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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2012

OR

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

Commission File Number 001-31400

CACI International Inc

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

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

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

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

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

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes ☒ . No ☐ .

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

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

Indicate the number of shares outstanding of each of the Registrant's classes of Common Stock, as of November 1, 2012: CACI International Inc Common Stock, \$0.10 par value, 22,827,396 shares.

Table of Contents

CACI INTERNATIONAL INC

	<u>PAGE</u>
PART I: FINANCIAL INFORMATION	
Item 1. Financial Statements	
Condensed Consolidated Statements of Operations (Unaudited) for the Three Months Ended September 30, 2012 and 2011	3
Consolidated Statements of Comprehensive Income (Unaudited) for the Three Months Ended September 30, 2012 and 2011	4
Condensed Consolidated Balance Sheets (Unaudited) as of September 30, 2012 and June 30, 2012	5
Condensed Consolidated Statements of Cash Flows (Unaudited) for the Three Months Ended September 30, 2012 and 2011	6
Notes to Unaudited Condensed Consolidated Financial Statements	7
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	18
Item 3. Quantitative and Qualitative Disclosures About Market Risk	24
Item 4. Controls and Procedures	25
PART II: OTHER INFORMATION	
Item 1. Legal Proceedings	26
Item 1A. Risk Factors	27
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	27
Item 3. Defaults Upon Senior Securities	27
Item 4. [Removed and Reserved]	27
Item 5. Other Information	27
Item 6. Exhibits	28
Signatures	29

PART I
FINANCIAL INFORMATION

Item 1. Financial Statements

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

	Three Months Ended September 30,	
	2012	2011
Revenue	<u>\$931,236</u>	<u>\$924,395</u>
Costs of revenue:		
Direct costs	645,637	634,931
Indirect costs and selling expenses	207,623	200,282
Depreciation and amortization	<u>13,239</u>	<u>13,528</u>
Total costs of revenue	<u>866,499</u>	<u>848,741</u>
Income from operations	64,737	75,654
Interest expense and other, net	<u>6,782</u>	<u>5,600</u>
Income before income taxes	57,955	70,054
Income taxes	<u>21,965</u>	<u>27,941</u>
Net income including portion attributable to noncontrolling interest in earnings of joint venture	35,990	42,113
Noncontrolling interest in earnings of joint venture	<u>(282)</u>	<u>27</u>
Net income attributable to CACI	<u>\$ 35,708</u>	<u>\$ 42,140</u>
Basic earnings per share	<u>\$ 1.55</u>	<u>\$ 1.46</u>
Diluted earnings per share	<u>\$ 1.49</u>	<u>\$ 1.41</u>
Weighted-average basic shares outstanding	<u>23,032</u>	<u>28,915</u>
Weighted-average diluted shares outstanding	<u>23,980</u>	<u>29,842</u>

See Notes to Unaudited Condensed Consolidated Financial Statements

CACI INTERNATIONAL INC
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(amounts in thousands)

	Three Months Ended	
	September 30,	
	2012	2011
Net income including portion attributable to noncontrolling interest in earnings of joint venture	\$35,990	\$42,113
Change in foreign currency translation adjustment	3,545	(2,934)
Change in fair value of interest rate swap agreement	(590)	—
Comprehensive income including portion attributable to noncontrolling interest in earnings of joint venture	38,945	39,179
Noncontrolling interest in earnings of joint venture	(282)	27
Comprehensive income attributable to CACI	<u>\$38,663</u>	<u>\$39,206</u>

See Notes to Unaudited Condensed Consolidated Financial Statements

Table of Contents

CACI INTERNATIONAL INC
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(amounts in thousands, except per share data)

	September 30,	June 30,
	2012	2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 48,591	\$ 15,740
Accounts receivable, net	587,864	628,842
Deferred income taxes	18,184	16,747
Prepaid expenses and other current assets	28,165	24,463
Total current assets	682,804	685,792
Goodwill	1,440,058	1,406,953
Intangible assets, net	115,390	114,816
Property and equipment, net	68,748	67,449
Supplemental retirement savings plan assets	84,441	77,371
Other long-term assets	44,502	40,495
Total assets	<u>\$2,435,943</u>	<u>\$2,392,876</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 7,500	\$ 7,500
Accounts payable	126,373	149,549
Accrued compensation and benefits	161,794	180,871
Other accrued expenses and current liabilities	151,098	147,009
Total current liabilities	446,765	484,929
Long-term debt, net of current portion	671,226	531,961
Supplemental retirement savings plan obligations, net of current portion	75,934	73,176
Deferred income taxes	92,063	86,414
Other long-term liabilities	58,236	51,951
Total liabilities	1,344,224	1,228,431
COMMITMENTS AND CONTINGENCIES		
Shareholders' equity:		
Preferred stock \$0.10 par value, 10,000 shares authorized, no shares issued	—	—
Common stock \$0.10 par value, 80,000 shares authorized, 40,766 and 40,626 shares issued, respectively	4,077	4,062
Additional paid-in capital	525,335	525,121
Retained earnings	1,141,657	1,105,949
Accumulated other comprehensive loss	(4,879)	(7,834)
Treasury stock, at cost (17,953 and 15,988 shares, respectively)	(577,203)	(465,303)
Total CACI shareholders' equity	1,088,987	1,161,995
Noncontrolling interest in joint venture	2,732	2,450
Total shareholders' equity	1,091,719	1,164,445
Total liabilities and shareholders' equity	<u>\$2,435,943</u>	<u>\$2,392,876</u>

See Notes to Unaudited Condensed Consolidated Financial Statements

CACI INTERNATIONAL INC

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(amounts in thousands)

	Three Months Ended September 30,	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income including portion attributable to noncontrolling interest in earnings of joint venture	\$ 35,990	\$ 42,113
Reconciliation of net income including portion attributable to noncontrolling interest to net cash provided by operating activities:		
Depreciation and amortization	13,239	13,528
Non-cash interest expense	3,140	2,934
Amortization of deferred financing costs	494	809
Stock-based compensation expense	2,400	3,212
Deferred income tax expense	4,540	8,555
Undistributed earnings of unconsolidated joint venture	(426)	(264)
Changes in operating assets and liabilities, net of effect of business acquisitions:		
Accounts receivable, net	51,768	(11,972)
Prepaid expenses and other assets	(14,126)	(2,613)
Accounts payable and other accrued expenses	(21,350)	16,826
Accrued compensation and benefits	(28,190)	(28,153)
Income taxes payable and receivable	9,515	11,740
Supplemental retirement savings plan obligations and other long-term liabilities	10,720	(568)
Net cash provided by operating activities	67,714	56,147
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(5,886)	(3,096)
Cash paid for business acquisitions, net of cash acquired	(42,986)	(104,768)
Other	(341)	(323)
Net cash used in investing activities	(49,213)	(108,187)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings under bank credit facilities	453,500	328,000
Principal payments made under bank credit facilities	(317,375)	(204,875)
Proceeds from employee stock purchase plans	1,460	1,325
Proceeds from exercise of stock options	468	1,337
Repurchases of common stock	(124,352)	(209,680)
Other	430	155
Net cash provided by (used in) financing activities	14,131	(83,738)
Effect of exchange rate changes on cash and cash equivalents	219	(457)
Net increase (decrease) in cash and cash equivalents	32,851	(136,235)
Cash and cash equivalents, beginning of period	15,740	164,817
Cash and cash equivalents, end of period	<u>\$ 48,591</u>	<u>\$ 28,582</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the period for income taxes, net of refunds	<u>\$ 7,502</u>	<u>\$ 7,361</u>
Cash paid during the period for interest	<u>\$ 1,728</u>	<u>\$ 903</u>
Non-cash financing and investing activities:		
Landlord-financed leasehold improvements	<u>\$ —</u>	<u>\$ 982</u>

See Notes to Unaudited Condensed Consolidated Financial Statements

CACI INTERNATIONAL INC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of CACI International Inc and subsidiaries (CACI or the Company) have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (SEC) and include the assets, liabilities, results of operations and cash flows for the Company, including its subsidiaries and joint ventures that are more than 50 percent owned or otherwise controlled by the Company. Certain information and note disclosures normally included in the annual financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP) have been condensed or omitted pursuant to those rules and regulations, although the Company believes that the disclosures made are adequate to make the information presented not misleading. All intercompany balances and transactions have been eliminated in consolidation.

Under ASC 855, *Subsequent Events*, the Company is required to assess the existence or occurrence of any events occurring after September 30, 2012 that may require recognition or disclosure in the financial statements as of and for the three months ended September 30, 2012. The Company has evaluated all events and transactions that occurred after September 30, 2012, and found that during this period it did not have any subsequent events requiring financial statement recognition.

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and amounts included in other current assets and current liabilities that meet the definition of a financial instrument approximate fair value because of the short-term nature of these amounts. The fair value of the Company's debt outstanding as of September 30, 2012 under its bank credit facility approximates its carrying value. The fair value of the Company's debt under its bank credit facility was estimated using Level 2 inputs based on market data on companies with a corporate rating similar to CACI's that have recently priced credit facilities. The fair value of the Company's \$300.0 million of 2.125 percent convertible senior subordinated notes issued May 16, 2007 and that mature on May 16, 2014 (the Notes) is based on quoted market prices using Level 1 inputs. See Notes 5 and 11.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments and reclassifications (all of which are of a normal, recurring nature) that are necessary for fair presentation for the periods presented. It is suggested that these unaudited consolidated financial statements be read in conjunction with the audited consolidated financial statements and the notes thereto included in the Company's latest annual report to the SEC on Form 10-K for the year ended June 30, 2012. The results of operations for the three months ended September 30, 2012 are not necessarily indicative of the results to be expected for any subsequent interim period or for the full fiscal year.

Certain reclassifications have been made to the prior period's financial statements to conform to the current presentation.

2. New Accounting Pronouncements

In June 2011, the FASB issued ASU No. 2011-05, *Presentation of Comprehensive Income* (ASU 2011-05), which amends ASC Topic 220, *Comprehensive Income*. This accounting update requires companies to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. This new guidance became effective for the Company on July 1, 2012. The Company is presenting the components of net income and other comprehensive income in two separate, but consecutive statements.

In September 2011, the FASB issued ASU No. 2011-08, *Intangibles-Goodwill and Other (Topic 350): Testing Goodwill for Impairment* (ASU 2011-08), which simplifies how an entity tests goodwill for impairment. The amendments permit an entity to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. Accordingly, an entity will no longer be required to calculate the fair value of a reporting unit in the step one test unless the entity determines, based on a qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. ASU 2011-08 is effective for the Company for its goodwill impairment tests performed for the fiscal year ending June 30, 2013. The adoption of this ASU is not expected to significantly impact the Company's consolidated financial statements.

CACI INTERNATIONAL INC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

3. Acquisitions

On July 2, 2012, the Company completed the acquisition of Delta Solutions and Technologies, Inc. (Delta). Delta is a provider of financial management and business services to the federal government. The total purchase consideration for Delta, including payments made at closing and payments to be made based on the closing date net worth of the assets acquired, is \$46.3 million. The Company has completed its valuation of the business acquired and has recognized fair values of the assets acquired and liabilities assumed. The Company has allocated \$30.3 million to goodwill and \$8.0 million to other intangible assets, primarily customer contracts. The value attributable to customer contracts is being amortized on an accelerated basis over 15 years. The acquired business generated \$12.6 million of revenue from July 2, 2012 through September 30, 2012.

4. Intangible Assets

Intangible assets increased due to the Delta acquisition (see Note 3) and consisted of the following (in thousands):

	September 30, 2012	June 30, 2012
Customer contracts and related customer relationships	\$ 339,971	\$ 331,548
Acquired technologies	27,177	27,177
Covenants not to compete	3,401	3,401
Other	1,639	1,639
Intangible assets	372,188	363,765
Less accumulated amortization	(256,798)	(248,949)
Total intangible assets, net	<u>\$ 115,390</u>	<u>\$ 114,816</u>

Intangible assets are primarily amortized on an accelerated basis over periods ranging from one to fifteen years. The weighted-average period of amortization for all customer contracts and related customer relationships as of September 30, 2012 is 8.8 years, and the weighted-average remaining period of amortization is 7.6 years. The weighted-average period of amortization for acquired technologies as of September 30, 2012 is 6.7 years, and the weighted-average remaining period of amortization is 5.5 years.

Expected amortization expense for the remainder of the fiscal year ending June 30, 2013, and for each of the fiscal years thereafter, is as follows (in thousands):

Fiscal year ending June 30,	Amount
2013 (nine months)	\$ 21,958
2014	24,390
2015	18,880
2016	14,101
2017	12,064
Thereafter	23,997
Total intangible assets, net	<u>\$115,390</u>

CACI INTERNATIONAL INC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

5. Long-term Debt

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

	September 30, 2012	June 30, 2012
Convertible notes payable	\$ 300,000	\$300,000
Bank credit facility – Term Loan	136,875	138,750
Bank credit facility – Revolving Facility	263,000	125,000
Principal amount of long-term debt	699,875	563,750
Less unamortized discount	(21,149)	(24,289)
Total long-term debt	678,726	539,461
Less current portion	(7,500)	(7,500)
Long-term debt, net of current portion	<u>\$ 671,226</u>	<u>\$531,961</u>

Bank Credit Facility

As of September 30, 2012, the Company had a \$750.0 million credit facility (the Credit Facility), which consisted of a \$600.0 million revolving credit facility (the Revolving Facility) and a \$150.0 million term loan (the Term Loan).

The Revolving Facility is a secured facility that permits continuously renewable borrowings and has subfacilities of \$50.0 million for same-day swing line loan borrowings and \$25.0 million for stand-by letters of credit. As of September 30, 2012, the Company had \$263.0 million outstanding under the Revolving Facility, no borrowings on the swing line and no outstanding letters of credit. The Credit Facility was entered into on October 21, 2010 and replaced the Company's then outstanding term loan and revolving credit facility. On October 26, 2012, the Company entered into a Lender Joinder and Increase Agreement (the Agreement) pursuant to which it exercised its right to increase the Revolving Facility by \$150.0 million, bringing the total available under the Revolving Facility to \$750.0 million. All other terms of the Credit Facility remained the same. The Company pays a quarterly facility fee for the unused portion of the Revolving Facility. The Revolving Facility matures on November 18, 2016.

The Term Loan is a five-year secured facility under which principal payments are due in quarterly installments of \$1.9 million through September 30, 2015 and \$3.8 million thereafter until September 30, 2016, with the balance due in full on November 18, 2016.

