

CACI INTERNATIONAL INC /DE/

FORM 10-Q (Quarterly Report)

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**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 December 31, 2010

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 February 1, 2011: CACI International Inc Common Stock, \$0.10 par value, 30,402,439 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 December 31, 2010 and 2009	3
Condensed Consolidated Statements of Operations (Unaudited) for the Six Months Ended December 31, 2010 and 2009	4
Condensed Consolidated Balance Sheets (Unaudited) as of December 31, 2010 and June 30, 2010	5
Condensed Consolidated Statements of Cash Flows (Unaudited) for the Six Months Ended December 31, 2010 and 2009	6
Consolidated Statements of Comprehensive Income (Unaudited) for the Three and Six Months Ended December 31, 2010 and 2009	7
Notes to Unaudited Condensed Consolidated Financial Statements	8
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	19
Item 3. Quantitative and Qualitative Disclosures About Market Risk	27
Item 4. Controls and Procedures	27
PART II: OTHER INFORMATION	
Item 1. Legal Proceedings	29
Item 1A. Risk Factors	30
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	30
Item 3. Defaults Upon Senior Securities	30
Item 4. [Removed and Reserved]	30
Item 5. Other Information	30
Item 6. Exhibits	31
Signatures	32

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 December 31,	
	2010	2009
Revenue	<u>\$867,278</u>	<u>\$776,727</u>
Costs of revenue:		
Direct costs	608,536	543,117
Indirect costs and selling expenses	185,247	172,603
Depreciation and amortization	<u>14,060</u>	<u>13,546</u>
Total costs of revenue	<u>807,843</u>	<u>729,266</u>
Income from operations	59,435	47,461
Interest expense and other, net	<u>5,991</u>	<u>7,124</u>
Income before income taxes	53,444	40,337
Income taxes	<u>19,945</u>	<u>14,233</u>
Net income before noncontrolling interest in earnings of joint venture	33,499	26,104
Noncontrolling interest in earnings of joint venture	<u>(264)</u>	<u>(52)</u>
Net income attributable to CACI	<u>\$ 33,235</u>	<u>\$ 26,052</u>
Basic earnings per share	<u>\$ 1.10</u>	<u>\$ 0.87</u>
Diluted earnings per share	<u>\$ 1.08</u>	<u>\$ 0.85</u>
Weighted-average basic shares outstanding	<u>30,288</u>	<u>30,109</u>
Weighted-average diluted shares outstanding	<u>30,906</u>	<u>30,580</u>

See Notes to Unaudited Condensed Consolidated Financial Statements

Table of Contents

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

	Six Months Ended December 31,	
	2010	2009
Revenue	\$1,701,249	\$1,516,245
Costs of revenue:		
Direct costs	1,198,006	1,053,657
Indirect costs and selling expenses	364,569	344,398
Depreciation and amortization	27,142	24,701
Total costs of revenue	1,589,717	1,422,756
Income from operations	111,532	93,489
Interest expense and other, net	11,824	14,386
Income before income taxes	99,708	79,103
Income taxes	37,384	28,918
Net income before noncontrolling interest in earnings of joint venture	62,324	50,185
Noncontrolling interest in earnings of joint venture	(434)	(278)
Net income attributable to CACI	\$ 61,890	\$ 49,907
Basic earnings per share	\$ 2.04	\$ 1.66
Diluted earnings per share	\$ 2.00	\$ 1.64
Weighted-average basic shares outstanding	30,296	30,071
Weighted-average diluted shares outstanding	31,004	30,522

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)

	December 31, 2010	June 30, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 46,671	\$ 254,543
Accounts receivable, net	564,364	531,033
Prepaid expenses and other current assets	48,975	55,170
Total current assets	660,010	840,746
Goodwill	1,259,280	1,161,861
Intangible assets, net	126,511	108,298
Property and equipment, net	60,910	58,666
Other long-term assets	95,619	75,195
Total assets	<u>\$2,202,330</u>	<u>\$2,244,766</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 7,500	\$ 278,653
Accounts payable	92,748	98,421
Accrued compensation and benefits	146,248	152,790
Other accrued expenses and current liabilities	163,140	128,559
Total current liabilities	409,636	658,423
Long-term debt, net of current portion	400,474	252,451
Deferred income taxes	62,279	42,990
Other long-term liabilities	96,885	117,747
Total liabilities	969,274	1,071,611
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, 39,925 and 39,366 shares issued, respectively	3,993	3,937
Additional paid-in capital	482,480	468,959
Retained earnings	856,167	794,277
Accumulated other comprehensive loss	(6,952)	(9,807)
Noncontrolling interest in joint venture	2,184	2,442
Treasury stock, at cost (9,536 and 9,117 shares, respectively)	(104,816)	(86,653)
Total shareholders' equity	1,233,056	1,173,155
Total liabilities and shareholders' equity	<u>\$2,202,330</u>	<u>\$2,244,766</u>

See Notes to Unaudited Condensed Consolidated Financial Statements

CACI INTERNATIONAL INC

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(amounts in thousands)

	Six Months Ended December 31,	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before noncontrolling interest in earnings of joint venture	\$ 62,324	\$ 50,185
Reconciliation of net income before noncontrolling interest to net cash provided by operating activities:		
Depreciation and amortization	27,142	24,701
Non-cash interest expense	5,522	5,160
Amortization of deferred financing costs	1,762	1,282
Stock-based compensation expense	8,413	12,745
Deferred income tax expense	7,084	1,896
Changes in operating assets and liabilities, net of effect of business acquisitions:		
Accounts receivable, net	(17,458)	(51,110)
Prepaid expenses and other current assets	(8,962)	(4,082)
Accounts payable and other accrued expenses	(3,651)	26,437
Accrued compensation and benefits	(13,430)	(4,614)
Income taxes payable and receivable	(8,584)	(4,957)
Other liabilities	9,108	9,506
Net cash provided by operating activities	69,270	67,149
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(5,767)	(16,111)
Cash paid for business acquisitions, net of cash acquired	(126,387)	(62,004)
Investment in unconsolidated joint venture, net	(5,018)	—
Other	1,019	(203)
Net cash used in investing activities	(136,153)	(78,318)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings under bank credit facilities, net of financing costs	193,987	—
Principal payments made under bank credit facilities	(328,653)	(52,114)
Proceeds from employee stock purchase plans	2,393	2,796
Proceeds from exercise of stock options	10,275	2,623
Repurchases of common stock	(20,016)	(1,743)
Other	456	558
Net cash used in financing activities	(141,558)	(47,880)
Effect of exchange rate changes on cash and cash equivalents	569	(1,592)
Net decrease in cash and cash equivalents	(207,872)	(60,641)
Cash and cash equivalents, beginning of period	254,543	208,488
Cash and cash equivalents, end of period	\$ 46,671	\$147,847
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the period for income taxes, net of refunds	\$ 38,184	\$ 35,902
Cash paid during the period for interest	\$ 5,502	\$ 7,746
Non-cash financing and investing activities:		
Landlord-financed leasehold improvements	\$ 2,286	\$ 15,864

See Notes to Unaudited Condensed Consolidated Financial Statements

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

	Three Months Ended December 31,		Six Months Ended December 31,	
	2010	2009	2010	2009
Net income before noncontrolling interest in earnings of joint venture	\$33,499	\$26,104	\$62,324	\$50,185
Change in foreign currency translation adjustment	(2,018)	(750)	2,855	(2,230)
Effect of changes in actuarial assumptions and recognition of prior service cost	—	—	—	(47)
Change in fair value of interest rate swap agreements, net	—	574	—	1,045
Comprehensive income	<u>\$31,481</u>	<u>\$25,928</u>	<u>\$65,179</u>	<u>\$48,953</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 December 31, 2010 that may require recognition or disclosure in the financial statements as of and for the three and six months ended December 31, 2010. The Company has evaluated all events and transactions that occurred after December 31, 2010, 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 December 31, 2010 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 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. See Note 5.

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, 2010. The results of operations for the three and six months ended December 31, 2010 are not necessarily indicative of the results to be expected for any subsequent interim period or for the full fiscal year.

2. New Accounting Pronouncements

In June 2009, the FASB issued updates to ASC 810, *Consolidation* (ASC 810). These updates amended the accounting standards pertaining to the consolidation of certain variable interest entities, and when and how to determine, or re-determine, whether an entity is a variable interest entity. In addition, the updates modified the approach for determining who has a controlling financial interest in a variable interest entity with a qualitative approach, and requires ongoing assessments of whether an entity is the primary beneficiary of a variable interest entity. The adoption of the updates to ASC 810, which were effective for the Company beginning July 1, 2010, did not affect the Company's financial position or results of operations.

In October 2009, the FASB issued ASU No. 2009-13, *Multiple-Deliverable Revenue Arrangements* (ASU 2009-13) which amends ASC Topic 605, *Revenue Recognition*. This accounting update establishes a hierarchy for determining the value of each element within a multiple deliverable arrangement. ASU 2009-13 was effective for the Company beginning July 1, 2010 and applies to arrangements entered into on or after this date. The adoption of ASU 2009-13 did not have a material impact on the Company's financial position or results of operations.

In October 2009, the FASB issued ASU No. 2009-14, *Certain Revenue Arrangements That Include Software Elements* (ASU 2009-14), which updates ASC Topic 985, *Software*. ASU 2009-14 clarifies which accounting guidance should be used for purposes of measuring and allocating revenue for arrangements that contain both tangible products and software, and where the software is more than incidental to the tangible product as a whole. ASU 2009-14 was effective for the Company's fiscal year beginning July 1, 2010 and applies to arrangements entered into on or after this date. The adoption of ASU 2009-14 did not have a material impact on the Company's financial position or results of operations.

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

In January 2010, the FASB issued ASU No. 2010-06, *Fair Value Measurements and Disclosures (Topic 820) – Improving Disclosures about Fair Value Measurements* (ASU 2010-06). This update requires new disclosures around transfers into and out of Levels 1 and 2 in the fair value hierarchy, and separate disclosures about purchases, sales, issuances, and settlements related to Level 3 measurements. ASU 2010-06 is effective for interim and annual reporting periods beginning after December 15, 2009 with early adoption permitted, except for the disclosures about purchases, sales, issuances, and settlements in the rollforward of Level 3 activity. Those disclosures are effective for fiscal years beginning after December 15, 2010 and for interim periods within those fiscal years with early adoption permitted. The Company has provided the required disclosures regarding the valuation techniques utilized in measuring its Level 3 assets and liabilities and will adopt the provisions of ASU 2010-06 pertaining to transfers into and out of the Level 3 category effective July 1, 2011. See Note 11 for definitions of Levels 1, 2, and 3, and for additional information about the Company's financial assets and liabilities measured at fair value on a recurring basis.

In December 2010, the FASB issued ASU No. 2010-29, *Disclosure of Supplementary Pro Forma Information for Business Combinations* (ASU 2010-29) which amends ASC Topic 805, *Business Combinations*. This accounting update specifies that if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. ASU 2010-29 is effective for the Company beginning July 1, 2011 and applies to acquisitions entered into on or after this date. The adoption of ASU 2010-29 will not have a material impact on the Company's financial position or results of operations.

3. Acquisitions

On November 1, 2010, the Company completed two acquisitions: (1) 100 percent of the outstanding stock of TechniGraphics, Inc, a provider of imaging and geospatial services to the U.S. government and (2) 100 percent of the outstanding stock of Applied Systems Research, Inc, a provider of technical services and products to the U.S. government. The combined purchase consideration to acquire these two companies was \$127.5 million. The Company has completed its valuation of the businesses acquired and has recognized fair values of the assets acquired and liabilities assumed. The Company has allocated \$95.0 million to goodwill and \$36.8 million to other intangible assets, primarily customer contracts. The acquired businesses generated \$8.7 million of revenue from November 1, 2010 through December 31, 2010.

4. Intangible Assets

Intangible assets consisted of the following (in thousands):

	December 31,	June 30,
	2010	2010
Customer contracts and related customer relationships	\$ 289,719	\$ 253,031
Acquired technologies	27,177	27,177
Covenants not to compete	3,051	2,373
Other	1,634	1,631
Intangible assets	321,581	284,212
Less accumulated amortization	(195,070)	(175,914)
Total intangible assets, net	<u>\$ 126,511</u>	<u>\$ 108,298</u>

Intangible assets are primarily amortized on an accelerated basis over periods ranging from 12 to 120 months. The weighted-average period of amortization for all customer contracts and related customer relationships as of December 31, 2010 is 8.5 years, and the weighted-average remaining period of amortization is 6.9 years. The weighted-average period of amortization for acquired technologies as of December 31, 2010 is 6.7 years, and the weighted-average remaining period of amortization is 6.1 years. See Note 3 for information on acquisitions since July 1, 2010.

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

Expected amortization expense for the remainder of the fiscal year ending June 30, 2011, and for each of the fiscal years thereafter, is as follows (in thousands):

Fiscal year ending June 30,	Amount
2011 (six months)	\$ 19,790
2012	28,966
2013	21,440
2014	17,653
2015	13,132
Thereafter	25,530
Total intangible assets, net	<u>\$126,511</u>

5. Long-term Debt

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

	December 31,	June 30,
	2010	2010
Convertible notes payable	\$ 300,000	\$ 300,000
Bank credit facility – term loans	150,000	278,653
Principal amount of long-term debt	450,000	578,653
Less unamortized discount	(42,026)	(47,549)
Total long-term debt	407,974	531,104
Less current portion	(7,500)	(278,653)
Long-term debt, net of current portion	<u>\$ 400,474</u>	<u>\$ 252,451</u>

Bank Credit Facility

As of December 31, 2010, 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 has subfacilities of \$50.0 million for same-day swing line loan borrowings and \$25.0 million for stand-by 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.

The Revolving Facility is a secured facility that permits continuously renewable borrowings of up to \$600.0 million, with an expiration date of October 21, 2015. As of December 31, 2010, the Company had no borrowings outstanding under the Revolving Facility and no outstanding letters of credit. The Company pays a quarterly facility fee for the unused portion of the Revolving Facility.

The Term Loan is a five-year secured facility under which principal payments are due in quarterly installments of \$1.9 million through December 31, 2013 and \$3.8 million from January 1, 2014 through September 30, 2015, with the balance due in full on October 21, 2015.

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 \$200.0 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 December 31, 2010, the effective interest rate, excluding the effect of amortization of debt financing costs, for the outstanding borrowings under the Credit Facility was 2.53 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

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

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.

