Stock, the corporation will deliver or cause to be delivered at the office of the Transfer Agent to or upon the written order of the holder of such certificate, a certificate or certificates representing the number of full shares of Class A Common Stock issuable upon such conversion, issued in such name or names as such holder may direct. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of the surrender of the certificate representing shares of Class B Common Stock, and all rights of the holder of such shares as such holder shall cease at such time and the person or persons in whose name or names the certificate or certificates representing the shares of Class A Common Stock are to be issued shall be treated for all purposes as having become the record holder or holders of such shares of Class A Common Stock at such time; provided, however, that any such surrender and payment on any date when the stock transfer books of the corporation shall be closed shall constitute the person or persons in whose name or names the certificate or certificates representing shares of Class A Common Stock are to be issued as the record holder or holders thereof for all purposes immediately prior to the close of business on the next succeeding day on which such stock transfer books are open.

(g) No adjustments in respect of dividends shall be made upon the conversion of any share of Class B Common Stock; provided, however, that if a share shall be converted subsequent to the record date for the payment of a dividend or other distribution on shares of Class B Common Stock but prior to such payment, the registered holder of such share at the close of business on such record date shall be entitled to receive the dividend or other distribution payable on such share on the payment date notwithstanding the conversion thereof or the corporation's default in payment of the dividend due on the payment date.

(h) The corporation covenants that it will at all times reserve and keep available, solely for the purpose of issue upon conversion of the outstanding shares of Class B Common Stock, such number of shares of Class A Common Stock as shall be issuable upon the conversion of all such outstanding shares; provided, that nothing contained herein shall be construed to preclude the corporation from satisfying its obligations in respect of the conversion of the outstanding shares of Class B Common Stock by delivery of purchased shares of Class A Common Stock which are held in the treasury of the corporation. The corporation covenants that if any shares of Class A Common Stock, required to be reserved for purposes of conversion hereunder, require registration with or approval of any governmental authority under any federal or state law before such shares of Common Stock may be issued upon conversion the corporation will cause such shares to be duly registered or approved, as the case may be. The corporation will endeavor to list the shares of Class A Common Stock required to be delivered upon conversion prior to such delivery upon each national securities exchange, if any, upon which the outstanding Class A Common Stock is listed at the time of such delivery. The corporation covenants that all shares of Class A Common Stock which shall be issued upon conversion of the shares of Class B Common Stock will, upon issue, be fully paid and nonassessable and not subject to any preemptive rights.

(i) The issuance of certificates for shares of Class A Common Stock upon conversion of shares of Class B Common Stock, shall be made without charge for any stamp or other similar tax in respect of such issuance. However, if any such certificate is to be issued in a name other than that of the holder of the share or shares of Class B Common Stock converted, the person or persons requesting the issuance thereof shall pay to the corporation the any tax which may be payable in respect of any FIF transfer involved in such issuance or shall establish to the satisfaction of the corporation that such tax has been paid.

## **5. Further Issue.**

(a) Except as otherwise provided in this paragraph 5, the directors may at any time and from time to time issue shares of authorized and unissued Class A Common Stock and Class B Common Stock upon such terms and for such lawful consideration as they may determine.

(b) If any Change-over Event (as defined in subparagraph (b) of paragraph 1 above) shall occur, then and thereafter no share of Class B Common Stock shall be issued except pursuant to the conversion or exercise, as the case may be, of convertible securities, options, warrants or other rights to acquire such shares that were outstanding or in existence on the date of the Change-over Event.



(c) After the completion of the contemplated exchange offer described in the Form S-4 registration statement of the corporation filed with the Securities and Exchange Commission in October 1985, no share of authorized and unissued Class B Common Stock, no security convertible into or exchangeable for shares of Class B Common Stock, and no option, warrant or other right to subscribe for, purchase or otherwise acquire shares of Class B Common Stock shall be issued except with the approval of the holders of a majority of the issued and outstanding shares of Class B Common Stock, voting as a class. The issuance of Class B Common Stock pursuant to the conversion or exercise of convertible securities, options, warrants or other rights previously approved in accordance with the preceding sentence shall not require additional approval at the time of such conversion or exercise.

(d) After the completion of the contemplated exchange offer described in the Form S-4 registration statement of the corporation filed with the Securities and Exchange Commission in October 1985, no more than five million (5,000,000) shares of authorized and unissued Class B Common Stock shall be issued except with the approval of the holders of a majority of the issued and outstanding shares of Class A Common Stock, voting as a class; provided, however, that the following shares of Class B Common Stock shall not be included in the limitation provided in this paragraph (d):

(i) previously issued and reacquired shares sold by the Company from treasury shares;

(ii) shares issued and sold in exchange for a like number of shares of Class A Common Stock or issued and sold for a consideration per share not less than the fair market value of Class A Common Stock, determined as the mean between the high and low prices (or, if applicable, the mean between the closing bid and asked prices) for Class A Common Stock, as reported by NASDAQ or by any national securities exchange on which Class A Common Stock is listed, on the business day of the issuance;

(iii) shares issued in connection with a stock split, stock dividend, or other similar *pro rata* distribution made on substantially equivalent terms to holders of Class A Common Stock and holders of Class B Common Stock; and

(iv) shares issued pursuant to the terms of an employee stock incentive plan or similar employee benefit plan of the corporation.