Subsequent to the October 26, 2012 Agreement, at any time and so long as no default has occurred, the Company has the right to increase the Term Loan or Revolving Facility in an aggregate principal amount of up to \$150.0 million with applicable lender approvals. The Credit Facility is available to refinance existing indebtedness and for general corporate purposes, including working capital expenses and capital expenditures.

The interest rates applicable to loans under the Credit Facility are floating interest rates that, at the Company's option, equal a base rate or a Eurodollar rate plus, in each case, an applicable margin based upon the Company's consolidated total leverage ratio. As of September 30, 2012, the effective interest rate, excluding the effect of amortization of debt financing costs, for the outstanding borrowings under the Credit Facility was 1.73 percent.

The Credit Facility requires the Company to comply with certain financial covenants, including a maximum senior secured leverage ratio, a maximum total leverage ratio and a minimum fixed charge coverage ratio. The Credit Facility also includes customary negative covenants restricting or limiting the Company's ability to guarantee or incur additional indebtedness, grant liens or other security interests to third parties, make loans or investments, transfer assets, declare dividends or redeem or repurchase capital stock or make other distributions, prepay subordinated indebtedness and engage in mergers, acquisitions or other business combinations, in each case except as expressly permitted under the Credit Facility. Since the inception of the Credit Facility, the Company has been in compliance with all of the financial covenants. A majority of the Company's assets serve as collateral under the Credit Facility.

CACI INTERNATIONAL INC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

As of September 30, 2012, the Company had capitalized \$7.3 million of debt issuance costs associated with the Credit Facility. All debt issuance costs are being amortized from the date incurred to the expiration date of the Credit Facility. The unamortized balance of \$4.7 million at September 30, 2012 is included in other assets.

Convertible Notes Payable

Effective May 16, 2007, the Company issued the Notes in a private placement. The Notes were issued at par value and are subordinate to the Company's senior secured debt. Interest on the Notes is payable on May 1 and November 1 of each year.

Holders may convert their notes at a conversion rate of 18.2989 shares of CACI common stock for each \$1,000 of note principal (an initial conversion price of \$54.65 per share) under the following circumstances: 1) if the last reported sale price of CACI stock is greater than or equal to 130 percent of the applicable conversion price for at least 20 trading days in the period of 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter; 2) during the five consecutive business day period immediately after any ten consecutive trading day period (the note measurement period) in which the average of the trading price per \$1,000 principal amount of convertible note was equal to or less than 97 percent of the average product of the closing price of a share of the Company's common stock and the conversion rate of each date during the note measurement period; 3) upon the occurrence of certain corporate events constituting a fundamental change, as defined in the indenture governing the Notes; or 4) during the last three-month period prior to maturity. CACI is required to satisfy 100 percent of the principal amount of these notes solely in cash, with any amounts above the principal amount to be satisfied in common stock. As of September 30, 2012, none of the conditions permitting conversion of the Notes had been satisfied.

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

The Company separately accounts for the liability and the equity (conversion option) components of the Notes and recognizes interest expense on the Notes using an interest rate in effect for comparable debt instruments that do not contain conversion features. The effective interest rate for the Notes excluding the conversion option was determined to be 6.9 percent.

The fair value of the liability component of the Notes was calculated to be \$221.9 million at May 16, 2007, the date of issuance. The excess of the \$300.0 million of gross proceeds over the \$221.9 million fair value of the liability component, or \$78.1 million, represents the fair value of the equity component, which was recorded, net of income tax effect, as additional paid-in capital within shareholders' equity. This \$78.1 million difference represents a debt discount that is amortized over the seven-year term of the Notes as a non-cash component of interest expense. The components of interest expense related to the Notes were as follows (in thousands):

	September 30,	
	2012	2011
Coupon interest	\$1,594	\$1,594
Non-cash amortization of discount	3,140	2,934
Amortization of issuance costs	205	205
Total	<u>\$4,939</u>	<u>\$4,733</u>

CACI INTERNATIONAL INC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

The balance of the unamortized discount as of September 30, 2012 and June 30, 2012, was \$21.1 million and \$24.3 million, respectively. The discount will continue to be amortized as additional, non-cash interest expense over the remaining term of the Notes (through May 1, 2014) using the effective interest method as follows (in thousands):

Fiscal year ending June 30,	Amount Amortized
	During Period
2013 (nine months)	\$ 9,728
2014	11,421
	<u>\$ 21,149</u>

The fair value of the Notes as of September 30, 2012 was \$331.9 million based on quoted market values.

Contingently issuable shares of 13,228 that may result from the conversion of the Notes were included in CACI's diluted share count for the three months ended September 30, 2012 because CACI's average stock price during the three month period ended September 30, 2012 was above the conversion price of \$54.65 per share. No contingently issuable shares that may result from the conversion of the Notes were included in CACI's diluted share count for the three months ended September 30, 2011 because CACI's average stock price during the three month period ended September 30, 2011 was below the conversion price of \$54.65 per share. Of total debt issuance costs of \$7.8 million, \$5.8 million is being amortized to interest expense over seven years. The remaining \$2.0 million of debt issuance costs attributable to the embedded conversion option was recorded in additional paid-in capital. Upon closing of the sale of the Notes, \$45.5 million of the net proceeds was used to concurrently repurchase one million shares of CACI's common stock.

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

For income tax reporting purposes, the Notes and the Call Options are integrated. This created an original issue discount for income tax reporting purposes, and therefore the cost of the Call Options is being accounted for as interest expense over the term of the Notes for income tax reporting purposes. The associated income tax benefit of \$32.8 million to be realized for income tax reporting purposes over the term of the Notes was recorded as an increase in additional paid-in capital and a long-term deferred tax asset. The majority of this deferred tax asset is offset in the Company's balance sheet by the \$30.7 million deferred tax liability associated with the non-cash interest expense to be recorded for financial reporting purposes.

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

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

Cash Flow Hedges

The Company periodically uses derivative financial instruments as part of a strategy to manage exposure to market risks associated with interest rate fluctuations. During the year ended June 30, 2012, the Company entered into two floating-to-fixed interest rate swap agreements for an aggregate notional amount of \$100.0 million (\$50.0 million for each agreement) related to a portion of the Company's floating rate indebtedness. The agreements are effective beginning July 1, 2013 and mature July 1, 2017. The Company designated the interest rate swap agreements as cash flow hedges. As cash flow hedges, unrealized gains are recognized as assets while unrealized losses are recognized as liabilities. The interest rate swap agreements are highly correlated to the changes in interest rates to which the Company is exposed. Unrealized gains and losses on these swaps are designated as effective or ineffective. The effective portion of such

CACI INTERNATIONAL INC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

gains or losses is recorded as a component of accumulated other comprehensive income or loss, while the ineffective portion of such gains or losses will be recorded as a component of interest expense. Future realized gains and losses in connection with each required interest payment will be reclassified from accumulated other comprehensive income or loss to interest expense.

The effect of derivative instruments in the condensed consolidated statements of operations and accumulated other comprehensive loss for the three months ended September 30, 2012 and 2011 is as follows (in thousands):

	Three Months Ended September 30,	
	2012	2011
Loss recognized in other comprehensive income	\$ 590	\$ —
Loss reclassified to earnings from accumulated other comprehensive loss	\$ —	\$ —

The aggregate maturities of long-term debt at September 30, 2012 are as follows (in thousands):

Twelve months ending September 30,	
2013	\$ 7,500
2014	307,500
2015	7,500
2016	15,000
2017	362,375
	699,875
Less unamortized discount	(21,149)
Total long-term debt	\$678,726

6. Commitments and Contingencies

General Legal Matters

The Company is involved in various lawsuits, claims, and administrative proceedings arising in the normal course of business. Management is of the opinion that any liability or loss associated with such matters, either individually or in the aggregate, will not have a material adverse effect on the Company's operations and liquidity.

Iraq Investigations

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

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

Government Contracting

Payments to the Company on cost-plus-fee and time-and-materials contracts are subject to adjustment upon audit by the DCAA. The DCAA is currently in the process of auditing the Company's incurred cost submissions for the years ended June 30, 2006 and 2007. In the opinion of management, audit adjustments that may result from audits not yet completed or started are not expected to have a material effect on the Company's financial position, results of operations, or cash flows as the Company has accrued its best estimate of potential disallowances. Additionally, the DCAA continually reviews the cost accounting and other practices of government contractors, including the Company. In the course of those reviews, cost accounting and other issues are identified, discussed and settled.

CACI INTERNATIONAL INC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

In December 2010, the Defense Contract Management Agency (DCMA) issued a letter to the Company with its determination that the Company improperly allocated certain legal costs incurred arising out of the Company's work in Iraq from 2003 to 2005. The Company did not agree with the DCMA's findings and, on March 9, 2011, filed a Notice of Appeal in the Armed Services Board of Contract Appeals (ASBCA). The parties negotiated a settlement in August 2012 resolving the matter. The parties filed a joint motion to dismiss the Company's ASBCA appeal which was approved on October 2, 2012. The DCMA determined the cost impact of the improper cost allocations to be immaterial.

On March 26, 2012, the Company received a subpoena from the Defense Criminal Investigative Service seeking documents related to one of the Company's contracts for the period of January 1, 2007 through March 26, 2012. The Company is providing documents responsive to the subpoena and cooperating fully with the government's investigation. The Company has accrued its current best estimate of the potential outcome within its estimated range of \$0.8 million to \$1.8 million.

On April 9, 2012, the Company received a letter from the Department of Justice (DoJ) informing the Company that the DoJ is investigating whether the Company violated the civil False Claims Act by submitting false claims to receive federal funds pursuant to a GSA contract. Specifically, the DoJ is investigating whether the Company failed to comply with contract requirements and applicable regulations by improperly billing for certain contracting personnel under the contract. The Company is reviewing this matter and has not accrued any liability as based on its present knowledge of the facts, it does not believe an unfavorable outcome is probable.

German Value-Added Taxes

The Company is under audit by the German tax authorities for issues related to value-added tax returns. At this time, the Company has not been assessed any deficiency and, based on sound factual and legal precedent, believes it is in compliance with the applicable value-added tax regulations. The Company has not accrued any liability for this matter because an unfavorable outcome is not considered probable. The Company estimates the range of reasonably possible losses to be between \$1.5 million and \$3.5 million.

7. Stock-Based Compensation

Stock-based compensation expense recognized, together with the income tax benefits recognized, is as follows (in thousands):

	Three Months Ended September 30,	
	2012	2011
Stock-based compensation included in indirect costs and selling expenses:		
Restricted stock and restricted stock unit (RSU) expense	\$ 2,154	\$ 2,606
Non-qualified stock option and stock settled stock appreciation right (SSAR) expense	246	606
Total stock-based compensation expense	<u>\$ 2,400</u>	<u>\$ 3,212</u>
Income tax benefit recognized for stock-based compensation expense	<u>\$ 914</u>	<u>\$ 1,281</u>

Under the terms of its 2006 Stock Incentive Plan (the 2006 Plan), the Company may issue, among others, non-qualified stock options, restricted stock, RSUs, SSARs, and performance awards, collectively referred to herein as equity instruments. During the periods presented all equity instrument grants were made in the form of RSUs. Other than performance-based RSUs which contain a market-based element, the fair value of RSU grants were determined based on the closing price of a share of the Company's common stock on the date of grant. The fair value of RSUs with market-based vesting features was also measured on the grant date, but was done so using a binomial lattice model.

Annual grants under the 2006 Plan are generally made to the Company's key employees during the first quarter of the Company's fiscal year and to members of the Company's Board of Directors during the second quarter of the Company's fiscal year. With the approval of its Chief Executive Officer, the Company also issues equity instruments to strategic new hires and to employees who have demonstrated superior performance. In September 2012, the Company made its annual grant to its key employees consisting of 238,810 Performance Restricted Stock Units (PRSUs). The final number of such performance-based RSUs which will be considered earned by the participants and eventually vest

CACI INTERNATIONAL INC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

is based on the achievement of a specified Net After Tax Profit (NATP) for the year ending June 30, 2013 and on the average share price of Company stock for the 90 day period ending September 14, 2013 as compared to the average share price for the 90 day period ended September 14, 2012. No PRSUs will be earned if the specified NATP for the fiscal year ending June 30, 2013 is not met. If NATP for the year ending June 30, 2013 exceeds the specified NATP and the average share price of the Company's stock for the 90 day period ending September 14, 2013 exceeds the average share price of the Company's stock for the 90 day period ending September 14, 2012 by 50 percent or more then an additional 238,810 RSUs could be earned by participants. This is the maximum number of additional RSUs that can be earned related to the September 2012 annual grant. In addition to the performance and market conditions, there is a service vesting condition which stipulates that 50 percent of the earned award will vest on September 1, 2015 and 50 percent of the earned award will vest on September 1, 2016, in both cases dependent upon continuing service by the grantee as an employee of the Company, unless the grantee is eligible for earlier vesting upon retirement, as defined.

The total number of shares authorized by shareholders for grants under the 2006 Plan and its predecessor plan is 12,450,000 as of September 30, 2012. The aggregate number of grants that may be made may exceed this approved amount as forfeited SSARs, stock options, restricted stock and RSUs, and vested but unexercised SSARs and stock options that expire, become available for future grants. As of September 30, 2012, cumulative grants of 12,565,130 equity instruments underlying the shares authorized have been awarded, and 3,571,213 of these instruments have been forfeited.

Activity related to SSARs/non-qualified stock options and RSUs/restricted shares during the three months ended September 30, 2012 is as follows:

	SSARs/ Non-qualified Stock Options	RSUs/ Restricted Shares
Outstanding, June 30, 2012	1,683,698	1,651,321
Granted	—	258,721
Exercised/Issued	(98,850)	(204,293)
Forfeited/Lapsed	(547,559)	(444,938)
Outstanding, September 30, 2012	<u>1,037,289</u>	<u>1,260,811</u>
Weighted average grant date fair value for RSUs/restricted shares		<u>\$ 67.25</u>

As of September 30, 2012, there was \$0.6 million of total unrecognized compensation cost related to SSARs and stock options scheduled to be recognized over a weighted average period of 0.9 years, and \$32.5 million of total unrecognized compensation cost related to restricted shares and RSUs scheduled to be recognized over a weighted-average period of 2.8 years.

