

CACI INTERNATIONAL INC /DE/

FORM 10-K405

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

Filed 9/28/1999 For Period Ending 6/30/1999

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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, 1999

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)

54-134588

(I.R.S. Employer Identification No.)

1100 N. Glebe Road, Arlington VA 22201

(Address of principal executive offices)

(703) 841-7800

(Registrant's telephone number,
including area code)

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

Title of each class

None

Name of each exchange on which registered

None

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

CACI International Inc Common Stock, \$0.10 par value

(Title of each class)

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

The aggregate market value of the voting stock held by non-affiliates of the Registrant as of August 31, 1999, was approximately \$198,519,098.

Indicate the number of shares outstanding of each of the Registrant's classes of Common Stock, as of August 31, 1999: CACI International Inc Common Stock, \$.10 par value, 10,981,426 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 1999 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 1999 revenue of \$442 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, intelligent document manageme

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 globally competitive marketplace. The

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 electronic commerce solutions to the Federal Government for automated procurement. Its complete suite of electronic commerce products is available on a GSA schedule and provides a flexible but fully-featured configuration to enable easy management of purchases and contracts.

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

In response to the year 2000 challenge, CACI offers a wide range of solutions, including the Company's Restore 2000 SM conversion methodology, that has been independently validated by the Information Technology Association of America, based upon a Software Engineering Institute Level 3-certified process reengineering approach.

In its simulation technology business, the Company offers simulation languages, network planning software products, and 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 busine

The Company has generated commercial business from solutions built on CACI's thirty-year history of logistics and engineering support for the

Department of Defense ("DoD"). CACI's C · GATE™ 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 soluti

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 d

CACI's major operating subsidiary in Europe, CACI Limited, is headquartered in London, England, and operates primarily in support of CACI's information systems, marketing systems and simulation technology lines of business in the 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, 1999, CACI employed approximately 4,228 people. This total includes 364 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 80 other locations throughout the U.S., Western Europe and Canada.

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 procurement
- 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 languages, 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
- Year 2000 date reconfiguration 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 :

- SIMFACTORY® II.5 General Factory Simulator. A software product for factory planners to study alternative plant and equipment configurations.
- COMNET III™ Network Simulation Software. An object-oriented high-fidelity wide area network, local area network and metro area network telecommunications simulator for capacity planning and failure analysis.
- COMNET Baseline™ Telecommunications Simulation Software. An automatic network traffic and topology-gathering tool.
- COMNET Predictor™ Network Planning Software. A planning tool for the day-to-day network manager that predicts the impact of changes to very large telecommunications networks before implementation.
- Enterprise Profiler™ Telecommunications Simulation Software. A tool for analyzing application traffic.
- NETWORK II.5® Computer Architecture Simulation Software. A tool for engineers to study alternative combinations of computers and data storage devices.
- 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.
- MODSIM III™ Simulation Programming Language. A graphical computer programming and simulation environment that generates

C++ code.

Marketing Data and Information Products :

- InSite • USA TM and InSite TM (U.S. and U.K. versions) Marketing and Demographics Information Systems. PC-based geographic information systems 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 SM (A Classification of Residential Neighborhoods) Demographic Information System. A system that analyzes 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 TM 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.
- 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.
- Lifestyles*UK TM Database System. An extensive database of U.K. consumers showing the likely lifestyles and purchasing behavior of each individual.

Electronic Commerce Products :

- 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.
- SACONS [®] -EDI Module. An automated, electronic commerce add-on module to the SACONS system that creates and receives data transmissions using standard protocols.
- SACONS [®] -Gateway Module. An add-on module to the SACONS system that centralizes protocols established by the U.S. Government for electronic procurement.
- QuickBid [®] Automated Bid/Contracting System. A World Wide Web-based value-added network that allows electronic identification and competition for U.S. Government business.

Product Data Management and Supply Chain Management :

- ACIM Availability Centered Inventory Model. 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 TM 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 TM 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, weapons systems, simulation, automated document management, litigation support and debt management. CACI also contracts with o

State and Local Governments

CACI is a leader in the supply of automated information systems for state governments' management of vehicle registration, licensing and wheeled vehicle revenue support, and for local governments' management of false alarm billing systems and housing registration systems. The Company also offers its software and systems integration services 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 market for CACI's proprietary simulation products is worldwide.

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

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. 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.

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 retirement 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 academically certified credentials in computer-based information sciences, systems engineering, modeling and simulation, telecommunications, network sys

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 premier supplier of proprietary computer-based simulation technology products worldwide, and is a major 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, Tr

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, MicroStrategy, Digital Equipment Corporation, 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 relationsh

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 opportu

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

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 by 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 a senior officer of the Company, and review and release approval by the Chief Executive Officer.

At any one time, the Company may have several hundred separate contract obligations. In 1999, the ten top revenue-producing contracts accounted for 46% of CACI's revenue, or \$204 million. One contract for automated litigation support to the Civil Division of DoJ, accounted for 13% of total 1999 Company revenue.

In 1999, 79% of CACI's revenue came from U.S. Government contracts, the remaining 21% coming from commercial and state and local contracts, as well as proprietary product sales. Of that total, 49% of the Company's revenue came from DoD contracts, 16% from contracts with DoJ, and 13 % 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 1999, the DoD revenue grew by 35%, or \$56 million, primarily as a result of the November 13, 1998 acquisition of QuesTech, Inc. and the acquisition of the business of Government Systems, Inc. on November 1, 1997.

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.

During the past two fiscal years, the Company examined a number of acquisition opportunities. 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. As noted above, in fiscal year 1998 the Company acquired the business and net assets

The Company's Marketing Systems Group in the U.S. purchased the assets of Information Decision Systems ("IDS") for \$2.6 million on August 13, 1998. IDS provided internet access to demographic site information and the acquisition has enhanced the Marketing Systems Group's share of the U.S. demographics information market.

On November 6, 1997, CACI Limited acquired the outstanding stock of AnaData Limited, a provider of database marketing software products in the United Kingdom, for \$1.9 million. The acquired products are used across a range of database marketing applications, from relationship marketing through advanced name and address processing. The AnaData business was merged into the Company's already sizeable database marketing business in CACI's Marketing Systems Group in the U.K. The acquisition gives CACI ownersh

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 1999, 1998 and 1997, the Company spent \$ 2,409,000, \$2,015,000, and \$2,402,000, 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 believes that its business is dependent to a significant extent on its technical and organizational knowledge, practices and procedures, in some of which it claims proprietary rights.

The Company owns four United States patents, as well as patents in Canada and Israel. 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 45 registered U.S. trademarks and service marks. All of the Company's registered U.S. 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: ACORNSM, ADIISTM, C · GATE, CACI Coder/PlusTM, COMNET IL5[®], COMNET IIITM, COMNET BaselineTM, COMNET PredictorTM. In addition, subsidiaries of the Registrant claim foreign copyright, trademark, and proprietary rights in computer software products and databases including, but not limited to: ACORN[®] (and the related Change*ACORN[®], Custom*ACORN[®], Financial*ACORN[®], Holiday*ACORN[®], Household*ACORN[®], Investor*ACORN[®], Property*ACORN[®], Scottish*ACORN[®]), ACORN Lifestyles[®], CACI

Some of the Registrant's subsidiaries are parties 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, 1999 was \$1.08 billion, of which \$260 million was funded for orders believed to be firm. Total backlog as of June 30, 1998 was \$1.05 billion, of which \$185 million represented 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, 2000.