6. No Preemptive Rights. No stockholder of the corporation shall be entitled as of right to subscribe for, purchase, or take any part of any new or additional issue of stock of any class.

7. Liquidation. Except as otherwise provided in this Article FOURTH, shares of Common Stock of Class A and Class B shall be equal in right. Without limiting the generality of the foregoing, all shares of Common Stock of Class A and Class B shall be entitled to share equally and ratably in the proceeds of any liquidation of the corporation.

**FIFTH :** The corporation is to have perpetual existence.

**SIXTH :** The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever and they shall not be personally liable for the payment of the corporation's debts except as they may be liable by reason of their own conduct or acts.

**SEVENTH (3) :** The following provisions are inserted for the management of the business and for the conduct of the affairs the corporation, and for further definition, limitation and regulation of the powers of the corporation and of its directors and stockholders.

(1) The number of directors comprising the Board of Directors of the corporation shall be such as from time to time shall be fixed by or in the manner provided in the by-laws, but shall not be less than five (5). Election of directors need not be by ballot unless the by-laws so provide.

(2) The Board of Directors shall have the power, unless and to the extent that the Board may from time to time by Resolution relinquish or modify the power, without the assent or vote of the stockholders:

(a) To make, alter, amend, change, add to, or repeal the by-laws of the corporation, except any by-law which pursuant to law or the by-laws of the corporation is required to be adopted, amended or repealed by the stockholders; to fix and vary the amount of capital of the corporation to be reserved for any proper purpose; to authorize and cause to be executed mortgages and liens upon all or any part of the property of the corporation; to determine the use and disposition of any surplus or net profits; and to fix the times for the declaration and payments of dividends, and

(b) To determine from time to time whether, and to what extent, and at what times and places, and under what conditions and regulations, the accounts and books of the corporation (other than the stock ledger) or any of them shall be open to the inspection of the stockholders.

(3) The Board of Directors in its discretion may submit any contract or act for approval or ratification at any annual meeting of the stockholders or at any meeting of the stockholders called for the purpose of considering such act or contract, and any contract or act that shall be approved or be ratified by the vote of the holders of a majority of the stock of the corporation which is represented in

person or by proxy at such meeting and entitled to vote thereat (provided that a lawful quorum of stockholders be there represented in person or by proxy) shall be as valid and binding upon the corporation and upon all stockholders as though it had been approved or ratified by every stockholder of the corporation, whether or not the contract or act would otherwise be open to legal attack because of directors' interest, or for any other reason.

(4) No contract or transaction between this corporation and one or more of its directors or officers, or between this corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason or solely because the director or officer is present at or participates in the meeting of the board or committee thereon which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if the contract or transaction is fair as to the corporation and/or if the material facts relating thereto are disclosed to and/or known by the directors and/or stockholders and/or approved thereby, pursuant to Section 144 of Title 8 of the Delaware Code.

(5) In addition to the powers and authorities hereinbefore or by statute expressly conferred upon them, the Board of Directors is hereby empowered to exercise all such powers and to do all such acts and things as may be exercised or done by the corporation; subject, nevertheless, to the provisions of the statutes of Delaware, of this certificate, and to any by-laws from time to time made by the stockholders; provided, however, that no by-law so made shall invalidate any prior act of the Board which would have been valid if such by-law had not been made.

(6) No director of the Board of Directors of the corporation shall be held liable for the monetary damages for breach of fiduciary duty while acting as a director on behalf of the corporation, except for:

1. Breach of the director's duty of loyalty to the corporation or its stockholders;
2. Acts or omissions not committed in good faith;
3. Acts or omissions which involve intentional misconduct or a knowing violation of law;
4. Acts taken in violation of Section 174 of Title 8, Delaware Code, as amended from time to time (dealing with the distribution of dividends and stock repurchases); or
5. Transactions from which the director derived an improper personal benefit.

**EIGHTH :** <sup>(3)</sup> The corporation may, to the full extent permitted by Section 145 of the Delaware General Corporation Law, as amended from time to time, indemnify or advance the expenses of all persons whom it may indemnify or for whom it may advance expenses.

**NINTH :** Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this corporation or of any receiver or receivers appointed for this corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this corporation, as the case may be, and also on this corporation.

**TENTH :** The corporation reserves the right to amend, alter, change or repeal any provision contained in this certificate of incorporation in the manner now or hereafter prescribed by law, and all rights and powers conferred herein on stockholders, directors and officers are subject to this reserved power.

**ELEVENTH :** The name(s) and addresses of the incorporator(s) are as follows:

Charles P. Revoile

1815 North Fort Myer Drive  
Arlington, Virginia 22209

The powers of the incorporators shall terminate upon filing the certificate of incorporation, and the name and address of each person who is to serve as a director until the first annual meeting of stockholders or until his or their successors are elected and qualify, shall be as follows:

Joseph S. Annino	1815 North Fort Myer Drive Arlington, Virginia 22209
J. H. Berkson	1815 North Fort Myer Drive Arlington, Virginia 22209
Herbert W. Karr	1815 North Fort Myer Drive Arlington, Virginia 22209
J. P. London	1815 North Fort Myer Drive Arlington, Virginia 22209
Robert F. McIntosh	1815 North Fort Myer Drive Arlington, Virginia 22209
Warren R. Phillips	1815 North Fort Myer Drive Arlington, Virginia 22209
John DeNigris	1815 North Fort Myer Drive Arlington, Virginia 22209

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 3rd day of October, 1985.