The Company capitalized \$6.0 million of debt issuance costs associated with the origination of the Credit Facility. All debt financing costs are being amortized from the date incurred to the expiration date of the Credit Facility. The unamortized balance of \$5.8 million at December 31, 2010 is included in other assets. Unamortized debt issuance costs of \$0.5 million associated with the Company's former credit facility were expensed in full upon the October 21, 2010 termination of such facility.

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 December 31, 2010, 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.

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

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 has been 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. For the three and six months ended December 31, 2010 and 2009, the components of interest expense related to the Notes were as follows (in thousands):

	Three Months Ended December 31,		Six Months Ended December 31,	
	2010	2009	2010	2009
Coupon interest	\$1,594	\$1,594	\$3,188	\$3,188
Non-cash amortization of discount	2,780	2,597	5,522	5,160
Amortization of issuance costs	205	205	410	410
Total	<u>\$4,579</u>	<u>\$4,396</u>	<u>\$9,120</u>	<u>\$8,758</u>

The balance of the unamortized discount as of December 31, 2010 and June 30, 2010, was \$42.0 million and \$47.5 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
2011 (six months)	\$ 5,713
2012	12,024
2013	12,868
2014	11,421
	<u>\$ 42,026</u>

The fair value of the Notes as of December 31, 2010 was \$344.1 million based on quoted market values.

The contingently issuable shares are not included in CACI's diluted share count for the three or six months ended December 31, 2010 or 2009, because CACI's average stock price during those periods was below the conversion price. 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.

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

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.

JV Bank Credit Facility

eVenture Technologies LLC (eVentures), a joint venture between the Company and ActioNet, Inc., entered into a \$1.5 million revolving credit facility (the JV Facility). The JV Facility is a four-year, guaranteed facility that permits continuously renewable borrowings of up to \$1.5 million with an expiration date of the earliest of September 14, 2011; the date of any restatement, refinancing, or replacement of the Credit Facility without the lender acting as the sole and exclusive administrative agent; or termination of the Credit Facility. Borrowings under the JV Facility bear interest at the lender's prime rate plus 1.0 percent. eVentures pays a fee of 0.25 percent on the unused portion of the JV Facility. As of December 31, 2010, eVentures had no borrowings outstanding under the JV Facility.

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. In 2007, the Company entered into two interest rate swap agreements and in 2008, the Company entered into an interest rate cap agreement. Both agreements qualified as effective hedges and both expired during the Company's fiscal year ended June 30, 2010. The Company does not hold or issue derivative financial instruments for trading purposes.

The effects of derivative instruments in the condensed consolidated statements of operations and accumulated other comprehensive loss for the three and six months ended December 31, 2010 and 2009 is as follows (in thousands):

	Derivatives in ASC 815 cash flow hedging relationships Interest Rate Swaps			
	Three Months Ended December 31,		Six Months Ended December 31,	
	2010	2009	2010	2009
Gain recognized in comprehensive income (effective portion)	\$—	\$ 574	\$—	\$ 1,045
Loss reclassified to earnings from accumulated other comprehensive loss (effective portion)	\$—	\$(944)	\$—	\$(1,817)
Gain recognized in earnings (ineffective portion)	—	—	—	—
	<u>\$—</u>	<u>\$(944)</u>	<u>\$—</u>	<u>\$(1,817)</u>

As of December 31, 2010, the Company had no outstanding derivative instruments.

The aggregate maturities of long-term debt at December 31, 2010 are as follows (in thousands):

Twelve months ending December 31,	
2011	\$ 7,500
2012	7,500
2013	7,500
2014	315,000
2015	112,500
	<u>450,000</u>
Less unamortized discount	(42,026)
Total long-term debt	<u>\$407,974</u>

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

6. Commitments and Contingencies

General Legal Matters

The Company is involved in various legal matters including 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 Defense Contract Audit Agency (DCAA). The DCAA is currently in the process of auditing the Company's incurred cost submissions for the year ended June 30, 2006. 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.

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

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 in connection with the Iraq investigations described above. The Company does not agree with the DCMA's findings and intends to file an appeal. The Company has accrued its current best estimate of the potential outcome within its estimated range of zero to \$2.9 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 December 31,		Six Months Ended December 31,	
	2010	2009	2010	2009
Stock-based compensation included in indirect costs and selling expenses:				
Non-qualified stock option and stock settled stock appreciation right (SSAR) expense	\$ 413	\$2,309	\$1,800	\$ 4,619
Restricted stock and restricted stock unit (RSU) expense	3,094	3,765	6,613	8,126
Total stock-based compensation expense	\$3,507	\$6,074	\$8,413	\$12,745
Income tax benefit recognized for stock-based compensation expense	\$1,312	\$2,134	\$3,168	\$ 4,676

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

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. The 2006 Plan was approved by the Company's stockholders in November 2006 and replaced the 1996 Stock Incentive Plan (the 1996 Plan) which was due to expire at the end of a ten-year period. During the periods presented, the exercise price of all SSAR and non-qualified stock option grants and the value of restricted stock and RSU grants that do not contain market conditions were set at the closing price of a share of the Company's common stock on the date of grant, as reported by the New York Stock Exchange. RSU grants which contain market conditions were valued using a Monte Carlo simulation method that takes into account all possible outcomes. Annual grants under the 2006 Plan (and previous grants under the 1996 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 2010, the Company made its annual grant to its key employees consisting of 727,880 Performance Restricted Stock Units (PRSUs), representing the maximum amount which could be earned. The PRSUs are subject to both performance and market conditions. No PRSUs will be earned if the Net After Tax Profit for the fiscal year ending June 30, 2011 is less than the Net After Tax Profit for the fiscal year ended June 30, 2010. The number of PRSUs earned by the grantee is dependent on the increase or decrease of the 90 calendar day average price per share of common stock of the Company for the period ended September 1, 2010 compared to the 90 calendar day average price per share of common stock of the Company for the period ending September 1, 2011. In addition to the performance and market conditions, there is a service vesting condition which stipulates that 50 percent of the award will vest on the third anniversary of the grant date and 50 percent of the award will vest on the fourth anniversary of the grant date, 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 1996 and 2006 Plans is 10,950,000 as of December 31, 2010. 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 December 31, 2010, cumulative grants of 11,432,387 equity instruments underlying the shares authorized have been awarded, and 2,177,182 of these instruments have been forfeited.

Activity related to SSARs/non-qualified stock options and RSUs/restricted shares issued under the 1996 and 2006 Plans during the six months ended December 31, 2010 is as follows:

	SSARs/ Non-qualified	RSUs/ Restricted Shares
	<u>Stock Options</u>	
Outstanding, June 30, 2010	3,086,428	949,630
Granted	—	744,008
Exercised/Issued	(358,889)	(335,257)
Forfeited/Lapsed	(76,850)	(68,127)
Outstanding, December 31, 2010	<u>2,650,689</u>	<u>1,290,254</u>
Weighted average grant date fair value for RSUs/restricted shares		<u>\$ 42.70</u>

As of December 31, 2010, there was \$5.4 million of total unrecognized compensation cost related to SSARs and stock options scheduled to be recognized over a weighted average period of 1.8 years, and \$22.9 million of total unrecognized compensation cost related to restricted shares and RSUs scheduled to be recognized over a weighted-average period of 2.6 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. 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 PRSUs granted in September 2010 are excluded from the calculation of diluted earnings per share as the underlying

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

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 chart below shows the calculation of basic and diluted earnings per share (in thousands, except per share amounts):

	Three Months Ended December 31,		Six Months Ended December 31,	
	2010	2009	2010	2009
Net income attributable to CACI	\$33,235	\$26,052	\$61,890	\$49,907
Weighted average number of basic shares outstanding during the period	30,288	30,109	30,296	30,071
Dilutive effect of SSARs/stock options and RSUs/restricted shares after application of treasury stock method	618	471	708	451
Weighted average number of diluted shares outstanding during the period	30,906	30,580	31,004	30,522
Basic earnings per share	\$ 1.10	\$ 0.87	\$ 2.04	\$ 1.66
Diluted earnings per share	\$ 1.08	\$ 0.85	\$ 2.00	\$ 1.64

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. During the Company's year ended June 30, 2010, the Internal Revenue Service completed its field audit of the Company's consolidated federal income tax returns for the years ended June 30, 2005 through 2007 and earlier years in connection with amended returns and carryback claims filed by the Company. The Company received the refunds reflected on its amended returns and carryback claims, as adjusted for the results of the field audit, during the three month period ended September 30, 2010. The Company is currently under examination by the Internal Revenue Service for the year ended June 30, 2008 and by four 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 December 31, 2010 and June 30, 2010 was \$6.7 million and \$5.2 million, respectively. Of the \$6.7 million unrecognized tax benefit at December 31, 2010, \$3.0 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 data information and knowledge management services, business systems solutions, and enterprise IT and network services lines of business. The Company evaluates the performance of its operating segments based on net income. Summarized financial information concerning the Company's reportable segments is as follows (in thousands):

	<u>Domestic</u>	<u>International</u>	<u>Total</u>
Three Months Ended December 31, 2010			
Revenue from external customers	\$ 838,695	\$ 28,583	\$ 867,278
Net income attributable to CACI	31,443	1,792	33,235
Three Months Ended December 31, 2009			
Revenue from external customers	\$ 745,860	\$ 30,867	\$ 776,727
Net income attributable to CACI	23,977	2,075	26,052
Six Months Ended December 31, 2010			
Revenue from external customers	\$1,644,430	\$ 56,819	\$1,701,249
Net income attributable to CACI	58,548	3,342	61,890
Six Months Ended December 31, 2009			
Revenue from external customers	\$1,457,623	\$ 58,622	\$1,516,245
Net income attributable to CACI	45,826	4,081	49,907

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.

As of December 31, 2010, 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), the obligations to participants under the same plan, and contingent consideration in connection with business combinations completed during the year ended June 30, 2010. The following table summarizes the financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2010, and the level they fall within the fair value hierarchy (in thousands):

<u>Description of Financial Instrument</u>	<u>Financial Statement Classification</u>	<u>Fair Value</u>	
		<u>Hierarchy</u>	<u>Fair Value</u>
Non-COLI assets held in connection with the Supplemental Savings Plan	Long-term asset	Level 1	\$ 4,489
Obligations under the Supplemental Savings Plan	Current liability	Level 2	\$ 4,605
Obligations under the Supplemental Savings Plan	Long-term liability	Level 2	\$ 59,292
Contingent consideration	Current liability	Level 3	\$ 33,778
Contingent consideration	Long-term liability	Level 3	\$ 1,117

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

Changes in the fair value of the assets held in connection with the Supplemental Savings Plan, as well as changes in the related deferred compensation obligation, are recorded in indirect costs and selling expenses.

During the year ended June 30, 2010, the Company completed three acquisitions, all of which contained provisions requiring that the Company pay contingent consideration in the event the acquired businesses achieved certain specified earnings results during the two year periods subsequent to each acquisition. The Company determined the fair value of the contingent consideration as of each 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 December 31, 2010, this remeasurement resulted in a \$0.6 million decrease in the liability recorded. For the six months ended December 31, 2010 this remeasurement resulted in a \$1.1 million increase in the liability recorded.

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 the United Kingdom, including conditions that result from prolonged weakness; terrorist activities or war; changes in interest rates; currency fluctuations; significant fluctuations in the equity markets; changes in our effective tax rate; valuation of contingent consideration in connection with business combinations; 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, or in the event of a priority need for funds, such as homeland security, the war on terrorism, or an economic stimulus package; 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 are a leading provider of professional services and information technology solutions to the U.S. government. We derived 95 percent of our revenue during each of the six months ended December 31, 2010 and 2009 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. Our major service offerings are as follows:

- **Enterprise IT and network services** – We support our clients' critical networked operational missions by providing tailored end-to-end enterprise information technology services for the design, establishment, management, security and operations of client infrastructure. Our operational, analytic, consultancy and transformational services effectively use industry best practices and standards to enable and optimize the full life cycle of the networked environment, improve customer service, improve efficiency, and reduce total cost and complexity of large, geographically dispersed operations.
- **Data, information and knowledge management services** – We deliver a full spectrum of solutions and services that automate the knowledge management life cycle from data capture through information analysis and understanding. We provide commercially-based products, custom solutions development, and operations and maintenance services that facilitate information sharing. Our information technology solutions are complemented by a suite of analytical expertise support offerings for our U.S. government Intelligence Community, Department of Defense (DoD), Department of Justice (DoJ), and Homeland Security customers.
- **Business system solutions** – We provide solutions that address the full spectrum of requirements in the financial, procurement, human resources, supply chain and other business domains. Our solutions employ an integrated cross-functional approach to maximize investments in existing systems, while leveraging the potential of advanced technologies to implement new, high payback solutions. Our offerings include services, consulting and software development/integration that support the full life cycle of commercial technology implementation from blueprint through application sustainment.

Table of Contents

- Logistics and material readiness services – We offer a full suite of solutions and service offerings that plan for, implement, and control the efficient and effective 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 advance 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.
- C4ISR services – We provide rapid response services in support of military missions in a coordinated and controlled operational setting. We support the military efforts to ensure delivery and sustainment of integrated, enterprise-wide, Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) programs. We integrate sensors, mission applications, and systems that connect with DoD data networks.
- Cyber security – Our solutions and services support the full life cycle of preparing for, protecting against, detecting, reacting to and actively responding to the full range of cyber threats. We achieve this through comprehensive and consistently managed risk-based, cost-effective controls and measures to protect information and systems operated by the U.S. government. We proactively support the operational use and availability/reliability of information.
- Integrated security and intelligence solutions – The United States, its partners and its allies around the world face state, non-state, and transnational adversaries that do not recognize political boundaries; do not recognize international law; and will seek, through asymmetric and irregular means, ways to strike at seams in our national security. We assist clients in developing integrated solutions that close gaps between security, intelligence, and law enforcement in order to address complex threats to our national security.
- 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 face some uncertainties due to the current business environment and we continue to experience a number of protests of major contract awards. In addition, many of our federal government contracts require us to have varying levels and types of security clearances and employ personnel with specific levels of education and 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. Among the factors that could affect our federal government contracting business are the impact of operating under a continuing resolution for some of or perhaps our entire fiscal year ending June 30, 2011, the continued demand and priority of funding for combat operations in Afghanistan, an increase in set-asides for small businesses, and budgetary priorities limiting or delaying federal government spending in general.