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
1999	\$90,978	\$263,895	\$86,875	\$441,748
1998	\$84,612	\$171,137	\$70,361	\$326,110
1997	\$67,627	\$122,987	\$82,370	\$272,984

Item 2. Properties

As of June 30, 1999, CACI leased office space at 83 locations containing an aggregate of approximately 1,090,591 square feet located in 28 states and the District of Columbia. In four countries outside the U.S., CACI leased seven offices containing about 26,500 square feet. CACI's leases expire primarily within the next five 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, 1999, CACI International Inc maintained its corporate headquarters in approximately 155,000 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, 1999 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 seeks the following: (i) a declaratory judgment that the disputes pr

Since the filing of Registrant's report indicated above, the parties have continued settlement discussions, with no resolution to date.

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, 1999, 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, 1997 to June 30, 1999, 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 are as follows:

Quarter	1999		1998	
	High	Low	High	Low
1 st	\$22	\$15	\$20	\$13 ⁷ / ₈
2 nd	\$20 ¹ / ₄	\$14 ⁵ / ₈	\$20 ⁵ / ₈	\$16
3 rd	\$18 ³ / ₄	\$16	\$22 ¹ / ₄	\$18 ¹ / ₂
4 th	\$22 ⁷ / ₈	\$16 ¹ / ₈	\$22 ¹ / ₄	\$17 ¹ / ₈

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, 1999, the number of record stockholders of the Registrant's Common Stock was approximately 812.

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, 1999, 1998, 1997, 1996 and 1995. 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.

(dollars in thousands, except per share)

Income Statement Data					
Year ended June 30,	1999	1998	1997	1996	1995
Revenue	\$441,748	\$326,110	\$272,984	\$244,615	\$232,964
Costs and expenses					
Direct costs	256,957	177,584	147,084	133,184	126,442
Indirect costs and selling expenses	146,940	119,320	101,157	89,160	87,688
Depreciation and amortization	7,653	6,872	5,770	4,719	4,467
Goodwill amortization	3,224	2,020	1,082	791	514
Total operating expenses	414,774	305,796	255,093	227,854	219,111
Income from operations	26,974	20,314	17,891	16,761	13,853
Interest expense	3,713	1,837	1,105	605	478
Income before income taxes	23,261	18,477	16,786	16,156	13,375
Income taxes	9,091	6,762	6,714	6,305	5,219
Net income	\$ 14,170	\$ 11,715	\$ 10,072	\$ 9,851	\$ 8,156
Basic earnings per share ⁽¹⁾	\$ 1.30	\$ 1.09	\$ 0.96	\$ 0.97	\$ 0.81
Diluted earnings per share ⁽¹⁾	\$ 1.26	\$ 1.05	\$ 0.92	\$ 0.92	\$ 0.77

Balance Sheet Data

Year ended June 30,	1999	1998	1997	1996	1995
Total assets	\$221,712	\$163,060	\$118,860	\$103,308	\$ 74,642
Long-term obligations	67,027	31,231	10,568	2,414	2,340
Working capital	66,726	54,878	42,014	28,675	26,517
Stockholders' equity	98,937	84,327	70,774	55,338	44,485

(1) Computed on the basis described in Note 1, Earnings Per Share, of the Notes to Consolidated Financial Statements. As a result, prior period per share amounts have been restated. 999

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.

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

(dollars in thousands)	1999		1998		1997	
Department of Defense	\$216,573	49.0%	\$160,982	49.4%	\$141,172	51.7%
Federal Civilian Agencies	130,766	29.6	89,768	27.5	69,615	25.5
Commercial	72,136	16.3	65,878	20.2	55,132	20.2
State & Local Government	22,273	5.1	9,482	2.9	7,065	2.6
Total	\$441,748	100.0%	\$326,110	100.0%	\$272,984	100.0%

Revenue. For the year ended June 30, 1999, the Company's total revenue increased by \$115.6 million, or 35%. The increase was attributable to acquisitions made during 1999 and to a 15% internal growth rate mainly in the Federal civilian and state and local markets. Total revenue in 1998 increased by \$53.1 million, or 19%, from \$273.0 million to \$326.1 million. This increase was primarily due to recent acquisitions coupled with continued internal revenue growth of 14% generated from F

All of the 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 accounted for \$67.8 million of the 1999 revenue growth. On November 13, 1998, the Company acquired 100% of the issued and outstanding common stock of QuesTech, Inc., now known as CACI Technologies, Inc. CACI Technologies contributed revenue of \$56.1 m

Revenue growth from 1997 to 1999 with the Department of Defense is primarily due to acquisitions.

Revenue from Federal Civilian agencies increased 45.7% or \$41.0 million for 1999 as compared to 1998. Approximately 54% of Federal Civilian agency revenue is derived from the Department of Justice ("DoJ") in providing litigation support services and in developing an automated debt collection system. Revenue for DoJ was \$71.2 million, \$58.4 million and \$53.2 million in 1999, 1998 and 1997, respectively. In 1999, the Company experienced significant revenue growth, 90% or \$28.2 million from the acquisition of 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 renovation services.

Commercial revenue is derived primarily from the Company's Marketing Systems Group in the U.K., and to a lesser degree from the Simulation Systems Group and commercial litigation support. For the years 1999 and 1998, commercial revenue increased by 9.5%, or \$6.3 million, and 19%, or \$10.7 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 for systems integration services. Total Marketing Systems Group revenue was \$49.9 million, \$40.9 million, and \$33.0 million in 1999, 1998 and 1997, 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, revenue from state and local governments has increased significantly to 5.0% of revenue from 2.9% of revenue a year ago. The \$12.8 million increase in revenue to \$22.3 million in 1999 versus \$9.5 million in 1998 was largely due to Year 2000 business and systems integration services. In 1998, revenue from state and local agencies increased \$2.4 million from 1997 due to Year 2000 remediation services.

The Company's total funded and unfunded backlog at June 30, 1999 increased to \$1.08 billion compared to \$1.05 billion a year ago.

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

	1999	1998	1997
Revenue	100.0%	100.0%	100.0%
Costs and expenses			
Direct costs	58.2	54.5	53.9
Indirect & selling expenses	33.3	36.6	37.1
Depreciation & amortization	1.7	2.1	2.1
Goodwill amortization	0.7	0.6	0.3
Total operating expenses	93.9	93.8	93.4
Income from operations	6.1	6.2	6.6
Interest expense	0.8	0.6	0.5
Income before income taxes	5.3	5.6	6.1
Income taxes	2.1	2.1	2.4
Net income	3.2%	3.5%	3.7%

Income from Operations. Operating income increased 33% for 1999 as compared to 1998. This was due to the 35% growth in revenue offset by a higher proportion of other direct costs to total direct costs, which generally provides a lower margin. In 1998, the Company reported a 13.5% increase in operating income, which was primarily due to a 19.5% growth in revenue, partially offset by a 0.3% decline in operating margins.

During the last three years, as a percentage of revenue, total direct costs were 58.2%, 54.5% and 53.9%. 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 \$126.9 million, \$103.6 million and \$92.3 million in 1999, 1998 and 1997, respectively. Other direct costs were \$130.1, \$74.0 million and \$54.8 million in 1999, 1998 and 1997, respectively, and have grown at

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 33.3%, 36.6% and 37.1% for 1999, 1998 and 1997, 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 \$6.9 million in 1998 to \$7.6 million in 1999. The increase was primarily due to property and equipment acquired with QuesTech, which resulted in additional expense of \$0.5 million. The remaining increase came from a higher level of capital expenditures in 1999 as compared to 1998. The increase of depreciation and amortization in 1998 was primarily due to the property and equipment acquired with GSI.

Goodwill amortization increased \$1.2 million in 1999 as a result of recent acquisitions. 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. The 1998 increase in goodwill amortization of \$0.8 million was due to the acquisition of GSI.

Interest expense increased in 1999 and 1998 by \$1.9 million and \$0.7 million, respectively. The higher costs were the result of increases in average borrowings during these periods to \$58.8 million and \$27.5 million, respectively, from the 1997 average of \$15.6 million. The increased borrowings were primarily the result of the acquisitions discussed previously.