/s/ (L.S.)

Charles P. Revoile

(1) Name changed from CACI Worldwide, Inc. to CACI, Inc. by Amendment to the Certificate of Incorporation dated June 2, 1986; and from CACI, Inc. to CACI International Inc by Amendment to the Certificate of Incorporation dated December 23, 1986.

(2) Article FOURTH amended December 23, 1986.

(3) Article SEVENTH (6) and Article EIGHTH amended December 23, 1986.

Exhibit 3.2

Amended as of March 16, 2000

**BY-LAWS  
of  
CACI International Inc  
(a Delaware Corporation)**

**ARTICLE I.  
OFFICES**

**Section 1. PRINCIPAL OFFICE.** The principal office for the transaction of business of the Corporation is hereby fixed and located at 1100 North Glebe Road, County of Arlington, Commonwealth of Virginia. The Board of Directors is hereby granted full power and authority to change said principal office from one location to another in said County.

**Section 2. OTHER OFFICES.** Branch of subordinate offices may at any time be established by the Board of Directors at any place or places where the Corporation is qualified to do business.

**ARTICLE II.  
MEETING OF SHAREHOLDERS**

**Section 1. PLACE OF MEETINGS.** All annual and other meetings of shareholders shall be held either at the principal office of the Corporation or at any other place which may be designated either by the Board of Directors pursuant to authority hereafter granted to

said Board, or by written consent of all shareholders entitled to vote thereat, given either before or after the meeting and filed with the Secretary of the Corporation.

**Section 2. ANNUAL MEETING.** The annual meetings of the shareholders shall be held on the third Friday of October of each year, at 9:00 o'clock a.m. or at such other date and time, not inconsistent with Delaware law, as may be approved by the Board of Directors; provided, however, should said day fall upon a legal holiday, then such annual meeting of shareholders shall be held at the same time and place on the next day thereafter which is not a legal holiday.

Written notice of each annual meeting shall be given to each shareholder entitled to vote thereat, either personally or by mail or other means of written communication, charges prepaid, addressed to such shareholder at his or her address appearing on the books of the Corporation or given by him or her to the Corporation for the purpose of notice. If a shareholder gives no address, notice shall be deemed to have been given him or her if sent by mail or other means of written communication addressed to the place where the principal office of the Corporation is situated, or if published at least once in some newspaper of general circulation in the county in which said office is located. All such notices shall be sent to such shareholder entitled thereto, not less than twenty (20) days nor more than sixty (60) days before such annual meeting, and shall specify the place, day, and hour of such meeting, and shall also state the general nature of the business or proposal to be considered or acted upon at such meeting before action may be taken at such meeting on:

- (a) A proposal to sell, lease, convey, exchange, transfer, or otherwise dispose of all or substantially all of the property or assets of the Corporation, except under Section 272 of the Delaware General Corporation Law, and except for a transfer to a wholly-owned subsidiary;
- (b) A proposal to merge or consolidate with another corporation, domestic or foreign;
- (c) A proposal to reduce the stated capital of the Corporation;
- (d) A proposal to amend the Articles of Incorporation;
- (e) A proposal to wind up and dissolve the Corporation; and
- (f) A proposal to adopt a plan of distribution of shares, securities, or any consideration other than money in the process of winding up.

**Advance Notice of Stockholder Proposed Business at Annual Meeting** At an Annual Meeting of the Shareholders, only such business shall be conducted as shall have been properly brought before the meeting:

- (a) As specified in the notice of the meeting (or any supplement thereto);
- (b) By, or at the direction of, the Board of Directors; or
- (c) Otherwise properly brought before the meeting by a stockholder.

In addition to any other applicable requirements, for business to be properly brought before an Annual Meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the offices of the Secretary of the Corporation, not less than one hundred fifty (150) days prior to the first anniversary of the date of the last Annual Meeting of stockholders of the Corporation. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder purposes to bring before the Annual Meeting (i) a brief description of the business desired to be brought before the Annual Meeting and reasons for conducting such business at the Annual Meeting; (ii) the name and record address of the stockholder proposing such business; (iii) the class and number of shares of the Corporation which are beneficially owned by the stockholder; and (iv) any material interest of the stockholder in such business.

Notwithstanding anything in the By-laws to the contrary, no business shall be conducted at the Annual Meeting except in accordance with the procedures set forth in this section, provided, however, that nothing in this section shall be deemed to preclude discussion by any stockholder of any business properly brought before the Annual Meeting in accordance with said procedure.

The Chairman of the Annual Meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this section, and if he should so determine, he shall so declare to the meeting that any such business not properly brought before the meeting shall not be transacted.

**Section 3. SPECIAL MEETINGS.** Special Meetings of the shareholders, for any propose or purposes whatsoever, may be called any time by the Chairman of the Board, the President, or by the Board of Directors. Except in special cases where other express provision is made by statute, notice of such special meetings shall be given in the same manner as for annual meetings of shareholders.

Notices of any special meeting shall specify, in addition to the place, day and hour of such meeting, the general nature of the business to

be transacted.

**Section 4. ADJOURNED MEETINGS AND NOTICE THEREOF.** Any shareholders' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by vote of a majority of the shares, the holders of which are either present in person or by proxy, but in the absence of a quorum, no other business may be transacted at such meeting.