Our operations are also affected by local, national and worldwide economic conditions. The consequences of a prolonged global economic downturn or a continued weak U.S. economy and large federal budget deficits may include a lower level of government spending in the areas in which we provide our services. 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 December 31, 2010 and 2009

Revenue. The table below sets forth revenue by customer type with related percentages of total revenue for the three months ended December 31, 2010 and 2009, respectively:

(dollars in thousands)	Three Months Ended December 31,				Change	
	2010		2009		\$	%
Department of Defense (DoD)	\$686,706	79.2%	\$602,667	77.6%	\$84,039	13.9%
Federal civilian agencies	133,353	15.4	129,800	16.7	3,553	2.7
Commercial and other	43,384	5.0	40,161	5.2	3,223	8.0
State and local governments	3,835	0.4	4,099	0.5	(264)	(6.4)
Total	<u>\$867,278</u>	<u>100.0%</u>	<u>\$776,727</u>	<u>100.0%</u>	<u>\$90,551</u>	<u>11.7%</u>

For the three months ended December 31, 2010, total revenue increased by 11.7 percent, or \$90.6 million, over the same period a year ago. This growth in revenue resulted primarily from the higher volume of work from DoD and was generated both from organic growth and from acquisitions completed since September 30, 2009. 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 December 31, 2010 was \$15.4 million, which included \$8.7 million from our recent acquisitions of TechniGraphics, Inc. and Applied Systems Research, Inc. (ASR).

Revenue from existing operations increased by 9.7 percent, or \$75.2 million, for the three months ended December 31, 2010. This organic growth was driven by both an increase in our direct labor and an increase in other direct costs (ODCs). ODCs include work which we subcontract to third parties to meet customer needs.

DoD revenue increased 13.9 percent, or \$84.0 million, for the three months ended December 31, 2010, as compared to the same period a year ago. \$10.1 million of the increase was attributable to acquired DoD revenue and the remaining \$73.9 million of the increase was attributable to revenue from existing operations. 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 of the commands in Iraq and Afghanistan. DoD revenue also includes work with the U.S. Navy and other DoD agencies across all of our major service offerings. Revenue in the quarter ended December 31, 2010 was favorably impacted by the timing of recognition of award fees on certain programs which a year ago were recognized in the quarter ended September 30, 2009 and this year were recognized in the quarter ended December 31, 2010.

Revenue from federal civilian agencies increased 2.7 percent, or \$3.6 million, for the three months ended December 31, 2010, as compared to the same period a year ago. Of the federal civilian agency revenue growth, \$3.3 million, was attributable to existing operations and \$0.3 million, was attributable to acquisitions. Approximately 17.1 percent of the federal civilian agency revenue for the quarter was derived from DoJ, for whom we provide litigation support services. Revenue from DoJ was \$22.7 million and \$19.0 million for the three months ended December 31, 2010 and 2009, respectively.

Commercial and other revenue increased 8.0 percent, or \$3.2 million, during the three months ended December 31, 2010, as compared to the same period a year ago. Commercial revenue is derived from both international and domestic operations. International operations accounted for 65.9 percent, or \$28.6 million, of total commercial revenue, while domestic operations accounted for 34.1 percent, or \$14.8 million. The increase in commercial revenue is primarily attributable to acquired revenue.

Revenue from state and local governments decreased by 6.4 percent, or \$0.3 million, for the three months ended December 31, 2010, 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 December 31, 2010 and 2009. Our continued focus on DoD and federal civilian agency opportunities has resulted in a relatively reduced emphasis on state and local government business.

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 December 31, 2010 and 2009, respectively.

(dollars in thousands)	Dollar Amount		Percentage of Revenue		Change	
	Three Months Ended December 31,		Three Months Ended December 31,			
	2010	2009	2010	2009	\$	%
Revenue	\$867,278	\$776,727	100.0%	100.0%	\$90,551	11.7%
Costs of revenue						
Direct costs	608,536	543,117	70.2	69.9	65,419	12.0
Indirect costs and selling expenses	185,247	172,603	21.4	22.2	12,644	7.3
Depreciation and amortization	14,060	13,546	1.6	1.8	514	3.8
Total costs of revenue	807,843	729,266	93.2	93.9	78,577	10.8
Income from operations	59,435	47,461	6.8	6.1	11,974	25.2
Interest expense and other, net	5,991	7,124	0.7	0.9	(1,133)	(15.9)
Income before income taxes	53,444	40,337	6.1	5.2	13,107	32.5
Income taxes	19,945	14,233	2.3	1.8	5,712	40.1
Net income before noncontrolling interest in earnings of joint venture	33,499	26,104	3.8	3.4	7,395	28.3
Noncontrolling interest in earnings of joint venture	(264)	(52)	—	—	(212)	
Net income attributable to CACI	\$ 33,235	\$ 26,052	3.8%	3.4%	\$ 7,183	27.6%

Income from operations for the three months ended December 31, 2010 was \$59.4 million. This was an increase of \$12.0 million, or 25.2 percent, from income from operations of \$47.5 million for the three months ended December 31, 2009. Our operating margin was 6.8 percent and 6.1 percent for the three months ended December 31, 2010 and 2009, respectively.

As a percentage of revenue, direct costs were 70.2 percent and 69.9 percent for the three months ended December 31, 2010 and 2009, respectively. Direct costs include direct labor and ODCs, which include, among other costs, subcontractor labor and materials along with equipment purchases and travel expenses. ODCs, which are common in our industry, typically are incurred in response to specific client tasks and may vary from period to period. Direct labor was \$211.8 million and \$196.1 million for the three months ended December 31, 2010 and 2009, respectively. This increase in direct labor was attributable primarily to organic growth. ODCs were \$396.7 million and \$347.1 million during the three months ended December 31, 2010 and 2009, respectively. This increase was primarily driven by an increased volume of tasking across C4ISR services within our Strategic Services Sourcing contract.

Indirect costs and selling expenses include fringe benefits, marketing expenses, bid and proposal costs, indirect labor, and other discretionary expenses. As a percentage of revenue, indirect costs and selling expenses were 21.4 percent and 22.2 percent for the three months ended December 31, 2010 and 2009, respectively. The decrease in indirect costs and selling expenses as a percentage of revenue was primarily a result of controlling our various indirect and general and administrative expenses and the aforementioned higher ODC content which require less indirect costs and selling expenses. Total stock-based compensation expense, a component of indirect costs, was \$3.5 million and \$6.1 million for the three months ended December 31, 2010 and 2009. Stock-based compensation expense for the three months ended December 31, 2010 was favorably impacted by higher forfeitures. Stock-based compensation expense for the three months ended December 31, 2009 reflected additional expense recorded during that quarter attributable to the August 2008 performance-based restricted stock unit grant based upon the then-current estimate of performance during the performance measurement period.

Depreciation and amortization expense was \$14.1 million and \$13.5 million for the three months ended December 31, 2010 and 2009, respectively. The increase of \$0.5 million, or 3.8 percent, was primarily the result of amortization expense attributable to intangibles acquired in the Company's recent acquisitions offset in part by a decrease in amortization on externally marketed software.

Interest expense and other, net decreased \$1.1 million, or 15.9 percent, during the three months ended December 31, 2010 as compared to the same period a year ago. The decrease was primarily due to lower interest rates and reduced interest expense as a result of the lower debt outstanding during the six months ended December 31, 2010.

Table of Contents

Interest expense for the three months ended December 31, 2010 includes the write off of \$0.5 million of unamortized debt issuance costs associated with the Company's former credit facility which was terminated on October 21, 2010 and replaced by its current credit facility. See Liquidity and Capital Resources for additional information.

The effective tax rate was 37.5 percent and 35.3 percent during the three months ended December 31, 2010 and 2009, respectively. The tax rates reported in the second quarter of both FY2011 and FY2010 were favorably impacted by non-taxable gains on assets invested in corporate-owned life insurance 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, 2011.

Results of Operations for the Six Months Ended December 31, 2010 and 2009

Revenue. The table below sets forth revenue by customer type with related percentages of total revenue for the six months ended December 31, 2010 and 2009, respectively:

(amounts in thousands)	Six Months Ended December 31,				Change	
	2010		2009		\$	%
Department of Defense	\$1,343,231	78.9%	\$1,174,962	77.5%	\$168,269	14.3%
Federal civilian agencies	269,902	15.9	262,747	17.3	7,155	2.7
Commercial and other	81,262	4.8	69,220	4.6	12,042	17.4
State and local governments	6,854	0.4	9,316	0.6	(2,462)	(26.4)
Total	<u>\$1,701,249</u>	<u>100.0%</u>	<u>\$1,516,245</u>	<u>100.0%</u>	<u>\$185,004</u>	<u>12.2%</u>

For the six months ended December 31, 2010, total revenue increased by 12.2 percent, or \$185.0 million, over the same period a year ago. This growth in revenue resulted primarily from the higher volume of work from DoD customers and was generated from both organic growth and 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 six months ended December 31, 2010 was \$30.3 million, which included \$8.7 million from our recent acquisitions of TechniGraphics and ASR.

Revenue from existing operations increased by 10.2 percent or \$154.7 million, for the six months ended December 31, 2010. This organic growth was driven by both an increase in our direct labor and a significant increase in ODCs. ODCs include work which we subcontract to third parties to meet customer needs.

DoD revenue increased 14.3 percent, or \$168.3 million, for the six months ended December 31, 2010, as compared to the same period a year ago. \$15.4 million of the increase was attributable to acquired DoD revenue and the remaining \$152.9 million of the increase was attributable to revenue from existing operations. 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 of the commands in Iraq and Afghanistan. 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 2.7 percent, or \$7.2 million, for the six months ended December 31, 2010, as compared to the same period a year ago. Of the federal civilian agency revenue growth, \$5.7 million was attributable to existing operations and \$1.5 million was attributable to acquisitions. Approximately 17.3 percent of the federal civilian agency revenue for the year was derived from DoJ, for whom we provide litigation support services. Revenue from DoJ was \$46.6 million and \$37.3 million for the six months ended December 31, 2010 and 2009, respectively. Federal civilian agency revenue also includes services provided to non-DoD national intelligence agencies.

Commercial revenue increased 17.4 percent, or \$12.0 million, during the six months ended December 31, 2010, as compared to the same period a year ago. This increase is primarily attributable to recent acquisitions. Commercial revenue is derived from both international and domestic operations. International operations accounted for 69.9 percent, or \$56.8 million, of total commercial revenue, while domestic operations accounted for 30.1 percent, or \$24.4 million.

Revenue from state and local governments decreased by 26.4 percent, or \$2.5 million, for the six months ended December 31, 2010, 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 six months ended December 31, 2010 and 2009. Our continued focus on DoD and federal civilian agency opportunities has resulted in a relatively reduced emphasis on state and local government business.

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 six months ended December 31, 2010 and 2009, respectively.

(dollars in thousands)	Dollar Amount		Percentage of Revenue		Change	
	Six Months Ended December 31,	Six Months Ended December 31,	Six Months Ended December 31,	Six Months Ended December 31,		
	2010	2009	2010	2009	\$	%
Revenue	\$1,701,249	\$1,516,245	100.0%	100.0%	\$185,004	12.2%
Costs of revenue						
Direct costs	1,198,006	1,053,657	70.4	69.5	144,349	13.7
Indirect costs and selling expenses	364,569	344,398	21.5	22.7	20,171	5.9
Depreciation and amortization	27,142	24,701	1.6	1.6	2,441	9.9
Total costs of revenue	1,589,717	1,422,756	93.5	93.8	166,961	11.7
Income from operations	111,532	93,489	6.5	6.2	18,043	19.3
Interest expense and other, net	11,824	14,386	0.7	1.0	(2,562)	(17.8)
Income before income taxes	99,708	79,103	5.8	5.2	20,605	26.0
Income taxes	37,384	28,918	2.2	1.9	8,466	29.3
Net income before noncontrolling interest in earnings of joint venture	62,324	50,185	3.6	3.3	12,139	24.2
Noncontrolling interest in earnings of joint venture	(434)	(278)	—	—	(156)	56.1
Net income attributable to CACI	\$ 61,890	\$ 49,907	3.6%	3.3%	\$ 11,983	24.0%

Income from operations for the six months ended December 31, 2010 was \$111.5 million. This is an increase of \$18.0 million, or 19.3 percent, from income from operations of \$93.5 million for the six months ended December 31, 2009. Our operating margin was 6.5 percent up from 6.2 percent during the same period a year ago.

As a percentage of revenue, direct costs were 70.4 percent and 69.5 percent for the six months ended December 31, 2010 and 2009, respectively. Direct costs include direct labor and ODCs, which include, among other costs, subcontractor labor and materials along with equipment purchases and travel expenses. ODCs, which are common in our industry, typically are incurred in response to specific client tasks and may vary from period to period. Direct labor was \$422.9 million and \$392.8 million for the six months ended December 31, 2010 and 2009, respectively. This increase in direct labor was attributable to both organic growth and acquisitions. ODCs were \$775.1 million and \$660.9 million during the six months ended December 31, 2010 and 2009, respectively. This increase was primarily driven by an increased volume of tasking across C4ISR integration services within our S3 contract along with the aforementioned acquisitions.

Indirect costs and selling expenses include fringe benefits, marketing and bid and proposal costs, indirect labor, and other discretionary expenses. As a percentage of revenue, indirect costs and selling expenses were 21.5 percent and 22.7 percent for the six months ended December 31, 2010 and 2009, respectively. This decrease was primarily the result of integrating acquired businesses, controlling our various indirect and general and administrative expenses and the aforementioned higher ODC content which require less indirect cost and selling expenses. A component of indirect costs and selling expenses is stock-based compensation expense. Total stock-based compensation expense was \$8.4 million and \$12.7 million for the six months ended December 31, 2010 and 2009, respectively, and decreased primarily due to higher forfeitures in the six months ended December 31, 2010, the timing of the annual grant of equity instruments, and increased stock-based compensation expense during the six months ended December 31, 2009 as a result of the then-current estimate of performance during the performance measurement period for the August 2008 performance-based RSU grant.

Depreciation and amortization expense was \$27.1 million and \$24.7 million for the six months ended December 31, 2010 and 2009, respectively. This increase of \$2.4 million, or 9.9 percent, is primarily the result of amortization expense attributable to acquired intangibles offset by a decrease in amortization on externally marketed software.

Interest expense and other, net decreased \$2.6 million, or 17.8 percent, during the six months ended December 31, 2010 as compared to the same period a year ago. The decrease was primarily due to lower interest rates and lower debt outstanding.

Table of Contents

The effective tax rate was 37.7 percent and 36.7 percent during the six months ended December 31, 2010 and 2009, respectively. The effective tax rate for both the six months ended December 31, 2010 and 2009 was favorably impacted by non-taxable gains on assets invested in corporate-owned life insurance policies year-to-date. If gains or losses on those 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, 2011.