8. Earnings Per Share

ASC 260, *Earnings Per Share* (ASC 260), requires dual presentation of basic and diluted earnings per share on the face of the income statement. Basic earnings per share exclude dilution and are computed by dividing income by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflect potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock but not securities that are anti-dilutive, including stock options and SSARs with an exercise price greater than the average market price of the Company's common stock. Using the treasury stock method, diluted earnings per share include the incremental effect of SSARs, stock options, restricted shares, and those RSUs that are no longer subject to a market or performance condition. The total number of weighted-average common stock equivalents excluded from the diluted per share computations due to their anti-dilutive effects were forty eight thousand and 0.9 million for the three months ended September 30, 2012 and 2011, respectively. The PRSUs granted in September 2012 are excluded from the calculation of diluted earnings per share as the underlying shares are considered to be contingently issuable shares. These shares will be included in the calculation of diluted earnings per share beginning in the first reporting period in which the performance metric is achieved. The shares underlying the Notes were included in the computation of diluted earnings per share for the three months ended September 30, 2012 because the average share price was above the conversion price during that period and excluded from the computation of diluted earnings per share for the three months ended September 30, 2011 because the average share price was below the conversion price during that period. The Warrants were excluded from the computation of diluted earnings per share during both periods presented because the Warrants' exercise price of \$68.31 was greater than the average market price of a share of Company common stock during the three months periods ended September 30, 2012 and 2011. The chart below shows the calculation of basic and diluted earnings per share (in thousands, except per share amounts):

	Three Months Ended September 30,	
	2012	2011
Net income attributable to CACI	<u>\$35,708</u>	<u>\$42,140</u>
Weighted average number of basic shares outstanding during the period	23,032	28,915
Dilutive effect of SSARs/stock options and RSUs/restricted shares after application of treasury stock method	935	927
Dilutive effect of the Notes	13	—
Weighted average number of diluted shares outstanding during the period	<u>23,980</u>	<u>29,842</u>
Basic earnings per share	<u>\$ 1.55</u>	<u>\$ 1.46</u>
Diluted earnings per share	<u>\$ 1.49</u>	<u>\$ 1.41</u>

CACI INTERNATIONAL INC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

9. Income Taxes

The Company is subject to income taxes in the U.S. and various state and foreign jurisdictions. Tax statutes and regulations within each jurisdiction are subject to interpretation and require the application of significant judgment. The Company is currently under examination by two state jurisdictions and one foreign jurisdiction for years ended June 30, 2003 through June 30, 2009. The Company does not expect the resolution of these examinations to have a material impact on its results of operations, financial condition or cash flows.

The Company's total liability for unrecognized tax benefits as of September 30, 2012 and June 30, 2012 was \$7.5 million and \$7.0 million, respectively. Of the \$7.5 million unrecognized tax benefit at September 30, 2012, \$2.5 million, if recognized, would impact the Company's effective tax rate.

10. Business Segment Information

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

	<u>Domestic</u>	<u>International</u>	<u>Total</u>
Three Months Ended September 30, 2012			
Revenue from external customers	\$898,284	\$ 32,952	\$931,236
Net income attributable to CACI	33,407	2,301	35,708
Three Months Ended September 30, 2011			
Revenue from external customers	\$896,721	\$ 27,674	\$924,395
Net income attributable to CACI	40,395	1,745	42,140

CACI INTERNATIONAL INC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

11. Fair Value of Financial Instruments

ASC 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants in an orderly transaction. The market in which the reporting entity would sell the asset or transfer the liability with the greatest volume and level of activity for the asset or liability is known as the principal market. When no principal market exists, the most advantageous market is used. This is the market in which the reporting entity would sell the asset or transfer the liability with the price that maximizes the amount that would be received or minimizes the amount that would be paid. Fair value is based on assumptions market participants would make in pricing the asset or liability. Generally, fair value is based on observable quoted market prices or derived from observable market data when such market prices or data are available. When such prices or inputs are not available, the reporting entity should use valuation models.

The Company's financial assets and liabilities recorded at fair value on a recurring basis are categorized based on the priority of the inputs used to measure fair value. The inputs used in measuring fair value are categorized into three levels, as follows:

- Level 1 Inputs – unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs – unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.
- Level 3 Inputs – amounts derived from valuation models in which unobservable inputs reflect the reporting entity's own assumptions about the assumptions of market participants that would be used in pricing the asset or liability.

The Company's financial instruments measured at fair value included non-corporate owned life insurance (COLI) money market investments and mutual funds held in the Company's supplemental retirement savings plan (the Supplemental Savings Plan), contingent consideration in connection with past acquisitions and interest rate swap agreements. Contingent consideration recorded at September 30, 2012 and June 30, 2012 related to the February 1, 2012 U.K. acquisition of Tomorrow Communications, Ltd (TCL). The following table summarizes the financial assets and liabilities measured at fair value on a recurring basis as of September 30, 2012 and June 30, 2012, and the level they fall within the fair value hierarchy (in thousands):

Description of Financial Instrument	Financial Statement Classification	Fair Value Hierarchy	September 30,	June 30,
			2012	2012
			Fair Value	Fair Value
Non-COLI assets held in connection with the Supplemental Savings Plan	Long-term asset	Level 1	\$ 6,059	\$6,123
Contingent Consideration	Current liability	Level 3	\$ 3,193	\$3,055
Contingent Consideration	Other long-term liabilities	Level 3	\$ 3,076	\$2,942
Interest rate swap agreements	Other long-term liabilities	Level 2	\$ 3,169	\$2,196

Changes in the fair value of the assets held in connection with the Supplemental Savings Plan are recorded in indirect costs and selling expenses.

Contingent consideration at September 30, 2012 and June 30, 2012 related to the requirement that the Company pay contingent consideration in the event TCL achieved certain specified earnings results during the one year period subsequent to acquisition. The Company determined the fair value of contingent consideration as of the acquisition date using a valuation model which included the evaluation of all possible outcomes and the application of an appropriate discount rate. At the end of each reporting period, the fair value of the contingent consideration is remeasured and any changes are recorded in indirect costs and selling expenses. During the three months ended September 30, 2012, this remeasurement did not result in a significant change to the liability recorded. The maximum contingent consideration associated with the TCL acquisition is approximately \$6.5 million. During the three months ended September 30, 2011, this remeasurement resulted in a \$0.7 million reduction in the liability recorded as of that date, related to prior acquisitions.

CACI INTERNATIONAL INC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

Changes in the fair value of the interest rate swap agreements are recorded as a component of accumulated other comprehensive income or loss.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**Forward Looking Statements**

There are statements made herein which do not address historical facts and, therefore, could be interpreted to be forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Such statements are subject to factors that could cause actual results to differ materially from anticipated results. The factors that could cause actual results to differ materially from those anticipated include, but are not limited to, the following: regional and national economic conditions in the United States and globally (including the impact of uncertainty regarding U.S. debt limits and actions taken related thereto); terrorist activities or war; changes in interest rates; currency fluctuations; significant fluctuations in the equity markets; changes in our effective tax rate; failure to achieve contract awards in connection with re-compete for present business and/or competition for new business; the risks and uncertainties associated with client interest in and purchases of new products and/or services; continued funding of U.S. government or other public sector projects, based on a change in spending patterns, implementation of spending cuts (sequestration) under the Budget Control Act of 2011, changes in budgetary priorities, or in the event of a priority need for funds, such as homeland security or the war on terrorism; government contract procurement (such as bid protest, small business set asides, loss of work due to organizational conflicts of interest, etc.) and termination risks; the results of government investigations into allegations of improper actions related to the provision of services in support of U.S. military operations in Iraq; the results of government audits and reviews conducted by the Defense Contract Audit Agency, the Defense Contract Management Agency, or other governmental entities with cognizant oversight; individual business decisions of our clients; paradigm shifts in technology; competitive factors such as pricing pressures and/or competition to hire and retain employees (particularly those with security clearances); market speculation regarding our continued independence; material changes in laws or regulations applicable to our businesses, particularly in connection with (i) government contracts for services, (ii) outsourcing of activities that have been performed by the government, and (iii) competition for task orders under Government Wide Acquisition Contracts (GWACs) and/or schedule contracts with the General Services Administration; the ability to successfully integrate the operations of our recent and any future acquisitions; our own ability to achieve the objectives of near term or long range business plans; and other risks described in our Securities and Exchange Commission filings.

Overview

The following discussion and analysis of our financial condition and results of operations is provided to enhance the understanding of, and should be read together with, our unaudited condensed consolidated financial statements and the notes to those statements that appear elsewhere in this Quarterly Report on Form 10-Q.

We derived 94.5 percent and 93.8 percent of our revenue during the three months ended September 30, 2012 and 2011, respectively, from contracts with U.S. government agencies. These were derived through both prime and subcontractor relationships. We also provide services to state and local governments and commercial customers. We provide the following information solutions and services to our clients:

- **Enterprise IT solutions** – We support our clients' critical networked operational missions by providing tailored, end-to-end, enterprise-wide information solutions and services for the design, development, integration, deployment, operations and management, sustainment, and security of our clients' infrastructure. Our operational, analytic, consultancy, and transformational services make effective use of leading-edge practices, standards, and innovations to enable and optimize the full lifecycle of the enterprise IT environment – improving the services, increasing the efficiency, and reducing the total cost and complexity of heterogeneous, networked, and geographically-dispersed operations. Our capabilities in network infrastructure design, deployment and management, data center design and management, cloud computing, virtualization, application development and hosting, mobility solutions, and advanced service desk management provide secure and efficient operational environments for our customers.
- **Knowledge management solutions** – We deliver a full spectrum of information solutions and services that automate the knowledge management lifecycle, from data capture through information analysis and understanding. We provide commercially-based products, custom solutions development, and operations and maintenance services that facilitate information access and sharing, foster innovation and learning, locate and leverage expertise, manage intellectual capital and assets, and help navigate from data to decision. Our information technology solutions are complemented by a suite of analytical expertise support offerings for our clients in the homeland security and intelligence communities, Department of Defense (DoD), Department of Justice (DoJ) and other federal agencies.
- **Business systems solutions** – We provide the full range of information solutions and services required to plan, manage, architect, develop, deploy, and sustain the complex, integrated system solutions that the DoD and federal civilian agencies need to accomplish their transformation goals and achieve ever-increasing efficiency and effectiveness in their mission functions and business operations. Working in the domains of procurement, financial management, human capital

Table of Contents

management, and logistics and supply chain management, we have implemented enterprise-level system solutions for over 100 federal agencies. From complex commercial-off-the-shelf enterprise resource planning integrations to custom service-oriented architecture-based solutions that address unique federal mission support needs, we bring disciplined industry best practices, advanced technology, and a deep understanding of federal processes and their unique compliance constraints.

- Logistics and material readiness solutions and services – We offer a full suite of solutions and service offerings that plan for, implement, and control the efficient, effective, and secure flow and storage of goods, services, and information in support of U.S. government agencies. We develop and manage logistics information systems, specialized simulation and modeling toolsets, and provide logistics engineering services. Our operational capabilities span the supply chain, including advanced logistics planning, demand forecasting, total asset visibility (including the use of Radio Frequency Identification technology), and life cycle support for weapons systems. Our logistics services are a critical enabler in support of defense readiness and combat sustainability objectives.
- ISR solutions and services – We provide a full-spectrum of Intelligence, Surveillance, and Reconnaissance (ISR) solutions and services in support of national defense, intelligence and homeland security missions. Our ISR solutions and services include systems engineering and integration, agile development and deployment and end-to-end life cycle planning and support services that enable complex, leading edge mission capabilities. We provide rapid-response services in support of military missions in a coordinated and controlled operational setting. We integrate sensors, intelligence information systems, data fusion and dissemination systems, and mission applications that connect with our clients' fixed and mobile networked sites.
- Command, Control, Communications and Computer (C4) solutions and services – We provide a broad range of leading edge information solutions and services that enable our clients to effectively and efficiently conduct mission operations and achieve information dominance. Our C4 offerings support our nation's military, homeland security, law enforcement, and emergency responders. We provide leading-edge Communications solutions that ensure critical information is rapidly and securely provided to the user. Our broad-based solutions offer Command, Control, Communications and Computer capabilities for soldier systems, mobile platforms, fixed facilities, and the enterprise, aiding users in understanding situational awareness, collaboratively planning, fusing information, making essential decisions and conducting training.
- Cyberspace solutions – Our information solutions and services support the full lifecycle of preparing for, protecting against, detecting, reacting to, and actively responding to the full range of cyber threats. We achieve this through comprehensive, consistently managed, risk-based, and cost-effective capabilities, controls, and measures to protect information, systems, and networks operated by the U.S. government. We proactively support information operations and the operational use and availability/reliability of information.
- Integrated security solutions – Our integrated security solutions and services support the U.S. and our international partners and allies in mitigating and countering the effects of natural, technological, and man-made hazards which are unrestrained by political and geographical boundaries, elements of national power, and international law. Our security services and technical solutions assist clients in the development, integration, and sustainment of graduated, flexible capabilities that anticipate and address asymmetric and irregular threats and vulnerabilities. Sought by domestic and international clients for our ability to provide customer value often restricted by silo-centric systems, our services address security policy; definition and capacity building; risk management; critical infrastructure protection; consequence management; critical event and incident preparedness; and training.
- Geospatial solutions – We support the collection, processing, exploitation, analysis and dissemination of geospatial information relating to Defense, Intelligence, Homeland Security, and commercial applications. We use imagery and other collected data from government and commercial sources to produce hardcopy and digital maps, and other value added enhanced imagery and 3-dimensional products. Our geospatial solutions employ advanced analytical training, focused tools and applications development, and feature database extraction and maintenance. We provide time-proven expertise in multi-source data analysis and conflation, diverse sensor exploitation, intelligence analysis, and geographic information system (GIS) integration and deployment. We offer mobile solutions and secure web-based data accessibility and subscription services on an enterprise scale.
- Investigation and litigation support solutions – We support government investigations and litigations in support of the DoJ with full service technology solutions. Using comprehensive training to carefully honed processes and procedures, we help attorneys acquire, organize, develop, control, and present evidence throughout the course of litigations, from pre-filing investigation, through complaint, discovery, and trial, to post-trial briefs, review, and appeals. Our portfolio of legal-support offerings includes: cloud hosting (on-line, evidentiary information management to rapidly enable data storage and accessibility); e-discovery consulting and support; data forensic extraction and analysis; document/data capture and processing; database development, population, and maintenance; pre-trial, trial and post-trial support; case management; training; claims management; and Freedom of Information Act (FOIA) support.