When any shareholders' meeting, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. In all other instances of adjournment, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

**Section 5. ENTRY OF NOTICE.** Whenever any shareholder entitled to vote has been absent from any meeting or shareholders, whether annual or special, an entry in the minutes to the effect that notice has been duly given shall be sufficient evidence that due notice of such meeting was given to such shareholder, as required by the law and the By-laws of the Corporation.

**Section 6. VOTING.** At all meetings of shareholders, every shareholder entitled to vote shall have the right to vote in person or by proxy the number of shares standing in his or her name on the stock records of the Corporation. Such vote may be given *viva voce* or by ballot; provided, however, that all elections for directors must be by ballot upon demand made by a shareholder at any election and before the voting begins.

**Section 7. QUORUM.** The presence in person or by proxy of the holders of a majority of the shares entitled to vote at any meeting shall constitute a quorum for the transaction of business. The shareholders present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum. When a quorum is present at any meeting, a majority in interest of the stock represented thereat shall decide any question brought before such meeting, unless the question is one upon which by express provision of law, the Articles of Incorporation, or these By-laws, a larger or different vote is required, in which case such express provision shall govern and control the decision of such question.

**Section 8. CONSENT OF ABSENTEES.** The proceedings and transactions of any meeting of shareholders, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the shareholders entitled to vote, not present in person or by proxy, sign a written waiver of notice, a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made apart of the minutes of the meeting.

**Section 9. ACTION WITHOUT MEETING.** Any action, which under the provisions of Section 228 of the Delaware General Corporation Law may be taken at a meeting of the shareholders, may be taken without a meeting if authorized by a writing signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at any meeting at which all shares entitled to vote thereon were present and voted, and filed with the Secretary of the Corporation.

Consents to corporate action shall be valid for a maximum of sixty (60) days after the date of the earliest dated consent delivered to the corporation in the manner provided in Section 228(c) of the Delaware General Corporation Law. Consents may be revoked by written notice (i) to the Corporation, (ii) to the stockholder or stockholders soliciting consents or soliciting revocations in opposition to action by consent (the "Soliciting Stockholders"), or (iii) to a proxy solicitor or other agent designated by the Corporation or the Soliciting Stockholders.

Within ten (10) business days after receipt of the earliest dated consent delivered to the Corporation in the manner provided in Section 228(c) of the Delaware General Corporation Law or the determination by the Board of Directors of the Corporation that the Corporation should seek corporate action by written consent, as the case may be, the Secretary of the Corporation shall engage nationally recognized independent inspectors of elections for the purpose of performing a ministerial review of the validity of the consents and revocations. The cost of retaining inspectors of election shall be borne by the Corporation.

Following appointment of the inspectors, consents and revocations shall be delivered to the inspectors upon receipt by the Corporation, the Soliciting Stockholders or their proxy solicitors or other designated agents. As soon as practicable following the earlier of (i) the receipt by the inspectors, a copy of which shall be delivered to the Corporation, of any written demand by the Soliciting Stockholders, or (ii) sixty (60) days after the date of the earliest dated consent delivered to the Corporation in the manner provided in Section 228(c) of the Delaware General Corporation Law, the inspectors shall issue a preliminary report to the Corporation and the Soliciting Stockholders stating the number of valid and unrevoked consents and whether, based on their preliminary count, the requisite number of valid and unrevoked consents has been obtained to authorize or take the action specified in the consents.

Unless the Corporation and the Soliciting Stockholders shall agree to a shorter or longer period, the Corporation and the Soliciting Stockholders shall have 48 hours to review the consents and revocations and to advise the inspectors and the opposing party in writing as to whether they intend to challenge the preliminary report of the inspectors. If no written notice of an intention to challenge the preliminary report is received within 48 hours after the inspectors' issuance of the preliminary report, the inspectors shall issue to the Corporation and the Soliciting Stockholders their final report containing the information from the inspectors' determination with

respect to whether the requisite number of valid and unrevoked consents was obtained to authorize and take the action specified in the consents. If the Corporation or the Soliciting Stockholders issue written notice of an intention to challenge the inspectors' preliminary report within 48 hours after the issuance of that report, a challenge session shall be scheduled by the inspectors as promptly as practicable. Following completion of the challenge session, the inspectors shall as promptly as practicable issue their final report to the Soliciting Stockholders and the Corporation, which report shall contain the information included in the preliminary report, plus any change in the vote total as a result of the challenge and certification of whether the requisite number of valid unrevoked consents was obtained to authorize or take the action specified in the consents.

**Section 10. PROXIES.** Every person entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such person or his or her duly authorized agent and filed with the Secretary of the Corporation; provided, that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution, unless the shareholder executing it specifies therein the length of time for which such proxy is to continue in force, which in no case shall exceed seven (7) years from the date of its execution.

### **ARTICLE III. DIRECTORS**

**Section 1. POWERS.** Subject to limitations of the Articles of Incorporation, of the By-laws, and particularly Article II, Section 6 of these By-laws, and Section 141 of the Delaware General Corporation Law as to action to be authorized or approved by the shareholders, and subject to the duties of directors as prescribed by the By-laws, all corporate power shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be controlled by, the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the directors shall have the following powers, to-wit:

*First* : To select and remove all other officers, agent, and employees of the Corporation, prescribe such powers and duties for them as may not be inconsistent with law, the Articles of Incorporation or by By-laws, fix their compensation, and require from them security for faithful service.