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.

At December 31, 2010, we had a \$750.0 million credit facility (the Credit Facility), which included a \$600.0 million revolving credit facility (the Revolving Facility) and a \$150.0 million term loan (the Term Loan). At December 31, 2010, \$150.0 million was outstanding under the Term Loan, no amounts were outstanding under the Revolving Facility and we had no outstanding letters of credits. The Credit Facility was entered into on October 21, 2010 and replaced the Company's previous credit facility which was terminated on such date. The Credit Facility has an accordion feature that will allow the facility to be expanded by an additional \$200 million with applicable lender approvals. 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. The Credit Facility is subject to affirmative, negative, and financial covenants that are customary for this type of credit agreement.

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 constituting a fundamental change, 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 December 31, 2010, none of the conditions permitting conversion of the Notes had been satisfied.

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

The contingently issuable shares that may result from the conversion of the Notes are not included in our diluted share count for the three or six month periods ended December 31, 2010 or 2009, because our average stock price during those periods was below the conversion price. 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 have been reclassified to shareholders' equity. Upon closing of the sale of the Notes, \$45.5 million of the net proceeds was used to concurrently repurchase one million shares of our common stock.

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

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

Table of Contents

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 our balance sheet by the \$30.7 million deferred tax liability associated with the non-cash interest expense to be recorded for financial reporting purposes.

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

We account for the liability and the equity (conversion option) components of the Notes, and recognize 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 its 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 has been 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.

We also maintain two additional lines of credit, one in the U.K., and one under a joint venture that we consolidate. The total amount available under the line-of-credit facility in the U.K., which is cancelable at any time upon notice from the bank, is 0.5 million pounds sterling. The amount available under the joint venture's line of credit is \$1.5 million. This line of credit is scheduled to expire in September 2011. As of December 31, 2010, the Company had no outstanding borrowings under either of these lines of credit.

Cash and cash equivalents were \$46.7 million and \$254.5 million at December 31, 2010 and June 30, 2010, respectively. Our operating cash flow was \$69.3 million for the six months ended December 31, 2010 as compared to \$67.1 million in the same period a year ago. This increase in operating cash flows during the six months ended December 31, 2010 as compared to the year earlier is due primarily to profits earned during the current quarter and our strong operational processes. Days-sales-outstanding were 58 at December 31, 2010, and 62 at December 31, 2009.

We used cash in investing activities of \$136.2 million and \$78.3 million for the six months ended December 31, 2010 and 2009, respectively. This increase was primarily the result of acquisitions completed during the quarter ended December 31, 2010. This was partially offset by lower capital expenditures incurred in connection with our consolidation of office space in a new building in Northern Virginia during the six-month period ended December 31, 2009.

Cash used in financing activities was \$141.6 million in the six months ended December 31, 2010 as compared to \$47.9 million in the six months ended December 31, 2009. During the six months ended December 31, 2010, we prepaid our then-outstanding term loan in connection with entering into the Credit Facility and used \$18.2 million to repurchase 0.4 million shares of our common stock pursuant to a plan approved by our Board of Directors in June 2010.

Cash flows from financing activities include proceeds received from the exercise of stock options and purchases of stock under our Employee Stock Purchase Plan (ESPP) totaling \$12.7 million and \$5.4 million during the six months ended December 31, 2010 and 2009, respectively. These amounts were offset by cash used to purchase stock to fulfill obligations under the ESPP. Cash used to acquire stock under the ESPP was \$1.7 million during each of the six month periods ended December 31.

Table of Contents

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, 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 15 in the Notes to Consolidated Financial Statements contained in our Annual Report on Form 10-K for the year ended June 30, 2010. 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 component of the Credit Facility when issued. We currently have 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 the Credit 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 and caps. We have maintained hedging relationships with various counterparties in recent years, including two interest rate swap agreements that expired in December 2009. These agreements allowed us to exchange a portion of our variable rate debt for fixed rate debt. We have not entered into new interest rate swaps at this time due to the relatively favorable interest rate environment. Our interest expense on our variable rate debt would have fluctuated by approximately \$0.9 million for the six months ended December 31, 2010 with every one percent fluctuation in the applicable interest rates.

Approximately 3.3 percent and 3.9 percent of our total revenue in the six months ended December 31, 2010 and 2009, respectively, was derived from our international operations in the U.K. Our practice in the U.K. is to negotiate contracts in the same currency in which the predominant expenses are incurred, thereby mitigating the exposure to foreign currency exchange fluctuations. It is not possible to accomplish this in all cases; thus, there is some risk that profits will be affected by foreign currency exchange fluctuations. As of December 31, 2010 we held a combination of euros and pounds sterling in the U.K. equivalent to approximately \$15.4 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.

Table of Contents

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 December 31, 2010.

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 December 31, 2010.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

Saleh, et al. v. Titan Corp., 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, 2010 for the most recently filed information concerning the suit filed in the United States District Court for the Southern District of California, and transferred to the United States District Court for the District of Columbia, against CACI International Inc, CACI, INC.–FEDERAL, CACI N.V., and former CACI employee Stephen A. Stefanowicz, among other defendants, seeking a permanent injunction, declaratory relief, compensatory and punitive damages, treble damages and attorney's fees arising out of defendants' alleged acts against plaintiffs, who were detainees at Abu Ghraib prison and elsewhere in Iraq.

Since the filing of Registrant's report described above, on October 4, 2010, the Supreme Court of the United States invited the United States Solicitor General to file a brief expressing the views of the United States on the plaintiffs' petition for certiorari. The plaintiffs' certiorari petition remains pending.

Ibrahim, et al. v. Titan Corp., 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, 2010 for the most recently filed information concerning the suit filed in the United States District Court for the District of Columbia against CACI International Inc, CACI, INC.–FEDERAL, CACI N.V. and Titan Corporation, seeking compensatory and punitive damages for physical injury, emotional distress, and/or wrongful death allegedly suffered as a result of defendants' wrongful acts against plaintiffs, who were detainees at Abu Ghraib prison and elsewhere in Iraq.

Since the filing of Registrant's report described above, on October 4, 2010, the Supreme Court of the United States invited the United States Solicitor General to file a brief expressing the views of the United States on the plaintiffs' petition for certiorari. The plaintiffs' certiorari petition remains pending.

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

Reference is made to Part I, Item 3, Legal Proceeding in the Registrant's Annual Report on Form 10-K for the year ended June 30, 2010 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. Plaintiff seeks, inter alia, compensatory damages, punitive damages, and attorney's fees.

Since the filing of Registrant's report described above, on October 26, 2010, the United States Court of Appeals for the Fourth Circuit heard oral argument in the appeal and took the matter under advisement.

Abbas, et al. v. L-3 Services, Inc. et al.

Reference is made to Part I, Item 3, Legal Proceeding in the Registrant's Annual Report on Form 10-K for the year ended June 30, 2010 for the most recently filed information concerning the suit filed in the United States District Court for the District of Columbia. The lawsuit names CACI Premier Technology, Inc. and L-3 Services, Inc. as defendants. Plaintiff seeks, inter alia, compensatory damages, punitive damages and costs.

Since the filing of the Registrant's report described above, the case remains stayed pending final resolution of the *Saleh* and *Ibrahim* cases described above.

We are vigorously defending the above-described legal proceedings, and, based on our present knowledge of the facts, believe the lawsuits are 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, 2010. 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

Set forth below are equity securities purchased during the three months ended December 31, 2010 in order to satisfy our obligations under the Employee Stock Purchase Plan:

<u>Period</u>	<u>Total Number</u>	<u>Average Price Paid Per Share</u>	<u>Total Number of Shares Purchased As Part of Publicly Announced Programs</u>	<u>Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs</u>
	<u>of Shares Purchased</u>			
October 2010	20,537	\$ 44.00	759,952	240,048
November 2010	—	—	—	—
December 2010	—	—	—	—
Total	<u>20,537</u>	<u>\$ 44.00</u>	<u>759,952</u>	<u>240,048</u>

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		
			Form	Filing Date	Exhibit No.
3.1	Certificate of Incorporation of CACI International Inc, as amended to date		10-K	September 13, 2006	3.1
3.2	Amended and Restated By-laws of CACI International Inc, amended as of March 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	Credit Agreement by and among CACI International Inc as borrower; Bank of America, N.A. as administrative agent, swing line lender and L/C issuer; JPMorgan Chase Bank N.A. as syndication agent; and each of the lenders named therein		8-K	October 27, 2010	10.1
10.2	Form of Performance Restricted Stock Unit Grant Agreement between CACI International Inc and certain employees	X			
10.3	Form of Non-Employee Director Restricted Stock Unit Grant Agreement	X			
10.4	Form of Restricted Stock Unit Grant Agreement for grantees enrolled in the Management Stock Purchase Plan of CACI International Inc	X			
10.5	Addendum to Employee Agreement and Severance Compensation Agreement Dated December 3, 2010 between Randall C. Fuerst and CACI International Inc*	X			
31.1	Section 302 Certification Paul M. Cofoni	X			
31.2	Section 302 Certification Thomas A. Mutryn	X			
32.1	Section 906 Certification Paul M. Cofoni	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 December 31, 2010 formatted in eXtensible Business Reporting Language (XBRL): (i) Condensed Consolidated Statements of Operations, (ii) Condensed Consolidated Balance Sheets, (iii) Condensed Consolidated Statements of Cash Flows (iv) Consolidated Statements of Comprehensive Income, and (v) Notes to Condensed Consolidated Financial Statements**				

* Portions of this exhibit have been omitted pursuant to a request for confidential treatment.

** Submitted electronically herewith.

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: February 4, 2011

By: /s/ Paul M. Cofoni

Paul M. Cofoni
President,
Chief Executive Officer and Director
(Principal Executive Officer)

Date: February 4, 2011

By: /s/ Thomas A. Mutryn

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

Date: February 4, 2011

By: /s/ Carol P. Hanna

Carol P. Hanna
Senior Vice President, Corporate Controller
and Chief Accounting Officer
(Principal Accounting Officer)

CACI INTERNATIONAL INC 2006 STOCK INCENTIVE PLAN

PERFORMANCE RSU GRANT AGREEMENT

This Performance RSU Grant Agreement (the “**Agreement**”) is entered into by and between CACI International Inc, a Delaware corporation (the “**Company**” or “**CACI**”) and NAME (the “**Grantee**”), effective as of [date] (the “**Grant Date**”).

Recitals

WHEREAS, the Board of Directors of the Company adopted the CACI International Inc 2006 Stock Incentive Plan (the “**Plan**”);

WHEREAS, the Plan provides for Awards to key employees of the Company, or its Subsidiaries and Affiliates;

WHEREAS, the Grantee has been determined to be a key employee who is entitled to an Award under the Plan; and

WHEREAS, the Company desires to provide the Grantee the opportunity to acquire stock ownership in the Company based on the performance of the Company, in order to provide the Grantee with a direct proprietary interest in the Company and to provide the Grantee with an incentive to remain in the employ of the Company or a Subsidiary or Affiliate of the Company.

NOW, THEREFORE, the Company and the Grantee covenant and agree as follows:

1. DEFINITIONS.

Under this Agreement, except where the context otherwise indicates, the following definitions apply:

(a) “**Account**” means the bookkeeping account maintained for the Grantee pursuant to Section 2.

(b) “**Agreement**” means this Performance RSU Grant Agreement and shall include the applicable provisions of the Plan, which is hereby incorporated into and made a part of this Agreement.

(c) **“Cause”** means:

(1) gross negligence, willful misconduct or willful malfeasance by the Grantee in connection with the performance of any material duty for the Company or an Affiliate;

(2) the Grantee’s commission or participation in any violation of any legal requirement or obligation relating to the Company (unless the Grantee 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) and such violation has materially and adversely affected the Company;

(3) the Grantee’s conviction of, or plea of guilty or *nolo contendere*, to a crime committed during the course of his/her employment with the Company that the Committee, acting in good faith, reasonably determines is likely to have a material adverse affect on the reputation or business of the Company or an Affiliate;

(4) theft, embezzlement or fraud by the Grantee in connection with the performance of his or her duties for the Company or an Affiliate;

(5) a violation of any confidentiality agreement or obligation or non-compete agreement with the Company or an Affiliate;

(6) a material violation of (i) the Company’s Standards of Conduct, as the same may be amended and in effect from time to time, or (ii) any other published Company policy; or

(7) the diversion or appropriation of any material business opportunity.

If the written employment agreement between Grantee and the Company provides a different definition of “Cause” (or other term that defines conduct on the part of the Grantee that permits the Company to terminate such written employment agreement without liability to the Grantee), that definition shall control and shall be substituted for the above in applying the Plan to that Grantee.

(d) **“Change in Control Date”** shall be the date (after the Grant Date) on which a Change in Control event is legally consummated and legally binding upon the parties.

(e) **“Ending Stock Price Average”** means the average of the closing prices per share of the Stock for the 90 calendar-day period ending on the first anniversary of the Grant Date (i.e., from [date] through [date]) as reported by such registered national securities exchange on which the Stock is listed, or, if the Stock is not listed on such an exchange, as quoted on NASDAQ.

(f) **“Extraordinary Items of Income”** means any amount of income or gain included in the calculation of the net income of the Company that the Committee, in its

discretion, but acting in good faith, determines to be extraordinary; provided, however, in no event will the revenue or income from an acquisition be deemed to be extraordinary, to the extent revenue or income from such acquisition is consolidated and included with revenue and income of the Company for reporting purposes.

(g) **“Fiscal Year”** means the fiscal year of the Company, which is currently July 1 through June 30.

(h) **“GAAP”** means U.S. generally accepted accounting principles, consistently applied.

(i) **“Good Reason Termination”** means Grantee’s resignation from full-time employment with the Company (or a Subsidiary or Affiliate of the Company) following the occurrence of any of the following circumstances without the Grantee’s prior written consent:

- (1) A material reduction in the Grantee’s total compensation and benefit opportunity from that in effect on the day before the Change in Control Date (other than a reduction made by the Board, acting in good faith, based upon the performance of the Grantee, or to align the compensation and benefits of the Grantee with that of comparable executives, based on market data);
- (2) A substantial adverse alteration in the conditions of the Grantee’s employment from those in effect on the day before the Change in Control Date;
- (3) A substantial adverse alteration in the nature or status of the Grantee’s position or responsibilities from those in effect on the day before the Change in Control Date; or
- (4) A change in the geographic location of the Grantee’s job more than fifty (50) miles from the place at which such job was based on the day before the Change in Control Date.