Table of Contents

- Healthcare IT solutions – We meet the steadily accelerating demand for new healthcare strategies and technology required by government, industry, and patients. We assist the federal medical community in focusing on the patient, ensuring that systems and processes at the backbone of health organizations are running efficiently. We provide both functional subject matter expertise and health IT services to the Department of Veterans Affairs, the Department of Defense Military Health System, and the Department of Health and Human Services. Our capabilities include medical logistics and facility management, design, development and integration of healthcare information technology systems, including virtual electronic health records, information assurance, and security of personally identifiable information.
- Identity management solutions – We provide solutions that enable our clients to manage, detect, and protect identities of individuals, entities, organizations, groups, nation states, networks, and associations in both the physical and digital worlds. Our solutions capitalize on our vast experience supporting the Intelligence Community, war fighters, and law enforcement in areas such as biometric collection and identification, human factors analysis, forensics, large-volume identity-related data exploitation and assessment, information management, and managed security services.
- Mobility solutions and services – Our mobility solutions and services provide end-to-end capability for the full lifecycle of mobility enablement, from development through sustainment. This includes a layered set of offerings within a framework that addresses back end provisioning through the cloud infrastructure through mission specific applications. We provide unique hardware and software mobility based solutions for the DoD, U.S. civilian agencies and the Intelligence Community. Our capabilities include end-to-end mobility architecture and design, cloud hosting, cloud provisioning and support, secure wireless transport, secure mobile device configuration and management of leading commercial smartphones and tablets, virtual desktops, and other mobile applications development, provisioning, delivery, and security vetting.
- Program management and system engineering and technical assistance (SETA) services – We support U.S. government Program Executive Offices and Program Management Offices via subject matter experts and comprehensive technical management processes that optimize program resources. This includes translating operational requirements into configured systems, integrating technical inputs, characterizing and managing risk, transitioning technology into program efforts, and verifying that designs meet operational needs, through the application of internationally recognized and accepted standards. Additionally, we provide SETA and advisory and assistance services that include contract and acquisition management, operations support, architecture and system engineering services, project and portfolio management, strategy and policy support, and complex trade analyses.

We carefully follow federal budget, legislative and contracting trends and activities and continually evolve our strategies to take these into consideration. The government is currently operating under a continuing resolution, scheduled to expire on March 31, 2013. If Congress and the Administration are unable to reach agreement to either change or delay sequestration, scheduled to take effect on January 2, 2013, reductions in both defense and civil agency expenditures will take place. While it is unclear whether sequestration will occur and what the exact impact of it would be, we are continuously reviewing our operations in an attempt to identify those programs that could be at risk so that we can make appropriate contingency plans. While we may experience reduced funding on some of our programs, we do not expect the cancellation of any of our major programs.

We also face some uncertainties due to the current general business environment and we continue to see a number of protests of major contract awards and delays in government procurement activities. In addition, many of our federal government contracts require us to employ personnel with security clearances, specific levels of education and specific past work experience. Depending on the level of clearance, security clearances can be difficult and time-consuming to obtain and competition for skilled personnel in the information technology services industry is intense. In addition, a shift of expenditures away from programs that we support could cause federal government agencies to reduce their purchases under contracts, to exercise their right to terminate contracts at any time without penalty, or to decide not to exercise options to renew contracts. Additional factors that could affect our federal government contracting business include an increase in set-asides for small businesses and budgetary priorities limiting or delaying federal government spending in general. In addition, future gains or losses on assets invested in corporate-owned life insurance policies could cause fluctuations in our income tax expense.

Table of Contents

Results of Operations for the Three Months Ended September 30, 2012 and 2011

Revenue. The table below sets forth revenue by customer type with related percentages of total revenue for the three months ended September 30, 2012 and 2011, respectively:

(dollars in thousands)	Three Months Ended September 30,				Change	
	2012		2011		\$	%
Department of Defense (DoD)	\$705,061	75.7%	\$733,267	79.3%	\$(28,206)	(3.8)%
Federal civilian agencies	174,654	18.7	134,009	14.5	40,645	30.3
Commercial and other	48,201	5.2	52,982	5.7	(4,781)	(9.0)
State and local governments	3,320	0.4	4,137	0.5	(817)	(19.7)
Total	<u>\$931,236</u>	<u>100.0%</u>	<u>\$924,395</u>	<u>100.0%</u>	<u>\$ 6,841</u>	<u>0.7%</u>

For the three months ended September 30, 2012, total revenue increased by 0.7 percent, or \$6.8 million, over the same period a year ago. This increase in revenue resulted primarily from acquired revenue. Revenue generated from the date a business is acquired through the first anniversary of that date is considered acquired revenue. Our acquired revenue in the three months ended September 30, 2012 was \$36.5 million. Revenue from existing operations decreased by 3.2 percent, or \$29.7 million, for the three months ended September 30, 2012.

DoD revenue decreased 3.8 percent, or \$28.2 million, for the three months ended September 30, 2012, as compared to the same period a year ago. The decline in DoD revenue is largely attributable to our reduced activities in Southwest Asia. DoD revenue includes services provided to the U.S. Army, our largest customer, where our services focus on supporting readiness, tactical military intelligence, and communications systems. DoD revenue also includes work with the U.S. Navy and other DoD agencies across all of our major service offerings.

Revenue from federal civilian agencies increased 30.3 percent, or \$40.6 million, for the three months ended September 30, 2012, as compared to the same period a year ago. The aforementioned acquisitions accounted for 58.6 percent of this total growth, contributing \$23.8 million.

Commercial and other revenue decreased 9.0 percent, or \$4.8 million, during the three months ended September 30, 2012, as compared to the same period a year ago. Commercial revenue is derived from both international and domestic operations. International operations accounted for 68.4 percent, or \$33.0 million, of total commercial revenue, while domestic operations accounted for 31.6 percent, or \$15.2 million. Acquisitions accounted for \$9.2 million of growth which was offset by a \$12.0 million single product sale in the three month period ended September 30, 2011.

Revenue from state and local governments decreased by 19.7 percent, or \$0.8 million, for the three months ended September 30, 2012, as compared to the same period a year ago. Revenue from state and local governments represented less than one percent of our total revenue for both the three months ended September 30, 2012 and 2011.

Table of Contents

Income from Operations. The following table sets forth the relative percentage that certain items of expense and earnings bore to revenue for the three months ended September 30, 2012 and 2011, respectively.

	<u>Dollar Amount</u>		<u>Percentage of Revenue</u>			
	<u>Three Months Ended September 30,</u>		<u>Three Months Ended September 30,</u>		<u>Change</u>	
(dollars in thousands)	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>\$</u>	<u>%</u>
Revenue	\$931,236	\$924,395	100.0%	100.0%	\$ 6,841	0.7%
Costs of revenue						
Direct costs	645,637	634,931	69.3	68.7	10,706	1.7
Indirect costs and selling expenses	207,623	200,282	22.3	21.7	7,341	3.7
Depreciation and amortization	13,239	13,528	1.4	1.4	(289)	(2.1)
Total costs of revenue	866,499	848,741	93.0	91.8	17,758	2.1
Income from operations	64,737	75,654	7.0	8.2	(10,917)	(14.4)
Interest expense and other, net	6,782	5,600	0.8	0.6	1,182	21.1
Income before income taxes	57,955	70,054	6.2	7.6	(12,099)	(17.3)
Income taxes	21,965	27,941	2.4	3.0	(5,976)	(21.4)
Net income including portion attributable to noncontrolling interest in earnings of joint venture	35,990	42,113	3.8	4.6	(6,123)	(14.5)
Noncontrolling interest in earnings of joint venture	(282)	27	—	—	(309)	—
Net income attributable to CACI	\$ 35,708	\$ 42,140	3.8%	4.6%	\$ (6,432)	(15.3)%

Income from operations for the three months ended September 30, 2012 was \$64.7 million. This was a decrease of \$10.9 million, or 14.4 percent, from income from operations of \$75.7 million for the three months ended September 30, 2011. Our operating margin of 7.0 percent for the period ended September 30, 2012 decreased from 8.2 percent during the period ended September 30, 2011. During the quarter ended September 30, 2011, we benefited from a single commercial product sale that generated \$10.1 million in operating income.

As a percentage of revenue, direct costs were 69.3 percent and 68.7 percent for the three months ended September 30, 2012 and 2011, respectively. Direct costs include direct labor and other direct costs (ODCs), which include, among other costs, subcontracted labor and material purchases. ODCs are common in our industry and may vary from period to period. The single largest component of direct costs, direct labor, was \$252.0 million and \$236.8 million for the three months ended September 30, 2012 and 2011, respectively. This increase in direct labor was attributable to both acquisitions and organic growth. ODCs were \$393.6 million and \$398.2 million during the three months ended September 30, 2012 and 2011, respectively. This decrease was primarily driven by lower subcontractor labor during the three months ended September 30, 2012.

Indirect costs and selling expenses include fringe benefits (attributable to both direct and indirect labor), marketing and bid and proposal costs, indirect labor, and other discretionary expenses. As a percentage of revenue, indirect costs and selling expenses were 22.3 percent and 21.7 percent for the three months ended September 30, 2012 and 2011, respectively. Total stock compensation expense, a component of indirect costs, was \$2.4 million and \$3.2 million for the three months ended September 30, 2012 and 2011, respectively.

Depreciation and amortization expense was \$13.2 million and \$13.5 million for the three months ended September 30, 2012 and 2011, respectively. The decrease of \$0.3 million, or 2.1 percent, was primarily attributable to decreased amortization of intangible assets associated with prior year acquisitions, offset by increases in depreciation and amortization expense associated with our growing infrastructure.

Interest expense and other, net increased \$1.2 million, or 21.1 percent, during the three months ended September 30, 2012 as compared to the same period a year ago. The increase was primarily attributable to an increase in outstanding debt.

The effective tax rate was 38.1 percent and 39.9 percent during the three months ended September 30, 2012 and 2011, respectively. The tax rate reported during the first quarter of both FY2013 and FY2012 was favorably impacted by non-taxable gains on assets invested in corporate owned life insurance (COLI) policies to date. If gains or losses on these investments throughout the rest of the current fiscal year vary from our estimates, our effective tax rate will fluctuate in future quarters of the year ending June 30, 2013.

Table of Contents

Liquidity and Capital Resources

Historically, our positive cash flow from operations and our available credit facilities have provided adequate liquidity and working capital to fund our operational needs.

As of September 30, 2012, our Credit Facility was a \$750.0 million credit facility, which included a \$600.0 million revolving credit facility (the Revolving Facility), and a \$150.0 million term loan (the Term Loan).

The Revolving Facility is a secured facility that permits continuously renewable borrowings and has subfacilities of \$50.0 million for same-day swing line borrowings and \$25.0 million for stand-by letters of credit. As of September 30, 2012, we had \$263.0 million outstanding under the Revolving Facility, no borrowings on the swing line and no outstanding letters of credit. On October 26, 2012, we entered into a Lender Joinder and Increase Agreement (the Agreement) pursuant to which we exercised our right to increase the Revolving Facility by \$150.0 million, bringing the total available under the Revolving Facility to \$750.0 million. All other terms of the Credit Facility remained the same. The Revolving Facility matures on November 18, 2016.

The Term Loan is a five-year secured facility under which principal payments are due in quarterly installments of \$1.9 million through September 30, 2015 and \$3.8 million through September 30, 2016, with the balance due in full on November 18, 2016. As of September 30, 2012, \$136.9 million was outstanding under the Term Loan.

Subsequent to the October 26, 2012 Agreement, at any time and so long as no default has occurred, we have the right to increase the Term Loan or Revolving Facility in an aggregate principal amount of up to \$150.0 million with applicable lender approvals.

The interest rates applicable to loans under the Credit Facility are floating interest rates that, at our option, equal a base rate or a Eurodollar rate plus, in each case, an applicable margin based upon our consolidated total leverage ratio.

The Credit Facility requires us to comply with certain financial covenants, including a maximum senior secured leverage ratio, a maximum total leverage ratio and a minimum fixed charge coverage ratio. The Credit Facility also includes customary negative covenants restricting or limiting our ability to guarantee or incur additional indebtedness, grant liens or other security interests to third parties, make loans or investments, transfer assets, declare dividends or redeem or repurchase capital stock or make other distributions, prepay subordinated indebtedness and engage in mergers, acquisitions or other business combinations, in each case except as expressly permitted under the Credit Facility. Since the inception of the Credit Facility, we have been in compliance with all of the financial covenants. A majority of our assets serve as collateral under the Credit Facility.

Effective May 16, 2007, we issued the Notes, which mature on May 1, 2014, in a private placement pursuant to Rule 144A of the Securities Act of 1933. The Notes are subordinate to our senior secured debt, and interest on the Notes is payable on May 1 and November 1 of each year.

Holders may convert their notes at a conversion rate of 18.2989 shares of CACI common stock for each \$1,000 of note principal (an initial conversion price of \$54.65 per share) under the following circumstances: 1) if the last reported sale price of CACI stock is greater than or equal to 130 percent of the conversion price for at least 20 trading days in the period of 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter; 2) during the five consecutive business day period immediately after any ten consecutive trading day period (the note measurement period) in which the average of the trading price per \$1,000 principal amount of convertible note was equal to or less than 97 percent of the average product of the closing price of a share of our common stock and the conversion rate of each date during the note measurement period; 3) upon the occurrence of certain corporate events, as defined; or 4) during the last three-month period prior to maturity. We are required to satisfy 100 percent of the principal amount of these notes solely in cash, with any amounts above the principal amount to be satisfied in common stock. As of September 30, 2012, none of the conditions permitting conversion of the Notes had been satisfied.

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

Table of Contents

In connection with the issuance of the Notes, we purchased in a private transaction at a cost of \$84.4 million call options (the Call Options) to purchase approximately 5.5 million shares of our common stock at a price equal to the conversion price of \$54.65 per share. The Call Options allow us to receive shares of our common stock from the counterparties equal to the amount of common stock related to the excess conversion value that we would pay the holders of the Notes upon conversion. In addition, we sold warrants (the Warrants) to issue approximately 5.5 million shares of CACI common stock at an exercise price of \$68.31 per share. The proceeds from the sale of the Warrants totaled \$56.5 million. On a combined basis, the Call Options and the Warrants are intended to reduce the potential dilution of CACI's common stock in the event that the Notes are converted by effectively increasing the conversion price of these notes from \$54.65 to \$68.31. The Call Options and the Warrants are separate and legally distinct instruments that bind us and the counterparties and have no binding effect on the holders of the Notes.