*Second* : To conduct, manage, and control the affairs and business of the Corporation, and to make such rules and regulations therefore not inconsistent with law, the Articles of Incorporation or the By-laws, as they may deem best.

*Third* : To change the principal office for the transaction of the business of the Corporation from one location to another within the same county as provided in Article I, Section 1 hereof; to fix and locate from time to time, one or more branch or subsidiary offices of the Corporation within or without the State of Delaware as provided in Article I, Section 2 hereof; to designate any place within or without the State of Delaware for the holding of any shareholders' meetings; and to adopt, make, and use a corporate seal, and to prescribe the form of certificates of stock, and to alter the form of such seal and of such stock certificates from time to time, as in their judgment they may deem best; provided, such seal and such certificates shall at all times comply with the provisions of the law.

*Fourth* : To authorize the issuance of stock of the Corporation from time to time, upon such terms as may be lawful, in consideration of money paid, labor done, or services actually rendered, debts or securities canceled, or tangible or intangible property actually received, or in case of shares issued as a dividend, against amounts transferred from surplus to stated capital.

*Fifth* : To borrow money and incur indebtedness for the purposes of the Corporation and to cause to be executed and delivered therefore, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidence of debt and securities therefore.

*Sixth* : To appoint an executive committee and other committees, and to delegate to the executive committee any of the powers and authority of the Board in the management of the business and affairs of the Corporation, except the power to declare dividends and to adopt, amend, or repeal By-laws. The executive committee shall be composed of two or more directors.

*Seventh* : To impose such restriction(s) on the transfer of the stock of the Corporation, specifically including by way of illustration only, and not of limitation, e.g., the requirement that such stock not be transferable on the books of the Corporation except with a simultaneous transfer of the stock of any other corporation(s), as is or may be permitted by law, and to remove any such restriction(s) thereon.

**Section 2. NUMBER AND QUALIFICATIONS OF DIRECTORS.** The authorized number of directors of the Corporation shall be a number between nine (9) and eleven (11) inclusive, as the Board of Directors from time to time by vote of a supermajority (a majority plus one) may set, until changed by amendment of the Articles of Incorporation or by a by-law amending this Section 2, Article III of these By-laws duly adopted by the vote or written assents of the shareholders entitled to exercise fifty-one percent (51%) of the voting power of the Corporation.

**Section 3. ELECTION AND TERM OF OFFICE.** The directors shall be elected at each annual meeting of the shareholders, but if any such annual meeting is not held, or the directors are not elected thereat, the directors may be elected at any special meeting of the shareholders held for that purpose. All directors shall hold office at the pleasure of the shareholders or until their respective successors

are elected. The shareholders may at any time, either at a regular or special meeting, remove any director and elect his or her successor.

**NOMINATIONS OF DIRECTORS.** Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors. Nominations of candidates for election as directors of the Corporation at any meeting of shareholders may be made (a) by, or at the direction of, a majority of the Board of Directors, or (b) by any shareholder of that class of stock entitled to vote for the election of directors of that class of stock. Only persons nominated in accordance with the procedures set forth in this section shall be eligible for election as directors. Such nomination, other than those made by, or at the direction of the board, shall be made pursuant to timely notice in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the office of the Secretary of the Corporation not less than one hundred fifty (150) days prior to the first anniversary of the date of the last meeting of stockholders of the Corporation called for the election of directors. Such stockholder's notice to the Secretary shall set forth (a) as to each person whom the stockholder proposes to nominate for election or reelection as a director: (i) the name, age, business address, and residence address of the person; (ii) the principal occupation of the employment of the person; (iii) the class and number of shares of capital stock of the Corporation which are beneficially owned by the person; and (iv) any other information related to the person that is required to be disclosed in solicitations for proxies for elections of directors pursuant to Rule 14a under the Securities Exchange Act of 1934, as amended; and (b) as to the stockholder giving the notice: (i) the name and record address of the stockholder, and (ii) the class and number of shares of capital stock of the Corporation which are beneficially owned by the stockholder. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as director of the Corporation. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth herein.

The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting that the defective nomination shall be disregarded.

**Section 4. VACANCIES.** Vacancies in the Board of Directors may be filled by the remaining directors, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office until his or her successor is elected at an annual or special meeting of the shareholders.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in case of the death, resignation, or removal of any director, or if the authorized number of directors be increased, or if the shareholders fail at any annual or special meeting of the shareholders at which any director or directors are elected, to elect the full authorized number of directors to be voted for at that meeting.

The shareholders may elect a director of directors at any time to fill any vacancy or vacancies of a director tendered to take effect at a future time; the Board or the shareholders shall have the power to elect a successor to take office when the resignation is to become effective.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of his or her term of office.

**Section 5. PLACE OF MEETING.** Regular meetings of the Board of Directors shall be held at any place within or without the State of Delaware which has been designated from time to time by resolution of the Board or by written consent of all members of the Board. In the absence of such designation, regular meetings shall be held at the principal office of the Corporation. Special meetings of the Board may be held either at a place so designated or at the principal office.

**Section 6. ORGANIZATION MEETING.** Immediately following each annual meeting of shareholders, the Board of Directors shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business. Notice of such meetings is hereby dispensed with.

**Section 7. OTHER REGULAR MEETINGS.** Other regular meetings of the Board of Directors shall be held on the third Friday of January, April, and July of each year at 9:00 o'clock a.m. thereof; provided, however, that should said day fall upon a legal holiday, then said meeting shall be held at the same time and place on the next day thereafter which is not a legal holiday. Notice of regular meetings of the Board of Directors is required and shall be given in the same manner as notice of special meetings of the Board of Directors.

