As filed with the Securities and Exchange Commission on February 4, 2002

Registration No. 333-73946

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SECURITIES AND EXCHANGE COMMISSION

AMENDMENT NO. 4

TO

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

MANTECH INTERNATIONAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware 7373 22-1852179

(State or other jurisdiction (Primary Standard Industrial Classification (I.R.S. Employer
of incorporation or organization) Code Number) Identification No.)

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ManTech International Corporation

12015 Lee Jackson Highway

Fairfax, VA 22033-3300

(703) 218-6000

(Address, including zip code, and telephone number, including area code, of
registrant's principal executive offices)

George J. Pedersen

Chairman, Chief Executive Officer

and President

ManTech International Corporation

12015 Lee Jackson Highway

Fairfax, VA 22033-3300

(703) 218-6000

Fax: (703) 218-6301

(Name, address, including zip code, and telephone number, including area code,
of agent for service)

Copies to:

John F. Olson    Robert G. Robison

Ronald O. Mueller  Sharon L. Ferko

Gibson, Dunn & Crutcher LLP  Morgan Lewis & Bockius LLP

1050 Connecticut Avenue, N.W.  101 Park Avenue

Washington, D.C. 20036  New York, NY 10178

(202) 955-8500  (212) 309-6000

Fax: (202) 467-0539  Fax: (212) 309-6273

(Approximate date of commencement of proposed sale to the public: As soon as
practicable after this registration statement becomes effective.

If any of the securities being registered on this form are to be offered on a
delayed or continuous basis pursuant to Rule 415 under the Securities Act of
1933, check the following box. [__]

If this form is filed to register additional securities for an offering
pursuant to Rule 462(b) under the Securities Act, check the following box and
list the Securities Act registration statement number of the earlier effective
registration statement for the same offering. [__]

If this form is a post-effective amendment filed pursuant to Rule 462(c) under
the Securities Act, check the following box and list the Securities Act
registration statement number of the earlier effective registration statement
for the same offering. [__]

If this form is a post-effective amendment filed pursuant to Rule 462(d) under
the Securities Act, check the following box and list the Securities Act
If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box.

CALCULATION OF REGISTRATION FEE

<table>
<thead>
<tr>
<th>Title of each class of securities to be registered</th>
<th>Proposed Maximum Aggregate Offering Price(1)(2)</th>
<th>Amount of Registration Fee(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A common stock, $0.01 par value per share</td>
<td>$110,400,000</td>
<td>$24,693</td>
</tr>
</tbody>
</table>

(1) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(o).

(2) Includes shares issuable upon exercise of the underwriters' over-allotment option.

(3) Reflects an increase in the proposed maximum aggregate offering price.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission acting pursuant to such Section 8(a) may determine.

The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED FEBRUARY 4, 2002.

ManTech International Corporation
Class A Common Stock

We are offering 5,666,667 shares of our Class A common stock and the selling stockholder identified in this prospectus is offering 333,333 shares of our Class A common stock through a syndicate of underwriters. The underwriters also have an option to purchase up to an additional 900,000 shares of Class A common stock from us and the selling stockholder solely to cover over-allotments. We will not receive any of the proceeds from the sale of shares by the selling stockholder.

This is our initial public offering. The initial public offering price of our Class A common stock is expected to be between $14.00 and $16.00 per share. We are applying to list our Class A common stock on The Nasdaq Stock Market's National Market under the symbol "MANT."
Investing in our common stock involves risks. See "Risk Factors" beginning on page 7.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Per Share Total
--------- ----- 
Public offering price............................ $ $ 
Underwriting discount............................ $ $ 
Proceeds to us (before expenses)................. $ $ 
Proceeds to selling stockholder (before expenses) $ $ 

The underwriters expect to deliver the shares to purchasers on or about , 2002.

Jefferies & Company, Inc.

Legg Mason Wood Walker
Incorporated

BB&T Capital Markets

The date of this prospectus is , 2002.

[INSIDE FRONT COVER ART.]

1. Inside Left Page:

   The ManTech logo is positioned in the upper left corner of the page, written in solid black lettering blending into white-on-red lettering, divided with horizontal white lines. Beneath the logo is a caption reading, "Supporting U.S. Intelligence Community and Department of Defense Customers in Responding to the Challenges of Emerging Global Threats."

   The lower right one-third of the page is solid red in the shape of a half circle with three photos positioned in outlined circles in the center of the red section against a white background. Above the circles a caption reads, "Managing Technology for a Changing World" in which the word "World" curves around the first quarter of the right-hand circle.

   The left circle contains a picture of a satellite ground station. Beneath this circle a caption reads "Secure Systems and Infrastructure Solutions." The center circle contains a picture of a CD ROM with an image of binary code superimposed in light blue. Beneath this circle a caption reads, "Information Technology Solutions." The right circle contains a picture of the Hubble Space Telescope taken from space. Beneath this circle a caption reads, "Systems Engineering Solutions."

   Centered at the bottom of the page is the text "ManTech International Corporation."

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary may not contain all of the information that you should consider before deciding to invest in our Class A common stock. We urge you to read this entire prospectus carefully, including the "Risk Factors" section and our consolidated financial statements and the notes to those statements. Unless otherwise indicated, information presented in this prospectus assumes no exercise of the underwriters' over-allotment option and assumes the occurrence of the transactions described in "Transactions Prior to the Offering" on page 6.

ManTech International Corporation

ManTech International Corporation delivers a broad array of information technology and technical services solutions to U.S. federal government customers, focusing primarily on critical national defense programs for the intelligence community and Department of Defense. We design, develop, procure, implement, operate, test and maintain mission-critical, enterprise information technology and communication systems and infrastructures for federal government customers in the United States and 28 countries worldwide. More than 1,700 of our nearly 3,500 employees hold government security clearances, including over 600 with access to Top Secret Sensitive Compartmented Information, allowing us to work with our customers in highly classified environments and at front-line deployments. We have established and maintain long-standing, successful relationships with our customers, having supported many of them for 15 to 30 years. Given the critical nature of many of our services and our close relationships with our customers, we are often called upon to support our customers as they respond to crisis situations around the world.

We provide comprehensive information technology and technical services solutions, separately or in combination, to our customers by drawing upon three
principal areas of expertise: secure systems and infrastructure; information technology; and systems engineering. In some cases, our work under a single contract draws upon two or all three of our areas of expertise. We provide these solutions for sophisticated airborne, shipboard, satellite and tactical and strategic land-based communication and information systems and intelligence-processing activities.

- As part of our secure systems and infrastructure solutions, we conduct vulnerability assessments of critical infrastructures that enable our customers to identify evolving foreign and domestic threats, which may include espionage, terrorist activities and other intelligence operations, to quantify exposure to these threats and to implement prudent countermeasures. We also design, implement and maintain secure communication systems, computer networks and other information assurance programs, and develop and integrate signal processing systems that assist our government customers in their intelligence gathering activities.

- As part of our information technology solutions, we integrate diverse technologies into customized systems that meet a variety of customer needs. We design and implement electronic data interchange systems and network infrastructures that help sustain or extend our customers' existing proprietary or legacy systems and provide enhanced capabilities based on new technology platforms. We also provide systems support for customers' critical information management systems.

- As part of our systems engineering solutions, we analyze and assist in designing, developing, integrating and installing hardware and software for communication, intelligence, electronic warfare and information systems. We also test and certify complex military systems hardware and software and orbital payloads and perform a variety of environmental research and testing functions for federal government customers.

Since our founding in 1968, we have grown from supplying engineering services to the U.S. Navy to providing sophisticated information technology and technical services solutions to a wide range of federal government customers. For both the year ended December 31, 2000 and the nine months ended September 30, 2001, approximately 84.0% of our revenues were derived from our customers in the intelligence community and Department of Defense. Among our intelligence community customers are a number of the 13 federal agencies and departments that the government identifies as being part of the U.S. intelligence community, including the Department of State, the Department of Energy and a number of the branches of the military within the Department of Defense. Our other Department of Defense customers include the Office of the Secretary of Defense, the Army, Navy, Air Force and Marine Corps, and a number of joint military commands.

We also provide comprehensive information technology and technical services solutions to federal government civilian agencies, including the National Aeronautics and Space Administration (NASA), the Environmental Protection Agency (EPA) and the Departments of Justice, Commerce and Energy. Additionally, we provide business enterprise solutions to state and local governments and database conversion solutions to commercial customers.

Our Market Opportunity

The federal government has consistently increased spending on information technology each year since 1980 and is the largest purchaser of these services and products. According to Input, an independent market research firm, this trend of increased spending is expected to continue over the next five years as federal government spending on information technology increases from $36.4 billion in 2001 to $60.3 billion in 2006, a compound annual growth rate of 10.6%. Moreover, this data may not fully reflect government spending on complementary technical services, which include sophisticated systems engineering and testing services. We believe that strong growth opportunities exist for information technology and technical services providers who serve the government market because the federal government is:

- Increasing defense spending focused on C4I (command, control, communication, computers and intelligence), homeland defense and
intelligence activities;

- Adopting commercialized procurement methods that promote the use of efficient contracting vehicles, such as government- or agency-wide pricing schedule contracts that are negotiated and awarded by the General Service Administration (GSA) and other central contracting authorities;

- Increasing reliance on technology service providers to deliver cost-effective solutions and to address staffing challenges facing the government; and

- Focusing on modernizing proprietary legacy information technology and communication infrastructures.

Our Approach

We seek to address the requirements of our customers in the intelligence community and Department of Defense through our:

- Comprehensive technology-based solutions;

- Expertise in the migration, integration, optimization and maintenance of proprietary legacy systems used by the federal government and ability to enhance the interoperability and accessibility of critical enterprise data;

- More than 1,700 employees with government security clearances, which are required for work on classified programs for the intelligence community and Department of Defense;

- Proven track record of fulfilling our customers' requirements, demonstrated by our many long-standing customer relationships; and

- Extensive experience of our management team and advisory board members in supporting our customers in the intelligence community and Department of Defense.

As part of your evaluation of us, you should take into account the risks we face in our business and not solely our business approach and strategy. Because our business is substantially dependent upon contracts with the U.S. federal government, we are subject to a number of risks that arise from the way in which the U.S. federal government conducts business. For example, as a government contractor, our operations are subject to complex government procurement laws and regulations and may be affected by government-favorable provisions that are included in our contracts with the government, and our operations are subject to government audits and to shifts in government spending priorities. Because of the labor-intensive nature of our work, we must recruit and retain skilled employees, many of whom must obtain and maintain security clearances, and our business may be harmed if our employees do not properly perform their jobs. In addition, we depend on relationships and the reputation of members of our management team and advisory board to maintain good customer relationships and identify new business opportunities. You should also be aware that there are various risks involved in investing in our common stock. For more information about these and other risks, see "Risk Factors" beginning on page 7. You should carefully consider all of the risk factors together with all of the other information included in this prospectus.

Our Strategy

Our objective is to profitably grow our business as a premier provider of comprehensive information technology and technical services solutions to the federal government, focusing primarily on customers in the intelligence community and Department of Defense. To achieve our objective, we intend to:

- Expand our customer base by capitalizing on our existing customer relationships and reputation and pursuing strategic acquisitions to attract new customers and to cross-sell solutions and products to existing and new customers, and by selectively hiring key individuals with additional customer relationships;

- Increase profitability by focusing our contract bidding and new business development efforts on specialized services that can generate higher value-added solutions, such as threat exposure analysis and systems architecture design, and on more efficient and flexible contract vehicles, such as GSA schedule contracts;
Target our service offerings in high growth program areas, including safeguarding critical infrastructures and information assurance for the intelligence community and Department of Defense;
Continue to attract and retain skilled professionals, including engineers, scientists, analysts, technicians and support specialists, who possess a wide range of technical skills and prior experience with the intelligence community or Department of Defense; and

Pursue a disciplined acquisition strategy focused on businesses that support the intelligence community and Department of Defense, expand our service offerings and establish relationships with new customers.

Corporate Structure

Our principal executive offices are located at 12015 Lee Jackson Highway, Fairfax, Virginia 22033-3300. Our telephone number at that address is (703) 218-6000. Our website can be visited at www.mantech.com. Information contained on our website is not part of this prospectus.

The Offering

The share information contained below excludes the 3,000,000 shares of Class A common stock reserved for issuance under our Management Incentive Plan.

Class A common stock offered by us........... 5,666,667 shares.
Class A common stock offered by our selling stockholder......................... 333,333 shares.
Class A common stock to be outstanding immediately after this offering........... 6,818,813 shares.
Class B common stock to be outstanding immediately after this offering.......... 17,514,517 shares.

Use of proceeds......................... We expect to use the net proceeds of this offering to repay a portion of our existing indebtedness, to fund strategic acquisitions of businesses and for working capital and general corporate purposes. See "Use of Proceeds" on page 18.

Over-allotment option................. We and one of our existing stockholders have granted the underwriters an option to purchase up to an additional 900,000 shares solely to cover over-allotments. If this over-allotment is exercised in full, we will sell to the underwriters an additional 516,487 shares, and the selling stockholder will sell to the underwriters an additional 383,513 shares.

Proposed Nasdaq symbol............... MANT

Risk Factors

See "Risk Factors" beginning on page 7 for a discussion of material risks that prospective purchasers of our Class A common stock should consider.

Summary Financial Data

The following summarizes our historical consolidated financial information. We derived the information as of and for each of the five years ended December 31, 2000 and for the nine months ended September 30, 2001 from our audited consolidated financial statements. The data for the nine months ended September
30, 2000 is derived from our unaudited consolidated financial statements and includes all adjustments, consisting of normal and recurring adjustments, that we consider necessary for a fair presentation of the financial position and results of operations as of and for such periods. Interim consolidated financial results for the nine months ended September 30, 2000 and September 30, 2001 are not necessarily indicative of the results that may be expected for the full year. You should read the summary financial data presented below in conjunction with our consolidated financial statements, the notes to our consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

### Statement of Income Data:

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$223,049</td>
<td>$286,051</td>
<td>$314,309</td>
<td>$353,924</td>
<td>$378,827</td>
<td>$280,970</td>
<td>$316,246</td>
</tr>
<tr>
<td>Cost of services</td>
<td>191,589</td>
<td>245,857</td>
<td>265,189</td>
<td>296,306</td>
<td>315,414</td>
<td>234,834</td>
<td>258,412</td>
</tr>
<tr>
<td>Gross profit</td>
<td>31,460</td>
<td>40,194</td>
<td>49,120</td>
<td>57,618</td>
<td>63,413</td>
<td>46,136</td>
<td>57,854</td>
</tr>
<tr>
<td>Income from operations</td>
<td>7,019</td>
<td>10,381</td>
<td>13,447</td>
<td>15,168</td>
<td>16,589</td>
<td>12,695</td>
<td>22,237</td>
</tr>
<tr>
<td>Income from continuing operations</td>
<td>3,077</td>
<td>5,438</td>
<td>2,901</td>
<td>6,796</td>
<td>7,125</td>
<td>5,113</td>
<td>12,160</td>
</tr>
<tr>
<td>(Loss) income from discontinued operations</td>
<td>(1,039)</td>
<td>256</td>
<td>(1,268)</td>
<td>(2,727)</td>
<td>(4,667)</td>
<td>(3,124)</td>
<td>(6,533)</td>
</tr>
<tr>
<td>Loss on disposal of discontinued operations</td>
<td>(83)</td>
<td>--</td>
<td>--</td>
<td>(719)</td>
<td>(719)</td>
<td>(5,890)</td>
<td></td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$1,945</td>
<td>$5,693</td>
<td>$1,663</td>
<td>$4,069</td>
<td>$1,739</td>
<td>$1,270</td>
<td>$263</td>
</tr>
</tbody>
</table>

### As Reported:

<table>
<thead>
<tr>
<th>Income from continuing operations per share</th>
<th>$1.64</th>
<th>$3.54</th>
<th>$2.43</th>
<th>$5.93</th>
<th>$6.24</th>
<th>$4.49</th>
<th>$10.59</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss) per share - diluted</td>
<td>$0.69</td>
<td>$3.75</td>
<td>$1.34</td>
<td>$3.55</td>
<td>$1.52</td>
<td>$1.12</td>
<td>$0.25</td>
</tr>
</tbody>
</table>

### Post-Split:

<table>
<thead>
<tr>
<th>Income from continuing operations per share - diluted</th>
<th>$0.10</th>
<th>$0.22</th>
<th>$0.15</th>
<th>$0.36</th>
<th>$0.38</th>
<th>$0.28</th>
<th>$0.65</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss) per share - diluted</td>
<td>$0.04</td>
<td>$0.23</td>
<td>$0.08</td>
<td>$0.22</td>
<td>$0.09</td>
<td>$0.07</td>
<td>$0.01</td>
</tr>
</tbody>
</table>

### Balances Sheet Data:

<table>
<thead>
<tr>
<th>Cash and cash equivalents</th>
<th>$13,276</th>
<th>$17,318</th>
<th>$14,572</th>
<th>$19,571</th>
<th>$25,578</th>
<th>$11,366</th>
<th>$18,231</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>108,705</td>
<td>154,886</td>
<td>165,718</td>
<td>186,070</td>
<td>186,843</td>
<td>176,736</td>
<td>177,061</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>37,642</td>
<td>40,194</td>
<td>49,120</td>
<td>57,618</td>
<td>63,413</td>
<td>46,136</td>
<td>57,854</td>
</tr>
<tr>
<td>Total stockholders' equity</td>
<td>12,506</td>
<td>16,831</td>
<td>15,515</td>
<td>19,548</td>
<td>21,794</td>
<td>21,433</td>
<td>21,402</td>
</tr>
</tbody>
</table>

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1. We have decided to exit certain lines of business so that we can continue to enhance our core competencies. For more information on our discontinued operations, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations--Discontinued Operations" and note 15 to our consolidated financial statements.

2. Represents the calculation of earnings per share of our corporate predecessor, ManTech International Corporation (New Jersey), as reported in the historical consolidated financial statements, prior to our reincorporation, recapitalization and subsequent stock split, as discussed below in "Transactions Prior to the Offering."

3. Prior to this offering, we reincorporated from New Jersey to Delaware, recapitalized and effected a 16.3062-for-one stock split, and the Post-Split per share data gives effect to these transactions. The holders of each share of Class A common stock are entitled to one vote per share, and the holders of each share of Class B common stock are entitled to ten votes per share.

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Transactions Prior to the Offering

Termination of Personal Service Corporation Status. For periods prior to the closing of this offering, we had elected to be taxed as a personal service corporation. As a result, we accounted for our earnings on a cash basis for federal income tax purposes. Effective as of the closing of this offering, we had elected to be taxed as a personal service corporation. As a result, we accounted for our earnings on a cash basis for federal income tax purposes. Effective as of the closing of this offering, our personal service corporation status will result in approximately $36.0 million in deferred income being recognized for tax purposes. Taxes on this amount totaling $14.0 million will be due with respect to the four taxable years beginning with the taxable year of this offering. Because we previously recognized the deferred income for accounting purposes and accrued for the taxes, this change in our tax status and the tax payments will not affect our
Reincorporation, Recapitalization and Stock Split. We are incorporated in Delaware and are the successor by merger to ManTech International Corporation, a New Jersey corporation. See "Description of Capital Stock, Certificate of Incorporation and Bylaws." As a result of the merger, we reincorporated from New Jersey to Delaware and recapitalized our common stock. Our predecessor corporation had three classes of common stock outstanding prior to the effective date of the merger: Class A common stock, Class B common stock and Class C common stock, of which the Class B common stock was redeemable and, therefore, not counted as equity for accounting purposes. On the effective date of the merger, each outstanding share of the New Jersey corporation's common stock was exchanged for one share of our Class A common stock or for one share of our Class B common stock. Immediately after the merger, we effected a 16.3062-for-one stock split of our Class A common stock and Class B common stock. The holders of each share of Class A common stock are entitled to one vote per share, and the holders of each share of Class B common stock are entitled to ten votes per share. For purposes of this prospectus, unless stated otherwise, all references to our common stock refer to shares of the Delaware corporation after giving effect to the reincorporation, recapitalization and stock split, other than with respect to the historical consolidated financial statements.

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RISK FACTORS

Before making an investment in our Class A common stock you should carefully consider the risks described below, as well as the other information set forth in this prospectus, including our consolidated financial statements and related notes. Some of the following risks relate principally to the industry in which we operate and to our business. Other risks relate principally to the securities markets and ownership of our stock. Additional risks and uncertainties not presently known to us, or risks that we currently consider immaterial, may also impair our operations. Any of the risk factors described below could significantly and negatively affect our business, prospects, financial condition or operating results, which could cause the trading price of our Class A common stock to decline and could cause you to lose all or part of your investment.

RISKS RELATED TO OUR BUSINESS

We are dependent on contracts with the U.S. federal government for substantially all of our revenues.

For the year ended December 31, 2000 and for the nine months ended September 30, 2001, we derived 96.1% and 95.8%, respectively, of our revenues from federal government contracts, either as a prime contractor or a subcontractor. For 2000 and for the nine months ended September 30, 2001, we derived 83.6% and 84.1%, respectively, of our revenues from contracts with agencies in the intelligence community and Department of Defense. We expect that federal government contracts will continue to be the primary source of our revenues for the foreseeable future. If we were suspended or debarred from contracting with the federal government generally, or any significant agency in the intelligence community or Department of Defense, if our reputation or relationship with government agencies were impaired, or if the government otherwise ceased doing business with us or significantly decreased the amount of business it does with us, our business, prospects, financial condition or operating results could be materially harmed.

Federal government spending priorities may change in a manner adverse to our business.

Our business depends upon continued federal government expenditures on intelligence, defense and other programs that we support. The overall U.S. defense budget declined from time to time in the late 1980s and the early 1990s. While spending authorizations for intelligence and defense-related programs by the government have increased in recent years, and in particular after the September 11, 2001 terrorist attacks, future levels of expenditures and authorizations for those programs may decrease, remain constant or shift to programs in areas where we do not currently provide services. A significant decline in government expenditures, or a shift of expenditures away from programs that we support, could adversely affect our business, prospects,
Federal government contracts contain provisions that are unfavorable to us.

Federal government contracts contain provisions and are subject to laws and regulations that give the government rights and remedies not typically found in commercial contracts, including allowing the government to:

- Terminate existing contracts for convenience, as well as for default;
- Reduce or modify contracts or subcontracts;
- Cancel multi-year contracts and related orders if funds for contract performance for any subsequent year become unavailable;
- Decline to exercise an option to renew a multi-year contract;
- Claim rights in products and systems produced by us;
- Suspend or debar us from doing business with the federal government or with a governmental agency; and
- Control or prohibit the export of our products.