The effective income tax rates in 1999, 1998 and 1997 were 39.1%, 36.6% and 40.0%, respectively. The decrease in the effective tax rate in 1998 was primarily the result of a lower effective state income tax rate. 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 20% of the Company's business is conducted under cost-reimbursable contracts which automatically adjust revenue to cover

increased costs from inflation. Over 59% of the business is under time-and-materials contracts where labor rates are often fixed for several years. The Company generally is 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 is primarily

Liquidity and Capital Resources

Historically, the Company's positive cash flow from operations and available credit facilities has provided adequate liquidity and working capital to fully fund the Company's operational needs and support acquisition activities. Working capital was \$66.7 million and \$54.9 million as of June 30, 1999 and 1998, respectively. The increase in working capital in 1999 was primarily related to the QuesTech acquisition. Operating activities provided cash of \$18.7 million and \$19.9 million for 1999

The Company used \$52.1 million in investing activities in 1999 versus \$42.6 million for the same period last year. The acquisitions of QuesTech and IDS accounted for \$44.4 million of the total cash invested in 1999. In 1998, the acquisitions of GSI and AnaData Limited accounted for a combined purchase price of \$35.4 million, which was primarily financed through bank borrowings. Purchases of office and computer-related equipment of \$7.5 million and \$6.4 million in 1999 and 1998, respectively

During 1999, the Company financed its investing activities from operating cash flow and from a net increase in borrowings of \$32.2 million under its line of credit. For the year ended June 30, 1998, financing activities provided cash of \$22.8 million primarily from a net increase in borrowings of \$21.0 million to fund the acquisitions made in 1998.

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 1999, the Company had approximately \$64 million available for borrowings under its lines of credit.

While the Registrant did not purchase any of its shares in 1998 or 1999, it has repurchased its shares in the market in prior years. The Registrant 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

The following discussion addresses the Company's response to the Year 2000 issue, which is the result of computer programs written using two digit years rather than four digit years to define the applicable year. Computer systems and products that have date-sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations which could potentially prevent normal b

The Company has undertaken a multi-dimensional compliance program to address its readiness to handle the date issue in connection with both Information Technology ("IT") and non-IT systems (such as those using embedded chip technology). The scope of the compliance program includes CACI-developed software products and systems, infrastructure hardware and software applications, business applications, office equipment, leasehold facilities, and critical business partners. The Company

The status of all CACI software products is published on the Company's Internet site at <http://www.caci.com>. The Company achieved full product compliance of its supported products, product versions and/or platforms in July 1999.

Regarding custom systems previously developed by CACI for its customers, the Company has evaluated the contractual commitments that would obligate CACI to remediate non-compliant systems and considered potential legal exposure concerning systems for which CACI has no continuing express warranty or maintenance obligations. Those completed projects with specific year 2000 compliance requirements have been determined to be year 2000 compliant based on CACI testing and customer acceptance of t

Over the past few years, the Company has made a concerted effort to update its desktop and laptop computers and its internal communications network equipment and software. With current technology in place, the Company believes that most of these systems are compliant. The Company also has evaluated the major components of its computer hardware and software and, its telecommunications equipment and software and, based on replacement of certain components, believe they are materially compliant

The Company has identified the following systems as our key business applications: finance & project management, payroll, human resources, and contracts. Our human resources information, project forecasting, and contracts database systems are compliant. In addition, we recently completed the upgrade of our payroll system to a fully compliant MS-Windows®-based version supplied by an outside vendor.

In January 1998, we began our implementation of a new finance system, which is supplied by Deltek Systems, a leading supplier of such systems to the government contracting industry. This system is compliant and our plan to have it implemented by June 1999 was successful.

We have and will continue to determine and assess our critical business partners as a part of our compliance program. Presently, such significant business partners include, but are not limited to, our suppliers, the utility companies, our bank lending group, an outside vendor used to process payroll, insurance and benefit providers, and property management firms. CACI's operations are dependent to varying degrees on the readiness of these and other partners. CACI has issued questionnaires

The Company is heavily dependent upon the effectiveness of its customers' systems, principally in the U.S. Government, for the administration of contracts and payment of the Company's invoices. The Company has made formal inquiries and continues to vigorously pursue responses concerning the efforts of its larger U.S. Government customers to determine the status and encourage correction of any problems in their systems. The primary concern is whether there will be delays in contract payment

The financial impact of preparing the Company to be Year 2000 compliant cannot be fully determined at this time. Presently, the most significant costs are related to our implementation of our new business systems in finance and project management, which are discussed above. Costs for this project, including software, hardware, consulting fees and labor are estimated at \$2 million, of which approximately 75% has been spent to date. These costs are being capitalized and will be depreciated

The Company has devoted one full-time individual, an oversight committee of 15 individuals and approximately 40 LAN administrators at various offsite locations to communicate and implement all aspects of the Year 2000 compliance program. The Company has found that many of the upgrades or patches necessary to fix the software are being provided at no cost by major vendors.

In summary, the Company has established a Year 2000 compliance program plan that is progressing as described above. CACI expects that its business systems will be year 2000 ready, but it may experience isolated incidences of non-compliance and potential outages with respect to its information technology infrastructure. CACI plans to allocate internal resources to be ready to take action should these events occur. Investors should be aware of the fact that the process of addressing the Year 2000 compliance program. Investors are cautioned, however, that the Company's assessment of its readiness, of the costs of performing the program and the risks attendant thereto, and of the need for any contingency plans may change materially in the future as we proceed further through plan performance.

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

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. Report of Independent Accountants
 - B. Consolidated Statements of Operations for the years ended June 30, 1999, 1998 and 1997
 - C. Consolidated Balance Sheets as of June 30, 1999 and 1998

- D. Consolidated Statements of Cash Flows for the years ended June 30, 1999, 1998 and 1997
- E. Consolidated Statements of Shareholders' Equity for the years ended June 30, 1999, 1998 and 1997
- F. Consolidated Statements of Comprehensive Income for the years ended June 30, 1999, 1998, 1997
- G. Notes to Consolidated Financial Statements

2. Supplementary Financial Data.

Schedule II - Valuation and Qualifying Accounts for the years ended June 30, 1999, 1998 and 1997

(b) Reports on Form 8-K

- The Registrant filed a Current Report on Form 8-K on November 28, 1998, in which the Registrant reported that it had acquired all of the issued and outstanding stock of QuesTech, Inc.
- The Registrant filed a Current Report on Form 8-K/A on January 27, 1999, in which the Registrant amended Items 7(a)(1), 7(b)(2) and 7(c) of the Current Report on Form 8-K filed on November 28, 1998.

(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 Commission on January 24, 1997.
- 10.4 The Acquisition Agreement dated November 1, 1997, between the Registrant, CACI, Inc., and Government Systems, Inc., is incorporated by reference from the Current Report on Form 8-K filed with the Securities and Exchange Commission on November 14, 1997.
- 10.5 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.
- 10.6 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
- 10.7 Consulting and Separation Agreement between the Registrant and Ronald R. Ross, former President and Chief Operating Officer, dated August 10, 1999.