**Section 8. SPECIAL MEETINGS.** Special meetings of the board of Directors for any purpose or purposes may be called at any time by the Chairman of the Board, by the Executive Committee, or by any three (3) members of the Board.

Written notice of the time and place of special meetings shall be delivered personally to the directors or sent to each director by mail or other form or written communication, charges prepaid, addressed to him or her at his or her address as it is shown upon the records of the Corporation, or if it is not shown on such records or is not readily ascertainable, at the place in which the meetings of the directors are regularly held. In case such notice is mailed or telegraphed, it shall be deposited in the U.S. Mail or delivered to the telegraph company in the place in which the principal office of the Corporation is located at least one hundred twenty (120) hours prior to the time of holding of the meeting. In case such notice is delivered personally as above provided, it shall be so delivered at least forty eight

(48) hours prior to the time of the holding of the meeting. Such mailing, telegraphing, or delivery as above provided, shall be due, timely, legal and personal notice to such director.

**NOTICE FOR A PARTICULAR SPECIFIED ACTION** . Notwithstanding the above requirements for regular or special meetings, the Chairman of the Board, the Chief Executive Officer, or any two directors may require at least thirty (30) calendar days notice of any action, by writing delivered to the Secretary of the Corporation, before or during any regular or special meeting, and if such notice is given, no vote or written consent may be taken upon such action until the passage of such time (at another special meeting or by written consent). Provided, however, if eighty percent (80%) of the directors agree to waive such notice, the meeting or vote of consent on such action shall proceed without the requirement for extended notice.

**Section 9. NOTICE OF ADJOURNMENT.** Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned.

**Section 10. ENTRY OF NOTICE.** Whenever any director has been absent from any special meeting of the Board of Directors, any entry in the minutes as to the effect that notice has been duly given shall be sufficient evidence that due notice of such special meeting was given to such director, as required by law and the By-laws of the Corporation.

**Section 11. WAIVER OF NOTICE.** The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if either before or after the meeting, each of the directors not present, signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

**Section 12. QUORUM.** A majority of the authorized number of directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. With the exception of Section 4 of this Article, an action of the directors shall be regarded as the act of the Board of Directors only if a majority of the entire authorized number of directors shall vote affirmatively on such action.

**Section 13. ADJOURNMENT.** A quorum of the directors may adjourn any directors' meeting to meet again at a stated time, place, and hour; provided, however, that in the absence of a quorum, the directors present at any directors' meeting, either regular or special, may adjourn from time to time, until the time fixed for the next regular meeting of the Board.

**Section 14. ACTION WITHOUT MEETING.** Any action required or permitted to be taken by the Board of Directors under any provision of law or these By-laws may be taken without a meeting if all members shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such directors, any certificate or other document filed under any provisions of the Delaware General Corporation Law which related to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting and that the By-laws authorize the directors to so act, and such statement shall be prima facie evidence of such authority.

**Section 15. FEES AND COMPENSATION.** Directors shall not receive any stated salary for their services as directors, but, by resolution of the Board of Directors, a fixed fee, with or without expenses of attending, may be allowed for attendance at each meeting. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation therefore.

#### **ARTICLE IV. OFFICERS**

**Section 1. OFFICERS.** The officers of the Corporation shall be:

1. Chairman of the Board
2. President
3. Vice President
4. Secretary
5. Treasurer

The Corporation may also have, at the discretion of the Board of Directors, one or more additional vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. Officers other than the President and Chairman of the Board of Directors need not be directors. One person



may hold two or more offices, except those of President and Secretary.

**Section 2. ELECTIONS.** The officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Sections 3 or 5 of this Article, shall be chosen annually by the Board of Directors, and each shall hold his or her office at the pleasure of the Board of Directors, who may, either at a regular or special meeting, remove any such officers and appoint his or her successor.

**Section 3. SUBORDINATE OFFICERS, ETC.** The Board of Directors may appoint such other officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in the By-laws or as the Board of Directors may from time to time determine.

**Section 4. REMOVAL AND RESIGNATION.** Any officer may be removed, either with or without cause, by a majority of the directors at the time in office, at a regular or special meeting of the Board, or, except in the case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors or to the President, or to the Secretary of the Corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 5. VACANCIES.** A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in the By-laws for regular appointments to such office.

**Section 6. CHAIRMAN OF THE BOARD.** The Chairman of the Board, if there shall be such an officer, shall, if present, preside at all meetings of the Board of Directors, and exercise and perform such other powers and duties as may be from time to time assigned to him or her by the Board of Directors as prescribed by the By-laws.

**Section 7. PRESIDENT.** Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairman of the Board, if there be such an officer, the President shall be the Chief Executive Officer of the Corporation and shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and affairs of the Corporation. He shall preside at all meetings of the shareholders, and in the absence of the Chairman of the Board, or if there be none, at all meetings of the Board of Directors. He shall be ex-officio a member of all the standing committees, including the Executive Committee, if any, and shall have the general powers and duties of management usually vested in the office of president of a Corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or by the By-laws.