If the government terminates a contract for convenience, we may recover only our incurred or committed costs, settlement expenses and profit on work completed prior to the termination. If the government terminates a contract for default, we may not recover even those amounts, and instead may be liable for excess costs incurred by the government in procuring undelivered items and services from another source. As is common with government contractors, some of our contracts have had or are currently experiencing performance issues. We have received and may in the future receive show cause or cure notices under contracts that, if not addressed to the government's satisfaction, could give the government the right to terminate those contracts for default or to cease procuring our services under those contracts in the future.

We must comply with complex procurement laws and regulations.

We must comply with and are affected by laws and regulations relating to the formation, administration and performance of federal government contracts, which affect how we do business with our customers and may impose added costs on our business. For example, we are subject to the Federal Acquisition Regulations and all supplements, which comprehensively regulate the formation, administration and performance of federal government contracts, and to the Truth in Negotiations Act, which requires certification and disclosure of cost and pricing data in connection with contract negotiations. If a government review or investigation uncovers improper or illegal activities, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeiture of profits, suspension of payments, fines and suspension or debarment from doing business with federal government agencies, which could materially adversely affect our business, prospects, financial condition or operating results. From time to time in the past, we have been subject to government investigations. Currently, we are subject to three on-going investigations. For additional information regarding the government investigations to which we are currently subject, see "Business--Legal Proceedings." In addition, we are subject to industrial security regulations of Department of Defense and other federal agencies that are designed to safeguard against foreigners' access to classified information. If we were to come under foreign ownership, control or influence, our federal government customers could terminate or decide not to renew our contracts, and it could impair our ability to obtain new contracts. The government may reform its procurement practices or adopt new contracting rules and regulations, including cost accounting standards, that could be costly to satisfy or that could impair our ability to obtain new contracts.

We face competition from other firms, many of which have substantially greater resources.

We operate in highly competitive markets and generally encounter intense competition to win contracts. We compete with many other firms, ranging from small specialized firms to large diversified firms, many of which have
Our competitors may be able to provide customers with different or greater capabilities or benefits than we can provide in areas such as technical qualifications, past contract performance, geographic presence, price and the availability of key professional personnel. Our failure to compete effectively with respect to any of these or other factors could have a material adverse effect on our business, prospects, financial condition or operating results. In addition, our competitors also have established or may establish relationships among themselves or with third parties to increase their ability to address customer needs. Accordingly, it is possible that new competitors or alliances among competitors may emerge.

We derive significant revenues from contracts awarded through a competitive bidding process.

We derive significant revenues from federal government contracts that were awarded through a competitive bidding process. For example, in each of the past three fiscal years, each of our ten largest contracts, in terms of revenues, was awarded through a competitive bidding process. Much of the business that we expect to seek in the foreseeable future likely will be awarded through competitive bidding. Competitive bidding presents a number of risks, including the:

- Need to bid on programs in advance of the completion of their design, which may result in unforeseen technological difficulties and cost overruns;
- Substantial cost and managerial time and effort that we spend to prepare bids and proposals for contracts that may not be awarded to us;
- Need to accurately estimate the resources and cost structure that will be required to service any contract we are awarded; and
- Expense and delay that may arise if our competitors protest or challenge contract awards made to us pursuant to competitive bidding, and the risk that any such protest or challenge could result in the resubmission of bids on modified specifications, or in termination, reduction or modification of the awarded contract.

We may not be provided the opportunity in the near term to bid on contracts that are held by other companies and are scheduled to expire if the government determines to extend the existing contract. If we are unable to win particular contracts that are awarded through the competitive bidding process, we may not be able to operate in the market for services that are provided under those contracts for a number of years. If we are unable to consistently win new contract awards over any extended period, our business and prospects will be adversely affected.

Failure to maintain strong relationships with other contractors could result in a decline in our revenues.

For 2000 and for the nine months ended September 30, 2001, we derived 7.8% and 8.4%, respectively, of our revenues from contracts in which we acted as a subcontractor to other contractors or to joint ventures which we and other contractors have formed to bid on and execute particular contracts or programs. We expect to continue to depend on relationships with other contractors for a portion of our revenues in the foreseeable future. Our business, prospects, financial condition or operating results could be adversely affected if other contractors eliminate or reduce their subcontracts or joint venture relationships with us, either because they choose to establish relationships with our competitors or because they choose to directly offer services that compete with our business, or if the government terminates or reduces these other contractors' programs or does not award them new contracts.

We may not receive the full amount authorized under contracts that we have entered into and may not accurately estimate our backlog and GSA schedule contract value.

The maximum contract value specified under a government contract that we enter into is not necessarily indicative of revenues that we will realize under
that contract. For example, we derive some of our revenues from government contracts in which we are not the sole provider, meaning that the government could turn to other companies to fulfill the contract, and from indefinite delivery, indefinite quantity contracts, which specify a maximum but only a token minimum amount of goods or services that may be provided under the contract. In addition, Congress often appropriates funds for a particular program on a yearly basis, even though the contract may call for performance that is expected to take a number of years. As a result, contracts typically are only partially funded at any point during their term, and all or some of the work to be performed under the contracts may remain unfunded unless and until Congress makes subsequent appropriations and the procuring agency allocates funding to the contract. Nevertheless, we look at these contract values, including values based on the assumed exercise of options relating to these contracts, in estimating the amount of our backlog. Because we may not receive the full amount we expect under a contract, we may not accurately estimate our backlog. Similarly, in recent years we have been deriving an increasing percentage of our revenues under GSA schedule contracts. GSA schedule contracts are procurement vehicles under which government agencies may, but are not required to, purchase professional services or products. As a result, we believe that potential GSA schedule contract values are not fully reflected in traditional backlog calculations. We have developed a method of calculating GSA schedule contract value that we use to evaluate estimates for the revenues we may receive under our GSA schedule contracts. Although we believe our method of determining GSA schedule contract value is based on reasonable estimates and assumptions, our experience with GSA schedule contracts has been limited to date. We are not currently aware of other companies within our market that employ comparable methods of determining GSA schedule contract value. Estimates of future revenues included in backlog and GSA schedule contract value are not necessarily precise and the receipt and timing of any of these revenues are subject to various contingencies, many of which are beyond our control. For a discussion of these contingencies see "Business--Backlog and GSA Schedule Contract Value." The actual accrual of revenues on programs included in backlog and GSA schedule contract value may never occur or may change.

We may not accurately estimate the expenses, time and resources necessary to satisfy our contractual obligations.

We enter into three types of federal government contracts for our services: cost-plus, time-and-materials and fixed-price. For the nine months ended September 30, 2001, we derived 36.3%, 35.6% and 28.1% of our revenues from cost-plus, time-and-materials and fixed-price contracts, respectively. For 2000, the revenues were 39.7%, 34.6% and 25.7%, respectively. Under cost-plus contracts, we are reimbursed for allowable costs and paid a fee, which may be fixed or performance-based. To the extent that the actual costs incurred in performing a cost-plus contract are within the contract ceiling and allowable under the terms of the contract and applicable regulations, we are entitled to reimbursement of our costs, plus a profit. However, if our costs exceed the ceiling or are not allowable under the terms of the contract or applicable regulations, we may not be able to recover those costs. Under time-and-materials contracts, we are reimbursed for labor at negotiated hourly billing rates and for certain expenses. We assume financial risk on time-and-material contracts because we assume the risk of performing those contracts at negotiated hourly rates. Under fixed-price contracts, we perform specific tasks for a fixed price. Compared to cost-plus contracts, fixed-price contracts generally offer higher margin opportunities, but involve greater financial risk because we bear the impact of cost overruns and receive the benefit of cost savings. Our profits could be adversely affected if our costs under any of these contracts exceed the assumptions we used in bidding for the contract. Although we believe that we have recorded adequate provisions in our consolidated financial statements for losses on our contracts, as required under U.S. generally accepted accounting principles, our contract loss provisions may not be adequate to cover all actual losses that we may incur in the future.

Our contracts are subject to audits and cost adjustments by the federal government.

The federal government audits and reviews our performance on contracts, pricing practices, cost structure and compliance with applicable laws,
contractors, our contract costs are audited and reviewed on a continual basis. Although audits have been completed on our incurred contract costs through 1999, audits for costs incurred or work performed after 1999 remain ongoing and, for much of our work in recent years, have not yet commenced. In addition, non-audit reviews by the government may still be conducted on all our government contracts. An audit of our work, including an audit of work performed by companies we have acquired or may acquire, could result in a substantial adjustment to our revenues because any costs found to be improperly allocated to a specific contract will not be reimbursed, and revenues we have already recognized may need to be refunded. If a government audit uncovers improper or illegal activities, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeiture of profits, suspension of payments, fines and suspension or debarment from doing business with federal government agencies. In addition, we could suffer serious harm to our reputation if allegations of impropriety were made against us.

We may be liable for systems and service failures.

We create, implement and maintain information technology and technical services solutions that are often critical to our customers' operations, including those of federal, state and local governments. We have experienced and may in the future experience some systems and service failures, schedule or delivery delays and other problems in connection with our work. If our solutions, services, products or other applications have significant defects or errors, are subject to delivery delays or fail to meet our customers' expectations, we may:

- Lose revenues due to adverse customer reaction;
- Be required to provide additional services to a customer at no charge;
- Receive negative publicity, which could damage our reputation and adversely affect our ability to attract or retain customers; or
- Suffer claims for substantial damages against us.

In addition to any costs resulting from product warranties, contract performance or required corrective action, these failures may result in increased costs or loss of revenues if they result in customers postponing subsequently scheduled work or canceling or failing to renew contracts.

While many of our contracts with the federal government limit our liability for damages that may arise from negligence in rendering services to our customers, we cannot be sure that these contractual provisions will protect us from liability for damages if we are sued. Furthermore, our errors and omissions and product liability insurance coverage may not continue to be available on reasonable terms or in sufficient amounts to cover one or more large claims, or the insurer may disclaim coverage as to some types of future claims. The successful assertion of any large claim against us could seriously harm our business. Even if not successful, these claims could result in significant legal and other costs and may be a distraction to our management.

Security breaches in classified government systems could adversely affect our business.

Many of the programs we support and systems we develop, install and maintain involve managing and protecting information involved in intelligence, national security and other classified government functions. A security breach in one of these systems could cause serious harm to our business, damage our reputation and prevent us from being eligible for further work on critical classified systems for federal government customers. Losses that we could incur from such a security breach could exceed the policy limits that we have for errors and omissions or product liability insurance.
Our quarterly operating results may vary widely.

Our quarterly revenues and operating results may fluctuate significantly in the future. A number of factors cause our revenues, cash flow and operating results to vary from quarter to quarter, including:

. Fluctuations in revenues earned on fixed-price contracts and contracts with a performance-based fee structure;

. Commencement, completion or termination of contracts during any particular quarter;

. Variable purchasing patterns under government GSA schedule contracts, blanket purchase agreements and indefinite delivery, indefinite quantity contracts;

. Changes in Presidential administrations and senior federal government officials that affect the timing of technology procurement;

. Changes in policy or budgetary measures that adversely affect government contracts in general;

. Acquisitions of other technology service providers; and

. Increased purchase requests from customers for equipment and materials in connection with the federal government's fiscal year end, which may affect our fourth quarter operating results.

Changes in the volume of services provided under existing contracts and the number of contracts commenced, completed or terminated during any quarter may cause significant variations in our cash flow from operations because a relatively large amount of our expenses are fixed. We incur significant operating expenses during the start-up and early stages of large contracts and typically do not receive corresponding payments in that same quarter. We may also incur significant or unanticipated expenses when contracts expire or are terminated or are not renewed. In addition, payments due to us from government agencies may be delayed due to billing cycles or as a result of failures of governmental budgets to gain Congressional and Administration approval in a timely manner.

Our senior management and advisory board are important to our customer relationships.

We believe that our success depends in part on the continued contributions of our co-founder, Chairman of the Board of Directors, Chief Executive Officer and President, George J. Pedersen, our Executive Vice President, Chief Financial Officer, Treasurer and Director, John A. Moore, Jr., other members of our senior management and advisory board. We rely on our executive officers and senior management to generate business and execute programs successfully. In addition, the relationships and reputation that members of our management team and advisory board have established and maintain with government and military personnel contribute to our ability to maintain good customer relations and to identify new business opportunities. While we have employment agreements with some of our executive officers, these agreements do not prevent them from terminating their employment. The loss of Mr. Pedersen, Mr. Moore or any other senior management or advisory board members could impair our ability to identify and secure new contracts and otherwise to manage our business.

We must recruit and retain skilled employees to succeed in our labor-intensive business.

We believe that an integral part of our success is our ability to provide employees who have advanced information technology and technical services skills and who work well with our customers in a government or defense-related environment. These employees are in great demand and are likely to remain a limited resource in the foreseeable future. If we are unable to recruit and retain a sufficient number of these employees, our ability to maintain and grow our business could be negatively impacted. In addition, some of our contracts contain provisions requiring us to commit to staff a program with certain personnel the customer considers key to
our successful performance under the contract. In the event we are unable to provide these key personnel or acceptable substitutions, the customer may terminate the contract, and we may not be able to recover our costs in the event the contract is terminated.

Our business is dependent upon obtaining and maintaining required security clearances.

Many of our federal government contracts require our employees to maintain various levels of security clearances, and we are required to maintain certain facility security clearances complying with Department of Defense requirements. Obtaining and maintaining security clearances for employees involves a lengthy process, and it is difficult to identify, recruit and retain employees who already hold security clearances. If our employees are unable to obtain or retain security clearances or if our employees who hold security clearances terminate employment with us, the customer whose work requires cleared employees could terminate the contract or decide not to renew it upon its expiration. In addition, we expect that many of the contracts on which we will bid will require us to demonstrate our ability to obtain facility security clearances and perform work with employees who hold specified types of security clearances. To the extent we are not able to obtain facility security clearances or engage employees with the required security clearances for a particular contract, we may not be able to bid on or win new contracts, or effectively rebid on expiring contracts.

If we are unable to manage our growth, our business could be adversely affected.

Sustaining our growth has placed significant demands on our management, as well as on our administrative, operational and financial resources. For us to continue to manage our growth, we must continue to improve our operational, financial and management information systems and expand, motivate and manage our workforce. If we are unable to successfully manage our growth without compromising our quality of service and our profit margins, or if new systems that we implement to assist in managing our growth do not produce the expected benefits, our business, prospects, financial condition or operating results could be adversely affected.

We may undertake acquisitions that could increase our costs or liabilities or be disruptive.

One of our key operating strategies is to selectively pursue acquisitions. While we do not currently have any commitments, agreements or understandings to acquire any specific businesses or other material operations, we have made a number of acquisitions in the past and will consider other acquisitions in the future. We may not be able to locate suitable acquisition candidates at prices that we consider appropriate or to finance acquisitions on terms that are satisfactory to us. If we do identify an appropriate acquisition candidate, we may not be able to successfully negotiate the terms of an acquisition, finance the acquisition or, if the acquisition occurs, integrate the acquired business into our existing business. Negotiations of potential acquisitions and the integration of acquired business operations could disrupt our business by diverting management away from day-to-day operations. The proceeds we receive from this offering may not be sufficient to fund the full cost of acquisitions that we may determine to pursue. Acquisitions of businesses or other material operations may require additional debt or equity financing, resulting in additional leverage or dilution of ownership. The difficulties of integration may be increased by the necessity of coordinating geographically dispersed organizations, integrating personnel with disparate business backgrounds and combining different corporate cultures. We also may not realize cost efficiencies or synergies that we anticipated when selecting our acquisition candidates. In addition, we may need to record write downs from future impairments of intangible assets, which could reduce our future reported earnings. At times, acquisition candidates may have liabilities or adverse operating issues that we fail to discover through due diligence prior to the acquisition.

We may be exposed to liabilities or losses from operations that we have discontinued.

We have determined to dispose of certain of our businesses, either by
selling them or by winding down their operations. For more information on these discontinued operations, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations--Discontinued Operations" and note 15 to our consolidated financial statements. Our consolidated financial statements reflect, under the heading "Discontinued Operations," our estimate of the net losses expected from these operations through the date we estimate we will dispose of them, and all losses expected to be realized upon disposal of these operations. If we incur greater losses than we expect on dispositions, or if the operation of these businesses generates greater losses than we expect prior to disposition, there will be a negative impact on future operating results. Even if we are successful in disposing of these businesses, we may continue to be exposed to some liabilities for their operations.

For example, we are a defendant in a lawsuit where the plaintiff alleges that one of the businesses we intend to dispose of or its subcontractors caused soil and groundwater contamination by improperly disposing of dry cleaning solvents and we are involved in a second lawsuit where defendants are seeking to add us as a third-party defendant with respect to allegations that they caused or contributed to soil and groundwater contamination. For more information on these lawsuits, see "Business--Legal Proceedings." The operations from this business, particularly the performance of environmental consulting and remediation services, may not have been or in the future may not be conducted in compliance with environmental laws, exposing us to further liability and damages for the costs of investigating and cleaning up sites of spills, disposals or other releases of hazardous materials. We cannot assure you that our liability in these matters, or any other environmental liabilities that arise in the future, will not exceed our resources or will be covered by insurance. Even after we dispose of this and the other discontinued operations, we likely will remain liable for any costs, damages or other liabilities imposed upon them that result from or relate to their operations prior to the disposition.

We may be affected by intellectual property infringement claims.

Our business operations rely extensively on procuring and deploying intellectual property. Our employees develop some of the software solutions and other forms of intellectual property that we use to provide information technology solutions to our customers, but we also license technology from primary vendors. Typically, under federal government contracts, our government customers may claim rights in the intellectual property we develop, making it impossible for us to prevent their future use of our intellectual property. We are and may in the future be subject to claims from our employees or third parties who assert that software solutions and other forms of intellectual property that we used in delivering services and solutions to our customers infringe upon intellectual property rights of such employees or third parties. If our vendors, our employees or third parties assert claims that we or our customers are infringing on their intellectual property, we could incur substantial costs to defend these claims. In addition, if any of our vendors' infringement claims are ultimately successful, our vendors could require us to:

- Cease selling or using products or services that incorporate the challenged software or technology;
- Obtain a license or additional licenses from our vendors; or
- Redesign our products and services that rely on the challenged software or technology.

Covenants in our credit facility may restrict our financial and operating flexibility.

Our credit facility contains covenants that limit or restrict, among other things, our ability to borrow money outside of the amounts committed under the credit facility, make investments in our subsidiaries that are borrowers under the credit facility and designated as discontinued operations or in other entities not listed as borrowers under the credit facility, make other restricted payments, pay dividends on our common stock, sell or otherwise dispose of assets other than in the ordinary course of business, merge or consolidate, or make acquisitions, in each case without the prior written consent of our lenders. Our credit facility also requires us to maintain specified financial covenants relating to fixed charge coverage, interest
coverage, debt coverage, and minimum consolidated net worth. Our ability to satisfy these financial ratios can be affected by events beyond our control, and we cannot assure you that we will meet those ratios. For example, on two occasions in the past five years, in March 2001 and in November 2000, we obtained waivers for failure to maintain the required fixed charge coverage ratio as of the end of the preceding quarters under the credit facility that was in effect at that time. Default under our credit facility could allow the lenders to declare all amounts outstanding to be immediately due and payable. We have pledged substantially all of our assets, including the stock of our subsidiaries to secure the debt under our credit facility. If the lenders declare amounts outstanding under the credit facility to be due, the lenders could proceed against those assets. Any event of default, therefore, could have a material adverse effect on our business if the creditors determine to exercise their rights. We also may incur future debt obligations that might subject us to restrictive covenants that could affect our financial and operational flexibility, restrict our ability to pay dividends on our common stock or subject us to other events of default. Any such restrictive covenants in any future debt obligations we incur could limit our ability to fund our businesses with equity investments or intercompany advances, which would impede our ability to operate or expand our business.

From time to time we may require consents or waivers from our lenders to permit actions that are prohibited by our credit facility. For example, we will require the consent of our lenders to complete the merger through which we reincorporate in Delaware. If in the future our lenders refuse to provide waivers of our credit facility's restrictive covenants and/or financial ratios, then we may be in default under our credit facility, and we may be prohibited from undertaking actions that are necessary to maintain and expand our business.

Our employees may engage in misconduct or other improper activities.

We are exposed to the risk that employee fraud or other misconduct could occur. Misconduct by employees could include intentional failures to comply with federal government procurement regulations and failing to disclose unauthorized or unsuccessful activities to us. Employee misconduct could also involve the improper use of our customers' sensitive or classified information, which could result in regulatory sanctions and serious harm to our reputation. It is not always possible to deter employee misconduct, and the precautions we take to prevent and detect this activity may not be effective in controlling unknown or unmanaged risks or losses.

RISKS RELATED TO OUR COMMON STOCK AND THIS OFFERING

An active public market for our Class A common stock may not develop.

The initial price of our Class A common stock to be sold in this offering will be determined through negotiations between us and the representatives of the underwriters and may not be indicative

of prices that will prevail in the trading market. Before this offering, no public market existed for our common stock. An active public market for our Class A common stock may not develop or be sustained after this offering, which could affect your ability to sell your shares or depress the market price of your shares. The market price of your shares may fall below the initial public offering price.

You will experience immediate and substantial dilution.

The initial public offering price per share will significantly exceed the current net tangible book value per share of our stock that was outstanding prior to this offering. As a result, investors purchasing Class A common stock in this offering at $15.00 per share, the mid-point of the estimated price range set forth on the cover of this prospectus, will experience immediate and substantial dilution in the amount of $11.32 per share. In addition, we have issued options to acquire Class A common stock at prices below the initial public offering price. The exercise of these employee and director stock options will result in further dilution to new investors.

Mr. Pedersen, our Chairman, Chief Executive Officer and President, will continue to control our company.
Upon completion of this offering, Mr. Pedersen will own or control approximately 96.41% of the combined voting power of the Class A and Class B common stock, or 95.85% if the underwriters' over-allotment option is exercised in full, and he will own approximately 73.16% of the outstanding shares of Class A and Class B common stock, or 70.10% if the underwriters' over-allotment option is exercised in full. Accordingly, Mr. Pedersen will control the vote on all matters submitted to a vote of the holders of our common stock. For more information, see "Description of Capital Stock, Certificate of Incorporation and Bylaws--Common Stock." As long as Mr. Pedersen beneficially owns a majority of the combined voting power of our common stock, he will have the ability, without the consent of our public stockholders, to elect all members of our board of directors and to control our management and affairs. Mr. Pedersen's voting control may have the effect of preventing or discouraging transactions involving an actual or a potential change of control of ManTech, regardless of whether a premium is offered over then-current market prices. Mr. Pedersen will be able to cause a change of control of our company. Mr. Pedersen also will be able to cause a registration statement to be filed and to become effective under the Securities Act of 1933, thereby permitting him to freely sell or transfer the shares of common stock that he owns. In addition, the interests of Mr. Pedersen may conflict with the interests of other holders of our common stock.