(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", "Demographic on Call" and "CACI IDS")

CACI, INC.-COMMERCIAL, a Delaware Corporation

CACI Products Company, a Delaware Corporation
CACI Development Company, a Delaware Corporation
CACI Products Company California, a California Corporation
American Legal Services Corp., a Delaware Corporation
(also does business as "CACI Advanced Legal Systems" and "CACI Legal Systems")
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

(27) Financial Data Schedule

SECTION II

REPORT OF INDEPENDENT ACCOUNTANTS

AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 1999, 1998 AND 1997

REPORT OF INDEPENDENT ACCOUNTANTS

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, 1999 and 1998, and the related consolidated statements of operations, shareholders' equity, cash flows and comprehensive income for each of the three years in the period ended June 30, 1999. Our audits also included the financial statement schedules listed in the Index at Item 14(a)(2). These financial statements are the responsibility of the Company's management. Our respo

We conducted our audits in accordance with generally accepted auditing standards. 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 over

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 1999 and 1998, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 1999, in conformity with generally accepted accounting principles. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly i

/s/

McLean, Virginia
August 10, 1999

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

Year ended June 30,	1999	1998	1997
Revenue	\$441,748	\$326,110	\$272,984
Costs and expenses			
Direct costs	256,957	177,584	147,084
Indirect costs and selling expenses	146,940	119,320	101,157
Depreciation and amortization	7,653	6,872	5,770
Goodwill amortization	3,224	2,020	1,082
Total operating expenses	414,774	305,796	255,093
Income from operations	26,974	20,314	17,891
Interest expense	3,713	1,837	1,105
Income before income taxes	23,261	18,477	16,786
Income taxes	9,091	6,762	6,714
Net income	\$ 14,170	\$ 11,715	\$ 10,072
EARNINGS PER COMMON AND COMMON EQUIVALENT SHARE:			
Basic earnings per share	\$ 1.30	\$ 1.09	\$ 0.96
Diluted earnings per share	\$ 1.26	\$ 1.05	\$ 0.92
Average shares outstanding	10,896	10,779	10,504
Average shares and equivalent shares outstanding	11,220	11,153	11,005

See Notes to Consolidated Financial Statements.

CACI INTERNATIONAL INC
CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

June 30,	1999	1998
ASSETS		
Current assets		
Cash and equivalents	\$ 2,403	\$ 2,081
Accounts receivable		
Billed	99,681	83,995
Unbilled	12,264	9,350
Total accounts receivable	111,945	93,345
Income taxes receivable	948	-
Deferred income taxes	198	209
Deferred contract costs	1,543	2,383

Prepaid expenses and other	5,437	4,362
Total current assets	122,474	102,380
Property and equipment, net	13,762	11,351
Accounts receivable, long-term	7,036	6,075
Goodwill	67,767	37,474
Other assets	6,266	4,884
Deferred contract costs, long-term	989	480
Deferred income taxes	3,418	416
Total assets	\$221,712	\$163,060
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 32,851	\$ 24,257
Accrued compensation and benefits	21,304	17,010
Income taxes payable	-	4,390
Deferred income taxes	1,593	1,845
Total current liabilities	55,748	47,502
Note payable, long-term	62,069	29,800
Deferred rent expenses	720	1,289
Deferred income taxes	138	142
Other long-term obligations	4,100	-
Shareholders' equity		
Common stock		
\$.10 par value, 40,000,000 shares authorized, 14,499,000 and 14,371,000 shares issued	1,450	1,437
Capital in excess of par	13,932	12,344
Retained earnings	98,585	84,415
Cumulative currency translation adjustments	(1,368)	(207)
Treasury stock, at cost (3,526,000 shares)	(13,662)	(13,662)
Total shareholders' equity	98,937	84,327
Total liabilities and shareholders' equity	\$221,712	\$163,060

See Notes to Consolidated Financial Statements.

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

Year ended June 30,	1999	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$14,170	\$11,715	\$10,072
Reconciliation of net income to net cash provided by operating activities			
Depreciation & amortization	10,877	8,892	6,852

(Gain) loss on sale of property and equipment	30	(166)	(657)
Provision (benefit) for deferred income taxes	1,512	(2,898)	2,531
Changes in operating assets and liabilities			
Accounts receivable	(10,023)	(12,014)	(275)
Prepaid expenses and other assets	(1,726)	273	363
Accounts payable and accrued expenses	2,169	1,481	(873)
Accrued compensation and benefits	4,589	4,192	(990)
Deferred rent expenses	(466)	(755)	(638)
Income taxes payable (receivable)	(1,993)	7,374	(1,357)
Deferred contract costs	331	1,764	-
Other long-term obligations	(750)	-	-
Net cash provided by operating activities	18,721	19,858	15,028
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property and equipment	(7,507)	(6,428)	(6,544)
Proceeds from sale of business, property and equipment	9	1,207	373
Purchase of businesses	(44,418)	(36,513)	(10,351)
Capitalized software costs and other	(195)	(837)	(1,292)
Net cash used in investing activities	(52,111)	(42,571)	(17,814)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds under line of credit	200,630	175,950	116,471
Payments under line of credit	(168,361)	(154,950)	(117,658)
Proceeds from stock options	1,601	1,764	4,402
Net cash provided by financing activities	33,870	22,764	3,215
Effect of exchange rates on cash and equivalents	(158)	15	(192)
Net increase in cash and equivalents	322	66	237
Cash and equivalents, beginning of year	2,081	2,015	1,778
Cash and equivalents, end of year	\$2,403	\$2,081	\$2,015
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid during the year for income taxes, net of refunds	\$7,909	\$1,483	\$2,826
Cash paid during the year for interest	\$3,160	\$1,909	\$1,035

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

BALANCE July 1, 1996	13,755	\$1,376	\$ 6,239	\$62,628	\$(1,243)	3,526	\$(13,662)	\$55,338
Net income	-	-	-	10,072	-	-	-	10,072
Currency translation adjustments	-	-	-	-	962	-	-	962
Exercise of stock options (including \$2,720 income tax benefit)	460	46	4,356	-	-	-	-	4,402
BALANCE June 30, 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

See Notes to Consolidated Financial Statements.

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

Year ended June 30,	1999	1998	1997
Net income	\$14,170	\$11,715	\$10,072
Currency translation adjustment	(1,161)	74	962
Comprehensive income	\$13,009	\$11,789	\$11,034

See 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 (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 signi

The Company's U.S. Government contracts (approximately 79% of total revenue in 1999) are subject to subsequent government audit of direct and indirect costs. The majority of such incurred cost audits have been completed through June 30, 1997. 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,	1999	1998
<hr/>		
(dollars in thousands)		
Equipment and furniture	\$40,388	\$33,949
Leasehold improvements	3,008	2,412
<hr/>		
Property and equipment, at cost	43,396	36,361
Less accumulated depreciation and amortization	(29,634)	(25,010)
<hr/>		
Total property and equipment, net	\$13,762	\$11,351
<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, 1999, approximately \$1.5 million is classified as a current asset, which represents the amount 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 realizab 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 five 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. Accumulated amortization was \$8,211,000 and \$4,972,000 at June 30, 1999, and June 30, 1998, 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 carryforwards.

U.S. income taxes have not been provided on \$22,616,000 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

Earnings Per Share

In March 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings Per Share", which simplifies the standards for computing earnings per share previously found in Accounting Principles Board Opinion No. 15 and makes them comparable to international earnings per share standards. The Statement is effective for financial statements issued for periods ending after December 15, 1997. As a result, the Company's reported ear

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 incl

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 line of credit has a floating interest rate that varies with current indices and, as such, its 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.

Recent Accounting Pronouncements

In June 1997, the Financial Accounting Standards Board issued SFAS No. 130, "Reporting Comprehensive Income", and SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information". As specified by these Statements, the Company began to apply these Statements in fiscal 1999 and has reclassified its financial statements for earlier periods for comparative purposes.

SFAS No. 130 requires that all items that are required to be recognized under accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. As a result, the Company has reported the effects of foreign currency translation gains or losses as a component of comprehensive income in a separate financial statement.