**Section 8. VICE PRESIDENT.** In the absence or disability of the President, the Chairman of the Board or in the event of his absence or disability, the Vice Presidents in order of their rank as fixed by the Board of Directors, or if not ranked, the Vice President designated by the Board of Directors, shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all restrictions upon, the President. Absence and disability are defined as follows: absence is physical absence from the Corporation's principal place of business and unreachable by telephone for a period of forty-eight (48) hours. Disability is the inability of the President to perform his duties on an ongoing basis.

The Senior Vice President and each other Vice President shall have such other powers and perform such duties as are authorized by the laws of Delaware and as are delegated to them respectively from time to time by the board of Directors or the By-laws.

**Section 9. SECRETARY.** The Secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of directors and shareholders, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those directors and shareholders present, the names of those present at the directors' meeting, the number of shares present or represented at shareholders' meetings, and the proceedings thereof.

The Secretary shall keep or cause to be kept, at the principal office or at the office of the Corporation's transfer agent, a share register or a duplicate share register showing the names of the shareholders and their addresses; the number and classes of shares held by each; the number and the date of certificates issued for the same; and the number and date of cancellation of every certificate surrendered for cancellation.

The Secretary shall give or cause to be given, notice of all meetings of shareholders and the Board of Directors, as required by the By-laws or by law to be given, and he or she shall keep the seal of the Corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the By-laws.

**Section 10. TREASURER.** The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital surplus, and surplus shares. Any surplus, including earned surplus, paid-in surplus, and surplus arising from a reduction of stated capital, shall be classified according to source and shown in a separate account. The books of account shall at all times be open for inspection by any director.

The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the Corporation as may be ordered by the Board of Directors and shall render to the President and directors, when they request it, an account of all of his or her transactions as Treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the By-laws.

## **ARTICLE V. MISCELLANEOUS**

### **Section 1. RECORD DATE AND CLOSING STOCK BOOKS.**

**A. Fixed Date:** The Board of Directors may fix a time, in the future, not less than twenty (20) nor more than sixty (60) days preceding the date of any meeting of shareholders, and not more than sixty (60) days preceding the date fixed for the payment of any dividend or distribution, or for the allotment of rights, or when any change, conversion, or exchange of shares shall go into effect, as a record date for the determination of the shareholders entitled to notice of and to vote at any such meeting, or entitled to receive any such dividend or distribution, or any such allotment of rights, or to exercise the rights in respect to any such change, conversion, or exchange of shares, and in such case only shareholders of record on the date so fixed shall be entitled to notice of and to vote at such meeting, or to receive such rights, as the case may be, notwithstanding any transfer of any shares on the books of the Corporation after any record date fixed as aforesaid. The Board of Directors may close the books of the Corporation against transfer of shares during the whole, or any part of any such period.

**B. No Fixed Date:** As an alternative to an action taken under Subsection A of this Section 1 of Article V, if no record date has been or is fixed for the purpose of determining shareholders entitled to receive payment of any dividend, the record date for such purpose shall be at the close of business of the date on which the Board of Directors adopts the resolution relating thereto.

**C. Action by Written Consent:** In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date for determination of such stockholders, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Effective beginning February 9, 1999, any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the Secretary of the Corporation, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within ten (10) days after the date on which such a request is received by the Secretary, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within ten (10) days of the date on which such a request is received, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or any officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by applicable law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board of Directors adopts the resolution taking such prior action.

**Section 2. INSPECTION OF CORPORATE RECORDS.** The share register or duplicate share register, the books of account, and minutes of proceedings of the shareholders and directors shall be open to inspection upon the written demand of any shareholder or the holder of a voting trust certificate, at any reasonable time, and for a purpose reasonably related to his or her interests as a shareholder, and shall be exhibited at any time when required by the demand of ten percent (10%) of the shares represented at any shareholders' meeting. Such inspection may be made in person or by an agent or attorney, and shall include the right to make extracts. Demand of inspection other than at a shareholders' meeting shall be made in writing upon the President, Secretary, or Assistant Secretary of the Corporation.

**Section 3. CHECKS, DRAFTS, ETC.:** All checks, drafts, or other orders for payment of money, notes, or other evidence of indebtedness issued in the name of or payable to the Corporation, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

**Section 4. CONTRACTS, ETC.: HOW EXECUTED.** The Board of Directors, except as the By-laws or Articles of Incorporation otherwise provide, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or agreement or to pledge its credit to render it liable for any purpose or to any amount.

**Section 5. ANNUAL REPORTS.** The Board of Directors shall cause an annual report or statement to be sent to the shareholders of this Corporation not later than one hundred and twenty (120) days after the close of the fiscal or calendar year.

**Section 6. CERTIFICATES OF STOCK.** A certificate or certificates for shares of the capital stock of the Corporation shall be issued to

each shareholder when any such shares are fully paid up. All such certificates shall be signed by the President or a Vice President and the Secretary or an Assistant Secretary. Such certificates may be paired with, deemed to represent, and subjected to restrictions on transfer without simultaneous transfer of, certificates for: (a) shares of stock of any other corporation(s), (b) beneficial interests in such shares, (c) interests in voting trust(s), or (d) other kinds of interests in any other kind of entity.

Certificates for shares may be issued prior to full payment thereof, under such restrictions and for such purposes as the Board of Directors or the By-laws may provide; provided, however, that any such certificate so issued prior to full payment shall state the amount remaining unpaid and the terms of payment thereof.