Provisions in our charter documents could make a merger, tender offer or proxy contest difficult.

Our certificate of incorporation and bylaws may discourage, delay or prevent a change in control of ManTech that stockholders may consider favorable. Our certificate of incorporation and bylaws:

- Authorize the issuance of blank check preferred stock that could be issued by our board of directors to thwart a takeover attempt;
- Prohibit cumulative voting in the election of directors, which would otherwise allow holders of less than a majority of the stock to elect some directors;
- Limit who may call special meetings of stockholders;
- Prohibit stockholder action by written consent, requiring all actions to be taken at a meeting of the stockholders;

- Establish advance notice requirements for nominating candidates for election to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; and
- Require that vacancies on our board of directors, including newly-created directorships, be filled only by a majority vote of directors then in office.

In addition, Section 203 of the Delaware General Corporation Law may discourage, delay or prevent a change in control by prohibiting the company from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder. For more information, see "Description of Capital Stock, Certificate of Incorporation and Bylaws."

The market price of our Class A common stock may fluctuate widely and trade at prices below the initial public offering price.

The price of our Class A common stock after this offering may fluctuate widely, depending upon many factors, including our perceived prospects, and the prospects of the information technology and government contracting industries in general, differences between our actual financial and operating results and those expected by investors and analysts, changes in analysts' recommendations or projections, changes in general valuations for information technology and technical services companies, changes in general economic or market conditions and broad market fluctuations. In addition, the terrorist attacks of September 11, 2001 and subsequent bioterrorism concerns have contributed to an economic slowdown and to significant instability in the U.S. and other global financial equity markets. The armed hostilities that were initiated as a result of these attacks and future responses by the federal government may lead to further acts
of terrorism in the United States or elsewhere, and such developments would likely cause further instability in financial markets. All of these factors subject our operations to increased risks and could have a material adverse effect on your investment in our common stock. As a result, our Class A common stock may trade at prices significantly below the initial public offering price.

We will have broad discretion over the use of proceeds from this offering.

We intend to use the net proceeds from this offering to retire portions of our outstanding debt obligations, to pursue possible acquisitions and for working capital and other general corporate purposes. We may not use the proceeds from this offering for each of these purposes. Future events, including changes in competitive conditions, our ability to identify appropriate acquisition candidates, the availability of other financing and funds generated from operations and the status of our business from time to time, may lead us to change the allocation of the net proceeds of this offering among these possible uses. We will have broad discretion with respect to the use of these funds and the determination of the timing of expenditures. We cannot assure you that we will use these funds in a manner that you would approve of or that the allocations will be in the best interests of all of our stockholders.

We make forward-looking statements in this prospectus that involve risks, uncertainties and assumptions.

We have made forward-looking statements in this prospectus, including in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," that are based on our management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words "believes," "expects," "anticipates," "intends," "plans," "estimates" or similar expressions. Forward-looking statements include the information concerning our possible or assumed future results of operations, business strategies, anticipated expenses, anticipated backlog and GSA schedule contract value, financing plans, competitive position, potential growth opportunities, the future of our industry, the effects of future regulation and the effects of competition. Forward-looking statements involve risks, uncertainties and assumptions. You should not put undue reliance on any forward-looking statements. You should understand that many important factors discussed in this "Risk Factors" section and elsewhere in this prospectus could cause our results to differ materially from those expressed in forward-looking statements. We do not have any intention or obligation to update forward-looking statements after the underwriters cease to distribute this prospectus, except as provided by law.

USE OF PROCEEDS

We estimate the net proceeds to us of this offering to be approximately $77.9 million, based on an assumed offering price of $15.00 per share, the mid-point of the estimated price range set forth on the cover of this prospectus, after deducting the estimated expenses related to this offering and the portion of the underwriting discount payable by us. We intend to use the net proceeds we receive to pay off all of the principal and accrued interest then outstanding under our term loan and under our subordinated debt and to pay off all but $25.0 million of principal owing under our revolving credit facility. The amounts outstanding under these borrowings fluctuate from time to time, but as of December 31, 2001, the principal and accrued interest under our term loan was approximately $5.9 million, principal and accrued interest under our subordinated debt was approximately $8.0 million, and principal and accrued interest under our revolving credit facility was approximately $57.3 million. The term loan, revolving credit facility and subordinated debt agreements mature on December 31, 2004 and accrue interest at per annum rates of prime plus 1.25% (6.0% at December 31, 2001), prime plus 0.75% (5.5% at December 31, 2001) and 12.0%, respectively. We incurred the indebtedness under the term loan and the revolving credit facility in December 2001 and used the net proceeds of this indebtedness to pay off our prior term loan and revolving credit facility.

We intend to use the remainder of the net proceeds of this offering (together with cash on hand, additional borrowings and capital stock) to fund
all or a portion of the costs of any acquisitions of complementary businesses we determine to pursue in the future, although there are no assurances that we will be able to successfully identify or consummate any such acquisitions. To the extent that we do not pursue or consummate any acquisitions, any remaining net proceeds to us will be used for working capital and general corporate purposes. We have no present commitments, agreements or understandings to acquire any business. We may invest the net proceeds of this offering in short-term, investment grade, interest-bearing securities or guaranteed obligations of the United States or its agencies. We will not receive any proceeds from the sale of the shares to be sold by the selling stockholder in this offering or under the over-allotment option.

**DIVIDEND POLICY**

Our credit facility prohibits us from paying cash dividends to holders of our common stock. In addition, we currently intend to retain any earnings for the future operation and growth of our business. Therefore, we do not anticipate paying any cash dividends on our common stock in the foreseeable future. No dividends have been declared on any class of our common stock during the past two fiscal years. Any future dividends declared would be at the discretion of our board of directors and would depend, among other factors, upon our results of operations, financial condition and cash requirements and the terms of our credit facility and other financing agreements at the time such payment is considered.

**CAPITALIZATION**

The following table sets forth our cash and cash equivalents and capitalization at September 30, 2001 on an actual and as adjusted basis. As adjusted figures assume the application of the net proceeds of this offering to us, and that the over-allotment option is not exercised. You should read this table in conjunction with the consolidated financial statements and notes to the consolidated financial statements included elsewhere in this prospectus.

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<thead>
<tr>
<th></th>
<th>Actual</th>
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<tbody>
<tr>
<td></td>
<td>(In thousands)</td>
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<tr>
<td>Cash and cash equivalents</td>
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<td>Current portion of long-term debt</td>
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<td>Total long-term debt, net of current portion</td>
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<td>Total debt</td>
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<td>Redeemable Class B common stock</td>
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<td>Common stock</td>
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<td>Additional paid-in capital</td>
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<td>Retained earnings</td>
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<td>Accumulated other comprehensive loss</td>
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<td>Deferred compensation</td>
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<td>Treasury stock</td>
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<td>Total stockholders' equity</td>
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<td>$125,783</td>
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(1) The as adjusted balance sheet data as of September 30, 2001 gives effect to the following transactions:

Our reincorporation as a Delaware corporation through our merger with ManTech International Corporation, a New Jersey corporation. On the effective date of the merger, each outstanding share of the New Jersey
corporation's common stock was exchanged for one share of our Class A common stock or Class B common stock; and
. Immediately after the merger, we effected a 16.3062-for-one stock split of the outstanding shares of Class A and Class B common stock.

DILUTION

At September 30, 2001, we had net tangible book value of $11.6 million, or $0.62 per share. After giving effect to the sale of 5,666,667 shares of Class A common stock that we are offering at an assumed initial public offering price of $15.00 per share, the mid-point of the estimated price range set forth on the cover of this prospectus, and after deducting the estimated offering expenses and the portion of the underwriting discount payable by us, our pro forma net tangible book value per share is $3.68. This represents an immediate appreciation in net tangible book value of $3.06 per share to existing stockholders and an immediate dilution of net tangible book value of $11.32 per share to new investors. The following table illustrates the pro forma per share dilution and appreciation at September 30, 2001:

<table>
<thead>
<tr>
<th>Shares Purchased</th>
<th>Total Consideration</th>
<th>Average Price Per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percent(1)</td>
</tr>
<tr>
<td>Existing stockholders</td>
<td>159,621(3)</td>
<td>2.74%</td>
</tr>
<tr>
<td>New investors</td>
<td>5,666,667</td>
<td>97.26%</td>
</tr>
<tr>
<td>Total</td>
<td>5,826,288</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

- Initial public offering price per share: ........................................... $15.00
- Net tangible book value per share as of September 30, 2001: .................... $ 0.62
- Appreciation per share attributable to new investors: ........................ $ 3.06
- Pro forma net tangible book value per share after giving effect to this offering: $ 3.68
- Dilution per share to new investors: .................................................. $11.32

Net tangible book value per share of common stock is determined by dividing our tangible net worth, which consists of tangible assets less liabilities, by the number of shares of our common stock outstanding. Dilution is determined by subtracting the net tangible book value per share of Class A common stock after this offering from the public offering price per share. Appreciation per share attributable to new investors would be $3.27 if the underwriters exercise in full their over-allotment option.

The following table compares the public offering price of the shares of Class A common stock to the cost to our existing stockholders of shares of Class A and Class B common stock that they acquired within the past five years, or which they have the right to acquire under outstanding stock options.

(1) The number of shares purchased as a percent of the total number of shares of our common stock outstanding on September 30, 2001.
(2) The amount paid for the shares purchased as a percent of total price paid for the shares of our common stock in the past five years.
(3) Includes all shares of our common stock purchased in the last five years and assumes the exercise of all stock options outstanding as of September 30, 2001.
(4) Based on the weighted average exercise price of all stock options exercised during the last five years, as well as all stock options outstanding as of September 30, 2001.
(5) The mid-point of the estimated price range set forth on the cover of this prospectus.
The selected financial data presented below for the nine months ended September 30, 2001 and for each of the years in the five-year period ended December 31, 2000 is derived from our audited consolidated financial statements. The data for the nine months ended September 30, 2000 and the recent operating results for each of the most recent eight quarters is derived from our unaudited consolidated financial statements and includes all adjustments, consisting of normal and recurring adjustments, that we consider necessary for a fair presentation of the financial position and results of operations as of and for such periods. Interim financial results for any quarter and for the nine months ended September 30, 2000 and September 30, 2001 are not necessarily indicative of the results that may be expected for the full year. You should read the selected financial data presented below in conjunction with our consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

### SELECTED FINANCIAL DATA

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>Nine Months Ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statement of Income Data:</td>
<td></td>
</tr>
<tr>
<td>Revenue..................</td>
<td>$233,049</td>
</tr>
<tr>
<td>Cost of services........</td>
<td>191,989</td>
</tr>
<tr>
<td>Gross profit............</td>
<td>41,060</td>
</tr>
<tr>
<td>Costs and expenses:</td>
<td></td>
</tr>
<tr>
<td>General and administrative</td>
<td>23,141</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>1,000</td>
</tr>
<tr>
<td>Total costs and expenses</td>
<td>24,141</td>
</tr>
<tr>
<td>Income from operations</td>
<td>7,019</td>
</tr>
<tr>
<td>Interest expense</td>
<td>1,647</td>
</tr>
<tr>
<td>Loss from investment default</td>
<td>--</td>
</tr>
<tr>
<td>Other (income) expense, net</td>
<td>(1,039)</td>
</tr>
<tr>
<td>Loss on disposal of discontinued operations</td>
<td>(93)</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>5,698</td>
</tr>
<tr>
<td>Net income (loss).........</td>
<td>5,698</td>
</tr>
<tr>
<td>Income before provision for income taxes</td>
<td>5,698</td>
</tr>
<tr>
<td>Minority interest........</td>
<td>(7)</td>
</tr>
<tr>
<td>Income from continuing operations</td>
<td>5,691</td>
</tr>
<tr>
<td>(Loss) income from discontinued operations</td>
<td>(1,039)</td>
</tr>
<tr>
<td>Loss on disposal of discontinued operations</td>
<td>(93)</td>
</tr>
<tr>
<td>Income from continuing operations</td>
<td>3,573</td>
</tr>
<tr>
<td>Provision for income taxes........</td>
<td>2,614</td>
</tr>
<tr>
<td>Income before provision for income taxes</td>
<td>3,573</td>
</tr>
<tr>
<td>Minority interest........</td>
<td>(7)</td>
</tr>
<tr>
<td>Income from continuing operations available to common stockholders</td>
<td>3,566</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>5,698</td>
</tr>
<tr>
<td>Minority interest........</td>
<td>(7)</td>
</tr>
<tr>
<td>Net income (loss).........</td>
<td>5,698</td>
</tr>
<tr>
<td>Income from continuing operations</td>
<td>5,698</td>
</tr>
<tr>
<td>Minority interest........</td>
<td>(7)</td>
</tr>
<tr>
<td>Income from continuing operations available to common stockholders</td>
<td>5,691</td>
</tr>
</tbody>
</table>

(1) Represents the calculation of earnings per share of our corporate predecessor, ManTech International Corporation (New Jersey), as reported in the historical consolidated financial statements, prior to our reincorporation, recapitalization and subsequent stock split, as discussed in "Transactions Prior to the Offering" on page 6.

(2) Prior to this offering, we reincorporated from New Jersey to Delaware, recapitalized and effected a 16.3062-for-one stock split, and the Post-Split per share data gives effect to these transactions. The holders of each share of Class A common stock are entitled to one vote per share, and the holders of each share of Class B common stock are entitled to ten votes per share.

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## QUARTERLY RESULTS OF OPERATIONS

Our results of operations, particularly our revenues, gross profit and cash flow, may vary significantly from quarter to quarter depending on a number of factors, including the progress of contract performance, revenues earned on contracts, the number of billable days in a quarter, the timing of customer orders and billing of other direct costs, the commencement and completion of contracts during any particular quarter, the timing of government contract awards, the term of each contract that we have been awarded and general economic conditions. For example, revenues in the first quarter of 2000 were lower than the fourth quarter of 1999 due to fewer billable days in the first quarter, and the inclusion in the fourth quarter's revenues of a larger than usual amount of other direct costs incurred on our programs. Because a significant portion of our expenses, such as personnel and facilities costs, are fixed in the short term, successful contract performance and variation in the volume of activity, as well as in the number of contracts commenced or completed during any quarter may cause significant variations in operating results from quarter to quarter.

The federal government's fiscal year ends September 30. If a budget for the next fiscal year has not been approved by that date in each year, our customers may have to suspend engagements that we are working on until a budget has been approved. Such suspensions may cause us to realize lower revenues in the fourth quarter of the year. Further, a change in Presidential administrations or in senior government officials may negatively affect the rate at which the federal government purchases technology. The federal government's fiscal year end can also trigger increased purchase requests from customers for equipment and materials. Any increased purchase requests we receive as a result of the federal government's fiscal year end would serve to increase our fourth quarter revenues but will generally decrease profit margins for that quarter, as these activities typically are not as profitable as our normal service offerings.

As a result of the factors above, period-to-period comparisons of our revenues and operating results may not be meaningful. You should not rely on these comparisons as indicators of future performance as no assurances can be given that quarterly results will not fluctuate, causing a material adverse effect on our operating results and financial condition.

### Statement of Income Data:

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$94,953</td>
<td>$91,320</td>
<td>$93,485</td>
<td>$96,165</td>
<td>$97,857</td>
<td>$105,081</td>
<td>$105,627</td>
<td>$105,558</td>
<td>$105,558</td>
<td></td>
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<tr>
<td>Cost of services</td>
<td>80,642</td>
<td>75,717</td>
<td>78,558</td>
<td>80,599</td>
<td>80,580</td>
<td>86,433</td>
<td>86,623</td>
<td>85,566</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross profit</td>
<td>14,311</td>
<td>15,603</td>
<td>14,927</td>
<td>15,566</td>
<td>17,277</td>
<td>18,648</td>
<td>19,004</td>
<td>20,202</td>
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<td></td>
</tr>
<tr>
<td>Costs and expenses:</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and administrative</td>
<td>10,937</td>
<td>10,431</td>
<td>10,076</td>
<td>10,481</td>
<td>10,552</td>
<td>11,436</td>
<td>11,258</td>
<td>11,472</td>
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<tr>
<td>Depreciation and amortization</td>
<td>786</td>
<td>824</td>
<td>828</td>
<td>796</td>
<td>831</td>
<td>826</td>
<td>827</td>
<td>799</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total costs and expenses</td>
<td>11,723</td>
<td>11,255</td>
<td>10,904</td>
<td>11,282</td>
<td>11,383</td>
<td>12,262</td>
<td>12,085</td>
<td>12,270</td>
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<tr>
<td>Income from operations</td>
<td>2,588</td>
<td>4,348</td>
<td>4,023</td>
<td>3,424</td>
<td>3,594</td>
<td>3,736</td>
<td>6,919</td>
<td>7,932</td>
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<tr>
<td>Interest expenses</td>
<td>1,057</td>
<td>1,027</td>
<td>1,082</td>
<td>1,207</td>
<td>1,227</td>
<td>1,012</td>
<td>771</td>
<td>805</td>
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<td></td>
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<tr>
<td>Loss from investment default</td>
<td>--</td>
<td>--</td>
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<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td></td>
<td></td>
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<tr>
<td>Other (income) expense, net</td>
<td>(585)</td>
<td>(246)</td>
<td>141</td>
<td>32</td>
<td>1,122</td>
<td>(443)</td>
<td>(749)</td>
<td>(194)</td>
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<td>Income before provision for income taxes</td>
<td>2,116</td>
<td>3,357</td>
<td>3,200</td>
<td>3,085</td>
<td>3,660</td>
<td>7,022</td>
<td>6,897</td>
<td>7,321</td>
<td></td>
<td></td>
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<tr>
<td>Provision for income taxes</td>
<td>(3,617)</td>
<td>(2,314)</td>
<td>(1,396)</td>
<td>(1,647)</td>
<td>(2,006)</td>
<td>(2,533)</td>
<td>(3,103)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Minority interest</td>
<td>(12)</td>
<td>(7)</td>
<td>(5)</td>
<td>(1)</td>
<td>(7)</td>
<td>(7)</td>
<td>(4)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from continuing operations</td>
<td>1,174</td>
<td>1,943</td>
<td>1,486</td>
<td>1,684</td>
<td>2,012</td>
<td>4,009</td>
<td>3,937</td>
<td>4,214</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss from discontinued operations</td>
<td>(603)</td>
<td>(886)</td>
<td>(1,394)</td>
<td>(844)</td>
<td>(1,543)</td>
<td>(2,361)</td>
<td>(1,907)</td>
<td>(2,265)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss on disposal of discontinued operations</td>
<td>--</td>
<td>--</td>
<td>(719)</td>
<td>--</td>
<td>--</td>
<td>(5,890)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$ 571</td>
<td>$ 1,057</td>
<td>$ 92</td>
<td>$ 121</td>
<td>$ 469</td>
<td>$ 1,648</td>
<td>$ 2,030</td>
<td>$ (3,941)</td>
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<td></td>
</tr>
</tbody>
</table>

As a Percentage of Revenues:

<table>
<thead>
<tr>
<th></th>
<th>100.0%</th>
<th>100.0%</th>
<th>100.0%</th>
<th>100.0%</th>
<th>100.0%</th>
<th>100.0%</th>
<th>100.0%</th>
<th>100.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>84.9</td>
<td>82.9</td>
<td>84.0</td>
<td>83.8</td>
<td>82.3</td>
<td>82.2</td>
<td>82.0</td>
<td>80.9</td>
</tr>
<tr>
<td>Gross profit</td>
<td>15.1</td>
<td>17.1</td>
<td>16.0</td>
<td>16.2</td>
<td>17.7</td>
<td>17.7</td>
<td>18.0</td>
<td>18.1</td>
</tr>
</tbody>
</table>
Costs and expenses:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General and administrative</td>
<td>11.5</td>
<td>11.4</td>
<td>10.8</td>
<td>10.9</td>
<td>10.8</td>
<td>9.9</td>
<td>10.7</td>
<td>10.9</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>0.8</td>
<td>0.9</td>
<td>0.9</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
</tr>
<tr>
<td>Total costs and expenses</td>
<td>12.3</td>
<td>12.3</td>
<td>11.7</td>
<td>11.7</td>
<td>11.6</td>
<td>10.7</td>
<td>11.5</td>
<td>11.7</td>
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</tbody>
</table>

Income before provision for income taxes and minority interest:

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for income taxes</td>
<td>(1.5)</td>
<td>(1.8)</td>
<td>(1.4)</td>
<td>(1.5)</td>
<td>(1.7)</td>
<td>(2.9)</td>
<td>(2.8)</td>
<td>(2.9)</td>
</tr>
<tr>
<td>Minority interest</td>
<td>(0.0)</td>
<td>(0.0)</td>
<td>(0.0)</td>
<td>(0.0)</td>
<td>(0.0)</td>
<td>(0.0)</td>
<td>(0.0)</td>
<td>(0.0)</td>
</tr>
<tr>
<td>Income from continuing operations</td>
<td>2.3</td>
<td>4.0</td>
<td>2.9</td>
<td>3.2</td>
<td>3.9</td>
<td>6.8</td>
<td>6.5</td>
<td>6.8</td>
</tr>
</tbody>
</table>

Income from discontinued operations:

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss from disposal of discontinued operations</td>
<td>(0.6)</td>
<td>(1.0)</td>
<td>(1.5)</td>
<td>(0.9)</td>
<td>(1.6)</td>
<td>(2.2)</td>
<td>(1.8)</td>
<td>(2.1)</td>
</tr>
</tbody>
</table>

Net income (loss):

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from operations</td>
<td>2.8</td>
<td>4.8</td>
<td>4.3</td>
<td>4.5</td>
<td>6.1</td>
<td>7.0</td>
<td>6.5</td>
<td>7.4</td>
</tr>
<tr>
<td>Loss on disposal of discontinued operations</td>
<td>(0.6)</td>
<td>(0.3)</td>
<td>0.2</td>
<td>0.0</td>
<td>1.1</td>
<td>(0.4)</td>
<td>(0.7)</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>2.2</td>
<td>4.5</td>
<td>4.2</td>
<td>4.5</td>
<td>6.1</td>
<td>6.6</td>
<td>6.8</td>
<td>6.6</td>
</tr>
</tbody>
</table>

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read together with the consolidated financial statements and the notes to those statements included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. For additional information regarding some of the risks and uncertainties that affect our business and the industry in which we operate and that apply to an investment in our Class A common stock, please see "Risk Factors" at page 7. This discussion addresses only our continuing operations, except in the discussion under the heading, "Discontinued Operations." For more information on our discontinued operations, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations--Discontinued Operations" and note 15 to our consolidated financial statements.