SFAS No. 131 establishes standards for the way that public business enterprises report information about operating segments in annual financial statements and requires that those enterprises report selected information about operating segments in interim financial reports issued to shareholders. It also establishes standards for related disclosures about products and services, geographic areas, and major customers. This Statement supersedes SFAS No. 14, "Financial Reporting for Segments of a Business".

Reclassifications

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

NOTE 2. CAPITALIZED SOFTWARE DEVELOPMENT COSTS

The costs for software development capitalized and amortized for the years ended June 30, 1999, 1998 and 1997, included on the Consolidated Balance Sheets as other assets, were as follows:

(dollars in thousands)	1999	1998	1997
Annual activity			
Balance, beginning of year	\$1,863	\$2,029	\$1,229
Capitalized during year	501	694	1,399
Amortized during year	(816)	(860)	(599)
Balance, end of year	\$1,548	\$1,863	\$2,029

NOTE 3. ACCOUNTS RECEIVABLE

Total accounts receivable are net of allowance for doubtful accounts of \$3,050,000 and \$3,637,000 at June 30, 1999 and 1998, respectively. Accounts receivable are classified as follows:

(dollars in thousands)	1999	1998
Billed receivables		
Billed receivables	\$ 88,918	\$76,458
Billable receivables at end of period	10,763	7,537
Total billed receivables	99,681	83,995
Unbilled receivables		
Unbilled pending receipt of contractual documents authorizing billing	12,172	9,195
Unbilled retainages and fee withholdings expected to be billed within the next 12 months	92	155
	12,264	9,350
Unbilled retainages and fee withholdings expected to be billed within the next 12 months	7,036	6,075
Total unbilled receivables	19,300	15,425
Total accounts receivable	\$118,981	\$99,420

NOTE 4. NOTE PAYABLE

On July 26, 1996, the Company entered into an unsecured credit agreement, which permitted borrowings of up to \$50 million with sublimits on amounts borrowed for acquisitions, dividends paid, and repurchases of Company stock. Interest was calculated based on the Prime Rate, London Interbank Offered Rate ("LIBOR"), or Federal Funds Rate, dependent upon borrowing options and financial covenant thresholds. In October 1997, the Company increased its borrowing capacity to \$70 million and extended the

NOTE 5. INCOME TAXES

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

(dollars in thousands)	1999	1998	1997
Current			
Federal	\$5,757	\$7,986	\$2,911

State and local	669	649	675
Foreign	1,153	1,025	597
<hr/>			
Total current	7,579	9,660	4,183
<hr/>			
Deferred			
Federal	1,626	(2,261)	2,050
State and local	(129)	(731)	454
Foreign	15	94	27
<hr/>			
Total deferred	1,512	(2,898)	2,531
<hr/>			
Total	\$9,091	\$6,762	\$6,714
<hr/>			

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, 1999 and 1998 and 34% for the year ended June 30, 1997 is as follows:

(dollars in thousands)	1999	1998	1997
<hr/>			
Amount at statutory U.S. rate	\$8,141	\$6,467	\$5,707
State taxes, net of U.S. income tax benefit	351	96	745
Taxes on foreign earnings at different effective rates	(39)	(65)	29
Other expenses not deductible for tax purposes	(29)	29	74
Non-deductible goodwill	667	235	209
Foreign and research & development tax credits	-	-	(50)
<hr/>			
Total	\$9,091	\$6,762	\$6,714
<hr/>			
Effective tax rate	39.1%	36.6%	40.0%
<hr/>			

The tax effects of temporary differences that give rise to significant deferred tax assets and deferred tax liabilities at June 30, 1999 and 1998, are as follows:

(dollars in thousands)	1999	1998
<hr/>		
Deferred tax assets		
Accrued vacation and other expenses	\$ 5,333	\$ 4,111
Appreciation of options	1,606	-
Accrued postretirement obligations	1,415	-
Deferred rent	427	602
Other long-term obligations	355	-
Foreign transactions	61	67
Pension	7	307
Depreciation	188	141
Other	20	143
<hr/>		
Total deferred tax assets	9,412	5,371
<hr/>		
Deferred tax liabilities		
Unbilled revenues	(6,512)	(5,361)
Capitalized software	(335)	(486)

Goodwill	(255)	(326)
Other	(425)	(560)
<hr/>		
Total deferred tax liabilities	(7,527)	(6,733)
<hr/>		
Net deferred tax asset (liability)	\$ 1,885	\$(1,362)
<hr/>		

NOTE 6. STOCK INCENTIVE PLAN

Until September 24, 1996, the Company had an 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. At the Company's 1996 Annual Meeting on November 14, 1996, the shareholders approved a new Stock Incentive Plan (the "1996 Plan"). The 1996 Plan permits award of incentive and non-qualified stock

The period during which each option is exercisable is determined when granted, but in no event could options granted under the 1986 Plan be exercisable after December 31, 2000. Pursuant to the terms of the 1986 Plan, no grants of options or other securities could be made after September 24, 1996.

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 ear

(dollars in thousands, except per share)	1999	1998	1997
<hr/>			
Net income			
As reported	\$14,170	\$11,715	\$10,072
Pro forma	13,697	10,991	9,681
Diluted earnings per share			
As reported	\$ 1.26	\$ 1.05	\$ 0.92
Pro forma	1.22	0.99	0.88

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,	1999	1998	1997
<hr/>			
Dividend yield	0%	0%	0%
Volatility rate	36.4%	26.6%	47.0%
Discount rate	6.0%	5.7%	6.2%
Expected term (years)	5	5	3

Stock option activity and price information regarding the Plans follows:

(shares in thousands)	Number of Shares	Exercise Price	Weighted Average Exercise Price
<hr/>			
Shares under option, July 1, 1996	1,379	1.87 - 14.44	4.75
Granted	188	11.06 - 19.31	16.74
Exercised	(460)	1.87 - 13.44	3.60
Forfeited	(46)	1.87 - 14.63	10.34
<hr/>			
Shares under option, June 30, 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

(shares in thousands)	Number of Shares	Exercise Price	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
Shares under option, June 30, 1999	377	1.87 - 2.50	1.97	1.5
	113	2.87 - 3.50	3.12	1.5
	26	5.94 - 8.56	6.75	1.5
	106	10.00 - 15.00	13.75	1.5
	757	15.41 - 20.28	18.29	8.7
	1,379			
Options exercisable, June 30, 1999	377	1.87 - 2.50	1.97	
	113	2.87 - 3.50	3.12	
	26	5.94 - 8.56	6.75	
	193	10.00 - 15.00	13.75	
	108	15.41 - 20.28	18.29	
	817			

Exercise prices are based on the market price of the Company's common stock at the date the options are granted.

NOTE 7. PENSION PLAN

Through June 30, 1997, the Company had a defined contribution pension plan covering approximately 85% of its employees. The Company contributed to a trust an amount equal to 2.5% of a qualified employee's total fiscal year cash compensation, up to \$35,000 per year, and an amount equal to 5% of cash compensation in excess of \$35,000 per year, subject to maximum contribution limitations.

Effective July 1, 1997, the Company merged its pension plan and voluntary 401(k) plan into a single plan, the CACI \$SMART Plan. Current Company employees who participated in the prior pension plan became fully vested in their prior Company contributions on June 30, 1997, and their balances were transferred to the CACI \$SMART Plan.

Effective July 1, 1997, employees became immediately eligible to join the CACI \$SMART Plan, a defined contribution 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 contributio

The Company maintains a non-qualified, defined contribution plan, the CACI, Inc. Group 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 Retirement Plan. Each participant is fully vested immediately in his account balance.

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, 1999, 1998 and 1997 was \$5,401,000, \$3,847,000 and \$3,117,000, 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, 1999, the balance of such obligations consists of the following:

(dollars in thousands)	1999
Accrued postretirement obligations	\$3,250
Other long-term obligations	850
Total	\$4,100

Accrued postretirement obligations consist of three employee benefit plans: the Group Health Plan, Executive Life Insurance, and the Officer and Manager Deferred Compensation Plan ("DefCom").