**Section 7. REPRESENTATION OF SHARES OF OTHER CORPORATIONS.** The President or any Vice President and the Secretary or Assistant Secretary of this Corporation are authorized to vote, represent, and exercise on behalf of this Corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this Corporation. The authority herein granted to said officers to vote or represent on behalf of this Corporation any and all shares held by this Corporation or corporations, may be exercised either by such officers in person or by any person authorized to do so by proxy or power of attorney.

**Section 8. INSPECTION OF BY-LAWS.** The Corporation shall keep in its principal office for the transaction of business the original or a copy of the By-laws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the shareholders at all reasonable times during business hours.

**Section 9. INDEMNIFICATION OF DIRECTORS AND OFFICERS.** Every person who was or is a party or is threatened to be made a party to or is involved in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or a person of whom he is the legal representative is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another corporation, shall be indemnified and held harmless to the fullest extent legally permissible under the General Corporation Law of the state of Delaware from time to time against all expense, liability, and loss (including attorneys' fees, judgments, fines, and, if approved by the Board of Directors, amounts paid or to be paid in settlement) reasonably incurred or suffered by him in connection therewith.

If authorized by the Board of Directors, expenses incurred in connection with the defense of any civil or criminal action, suit, or proceeding may be paid by the Corporation in advance of the disposition of the action, suit, or proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay such amounts if it shall be ultimately determined that he is not entitled to be indemnified by the Corporation.

The foregoing right of indemnification shall be in addition to, and not exclusive of, all other rights to which such director or officer may be entitled. Payments pursuant to the Corporation's indemnification of any person hereunder shall be reduced by any amounts such person may collect as indemnification under any policy of insurance purchased and maintained on his behalf by this or any other Corporation.

ARTICLE VI.  
AMENDMENTS

**Section 1. POWER OF SHAREHOLDERS.** New By-laws may be adopted or these By-laws may be amended or repealed by the vote of shareholders entitled to exercise fifty-one percent (51%) of the voting power of the Corporation or by the written assent of such shareholders.

**Section 2. POWERS OF DIRECTORS.** Subject to the right of shareholders as provided in Section 1 of this Article VI to adopt, amend, or repeal By-laws, By-laws other than a By-law or amendment thereof changing the authorized number of directors may be adopted, amended, or repealed by the Board of Directors.

ARTICLE VII.  
SEAL

The Corporation shall have a common seal, and shall have inscribed thereon the name of the Corporation, the year of its incorporation, and the word Delaware.

EXHIBIT 11

CACI INTERNATIONAL INC AND SUBSIDIARIES  
COMPUTATION OF EARNINGS PER SHARE  
(amounts in thousands, except per share data)

Year ended June 30,	2000	1999	1998

Net income	\$ 38,412	\$ 14,170	\$11,715
Average shares outstanding during the period	11,310	10,896	10,779
Dilutive effect of stock options after application of treasury stock method	267	324	374
Average number of shares and equivalent shares outstanding during the period	11,577	11,220	11,153
Basic earnings per share	\$3.40	\$1.30	\$1.09
Diluted earnings per share	\$3.32	\$1.26	\$1.05

**Exhibit 21**

**The significant subsidiaries of the Registrant, as defined in Section 1-02(w) of regulation S-X, are:**

- CACI, Inc., a Delaware Corporation
- CACI, INC.-FEDERAL, a Delaware Corporation  
(also does business as "CACI Marketing Systems", "Information Decision Systems", "Demographics on Call" and "CACI IDS")
- CACI, INC.-COMMERCIAL, a Delaware Corporation
- CACI Products Company California, a California Corporation
- CACI Field Services, Inc., a Delaware Corporation
- CACI N.V., a Netherlands Corporation
- CACI Limited, a United Kingdom Corporation
- Automated Sciences Group, Inc., a Delaware Corporation
- IMS Services, Incorporated, a Maryland Corporation
- Integrated Microcomputer Systems, Inc., a Maryland Corporation
- CACI Technologies, Inc., a Virginia Corporation
- CACI Technology Services, Inc., a Virginia Corporation
- XEN Corporation, a Virginia Corporation

#### **ARTICLE 5**

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE REGISTRANT'S ANNUAL REPORT ON FORM 10-K FOR THE PERIOD ENDED JUNE 30, 2000 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

PERIOD TYPE	YEAR
FISCAL YEAR END	JUN 30 2000
PERIOD END	JUN 30 2000
CASH	4,931,000
SECURITIES	0
RECEIVABLES	124,535,000
ALLOWANCES	(2,817,000)
INVENTORY	0
CURRENT ASSETS	131,930,000

PP&E	47,167,000
DEPRECIATION	(32,128,000)
TOTAL ASSETS	235,997,000
CURRENT LIABILITIES	62,116,000
BONDS	28,263,000
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	1,501,000
OTHER SE	140,467,000
TOTAL LIABILITY AND EQUITY	235,997,000
SALES	0
TOTAL REVENUES	490,473,000
CGS	0
TOTAL COSTS	288,378,000
OTHER EXPENSES	169,133,000
LOSS PROVISION	770,000
INTEREST EXPENSE	3,346,000
INCOME PRETAX	28,846,000
INCOME TAX	11,248,000
INCOME CONTINUING	17,598,000
DISCONTINUED	20,814,000
EXTRAORDINARY	0
CHANGES	0
NET INCOME	38,412,000
EPS BASIC	3.40
EPS DILUTED	3.32

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