Cash and cash equivalents were \$48.6 million and \$15.7 million as of September 30, 2012 and June 30, 2012, respectively. The increase in cash and cash equivalents was primarily attributable to cash provided by operating activities. Working capital was \$236.0 million and \$200.9 million as of September 30, 2012 and June 30, 2012, respectively. Our operating cash flow was \$67.7 million for the three months ended September 30, 2012 compared to \$56.1 million for the same period a year ago. The current year increase in operating cash flow results from profits earned during the current year and our strong operational processes. Days-sales outstanding improved to 57 at September 30, 2012, compared to 58 days at September 30, 2011.

We used cash in investing activities of \$49.2 million and \$108.2 million for the three months ended September 30, 2012 and 2011, respectively. This decrease in cash used during the three months ended September 30, 2012 as compared to the same period a year ago was primarily because we completed one acquisition during the current quarter versus two completed during the same period a year ago.

Cash provided by financing activities was \$14.1 million in the three months ended September 30, 2012 as compared to cash used of \$83.7 million in the three months ended September 30, 2011. During the three months ended September 30, 2012, we had net borrowings of \$136.1 million under our Credit Facility and used \$124.4 million to repurchase 2.2 million shares of our common stock. During the three months ended September 30, 2011 we had net borrowings of \$123.1 million under our Credit Facility. These borrowings along with our available cash balance funded our repurchase of 4.0 million shares of company stock for \$209.7 million.

Cash flows from financing activities include proceeds received from the exercise of stock options and purchases of stock under our Employee Stock Purchase Plan totaling \$1.9 million and \$2.7 million during the three months ended September 30, 2012 and 2011, respectively.

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

Off-Balance Sheet Arrangements and Contractual Obligations

We use off-balance sheet arrangements to finance the lease of operating facilities. We have financed the use of all of our current office and warehouse facilities through operating leases. Operating leases are also used to finance the use of computers, servers, phone systems, motor vehicles in the U.K., and to a lesser extent, other fixed assets, such as furnishings, that are obtained in connection with business acquisitions. We generally assume the lease rights and obligations of companies acquired in business combinations and continue financing equipment under operating leases until the end of the lease term following the acquisition date. We generally do not finance capital expenditures with operating leases, but instead finance such purchases with available cash balances. For additional information regarding our operating lease commitments, see Note 14 in the Notes to Consolidated Financial Statements contained in our Annual Report on Form 10-K for the year ended June 30, 2012. The Credit Facility provides for stand-by letters of credit aggregating up to \$25.0 million that reduce the funds available under the Revolving Facility when issued. As of September 30, 2012, we had no outstanding letters of credit. We have no other material off-balance sheet financing arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The interest rates on both the Term Loan and the Revolving Facility are affected by changes in market interest rates. We have the ability to manage these fluctuations in part through interest rate hedging alternatives in the form of interest rate swaps. In April 2012, we entered into floating-to-fixed interest rate swap agreements for an aggregate notional amount of \$100 million related to a portion of our floating rate indebtedness. The agreements are effective beginning July 1, 2013 and

Table of Contents

mature July 1, 2017. All outstanding balances under our Term Loan, and any amounts that may be borrowed under our Revolving Facility, are currently subject to interest rate fluctuations. With every one percent fluctuation in the applicable interest rates, interest expense on our variable rate debt for the three months ended September 30, 2012 would have fluctuated by approximately \$1.0 million.

Approximately 3.5 percent and 3.0 percent of our total revenue in three months ended September 30, 2012 and 2011, respectively, was derived from our international operations headquartered in the U.K. Our practice in the U.K.-headquartered operation is to negotiate contracts in the same currency in which the predominant expenses are incurred, thereby mitigating the exposure to foreign currency exchange fluctuations. It is not possible to accomplish this in all cases; thus, there is some risk that profits will be affected by foreign currency exchange fluctuations. As of September 30, 2012, we held a combination of euros and pounds sterling in the U.K. and in the Netherlands equivalent to approximately \$8.5 million. This allows us to better utilize our cash resources on behalf of our foreign subsidiaries, thereby mitigating foreign currency conversion risks.

Item 4. Controls and Procedures

As of the end of the three month period covered by this report, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer.

The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. The effectiveness of a system of disclosure controls and procedures is subject to various inherent limitations, including cost limitation, judgments used in decision making, assumptions about the likelihood of future events, the soundness of internal controls, and fraud. Due to such inherent limitations, there can be only reasonable, and not absolute, assurance that any system of disclosure controls and procedures will be successful in preventing all errors or fraud, or in making all material information known in a timely manner to appropriate levels of management.

Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the Company’s disclosure controls and procedures were effective at the reasonable assurance level at September 30, 2012.

The Company reports that no changes in its internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the three months ended September 30, 2012.

PART II
OTHER INFORMATION

Item 1. **Legal Proceedings**

Al Shimari, et al. v. L-3 Services, Inc. et al.

Reference is made to Part I, Item 3, Legal Proceedings in the Registrant's Annual Report on Form 10-K for the year ended June 30, 2012 for the most recently filed information concerning the suit filed in the United States District Court for the Southern District of Ohio. The lawsuit names CACI International Inc, CACI Premier Technology, Inc. and former CACI employee Timothy Dugan as Defendants, along with L-3 Services, Inc. Plaintiffs seek, inter alia, compensatory damages, punitive damages, and attorney's fees.

Since the filing of Registrant's report described above, on October 12, 2012, the district court conducted a status conference at which the court asked the parties to prepare and submit a plan for discovery in the action. On October 25, 2012, the parties filed a joint discovery plan, which is pending.

We are vigorously defending the above-described legal proceeding, and, based on our present knowledge of the facts, believe the lawsuit is completely without merit.

Table of Contents

Item 1A. Risk Factors

Reference is made to Part I, Item 1A, Risk Factors, in the Registrant's Annual Report on Form 10-K for the year ended June 30, 2012. There have been no material changes from the risk factors described in that report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides certain information with respect to our purchases of shares of CACI International Inc's common stock:

<u>Period</u>	<u>Total Number of Shares Purchased(1)</u>	<u>Average Price Paid Per Share</u>	<u>Total Number of Shares Purchased As Part of Publicly Announced Programs(1)</u>	<u>Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs(1)</u>
July 2012	2,000,000	\$56.01	2,000,000	—
August 2012	—	—	—	—
September 2012	—	—	—	—
Total	<u>2,000,000</u>	<u>\$56.01</u>	<u>2,000,000</u>	<u>—</u>

- (1) In June 2012, our Board of Directors authorized a stock repurchase program (the Program) under which we could repurchase up to 4 million shares of our common stock. Two million shares were repurchased in June 2012. The remaining 2 million shares as of June 30, 2012 were repurchased in July 2012. The average price for all 4 million shares repurchased under the Program was \$53.72 per share.

Item 3. Defaults Upon Senior Securities

None

Item 4. [Removed and Reserved]

None

Item 5. Other Information

None

Table of Contents

Item 6. Exhibits

Exhibit No.	Description	Filed with this Form 10-Q	Incorporated by Reference		Exhibit No.
			Form	Filing Date	
3.1	Certificate of Incorporation of CACI International Inc, as amended to date		10-K	September 13, 2006	3.1
3.2	Amended and Restated By-laws of CACI International Inc, amended as of March 5, 2008		8-K	March 7, 2008	3.1
4.1	Clause FOURTH of CACI International Inc's Certificate of Incorporation incorporated above as Exhibit 3.1		10-K	September 13, 2006	4.1
4.2	The Rights Agreement dated July 11, 2003 between CACI International Inc and American Stock Transfer & Trust Company		8-K	July 11, 2003	4.1
10.1	Lender Joinder and Increase Agreement dated October 26, 2012 to the Credit Agreement dated October 21, 2010, between CACI International Inc, Bank of America, N.A. and a consortium of participating banks		8-K	October 31, 2012	10.4
10.2	Employment Agreement between Daniel D. Allen and CACI International Inc effective July 1, 2012	X			
31.1	Section 302 Certification Daniel D. Allen	X			
31.2	Section 302 Certification Thomas A. Mutryn	X			
32.1	Section 906 Certification Daniel D. Allen	X			
32.2	Section 906 Certification Thomas A. Mutryn	X			
101	The following materials from the CACI International Inc Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 formatted in eXtensible Business Reporting Language (XBRL): (i) Condensed Consolidated Statements of Operations, (ii) Consolidated Statements of Comprehensive Income, (iii) Condensed Consolidated Balance Sheets, (iv) Condensed Consolidated Statements of Cash Flows and (v) Notes to Condensed Consolidated Financial Statements.*				

* Submitted electronically herewith.

Table of Contents

SIGNATURES

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

CACI International Inc

Registrant

Date: November 2, 2012

By: /s/ Daniel D. Allen

Daniel D. Allen

President,

Chief Executive Officer and Director

(Principal Executive Officer)

Date: November 2, 2012

By: /s/ Thomas A. Mutryn

Thomas A. Mutryn

Executive Vice President,

Chief Financial Officer and Treasurer

(Principal Financial Officer)

Date: November 2, 2012

By: /s/ Carol P. Hanna

Carol P. Hanna

Senior Vice President, Corporate Controller

and Chief Accounting Officer

(Principal Accounting Officer)

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is executed effective as of the 1st day of July, 2012 (the "Effective Date"), by and between CACI International Inc, a Delaware corporation (the "Company"), and Daniel D. Allen (the "Executive").

RECITALS

The Executive has been employed by the Company as an executive officer and the Company now wishes to employ the Executive as its President and Chief Executive Officer.

It is in the best interests of the Company and the Executive to enter into this employment agreement setting forth the terms of the Executive's employment as President and Chief Executive Officer.

Accordingly, in consideration of the foregoing, and the mutual agreements contained in this Agreement, the parties hereto, intending to be legally bound, agree as follows:

1. Employment of Executive; Duties and Status.

(a) The Company hereby agrees to engage the Executive as the President and Chief Executive Officer of the Company during the "Employment Period" (as defined in Section 2 hereof), and the Executive hereby accepts such employment, all on the terms and conditions set forth in this Agreement. During the Employment Period, the Executive shall (i) have responsibility for the active management of the Company and general supervision and direction of the affairs of the Company, (ii) provide leadership, by the Executive's words and actions, both within the Company and outside the Company, in promoting the Company's culture and reputation for observing the highest ethical standards, with honesty and integrity, in the conduct of the Company's business, and serve as a role model to the employees and the 3rd parties the Company works with in doing business the right way, (iii) have such duties, obligations and responsibilities as are customarily performed by chief executive officers of companies of like size and type as the Company or are imposed by applicable law, including, without limitation, the Sarbanes-Oxley Act of 2002, as amended and in effect from time to time (the "Sarbanes-Oxley Act"), (iv) have such other authority and perform such other executive duties (including, without limitation, serving as an officer of an "Affiliate" (as defined in Section 4(d) hereof) of the Company), as shall be assigned to the Executive by the Executive Chairman or the Board of Directors of the Company (the "Board"), (v) administer such other business affairs of the Company as shall reasonably be assigned to the Executive by the Executive Chairman or Board, and (vi) for all matters of the Company in the Executive's capacity of the Chief Executive Officer, the Executive shall report to the Executive Chairman or Board. For purposes of Section 302 of the Sarbanes-Oxley Act the Executive will be deemed to be the principal executive officer and for purposes of 906 of Sarbanes-Oxley Act the Executive will be deemed to be the principal chief executive officer and the Executive acknowledges his responsibility to comply with the certification requirements of the Sarbanes-Oxley Act.

(b) The Executive agrees that, at all times, the Executive shall act in a manner consistent with his fiduciary obligations to the Company, and otherwise comply with the Company's Standard of Ethics and Business Conduct, as the same may be amended and in effect from time to time and timely provided to the Executive (the "Standards of Conduct"). In addition, the Executive shall comply with all laws, rules and regulations that are generally applicable to the Company and its employees, directors and officers, and the Executive shall perform all services in accordance with the policies, procedures and rules established by the Company and the Board.

(c) During the Employment Period, the Executive shall be a full-time employee of the Company and shall devote all business time and energies to the Company. The Executive shall, however, be entitled to devote a reasonable amount of time to supervising his personal investments and other personal affairs.

(d) The Executive shall avoid diluting his energies by engaging in outside commitments to other companies or organizations that require efforts that, either directly or indirectly, reduce the focus, concentration and amount of time Executive devotes to CACI. Therefore, with the exception of membership with professional/industry associations that directly relate to Executive's job, and that do not have leadership responsibilities, and participation with not for profit charitable or community service entities whose primary activities take place outside of normal working hours, Executive shall not be affiliated with any entities outside of CACI without first receiving approval from the Corporate Governance and Nominating Committee of the Company's Board of Directors.

(e) The Executive agrees that during the Employment Period he will maintain his legal residence within fifty (50) miles of the current location of the main office of the Company, which is at 1100 N. Glebe Road, Arlington, Virginia 22201.

(f) The Board shall establish criteria for measuring the Executive's performance as President and Chief Executive Officer and shall review and assess the Executive's performance in accordance with such criteria at least annually. The Executive Chairman or the Board shall advise the Executive of the Board's performance assessment.

(g) The Executive shall promptly notify the Chief Legal Officer, the Executive Chairman, and the Lead Director of the Board of Directors upon his receipt of an email, letter or other written communication from the Securities and Exchange Commission ("SEC"). In addition, the Executive shall take reasonable steps to ensure that the Chief Legal Officer of the Company provides to the Executive Chairman and the Lead Director of the Board an advance copy of any written communication responding to an SEC communication.

2. Term of Employment. The Executive's employment hereunder shall continue until the third anniversary of the Effective Date (the "Initial Term"), unless such employment is terminated earlier in accordance with the provisions of this Agreement (the "Employment Period"). This Agreement shall automatically renew itself and the Executive's employment shall continue for an additional one (1) year term on the third anniversary of the Effective Date and on each anniversary of the Effective Date thereafter (each a "Successive Term" and collectively, the

“Successive Terms”). The initial term and such Successive Terms will then constitute the term of the Employment Period. Notwithstanding the forgoing, this Agreement may be terminated at any time in accordance with the provisions of Section 5.

3. Compensation and General Benefits.

(a) Base Salary. The Company agrees to pay to the Executive an annual base salary of \$750,000 (such base salary, as adjusted from time to time, is referred to herein as the “Base Salary”). The Executive’s Base Salary, less amounts required to be withheld under applicable law, shall be payable in equal installments in accordance with the practice of the Company in effect from time to time for the payment of salaries to executives of the Company, but in no event less frequently than monthly. The Executive’s Base Salary shall be reviewed annually by the Compensation Committee and the Board in connection with the Executive’s performance review.