Before the Grantee may resign for Good Reason, the Grantee must provide the Company at least thirty (30) days’ prior written notice of his intent to resign for Good Reason and specify in reasonable detail the Good Reason upon which such resignation is based. The Company shall have a reasonable opportunity to cure any such Good Reason (that is susceptible of cure) within thirty (30) days after the Company’s receipt of such notice. The Grantee’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.

(j) **“Grandfathered Executive”** means an executive who, as of July 1, 2008, was age 62 or older and who was a full-time employee of the Company (or a Subsidiary or Affiliate of the Company).

(k) **“Grandfathered Retirement”** means, in the case of a Grandfathered Executive, retirement from full-time employment or change to part-time status with the Company (or a Subsidiary or Affiliate of the Company) following delivery of a Retirement Notice, in either case on or after age 65.

(l) **“Grant Date”** means [date].

(m) **“Involuntary Termination Without Cause”** means a termination by the Company (or a Subsidiary or Affiliate of Company) of Grantee’s full-time employment without Cause.

(n) **“Maximum Achievement Level”** means the Ending Stock Price Average exceeds the Starting Stock Price Average by fifty percent (50%) or more.

(o) **“Measurement Period”** means the period beginning [date] and ending [date].

(p) **“NATP”** means net profit after taxes (defined as net income attributable to common shareholders, after taxes, from continuing operations before the cumulative effect of any change in accounting principles, as determined in accordance with GAAP and reflected in the Company’s Consolidated Statements of Operations in its filing with the SEC, but without regard to any change in accounting standards that may be required by the Financial Accounting Standards Board after the Grant Date and modified so as to exclude any Extraordinary Items of Income).

(q) **“Performance RSU”** means a bookkeeping entry that represents an amount equivalent to one share of Stock.

(r) **“Plan”** means the CACI International Inc 2006 Stock Incentive Plan, as amended from time to time.

(s) **“Retirement”** means retirement from full-time employment with the Company (or a Subsidiary or Affiliate of the Company) or a change from full-time employment with the Company (or a Subsidiary or Affiliate of the Company) to part-time status, in both cases on or after age 62, and following delivery of a Retirement Notice. The term “Retirement” excludes a Grandfathered Retirement.

(t) **“Retirement Notice”** means a written notice from the Grantee to the Committee of the Grantee’s intention to retire from full-time employment and to either permanently retire from the Company (or a Subsidiary or Affiliate of the Company) and the information technology industry or to change from full-time to part-time status with the Company (or a Subsidiary or Affiliate of the Company) without any other employment in the information technology industry.

(u) **“Separation from Service”** means a separation from service of Grantee from the Company (or a Subsidiary or Affiliate of the Company) within the meaning of Code Section 409A (a)(2)(A)(i).

(v) **“Service Requirement”** means the Grantee must have been in the continuous full-time employment of the Company (or a Subsidiary or Affiliate of the Company) from the Grant Date through the applicable vesting anniversary of the Grant Date as provided in Section 3(b)(1).

(w) **“Specified Employee”** means a specified employee within the meaning of Code Section 409A (a)(2)(B)(i).

(x) **“Starting Stock Price Average”** means X dollars and X cents (\$X.XX), which is the average of the closing prices per share of the Stock for the 90 calendar-day period ending on the Grant Date (i.e., from [date] through [date]) as reported by such registered national securities exchange on which the Stock is listed.

Any capitalized term used herein that is not expressly defined in this Agreement shall have the meaning that such term has under the Plan unless otherwise provided herein.

2. AWARD OF PERFORMANCE RSUs .

(a) **Grant of Performance RSUs .** Subject to the provisions of this Agreement and pursuant to the provisions of the Plan, the Committee hereby grants to the Grantee a Performance RSU Award on the Grant Date for Performance RSUs as stated in the Performance RSU Overview below representing the number of RSUs that would be tentatively earned by the Grantee upon attainment by the Company of the Maximum Achievement Level and the NATP condition and would vest upon full completion of the Service Requirement. The Grantee shall be entitled to receive one share of Stock for each Performance RSU earned by the Grantee and vested pursuant to the terms of this Grant Agreement. The number of Performance RSUs to which the Grantee would be entitled if the Maximum Achievement Level and NATP condition is attained by the Company and the Service Requirement fully completed shall be credited to the Grantee’s Account as of the Grant Date. The Grantee’s Account shall be the record of Performance RSUs granted to the Grantee hereunder and is solely for accounting purposes and shall not require a segregation of any assets of the Company. The Grantee shall not have the rights of a stockholder with respect to any Performance RSUs credited to the Grantee’s Account until shares of Stock have been distributed to the Grantee pursuant to Section 4, and the Grantee’s name has been entered as a stockholder of record on the books of the Company with respect to such distributed shares of Stock.

(b) **Dividend Equivalents** . If on any date prior to issuance of the shares of Stock subject to the Performance RSUs, the Company shall pay any dividend on the Stock (other than a dividend payable in shares of Stock), the number of Performance RSUs credited to Grantee's Account shall as of such date be increased by an amount equal to: (A) the product of the number of Performance RSUs credited to the Grantee's Account as of the record date for such dividend, multiplied by the per share amount of any dividend (or, in the case of any dividend payable in property other than cash, the per share value of such dividend, as determined in good faith by the Board of Directors of the Company), divided by (B) the Fair Market Value of a share of Stock on the payment date of such dividend. In the case of any dividend declared on Stock which is payable in shares of Stock, the number of Performance RSUs credited to the Grantee shall be increased by a number equal to the product of (X) the aggregate number of Performance RSUs that have been credited to the Grantee's Account through the related dividend record date, multiplied by (Y) the number of shares of Stock (including any fraction thereof) payable as a dividend on a share of Stock. The Grantee shall have no right to the payment of any dividends either declared or accrued on shares of Stock subject to the Performance RSUs for any period prior to the date of issuance of the Stock.

3. **PERFORMANCE, VESTING AND OTHER RESTRICTIONS** .

The Performance RSUs shall become earned and vested only upon, and to the extent of, the satisfaction of the Performance Measures (as defined in the Plan) and the completion of the employment requirements set forth below.

(a) **Performance Measures** .

(1) **NATP Condition** . No Performance RSUs shall become tentatively earned under this Subsection 3(a) in the event the NATP for the fiscal year of the Company ending [date] is less than the NATP for the fiscal year of the Company ended [date]. If the NATP condition is satisfied, Grantee shall tentatively earn the following number of Performance RSUs:

- (A) One-half of the number of RSUs granted in the Performance RSU Overview plus or minus
- (B) the number of RSUs as described under Subsection 3(a)(2);

(2) **Average Stock Price Condition** . Subject to the NATP condition in Subsection 3(a)(1) above, Grantee shall earn in addition to, or have subtracted from, the number of Performance RSUs in Subsection 3(a)(1)(A) above, the following number of RSUs:

- (A) The number of RSUs in Subsection 3(a)(1)(A) above multiplied by two-times the percentage, if any, (subject to the cap below) by which the Ending Stock Price Average exceeds the Starting Stock Price Average, or

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- (B) Minus the number of RSUs in Subsection 3(a)(1)(A) above multiplied by two-times the percentage, if any, by which the Starting Stock Price Average exceeds the Ending Stock Price Average.

The percentage increase in Subsection 3(a)(2)(A) above shall be capped at fifty percent (50%), such that the number of Performance RSUs tentatively earned in this Agreement shall be capped at two hundred percent (200%) of the number of Performance RSUs in Subsection 3(a)(1)(A) above. Therefore, any excess by more than fifty percent (50%) of the Ending Stock Price Average over the Starting Stock Price Average will not result in any additional Performance RSUs being tentatively earned under this Agreement.

(b) **Vesting Following Measurement Period**. Performance RSUs which were tentatively earned under Subsection (a) above shall become earned and vested as follows:

(1) **Completion of Service Requirement**.

(A) Fifty percent (50%) of the Performance RSUs which were tentatively earned under Subsection 3(a) above shall become earned and vested on the third anniversary of the Grant Date, and

(B) an additional fifty percent (50%) of the Performance RSUs which were tentatively earned under Subsection 3(a) above shall become earned and vested on the fourth anniversary of the Grant Date,

provided that the Grantee remains in the continuous full-time employment of the Company (or a Subsidiary or Affiliate of the Company) from the Grant Date through any such anniversary of the Grant Date.

(2) **Retirement; Involuntary Termination Without Cause**. Upon the Retirement or Involuntary Termination Without Cause of a Grantee following the end of the Measurement Period and prior to the fourth anniversary of the Grant Date, then in lieu of vesting under Subsection 3(b)(1) above, the Grantee shall vest in the Performance RSUs tentatively earned under Subsection 3(a) at the rate of one forty-eighth ($\frac{1}{48^{\text{th}}}$) of such RSUs for each full month of full-time employment with the Company (or a Subsidiary or Affiliate of the Company) completed by Grantee following the Grant Date, less the number, if any, of Performance RSUs that previously vested under Subsection 3(b)(1) above.

(3) **Grandfathered Retirement**. Upon the Grandfathered Retirement of a Grantee following the end of the Measurement Period and prior to the fourth anniversary of the Grant Date, any Performance RSUs which had not previously become earned and vested, but which were tentatively earned under Subsection 3(a) above, shall become earned and vested on such date.

(4) **Disability or Death** . If there is a termination of the Grantee's full-time employment with the Company (or a Subsidiary or Affiliate of the Company) after the end of the Measurement Period and prior to the fourth anniversary of the Grant Date due to Disability or death, then any Performance RSUs which had not previously become earned and vested, but which were tentatively earned under Subsection 3 (a) above, shall become earned and vested.

(5) **Change in Control** . If after the end of the Measurement Period and prior to the fourth anniversary of the Grant Date, there is a Change in Control that qualifies as a "change in ownership or control" under Treas. Regs. § 1.409A-3(i)(5) and, within twenty-four (24) months after such Change in Control, a Good Reason Termination or Involuntary Termination Without Cause occurs, then any Performance RSUs which had not previously become earned and vested, but which were tentatively earned under Subsection 3(a) above, shall become earned and vested and Subsections 3(b)(1), (2), (3) and (4) above shall no longer thereafter apply.

(c) Effect of Termination of Employment, Change in Control, Death or Disability During Measurement Period .

1. **Termination of Employment** . Except as provided in Subsection (3) below, if the employment of Grantee with the Company (or a Subsidiary or Affiliate of the Company) is terminated for any reason other than death or Disability during the Measurement Period, all Performance RSUs shall be forfeited.

2. **Death or Disability** . If there is a termination of Grantee's full-time employment with the Company (or a Subsidiary or Affiliate of the Company) due to Grantee's death or Disability during the Measurement Period, Grantee shall become vested in the number of Performance Shares calculated as if the Ending Stock Price Average were based on the closing prices for the Stock for the ninety-day period preceding the date of termination of full-time employment, without regard to the NATP condition in Subsection 3(a)(1).

3. **Change in Control** . If there is a Change in Control of the Company during the Measurement Period that qualifies as a "change in ownership or control" under Treas. Regs. § 1.409A-3(i)(5):

(A) Grantee shall earn the number of Performance RSUs calculated as if the Ending Stock Price Average were based on the purchase price per share for the Stock in the Change in Control, or, if the Change in Control is based not on a purchase or other corporate transaction, but solely the result of a change in the majority of Incumbent Directors, based on the closing prices of the Stock for the ninety-day period preceding the date of the Change in Control, and in either case without regard to the NATP condition in Subsection 3(a)(1); and

(B) If within twenty-four (24) months after such Change in Control there is a Good Reason Termination or an Involuntary Termination Without Cause, then the Performance RSUs earned under (A) above shall become fully vested.

(d) **Examples.** Hypothetical examples of the calculations of earned and vested Performance RSUs based on certain assumptions appear in Appendices A, B and C. These examples are presented solely as illustrations of the calculation methodology.

(e) **Committee Determination.** The Performance Measures in Section 3(a) are evaluated independently by the Committee. The Committee shall determine and certify the extent to which the Performance Measures have been met following the end of the Measurement Period, and the number of Performance RSUs tentatively earned and the number earned and vested by the Grantee hereunder. The Committee's determinations shall be binding and conclusive on all parties. Performance RSUs shall not be deemed to have been tentatively earned until the Committee's determination and certification as to the attainment of the respective Performance Measures has been completed. The Committee may not exercise discretion to increase the amount earned or vested and/or the shares of Stock otherwise due based on the extent to which the Performance Measures are met.

(f) **Employment Requirement; Forfeiture.**

(1) **General.** Except as otherwise provided in Section 3(b) or (c), in order to become vested in (i.e., earn) Performance RSUs under the terms of this Agreement, the Performance RSUs must be tentatively earned under Section 3(a) and the Grantee must meet the Service Requirement. The Grantee shall not be deemed to be employed by the Company (or a Subsidiary or Affiliate of the Company) if the Grantee's employment has been terminated, even if the Grantee is receiving severance in the form of salary continuation through the regular payroll system. Any portion of the Performance RSUs which have not yet or do not become earned and vested under Section 3(b) or (c), as of the date Grantee's employment with the Company (or a Subsidiary or Affiliate of the Company) is terminated for any reason or is converted from full-time to part-time status, shall be forfeited. Any Performance RSUs then credited to Grantee's Account which are determined by the Committee to have not been tentatively earned under Section 3(a) following the end of the Measurement Period shall be forfeited.

(2) **Adjustment of Award.** In the event it is determined that a Performance RSU was paid based on incorrect financial results, the Committee will review a Performance RSU paid to the Grantee. If the amount of any payment under a Performance RSU would have been lower had the level of achievement of applicable financial performance goals been calculated based on the correct financial results, the Committee may, in its sole discretion, adjust (i.e., lower) the amount of such payment so that it reflects the amount that would have been paid based on the correct financial results and, to the extent permitted by applicable law, require the reimbursement of any amount paid to or received by the Grantee with respect to such Performance RSU. Additionally, payments under this Agreement are subject to recovery by the Company to the extent required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the Sarbanes-Oxley Act of 2002 and any regulations promulgated thereunder.

(3) Forfeiture of Award and Right to Payments .

(a) In the event that the employment of the Grantee is terminated for Cause then, in such event, the Grantee shall forfeit all rights to the Performance RSUs and shall repay to the Company all shares of Stock received by the Grantee with respect to such Performance RSUs or the Fair Market Value of such shares of Stock if no longer in Grantee's possession on or after the date of the act giving rise to the Grantee's termination for Cause.