Group Health Plan. This plan extends medical and dental benefit coverage to certain employees of QuesTech, who upon retirement at the age of 65, have completed 20 years of full-time employment with the Company, or retire with an individual employment agreement which specifically grants coverage approved by the insurance carrier of the subject group health policy. The accumulated postretirement benefit obligation ("APBO") represents the present value of insurance claims expected to be paid.

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

DefCom. This plan 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 will continue to accrue interest annually. The plan provides supplemental postretirement benefits along with certain specific death benefits to the participant's beneficiaries. Postretirement benefits under DefCom are payable upon the participant's termination of employment (including death).

The Company invests the amounts deferred by employees in life insurance policies. Since DefCom is a defined contribution plan, the accumulated postretirement benefit obligation consists of contributions plus accrued interest.

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

The following tables present the funded status of the plans discussed above and the FY99 periodic expense:

(dollars in thousands)	Group Health Plan	Executive Life Insurance	DefCom	Total
Accumulated Postretirement Benefit Obligation:				
Retirees	\$258	\$294	\$1,377	\$1,929
Fully eligible active plan participants	55	-	-	55
Other active plan participants	126	-	1,267	1,393
Total	439	294	2,644	3,377
Fair value of plan assets	-	-	-	-
APBO in excess of plan assets	439	294	2,644	3,377
Unrecognized net/(gain) loss	-	19	105	124
Accrued postretirement benefit cost	439	313	\$2,749	\$3,501
Less current portion of postretirement obligations	(21)	(16)	(214)	(251)

Long-term portion of postretirement obligations	\$418	\$297	\$2,535	\$3,250
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(dollars in thousands)	Group Health Plan	Executive Life Insurance	DefCom	Total
------------------------	-------------------	--------------------------	--------	-------

Reconciliation of accrued postretirement benefit cost:				
Accrued postretirement cost at time of acquisition of QuesTech	\$429	\$310	\$2,931	\$3,670
Net periodic cost	20	16	118	154
Benefit payments	(10)	(13)	(300)	(323)

Accrued postretirement benefit cost at June 30, 1999	\$439	\$313	\$2,749	\$3,501
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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, 1999:

Year ended June 30	Operating Leases (dollars in thousands)
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2000	\$17,304
2001	16,908
2002	14,382
2003	8,876
2004	5,384
Later years	16,217

Total minimum lease payments	\$79,071
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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, 1999, 1998 and 1997 amounted to \$13,383,000, \$10,780,000, and \$9,778,000 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.

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, for \$18.13 per share in cash. 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 c banks. 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 y

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 delivers 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 approximatel

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 righ

1997 Acquisitions

On October 1, 1996, the Company acquired the business and most of the assets of Sunset Resources, Inc. for \$6.2 million. Sunset Resources was an engineering and information technology firm that focused on logistics and engineering support services to the Air Force and electronic commerce. The excess of the purchase price over the fair value of the net assets acquired was \$4.6 million.

On January 3, 1997, the Company acquired the business of Sales Performance Analysis Limited ("SPA"), including the intellectual property rights to certain software products, for \$2.6 million. SPA developed and marketed a unique range of specialized software products and services that enabled companies to make more effective use of their field forces through the optimal configuration of sales and services territories. SPA's annual revenue prior to acquisition was \$2.0 million. The excess of the

On May 14, 1997, the Company purchased the Simulation Engineering Division of Statistica, Inc., which specializes in computer modeling and simulation. The purchase price of \$0.8 million was based on the value of the tangible assets acquired. Consequently, there was no goodwill recorded with this purchase.

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, 1999, 1998 and 1997, as if the above mentioned acquisitions had occurred at the beginning of both the year of acquisition and the year prior to the acquisition. 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

(dollars in thousands, except per share amounts)	1999	1998	1997
Revenue	\$471,087	\$417,239	\$316,300
Net income	14,191	11,418	9,389
Diluted earnings per share	1.26	1.03	0.85

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 Information Systems Group 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 Federal agencies, however, it

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 a

(dollars in thousands)

	ISG	MSG	Other	Total
Year Ended June 30, 1999				
Revenue from external customers	\$391,808	\$49,940	\$ -	\$441,748
Pre-tax income (loss)	22,160	4,016	(2,915)	23,261
Total assets	184,519	36,465	728	221,712
Capital expenditures	5,288	1,951	769	8,008
Depreciation and amortization	5,444	1,902	307	7,653
Year Ended June 30, 1998				
Revenue from external customers	\$285,089	\$40,915	\$ 106	\$326,110
Pre-tax income (loss)	17,140	2,951	(1,614)	18,477
Total assets	129,948	32,152	960	163,060
Capital expenditures	3,891	2,474	757	7,122
Depreciation and amortization	5,012	1,529	331	6,872
Year Ended June 30, 1997				
Revenue from external customers	\$239,995	\$32,989	\$ -	\$272,984
Pre-tax income (loss)	15,287	1,487	12	16,786
Total assets	94,221	24,166	473	118,860
Capital expenditures	7,223	453	275	7,951
Depreciation and amortization	4,218	1,306	288	5,812

The loss in the "other" column primarily represents unallocated corporate costs. In FY97, all corporate costs were allocated to the Information Systems and Marketing Systems Groups.

Major Customers. The Company earned approximately 79%, 77% and 77% of its revenue from the U.S. Government for the years ended June 30, 1999, 1998, and 1997, respectively. Revenue by customer sector for the three years ended June 30, 1999 is as follows:

(dollars in thousands)	1999	1998	1997
Department of Defense	\$216,573	\$160,982	\$141,172
Federal Civilian	130,766	89,768	69,615
Commercial	72,136	65,878	55,132
State & local	22,273	9,482	7,065
Total	\$441,748	\$326,110	\$272,984

Geographic Information. Revenue is attributed to geographic areas based on the location of the assets producing the revenue. Revenue from the Information Systems Group 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)	1999	1998	1997
Revenue			
United States	\$394,995	\$285,756	\$239,645
Foreign	46,753	40,354	33,339
	\$441,748	\$326,110	\$272,984
Identifiable Assets			
United States	\$193,091	\$134,431	\$ 97,847
Foreign	28,621	28,629	21,013

	\$221,712	\$163,060	\$118,860
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NOTE 12. 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 1999 and 1998 are as follows:

Quarter	1999		1998	
	High	Low	High	Low
First	\$22	\$15	\$20	\$13 ^{7/8}
Second	\$20 ^{1/4}	\$14 ^{5/8}	\$20 ^{5/8}	\$16
Third	\$18 ^{3/4}	\$16	\$22 ^{1/4}	\$18 ^{1/2}
Fourth	\$22 ^{7/8}	\$16 ^{1/8}	\$22 ^{1/4}	\$17 ^{1/8}

NOTE 13. 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
<i>Year ended June 30, 1999</i>				
Revenue	\$92,351	\$103,720	\$119,594	\$126,083
Costs and .expenses	87,366	98,318	113,643	119,160
Income taxes	1,846	2,040	2,378	2,827
Net income	3,139	3,362	3,573	4,096
Diluted earnings per share	0.28	0.30	0.32	0.36
<i>Year ended June 30, 1998</i>				
Revenue	\$ 70,669	\$ 79,145	\$ 85,239	\$ 91,057
Costs and expenses	66,746	74,514	80,520	85,853
Income taxes	1,491	1,759	1,613	1,899
Net income	2,432	2,872	3,106	3,305
Diluted earnings per share	0.22	0.26	0.28	0.29

SCHEDULE II

CACI INTERNATIONAL INC AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
FOR YEARS ENDED JUNE 30, 1999, 1998 AND 1997