Overview

We deliver a broad array of information technology and technical services solutions to U.S. federal government customers, focusing primarily on critical national defense programs for the intelligence community and Department of Defense. We design, develop, procure, implement, operate, test and maintain mission-critical, enterprise information technology and communication systems and intelligence processing infrastructures for our federal government customers. We also provide solutions to federal government civilian agencies, as well as to state and local governments and commercial customers.

A substantial portion of our revenues are derived from contracts with the federal government. For the nine months ended September 30, 2001, and the year ended December 31, 2000, 95.8% and 96.1%, respectively, of our revenues were derived, either as a prime or a subcontractor, from contracts with the federal government. For the nine months ended September 30, 2001 and 2000, we derived 84.1% and 83.3%, respectively, of our revenues from contracts with our customers in the intelligence community and Department of Defense.

Our revenues consist primarily of payments for the work of our employees and, to a lesser extent, the pass-through of costs for material and subcontract efforts under contracts with our customers. We enter into three types of federal government contracts: cost-plus, time-and-materials and fixed-price. Under cost-plus contracts, we are reimbursed for allowable costs and paid a fee, which may be fixed or performance-based. Under time-and-materials contracts, we are reimbursed for labor at negotiated hourly billing rates and for certain expenses. We assume financial risk on time-and-material contracts because we assume the risk of performing those contracts at negotiated hourly rates. Under fixed-price contracts, we perform specific tasks for a fixed price. Compared to cost-plus contracts, fixed-price contracts generally offer higher margin opportunities but involve greater financial risk because we bear the impact of cost overruns and receive the benefit of cost savings. For the year ended December 31, 2000, we derived approximately 36.3%, 35.6% and 28.1% of our revenues from cost-plus, time-and-materials and fixed-price contracts, respectively. For the year ended December 31, 2000, we derived approximately 39.7%, 34.6% and 25.7% of our revenues from cost-plus,
We recognize revenues under cost-plus contracts as our costs are incurred and we include an estimate of applicable fees earned. We recognize revenues under time-and-materials contracts by multiplying the number of direct labor-hours expended in the performance of the contract by the contract billing rates and adding other billable direct costs. For contracts that include performance-based incentives, we recognize the incentives when they have been earned and we can reasonably demonstrate satisfaction of the performance goal or when the incentive has been awarded. We recognize revenues under fixed-price contracts using the percentage of completion method, which involves a periodic assessment of costs incurred to date in relation to the estimated total costs at completion, or upon the delivery of specific products or services. We record the cumulative effects of any revisions to our estimated total costs and revenues in the period in which the facts requiring revisions become known. If we anticipate a loss on a contract, we provide for the full amount of the anticipated loss at the time of that determination.

Our most significant expense is our cost of services, which consists primarily of direct labor costs for program personnel and direct expenses incurred to complete contracts, including cost of materials and subcontract efforts. Our ability to accurately predict personnel requirements, salaries and other costs, as well as to manage personnel levels and successfully redeploy personnel, can have a significant impact on our cost of services. General and administrative expenses consist primarily of costs associated with our management, finance and administrative groups; personnel training; sales and marketing expenses which include bid and proposal efforts; and certain occupancy, travel and other corporate costs.

Results of Operations

The following table sets forth, for each period indicated, the percentage of items in the consolidated statement of operations in relation to revenues.

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th>Nine Months Ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Cost of services</td>
<td>84.4%</td>
<td>83.7%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>15.6%</td>
<td>16.3%</td>
</tr>
<tr>
<td>Costs and expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and administrative</td>
<td>10.6%</td>
<td>11.1%</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>0.7%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Total costs and expenses</td>
<td>11.3%</td>
<td>12.0%</td>
</tr>
<tr>
<td>Income from operations</td>
<td>4.3%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Interest expense</td>
<td>1.3%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Loss from investment default</td>
<td>1.7%</td>
<td>--</td>
</tr>
<tr>
<td>Other (income) expense, net</td>
<td>(0.3)%</td>
<td>(0.4)%</td>
</tr>
<tr>
<td>Income before provision for income taxes and minority interest</td>
<td>1.6%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>(0.7)%</td>
<td>(1.5)%</td>
</tr>
<tr>
<td>Minority interest</td>
<td>(0.0)%</td>
<td>(0.0)%</td>
</tr>
<tr>
<td>Income from continuing operations</td>
<td>0.9%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Loss from discontinued operations</td>
<td>(0.4)%</td>
<td>(0.8)%</td>
</tr>
<tr>
<td>Loss on disposal of discontinued operations</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>0.5%</td>
<td>1.2%</td>
</tr>
</tbody>
</table>
The following table sets forth, for each period indicated, the percentage of our revenues derived from each of our major types of customers.

<table>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intelligence / Department of Defense</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>82.9%</td>
</tr>
<tr>
<td>Federal Civilian Agencies</td>
<td>14.2</td>
<td>14.3</td>
<td>12.5</td>
<td>12.8</td>
<td>11.7</td>
<td></td>
</tr>
<tr>
<td>Commercial / State / Local</td>
<td>2.9</td>
<td>4.0</td>
<td>3.9</td>
<td>3.9</td>
<td>4.2</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>


Revenues. Revenues increased 12.6% to $316.3 million for the nine months ended September 30, 2001, compared to $281.0 million for the period in 2000. This increase is attributable primarily to additional work under contracts that were in existence during the corresponding period of the prior year. Additional work from the Department of State and the Army for secure systems and infrastructure solutions, the Defense Security Service for information technology solutions and from the Marine Corps for systems engineering solutions contributed significantly to the increased revenues. We derived approximately 31.1% of our revenues for the nine months ended September 30, 2001 from work under GSA schedule contracts, compared with approximately 29.8% for 2000. We derived approximately 8.4% of our revenues for the nine months ended September 30, 2001 from contracts in which we acted as a subcontractor, compared with approximately 7.8% for 2000.

Cost of services. Cost of services increased 10.0% to $258.4 million for the nine months ended September 30, 2001, compared to $234.8 million for 2000. As a percentage of revenues, cost of services decreased from 83.6% to 81.7%. Direct labor costs increased by 6.0%, while other direct costs increased by 18.2% over 2000. Material and subcontract costs increased 18.2% to $108.6 million for the nine months ended September 30, 2001, compared to $91.9 million for 2000. The increase arose primarily from our secure systems and infrastructure solutions work and, to a lesser degree, our Defense Security Service information technology work.

Gross profit. Gross profit increased 25.4% to $57.9 million for the nine months ended September 30, 2001, compared to $46.1 million for 2000. Gross profit margin increased to 18.3% for the nine months ended September 30, 2001, compared to 16.4% for 2000. The increase resulted from higher margins on new secure systems and infrastructure and information technology tasks, in conjunction with our improved realization of cost efficiencies, as a greater percentage of our work is performed under GSA schedule contracts.

General and administrative. General and administrative expenses increased 7.0% to $33.2 million for the nine months ended September 30, 2001, compared to $31.0 million for 2000 for additional management personnel and infrastructure to support the growth of our business. As a percentage of revenues, general and administrative expenses declined 0.5% over the comparable period during the prior year as a result of operating efficiencies, such as our improved monitoring of costs.

Depreciation and amortization. Depreciation and amortization expense has remained relatively constant for the nine months ended September 30, 2001 and 2000, because we have not acquired any companies or made any significant purchases of fixed assets during the periods.
Income from operations. Income from operations increased 75.2% to $22.2 million for the nine months ended September 30, 2001, compared with $12.7 million for 2000. The increase was primarily a result of the increase in revenues relative to the cost of services discussed above. Another contributing factor was the improvement in other income that was driven by our receipt of $500,000 from our agreement to discontinue a subcontract.

Income from continuing operations. Income increased 137.8% to $12.2 million for the nine months ended September 30, 2001, compared to $5.1 million for 2000. The increase resulted from higher operating income, an increase in other income, reduced interest expense and a lower effective tax rate. Other income increases are primarily attributable to our equity investment in an affiliate which incurred losses in 2000, but has been profitable in 2001. Interest expense for the period decreased by 28.1% from the nine months ended September 30, 2000 as a result of a $4.0 million reduction in our average balance under our line of credit and from lower interest rates. Our effective tax rate for the nine months ended September 30, 2001 was 42.7%, compared to 45.8% for 2000, due to a relative decrease in non-deductible expenses.

Year Ended December 31, 2000 Compared to the Year Ended December 31, 1999

Revenues. Revenues increased 7.0% to $378.8 million for the year ended December 31, 2000, compared to $353.9 million for 1999. This increase was attributable primarily to additional work under contracts that were in existence during the prior year. Additional work from the Department of State and the Army for secure systems and infrastructure solutions and from the Marine Corps for systems engineering solutions contributed significantly to the increased revenues, offset in part by declines in work under an Army information technology solutions contract. We derived approximately 29.8% of our revenues for 2000 from work under GSA schedule contracts, compared with approximately 20.3% for 1999. We derived approximately 7.8% of our revenues for 2000 from contracts in which we acted as a subcontractor, compared with approximately 6.8% for 1999.

Cost of services. Cost of services increased 6.4% to $315.4 million for 2000, compared to $296.3 million for 1999. As a percentage of revenues, cost of services decreased from 83.7% to 83.3%. Direct labor costs increased by 5.9%, while other direct costs increased by 8.2% over 1999. Material and subcontract costs increased 8.2% to $127.2 million in 2000, compared to $117.6 million in 1999, as a result of costs primarily associated with increased secure systems and infrastructure solutions.

Gross profit. Gross profit increased 10.1% to $63.4 million for 2000, compared to $57.6 million for 1999. Gross profit margin increased to 16.7% for 2000, compared to 16.3% for 1999. This increase resulted from our improved realization of cost efficiencies as a greater percentage of our work was performed under GSA schedule contracts.

General and administrative. General and administrative expenses increased 6.0% to $41.5 million for 2000, compared to $39.2 million for 1999, as our expenses grew in line with the growth of our business. As a percentage of revenues, general and administrative expenses declined 0.1%.

Depreciation and amortization. Depreciation and amortization expense remained relatively constant for 2000 and 1999, because we did not acquire any companies in 2000 or make any significant purchases of fixed assets during the year. There were no significant purchases of fixed assets during the year, primarily due to the fact that we began leasing the majority of our computer equipment under three-year leases in the first quarter of 1999.

Income from operations. Income from operations increased 22.6% to $18.6 million for 2000, compared to $15.2 million for 1999. The increase was primarily a result of the increase in revenues relative to the cost of services discussed above, offset by increased general and administrative expenses.

Income from continuing operations. Income increased 4.8% to $7.1 million for 2000, compared to $6.8 million for 1999. The increase resulted from higher operating income, offset by higher interest expense, a reduction in other income and a higher effective tax rate. While the average debt balance remained fairly constant year over year, interest expense for the year increased by 0.3

27
million from the prior year as a result of increasing interest rates. Other income declined by $2.3 million in 2000 compared to 1999 as a result of reduced earnings from an equity investment and a non-recurring $0.4 million gain recorded in 1999 upon our sale of a building. Our effective tax rate for 2000 was 45.6%, compared to 44.4% for 1999, due to a relative increase in non-deductible expenses.

Year Ended December 31, 1999 Compared to the Year Ended December 31, 1998

Revenues. Revenues increased 12.6% to $353.9 million for the year ended December 31, 1999, compared to $314.3 million for 1998. This increase is attributable primarily to contracts with the Department of State and other intelligence agency contracts for secure systems and infrastructure solutions, which were awarded in 1999. We also had approximately $7.4 million in additional revenues, which resulted from our January 1999 acquisition of Advanced Development Group, Inc., most of which consists of information technology work for the Army. The balance of the increase is attributable to additional work under contracts that were in existence during the prior year, including work from several intelligence agency customers and from the Marine Corps for systems engineering solutions. We derived approximately 20.3% of our revenues for 1999 from work under GSA schedule contracts, compared with approximately 10.4% for 1998. We derived approximately 6.8% of our revenues for 1999 from contracts in which we acted as a subcontractor, compared with approximately 6.2% for 1998.

Cost of services. Cost of services increased 11.7% to $296.3 million for 1999, compared to $265.2 million for 1998. As a percentage of revenues, cost of services decreased from 84.4% to 83.7%. Direct labor costs increased by 14.6% as a result of additional staff hired to support new and expanded contract work as well as the addition of staff from Advanced Development Group. Other direct costs increased by 7.6% over the comparable period in 1998. Material and subcontract costs increased 7.6% to $117.6 million for 1999, compared to $109.2 million for 1998.

Gross profit. Gross profit increased 17.3% to $57.6 million for 1999, compared to $49.1 million for 1998. Gross profit margin increased to 16.3% for 1999, compared to 15.6% for 1998. This increase resulted from improved margins as a result of reduced reliance on subcontractors and additional services provided under new GSA schedule contracts.

General and administrative. General and administrative expenses increased 17.3% to $39.2 million for 1999, compared to $33.4 million for 1998. As a percentage of revenues, general and administrative expenses increased 0.5% over the prior year, primarily as a result of increased infrastructure requirements, including expenses associated with our management and marketing of our new GSA schedule contracts.

Depreciation and amortization. Depreciation and amortization expense increased 43.4% to $3.3 million for 1999 compared to $2.3 million for 1998. The increase resulted from amortization of purchased contract costs and noncompete agreements associated with our acquisition of Advanced Development Group and, to a lesser extent, amortization of capitalized software development costs. There were no significant purchases of fixed assets during 1999, primarily due to the fact that we began leasing the majority of our computer equipment under three-year leases in the first quarter of 1999.

Income from operations. Income from operations increased 12.8% to $15.2 million for 1999, compared to $13.4 million in 1998. The increase was primarily a result of the increase in revenues relative to the cost of services discussed above, offset by increased general and administrative expenses.

Income from continuing operations. Income increased 132.7% to $6.8 million for 1999, compared to $2.9 million for 1998. The increase resulted from higher operating income and higher other income, offset by a higher effective tax rate. Other income rose during the period by $0.4 million as a result of a gain posted on the sale of a building. Interest expense for 1999 increased by $0.1 million from an increase of $0.9 million in the average debt balance. Our effective tax rate for 1999 was 44.4%, compared to 42.5% for 1998, due to a relative increase in non-deductible expenses. In addition, income from continuing operations in 1998 was affected by a $5.2 million non-recurring
charge that resulted from Global Intellicom defaulting on notes it had issued to us in 1996 in connection with Global Intellicom's 1996 purchase of our custom computer hardware business.

Liquidity and Capital Resources

Our primary source of liquidity is cash provided by operations and our revolving credit and term-loan facility. We fund our operations primarily through cash provided by operating activities. Cash provided by continuing operations was $12.5 million for the nine months ended September 30, 2001, an increase of $11.3 million from the prior year period. The primary reason for this increase was a $7.0 million increase in income from continuing operations and increases in salary-related accruals and decreases in prepaid and other assets offset by increased contract receivables and decreased advanced billings and accounts payable and other accruals.

Cash provided by operating activities of continuing operations for 2000, 1999 and 1998 was $19.9 million, $9.4 million and $7.9 million, respectively. In 2000, cash provided by operating activities was generated primarily from income from continuing operations of $7.1 million, a decrease in contract receivables as a result of greater efforts to monitor and collect these amounts, an increase in advanced billings and an increase in salary-related accruals, offset by increases in prepaid expenses and other assets and decreases in accounts payable and accrued expenses. In 1999, cash flow was principally due to income from continuing operations of $6.8 million, increases in accounts payable and accrued expenses and decreases in prepaid expenses and other assets, offset by a significant increase in contract receivables resulting from growth in our contract base. In 1998, cash was generated by income from continuing operations of $2.9 million plus the non-cash investment default of $5.2 million offset by increased contract receivables and decreased advanced billings.

Cash used in investing activities of continuing operations was $5.6 million for the nine months ended September 30, 2001, compared to $2.1 million for the prior nine month period. Investment activities included extending loans to an affiliate, purchase of property and equipment and investments in intellectual property. Cash used in investing activities for 2000, 1999 and 1998 was $4.2 million, $2.6 million and $5.0 million, respectively. Financing activities have primarily consisted of investments in intellectual property, acquisitions of businesses, investments and loans to affiliates and purchase of property and equipment.

Cash used in financing activities of continuing operations was $0.0 million for 2000. Cash provided by financing activities of continuing operations was $2.0 million for 1999 and $1.3 million for 1998. Debt repayments and borrowings produced no significant cash impact in 2000. Borrowings under our line of credit exceeded repayments of other debt items by $2.0 million in 1999. In 1998, we undertook $8.0 million in subordinated debt in order to finance the redemption of $8.0 million in preferred stock. We also redeemed $2.9 million in common stock from a former employee. This was financed through borrowings under our line of credit.

On December 17, 2001, we executed a new Business Loan and Security Agreement with Citizens Bank of Pennsylvania, PNC Bank N.A., Branch Banking and Trust Company of Virginia, and Chevy Chase Bank, F.S.B. to refinance and replace our prior agreement. The new agreement provides for a $65.0 million revolving credit facility and a $6.4 million term loan. Under the term-loan portion of the new agreement, the principal balance is payable in consecutive quarterly installments of $0.5 million on the last business day of each quarter commencing with the last business day of December 2001. The maturity date of the new agreement is December 31, 2004. Borrowings under the new agreement are collateralized by our eligible contract receivables, inventory, all of our stock in our subsidiaries and certain property and equipment and bear interest at the London Interbank Offering Rate (LIBOR), or the lender's prime rate, plus market-rate spreads that are determined based on a company leverage ratio calculation. The LIBOR spreads may range from 1.75% to 2.75% and the prime rate...
spreads may range from 0.50% to 1.50%.

Our new loan agreement replaced a November 1998 Business Loan and Security Agreement with Mellon Bank N.A., First Union Commercial Corporation and PNC Bank N.A. that, as modified in October 2000, consisted of a $60.0 million revolving credit facility and a $16.0 million term loan. Under the revolving portion of the former agreement, we could borrow the lesser of defined percentages of receivables or $60.0 million. Under the term-loan portion of the former agreement, the principal balance was payable in consecutive quarterly installments of $0.8 million on the last business day of each quarter with a final payment of $6.4 million due upon the expiration of the agreement on December 31, 2001. Borrowings under the former agreement were collateralized by our eligible contract receivables, inventory and certain property and equipment and as of September 30, 2001 bore interest at the agreed-upon LIBOR plus 2.25% for the first $25.0 million outstanding, at LIBOR plus 2.75% for the term loan, at LIBOR plus 2.03125% for European currency loans of $1.0 million and at the bank's prime rate plus 1.00% for outstanding amounts greater than $33.2 million. The average weighted average interest rate for the nine months ended September 30, 2001 was 8.49%. At September 30, 2001, we had $60.3 million in borrowings outstanding under the former agreement.

In January 1998, we executed a seven-year Subordinated Credit Agreement with First Source Financial LLP for $8.0 million to finance the redemption of preferred stock. The principal balance is payable in eight consecutive quarterly installments of $0.9 million on the first business day of each quarter commencing with the first business day of January 2003. A ninth and final payment is due on the last day of December 2004.

We believe the capital resources available to us under our credit agreements and cash from our operations are adequate to fund our ongoing operations and to support the internal growth we expect to achieve for at least the next 12 months. We anticipate financing our external growth from acquisitions as well as our longer-term internal growth through one or a combination of the following: cash from operations; additional borrowing; issuance of equity; use of the existing revolver facility; or a refinancing of our credit facilities.

Discontinued Operations

Prompted by the prospect in the early 1990s of stable or declining federal government spending on defense programs as a result of the end of the Cold War, we made a number of investments in businesses operating primarily in non-governmental markets in the United States and internationally. Our investment in commercial and international business ventures contributed to our expertise with leading-edge information technology and technical services solutions. As a result of the favorable outlook for government technology service providers and the slowdown in the commercial information technology market, we determined in January 2001 to refocus our business strategy on our core competencies and business operations in the U.S. federal government market. In September 2001, we decided to exit certain lines of business involving foreign operations or operations that primarily serve commercial customers. We have decided to dispose of or discontinue our Australian-based software solutions consulting business, our United Kingdom-based bank remittance processing business, our China-based consulting business, our U.S.-based environmental consulting and remediation business and our U.S.-based application-hosting business. We are not discontinuing or disposing of our operations that currently provide comprehensive information technology and systems engineering solutions to federal government agencies, including the EPA, or that currently provide database conversion solutions to commercial customers. The lines of business to be disposed of or discontinued have been classified as discontinued operations in our consolidated financial statements. Based on independent valuations, market comparable information and interest expressed in these businesses, we have estimated the likely net gains and losses to income expected from these businesses through the estimated date of disposal. In accordance with Accounting Principles Board Opinion No. 30, Reporting the Results of Operations--Reporting the Effects of Disposal of a Segment of a Business and Extraordinary Unusual and Infrequently Occurring Events and Transactions, we have recorded all current and expected future losses and deferred all gains expected to be realized upon disposal of the respective entities.
Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risk relates to changes in interest rates for borrowings under our senior term loan and our revolving credit facility. These borrowings bear interest at variable rates. We also have an unsecured note that bears interest at a fixed rate. We estimate the fair value of this note to approximate the $8.0 million principal balance. Based on our senior term loan and our revolving credit facility borrowings during 2000, a hypothetical 10% increase in interest rates would have increased our annual interest expense by approximately $0.5 million and would have decreased our annual cash flow from operations by approximately $0.5 million.

In November 2000, we entered into an interest swap agreement in order to reduce our exposure associated with the market volatility of interest rates. This agreement has a notional amount of $25.0 million and, as of September 30, 2001, had a rate of 6.53%. This agreement is a hedge against revolving debt of $25.0 million, which bears interest at monthly floating LIBOR plus 2.25%. At stated monthly intervals the difference between the interest on the floating LIBOR-based debt and the interest calculated in the swap agreement are settled in cash. The value of the swap at September 30, 2001 was a negative $2,084,000. In December 2001, the swap agreement was reset within our new banking group at a rate of 6.83% with a four-year term.

Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 141, Business Combinations (SFAS No. 141). SFAS No. 141 requires that all business combinations be accounted for by a single method—the purchase method. The provisions of SFAS No. 141 apply to all business combinations initiated after June 30, 2001. SFAS No. 141 also applies to all business combinations accounted for using the purchase method for which the date of acquisition is July 1, 2001, or later. We do not expect the adoption of the provisions of SFAS No. 141 to have an impact on our consolidated financial position or results of operations.

In June 2001, the FASB issued Statement No. 142, Goodwill and Other Intangible Assets (SFAS No. 142). SFAS No. 142 requires that, upon its adoption, amortization of goodwill will cease and instead, the carrying value of goodwill will be evaluated for impairment on an annual basis. Identifiable intangible assets will continue to be amortized over their useful lives and reviewed for impairment in accordance with SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of (SFAS No. 121). SFAS No. 142 will be effective for fiscal years beginning after December 15, 2001. We have not yet completed our analysis of this new pronouncement and the impact it will have on the consolidated financial statements.

In July 2001, the FASB issued Statement No. 143, Accounting for Asset Retirement Obligations (SFAS No. 143). SFAS No. 143 requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred, if a reasonable estimate of fair value can be made. The associated asset retirement cost would be capitalized as part of the carrying amount of the long-lived asset. SFAS No. 143 will be effective for fiscal years beginning after June 15, 2002. We have not determined the effect that this statement will have on our consolidated financial position or results of operations.

In October 2001, the FASB issued Statement No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets (SFAS No. 144), that replaces SFAS No. 121. SFAS No. 144 requires that long-lived assets be measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or in discontinued operations. SFAS No. 144 also broadens the reporting of discontinued operations to include all components of an entity with operations that can be distinguished from the rest of the entity and that will be eliminated from the ongoing operations of the entity in a disposal transaction. The provisions of SFAS No. 144 are effective for financial statements issued for fiscal years beginning after December 15, 2001. We have not yet completed our analysis of this new pronouncement and the impact it will have on the consolidated financial statements.
In November 2001, the Emerging Issues Task Force (EITF) issued Topic No. D-103, Income Statement Characterization of Reimbursements Received for "Out-of-Pocket" Expenses Incurred. EITF No. D-103 requires that companies report reimbursements received for out-of-pocket expenses incurred as revenue, rather than as a reduction of expenses. The provisions of EITF No. D-103 are effective for financial statements issued for fiscal years beginning after December 15, 2001. As we have historically accounted for reimbursements of out-of-pocket expenses in the manner provided for under EITF No. D-103, we do not expect the adoption of the provisions of EITF No. D-103 to have an impact on our consolidated financial position or results of operations.

BUSINESS

Overview

ManTech International Corporation delivers a broad array of information technology and technical services solutions to U.S. federal government customers, focusing primarily on critical national defense programs for the intelligence community and Department of Defense. We design, develop, procure, implement, operate, test and maintain mission-critical, enterprise information technology and communication systems and intelligence processing infrastructures for our federal government customers. More than 1,700 of our nearly 3,500 employees hold government security clearances, including over 600 with access to Top Secret Sensitive Compartmented Information allowing us to work with our customers in highly classified environments and at front-line deployments in the United States and 28 countries globally.

We were founded in 1968 and have exhibited strong growth and profitability since 1980 largely as a result of successful long-standing relationships with our customers, having supported many of them for 15 to 30 years. For both the year ended December 31, 2000 and the nine months ended September 30, 2001, approximately 84.0% of our revenues were derived from our customers in the intelligence community and Department of Defense. These customers include the Office of the Secretary of Defense; the Department of State; various intelligence agencies; the U.S. Army, Navy, Air Force and Marine Corps; and joint military commands. We also provide solutions to federal government civilian agencies, including NASA, EPA and the Departments of Justice, Commerce and Energy, as well as to state and local governments and commercial customers.

Industry Background

The federal government is the largest purchaser of information technology solutions. Federal government spending on information technology has consistently increased in each year since 1980. Input, an independent market research firm, expects this trend to continue, with federal government spending on information technology expected to increase from $36.4 billion in 2001 to an estimated $60.3 billion in 2006, a compound annual growth rate of 10.6%. Moreover, this data may not fully reflect government spending on complementary technical services, which include sophisticated systems engineering and testing services. We believe that government spending will continue to increase due to several trends:

- Increasing U.S. Department of Defense budgets. The Department of Defense is the largest purchaser of information technology in the federal government. JSA Research Inc., an independent market research firm, has stated that the federal government is projected to increase spending on defense-related programs from $291.0 billion in 2001 (excluding $20.0 billion authorized for fiscal year 2001 under the emergency supplemental spending bill signed by President Bush following the September 11th attacks) to $400.0 billion in 2003, a compound annual growth rate of 17.2%. For fiscal year 2002, the President has signed a bill that authorizes $343.0 billion in defense spending, of which $317.0 billion has been formally appropriated. This same appropriations bill also includes supplemental funding of $3.5 billion to the Department of Defense. Within this expanding market, there are several notable trends affecting information technology and technical services providers:
  - Command, Control, Communication, Computers and Intelligence (C4I). According to Frost & Sullivan, a market research firm, the federal government spends approximately $11.3 billion annually on advanced systems and communications for C4I-related activities. We believe that spending on advanced command and control architectures will
increase as the Department of Defense seeks to use information technology to increase combat power, improve battle management and enhance communications and systems interoperability.

33. Homeland Defense Programs. The Pentagon has stated that the military's most urgent priority is to defend the United States from external attack, including cyber-assaults and bioterrorism. To accomplish this mission, we believe the federal government will rely heavily on cooperative and coordinated information systems, technologies and technical services. According to the Government Electronics and Information Technology Association, federal spending on information assurance initiatives is expected to increase from $2.7 billion in 2000 to $6.7 billion in 2005, a compound annual growth rate of approximately 19.9%. In addition, on September 18, 2001, the President signed into law an emergency spending bill that provides $40.0 billion for Homeland Defense initiatives, $20.0 billion of which will be obligated for spending in fiscal year 2001 and $20.0 billion for fiscal year 2002. According to the Office of Management and Budget, of the $19.7 billion already obligated for spending under fiscal year 2001 programs, approximately $5.6 billion has been obligated to the Department of Defense for the war on terrorism and related initiatives. The 2002 defense appropriations bill, for which Congress has already authorized funding, provides an additional $20 billion for homeland defense initiatives, including $3.5 billion for the Department of Defense and $8.3 billion for non-Department of Defense homeland defense.

34. Intelligence Spending. The U.S. intelligence community is comprised of 13 federal agencies and organizations responsible for the collection, analysis and dissemination of strategic and tactical intelligence information. The 13 agencies comprising the U.S. intelligence community are:

- Central Intelligence Agency
- Defense Intelligence Agency
- National Security Agency
- Army Intelligence
- Navy Intelligence
- Air Force Intelligence
- Marine Corps Intelligence
- Department of State
- Department of Energy
- Department of the Treasury
- Federal Bureau of Investigation
- National Reconnaissance Office
- National Imagery and Mapping Agency

The budget for the intelligence community is coordinated under the Director of Central Intelligence and the Secretary of Defense. The intelligence community budget has traditionally been classified for national security reasons, but figures released to the public for the fiscal years 1997 and 1998 indicated annual budgets in excess of $26.0 billion. While budget numbers for subsequent years have not been released, according to the U.S. House of Representatives Appropriations Committee, the fiscal year 2002 spending bill "adds significant funds in support of classified programs and also provides funding to accelerate and enhance U.S. military intelligence, surveillance, and reconnaissance (ISR) capabilities." In addition, the emergency supplemental spending bill signed into law by the President on September 18, 2001 allows for spending on intelligence-related activities, although specific spending amounts have not been released to the public.

Increasing adoption of commercialized procurement methods in the federal government. Recent changes in procurement legislation have incorporated commercial buying techniques into the government's source selection process. These changes have resulted in reduced supplier selection time and have facilitated "best value" contracting, which considers qualitative selection criteria, such as past performance and technical approach. Other changes allow government technology service providers to attain pre-approved status and gain the opportunity to market their services to federal government customers through contracts with established pricing metrics, such as GSA schedule contracts. These contracts enable government agencies to transition from cost-plus contracts to time-and-materials and
fixed-price contracts, which promotes increased efficiencies for federal government customers by incentivizing technology service providers to reduce costs.

Increasing reliance on technology service providers. The independent market research firm Input estimates that the federal government information technology outsourcing budget will grow from approximately $6.3 billion in 2001 to approximately $13.2 billion in 2006, a compound annual growth rate of approximately 15.9%, due to the government's need for cost-effective technologies and efficient services. The trend towards use of technology service providers is expected to accelerate in light of staffing challenges facing the government. The National Academy of Public Administrators estimates that approximately 50.0% of the federal government information technology workforce will be eligible to retire by 2006 and that there will be a shortage of technically skilled replacements. Given the difficulty the federal government has experienced in hiring and retaining skilled technology personnel in recent years, we believe the federal government will need to rely heavily on technology service providers that have experience with government legacy systems, can sustain mission-critical operations and have the required government security clearances to deploy qualified personnel in classified environments.

Increasing focus on modernizing information technology and communication infrastructures. Traditionally, the federal government has relied on proprietary legacy systems that were developed with programming and computer standards unique to the government. These legacy systems often are expensive to maintain, lack scalability and are incompatible with current technologies. Nevertheless, the government has a significant amount of money and resources invested in these legacy systems, many of which serve mission-critical functions where even a minor failure can lead to substantial losses, including potential loss of life. The government therefore requires technology service providers with domain expertise who can successfully integrate and transition proprietary legacy systems to modern technologies.

Requirements for Government Technology Service Providers

We believe that government technology service providers face significant challenges when providing services to the intelligence community and Department of Defense. We believe they must:

. Provide and support comprehensive technology-based solutions;
. Demonstrate expertise in sustaining proprietary government legacy systems to maintain mission-critical functionality, while integrating or replacing them with modern systems and applications;
. Comply with strict personnel and facility security clearance requirements for classified programs;
. Demonstrate domain expertise, a record of past performance and the ability to successfully manage large and complex programs; and
. Have a strong management team with practical experience in managing programs for the intelligence community and Department of Defense.

ManTech's Competitive Advantages

We believe we are well positioned to address the requirements of our customers in the intelligence community and Department of Defense because we possess the following key competitive advantages:

Comprehensive technology solutions provider. We offer comprehensive systems life-cycle support, through which we design, develop, procure, implement, operate, test and maintain sophisticated communication and information technology systems and infrastructures. Our ability to provide this broad array of capabilities affords us opportunities to expand our business with existing customers and to
develop relationships with new customers. By offering domain expertise in customers' systems and infrastructures, we are able to identify, develop, implement and deploy solutions to support our customers' mission-critical and enterprise systems.

Extensive experience with government legacy systems. Our expertise with legacy systems migration, integration, optimization and maintenance enables us to sustain, modernize, maximize and protect our government customers' investments in systems and infrastructures. For over 30 years, we have worked with a variety of legacy information technology systems and programming languages that are proprietary to our customers in the intelligence community and Department of Defense, and we have gained extensive domain expertise through our on-site presence at government facilities. With this background, we can transition a customer's legacy systems to, or integrate them with, new commercial technologies and web-enabled customized applications, enhancing the interoperability and accessibility of critical enterprise data.

Employees with security clearances. We are able to satisfy the strict security clearance requirements for personnel who work on classified programs for the intelligence community and Department of Defense. More than 1,700 of our approximately 3,500 employees have government security clearances. Approximately 1,100 of these employees hold Top Secret security clearances, including more than 600 employees who have access to Sensitive Compartmented Information. These employees have already completed the lengthy process necessary to obtain a security clearance, which requires a candidate to be sponsored by the government for a particular purpose, entails extensive background investigations that typically take between six months to a year and, for restricted access clearance, may require successful completion of polygraph testing. We also maintain facility clearances as required to support classified programs.

Proven track record of providing services to the federal government. We have a successful track record of fulfilling our customer needs as demonstrated by our long-term relationships with many of our largest customers. We have supported technical services programs for the Navy for over 30 years, intelligence activities for the Army for over 20 years and security programs for the Department of State for over 15 years. For example, since 1981 we have provided services under five successive competitively awarded contracts in support of the Naval Aviation Logistics Command Management Information System.

Experienced management team. Our executives and advisory board members provide us extensive experience supporting the intelligence community and Department of Defense. Many of our executives and advisory board members have long tenures in the government marketplace, and several are former senior military or intelligence agency executives. With their knowledge, valued relationships and reputations, our management plays a key role in building and sustaining our customer base.

ManTech's Growth Strategy

Our objective is to profitably grow our business as a premier provider of comprehensive information technology and technical services solutions to the federal government market. Our strategies for achieving this objective include:

Expand Our Customer Base. We intend to capitalize on our long-term relationships with our customers and our reputation within the intelligence community and Department of Defense to attract new customers and to cross-sell our broad array of solutions to our existing customers. Under the "best value" contracting process that has resulted from reforms in the government process, past performance and technical approach are key factors which the government may consider when evaluating competitive bids. Based on our long-term support to numerous customers, we believe we have a successful past performance track record and demonstrated technical expertise that gives us credibility recognition with these customers and enhances our ability to be successful in bidding on follow-on contracts and in competition for new programs of both existing and new customers. We also intend to pursue these opportunities by hiring key personnel with targeted domain expertise and by pursuing strategic acquisitions. Because our personnel are on-site with, or working in close proximity to, our customers, we develop close relationships with them and are often able to enhance our customers' operations by rapidly identifying and developing solutions for customer-specific requirements.
Increase Contract Profitability. We intend to continue increasing our profitability by pursuing contracts that require higher value-added solutions and by transitioning our services to more efficient and flexible contract vehicles, such as competitively awarded GSA schedule contracts. We leverage our customer relationships and our existing core competencies to identify and compete for service offerings where we can obtain improved margins by delivering higher value-added solutions. In addition, we have actively pursued flexible contract vehicles, such as competitively awarded GSA schedule contracts, as a quick, efficient way to engage our services. GSA schedule contracts are competitively awarded acquisition contracts which government agencies may use to purchase our solutions at predetermined ceiling prices, terms and conditions. In marketing to our customers, we are able to highlight the advantages that these contract vehicle alternatives offer our customers. In addition to providing our customers with pre-negotiated competitively priced arrangements, these advantages include the broad range of services that can be obtained under them, the quick response flexibility they offer to meet short time requirements to accommodate overall program technical, schedule and cost requirements at fair market prices. Customers which select these contract vehicles find that they can obtain the benefit of competitively priced services without the cost and delay of the government's traditional formal proposal and bid process. These contract vehicles also incentivize us to provide our services on a more cost-efficient basis. If we achieve cost efficiencies through effective management of these contracts, we can increase our profitability. Under GSA schedule contracts, we can also proactively market our advanced technology solutions to our federal government customers.

Target High Growth Segments of the Market. We believe the projected growth in government information technology and technical services spending will offer opportunities for development and delivery of advanced technology solutions for enterprise applications and information systems. We intend to expand our service offerings in high growth program areas. In particular, we intend to focus on providing new or improved solutions in critical infrastructure protection and information assurance, including cybersecurity and homeland defense programs, and other secure systems and infrastructure solutions to the intelligence community, Department of Defense and other civilian agencies. For example, our staffing levels in support of the Department of State's critical infrastructure and information assurance functions increased from approximately 100 to 450 personnel since 1998.

Attract and Retain Highly Skilled Personnel. We intend to continue to attract and retain skilled professionals, including engineers, scientists, analysts, technicians and support specialists, to ensure we have the capabilities to fulfill our customers' requirements. We target candidates who have served in the military or as civilian experts in the intelligence community and Department of Defense. We believe we can continue to retain our employees by offering competitive compensation and incentive plans, opportunities for career growth through company-supported education programs and diverse, challenging assignments at over 160 locations worldwide.

Pursue Strategic Acquisitions. We plan to enhance our internal growth by selectively pursuing strategic acquisitions of businesses that can cost-effectively broaden our domain expertise and service offerings and allow us to establish relationships with new customers. We are primarily focused on acquiring businesses that provide value-added solutions for the intelligence community and Department of Defense but will also consider opportunities to acquire other businesses where we can leverage our reputation and experienced management team.

ManTech's Services

We deliver comprehensive information technology and technical services solutions for mission-critical, enterprise information technology and communication systems through three principal areas of expertise, which are offered separately or in combination across our customer base:

Secure Systems and Infrastructure Solutions

We provide a broad range of solutions to enhance systems and network
availability and mission-critical performance of our customers' hardware, software, computer, network and telecommunication assets, including:

Intelligence Operations. We provide services for strategic and tactical intelligence systems, networks and facilities in support of the intelligence community and Department of Defense. To support classified systems and facilities designed to collect, analyze, process and report on signals intelligence, we develop and integrate advanced, signal processing systems and new signal processing techniques. Our intelligence-related services also include the design, rapid development and prototyping, integration and management of real-time signal processing systems. For example, when an adversary implements a new communication technique or protocol, we provide rapid prototyping and re-engineering services, which enable our customers in the intelligence community to decipher and exploit the communications.

Communication systems and infrastructure support. We design, develop, modify and maintain secure communication systems and network infrastructures. This process involves evaluating industry standards, systems architectures and applications in order to recommend and develop technology solutions and integrate them into a customer's secure communication systems. We also procure, install and test new voice, data and video communication systems. For example, we provided a comprehensive communication network infrastructure and systems solution in relocating, re-establishing and upgrading a major military command headquarters from Panama to Miami, Florida. We integrated the customer's classified and unclassified information processing and telecommunication network without disruption to the command mission.

Safeguarding critical infrastructures. We identify potential foreign and domestic threats, including terrorism, to quantify exposure to the threats and recommend prudent countermeasures. Our capabilities include threat definition and modeling, vulnerability identification, adversary characterization, lethal force defense analysis, security life-cycle planning and management, physical and cyber countermeasure optimization techniques and operations security assessments. For example, to assist the Department of State in addressing the requirements of Presidential Decision Directive 63, which requires all government agencies to identify and safeguard critical infrastructures from all forms of threats, we provide on-going support in the department-wide vulnerability assessments of their critical infrastructure and resources and perform worldwide network management and other integrated security services.

Information assurance. We provide comprehensive information assurance programs that assess and implement integrated physical, technical, operations, personnel, computer and communication security requirements, including disaster recovery assessment. Our services include systems security architecture development, test and evaluation, certification and accreditation support and compliance audits and inspections. We offer information assurance support for both classified and unclassified systems. For example, for the Department of State, we design and implement networks and host-based intrusion detection programs that are compatible with their evolving virtual private network architecture.

Information Technology Solutions

We provide a broad range of information technology solutions to our customers, including:

Systems integration services. We perform comprehensive systems integration of hardware and software components using commercial products and our customers' proprietary software and legacy applications for our government and commercial customers. We analyze customer information systems, applications and platforms and develop solutions to sustain or extend systems performance and availability. For example, as a subcontractor on the Navy-Marine Corps Intranet program, we are transitioning legacy software applications to a standardized, end-to-end systems infrastructure for voice, video and data. This includes support of over 10,000 critical legacy business applications serving 350,000 Navy personnel, which must be migrated to the new program architecture. We also develop and provide specialized training programs for information systems, including interactive electronic training and technical manuals and enterprise-wide distance learning programs. We are working with the Internal
Revenue Service's General Business Institute to design, develop and implement a web-based training management and delivery solution that provides access to more than 100 training courses via their intranet or the Internet.

In addition, we perform database conversion and application migration services for our customers. For example, we developed a software tool that enhances our database conversion and application migration services. This solution automates the database conversion process to enable better, faster and less expensive conversions and migrations.

Enterprise application solutions. We design, develop, implement, test, maintain and web-enable software applications for our customers' information systems and network infrastructures. We provide comprehensive e-commerce services, including web development efforts that focus on designing and maintaining scalable, interoperable, reliable and portable end-to-end information management solutions. Our e-commerce services also include global web-based collaboration, electronic cataloging, automated document imaging and business process re-engineering. For example, as part of our business process re-engineering services, we are working with the Office of the Secretary of Defense to develop industry-wide electronic data interchange standards.

We design, develop and implement electronic data interchange solutions, which enable different entities to communicate and execute orders and transactions electronically. For example, we developed an electronic data interchange solution for the Defense Commissary Agency, which operates over 370 commissaries worldwide. We also currently provide a web-based integrated solution for managing millions of vital records that document birth, death, marriage and divorce for several state and local governments.

Our information technology solutions allow end-users insight into and control over supply chain management. We have developed and implemented logistics management information systems for the Navy for more than 20 years, including the sophisticated Naval Aviation Logistics Command Management Information System application, which is used on every ship in the Navy and at over 450 shore facilities. We have also expanded our services for the Navy in this area so that we now develop, maintain and provide continuous systems process improvements for 19 other information systems as part of the Navy Tactical Command Support System, which automates numerous logistics functions. Applications we designed for the Navy have been adopted for use by other agencies, including the Marine Corps, the White House Communications Agency and three NASA centers.

Systems/network maintenance services. We have extensive experience in maintaining a wide range of information management resources for our customers. We perform comprehensive systems administration, including 24x7 support for continuous mission operations. For example, for the Army, we provide systems administration and help desk functions at a domestic location for a command and management system, as well as help desk functions in an overseas remote location that supports 1,500 users. For this customer, we also provide on-site support for the command and management system workstations and networks located throughout countries in Central and South America.

Systems Engineering Solutions

We offer our customers a broad range of systems engineering solutions, including:

Systems engineering services. We perform comprehensive systems engineering services to analyze and develop solutions for customer hardware and software requirements. We also evaluate existing systems designs to determine if performance enhancements or cost savings can be derived through the integration of current technologies. For more than 15 years, we have provided a broad range of systems engineering services to analyze acoustic data requirements and develop instrumentation to assist the Navy in maintaining or increasing the acoustical advantages of U.S. submarines. As part of these services, we have developed a wide range of hull-mounted and towed array sonar systems and acoustic measurement systems. We also provide systems engineering and technical services that support the design and installation of communication, intelligence, electronic warfare and information systems aboard Navy and Coast
Guard ships and at shore-based facilities.

Testing and evaluation. For the past three decades, we have tested complex and mission-critical hardware and software systems used by the Army, Navy and NASA. We have played key roles in improving the performance, reliability, maintainability, supportability and weapons effectiveness of in-service rotary and fixed wing platforms, including the F/A-18E/F Super Hornet, and their associated ordnance. We are participating in development of plans for testing and evaluating the Joint Strike Fighter. We also perform submarine and surface ship acoustical trials to evaluate stealth abilities and to maintain the acoustical credibility of U.S. submarines. We have performed acoustic testing for every operational class of Navy combat vessel, both surface and submarine, in use today.