(b) Annual Incentive. During the Employment Period, the Executive shall be eligible to participate in any annual incentive or bonus plan maintained by the Company for its senior executives (the “Annual Incentive Plan”). The Executive’s award under such plan will be determined by the Compensation Committee and approved by the Board from time to time. The Executive’s award under such plan will be based on the achievement of strategic performance metrics established by the Compensation Committee and approved by the Board.

(c) Expenses. During the Employment Period, the Executive shall be entitled to cause payment by, or to receive prompt reimbursement from, the Company for all reasonable and necessary expenses incurred by the Executive in performing the duties required hereunder on behalf of the Company. All payments and reimbursements by the Company pursuant to this Section 3(c) shall be subject to, and consistent with, the Company’s policies for expense payment and reimbursement, as in effect from time to time. Such payment or reimbursement shall be made on or before March 15th following the close of the calendar year in which the expense or liability was incurred. To the extent that payment or reimbursement is based on claims, bills, invoices or other documentation that the Executive is required to submit to the Company, such documentation must be submitted by the Executive on or before March 1st following the close of the calendar year in which the expense or liability was incurred. Amounts which are not submitted within the required timeframe shall not be eligible for payment or reimbursement hereunder.

(d) Fringe Benefits.

(i) Company Plans. During the Employment Period, in addition to any amounts to which the Executive may be entitled pursuant to the other provisions of this Section 3 or elsewhere herein, the Executive shall be entitled to participate in, and to receive benefits under, any deferred compensation plan (funded solely by elective deferrals by the Executive), qualified retirement plan, profit-sharing plan, savings plan, group life, disability, sickness, accident and health insurance programs, or any other similar benefit plan or arrangement generally made available by the Company to its senior executive employees, subject to and on a basis consistent with the terms, conditions and overall administration of each such plan or arrangement. The Executive may also participate in any long term incentive, equity or other non-qualified deferred

compensation plan on such terms and on such conditions as may be established by the Board or the Compensation Committee. The award of any additional incentive under this Section 3(d)(i) shall be separate and distinct from the right of the Executive to receive the annual incentive or bonus payment from the Company described in Section 3(b).

(ii) SERP. The Company shall continue to maintain in full force and effect the Supplemental Executive Retirement Plan established for the Executive effective as of February 15, 2012 (the “SERP”).

(iii) Leave. The Executive shall be entitled to paid annual leave during the Employment Period in accordance with the Company’s leave policy for senior executives. Leave shall accrue monthly during the Employment Period (based on a full year). In addition, the Executive shall be entitled to all paid holidays given by the Company to its senior executives. The extent to which the Executive may receive payment for unused annual leave at the end of the Employment Period shall be determined in accordance with the Company’s policies for its senior executives.

(iv) Office. During the Employment Period, the Company shall provide the Executive with an office of a size and with furnishings and other appointments commensurate with the Executive’s office at the Company on the Effective Date, and full-time secretarial and administrative assistance and the support staff necessary in order to perform his duties hereunder.

4. Covenants of the Executive.

(a) No Conflicts. The Executive represents and warrants to the Company that the Executive is not subject to any contract, agreement, judgment, order or decree of any kind, or any restrictive agreement of any character, that restricts the Executive’s ability to perform his obligations under this Agreement or that would be breached by the Executive upon his performance of his duties pursuant to this Agreement. The Executive also understands that as a condition of his employment as the President and Chief Executive Officer of the Company, he must secure and maintain appropriate security clearances and he represents and warrants that he is not aware of any reason he should not be able to secure and maintain such security clearances.

(b) Company Stock.

- (i) Stock Holding Requirement. The Executive shall maintain compliance with the stock holding requirements for his position as set forth in the CACI Management Stock Ownership Guidelines, which is administered by the Compensation Committee of the Board.
- (ii) Transactions in Company Stock. The Executive shall notify the Executive Committee of the Board when he intends to buy or sell Company stock, prior to any transaction. The Company recommends that the Executive adopt a 10b5-1 Plan with respect to his transactions in Company stock.

(c) Confidentiality: Intellectual Property.

(i) The Executive recognizes and acknowledges that (i) the Executive's employment with the Company has provided (and in the future, will provide) the Executive with access to "Trade Secrets" or "Confidential or Proprietary Information" (each, as defined in Section 4(e) hereof), (ii) the Company is engaged in a highly competitive enterprise, so that any unauthorized disclosure or unauthorized use by the Executive of the Trade Secrets or Confidential or Proprietary Information protected under this Agreement, or any unauthorized competition, whether during his employment with the Company or after its termination, would cause immediate, substantial and irreparable injury to the business and goodwill of the Company, (iii) the Company's Trade Secrets and Confidential and Proprietary Information was developed by the Company at considerable expense, that this information is a valuable Company asset and part of its goodwill, that this information is vital to the Company's success and is the sole property of the Company, and (iv) the Company's business interests require a confidential relationship between the Company and the Executive and the fullest practical protection and confidential treatment of all Trade Secrets and Confidential or Proprietary Information. Accordingly, the Executive agrees that, except (A) as required by law, Governmental Authority or court order, or (B) in the good faith furtherance of the business of the Company, the Executive will keep confidential and will not publish, make use of, or disclose to anyone (or aid others in publishing, making use of, or disclosing to anyone), in each case, other than the Company or any Persons designated by the Company, or otherwise "Misappropriate" (as defined in Section 4(e) hereof) any Trade Secrets or Confidential or Proprietary Information at any time. The Executive's obligations hereunder shall continue during the Employment Period and thereafter for so long as such Trade Secrets or Confidential or Proprietary Information remain Trade Secrets or Confidential or Proprietary Information.

(ii) The Executive acknowledges and agrees that:

(A) all Trade Secrets and Confidential or Proprietary Information shall be "Trade Secrets" (as defined under the Uniform Trade Secrets Act) of the Company and/or its Affiliates, as the case may be;

(B) the Executive occupies a unique position within the Company, and he is and will be intimately involved in the development and/or implementation of Trade Secrets and Confidential or Proprietary Information;

(C) in the event the Executive breaches Section 4(c) hereof with respect to any Trade Secrets or Confidential or Proprietary Information, such breach shall be deemed to be a Misappropriation of such Trade Secrets or Confidential or Proprietary Information; and

(D) any Misappropriation of Trade Secrets or Confidential or Proprietary Information will result in immediate and irreparable harm to the Company.

(iii) The Executive recognizes that the Company has received, and in the future will receive, "Information" (as defined in Section 4(e) hereof) from Persons subject to a duty on the Company's part to maintain the confidentiality of such Information and to use it only for certain limited purposes. Without limiting anything in Section 4(c)(i) hereof, the Executive agrees that he owes the Company and such Persons, during the Employment Period and thereafter, a duty to hold all such Information in the strictest confidence and, except with the prior written authorization of the Company, or as required by law, Governmental Authority or court order, not to disclose such Information to any Person (except as necessary in carrying out the Executive's duties for the Company consistent with the Company's agreement with such Person) or to use it for the benefit of anyone other than for the Company or such Person (consistent with the Company's agreement with such Person).

(iv) All memoranda, notes, lists, records and other documents or papers (and all copies thereof), including but not limited to, such items stored in computer memories, on microfiche, electronically, or by any other means, made or compiled by or on behalf of the Executive, or made available to the Executive or in the Executive's possession concerning or in any way relating to the conduct of the business of the Company or any of its Affiliates, are and shall be the property of the Company or such Affiliate and shall be delivered to the Company promptly upon the Company's request following the termination of the Executive's employment with the Company or at any other time on request. The Executive acknowledges and stipulates that all Electronic Equipment (as defined in Section 4(e) hereof) of the Company or any Affiliate are the sole property of the Company or such Affiliate, and that any information transmitted by, received from, or stored in such Electronic Equipment is also the property of the Company or such Affiliate. Executive agrees that, after his termination of employment, he shall not, directly or indirectly, for himself or for any other person or entity, use, access, copy, or retrieve, or attempt to use, access, copy, or retrieve, any of the Electronic Equipment of the Company or any Affiliate or any information on the Equipment of the Company or an Affiliate.

(v) "Work Product" (as defined in Section 4(e) hereof) relating to any work performed by or assigned to the Executive during, and in connection with, his employment with the Company, shall belong solely and exclusively to the Company.

(vi) From time to time, at the reasonable request of the Company, the Executive agrees to disclose promptly to the Company all Work Product and relevant records, which records will remain the sole property of the Company; provided that the Executive shall not have an obligation to disclose Work Product or records hereunder to the extent the Company already has actual knowledge of such Work Product and originals or copies of such records.

(vii) The Executive hereby assigns to the Company, without further consideration, his entire right, title, and interest (throughout the United States and in all foreign countries) in and to all Work Product, whether or not patentable. Should the Company be unable to secure the Executive's signature on any document necessary to apply for, prosecute, obtain, or enforce any patent, copyright, or other right or protection relating to any Work Product, whether due to the Executive's mental or physical incapacity, or the Executive's unavailability for a reasonable period under the circumstances, the Executive hereby irrevocably designates and appoints the Company and each of its duly authorized officers and agents as his agent and

attorney-in-fact (such designation and appointment being coupled with an interest), solely for the specific instance in which the Company is unable to secure such signature, to act for and in his behalf and stead, to execute and file any such document, and to do all other lawfully permitted acts to further the prosecution, issuance, and enforcement of patents, copyrights, or other rights or protections with the same force and effect as if executed and delivered by the Executive.

(viii) There is no Information which the Executive wishes to exclude from the operation of this Section 4(c). To the best of the Executive's knowledge, there is no existing contract in conflict with this Agreement or any other contract to assign Information that is now in existence between the Executive and any other Person.

(ix) To the extent that any Work Product incorporates pre-existing material to which the Executive possesses copyright, trade secret, patent, trademark or other proprietary rights, and such rights are not otherwise assigned to the Company herein, the Executive hereby grants to the Company a royalty-free, irrevocable, worldwide, exclusive, perpetual license to make, have made, sell, use and disclose, reproduce, modify, transmit, prepare Derivative Works based on, distribute, perform and display (publicly or otherwise), such material, with full right to authorize others to do so.

(d) Noncompetition and Nonsolicitation.

(i) Subject to the provisions of Section 4(d)(iii) hereof, during his period of employment and thereafter for a period of two years following termination of his employment (and up to five years in the case of the restriction contained in Section 4(d)(ii)) (the "Restricted Period"), the Executive agrees that he will not, directly or indirectly, on his own behalf or as a partner, owner, officer, director, stockholder, member, employee, agent or consultant of any other Person, within any state (including the District of Columbia), territory, possession or country where the Company conducts business during the Employment Period or during the Restricted Period:

(A) own, manage, operate, control, be employed by, provide services as a consultant to, or participate in the ownership, management, operation, or control of, any Person engaged in any activity competitive with the Company or any of its Affiliates;

(B) engage in the business of providing goods or services that are the same as or similar to the goods or services of the Company or any of its Affiliates;

(C) have any contact with any of the Company's Customers or potential Customers for the purpose of soliciting or inducing (or attempting to solicit or induce) any of the Company's Customers to discontinue or reduce its business with the Company, or any potential Customers not to conduct business with the Company, or any Customer or potential Customer to conduct business with or contract with any other Person that competes with the Company or its Affiliates; or

(D) persuade or attempt to persuade any supplier, agent, broker, or contractor of the Company or any of its Affiliates to discontinue or reduce its business with the Company (or any prospective supplier, broker, agent, or contractor to refrain from doing business with the Company or any of its Affiliates).

(ii) Subject to the provisions of Section 4(d)(iii) hereof, during a Restricted Period of up to five years, the Executive agrees that he will not, directly or indirectly, on his own behalf or as a partner, owner, officer, director, stockholder, member, employee, agent or consultant of any other Person, within any state (including the District of Columbia), territory, possession or country where the Company conducts business during the Employment Period or during the Restricted Period solicit, hire, or otherwise attempt to establish for any Person, any employment, agency, consulting or other business relationship with any Person who is an employee or consultant of the Company or any of its Affiliates, provided that the prohibition in this Section 4(d)(ii)(C) shall not bar the Executive from soliciting or hiring any former employee or former consultant who at the time of such solicitation or hire had not been employed or engaged by the Company or any of its Affiliates for a period of at least six (6) months, or any other provider of services to the Company or any of its Affiliates, as long as such Person's engagement by the Executive does not interfere or conflict with the provision of services to the Company or an Affiliate by such Person.

(iii) The parties hereto acknowledge and agree that, notwithstanding anything in Section 4(d)(i) or (ii) hereof the Executive may own or hold, solely as passive investments, securities of Persons engaged in any business that would otherwise be included in Section 4(d)(i) or (ii), as long as with respect to each such investment, the securities held by the Executive do not exceed five percent (5%) of the outstanding securities of such Person and such securities are publicly traded and registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); provided, that in the case of investments otherwise permitted under this clause, the Executive shall not be permitted to, directly or indirectly, participate in, or attempt to influence, the management, direction or policies of (other than through the exercise of any voting rights held by the Executive in connection with such securities), or lend the Executive's name to, any such Person.

(e) Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(i) Affiliate means a Person, whether now or hereafter existing, directly or indirectly controlling or controlled by, or under direct or indirect common control with, such specified Person. For purposes hereof, "control" or any other form thereof, when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

(ii) Confidential or Proprietary Information means:

(A) any and all information and ideas in whatever form (including, without limitation, written or verbal form, and including information or data recorded or retrieved by any means, tangible or intangible), whether disclosed to or learned

or developed by the Executive, pertaining in any manner to the business of the Company or any of the Company's Affiliates (collectively, "Information") that (a) derives independent economic value, actual or potential, from not being generally known to the public or to other Persons who can obtain economic value from its disclosure or use, and (b) is the subject of efforts by the Company and/or its Affiliates that are reasonable under the circumstances to maintain its secrecy; and

(B) any and all other Information unique to the Company and/or its Affiliates which has a significant business purpose and is not known or generally available from sources outside of such Persons or typical of industry practice.

(iii) Customer means all Persons that have either sought or purchased the Company's goods or services, have contacted the Company for the purpose of seeking or purchasing the Company's goods or services, or have been contacted by the Company for the purpose of selling its goods and services during the Executive's employment and for one year prior thereto, and all Persons subject to the control of those Persons. The Customers covered by this Agreement shall include any Customer or potential Customer of the Company at any time during the Executive's employment. In the case of a Governmental Authority, the Customer or potential Customer shall be determined by reference to the specific program offices or activities for which the Company provides (or may reasonably provide) goods or services.