(dollars in thousands)

Balance at	Other Changes	Balance
------------	------------------	---------

Description	Beginning of Period	Additions at Cost	Deductions	Add (Deduct)	at End of Period
1999					
Reserves deducted from assets to which they apply:					
Allowances for doubtful accounts	\$3,637	\$ 789	\$(2,409)	\$1,033	\$3,050
1998					
Reserves deducted from assets to which they apply:					
Allowances for doubtful accounts	\$2,988	\$ 820	\$(381)	\$ 210	\$3,637
1997					
Reserves deducted from assets to which they apply:					
Allowances for doubtful accounts	\$2,245	\$1,006	\$(590)	\$ 327	\$2,988

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 22nd 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
_____ /s/	Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer)	_____ September 22, 1999
J.P. London _____ /s/	Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)	_____ September 22, 1999
Stephen L. Waechter _____ /s/	Director	_____ September 22, 1999
Richard L. Leatherwood _____ /s/	Director	_____ September 22, 1999
Larry L. Pfirman _____ /s/	Director	_____ September 22, 1999
Warren R. Phillips		

<u>/s/</u>	Director	<u>September 19, 1999</u>
Charles P. Revoile		
<u>/s/</u>	Director	<u>September 22, 1999</u>
Glenn Ricart		
<u>/s/</u>	Director	<u>September 21, 1999</u>
Vincent L. Salvatori		
<u>/s/</u>	Director	<u>September 18, 1999</u>
William B. Snyder		
<u>/s/</u>	Director	<u>September 21, 1999</u>
Richard P. Sullivan		
<u>/s/</u>	Director	<u>September 22, 1999</u>
John M. Touns		

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. ⁽¹⁾

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 ⁽²⁾: 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 : ⁽³⁾ 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 February 9, 1999

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 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 a 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 Corporati

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 i

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

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 a

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

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 validit

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

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,

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 t

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

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;

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

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

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 accor

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 pri

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

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

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

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, o

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 suc

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 therefo

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 th

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

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 ed 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

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 ot

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

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 f

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 o

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 a

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

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 a

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 and 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 10.7

CONSULTING AND SEPARATION AGREEMENT

This Consulting and Separation Agreement (Agreement) is entered into this 10th day of August, 1999, by and between CACI International Inc, a Delaware Corporation having its principal place of business at 1100 North Glebe Road, Arlington, Virginia (CACI), and Ronald R. Ross, an individual residing at 11391 Highbrook Court, Sterling, Virginia (Ross).

WHEREAS, Ross has been employed as President and Chief Operating Officer of CACI since October, 1997;

WHEREAS, Ross was notified by the Board of Directors of CACI that, pursuant to its resolution dated June 17, 1999, Ross would not be considered for the position of Chief Executive Officer either now or in the future;

WHEREAS, Ross has notified CACI that he intends to resign from his positions with CACI and its subsidiaries and affiliated companies in order to pursue other business opportunities;

WHEREAS, because of his experience with CACI, CACI desires to make arrangements pursuant to which Ross will be available to provide consulting services to CACI and undertake certain commitments, promises and obligations to CACI for a period following termination of his active employment with CACI; and

WHEREAS, both CACI and Ross desire to memorialize the terms and conditions of Ross' separation from CACI in a single document;

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

1. **Termination of Active Employment.** Ross resigns his position as President and Chief Operating Officer of CACI effective August 11, 1999. The period of Ross' active employment with CACI shall end not later than October 2, 1999. The parties agree that Ross' official termination date (Termination Date) shall be: (a) the date Ross begins active employment with a company or entity other than CACI; (b) the

date CACI determines and advises Ross in writing that Ross has willfully and intentionally failed to comply in good faith with a material term of this Agreement; or (c) October 2, 1999, whichever is earlier. Until such Termination Date, Ross shall retain his status as an active CACI employee, shall be entitled to compensation, benefits and prerequisite attendant to his position and shall continue to take direction from the Chief Executive Officer on work to be performed and related business travel (all to be accomplished in a responsive, professional and business-like manner).

2. Consulting Services. For a period of twelve (12) months after his Termination Date, Ross agrees to make himself available to CACI to provide consulting services on an as-needed basis for up to forty-eight (48) hours per month (the Consulting Period) as reasonably requested by CACI so as not to preclude Ross' full-time employment. In return, beginning on the first day of the month which begins next following the Termination Date and continuing on the first day of each succeeding month, CACI agrees to pay Ross the sum of Twenty Thousand, Eight Hundred Thirty-Three Dollars and Thirty-Three cents (\$20,833.33) per month subject to any withholding that may apply to such payments for such twelve (12) month period, regardless of whether or not Ross is actually called upon to provide consulting services during any month of the Consulting Period. The parties agree that Ross shall be entitled to no compensation or benefits from CACI during the Consulting Period other than the payments described in this Paragraph and the insurance coverages described in Paragraph 5.

3. Incentive Compensation. CACI shall pay to Ross all incentive compensation amounts earned previously pursuant to any and all Fiscal Year 1999 incentive compensation plans applicable to Ross in the ordinary course of business in accordance with CACI's normal schedule for making such payments. If for any reason Ross has not been paid all such amounts as of the Termination Date, CACI shall pay Ross any such amounts remaining unpaid within thirty (30) days. It is expressly understood that Ross shall be ineligible for any incentive compensation in or pertaining to Fiscal Year 2000.

4. Stock Options. All matters regarding vesting, exercises or other aspects of stock options shall be governed by the terms of the Stock Option Agreements previously entered into between CACI and Ross. In the event that Ross shall be the owner of any shares of CACI Common Stock on the record date established by CACI's Board of Directors for determination of shareholders entitled to notice of and to vote at CACI's 1999 Annual Meeting of Stockholders, Ross agrees to provide CACI with a signed management proxy card entitling the persons named thereon as proxies to vote any and all such shares as they see fit with respect to any and all business that may properly come before such Annual Meeting or any adjournments thereof.

5. Insurance. All insurances provided to Ross as part of the fringe benefit package applicable to him during the period of his active CACI employment (including, but limited to, life, medical, dental, and disability insurance) shall continue to be provided to Ross during the Consulting Period at the same cost as that which applied during the period of his active CACI employment, provided however, that all such insurance coverages shall cease, or if applicable, at Ross' option be continued pursuant to the provisions of the Consolidated Budget Reconciliation Act of 1985 (COBRA), at the time Ross begins employment with any company or entity other than CACI.

6. Retirement Plans. Following the Termination Date, Ross may elect to receive the vested balances in his CACI 401(k) SMART Plan and CACI Executive Retirement Plan accounts, or he may remain a participant in such plans. Ross will provide CACI with instructions regarding the disposition of such account balances within ninety (90) days following the Termination Date.

7. Other Fringe Benefits. Within thirty (30) days after the Termination Date, Ross shall be paid any and all benefits due to him pursuant to any CACI fringe benefit program applicable to Ross (including, but not limited to, accrued but unused vacation) as of the Termination Date.

8. Non-Compete.

(a) For a period of one (1) year after the Termination Date, Ross shall not directly or indirectly, individually, or on behalf of any other person, company, or entity, contact any person or entity that: (i) was a CACI client as of the Termination Date; (ii) had been a CACI client within one (1) year of the Termination Date; (iii) was a prospective client that CACI was pursuing as of the Termination Date, for the purpose of selling, marketing, or otherwise providing products or services similar to, related to, or otherwise in competition with, the products or services sold, provided or marketed by CACI to such client or prospective client within one (1) year preceeding the Termination Date;

(b) For a period of one (1) year after the Termination Date, Ross will not directly or indirectly, individually or on behalf of another person, company, or entity, compete with CACI for the award of any contract that in whole or in part succeeds, supersedes, reduces or diminishes CACI's work in connection with any contract performed by the CACI organizations under Ross' supervision at any time during the one (1) year prior

9. Non-Solicitation. For a period of two (2) years after the Termination Date, Ross will not participate directly or indirectly in soliciting for employment any person employed by CACI.