Through our work at NASA's Goddard Space Flight Center, our space payload test and integration services have supported every in-house earth orbit program since 1971. We conduct a broad range of tests, including structural, acoustics, vibration, space simulation and electromagnetic tests, to certify that all flight hardware can withstand the extreme conditions of space flight. We have won recognition within both Goddard and the NASA community for our test, integration, transportation and launch site support of the Hubble Space Telescope repair and servicing missions. For example, we received the Goddard Contractor Excellence Award for 2000.

We also design, manufacture and produce automated test technology for military and commercial customers. For example, we are the prime contractor for the U.S. Marine Corps Third Echelon Test System, a mobile testing platform that is designed to provide electronic repair support on the front lines of the battlefield.

Our services also include our environmental science, toxicology and ecology research and development services for the EPA, including assessing the human health impacts of a wide variety of air and waterborne contaminants, monitoring and predicting exposures, understanding exposure routes in the event of a release of chemicals or biological agents and modeling migration strategies to predict the movement of airborne and waterborne contaminants. In response to the September 11, 2001 terrorist attacks, we were asked by the EPA's National Exposure Research Laboratory to assemble and calibrate equipment for monitoring pollutants released around the collapsed World Trade Center complex. In less than 48 hours, we defined monitoring needs and configured equipment in a mobile laboratory that was delivered to the World Trade Center site to collect and evaluate samples of contaminants.

Independent validation and verification. We perform tests to certify that new systems or upgraded systems operate in accordance with their design requirements. For example, we have performed certification services for aircraft weapon systems in support of U.S. Naval Air Systems Command programs.

ManTech's Customers

Our customers include U.S. federal government intelligence, military and civilian agencies and other state and local governments and commercial customers. We have successful long-standing relationships with our customers, having supported many of them for 15 to 30 years. Representative customers include:

- Intelligence and Department of Defense Customers
  - Office of the Secretary of Defense
  - U.S. Army, Navy, Air Force and Marine Corps
  - Multiple Intelligence and Classified Agencies
  - Department of State
  - Defense Information Systems Agency
  - Defense Logistics Agency
  - Defense Commissary Agency
  - Joint Interoperability Test Command

- Civilian Agencies or Departments
  - Department of Energy
  - Department of Justice
Our revenues derived from our federal government customers, consisting primarily of customers in the intelligence community and Department of Defense, accounted for approximately 95.8% of our revenues for the nine months ended September 30, 2001, and approximately 96.1%, 96.0% and 97.1% of our revenues for 2000, 1999 and 1998, respectively. Our federal government customers typically exercise independent contracting authority, and even offices or divisions within an agency or department may directly, or through a prime contractor, use our services as a separate customer so long as that customer has independent decision-making and contracting authority within its organization. For example, under a blanket purchasing agreement with one of the Army's contracting agencies, program managers throughout the Army and from other services and defense agencies are able to purchase a wide range of our solutions. Even though task orders under this agreement together accounted for 12.5% of our revenues for the nine months ended September 30, 2001, no one task order represented more than 4.7% of our revenues during that period.

For 2000 and the nine months ended September 30, 2001, we derived 7.8% and 8.4%, respectively, of our revenues through relationships with prime contractors, who contract directly with the customer and subcontract to us. For 2000, we derived 98.7% and 1.3% of our revenues from services provided in the United States and abroad, respectively. For the nine months ended September 30, 2001, we derived 98.4% and 1.6% of our revenues from services provided in the United States and abroad, respectively.

Representative Customer Solutions

We have selected the following case studies to illustrate the breadth of comprehensive information technology and technical services solutions that we provide and the range of customers that benefit from our solutions. While we believe they are helpful in that regard, our selection of these case studies should not be viewed as depicting our largest or most profitable contracts, the full range of work that we have undertaken in the past or the type of contracts we will pursue in the future.

Intelligence-Related Support

Task Objective: Establish and operate strategic and tactical intelligence systems, networks and facilities in classified environments to support our customers' worldwide intelligence-related operations.

Solution: For over 20 years, we have supported a broad range of strategic programs for classified agency customers to enhance signals intelligence systems and infrastructure availability and mission-critical functionality. We design, develop, monitor, maintain and upgrade designated site hardware, software, network and telecommunication assets to support continuous operations. We have consistently achieved required systems availability levels while accommodating a broad range of new technology integration initiatives for our customers' legacy systems.

For U.S. Army intelligence customers, we currently operate four centers in the United States, one in Germany and one in South Korea to support intelligence, electronic warfare and other systems. These centers must be able to adapt and expand to support a wide range of electronic maintenance or logistics support missions. We perform broad maintenance, logistical and administrative services, including systems and network
U.S. Department of State Critical Infrastructure Protection Services

Task Objective: Establish program to support the Department of State's electronic and physical security systems, network intrusion detection systems, and classified communications programs at worldwide embassies and posts.

Solution: We are the primary technology service provider responsible for upgrading all electronic physical security infrastructure at more than 250 U.S. embassies and posts worldwide. This infrastructure includes perimeter surveillance, closed-circuit television, intrusion detection, access control and fire suppression systems. We continuously evaluate emerging security technologies for suitability and possible integration into Department of State facilities.

We also assess and test commercial off-the-shelf cyber intrusion detection products to meet the requirements of each location. We test each product in our secure laboratory prior to deployment. We recently designed and implemented a network and PC-based intrusion detection program compatible with the evolving virtual private network architecture serving the Department of State and the foreign affairs community. We also provide incident handling support and develop procedures for coordinating espionage investigations.

For one of the Secretary of State's highest information technology priorities, we support the development of a secure global network and infrastructure for 190 foreign service post installations worldwide. We build, test and integrate equipment into approved solution configurations, which are shipped overseas and installed in the posts. Based on the customer's connectivity requirements, the solutions we provide range from simple secure dial-up to a more complex secure NT local area network providing classified message and e-mail delivery. To date, we have successfully installed classified Windows NT-based local area network solutions at 52 posts.

We have recently been tasked to provide Internet access worldwide at each department desktop within a secure infrastructure. We are developing a segmented architecture that identifies how security functionality can be implemented on local and wide area networks and host resources.

U.S. Southern Command Headquarters Services

Task Objective: Establish and maintain C4I information management processing capabilities for the headquarters of the U.S. Southern Command in Miami, Florida.

Solution: We were the C4I systems integration contractor for the relocation of the headquarters of the U.S. Southern Command from Panama to Miami, Florida. We designed and delivered a comprehensive integrated communications solution for the new facility that enhanced the overall information management capabilities of the command. We designed secure and non-secure local area networks for the new facility and migrated all military information processing and communication networks and commercial telecommunication services into a state-of-the-art,
commercial off-the-shelf enterprise solution. We completed this $35 million program within 18 months, on-time, within budget and without any interruption of mission operations.

Since the relocation, we have provided comprehensive services in support of the U.S. Southern Command facility to maintain and administer all automated information systems and networks. Our personnel perform:

- Hardware and software maintenance services for all headquarters systems, including web and software development;
- Multimedia services and video teleconferencing operations;
- Systems administration, help desk services and network systems management on classified and unclassified networks; and
- Technology upgrade integration to meet continuously changing user requirements.

Defense Commissary Agency Corporate Information Utility Systems

Task Objective: Establish capability to support the Defense Commissary Agency business enterprise systems infrastructure, which consists of over 370 commissaries worldwide that service millions of customers each year.

Solution: Since 1995, we have worked with the agency to conduct detailed analyses of current and future agency business requirements and to recommend integration of new commercially available software and hardware products for large-scale upgrades to the agency's legacy systems. Recently, we developed the agency's first executive decision support system that automates many of the accounting functions performed at the individual commissaries and provides a tool for region and zone managers to effectively monitor their assigned stores. We also developed and implemented a web-based electronic data interchange interface that facilitates wholesale point-of-sale capability and allows small grocery vendors to submit product prices directly to the agency. It also provides real-time tracking of all consumer product prices and an on-line payment system. We deployed the solution to all of the agency's regional headquarters and stores in the United States. We believe our solutions played a key role in the agency winning the award for the Best Electronic Commerce Team in the Department of Defense in 1999.

Navy Tactical Command Support System

Task Objective: Develop an integrated suite of applications to support mission-critical functions for a widely dispersed user population in the Naval aviation community.

Solution: Since 1981, we have been the prime contractor for development, implementation and systems life-cycle support of major applications that comprise the Navy Tactical Command Support System. This sophisticated logistics management information system now consists of 19 applications ranging from stand-alone desktops to web-enabled applications that facilitate management of the information, personnel, material and funds required to maintain and operate surface ships, submarines, aircraft and shore commands. At least one of the 19 systems applications is used aboard every ship in the Navy, in every Navy and Marine Corps aviation organizational
maintenance activity and intermediate maintenance activity, by Marine Corps ground combat forces, and by more than 450 shore-based organizations worldwide. Our recent improvements to legacy applications include the integration of new technologies such as automated identification technology for component tracking, two-way data replication to facilitate information exchange among commands and development of interfaces with new tools such as smart cards and portable handheld electronic devices. After re-engineering and modernizing legacy systems, we are managing orderly, phased user migrations from legacy systems to the new optimized systems.

Joint Interoperability Test Command Support Services

Task Objective: Support the Joint Interoperability Test Command in conducting interoperability and certification testing of new or upgraded C4I systems and information exchange standards in the command's verification and interoperability facility.

Solution: For the past 18 years, we have supported a wide range of interoperability, certification and standards conformance testing on tactical and strategic assets in support of all military systems and operations. Our services include comprehensive systems integration support during test and certification processes. We develop test plans and procedures, conduct tests and document test results on the interoperability of all C4I systems. We have developed and implemented networks; performed software development; and provided facility support, including help desk support for the command's 600-user local area network. We designed, installed, and operate a $65 million Joint Interoperability Testbed and the Network Interoperability Testing Laboratory, consisting of tactical equipment from the various military services interconnected through a distributed test network. This virtual test network is quickly reconfigurable to replicate operational networks and permits the interconnection and testing of equipment and networks anywhere in the world. We also support the Joint Logistics Warfighter Initiative designed to improve military readiness by improving the responsiveness of multiple logistics systems of different military branches by integrating current technologies and business process improvements. We deploy with the command during military exercises and contingency operations and have supported 53 operations globally since 1991.

Backlog and GSA Schedule Contract Value

At September 30, 2001, our backlog was $765.0 million, of which $228.6 million was funded backlog. At September 30, 2000, our backlog was $871.9 million, of which $282.5 was funded backlog. In addition, we estimate our GSA schedule contract value at September 30, 2001 was $1,051.8 million. At September 30, 2000, we estimate our GSA schedule contract value was $311.8 million. Backlog, funded backlog and GSA schedule contract value represent estimates that we calculate on the bases described below. We expect that more than 93.5% of our funded backlog at September 30, 2001 will be recognized as revenues prior to September 30, 2002.

We define backlog as our estimate of the remaining future revenues from existing signed contracts, assuming the exercise of all options relating to such contracts and including executed task orders issued under GSA schedule contracts. This includes an estimate of revenues for solutions that we believe we will be asked to provide in the future under the terms of executed multiple-award contracts in which we are not the sole provider, meaning that the customer could turn to companies other than us to fulfill the contract. It also includes an estimate of revenues from indefinite delivery, indefinite quantity contracts, which specify a maximum, but only a token minimum, amount
of goods or services that may be provided under the contract. Backlog does not include the value for contracts where we have been given permission by the customer to begin or continue working, but where a formal contract or contract extension has not yet been signed.

We define funded backlog to be the portion of backlog for which funding currently is appropriated and allocated to the contract by the purchasing agency or otherwise authorized for payment by the customer upon completion of a specified portion of work. Our funded backlog does not include the full value of our contracts, because Congress often appropriates funds for a particular program or contract on a yearly or quarterly basis, even though the contract may call for performance that is expected to take a number of years.

At September 30, 2001, our backlog included $293.2 million of revenues for solutions pursuant to task orders that have been executed under GSA schedule contracts, of which $119.0 million was included in funded backlog. The amount of our revenues generated under GSA schedule contracts has increased in recent years. Specifically, for the years ended December 31, 1998, 1999, and 2000, funded awards under GSA schedule contracts were $35.1 million, $102.5 million and $135.2 million, respectively, and for the nine months ended September 30, 2001, funded awards under GSA schedule contracts were $136.1 million. We believe that potential GSA schedule contract revenues are not fully reflected in traditional backlog calculations because, as described below, while GSA schedule contracts provide our customers with the flexibility to obtain our solutions through a streamlined procurement process, they do not provide for fixed, minimum or maximum purchase commitments. Therefore, we have developed a method of calculating GSA schedule contract value that we use to evaluate estimates for the amount of revenues that we may receive under our GSA schedule contracts. For these purposes, we determine GSA schedule contract value by multiplying the average monthly amount of funded work that we have been awarded under each of our GSA schedule contracts over the past nine months, by the number of months remaining in the term of those contracts, including under existing options, except that we do not take into account remaining contract terms of more than 72 months. Under this method, our GSA schedule contract value as of September 30, 2001 was approximately $1,051.8 million. Beginning in January 2002, we intend to calculate GSA schedule contract value by multiplying the average monthly amount of funded work that we have been awarded under each of our GSA schedule contracts over the preceding twelve months by the number of months remaining in the term of those contracts, including under existing options, except that we do not take into account remaining contract terms of more than 72 months.

GSA schedule contracts are competitively awarded government-wide acquisition contracts negotiated and awarded by the General Services Administration and effectively act as fixed-price or time-and-materials contracts which government agencies may, but are not required to, use to purchase professional services and information technology products at predetermined ceiling prices, terms and conditions. Many of our customers are authorized to use GSA schedule contracts through blanket purchase agreements, which operate similarly to GSA schedule contracts by permitting one or more federal agencies to purchase professional services or products from technology service providers at predetermined prices, terms and conditions. GSA schedule contracts are master agreements that do not, by themselves, authorize the delivery of services or products. Therefore, even though we have been awarded a GSA schedule contract or blanket purchase agreement, we often must actively solicit post-award sales, and it remains difficult for us to estimate the amount of work, if any, we will obtain under the contract.

GSA schedule contracts benefit our federal government customers in a number of ways. First, they provide customers a streamlined means to competitively obtain professional services and technology products, allowing for a more efficient and timely procurement process. Second, because we must actively promote our services and technology to obtain work under these types of agreements, the customer benefits from continued competition. Third, as with fixed-price or time-and-materials contracts, GSA schedule contracts shift the risks of cost overruns to the technology service provider and promote effective contract management and cost-efficiencies by allowing the technology service provider to receive the benefit of cost savings that it generates. Although we must compete for or solicit individual task orders under GSA schedule contracts, we have found that they can benefit companies such as ours which can
respond quickly to emerging customer requirements and can manage contract performance efficiently. Finally, as with traditional fixed-price contracts, GSA schedule contracts involve greater financial risk but we believe offer opportunities for higher profitability because we bear the impact of cost overruns and receive the benefit of cost savings.

Changes in the amount of our backlog, funded backlog and GSA schedule contracts value result from potential future revenues from the execution of new contracts or the extension of existing contracts, reductions from contracts that end or are not renewed, reductions from the early termination of contracts, and adjustments to estimates of previously included contracts. Changes in the amount of our funded backlog and GSA schedule contract value also are affected by the funding cycles of the government. These estimates of future revenues are necessarily inexact and the receipt and timing of any of these revenues is subject to various contingencies, many of which are beyond our control. The

actual accrual of revenues on programs included in backlog, funded backlog and GSA schedule contract value may never occur or may change because a program schedule could change or the program could be canceled, a contract could be modified or canceled, an option that we have assumed would be exercised is not exercised or initial estimates regarding the level of solutions that we may provide could prove to be wrong. For the same reason, we believe that period-to-period comparisons of backlog, funded backlog and GSA schedule contract value are not necessarily indicative of future revenues that we may receive.

Sales and Marketing

We market our solutions through the valuable relationships of our senior management, advisory board and business development staff. We also seek to leverage existing customer relationships and respond to competitive solicitations.

We employ a team-selling approach, where our senior management, business development staff and our program managers collaborate in identifying and developing business opportunities. With this approach, we are able to assess opportunities quickly, drawing on the experience and perspective of senior personnel across the company, including those working in close proximity with our customers. We have also established a formal process for making bid/no-bid decisions and use automated resources to track the status of each bid opportunity. We have effectively used GSA schedule contracts to respond quickly to emerging customer requirements.

To supplement or complement our core competencies, we have teaming relationships to work together on contracts with various industry partners, such as Computer Sciences Corporation, Electronic Data Systems Corporation and TRW Inc. While we are the prime contractor on substantially all of our contracts, we serve as subcontractor when teaming in that manner furthers our goals of expanding our customer base or pursuing high growth markets. Similarly, in some cases, we establish joint ventures with other companies in order to present the best value solution or proposal, particularly when we seek to enter new markets.

Employees

As of October 31, 2001, we had 3,539 employees, including 1,758 employees with government security clearances. Of these employees, 1,100 employees hold Top Secret security clearances, including 613 employees who have access to Sensitive Compartedmented Information. Our employees with security clearances have already completed the lengthy process necessary to obtain the clearance. This process typically requires a candidate to be sponsored by the government with respect to a particular requirement, entails extensive background investigations that typically take from six months to a year and, for the most restricted access, may require successful completion of polygraph testing.

Over 3,150 of our employees are technical and service professionals and managers, and over 350 are in administrative or executive functions. Approximately 185 of our employees, all of whom are located at NASA's Goddard Space Flight Center, are represented by the International Brotherhood of Electrical Workers union under a collective bargaining agreement which is due
to expire in June 1, 2005. We have not experienced any work stoppage or strike by these employees.

We believe we are successful in retaining our employees by offering competitive salary structures, attractive incentive compensation and benefits programs, career growth opportunities, flexible work assignments and the opportunity to perform mission-critical services, often in classified environments. Our current employees are offered an opportunity to respond to new job opportunities before we pursue external recruiting. We consider our relations with employees to be good.

Competition

We believe that the major competitive factors in our market are distinctive technical competencies, security clearances, price of services, successful past contract performance, reputation for quality and key management with domain expertise. Our key competitors currently include divisions of large defense contractors, such as BAE SYSTEMS, plc, Lockheed Martin Corporation, Northrop Grumman Corporation, Raytheon Company and TRW Inc., as well as information technology service companies, such as Affiliated Computer Systems, Inc., Booz Allen Hamilton, CACI International, Inc., Computer Sciences Corporation, DynCorp, Electronic Data Systems Corporation, Science Applications International Corporation, Titan Corporation and Veridian Corporation.

Intellectual Property

Our solutions are not generally dependent upon patent protection. We routinely enter into confidentiality and non-disclosure agreements with our employees to protect our trade secrets. Our rights in intellectual property that we develop depend in part on the degree to which the intellectual property is developed with our private funds, rather than with funds of the federal government. Our federal government contracts routinely provide that we may retain ownership rights in works of authorship and inventions developed during the performance of those contracts. However, the rights granted to the federal government are, from time to time, a source of negotiation, and typically include the right of the federal government to use and share our intellectual property with other government contractors, making it impossible for us to prevent their non-exclusive use of our intellectual property. Our ability to protect our rights in intellectual property developed or delivered under government contracts also is dependent upon our compliance with applicable federal procurement statutes and regulations. There can be no assurance that the steps we take to protect our intellectual property will be adequate to deter misappropriation or to prevent use by others of our intellectual property.

Legal Proceedings

On July 29, 1999, Thomas Harris Corporation filed suit in state court in Rockwall County, Texas, against our environmental remediation subsidiary (which is among our businesses included in discontinued operations) and subcontractors to that subsidiary, alleging that our subsidiary or its subcontractors caused soil and groundwater contamination by improperly disposing of dry cleaning solvents, and seeking an unspecified amount of actual, consequential and punitive damages. We vigorously dispute and deny these allegations. Trial in this case has been set for April 22, 2002. While the ultimate outcome of litigation cannot be assured, if and to the extent that the damages alleged by the plaintiffs are ultimately determined to be our responsibility, we believe that we will be able to recover a portion of the amount from our professional liability insurance, including fees for our attorneys, and that any amounts that we bear will not have a material adverse effect on our business, prospects, financial condition or operating results.

On June 1, 2001, CHBP, Ltd., a customer of our environmental remediation subsidiary, filed suit against a number of parties alleging that they caused soil and groundwater contamination while occupying a commercial business center owned by CHBP, Ltd. On November 15, 2001, some of the defendants in this suit filed a third-party complaint against our environmental remediation subsidiary, alleging that services provided by our subsidiary to CHBP, Ltd. caused or contributed to the alleged
contamination of the property. We have denied the third-party plaintiffs' allegations in our answer to the third-party complaint, and believe that we have other defenses and claims, including indemnification claims and professional liability insurance coverage, and do not believe this litigation will have a material adverse effect on our business, prospects, financial condition or operating results.

Like most large government defense contractors, our contract costs are audited and reviewed on a continual basis by an in-house staff of auditors from the Defense Contract Auditing Agency. In addition to these routine audits, we are subject from time to time to audits and investigations by other agencies of the federal government. These audits and investigations are conducted to determine if our performance and administration of our government contracts is compliant with contractual requirements and applicable federal statutes and regulations. An audit or investigation may result in a finding that our performance and administration is compliant or, alternatively, may result in the government initiating proceedings against us or our employees, including administrative proceedings seeking repayment of monies, suspension and/or debarment from doing business with the federal government or a particular agency, or civil or criminal proceedings seeking penalties and/or fines. Audits and investigations conducted by the federal government frequently span several years. Other than routine audits of our contract costs, we are not aware of any other government audits or investigations except as set forth below.

On August 17, 2001, we were served with a grand jury subpoena issued by the United States District Court for the Eastern District of Virginia. The U.S. Attorney's Office for the Eastern District of Virginia has advised us that the investigation relates to whether we improperly charged a portion of our corporate merger and acquisition-related expenses and certain expenses of our Australian-based software consulting subsidiary (which is one of our businesses included in discontinued operations) in a manner that would have resulted in those expenses being reimbursed by the U.S. government. Based on conversations with the U.S. Attorney's Office, we believe that we may receive a second subpoena or other request for information from the U.S. Attorney's Office relating to this investigation. This investigation is in its preliminary stages and accordingly it is too early to tell whether the consequences of the investigation will have a material adverse effect on our business, prospects, financial condition or operating results. We are fully cooperating with the federal government's investigation of this matter.