(iv) Electronic Equipment means electronic and telephonic communication systems, computers and other business equipment of the Company or any Affiliate including, but not limited to, computer systems, data bases, phone mail, modems, e-mail, Internet access, Web sites, fax machines, techniques, processes, formulas, mask works, source codes, programs, semiconductor chips, processors, memories, disc drives, tape heads, computer terminals, keyboards, storage devices, printers and optical character recognition devices, and any and all components, devices, techniques or circuitry incorporated in any of the above and similar business devices.

(v) Governmental Authority means any federal, state, local or other governmental, regulatory or administrative agency, commission, department, board, or other governmental subdivision, court, tribunal, arbitral body or other governmental authority.

(vi) Information includes, without limitation, any and all (A) information regarding business strategy, operations and methods of operation including, without limitation, business or strategic plans, plans regarding business acquisitions, mergers, sales or divestitures, marketing and sales information, and information regarding Customers, potential Customers, suppliers, manufacturers, distributors, contractors or other business contacts; (B) information regarding products and services including, without limitation, production, distribution, design, development, techniques, processes, software (including, without limitation, designs, programs and codes), and know how; (C) information regarding technology, software, concepts, research, formulae, inventions, techniques, and other work product (of the Executive or any other employee of Company or an Affiliate); (D) financial information including, without limitation, budget, cost and expense information, pricing, revenue, or profit information and/or analysis, statistical information, economic models and forecasts, operating and other financial reports and/or analysis; and (E) human resource information such as compensation policies and schedules, employee recruiting and retention plans, organization charts and personnel data.

(vii) Misappropriation, or any form thereof, means:

(A) the acquisition of any Trade Secret or Confidential or Proprietary Information by a Person who knows or has reason to know that the Trade Secret or Confidential or Proprietary Information was acquired by theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy, or espionage through electronic or other means (each, an “Improper Means”); or

(B) the disclosure or use of any Trade Secret or Confidential or Proprietary Information without the express consent of the Company by a Person who (1) used Improper Means to acquire knowledge of the Trade Secret or Confidential or Proprietary Information; or (2) at the time of disclosure or use, knew or had reason to know that his or her knowledge of the Trade Secret or Confidential or Proprietary Information was (a) derived from or through a Person who had utilized Improper Means to acquire it, (b) acquired under circumstances giving rise to a duty to maintain its secrecy or limit its use, or (c) derived from or through a Person who owed a duty to the Company and/or any of its Affiliates to maintain its secrecy or limit its use; or (3) before a material change of his or her position, knew or had reason to know that it was a Trade Secret or Confidential or Proprietary Information and that knowledge of it had been acquired by accident or mistake.

(viii) Person means any individual, corporation, partnership, limited liability company, joint venture, association, business trust, joint-stock company, estate, trust, unincorporated organization, or government or other agency or political subdivision thereof, or any other legal or commercial entity.

(ix) Trade Secrets means all information of the Company or any of the Company’s Affiliates that would be deemed to be “trade secrets” within the meaning of the Uniform Trade Secrets Act.

(x) Uniform Trade Secrets Act means the Uniform Trade Secrets Act as promulgated by the United States National Conference of Commissioners on Uniform State Laws or such other or similar statute of any jurisdiction which is found to be applicable to this Agreement, its enforcement or its interpretation.

(f) Remedies. The Executive acknowledges and agrees that if the Executive breaches any of the provisions of Section 4 or 5(i) hereof, the Company will suffer immediate and irreparable harm for which monetary damages alone will not be a sufficient remedy, and that, in addition to all other remedies that the Company may have, the Company shall be entitled to seek injunctive relief, specific performance or any other form of equitable relief to remedy a breach or threatened breach of this Agreement (including, without limitation, any actual or threatened Misappropriation) by the Executive and to enforce the provisions of this Agreement. The existence of this right shall not preclude or otherwise limit the applicability or exercise of any other

rights and remedies which the Company may have at law or in equity. The Executive waives any and all defenses he may have on the grounds of lack of subject matter jurisdiction or competence of a court to grant the injunctions or other equitable relief provided above and to the enforceability of this Agreement.

(g) Further Acknowledgements; Severability.

(i) The Executive recognizes and acknowledges that his experience, skills, education and training are readily transferable and of such breadth that he can employ them to his advantage in many other fields of endeavor, and that consequently, the terms of this Agreement will not unreasonably impair the Executive's ability to engage in business or employment activities.

(ii) The Executive has carefully considered the possible effects on the Executive of the covenants not to compete, the confidentiality provisions, and the other obligations contained in this Agreement, and the Executive recognizes that the Company has made every effort to limit the restrictions placed upon the Executive to those that are reasonable and necessary to protect the Company's legitimate business interests.

(iii) The Executive understands that he may not accept employment with any Person if the nature of his position with such Person will inevitably require or lead to the disclosure of any Trade Secrets or Confidential and Proprietary Information.

(iv) The Executive acknowledges and agrees that the restrictive covenants set forth in this Agreement are reasonable and necessary in order to protect the Company's valid business interests. It is the intention of the parties hereto that the covenants, provisions and agreements contained herein shall be enforceable to the fullest extent allowed by law.

(v) If any covenant, provision, or agreement contained herein is found by a court having jurisdiction to be unreasonable in duration, scope or character of restrictions, or otherwise to be unenforceable, such covenant, provision or agreement shall not be rendered unenforceable thereby, but rather the duration, scope or character of restrictions of such covenant, provision or agreement shall be deemed reduced or modified with retroactive effect to render such covenant, provision or agreement reasonable or otherwise enforceable (as the case may be), and such covenant, provision or agreement shall be enforced as modified. If the court having jurisdiction will not review the covenant, provision or agreement, the parties hereto shall mutually agree to a revision having an effect as close as permitted by applicable law to the provision declared unenforceable. The parties hereto agree that if a court having jurisdiction determines, despite the express intent of the parties hereto, that any portion of the covenants, provisions or agreements contained herein are not enforceable, the remaining covenants, provisions and agreements herein shall be valid and enforceable. Moreover, to the extent that any provision is declared unenforceable, the Company shall have any and all rights under applicable statutes or common law to enforce its rights with respect to any and all Trade Secrets or Confidential or Proprietary Information or unfair competition by the Executive.

5. Termination.

(a) General. The employment of the Executive hereunder (and the Employment Period) shall terminate (or may be terminated) in accordance with the provisions of this Section 5.

(b) Termination Upon Mutual Agreement. The Company and the Executive may, by mutual written agreement, terminate this Agreement and/or the employment of the Executive (and the Employment Period) at any time.

(c) Death or Disability of the Executive.

(i) The employment of the Executive hereunder (and the Employment Period) shall terminate (A) upon the death of the Executive, and (B) at the option of the Company, upon not less than thirty (30) days prior written notice to the Executive or his personal representative or guardian, if the Executive suffers a "Total Disability" (as defined in Section 5(c)(ii) below). Upon termination for death or Total Disability, the Company shall pay to the Executive's guardian or personal representative, as the case may be, in addition to any insurance or disability benefits to which he may be entitled hereunder, the "Accrued Rights" (as defined in Section 5(h) hereof). Notwithstanding the foregoing, to the extent that the payment of any amount under this Section 5(c) on account of the Executive's Total Disability is deemed to constitute deferred compensation for purposes of Section 409A of the Code, and such Total Disability does not constitute a "disability" under Section 409A(a)(2)(C) of the Code, then payment of such amount shall be deferred and made on the first business day following the expiration of the six (6) month period following the Executive's Separation from Service (as defined in Section 6(j)).

(ii) For purposes of this Agreement, "Total Disability" shall mean (A) if the Executive is subject to a legal decree of incompetency (the date of such decree being deemed the date on which such disability occurred), (B) the written determination by a physician selected by the Company that, because of a medically determinable disease, injury or other physical or mental disability, the Executive is unable substantially to perform each of the material duties of the Executive required hereby, and that such disability has lasted for the immediately preceding ninety (90) days and is, as of the date of determination, reasonably expected to last an additional six (6) months or longer after the date of determination, in each case based upon medically available reliable information, or (C) qualification by the Executive for benefits under the Company's long-term disability coverage, if any.

(iii) The date of any legal decree of incompetency or written opinion which is conclusive as to the Total Disability of the Executive shall be deemed the date on which such Total Disability occurred. Any leave on account of illness or temporary disability which is short of Total Disability shall not constitute a breach of this Agreement by the Executive, and in no event shall any party be entitled to terminate this Agreement for Good Cause due to any such leave. All physicians selected hereunder shall be board-certified in the specialty most closely related to the nature of the disability alleged to exist. In conjunction with determining mental and/or physical disability for purposes of this Agreement, the Executive consents to any such examinations which are relevant to a determination of whether he is mentally and/or physically

disabled, and which are required by the aforesaid Company physician, and to furnish such medical information as may be reasonably requested, and to waive any applicable physician patient privilege that may arise because of such examination.

(d) Termination For Good Cause.

(i) The Company may, upon action of the Board in accordance with Section 5(d)(iii) hereof, terminate the employment of the Executive (and the Employment Period) at any time for "Good Cause" (as defined below).

(ii) For purposes of this Agreement, "Good Cause" means:

(A) A material failure by the Executive to comply with any material obligation imposed by this Agreement (including, without limitation, any violation of Sections 4 hereof);

(B) The Executive's continued material failure, after being provided notice specifying the nature of such failure, to comply with a direction of the Executive Chairman or Board with respect to a material act, omission or failure to act on the part of the Executive;

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

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

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

(F) The Executive's indictment for, conviction of, or plea of guilty or nolo contendere to a felony involving theft, embezzlement, bribery, kickback, fraud, or dishonesty;

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

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

(I) A material violation of the Company's Standards of Conduct or any other published Company policy; and

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

(K) The misappropriation of any material business opportunity.

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

(iii) The Executive may be terminated for Good Cause only in accordance with a resolution duly adopted by an absolute majority of the entire number of the non-management directors of the Company finding that, in the good faith opinion of the Board, the Executive engaged in conduct justifying a termination for Good Cause and specifying the particulars of the conduct motivating the Board's decision to terminate the Executive for Good Cause, and provided that the Executive has been provided the time and opportunity to cure any act or omission susceptible to cure as hereinafter provided. Such resolution may be adopted by the Board only after the Board has provided to the Executive (A) advance written notice of a meeting of the Board called for the purpose of determining Good Cause for termination of the Executive, (B) a statement setting forth the alleged grounds for termination, and (C) an opportunity for the Executive, and, if the Executive so desires, the Executive's counsel to be heard before the Board. Prior to such meeting of the Board, the Executive shall be given a reasonable time period and opportunity to cure any act or omission which the Board, in its reasonable judgment, determines is susceptible of cure. The action required to cure the act or omission, and the time period in which cure must be effected, shall be communicated to the Executive in writing. The Board's delay in providing such notice shall not be deemed to be a waiver of any such Good Cause nor does the failure to terminate for one Good Cause prevent any later Good Cause termination for a similar or different reason.

(e) Termination For Good Reason.

(i) The Executive may resign, and thereby terminate his employment (and the Employment Period), within six (6) months following the initial existence of "Good Reason" (as defined below). Following a Change in Control (as defined below) the Executive may resign for Good Reason within twelve (12) months following the Change in Control Date. Before resigning, the Executive must provide the Company prior written notice to the Company of his intent to resign to for Good Reason. Such notice must be provided at least thirty (30) days prior to the Executive's resignation date and must specify in reasonable detail the Good Reason for the Executive's resignation. The Company shall have a reasonable opportunity to cure any such Good Reason (that is susceptible of cure) within thirty (30) days after the Company's receipt of such notice. The Executive's delay in providing such notice shall not be deemed to be a waiver of any such Good Reason, nor does the failure to resign for one Good Reason prevent any later Good Reason resignation for a similar or different reason.

(ii) For purposes of this Agreement, “Good Reason” means the occurrence of any of the following circumstances without the Executive’s written consent:

- (A) A material failure by the Company to comply with any material obligation imposed by this Agreement;
- (B) The Executive’s demotion from the position of President and Chief Executive Officer of the Company (as the parties recognize that any such demotion would be material);
- (C) A material diminution in the Executive’s authority, duties or responsibilities;
- (D) A material diminution in the budget over which the Executive retains authority resulting from an action of the Executive Chairman or the Board not directly related to Company performance; or
- (E) A material change in the geographic location at which the Executive must perform his services hereunder, such that the Company requires the Executive to be based (excluding travel responsibilities in the ordinary course of business) at any office or location more than fifty (50) miles from the current location of the main office of the Company, which is at 1100 N. Glebe Road, Arlington, Virginia 22201; or
- (F) A material reduction in the Executive’s base compensation, or his bonus or benefits opportunities.

(iii) Following the date on which a Change of Control event is legally consummated and legally binding upon the parties (the “Change of Control Date”), Good Reason shall also include the occurrence of any of the following circumstances without the Executive’s written consent:

- (A) The Executive ceases to be an “Executive Officer” (as such term is defined by the Securities Exchange Act of 1933); or
- (B) The failure by any successor to the Company to expressly assume all obligations of the Company under this Agreement.

Notwithstanding anything herein to the contrary, in no event shall any action otherwise meeting the definition of Good Reason under clauses 5 (e)(ii) above taken by the Company for Good Cause, constitute, or be deemed to constitute, grounds for Good Reason termination hereunder.

(f) Resignation other than for Good Reason. The Executive may resign and thereby terminate his employment (and the Employment Period) under this Agreement at any time upon not less than thirty (30) days’ prior written notice.

(g) Termination without Good Cause. The Company may, for any or no reason, terminate the employment of the Executive (and the Employment Period) under this Agreement at any time upon not less than thirty (30) days' prior written notice. In the event the Company does not offer to extend Employment Period beyond the third anniversary of the Effective Date or any Successive Term, then the termination of the Executive's employment at the end of the Employment Period shall be treated as a termination by the Company without Good Cause for purposes of Section 5.8(h).

(h) Payments Upon Termination.