(b) In the event that, following the Grantee's termination of employment the Company discovers that, during the course of his/her employment with the Company, the Grantee committed an act that would have given rise to a termination for Cause, then, in such event, the Grantee shall forfeit all outstanding rights to the Performance RSUs. Further, the Grantee agrees and undertakes to repay to the Company all shares of Stock received by the Grantee or the Fair Market Value of such shares of Stock if no longer in Grantee's possession on or after the date of such act or violation.

4. ISSUANCE OF SHARES .

(a) **Issuance of Shares** . The Company shall establish an account for the Grantee at American Stock Transfer Company, or such other similar organization which provides stock administration services to the Company, and transfer into such account shares of Stock equal in number to the number of Performance RSUs that the Committee determines have become earned and vested (except for any shares of Stock which are withheld to satisfy any tax withholding requirement) as soon as practical after the earlier of the following dates (but no later than the 15th day of the third calendar month following the applicable date):

(1) The date on which the Performance RSUs have been earned and vested under Section 3(b)(1), based on the determination of the Committee,

(2) Separation from Service on account of Disability, Grandfathered Retirement, Involuntary Termination Without Cause or Retirement; provided, however, that any distribution to a Specified Employee on account of a Separation from Service shall be made as soon as practical (but not later than 30 days) after the first day of the seventh month following the date of Separation from Service (or, if earlier, the date of death),

(3) Separation from Service on account of a Good Reason Termination within twenty-four (24) months after a Change in Control (provided that such Change in Control qualifies as a "change in ownership or control" under Treas. Reg. §1.409A-3(i)(5)); provided, however, that any distribution to a Specified Employee on account of a Separation from Service shall be made as soon as practical (but not later than 30 days) after the first day of the seventh month following the date of Separation from Service (or, if earlier, the date of death), or

(4) The date of death of the employee.

In the event of any amendment to this Agreement that affects the date of vesting under Section 3(b)(1), the date of distribution under Subsection 4(a)(1) above shall be determined without regard to any such amendment.

Upon issuance, such shares of Stock shall be registered on the Company's books in the name of the Grantee in full payment and satisfaction of such Performance RSUs.

(b) **Transfer Restrictions** . Transfer of the shares of Stock shall be subject to the Company's trading policies and any applicable securities laws or regulations governing transferability of shares of the Company.

(c) **Securities Regulations** . No Stock shall be issued hereunder until the Company has received all necessary stockholder and regulatory approvals and has taken all necessary steps to assure compliance with federal and state securities laws or has determined to its satisfaction and the satisfaction of its counsel that an exemption from the requirements of the federal and applicable state securities laws are available. To the extent applicable, transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3 under the U. S. Securities and Exchange Act of 1934. Any ambiguities or inconsistencies in the construction of this Agreement or the Plan shall be interpreted to give effect to such intention. However, to the extent any provision of the Plan or action by the Committee fails to so comply, it shall be deemed null and void to the extent permitted by law and deemed advisable by the Committee in its discretion.

(d) **Fractional Shares** . No fractional shares or scrip representing fractional shares of Stock shall be issued pursuant to this Agreement. If, upon the issuance of shares of Stock under this Agreement, Grantee would be entitled to a fractional share of Stock, the number of shares to which Grantee is entitled shall be rounded down to the next lower whole number.

(e) **Beneficiary** .

(1) Grantee may, from time to time, designate a beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Agreement is to be paid in case of Grantee's death before Grantee has received all benefits to which Grantee would have been entitled under this Agreement. Each designation of beneficiary shall revoke all prior designations by the Grantee, shall be in a form prescribed by the Committee, and will be effective only when received in writing by the Committee. The last valid beneficiary designation received shall be controlling; provided, however, that no beneficiary designation, or change or revocation thereof, shall be effective unless received prior to the Grantee's death.

(2) If no valid and effective beneficiary designation exists at the time of the Grantee's death, or if no designated beneficiary survives the Grantee, or if the Grantee's beneficiary designation is invalid under the law, any benefit payable hereunder shall be made to the Grantee's surviving spouse, if any, or if there is no such surviving spouse, to the executor or administrator of Grantee's estate. If the Committee is in doubt as to the right of any person to receive payment of any benefit hereunder, the Committee may direct that the amount of such benefit be paid into a court of competent jurisdiction in an interpleader action, and such payment into court shall fully and completely discharge any liability or obligation of the Plan, CACI, the Committee, or the Board of Directors of CACI under this Agreement.

5. MISCELLANEOUS.

(a) **No Restriction on Company Authority** . The award of these Performance RSUs to the Grantee shall not affect in any way the right or power of CACI or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in CACI's capital structure or its business, or any merger or consolidation of CACI, or any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the common stock or the rights thereof, or the dissolution or liquidation of CACI, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(b) **Adjustment of Performance RSUs** . Except as hereinbefore expressly provided, if CACI shall effect a subdivision or consolidation of shares of Stock or other capital readjustment, the payment of a stock dividend, or other increase or reduction of the number of shares of Stock outstanding, without receiving compensation therefore in money, services or property, the number and class of shares of Stock represented by the Performance RSUs granted pursuant to this Agreement and credited to Grantee's Account shall be appropriately adjusted in such a manner as to represent the same total number of RSUs that the owner of an equal number of outstanding shares of Stock would own as a result of the event requiring the adjustment.

(c) **No Adjustment Otherwise** . Except as hereinbefore expressly provided, the issue by CACI of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services, either upon direct sale or upon the exercise of rights or warrants to subscribe therefore, or upon conversion of shares or obligations of CACI convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Stock represented by the Performance RSUs granted pursuant to this Agreement.

(d) **Performance RSUs Nontransferable** . Performance RSUs are not transferable by the Grantee by means of sale, assignment, exchange, pledge, hypothecation, or otherwise.

(e) **Obligation Unfunded** . The obligation of the Company with respect to Performance RSUs granted hereunder shall be interpreted solely as an unfunded contractual obligation to make payments of Stock in the manner and under the conditions prescribed under this Agreement. Any shares or other assets set aside with respect to amounts payable under this Agreement shall be subject to the claims of the Company's general creditors, and no person other than the Company shall, by virtue of the provisions of the Plan or this Agreement, have any interest in such assets. In no event shall any assets set aside (directly or indirectly) with respect to amounts payable under this Agreement be located or transferred outside the United States. Neither the Grantee nor any other person shall have any interest in any particular assets of the Company by reason of the right to receive a benefit under this Agreement, and the Grantee or any such other person shall have only the rights of a general unsecured creditor of the Company with respect to any rights under the Plan or this Agreement.

(f) **Withholding Taxes** . The Company shall effect a withholding of shares of Stock to be issued hereunder in such number whose aggregate Fair Market Value at such time equals the total amount of any federal, state or local taxes or any applicable taxes or other withholding of any jurisdiction required by law to be withheld as a result of the issuance of the Stock in whole or in part; provided, however, that the value of the Stock withheld by the Company may not exceed the statutory minimum withholding amounts required by law. In lieu of such deduction, the Company may permit the Grantee to make a cash payment to the Company equal to the amount required to be withheld.

(g) **Impact on Other Benefits** . The value of the Performance RSUs (either on the Grant Date or at the time, if ever, the Performance RSUs are vested) shall not be includable as compensation or earnings for purposes of any other benefit plan offered by the Company.

(h) **Compliance With Section 409A** . Notwithstanding anything herein to the contrary, no amount shall be paid earlier than the earliest date permitted under Section 409A of the Code. The terms of this Agreement are intended to comply with the provisions of Section 409A of the Code and if any provision is subject to more than one interpretation or construction, such ambiguity shall be resolved in favor of the interpretation or construction which is consistent with the Agreement complying with the provisions of Section 409A. CACI makes no representations as to the tax consequences of the award of Performance RSUs to the Grantee or their vesting (including, without limitation, under Section 409A of the Code, if applicable). The Grantee understands and agrees that the Grantee is solely responsible for any and all income, employment or other taxes imposed on the Grantee with respect to the award.

(i) **Right to Continued Employment** . Nothing in the Plan or this Agreement shall be construed as a contract of employment between the Company (or a Subsidiary or Affiliate of the Company) and the Grantee, or as a contractual right of the Grantee to continue in the employ of the Company (or a Subsidiary or Affiliate of the Company), or as a limitation of the right of the Company (or a Subsidiary or Affiliate of the Company) to discharge the Grantee at any time.

(j) **Governing Law** . This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Delaware.

(k) **Arbitration** . Any dispute between the parties hereto arising under or relating to this Agreement shall be resolved in accordance with the procedures of the American Arbitration Association. Any resulting hearing shall be held in the Washington, DC metropolitan area. The resolution of any dispute achieved through such arbitration shall be binding and enforceable by a court of competent jurisdiction .

(l) **Successors** . This Agreement shall be binding upon and insure to the benefit of the successors, assigns and heirs of the respective parties.

(m) **Headings** . Headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this agreement.

(n) **Notices** . All notices and other communications made or given pursuant to the Agreement shall be in writing and shall be sufficiently made or given if hand delivered or mailed by first class or certified mail, addressed to Grantee at the address contained in the records of the Company, or addressed to the Committee, care of the Company for the attention of its Secretary at its principal office or, if the receiving party consents in advance, transmitted and received via telecopy or via such other electronic transmission mechanism as may be available to the parties.

(o) **Entire Agreement; Modification** . The Agreement contains the entire agreement between the parties with respect to the subject matter contained herein and may not be modified, except as provided in the Plan or in a written document signed by each of the parties hereto.

(p) **Code Section 162(m)** . This Performance Share Grant Agreement, to the extent issued to a Covered Employee, as defined in the Plan, is intended to qualify as “performance-based compensation” within the meaning of Section 162(m) of the Code. As such, this Agreement shall be subject to the restrictions set forth in Section 10(b) of the Plan.

(q) **Conformity with Plan** . This Agreement is intended to conform in all respects with, and is subject to all applicable provisions of, the Plan, which is incorporated herein by reference. Unless stated otherwise herein, capitalized terms in this Agreement shall have the same meaning as defined in the Plan. Inconsistencies between this Agreement and the Plan shall be resolved in accordance with the terms of the Plan. In the event of any ambiguity in the Agreement or any matters as to which the Agreement is silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (i) interpret the Plan and Grant Agreements related thereto, (ii) prescribe, amend and rescind rules and

regulations relating to the Plan, and (iii) make all other determinations deemed necessary or advisable for the administration of the Plan. The Grantee acknowledges by signing this Agreement that he or she has reviewed a copy of the Plan.

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

IN WITNESS WHEREOF , the Company has caused this Performance RSU Grant Agreement to be executed by its duly authorized officer, and the Grantee has hereunto set his or her hand and seal, on the date(s) written below.

CACI INTERNATIONAL INC

By: _____
Arnold D. Morse, Chief Legal Officer

Date: _____

By: _____
Name

Date: _____

PERFORMANCE RSU OVERVIEW

Number RSUs Being Granted (at the Maximum Achievement Level): **X,XXX**
Grant Date: **[Date]**

**CACI INTERNATIONAL INC 2006 STOCK INCENTIVE PLAN
NON-EMPLOYEE DIRECTOR
RESTRICTED STOCK UNIT (RSU) GRANT AGREEMENT**

This Restricted Stock Unit (RSU) Grant Agreement (the “**Agreement**”) is entered into by and between CACI International Inc, a Delaware corporation (the “**Company**” or “**CACI**”) and «First_Name» «Last_Name» (the “**Grantee**”).

Recitals

WHEREAS, Section 7(d) of the CACI International Inc 2006 Stock Incentive Plan (the “**Plan**”) provides for the grant of Restricted Stock Units to Non-Employee Directors within thirty-one (31) days of their election or re-election to the Board.

WHEREAS, the Grantee is a Non-Employee Director who was re-elected to the Board at the meeting of the stockholders held on **[Date]** ; and

WHEREAS, on [Date] (the “**Grant Date**”), the Grantee was awarded [xxxx] Restricted Stock Units in respect of the Grantee’s re-election to the Board.

NOW, THEREFORE, the Company and the Grantee covenant and agree as follows:

1. DEFINITIONS.

Under this Agreement, except where the context otherwise indicates, the following definitions apply:

(a) “**Account**” means the bookkeeping account maintained for the Grantee pursuant to Section 2.

(b) “**Agreement**” means this Restricted Stock Unit (RSU) Grant Agreement and shall include the applicable provisions of the Plan, which is hereby incorporated into and made a part of this Agreement.

(c) “**Grant Date**” means [Date].

(d) “**Plan**” means the CACI International Inc 2006 Stock Incentive Plan, as amended from time to time.

(e) “**Restricted Stock Unit**” or “**RSU**” means the right to receive one share of unrestricted Stock under the Plan pursuant to the terms and conditions of this Agreement, without transferring to the Grantee any of the attributes of ownership of Stock prior to the issuance of the unrestricted Stock.

Any capitalized term used herein that is not expressly defined in this Agreement shall have the meaning that such term has under the Plan unless otherwise provided herein.

2. **AWARD OF RSUs.**

Subject to the provisions of this Agreement and pursuant to the provisions of the Plan, the Committee hereby grants to the Grantee on the Grant Date xxxx RSUs. The Grantee shall be entitled to receive one share of unrestricted Stock for each RSU pursuant to the terms and conditions of this Agreement. The Grantee’s Account shall be the record of RSUs granted to the Grantee hereunder and is solely for accounting purposes and shall not require a segregation of any assets of the Company. The Grantee shall not have the rights of a stockholder with respect to any RSUs credited to the Grantee’s Account until shares of Stock have been distributed to the Grantee pursuant to Section 4, and the Grantee’s name has been entered as a stockholder of record on the books of the Company with respect to such distributed shares of Stock.

3. **VESTING.**

(a) **Regular Vesting Schedule.** Except as set forth in this Section 3, the RSUs granted pursuant to this Agreement shall vest in accordance with the following schedule, provided the Grantee has remained a Non-Employee Director from the Grant Date through the applicable vesting date:

<i>Vest</i>	
<u>Date</u>	<u>Shares Vested</u>
[Date]	[xxx]
[Date]	[xxx]
[Date]	[xxx]
[Date]	[xxx]

(b) **Vesting Upon Change in Control, Disability, Retirement or Death.** The Grantee shall become 100% vested in the RSUs upon the occurrence of any of the following events: (i) a termination of the Grantee’s status as a Non-Employee Director upon or following a Change in Control, (ii) death while the Grantee is a Non-Employee Director, or (iii) termination of the Grantee’s status as a Non-Employee Director due to disability (within the meaning of Section 409A(a)(2)(C) of the Code).