We also are currently subject to an investigation by the Inspector General of the Department of State regarding our allocation of costs to a contract with the Department of State and an investigation by the Inspector General of the EPA regarding the number of hours we charged in the performance of a contract with the EPA. We do not believe that the outcome of either of these investigations will have a material adverse effect on business, prospects, financial condition or operating results. We are fully cooperating with the federal government's investigation of both matters.

In addition to the foregoing, we are subject to certain other legal proceedings, claims and disputes which arise in the ordinary course of our business. Although we cannot predict the outcomes of these other legal proceedings, based on the information now available to us, we do not believe that the ultimate resolution of these matters, either individually or in the aggregate, will have a material adverse effect on our business, prospects, financial condition or operating results.

Facilities

Since 1992, we have leased our corporate headquarters office building in Fairfax, Virginia. We are in the fourth year of a ten-year lease on this facility. As of September 30, 2001, we leased 21 additional operating facilities throughout the metropolitan Washington, D.C. area and 63 facilities in other parts of the United States. We also have employees working at customer sites throughout the United States and in other countries. We believe that our facilities are adequate to support the normal course of business.
Directors and Executive Officers

The following table sets forth information concerning our directors and executive officers as of January 18, 2002.

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Position</th>
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<tbody>
<tr>
<td>George J. Pedersen.......</td>
<td>66</td>
<td>Chairman of the Board of Directors, Chief Executive Officer and President</td>
</tr>
<tr>
<td>John A. Moore, Jr........</td>
<td>49</td>
<td>Executive Vice President, Chief Financial Officer, Treasurer and Director</td>
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<tr>
<td>R. Evans Hineman.........</td>
<td>67</td>
<td>Executive Vice President and Chief Science and Technology Officer</td>
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<td>Eugene C. Renzi..........</td>
<td>68</td>
<td>Executive Vice President</td>
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<td>Jerry L. Unruh............</td>
<td>62</td>
<td>Senior Vice President</td>
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<td>Bradley H. Feldmann......</td>
<td>40</td>
<td>Director</td>
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<td>Michael D. Golden.......</td>
<td>61</td>
<td>Director</td>
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<tr>
<td>Stephen W. Porter........</td>
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<td>Director</td>
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<tr>
<td>Walter W. Vaughan.........</td>
<td>69</td>
<td>Director</td>
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<tr>
<td>Walter E. Fatzinger, Jr.</td>
<td>59</td>
<td>Director Nominee</td>
</tr>
<tr>
<td>Richard J. Kerr...........</td>
<td>66</td>
<td>Director Nominee</td>
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</table>

George J. Pedersen -- Co-founder, Chairman of the Board of Directors, Chief Executive Officer and President. Mr. Pedersen, who co-founded ManTech in 1968, has served as Chairman of the Board of Directors since 1979, adding the positions of Chief Executive Officer and President in 1995. Mr. Pedersen has been a Director of GSE Systems, Inc., an affiliated software design and development company, since 1994 and an executive employee since 1999. Mr. Pedersen has served on the board of directors of GP Strategies Corporation, a workforce development company that provides training, management systems and engineering services, since 2001. Mr. Pedersen is Chairman of the Board of Directors for the Institute for Software Research, Inc., a not-for-profit corporation that performs research and advanced development of software and related technologies, including research for NASA. Mr. Pedersen also serves as a Director Emeritus of the Professional Services Council, a national association of technology services companies, and as a Director and Executive Committee member of the National Defense Industrial Association, a trade association for the defense industry.

John A. Moore, Jr. -- Executive Vice President, Chief Financial Officer, Treasurer and Director. Mr. Moore joined us in 1982 and has served as Chief Financial Officer since 1993 and Executive Vice President since 1997 and has been a Director of our company since 1994. Mr. Moore oversees our financial operations and our business development activities. Mr. Moore has been a Director of GSE Systems, Inc., since 1997 and an executive employee since 1999. Prior to joining us, Mr. Moore was a supervisory auditor for the Defense Contract Audit Agency, which is responsible for performing contract audits for the Department of Defense.

R. Evans Hineman -- Executive Vice President and Chief Science and Technology Officer, ManTech International Corporation; President, National Security Solutions Group. Mr. Hineman joined us in 2001. From 1999 to 2001, he served as Vice President for Intelligence of Litton Industries Inc.'s Information Systems Group. From 1989 to 1999, Mr. Hineman was an officer of TASC, Inc., a provider of information management and systems engineering solutions, serving as President from 1998 to 1999. From 1964 to 1989, Mr. Hineman worked for the Central Intelligence Agency, serving as Deputy Director for Science and Technology from 1982 to 1989. Prior to 1982, he held various other senior positions with the Central Intelligence Agency, including Director of Weapons Intelligence and Chairman of the Director of Central Intelligence's Weapon and Space Systems Intelligence Committee. Mr. Hineman was one of 50 recipients of the Trailblazer award on the 50th anniversary of the Central Intelligence Agency, and he was awarded the Central Intelligence Agency's Distinguished Intelligence Medal and the National Reconnaissance Office's Distinguished Service Medal.
Eugene C. Renzi -- Executive Vice President, ManTech International Corporation; President, ManTech Telecommunications and Information Systems Corporation (MTISC). Major General, U.S. Army (Ret.). Major General Renzi joined us in 1993 and since 1995 has served as President of MTISC. Prior to 1993, Major General Renzi served in the U.S. Army for more than 32 years, including as Director for Command, Control and Communications Systems for the U.S. Pacific Command from 1988 to 1990. Major General Renzi received numerous awards and decorations for his service in the U.S. Army, including the Defense Superior Service Medal, the Legion of Merit and the Joint Service Commendation Medal.

Jerry L. Unruh -- Senior Vice President, ManTech International Corporation; President, Systems Engineering Group. Vice Admiral, U.S. Navy (Ret.). Vice Admiral Unruh joined us in 1998 and since 1999 has served as President of ManTech Systems Engineering Corporation. From 1996 to 1998, Vice Admiral Unruh served as the President of the Association of Naval Aviation, a not-for-profit corporation that educates the public and national leaders about the role of naval aviation in national defense. Prior to that, Vice Admiral Unruh served in the U.S. Navy for over 37 years, including as Commander of the U.S. Third Fleet in the Pacific, Current Operations and Readiness Officer for the NATO Staff of Supreme Allied Commander Europe and held battlegroup, aircraft carrier and fighter squadron commands. Vice Admiral Unruh received numerous awards for his service in the U.S. Navy, including the Distinguished Service Medal, the Defense Superior Service Medal, the Legion of Merit and the Air Medal.

Bradley H. Feldmann -- Senior Vice President, ManTech International Corporation; President, Information Technology Group. Mr. Feldmann joined us in 2000. Mr. Feldmann served as the Senior Vice President and Chief Operating Officer of Comptek Research, Inc., a company supplying operational signal processing software for military systems that was acquired by Northrop Grumman Corporation in 2000. From 1989 to 1999, Mr. Feldmann worked for Cubic Defense Systems, Inc., a provider of combat training systems, where he served in various positions, including Senior Vice President and Chief Operating Officer. Prior to that, Mr. Feldmann served with the U.S. Air Force for five years and received two Meritorious Service Medals.

Michael D. Golden -- Director. Mr. Golden has been a Director of our company since 1995. He is a founding partner of the law firm of Golden & Nelson, PLLC, where he has practiced law since 1998, focusing on corporate and securities law. Prior to founding Golden & Nelson, PLLC, he was a partner at the law firm of Ginsburg, Feldman & Bress, Chtd. from 1996 to 1997, and prior to that, he was a partner at Verner, Liipfert, Bernhard, McPherson and Hand from 1991 to 1996.

Stephen W. Porter -- Director. Mr. Porter has been a Director of our company since 1991. Mr. Porter is a partner at the law firm of Arnold & Porter where he has practiced law since June 1993, focusing on real estate, tax and corporate law. Mr. Porter became a certified public accountant in 1961. Mr. Porter currently serves on the board of directors of the Greater Washington Board of Trade and the District of Columbia Chamber of Commerce. From 1992 to 1994, he served as a member of the Advisory Board of the Center for Strategic and International Studies, a non-partisan public policy institute.

Walter W. Vaughan -- Director. Mr. Vaughan has been a Director of our company since 1991. Mr. Vaughan has been self-employed as a consultant to us since 1990. From 1956 to 1989, Mr. Vaughan worked in the banking industry, serving most recently as an Executive Vice President of American Security Bank N.A. in Washington, D.C., and as Vice Chairman of the bank's advisory board from 1983 to 1985. From 1986 to 1989, Mr. Vaughan served as Chief Agent for the Receiver for the Maryland Deposit Insurance Fund, for which he received a State of Maryland Governor's citation.

Walter R. Fatzinger, Jr. -- Director Nominee. Mr. Fatzinger has been named to become a Director at the closing of this offering. Mr. Fatzinger joined ASB Capital Management, Inc., an asset management firm, in February 1999 and since that date has served as President and Chief Executive Officer of the firm. Mr. Fatzinger also is an executive vice president of Chevy Chase Bank, F.S.B., the parent of ASB Capital Management, Inc. From 1994 to 1999, Mr. Fatzinger served as President of First National Bank of Maryland's Greater Washington Region and
Executive Vice President of First National Bank of Maryland's Institutional Bank. Prior to 1994, Mr. Fatzinger worked for American Security Bank, N.A. for 15 years, serving in various executive positions, including as President from 1991 to 1994. Mr. Fatzinger currently serves on the board of directors of the Cafritz Company, a real estate development and property management firm, and of the YMCA of Metropolitan Washington. He also serves as trustee to the Community Foundation for the National Capital Region and as Vice-Chairman of the Board of Directors and as a member of the Board of Governors of the University of Maryland.

Richard J. Kerr -- Director Nominee. Mr. Kerr has been named to become a Director at the closing of this offering. Mr. Kerr has been Chairman of our Advisory Board since 1994. Mr. Kerr currently is a member of the President's Commission on Intelligence Reform. From 1996 to 2001, Mr. Kerr served as President of the Security Affairs Support Association, an organization composed of government and industry members that is focused on national security policy. Prior to that, Mr. Kerr worked at the Central Intelligence Agency for 32 years, including serving as Deputy Director for Central Intelligence. Mr. Kerr formerly served as a member of the Scientific Advisory Board of the National Security Agency and the Board of Visitors of the Joint Military Intelligence College and is currently on the advisory boards of the Los Alamos National Laboratory, the Sandia National Laboratory and the Lawrence Livermore Laboratory. Mr. Kerr was awarded the Citizens Medal, the second highest civilian award given by the President of the United States, and two National Intelligence Distinguished Service Medals and two Distinguished Intelligence Medals from the Central Intelligence Agency.

Our advisory board, which is comprised of recognized leaders in the intelligence community and defense industry, assists us in identifying opportunities to provide our solutions to the federal government. As of January 18, 2002, our advisory board consists of the following individuals and includes Richard J. Kerr, who will serve as Chairman of the Advisory Board until he becomes a Director upon the closing of this offering.

Dr. Roger L. Hagengruber (Age 59) -- Dr. Hagengruber has been a member of our Advisory Board since 1994. Dr. Hagengruber is the Senior Vice President for National Security at Sandia National Laboratories, a U.S. government research and development laboratory, where he has held a number of key positions since 1972. Dr. Hagengruber has extensive experience on issues involving arms control, satellite and sensor systems and national security. Dr. Hagengruber has served in a variety of government assignments, including four assignments as a member of various U.S. arms control negotiating teams. In 1979, Dr. Hagengruber was appointed the U.S. expert to an international forum on New Weapons of Mass Destruction.

Harley A. Hughes Lt. Gen., U.S. Air Force (Ret.) (Age 66) -- Lt. General Hughes has been a member of our Advisory Board since 1996. Lt. General Hughes is the Chairman of F & H One, Inc., where he has worked since 1997, and he is the President of USTAR, LLC, where he has worked since 1997, both privately held consulting firms. Prior to that, Lt. General Hughes served for 31 years in the U.S. Air Force, including as the U.S. Air Force Deputy Chief of Staff for plans and operations and the U.S. Air Force Operations Deputy, Joint Chiefs of Staff from 1985 to 1988. Lt. General Hughes received a Silver Star, the Distinguished Flying Cross, the Distinguished Service Medal, the Defense Superior Service Medal and the National Defense Service Medal.

David E. Jeremiah Admiral, U.S. Navy (Ret.) (Age 67) -- Admiral Jeremiah has been a member of our Advisory Board since 1994. From 1994 to the present, Admiral Jeremiah has served as President of Technology Strategies & Alliances Corporation, a strategic advisory and investment banking firm engaged primarily in the aerospace, defense, telecommunications and electronics industries. Prior to that, Admiral Jeremiah served in the U.S. Navy for more than 39 years, including as Vice Chairman, Joint Chiefs of Staff for Generals Colin L. Powell and John M. Shalikashvili from 1990 to 1994. Admiral Jeremiah serves on the board of directors for Alliant Techsystems Inc., a manufacturer and developer of solid propulsion systems, on the board of the National Committee on
U.S.-China Relations and on an advisory board for Northrop Grumman Corporation. Admiral Jeremiah also is a member of various government commissions, including a joint Defense Policy Board and Defense Science Board Task Force on Theater Missile Defense, the Commission to Assess U.S. National Security Space Management and Organization, the National Defense Panel on Department of Defense’s Quadrennial Defense Review and a Defense Science Board Task Force on Human Resources.

Sir Colin McColl (Age 69) -- Sir Colin McColl has been a member of our Advisory Board since 1998. From 1994 to the present, Sir Colin McColl has been a consultant for Oxford Analytica, an international consulting firm, focusing on political and economic affairs, since 1994. Prior to that, Sir Colin McColl served in the British Secret Intelligence Service for 38 years, including as Chief of the British Secret Intelligence Service from 1988 until 1994. Sir Colin McColl is a Director of the Scottish-American Investment Trust and an advisory director of Campbell Lutyens, an international private equity firm. Sir Colin McColl is an honorary fellow for the Queen’s College, Oxford University.

Thomas C. Richards General, U.S. Air Force (Ret.) (Age 71) -- General Richards has been a member of our Advisory Board since 1994. From 1997 to the present, General Richards has been a member of the Center for Advanced Aviation System Development of the MITRE Corporation, a not-for-profit national technology resource corporation. From 1993 to 1997, General Richards was President and Chief Executive Officer of the National Security Industrial Association, a trade association for the defense industry. In 1992 and 1993, General Richards served as the Administrator of the Federal Aviation Administration, and prior to that served as an appointee of President George H. Bush to the Presidential Commission on Aviation Security and Terrorism. Prior to that, General Richards served in the U.S. Air Force for 33 years, including as Deputy Commander Chief of the U.S. European Command. General Richards is a member of the Federal Aviation Administration Future Planning Committee and the Air Force Senior Statesmen Program. General Richards received the Distinguished Service Medal, the Silver Star with Oak Leaf, the Legion of Merit with Oak Leaf, the Distinguished Flying Cross, 18 Air Medals, the Bronze Star and the Purple Heart with Oak Leaf.

Board of Directors

Upon the closing of this offering, our board of directors will consist of seven individuals. In addition to our directors who served prior to the closing of this offering, in January 2002, Mr. Fatzinger and Mr. Kerr were named to serve as members of our board of directors, effective upon the closing of this offering. Our board of directors is elected annually, and each director holds office for a one-year term. Mr. Pedersen is, and will continue to be after the closing of this offering, the beneficial owner of a majority of the voting power of our common stock and will be able to unilaterally elect or remove directors.

As a matter of good corporate governance, our board of directors intends to adopt a policy providing that any transaction or series of similar transactions entered into after this offering between us (or any of our subsidiaries) and one or more of our executive officers, directors or greater than five percent stockholders, an immediate family member of any of the foregoing persons, or an entity in which any of the foregoing persons has or have a direct or indirect material interest, must be approved by a majority of the directors who do not have an interest in such transaction(s), if the amount involved in the transaction(s) exceeds $60,000.

Committees of our Board of Directors

Our board of directors has a compensation committee and, in connection with this offering, formed an audit committee. Our board of directors may from time to time establish other committees.

Audit Committee. Prior to the closing of this offering, our audit committee is comprised of two non-employee directors, Mr. Golden and Mr. Vaughan. Following the closing of this offering, our audit committee will be comprised of at least three independent directors within the meaning of Nasdaq listing rules. The primary responsibilities of the audit committee are to:
Oversee management's conduct of our financial reporting process and systems of internal accounting and financial control;

Monitor the independence and performance of our outside auditor;

Provide an avenue of communication among the outside auditor, management and our board of directors;

Make reports and recommendations to our board and our stockholders as necessary under the rules of the Securities and Exchange Commission or as otherwise within the scope of its functions; and

Oversee and, where appropriate, report to our board on our review of and response to any government audit, inquiry or investigation, as they determine to be appropriate.

Compensation Committee. Our board of directors has a compensation committee, which consists of three directors prior to the closing of this offering. Immediately after this offering, at least two directors on the compensation committee will be independent or outside directors, as determined with reference to the rules of the U.S. Securities and Exchange Commission and the Internal Revenue Code. The compensation committee will have the authority to recommend to the board or establish compensation for our directors and officers, to approve employee health and benefit plans and to administer our stock plans.

Compensation Committee Interlocks and Insider Participation. Prior to this offering, our compensation committee has been comprised of Mr. Vaughan as Chairman, Mr. Pedersen and Mr. Moore. Mr. Pedersen also serves as our Chairman, Chief Executive Officer and President. Mr. Moore also serves as our Executive Vice President, Chief Financial Officer, Treasurer and Director.

We have from time to time extended loans to our Chairman of the Board of Directors, Chief Executive Officer and President, George J. Pedersen, who has used the loan proceeds for miscellaneous personal expenditures. This indebtedness is represented by promissory notes executed by Mr. Pedersen, which are payable upon demand and bear interest at a rate of 8.0%. The largest aggregate amount outstanding since January 1, 1998, was $183,122. As of the date of this prospectus, the outstanding amount of indebtedness is $183,122.

In January 2000, our predecessor corporation, ManTech International Corporation (New Jersey), purchased 6,582 shares of its Class B common stock from Mr. John A. Moore, Jr., our Executive Vice President, Chief Financial Officer, Treasurer and Director, for an aggregate purchase price of $566,082.

Director Compensation

Prior to this offering, Messrs. Golden and Porter were paid annual retainers of $25,000 for their service as directors and Mr. Vaughan was paid an annual retainer of $40,000 for service as a director and as chairman of our compensation committee. The remaining directors are employed by us and are not separately compensated for their service as directors. Following this offering, the compensation committee will from time to time establish compensation for the non-employee directors.

Executive Compensation

The following table shows the cash compensation and certain other compensation paid to or accrued by our Chief Executive Officer and our four most highly compensated executive officers, whom we refer to collectively as our named executive officers, for 2001.

Summary Compensation Table

<table>
<thead>
<tr>
<th>Name and Principal Position(1)</th>
<th>Year</th>
<th>Salary</th>
<th>Bonus(2)</th>
<th>Compensation(3)(4)</th>
<th>Compensation(5)(6)</th>
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Annual Compensation

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<tr>
<th>Other Annual</th>
<th>All Other</th>
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<tr>
<th>Name and Principal Position(1)</th>
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</table>
Our executive officers for 2001 are Mr. Pedersen, Mr. Moore, Mr. Hineman, Major General Renzi, Mr. Feldmann and Vice Admiral Unruh. Mr. Hineman is an Executive Vice President and was hired on August 20, 2001. Mr. Feldmann is a Senior Vice President and was hired on December 4, 2000.

Amounts shown in this column reflect bonuses earned in 2000 and paid in 2001, other than for Mr. Pedersen and Mr. Moore. Annual bonus awards typically are determined at the end of the first quarter in the succeeding fiscal year. The primary criteria for determining bonus amounts are company profitability and subjective performance evaluations.

Other Annual Compensation for Mr. Pedersen in 2001 includes the portion of an employee's time spent on non-corporate matters on behalf of Mr. Pedersen, which amounted to $51,742. Other Annual Compensation for Mr. Feldmann in 2001 included $64,461 for relocation expenses, including temporary housing costs.

Other Annual Compensation in 2000 for Mr. Pedersen includes the portion of an employee's time spent on non-corporate matters on behalf of Mr. Pedersen, which amounted to $33,370.

All Other Compensation for 2001 consists of the following amounts: (a) matching contributions made to our 401(k) plan in the amount of $3,400 for Mr. Moore, $3,144 for Major General Renzi and $3,400 for Vice Admiral Unruh; (b) contributions under our Employee Stock Ownership Plan in the amount of $50,000 for Mr. Pedersen and $25,000 for Mr. Moore. In addition, the amounts reported include a benefit of $659,250 to Mr. Pedersen and a benefit of $40,900 to Mr. Moore pursuant to split dollar life insurance policies. These benefits represent the price of the term portion of the policy premiums plus the discounted present value of the imputed interest on the investment portion of the premiums over each executive's expected life. We will be reimbursed for the amount of the cumulative premiums attributable to the non-term portions of the policies upon the maturity or surrender of the policies.

All Other Compensation for 2000 consists of the following amounts: (a) matching contributions made to our 401(k) plan in the amount of $3,046 for Mr. Pedersen, $3,115 for Major General Renzi and $3,400 for Vice Admiral Unruh; (b) contributions under our Employee Stock Ownership Plan in the amount of $1,700 each for Mr. Moore, Major General Renzi, Mr. Feldmann and Vice Admiral Unruh; and (c) contributions to supplemental executive retirement plans in the amount of $50,000 for Mr. Pedersen and $25,000 for Mr. Moore. In addition, the amounts reported include a benefit of $41,203 to Mr. Moore pursuant to split dollar life insurance policies. These benefits represent the price of the term portion of the policy premiums plus the discounted present value of the imputed interest on the investment portion of the premiums over each executive's expected life. We will be reimbursed for the amount of the cumulative premiums attributable to the non-term portions of the policies upon the maturity or surrender of the policies.
The following table shows information about the value of unexercised options at the end of 2001. No shares were acquired on the exercise of stock options by these individuals in 2001.

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<thead>
<tr>
<th>Name</th>
<th>Exercisable</th>
<th>Unexercisable</th>
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<tr>
<td>George J. Pedersen.</td>
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<td>John A. Moore, Jr.</td>
<td>9,789</td>
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</tbody>
</table>

(1) Exercisable for 9,789 shares of Class B common stock of our corporate predecessor, ManTech International Corporation (New Jersey). Following our reincorporation, recapitalization and stock split, the options will be exercisable for 159,621 shares of our Class A common stock.