(i) Without Good Cause (Not In Connection With A Change In Control). In the event the Executive's employment is terminated by the Company without "Good Cause," or by the Executive for "Good Reason," prior to, or more than twelve (12) months following a Change in Control Date, then the following provisions shall apply:

(A) The Company shall pay to the Executive an amount equal to twenty-four (24) months of the Executive's "Current Base Salary." For this purpose, the Executive's "Current Base Salary" shall be deemed to be the highest Base Salary paid to the Executive at any time during the thirty-six (36) months prior to termination of the Executive's employment. Such payment shall be made in a single lump sum within fifteen (15) days following the Executive's execution of the release provided for in Section 5(h)(iv).

(B) The Executive shall continue to participate in, and be covered under, the Company's health care coverage for a period of one (1) year following the termination of the Executive's employment (the "Medical Benefits Continuation Period") on the same basis as other senior executives of the Company. Notwithstanding the foregoing, if the Executive accepts employment with another entity that provides health care coverage during the Medical Benefits Continuation Period, the Company shall not provide the Executive with health care coverage under this Section (but the Executive shall retain any rights to continuation coverage that he may have under applicable law). For purposes of the Executive's continuation coverage rights under Section 601 et. seq. of the Employee Retirement Income Security Act, Section 4980B of the Code, or any similar state or local law, the continuation period shall be deemed to have commenced as of the beginning of the period for which the Company has agreed to continue benefits following the Executive's termination of employment. To the extent that the coverage provided to the Executive is taxable for federal income tax purposes, then the Executive shall pay the full cost of coverage during the Medical Benefits Continuation Period and the Company shall pay the Executive (in cash, less required withholding) an amount equal to (i) the cost of such coverage, less any amount that would have been payable by the Executive if he were actively employed by the Company, plus (ii) an additional amount designed to cover all estimated applicable local, state and federal income and payroll taxes imposed on the Executive with respect to such additional payment. Any additional amount payable in accordance with this Section 5(h)(i)(B) shall be paid to the Executive in cash (less required withholding), on a monthly basis, at the same time that the underlying medical coverage benefit is provided to the Executive. In determining the amount of such payment the

Executive shall be deemed to pay federal income tax at the highest marginal rate applicable to individuals in the calendar year in which the payment is made and to pay state and local income taxes at the highest effective rate in the state or locality in which such payment is taxable. All payments made under this Section 5(h)(i)(B) shall be made in accordance with the provisions of Treas. Reg. §1.409A-3(i)(1).

(C) The Company shall pay to the Executive, without duplication, (i) the Base Salary through the date of termination, (ii) any incentive compensation earned but unpaid as of the date of termination for any fiscal year prior to the year in which such termination occurs; (iii) reimbursement for any unreimbursed business expenses properly incurred by the Executive prior to the date of termination (in accordance with Section 3(c) hereof); and (iv) such employee benefits and accrued leave, if any, to which the Executive is entitled under the employee benefit plans and arrangements of the Company (in accordance with Section 3(d)(i), (ii) and (iii) hereof) (the amounts described in clauses (i) through (iv) hereof being referred to as the "Accrued Rights").

(ii) Without Good Cause (In Connection With A Change In Control). In the event the Executive's employment is terminated by the Company without "Good Cause," or by the Executive for "Good Reason," within twelve (12) months following a Change in Control, then the following provisions shall apply:

(A) The Company shall pay to the Executive an amount equal to twenty-four (24) months of the Executive's Current Base Salary (as defined in Section 5(h)(i)(A) above). Such payment shall be made in a single lump sum within fifteen (15) days following the Executive's execution of the release provided for in Section 5(h)(iv).

(B) The Company shall pay to the Executive a prorated portion of the cash incentive (including, for this purpose, the annual component and any partial quarterly component) otherwise payable to the Executive for the fiscal year of termination under the Annual Incentive Plan (or any replacement bonus arrangement covering the Executive). Such amount shall be determined based on Company performance consistent with the cash incentive paid under the Annual Incentive Plan to comparable active executives in good standing who meet expectations and remained on the payroll and eligible for a bonus. The amount payable shall be determined by multiplying the cash incentive that the Executive would have received had his employment not terminated, by a fraction, the numerator of which is the number of months in the fiscal year (in the case of the annual component) or fiscal quarter (in the case of the quarterly component) during which Executive was employed (including the month in which the termination occurs) and the denominator of which is twelve (in the case of the annual component) or three (in the case of the quarterly component). The amount payable to the Executive in accordance with this Section shall be paid in a lump sum on the date on which the Company pays bonuses for the fiscal year of termination to actively employed senior executives; provided, however, in no event shall such payment be made more than 2 ¹/₂ months following the close of the fiscal year of the Company to which such bonus relates.

(C) The Company shall pay to the Executive an amount equal to two (2) times the average cash incentive (including, for this purpose, any quarterly and annual components) actually paid to the Executive under the Annual Incentive Plan for the five (5) fiscal years immediately preceding the year of termination. Such payment shall be made in a single lump sum within fifteen (15) days following the Executive's execution of the release provided for in Section 5(h)(iv).

(D) The Executive shall be entitled to the payments and benefits described in Section 5(h)(i)(B) and 5(h)(i)(C) above.

(iii) Good Cause. In the event the Executive's employment is terminated (i) by the Company for Good Cause, or (ii) by the Executive without Good Reason, then the Company shall have no duty to make any payments or provide any benefits to the Executive pursuant to this Agreement (other than the Accrued Rights).

(iv) Release. As a condition of receiving the payment provided for in Sections 5(h)(i)(A) and 5(h)(ii)(A) and (C), the Executive agrees to release the Company and its Affiliates, officers, directors, stockholders, employees, agents, representatives, and successors from and against any and all claims that the Executive may have against any such Person relating to the Executive's employment by the Company and the termination thereof, such release to be in form and substance reasonably satisfactory to the Company and shall be furnished by the Company to the Executive within thirty (30) days following the termination of his employment and executed by the Executive within thirty (30) days following his receipt of the release.

(i) No Disparaging Comments. During the Employment Period and at all times thereafter, the Executive shall refrain from making any disparaging remarks about the businesses, services, products, members, managers, officers, directors, employees or other personnel of the Company and/or its Affiliates.

6. Miscellaneous.

(a) ARBITRATION. SUBJECT TO THE RIGHTS UNDER SECTION 4(e) TO SEEK INJUNCTIVE OR OTHER EQUITABLE RELIEF AS SPECIFIED IN THIS AGREEMENT, ANY DISPUTE BETWEEN THE PARTIES HERETO ARISING UNDER OR RELATING TO THIS AGREEMENT (INCLUDING, BUT NOT LIMITED TO, THE AMOUNT OF DAMAGES, THE NATURE OF THE EXECUTIVE'S TERMINATION OR THE CALCULATION OF ANY BONUS OR OTHER AMOUNT OR BENEFIT DUE) SHALL BE RESOLVED IN ACCORDANCE WITH THE MODEL EMPLOYMENT ARBITRATION PROCEDURES OF THE AMERICAN ARBITRATION ASSOCIATION. ANY RESULTING HEARING SHALL BE HELD IN THE JURISDICTION APPROPRIATE TO THE PRINCIPAL LOCATION AT WHICH THE EXECUTIVE PROVIDED HIS SERVICES HEREUNDER (CURRENTLY ARLINGTON, VIRGINIA). THE RESOLUTION OF ANY DISPUTE ACHIEVED THROUGH SUCH ARBITRATION SHALL BE BINDING AND ENFORCEABLE BY A COURT OF COMPETENT JURISDICTION. COSTS AND FEES INCURRED IN CONNECTION WITH SUCH ARBITRATION SHALL BE BORNE BY THE PARTIES AS DETERMINED BY THE ARBITRATION.

(b) Indemnification and Insurance. The Company and the Executive are parties to an Indemnification Agreement dated August 6, 2011 (the “Indemnification Agreement”), which shall remain in full force and effect accordance with, and subject to, its terms. During the Employment Period, the Company shall provide directors’ and officers’ liability insurance covering the Executive and errors and omissions insurance covering the activities of the Executive in the exercise of the Executive’s duties in the interest of the Company comparable to and no less favorable to the Executive than similar insurance provided by the Company to or for other senior executives of the Company.

(c) Entire Agreement. This Agreement and the agreements, schedules and exhibits incorporated herein by reference contain the entire agreement between the Executive and the Company with respect to the subject matter hereof, and supersede any and all prior understandings or agreements, whether written or oral, including, without limitation, the Severance Compensation Agreement between the Company and the Executive. However, this Agreement does not affect or supersede the terms of the SERP or the Indemnification Agreement. No modification or addition hereto or waiver or cancellation of any provision hereof shall be valid except by a writing signed by the party to be charged therewith.

(d) Waiver. No waiver by either party hereto of any of the requirements imposed by this Agreement on, or any breach of any condition or provision of this Agreement to be performed by, the other party shall be deemed a waiver of a similar or dissimilar requirement, provision or condition of this Agreement at the same or any prior or subsequent time. Any such waiver shall be express and in writing, and there shall be no waiver by conduct. Pursuit by either party of any available remedy, either in law or equity, or any action of any kind, does not constitute waiver of any other remedy or action. Such remedies are cumulative and not exclusive.

(e) Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the Commonwealth of Virginia applicable to contracts executed by, and to be performed entirely within, said State, without regard to principles of conflict of laws.

(f) Successors and Assigns; Binding Agreement. The rights and obligations of the parties under this Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, personal representatives, successors and permitted assigns. This Agreement is a personal contract, and, except as specifically set forth herein, the rights and interests of the Executive herein may not be sold, transferred, assigned, pledged or hypothecated by any party without the prior written consent of the others. As used herein, the term “successor” as it relates to the Company, shall include, but not be limited to, any successor by way of merger, consolidation, sale of all or substantially all of such Person’s assets or equity interests. The Company may only assign this Agreement with the Executive’s consent.

(g) Representation by Counsel. Each of the parties hereto acknowledges that (i) it or he has read this Agreement in its entirety and understands all of its terms and conditions, (ii) it or he has had the opportunity to consult with any individuals of its or his choice regarding its or his agreement to the provisions contained herein, including legal counsel of its or his choice, and any decision not to was his or its alone, and (iii) it or he is entering into this Agreement of its or his own free will, without coercion from any source.

(h) Interpretation. The parties and their respective legal counsel actively participated in the negotiation and drafting of this Agreement, and in the event of any ambiguity or mistake herein, or any dispute among the parties with respect to the provisions hereto, no provision of this Agreement shall be construed unfavorably against any of the parties on the ground that he, it, or his or its counsel was the drafter thereof.

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

If to the Company, to:

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

If to the Executive, to:

Daniel D. Allen
20250 Island View Court
Potomac Falls, VA 20165

or to such other address as one party may provide in writing to the other party from time to time.

(j) Compliance with Section 409A. To the extent that Section 409A of the Code applies to any election or payment required under this Agreement, such payment or election shall be made in conformance with the provisions of Section 409A of the Code. Certain provisions of this Agreement are intended to constitute a short-term deferral under Treas. Reg. §1.409A-1(b)(4) or a separation pay arrangement that does not provide for the deferral of compensation subject to Section 409A of the Code (under the short-term deferral exception). In order for the short-term deferral exception to apply, payments must be completed within two and, if a half months after the close of the year in which Executive's separation from service occurs. If any such provision is subject to more than one interpretation or construction, such ambiguity shall be resolved in favor of that interpretation or construction which is consistent with such provisions not being subject to the provisions of Section 409A. The remaining provisions of this Agreement are intended to comply with the provisions of Section 409A of the Code (to the extent applicable) and, to the extent that Section 409A applies to any provision of this Agreement and such provision is subject to more than one interpretation or construction, such ambiguity shall be resolved in favor of that interpretation or construction which is consistent with the provision complying with the

applicable provisions of Section 409A of the Code (including, but not limited to the requirement that any payment made on account of the Executive's separation from service (within the meaning of Section 409A(a)(2)(A)(i) of the Code and the regulations issued thereunder) ("Separation from Service"), shall not be made earlier than the first business day of the seventh month following the Executive's Separation from Service, or if earlier the date of death of the Executive). Any payment that is delayed in accordance with the foregoing sentence shall be made on the first business day following the expiration of such six (6) month period.

(k) Withholding Taxes. All amounts payable hereunder shall be subject to the withholding of all applicable taxes and deductions required by any applicable law.

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

(m) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

(n) Duration. Notwithstanding the Employment Term hereunder, this Agreement shall continue for so long as any obligations remain under this Agreement.

(o) Section References. The word Section herein shall refer to provisions of this Agreement unless expressly indicated otherwise.

(p) Captions. Section headings are for convenience only and shall not be considered a part of this Agreement.

IN WITNESS WHEREOF, the parties have duly executed this Agreement, intending it as a document under seal, as of the date first above written.

WITNESS/ATTEST:

CACI INTERNATIONAL INC

/s/ Jerry A. Reece

By: /s/ Arnold D. Morse (SEAL)
Name: Arnold D. Morse
Title: SVP, CLO

EXECUTIVE

/s/ Jerry A. Reece

/s/ Daniel D. Allen (SEAL)
Daniel D. Allen

Section 302 Certification

I, Daniel D. Allen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CACI International Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's Board of Directors (or persons performing the equivalent function):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to affect the Registrant's ability to record, process, summarize, and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 2, 2012

/ s / D ANIEL D. A LLEN

Daniel D. Allen
President
Chief Executive Officer and Director
(Principal Executive Officer)

Section 302 Certification

I, Thomas A. Mutryn, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CACI International Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's Board of Directors (or persons performing the equivalent function):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to affect the Registrant's ability to record, process, summarize, and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls over financial reporting.

Date: November 2, 2012

/ s / T H O M A S A . M U T R Y N

 Thomas A. Mutryn
 Executive Vice President, Chief Financial Officer and Treasurer
 (Principal Financial Officer)

Section 906 Certification

In connection with the quarterly report on Form 10-Q of CACI International Inc (the Company) for the three months ended September 30, 2012, as filed with the Securities and Exchange Commission on the date hereof (the Report), the undersigned President and Chief Executive Officer of the Company certifies, to the best of his knowledge and belief pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 2, 2012

/ s / D ANIEL D. A LLEN

Daniel D. Allen

President

Chief Executive Officer and Director
(Principal Executive Officer)

Section 906 Certification

In connection with the quarterly report on Form 10-Q of CACI International Inc (the Company) for the three months ended September 30, 2012, as filed with the Securities and Exchange Commission on the date hereof (the Report), the undersigned Executive Vice President, Chief Financial Officer and Treasurer of the Company certifies, to the best of his knowledge and belief pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 2, 2012

/ s / T H O M A S A . M U T R Y N
Thomas A. Mutryn
Executive Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)