(c) **Forfeiture.** Except as provided in Section 3(b) or otherwise determined by the Committee, in order to become vested in (i.e., earn) RSUs under the terms of this Agreement, the Grantee must have served continuously as a Non-Employee Director from the Grant Date through the close of business on the applicable vesting date (or such earlier date on which the RSUs become vested under Section 3(b)).

(d) **Bankruptcy; Dissolution.** RSUs granted under this Agreement shall be of no further force or effect and forfeited in the event that the Company is placed under the jurisdiction of a bankruptcy court, or is dissolved or liquidated.

4. **ISSUANCE OF SHARES.**

(a) **Issuance of Shares** . Within thirty (30) days of the date on which RSUs become earned and vested under Section 3, the Company shall establish an account for the Grantee at American Stock Transfer Company, or such other similar organization which provides stock administration services to the Company, and transfer into such account shares of unrestricted Stock, equal in number to the number of RSUs that become earned and vested. Upon issuance, such shares of Stock shall be registered on the Company's books in the name of the Grantee in full payment and satisfaction of such RSUs.

(b) **Transfer Restrictions** . Transfer of the shares of Stock shall be subject to the Company's trading policies and any applicable securities laws or regulations governing transferability of shares of the Company.

(c) **Securities Regulations** . No Stock shall be issued hereunder until the Company has received all necessary stockholder and regulatory approvals and has taken all necessary steps to assure compliance with federal and state securities laws or has determined to its satisfaction and the satisfaction of its counsel that an exemption from the requirements of the federal and applicable state securities laws is available. To the extent applicable, transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3 under the U. S. Securities and Exchange Act of 1934. Any ambiguities or inconsistencies in the construction of this Agreement or the Plan shall be interpreted to give effect to such intention. However, to the extent any provision of the Plan or action by the Committee fails to so comply, it shall be deemed null and void to the extent permitted by law and deemed advisable by the Committee in its discretion.

(d) **Fractional Shares** . No fractional shares or scrip representing fractional shares of Stock shall be issued pursuant to this Agreement. If, upon the issuance of shares of Stock under this Agreement, the Grantee would be entitled to a fractional share of Stock, the number of shares to which the Grantee is entitled shall be rounded up to the next whole number.

(e) **Beneficiary** .

(i) The Grantee may, from time to time, designate a beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Agreement is to be paid in case of the Grantee's death before the Grantee has received all benefits to which the Grantee would have been entitled under this Agreement. Each designation of beneficiary shall revoke all prior designations by the Grantee, shall be in a form prescribed by the Committee, and will be effective only when received in writing by the Committee. The last valid beneficiary designation received shall be controlling; provided, however, that no beneficiary designation, or change or revocation thereof, shall be effective unless received prior to the Grantee's death. Attached to this Agreement is the prescribed Designation of Beneficiary Form.

(ii) If no valid and effective beneficiary designation exists at the time of the Grantee's death, or if no designated beneficiary survives the Grantee, or if the Grantee's beneficiary designation is invalid under the law, any benefit payable hereunder shall be made to the Grantee's surviving spouse, if any, or if there is no such surviving spouse, to the executor or administrator of the Grantee's estate. If the Committee is in doubt as to the right of any person to receive payment of any benefit hereunder, the Committee may direct that the amount of such benefit be paid into a court of competent jurisdiction in an interpleader action, and such payment into court shall fully and completely discharge any liability or obligation of the Plan, CACI, the Committee, or the Board of Directors of CACI International Inc under this Agreement.

5. MISCELLANEOUS.

(a) **No Restriction on Company Authority.** The award of these RSUs to the Grantee shall not affect in any way the right or power of CACI or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in CACI's capital structure or its business, or any merger or consolidation of CACI, or any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the common stock or the rights thereof, or the dissolution or liquidation of CACI, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(b) **Adjustment of RSUs.** If CACI shall effect a subdivision or consolidation of shares of Stock or other capital readjustment, the payment of a stock dividend, or other increase or reduction of the number of shares of Stock outstanding, without receiving compensation therefore in money, services or property, the number and class of shares of Stock represented by the RSUs granted pursuant to this Agreement shall be appropriately adjusted in such a manner as to represent the same total number of shares that the owner of an equal number of outstanding shares of Stock would own as a result of the event requiring the adjustment.

(c) **No Adjustment Otherwise.** Except as hereinbefore expressly provided, the issue by CACI of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services, either upon direct sale or upon the exercise of rights or warrants to subscribe therefore, or upon conversion of shares or obligations of CACI convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Stock represented by the RSUs granted pursuant to this Agreement.

(d) **RSUs Nontransferable.** RSUs are not transferable by the Grantee by means of sale, assignment, exchange, pledge, hypothecation, or otherwise.

(e) **Obligation Unfunded.** The obligation of the Company with respect to RSUs granted hereunder shall be interpreted solely as an unfunded contractual obligation to make payments of Stock in the manner and under the conditions prescribed under this

Agreement. Any shares or other assets set aside with respect to amounts payable under this Agreement shall be subject to the claims of the Company's general creditors, and no person other than the Company shall, by virtue of the provisions of the Plan or this Agreement, have any interest in such assets. In no event shall any assets set aside (directly or indirectly) with respect to amounts payable under this Agreement be located or transferred outside the United States. Neither the Grantee nor any other person shall have any interest in any particular assets of the Company by reason of the right to receive a benefit under this Agreement, and the Grantee or any such other person shall have only the rights of a general unsecured creditor of the Company with respect to any rights under the Plan or this Agreement.

(f) **Compliance With Section 409A** . It is the intent of this Agreement to comply with the requirements of Section 409A of the Code, and any ambiguities herein will be interpreted and this Agreement will be administered to so comply. If any shares of Stock to be issued under Section 4 constitute "nonqualified deferred compensation" subject to Code Section 409A, any reference to a termination of Grantee's status as a Non-Employee Director shall have the same meaning as a "separation from service" from CACI within the meaning of Code Section 409A(a)(2)(A)(i). If the Grantee is a "specified employee" within the meaning of Code Section 409A(a)(2)(B)(i) at the time of the Grantee's "separation from service", any shares of Stock constituting nonqualified deferred compensation subject to Section 409A that would otherwise have been issuable as a result of, and within the first six (6) months following, the Grantee's "separation from service", and not by reason of another event under Section 409A(a)(2)(A), will become issuable six (6) months and one (1) day following the date of the Grantee's "separation from service" or, if earlier, the date of Grantee's death. CACI makes no representations as to the tax consequences of the award of RSUs to the Grantee or their vesting (including, without limitation, under Section 409A of the Code, if applicable). The Grantee understands and agrees that the Grantee is solely responsible for any and all income, excise or other taxes imposed on the Grantee with respect to the award.

(g) **Governing Law** . This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Delaware.

(h) **Arbitration** . Any dispute between the parties hereto arising under or relating to this Agreement shall be resolved in accordance with the procedures of the American Arbitration Association. Any resulting hearing shall be held in the Washington, DC metropolitan area. The resolution of any dispute achieved through such arbitration shall be binding and enforceable by a court of competent jurisdiction .

(i) **Successors** . This Agreement shall be binding upon and inure to the benefit of the successors, assigns and heirs of the respective parties.

(j) **Headings** . Headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this agreement.

(k) **Notices** . All notices and other communications made or given pursuant to the Agreement shall be in writing and shall be sufficiently made or given if hand delivered or mailed by first class or certified mail, addressed to the Grantee at the address contained in the records of the Company, or addressed to the Committee, care of the Company for the attention of its Secretary at its principal office or, if the receiving party consents in advance, transmitted and received via telecopy or via such other electronic transmission mechanism as may be available to the parties.

(l) **Entire Agreement; Modification** . The Agreement contains the entire agreement between the parties with respect to the subject matter contained herein and may not be modified, except as provided in the Plan or in a written document signed by each of the parties hereto.

(m) **Conformity with Plan** . This Agreement is intended to conform in all respects with, and is subject to all applicable provisions of, the Plan, which is incorporated herein by reference. Unless stated otherwise herein, capitalized terms in this Agreement shall have the same meaning as defined in the Plan. Inconsistencies between this Agreement and the Plan shall be resolved in accordance with the terms of the Plan. In the event of any ambiguity in the Agreement or any matters as to which the Agreement is silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (i) interpret the Plan and Awards related thereto, (ii) prescribe, amend and rescind rules and regulations relating to the Plan, and (iii) make all other determinations deemed necessary or advisable for the administration of the Plan. The Grantee acknowledges by signing this Agreement that he or she has received and reviewed a copy of the Plan.

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

IN WITNESS WHEREOF , the Company has caused this Restricted Stock Unit (RSU) Grant Agreement to be executed by its duly authorized officer, and the Grantee has hereunto set his or her hand and seal, on the date(s) written below.

CACI INTERNATIONAL INC

By: _____
Arnold D. Morse, Chief Legal Officer

Date:

«First_Name» «Last_Name» (Seal)

Date: _____



RESTRICTED STOCK UNIT (RSU) AGREEMENT

This Restricted Stock Unit (hereinafter “RSU”) Agreement, by and between **CACI International Inc.**, a corporation organized under the laws of the State of Delaware (“CACI”), and **Name** (“Executive”).

WHEREAS, the purpose of the CACI International Inc Management Stock Purchase Plan, amended and restated as of July 1, 2008 (“the Plan”), is to provide participants with an opportunity to acquire and maintain, through an allocation of a portion of their annual incentive compensation, an equity interest in CACI; and,

WHEREAS, RSUs awarded under the Plan are intended to advance the interests of CACI International Inc and its subsidiary and affiliated companies by enabling them to: (i) align the interests of those senior executives who share the primary responsibility for the management, growth, and protection of the business of CACI with those of CACI International Inc’s stockholders; (ii) furnish an incentive to such persons to continue their services to CACI; and (iii) provide a means through which CACI may effectively compete with other organizations to obtain and retain the services of competent senior management personnel; and,

WHEREAS, in furtherance of the purpose of the Plan, and in accordance with Executive’s allocation of a portion of Executive’s bonus into the Plan, CACI wishes to grant to Executive RSUs for shares of the common stock of CACI International Inc.

NOW, THEREFORE, CACI and Executive hereby agree as follows:

I. Restricted Stock Unit Award

- A. Definitions.** For purpose of this Agreement, capitalized terms shall have the same meaning as provided in the Plan, unless explicitly provided with a different meaning herein.
- B. RSU Award.** Pursuant to and subject to the terms of the Plan, CACI hereby grants to Executive a total of **[Enter Number]** RSUs representing an equal number of shares of the Stock of CACI International Inc at the “Adjusted Price” (meaning the Fair Market Value of a share of Stock on the date of grant less fifteen percent (15%)) of **[\$Enter Adjusted Price]** per share. The RSUs are granted subject to the restrictions and conditions as set forth in

the Plan and this Agreement. Executive shall not have the rights of a stockholder with respect to any RSUs credited to Executive's Account until shares of Stock have been distributed to Executive pursuant to Article IV or V. B., and Executive's name has been entered as a stockholder of record on the books of CACI with respect to such distributed shares of Stock.

II. Grant Date

The effective grant date grant of the RSUs awarded under this Agreement is [**Date**] (the "Grant Date").

III. Vesting

The RSUs granted pursuant to this Agreement shall vest on the applicable date below (the "Vesting Date"):

- A.** Executive shall become fully vested in the RSUs granted pursuant to this Agreement thirty-six (36) months after the Grant Date (i.e., on [**Date**]), provided that Executive has remained continuously employed on a full-time basis by CACI for the entire thirty-six (36) month period. Executive shall also become fully vested in the RSUs granted pursuant to this Agreement in the event any of the following occur on or before [**Date**]:
- (1) In the event of termination of Executive's full-time employment with CACI as a result of Executive's Disability or death prior to [**Date**], all RSUs granted pursuant to this Agreement shall become 100 percent vested upon Executive's death or Disability.
 - (2) In the event of a Good Reason Termination or Involuntary Termination Without Cause (each as defined below) prior to [**Date**], and within twenty-four (24) months following a Change in Control, the RSUs granted pursuant to this Agreement shall become 100 percent vested on the date of such Good Reason Termination or Involuntary Termination Without Cause.
 - (3) In the event of Executive's voluntary Retirement (as defined below), the RSUs granted pursuant to this Agreement shall become 100 percent vested on the date of Executive's Retirement.

B. Except as provided in Article III. A. 1, 2 or 3 above or otherwise determined by the Committee, in order to become vested in RSUs under the terms of this Agreement, the Executive must have been in the continuous full-time employ of CACI (or an Affiliate of CACI) from the Grant Date through the close of business on the Vesting Date. The Executive shall not be deemed to be employed by CACI (or an Affiliate of CACI) if the Executive's employment has been terminated, even if the Executive is receiving severance in the form of salary continuation through the regular payroll system. If Executive terminates employment with CACI (or an Affiliate of CACI) for any reason other than a Good Reason Termination or Involuntary Termination Without Cause within twenty-four (24) months following a Change in Control or by Retirement, Disability or death, or converts from full-time to part-time status (other than after becoming eligible for Retirement), Executive shall forfeit any RSUs granted under this Agreement that are not vested as of such date.

C. The following definitions shall apply for purposes of this Agreement:

"Cause" means:

- (1) gross negligence, willful misconduct or willful malfeasance by the Executive in connection with the performance of any material duty for the Company or an Affiliate;
- (2) the Executive's commission or participation in any violation of any legal requirement or obligation relating to 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) and such violation has materially and adversely affected the Company;
- (3) the Executive's conviction of, or plea of guilty or *nolo contendere*, to a crime committed during the course of his/her employment with the Company that the Committee, acting in good faith, reasonably determines is likely to have a material adverse affect on the reputation or business of the Company or an Affiliate;
- (4) theft, embezzlement or fraud by the Executive in connection with the performance of his or her duties for the Company or an Affiliate;

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- (5) a violation of any confidentiality agreement or obligation or non-compete agreement with the Company or an Affiliate;
 - (6) a material violation of (i) the Company's Standards of Conduct, as the same may be amended and in effect from time to time, or (ii) any other published Company policy; or
 - (7) the diversion or appropriation of any material business opportunity.

If the written employment agreement between Executive and the Company provides a different definition of "Cause" (or other term that defines conduct on the part of the Executive that permits the Company to terminate such written employment agreement without liability to the Executive), that definition shall control and shall be substituted for the above in applying the Plan to that Executive.

"Change in Control Date" means the date (after the Grant Date) on which a Change in Control event is legally consummated and legally binding on the parties.