10. Fiduciary Responsibilities. Ross understands that certain fiduciary duties and responsibilities attach to his position as President and Chief Operating Officer of CACI, and that certain aspects of those duties survive termination of his CACI employment. Ross agrees to fully perform his fiduciary duties to CACI both before and after the Termination Date.

11. Confidentiality and Certain Communications.

(a) In perpetuity, CACI and Ross agree to keep the existence and the terms of this Agreement confidential with the following

exceptions: (1) where disclosure is required by law; and (2) after obtaining their written agreement to keep the fact of this Agreement and its terms confidential, where disclosure is made to (i) CACI's or Ross' legal counsel or tax advisor; (ii) to such of CACI's directors, officers, and employees who have a need to know such information; or (iii) to Ross' immediate family;

(b) For two (2) years after execution of this Agreement, Ross agrees not to communicate directly or indirectly, orally or in writing, or otherwise, with any director, former director or candidate for election to the CACI Board of Directors regarding CACI, CACI's business, his CACI employment, or the circumstances, terms and conditions of the termination of his CACI employment;

(c) In perpetuity, except as specifically agreed between the General Counsel of CACI and Ross in advance, Ross agrees not to communicate in any manner with any investment fund manager, security analyst, investment banker, securities broker, investment advisor, investor, potential investor, or other similarly situated or titled person involved in the investment community, regarding CACI, his CACI employment, or the circumstances, terms and conditions of the termination of his CACI employment;

(d) In perpetuity, except as specifically agreed between the General Counsel of CACI and Ross in writing, Ross agrees not to directly or indirectly participate in or advise any person, company, group or entity with regard to any of the following efforts: (1) submission of a shareholder proposal for inclusion in CACI's annual proxy statement, or otherwise; (2) nomination and/or election of a candidate or slate of candidates to CACI's Board of Directors; (3) submission of a tender offer or other offer for all or substantially all of CACI's stock or assets; or (4) submission of any item or proposal for consent of the CACI stockholders.

(e) In perpetuity, the parties agree that they will refrain from making to any person or entity any derogatory or defamatory remarks or any comments whatsoever that might be in any way disparaging to CACI or Ross, or to any of CACI's subsidiary or affiliated companies, or any of the directors, officers, or employees of CACI and its subsidiary and affiliated companies.

12. Trade Secrets and Confidential Information. Ross shall not disclose, publish, or use for any purpose not directly related to the performance of his duties for CACI, or permit anyone else to disclose, publish, or use, any proprietary or confidential information or trade secrets of CACI, its subsidiary or affiliated companies, its clients or business partners at any time during or after the period of his CACI employment. This obligation shall continue so long as such information remains legally protectable as to persons receiving it in a confidential relationship. Ross agrees to return to CACI any and all proprietary CACI material which he possesses on the Termination Date.

13. Disputes and Remedies.

(a) Any controversy or claim arising out of, or related to this Agreement, or its breach, or otherwise arising out of or relating to Ross' CACI employment or the termination of such employment (including without limitation to any claim of discrimination, whether based on race, color, religion, national origin, gender, age, sexual preference, disability, status as a disabled or Vietnam-era veteran, or any other legally protected status, and whether based on federal or state law or otherwise), shall be resolved by arbitration. Such arbitration shall be held in Arlington, Virginia in accordance with the American Arbitration Association's Rules for the Resolution of Employment disputes. Judgement upon award rendered by the Arbitrator shall be binding upon CACI and Ross and may be entered and enforced in any court of competent jurisdiction;

(b) The promises concerning non-competition, non-solicitation of employees, fiduciary duties, treatment of confidential or proprietary material, confidentiality and certain communications and trade secrets and confidential information contained in Paragraphs 8, 9, 10, 11 and 12 of this Agreement, are essential to CACI's willingness to agree to the promises and obligations provided for in this Agreement. If Ross does not keep these obligations or promises, then CACI will not be required to pay Ross any amounts remaining unpaid under this Agreement. In addition, if Ross threatens to, or fails to keep such promises, in addition to any other remedy which may be available, CACI shall be entitled to the issuance of an injunction to prevent such threatened or actual failure to keep promises.

14. Releases.

(a) In consideration of the payments made to Ross pursuant to the terms of this Agreement, Ross for himself, his heirs and legal representatives, releases and forever discharges CACI, its subsidiary and affiliated companies, their predecessors, successors, or assigns, and all of the past, present or future directors, officers, agents and employees of such entities and their predecessors, successors, or assigns, from any and all claims, demands, or causes of action, whether known or unknown, existing at the time of the execution of this Agreement or occurring subsequent thereto, arising out of or related to Ross' employment or to the termination of Ross' employment with CACI; provided however, that this release shall not extend to claims for breach of this Agreement;

(b) In consideration of the promises and obligations undertaken by Ross pursuant to the terms of this Agreement, and of his continued compliance with such promises and obligations CACI agrees to release Ross, his heirs and legal representatives, from any and all claims, demands, or causes of action, whether known or unknown, existing at the time of execution of this Agreement or occurring subsequent thereto, arising out of or related to Ross' employment or to the termination of Ross' employment with CACI; provided however, that this release shall not extend to claims or causes of action that arise out of Ross' unlawful or criminal activities or to claims for breach of this Agreement.

15. Miscellaneous. Except for the provisions of any Stock Option Agreement executed between CACI and Ross, this Agreement contains the entire agreement between CACI and Ross concerning the provision of consulting services by Ross, his CACI employment and his separation from CACI, and any and all prior agreements, arrangements or promises (whether written or oral) concerning such matters are no

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

Ronald R. Ross

/s/

Date: August 10, 1999

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

Exhibit 21

- CACI, Inc., a Delaware Corporation
- CACI, INC.-FEDERAL, a Delaware Corporation
(also does business as "CACI Marketing Systems", "Information Decision Systems", "Demographic on Call" and CACI IDS")

- CACI, INC.-COMMERCIAL, a Delaware Corporation
- CACI Products Company, a Delaware Corporation
- CACI Products Company California, a California Corporation
- American Legal Services Corp., a Delaware Corporation
(also does business as "CACI Advanced Legal Systems" and "CACI Legal Systems")
- 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

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, 1999, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

PERIOD TYPE	12 MOS
FISCAL YEAR END	JUN 30 1999
PERIOD END	JUN 30 1999
CASH	2,403,000
SECURITIES	0
RECEIVABLES	122,031,000
ALLOWANCES	(3,050,000)
INVENTORY	0
CURRENT ASSETS	122,474,000
PP&E	43,396,000
DEPRECIATION	(29,634,000)
TOTAL ASSETS	221,712,000
CURRENT LIABILITIES	55,748,000
BONDS	62,069,000
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	1,450,000
OTHER SE	97,487,000
TOTAL LIABILITY AND EQUITY	221,712,000
SALES	0
TOTAL REVENUES	441,748,000
CGS	0
TOTAL COSTS	256,957,000
OTHER EXPENSES	157,028,000
LOSS PROVISION	789,000
INTEREST EXPENSE	3,713,000
INCOME PRETAX	23,261,000
INCOME TAX	9,091,000
INCOME CONTINUING	14,170,000
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	14,170,000

EPS BASIC	1.26 ¹
EPS DILUTED	1.26

¹ Earnings per share has been presented on the financial statements in accordance with SFAS #128 as shown below: earnings per share-basic \$1.30 earnings per share-diluted \$1.26

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