"Good Reason Termination" means Executive's resignation from full-time employment with the Company (or a Subsidiary or Affiliate of the Company) following the occurrence of any of the following circumstances without the Executive's prior written consent:

- (1) A material reduction in the Executive's total compensation and benefit opportunity from that in effect on the day before the Change in Control Date (other than a reduction made by the Board, acting in good faith, based upon the performance of the Executive, or to align the compensation and benefits of the Executive with that of comparable executives, based on market data);
- (2) A substantial adverse alteration in the conditions of the Executive's employment from those in effect on the day before the Change in Control Date;
- (3) A substantial adverse alteration in the nature or status of the Executive's position or responsibilities from those in effect on the day before the Change in Control Date; or

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- (4) A change in the geographic location of the Executive's job more than fifty (50) miles from the place at which such job was based on the day before the Change in Control Date.

Before the Executive may resign for Good Reason, the Executive must provide the Company at least thirty (30) days' prior written notice of his intent to resign for Good Reason and specify in reasonable detail the Good Reason upon which such resignation is based. The Company shall have a reasonable opportunity to cure any such Good Reason (that is susceptible of cure) within thirty (30) days after the Company's receipt of such notice. The Executive's delay in providing such notice shall not be deemed to be a waiver of any such Good Reason, nor does the failure to resign for one Good Reason prevent any later Good Reason resignation for a similar or different reason.

"Involuntary Termination Without Cause" means a termination by the Company (or a Subsidiary or Affiliate of Company) of Executive's full-time employment without Cause.

"Retirement" means retirement from full-time employment with CACI (or an Affiliate of CACI) or a change from full-time employment with CACI (or an Affiliate of CACI) to part-time status, in both cases on or after Executive has attained age 65, and following delivery of a notice from Executive to CACI's Plan Administrator stating that Executive is permanently retiring from CACI and the Information Technology industry.

IV. Delivery of Shares

- A. Unless Executive has elected a deferred distribution date, then, subject to the requirements of Section 10 of the Plan and Article VI of this Agreement, CACI shall establish an account for Executive at American Stock Transfer Company, or such other similar organization which provides stock administration services to the Company, and transfer into such account one share of unrestricted Common Stock of CACI International Inc for each vested RSU covered by this Agreement within thirty (30) days after the earlier of: (1) the end of the 36-month period beginning on the Grant Date, (2) the date of Executive's death, (3) ninety (90) days after Executive's disability (within the meaning of Section 409A(a)(2)(C) of the Code), or (4) the date of Executive's Separation from Service.

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- B.** If Executive has elected a deferred distribution date, CACI shall issue to Executive one share of Stock with respect to each vested RSU that is subject to such election, within thirty (30) days after the earlier of: (1) the deferred distribution date (if expressed as a whole number of years, not less than three (3), following the Grant Date) specified by Executive in the Subscription Agreement; (2) the date of Executive's death, (3) ninety (90) days after Executive's disability (within the meaning of Section 409A(a)(2)(C) of the Code), or (4) the date of Executive's Separation from Service. The issuance of such Stock shall be in full settlement of the Award.
- C.** CACI shall effect a withholding of shares of Stock to be issued hereunder in such number whose aggregate Fair Market Value at such time equals the total amount of any federal, state or local taxes or any applicable taxes or other withholding of any jurisdiction required by law to be withheld as a result of the issuance of the Stock in whole or in part; provided, however, that the value of the Stock withheld by CACI may not exceed the statutory minimum withholding amounts required by law. In lieu of such deduction, CACI may require that the Executive make a cash payment to CACI equal to the amount required to be withheld.

V. Forfeiture and Termination

- A.** Except as may otherwise be determined by the Committee or as required by Article III. A. 1, 2 or 3 above, if Executive voluntarily terminates employment with CACI, is terminated by CACI for Cause or converts from full-time status to part-time status prior to the Vesting Date (or becoming eligible for Retirement), or in the event of the lapsing of the RSUs in accordance with the provisions of Article VIII below prior to the Vesting Date, all unvested RSUs shall be forfeited, and Executive will be entitled to receive within thirty (30) days following his or her Separation from Service the lesser of:
- (1) a cash amount equal to the number of RSUs granted under this Agreement, multiplied by the Adjusted Price of an RSU, plus simple interest using the one-year Treasury Bill rate in effect on August 21 of each year from the Grant Date to the date of Executive's termination; or,
 - (2) a cash amount equal to the value of the shares underlying the RSUs as based on the closing share price at Executive's date of termination or conversion to part-time status.

- B.** Except as may otherwise be determined by the Committee or as required by Article III. A. 1, 2 or 3 above, if CACI terminates Executive's employment without Cause prior to the Vesting Date and Executive had not previously converted from full-time to part-time status, then the RSUs shall be canceled and Executive shall receive a payment within thirty (30) days following Executive's Separation from Service determined as follows: The number of RSUs shall be multiplied by a fraction, the numerator of which is the number of full months that Executive was employed by CACI after the Grant Date and the denominator of which is thirty-six (36); Executive shall be deemed vested in such RSUs and shall receive the resulting number of such vested RSUs in shares of Stock. With respect to the remaining portion of such RSUs (consisting of nonvested RSUs), Executive shall receive within thirty (30) days following Executive's Separation from Service the lesser of:
- (1) a cash amount equal to the number of such RSUs, multiplied by the Adjusted Price of an RSU, plus simple interest using the one-year Treasury Bill rate in effect on August 21 of each year from the date of grant to the date of Executive's termination; or,
 - (2) a cash amount equal to the value of the shares underlying such RSUs as based on the closing share price at Executive's date of termination.

VI. Specified Employees

Notwithstanding anything herein to the contrary, any distribution under Article IV or V to a Specified Employee on account of a Separation from Service shall be made as soon as practical (but not later than 30 days) after the first day of the seventh month following the date of Separation from Service (or, if earlier, the date of death).

VII. Designation of Beneficiary

- A.** From time to time, Executive may designate a beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Agreement is to be paid in case of Executive's death before Executive has received all benefits to which Executive would have been entitled under this Agreement. Each designation of beneficiary shall revoke all prior designations by Executive, shall be in a form prescribed by the Committee (copy attached), and shall be effective only when received in writing by the Plan Administrator. The last valid beneficiary designation received shall be controlling; provided, however, that no beneficiary designation, change or revocation shall be effective unless received prior to Executive's death.

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- B.** If no valid and effective beneficiary designation exists at the time of Executive's death, or if no designated beneficiary survives Executive, or if Executive's beneficiary designation is legally invalid, any benefit payable hereunder shall be made to Executive's surviving spouse, if any, or if there is no such surviving spouse, to the executor or administrator of Executive's estate. If the Plan Administrator is in doubt as to the right of any person to receive payment of any benefit hereunder, the Committee may direct that the amount of such benefit be paid into a court of competent jurisdiction in an interpleader action, and such payment into court shall fully and completely discharge any liability or obligation of the Plan, CACI, the Committee, CACI International Inc, the Board of Directors of CACI International Inc, or the Plan Administrator under this Agreement.

VIII. Conditions of Lapsing

The RSUs granted pursuant to this Agreement shall lapse and terminate and may no longer be converted to unrestricted shares of CACI International Inc Common Stock if:

- A.** Executive terminates his or her employment with CACI for any reason other than death, Disability or voluntary retirement in accordance with Article III. A. 1 or 3 before the Vesting Date;
- B.** Prior to reaching age 65, Executive converts from full-time employment status with CACI to another status before the Vesting Date; or
- C.** CACI International Inc is placed under the jurisdiction of a bankruptcy court, dissolved or liquidated.

IX. Adjustment to RSUs

- A.** The award of these RSUs to Executive shall not affect in any way the right or power of CACI International Inc or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in CACI International Inc's capital structure or its business, or any merger or consolidation of CACI International Inc, or any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock or the rights thereof, or the dissolution or liquidation of CACI International Inc, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

-
- B.** If CACI International Inc shall effect a subdivision or consolidation of shares or other capital readjustment, the payment of a stock dividend, or other increase or reduction of the number of shares of the Common Stock outstanding, without receiving compensation therefore in money, services or property, the number and class of shares of Common Stock represented by the RSUs granted pursuant to this Agreement shall be appropriately adjusted in such a manner as to ensure that Executive receives the same total number of shares that the owner of an equal number of outstanding shares of the Common Stock would own as a result of the event requiring the adjustment.
- C.** Except as hereinbefore expressly provided, the issue by CACI International Inc of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services, either upon direct sale or upon the exercise of rights or warrants to subscribe therefore, or upon conversion of shares or obligations of CACI International Inc convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of RSUs granted pursuant to this Agreement.

X. Fractional Shares

No fractional shares or scrip representing fractional shares of Common Stock shall be issued in connection with the conversion of the RSUs granted pursuant to this Agreement. If, upon granting shares herein, Executive would be entitled to a fractional share of Common Stock, the number of shares to which Executive is entitled shall be rounded up to the next highest whole number.

XI. Rule 16b-3 Securities Law Compliance

Transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3 under the U.S. Securities and Exchange Act of 1934 to the extent they are or may be applicable to the Plan. Any ambiguity or inconsistency in the construction of an RSU award or the Plan shall be interpreted to give effect to such intention.

XII. Assignment

This Agreement and the RSUs granted under it may not be assigned without the prior written consent of the Committee.

XIII. Acknowledgement of Grant Quantity

By signing this Agreement, Executive hereby acknowledges his/her understanding that the number of RSUs granted under the Agreement, as indicated in Article I, is the proper number of RSUs granted based on the amount of his/her annual bonus for the fiscal year ended June 30, 2010 deferred under the Plan.

XIV. Amendment

This Agreement embodies the entire understanding between CACI and Executive regarding the subject matter of the Agreement and supersedes any and all previous agreements and/or understandings between CACI and Executive concerning such subject matter, including the matter described in Article XIV immediately above. This Agreement may be amended only in a written instrument signed by both parties.

XV. Headings

Article headings are strictly for the purpose of convenience and general reference only and shall not affect the meaning or interpretation of any of the provisions of this Agreement.

XVI. Applicable Law

This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Delaware.

XVII. Severability

In the event that any provision of this Agreement shall be held illegal, invalid or unenforceable for any reason, such provision shall be fully severable, but shall not affect the remaining provisions of the Agreement, and the Agreement shall be construed so as to give effect to the intent of the Agreement as if the illegal, invalid, or unenforceable provision was not included herein.

XVIII. No Right to Employment

Nothing in the Plan or this Agreement, or any instrument executed pursuant to the Plan, shall create any Employment rights (including without limitation, rights to continued employment) in Executive or affect the right of CACI to terminate the employment of Executive at any time without regard to the existence of the Plan.

XIX. Notices

Any notice required or permitted to be given under this Agreement must be given by first class or certified mail, addressed as follows, unless notice of a change of address has subsequently been given in writing.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date(s) written below.

CACI:

EXECUTIVE:

By: **Arnold D. Morse**
Chief Legal Officer

[Print Name]

Date: _____

Date: _____

SSN: _____

**ADDENDUM TO EMPLOYEE AGREEMENT
AND SEVERANCE COMPENSATION AGREEMENT**

THIS ADDENDUM TO EMPLOYEE AGREEMENT AND SEVERANCE COMPENSATION AGREEMENT (this “**Addendum**”) is made as of the 3rd day of December 2010 (“**Effective Date**”), by and between CACI International Inc, a Delaware corporation headquartered in Arlington, Virginia (the “**Company**”), and Randall C. Fuerst (the “**Executive**”), residing in Catharpin, Virginia.

WHEREAS, the parties agree to amend the Employee Agreement, dated as of January 6, 2005 (“**Employee Agreement**”), and the Severance Compensation Agreement, dated October 1, 2007 (“**Severance Agreement**”), each as entered into between them.

NOW, WHEREFORE, in consideration of the mutual promises herein contained, and other good and valuable consideration, the parties do hereby agree as follows:

1. Status of Addendum. Following the Effective Date, all references to the Employee Agreement and the Severance Agreement shall mean such agreement as modified by this Addendum. Any conflict or inconsistency between such agreement(s) and this Addendum shall be governed by this Addendum. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in such Employee Agreement and/or Severance Agreement.

2. Voluntary Resignation for Good Reason. On or about October 5, 2010, the Company made substantial adverse changes in the nature and status of Executive’s position, which actions constituted “Good Reason” for Executive’s voluntary resignation of employment. The Company waives and releases Executive from any written notice of, and its right to cure, such actions. Executive’s resignation from the Company is hereby agreed to have been for Good Reason in accordance with Section 7.(a)(iii)(1) of the Severance Agreement.

3. Non-Compete Provisions. Subsections (d) and (e) of the “Non-compete Restrictions” in the Employee Agreement, and subsections (d) and (e) of Section 12 of the Severance Agreement (relating to “Non-Competition”) are hereby deleted in their entirety and, in lieu thereof, the following paragraph is inserted:

“(d/e) For a period of two (2) years following the effective date of Executive’s resignation for Good Reason, the Executive will not, directly or indirectly for another employer, personally participate in the preparation or capture activities of any of the bid, proposal or re-compete opportunities for any contract or task order, in competition with the Company, listed on Exhibit 1 * hereto. For the avoidance of doubt, this provision does not preclude a future employer of Executive from bidding on a contract or task order opportunity in Exhibit 1 *, but does preclude the Executive from personally participating, directly or indirectly, in any such activity on such employer’s behalf.”

[Intentionally Left Blank]

* Pursuant to Rule 24b-2 under the Securities and Exchange Act of 1934, as amended, Exhibit 1 to this Addendum to Employment Agreement and Severance Compensation Agreement has been omitted from this Exhibit 10.5 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended December 31, 2010.

4. Executive Benefits. In addition to the benefits otherwise payable under the Severance Agreement, the Executive shall receive any further or additional payments and benefits set forth in the “Disposition of Executive Benefits” memo from Jerry Reece, dated December 2, 2010.

I N W ITNESS W HEREOF , the parties hereby agree to the foregoing terms as of the Effective Date:

CACI I NTERNATIONAL I NC

By: /s/ Arnold D. Morse

Name: Arnold D. Morse

Date: December 3, 2010

R ANDALL C. F UERST

By: /s/ Randall C. Fuerst

Name: Randall C. Fuerst

Date: December 3, 2010

Section 302 Certification

I, Paul M. Cofoni, 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: February 4, 2011

/ s / P A U L M. C O F O N I
Paul M. Cofoni
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: February 4, 2011

/ 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 December 31, 2010, 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: February 4, 2011

/ s / P AUL M. C OFONI

Paul M. Cofoni
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 December 31, 2010, 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: February 4, 2011

/ 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)