(2) There was no public market for the Class B common stock of our corporate predecessor, ManTech International Corporation (New Jersey), at December 31, 2001. Amounts shown under the column "Value of Unexercised In-the-Money Options at Year-End" are calculated on the basis of the mid-point of the estimated price range set forth on the cover of this prospectus, which is $15.00 per share, less the per share exercise price payable for these shares, multiplied by the number of shares underlying the option, as adjusted for our reincorporation, recapitalization and stock split. This mid-point of the estimated price range does not necessarily represent the actual value of our common stock at December 31, 2001.

Retention Agreements

Prior to the closing of this offering, we expect to enter into employment retention agreements with George J. Pedersen and John A. Moore, Jr. which will contain the following terms. Mr. Pedersen's retention agreement provides for his employment at-will, with an annual salary for 2002 of $1,000,000. Mr. Pedersen will continue to receive contributions to qualified and non-qualified retirement plans, insurance programs and perquisites on the same terms as provided in 2001, but is not eligible for stock option grants in 2002 or for a bonus for services performed during 2002. He is entitled to receive a bonus, payable in 2002, for services performed in 2001. For subsequent years, Mr. Pedersen's salary, bonus and incentive compensation shall be determined by the Compensation Committee of our board of directors. If we terminate Mr. Pedersen's employment without cause, we are required to pay Mr. Pedersen a lump sum amount equal to one year's base salary at the rate in effect immediately prior to such termination of employment. The one year period for which payment of severance is calculated is the "severance period." Mr. Pedersen agrees not to compete with us and not to solicit our customers or employees during the term of his employment and through the severance period.

Mr. Moore's retention agreement provides for an initial two-year term, with an automatic one year extension on each anniversary of the agreement, unless either party provides advance written notice of its intent to terminate the agreement. Under the agreement, Mr. Moore will receive an annual salary of $425,000 and will continue to receive contributions to qualified and non-qualified retirement plans, insurance programs and perquisites on the same terms as provided in 2001. He is also entitled to participate in bonus and other incentive compensation as determined by the Compensation Committee of our board of directors, and he is entitled to receive a bonus, payable in 2002, for services he performed in 2001. If we terminate Mr. Moore's employment without cause, we are required to pay Mr. Moore a lump sum amount equal to the salary that otherwise would have been payable through the "severance period," which is the remaining term of the agreement or six months, whichever is greater. Mr. Moore agrees not to compete with us and not to solicit our customers or
employees during the term of his employment and through the severance period.

We also expect to enter into confidentiality and noncompete agreements with R. Evans Hineman, Eugene C. Renzi, Jerry L. Unruh and Bradley H. Feldmann prior to the closing of this offering. Under the terms of these confidentiality and noncompete agreements, each officer agrees not to compete with us and not to solicit our customers or employees during the term of their respective employment and for a period of one year thereafter. As consideration for entering into these confidentiality and noncompete agreements, we will grant options to each officer to purchase shares of our Class A common stock. In addition, we have entered into a severance arrangement with Mr. Feldmann, which provides that in the event we elect to terminate his employment with us for any reason, we will be required to pay Mr. Feldmann a lump sum amount equal to his annual salary, plus a pro-rata share of his bonus for that portion of the year we employed him prior to such termination.

Management Incentive Plan

In January 2002, the board of directors adopted and our stockholders approved our Management Incentive Plan. The plan is designed to enable us to attract, retain and motivate our directors, officers and other senior management and technical personnel, and to further align their interests with those of our stockholders, by providing for or increasing their proprietary interest in our company. The plan allows us to grant the following types of awards:

- Incentive stock options, which are intended to qualify under Section 422 of the Code;
- Non-qualified stock options, which are not intended to qualify as incentive stock options;
- Incentive bonuses, which represent the opportunity to receive an amount paid in cash or Class A common stock based on satisfaction of performance criteria established for the performance period by the compensation committee; and
- Incentive stock, which is an award or issuance of shares of Class A common stock, the grant, issuance, retention, vesting and/or transferability of which is conditioned upon satisfaction of criteria determined by the compensation committee.

Awards may be settled in cash, shares of Class A common stock or a combination thereof, or by stock units which provide for settlement in cash or deferred issuance of shares of Class A common stock. Any person who is a director, an employee or a prospective employee of ours or any of our subsidiaries is eligible to be selected as a recipient of an award under the plan. We intend to grant options to approximately 125 of our directors, officers and key employees exercisable for approximately 1,000,000 shares of our Class A common stock at the initial public offering price. Class B common stock may not be issued under the plan.

The plan will be administered by the compensation committee of our board of directors, although the board of directors may exercise any authority of the committee under the plan and the compensation committee may delegate its authority under the plan. Subject to the express provisions of the plan, the committee has broad authority to administer and interpret the plan, including the discretion, in each case not inconsistent with the plan, to:

- Determine the exercise price and vesting schedule of options, the events causing an option to expire, the number of shares of our Class A common stock subject to any option, the restrictions on transferability of an option and other terms and conditions;
- Determine the terms of any incentive bonus, including the target and maximum amount payable to a participant as an incentive bonus, the performance criteria and level of achievement versus these criteria that determines the amount payable under an incentive bonus, the period as to which performance will be measured for determining the amount of any payment, the timing of any payment earned by virtue of performance, the
The aggregate number of shares of our Class A common stock that is available for issuance under the plan is 3,000,000 plus, in 2003 and each year thereafter, a number of additional shares equal to one and one-half percent of the number of shares of Class A common stock outstanding on December 31st of that year. The aggregate number of shares issuable under Awards granted under the plan during any calendar year to any eligible person may not exceed 500,000. The number of shares authorized under the plan may be adjusted to account for stock splits, stock dividends, recapitalizations and similar events.

The board of directors may amend or alter the plan except that approval from our stockholders is required for certain amendments to the plan, including amendments that materially increase the number of shares available under the plan, extend the term of the plan or alter eligibility standards.

PRINCIPAL AND SELLING STOCKHOLDER

The following table sets forth information regarding the beneficial ownership of our common stock as of January 18, 2002, and after giving effect to this offering, with respect to:

- Each person or group known to us who beneficially owns five percent or more of the outstanding shares of our common stock;
- Each director and named executive officer;
- Our executive officers and members of our board of directors as a group; and
- The selling stockholder.

Except as indicated in the footnotes to the table, the persons named in the table have sole voting and investment power with respect to all shares beneficially owned. The business address of each person named in the table below is 12015 Lee Jackson Highway, Fairfax, VA 22033-3300.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Shares of our common stock subject to options that are currently exercisable or exercisable within 60 days of the date of this prospectus are deemed outstanding for the purpose of computing the percentage ownership of any person. These shares, however, are not considered outstanding when computing the percentage ownership of any other person. In addition, because Class B common stock may be voluntarily converted into Class A common stock on a share-for-share basis, each share of Class B common stock also represents beneficial ownership of a share of Class A common stock. However, for purposes of this presentation, share amounts are presented based upon outstanding shares without regard to convertibility, except as specifically noted otherwise.
<table>
<thead>
<tr>
<th>Name</th>
<th>Shares Beneficially Owned Prior to this Offering</th>
<th>Shares Beneficially Owned After this Offering</th>
<th>Percent Of Vote Of All Classes Of Common Stock</th>
</tr>
</thead>
<tbody>
<tr>
<td>George J. Pedersen</td>
<td>621,691 (2) 53.96% 333,333 (3)</td>
<td>288,358 (4) 4.23% 17,514,517 (5)</td>
<td>99.70% (3)</td>
</tr>
<tr>
<td>John A. Moore, Jr.</td>
<td>531,157 40.49%</td>
<td>531,157 7.61%</td>
<td>0.30 (3)</td>
</tr>
<tr>
<td>Walter W. Vaughan</td>
<td>95,766 8.31%</td>
<td>95,766 1.40%</td>
<td>0.05 (3)</td>
</tr>
<tr>
<td>Michael D. Golden</td>
<td>63,153 5.48%</td>
<td>63,153 0.93%</td>
<td>0.04 (3)</td>
</tr>
<tr>
<td>Bradley H. Feldmann</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>R. Evans Hineman</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Stephen W. Porter</td>
<td>--</td>
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<td>--</td>
</tr>
<tr>
<td>Eugene C. Renzi</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Jerry L. Unruh</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>All executive officers and directors as a group (9 persons)</td>
<td>1,311,767 100% 333,333 978,434 14.02% 17,514,517</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

1. The holders of each share of Class A common stock are entitled to one vote per share, and the holders of each share of Class B common stock are entitled to ten votes per share.

2. Consists of 333,333 shares of Class B common stock held by Mr. Pedersen that he will convert voluntarily to Class A common stock on a one-for-one basis immediately prior to this offering, and 288,358 shares of Class B common stock held by the ManTech Employee Stock Ownership Plan Trust, over which Mr. Pedersen shares voting and investment control as trustee, which shares the ESOP Trust will convert voluntarily.
into an equivalent number of shares of Class A common stock in connection
with this offering.

(3) The 333,333 shares of Class A common stock to be offered by Mr. Pedersen
assumes no exercise of the underwriters' over-allotment option. If the
over-allotment option is exercised in full, Mr. Pedersen will sell a total
of 716,846 shares of Class A common stock in the offering and will own
17,131,004 shares of our Class B common stock after the closing of this
offering.

(4) Consists of 288,358 shares of Class B common stock held by the ManTech
Employee Stock Ownership Plan Trust, over which Mr. Pedersen shares voting
and investment control as trustee, which shares the ESOP Trust will convert
voluntarily into an equivalent number of shares of Class A common stock in
connection with this offering.

(5) Includes 1,168,565 shares of Class B common stock owned by the Pedersen
Family Limited Partnership I, of which Mr. Pedersen is the general partner;
77,517 shares of Class B common stock held by the ManTech Special
Assistance Fund, Inc., a fund over which Mr. Pedersen has voting and
investment control; and 609,296 shares of Class B common stock owned by the
ManTech Supplemental Executive Retirement Plan for the benefit of Mr.
Pedersen.

(6) Includes options to purchase 159,621 shares of our Class A common stock
which is immediately exercisable.

(7) Includes 95,766 shares of Class A common stock owned by the Waldan Defined
Benefit Pension Plan and Trust for the benefit of Mr. Vaughan.

RELATED PARTY TRANSACTIONS

GSE Systems, Inc.

ManTech and its designees hold stock in GSE Systems, Inc. (GSE), a company
created by the merger of one of our majority-owned subsidiaries and two other
entities in 1994. As of September 30, 2001, we owned approximately 17.5% of
GSE's common stock. We also hold warrants that are currently exercisable for
150,000 shares of GSE's common stock.

In October 2000, we extended a loan to GSE, which is evidenced by a demand
promissory note for $1.8 million, which was amended and subsequently replaced
in March 2001. We amended this note in April 2001 to increase the amount due
under the note to $3.9 million. The largest aggregate amount outstanding under
this note and its predecessor note since October 2000 was $3.9 million.
Interest accrued on this note at the prime lending rate plus 1.0%. The $3.9
million demand note was convertible into shares of Series A preferred stock of
GSE, at the option of the holder any time after issuance and prior to the third
anniversary of issuance. On December 5, 2001, we exercised our option and
converted this $3.9 million promissory note receivable into 39,000 shares of
Series A preferred stock of GSE. The GSE Series A preferred stock has no voting
rights, and we have agreed to a holding period of one year from the date of
issuance, after which it is convertible into GSE common stock at any time
during the subsequent three-year period at a conversion price of $2.645 per
share.

In June 2001, we extended a loan to GSE, which is evidenced by an
additional promissory note from GSE. The largest aggregate amount outstanding
under this note since June 2001 has been $1.0 million, and as of December 31,
2001 this amount remains outstanding. Interest accrues on this note at the
prime lending rate plus 1.0%.

Under a purchasing arrangement with GSE entered into in January 2001, we
combined our purchases of products with purchases for GSE in order to obtain
volume discounts, for which GSE paid us the full purchase price plus a handling
fee. Purchases under this agreement totaled $843,290 for the nine months ended
September 30, 2001. This purchasing arrangement terminated in June 2001, and
GSE has no outstanding obligations to us, nor do we have any outstanding
obligations to GSE, in connection with this purchasing arrangement.

Our Chairman of the Board of Directors, Chief Executive Officer and
President, George J. Pedersen, as well as John A. Moore, Jr., our Executive
Vice President, Chief Financial Officer, Treasurer and Director, own 56,250
shares, or 1.1%, and 83,925 shares, or 1.6% of GSE common stock, respectively,
and serve on GSE's board of directors. Mr. Pedersen and Mr. Moore entered into
agreements with GSE in 1999 to serve as executive employees providing strategic
planning in acquisitions and divestitures, management of financing arrangements and customer and other business development activities. Under these agreements, GSE pays Mr. Pedersen and Mr. Moore annual fees of $120,000 and $60,000, respectively, and granted Mr. Pedersen and Mr. Moore options to purchase 100,000 and 50,000 shares, respectively, of GSE common stock at an exercise price of $3.3125. Mr. Pedersen and Mr. Moore intend to terminate these agreements but may continue to serve on GSE's board of directors.

MARE, Incorporated

We have loaned money to MARE, Inc., a marine products business. Mr. Pedersen's son-in-law is the president of MARE, Inc., and Mr. Pedersen is the owner of 50.0% of the outstanding capital stock of the company. Mr. Pedersen and Mr. Moore also serve on the board of directors of MARE, Inc. The loan is evidenced by a demand note that accrues interest at a rate of 10.0%. The largest amount outstanding since January 1, 1998 was $1.5 million. As of the date of this prospectus, this note had an outstanding balance of $1.3 million. The principal outstanding under this note is adjusted on a daily basis, based on amounts advanced to or paid down by MARE. As collateral for this note, MARE has pledged to ManTech all of its inventory, consisting primarily of boats and parts, and any other assets that are not otherwise encumbered. MARE intends to pay the balance of principal and interest due on this note at the closing of this offering.

Repurchases of Stock

In January 2000, our predecessor corporation purchased 6,582 shares of its Class B common stock from Mr. John A. Moore, Jr., our Executive Vice President, Chief Financial Officer, Treasurer and Director, for an aggregate purchase price of $566,082, or $86.00 per share. In February 2000, our predecessor corporation purchased 1,000 shares of its Class B common stock from Mr. Michael Golden, one of our directors, for an aggregate purchase price of $86,060, or $86.06 per share, and in December 2000 it purchased an additional 1,000 shares of its Class B common stock from Mr. Golden for an aggregate purchase price of $123,240, or $123.24 per share. The price per share for the January and February 2000 repurchases was calculated by dividing a valuation of the company as of December 31, 1998 by the total number of shares of all classes of common stock outstanding on that date. The price per share for the December 2000 repurchase was calculated by dividing a valuation of the company as of December 30, 1999 by the total number of shares of all classes of common stock outstanding on that date. The same independent third party valuation firm performed each of the respective valuations.

Legal Services

Mr. Stephen Porter, one of our directors, is a partner in the law firm of Arnold & Porter, Washington, D.C., which has performed legal services for us from time to time and is expected to do so in the future. The amount of fees we paid to Mr. Porter's law firm did not exceed five percent of that firm's gross revenues in each of its last three full fiscal years.

Mr. Michael Golden, one of our directors, is a partner in the law firm of Golden & Nelson PLLC, Washington, D.C., which has performed legal services for us from time to time and is expected to do so in the future. The amount of fees we paid to Mr. Golden's law firm during 2001 totaled $51,269. The amount of fees we paid to Mr. Golden's law firm for services rendered totaled $57,675 in 2000 and $72,780 in 1999.

Ownership of Subsidiary Stock

From time to time we have allowed certain of our officers or officers of our subsidiaries to purchase minority interests of common stock in our subsidiaries. These purchases have been pursuant to stock purchase and restriction agreements that generally restrict the transferability of the shares, including granting the subsidiary a right of first refusal with respect to any proposed sale of the common stock by the stockholder and granting the subsidiary a right to call the stock in the event of death, permanent disability or termination of the stockholder's employment by us or the subsidiary.

Employee Relationships
Ms. Christine Lancaster, an employee of ours, is one of Mr. Pedersen's daughters. Ms. Lancaster's compensation for her work on our corporate matters totaled $110,512 in 2001, $123,082 in 2000 and $118,032 in 1999. From time to time, we have employed Mr. Pedersen's other two daughters on a part-time or temporary basis. The amount paid to each of them as compensation has not exceeded $60,000 in any of the last three full fiscal years.

Business Loan and Security Agreement

Mr. Walter R. Fatzinger, Jr., one of our director nominees, is President and Chief Executive Officer of ASB Capital Management, Inc. and is an executive vice president of Chevy Chase Bank, F.S.B., the parent of ASB Capital Management and one of the four financial institutions that is a party to the Business Loan and Security Agreement that we executed on December 17, 2001. As of December 31, 2001, the indebtedness outstanding under this Agreement was $63.2 million, and the portion of this amount attributable to Chevy Chase Bank was $11.52 million.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent for the Class A common stock is American Stock Transfer & Trust.

SHARES ELIGIBLE FOR FUTURE SALE

Shares Outstanding and Freely Tradeable After Offering

Upon completion of this offering, we will have 6,818,813 shares of Class A common stock and 17,514,517 shares of Class B common stock outstanding (assuming that the underwriters do not exercise their over-allotment option). Shares of Class B common stock are convertible at the option of the holder into an equal number of shares of Class A common stock. The 5,666,667 shares of Class A common stock to be sold by us in this offering and all shares sold by the selling stockholder will be freely tradeable without restriction or limitation under the Securities Act of 1933, as amended, except for any such shares held by our "affiliates," as such term is defined under Rule 144 of the Securities Act. Shares of Class A and Class B common stock held by our affiliates may be sold only if registered under the Securities Act or sold in accordance with an applicable exemption from registration, such as Rule 144. The remaining 18,333,330 shares of our common stock outstanding upon completion of this offering are restricted securities, as defined under Rule 144 and may not be sold publicly unless they are registered under the Securities Act or are sold pursuant to Rule 144 or another exemption from registration.

Rule 144

In general, under Rule 144 under the Securities Act of 1933, as currently in effect, beginning 90 days after the date of this prospectus, a person, including an affiliate, who has beneficially owned restricted securities that were last purchased from us or an affiliate of ours at least one year before the date the shares are proposed to be sold would be entitled to sell publicly within any three-month period, a number of shares that does not exceed the greater of:

1. 1% of the then outstanding shares of that class of common stock; or
2. The reported average weekly trading volume of that class of the common stock on the automated quotation system of a registered securities association or the consolidated transaction reporting system during the four calendar weeks preceding such sale.

Sales under Rule 144 also are subject to certain requirements regarding the manner of sale, notice and availability of current public information about us. In addition, a person who is not deemed to have been an affiliate of ours at
any time during the 90 days preceding a sale, and who holds shares that were
last purchased from us or an affiliate of ours more than two years before the
date the shares are proposed to be sold, would be entitled to sell such shares
under Rule 144(k) without regard to the requirements described above.

We and our existing stockholders, executive officers, directors and
director nominees have agreed not to offer, sell, contract to sell, grant any
option to purchase, announce any intention to sell, transfer the economic risk
of ownership in, make any short sale, pledge or otherwise dispose of, directly
or indirectly, or file a registration statement under the Securities Act
relating to, any shares of our common stock or securities either owned as of
the date of this prospectus or thereafter acquired without the prior written
consent of the underwriters for a period of 180 days after the date of this
prospectus, other than:

- the conversion of shares of Mr. Pedersen's Class B common stock to Class
  A common stock, and the sale by Mr. Pedersen of those shares of Class A
  common stock in this offering, including, if exercised, pursuant to the
  over-allotment option;

- the conversion of the Class B common stock to Class A common stock either
  voluntarily or upon Mr. Pedersen's death; and

- certain permitted transfers such as transfers to family members, trusts
  established for the benefit of a transferring stockholder and its family
  members or transfers by stockholders that are partnerships or
  corporations to the partners or stockholders of such stockholder, but in
  each case subject to the prior execution by the transferee(s) of a
  lock-up agreement satisfactory to Jefferies & Company, Inc.

Upon the expiration of this 180-day lock-up period, substantially all of
these shares will become eligible for sale, subject to the restrictions of Rule
144. These restrictions will not affect our ability to:

- Issue, sell or award shares of our common stock or securities convertible
  into, exercisable or exchangeable for, shares of our common stock
  pursuant to our Management Incentive Plan as long as such shares and
  securities do not vest and are not exercisable prior to the expiration of
  this 180-day period (other than upon the death or disability of a holder
  thereof);

- Issue shares of our common stock or other securities pursuant to the
  exercise of stock options currently outstanding; or

- Issue shares of our common stock or securities convertible into, or
  exercisable or exchangeable for, shares of our common stock in connection
  with an acquisition of or merger with another corporation as long as such
  securities are not registered under the Securities Act during this
  180-day period. See "Underwriting."

Rule 701

Subject to limitations on the aggregate offering price of a transaction and
other conditions, Rule 701 may be relied upon with respect to the resale of
securities originally purchased from us by our employees, directors, officers,
consultants or advisers prior to the closing of this offering, pursuant to
written compensatory benefit plans or written contracts relating to the
compensation of such persons. In addition, the Securities and Exchange
Commission has indicated that Rule 701 will apply to stock options granted by
us before this offering, along with the shares acquired upon exercise of such
options. Securities issued in reliance on Rule 701 are deemed to be restricted
shares and, beginning 90 days after the date of this prospectus unless subject
to the contractual restrictions previously discussed, may be sold by persons
other than affiliates subject only to the manner of sale provisions of Rule 144
and by affiliates under Rule 144 without compliance with the two-year minimum
holding period requirements.

Stock Plan Registration Statements

We intend to file one or more registration statements under the Securities
Act covering approximately 3,000,000 shares of common stock reserved for
issuance under our Management Incentive Plan and with respect to the employee stock options held by John A. Moore, Jr. These registration statements are expected to be filed soon after the date of this prospectus and will automatically become effective upon filing. Accordingly, shares registered under the registration statements will be available for sale in the open market, unless such shares are subject to vesting restrictions with us or the contractual restrictions described above.

DESCRIPTION OF CAPITAL STOCK, CERTIFICATE OF INCORPORATION AND BYLAWS

General

Our authorized capital stock consists of 150,000,000 shares of Class A common stock, $0.01 par value, 50,000,000 shares of Class B common stock, $0.01 par value, and 20,000,000 shares of preferred stock, $0.01 par value, after giving effect to our reincorporation, recapitalization and stock split. For more information, see "Transactions Prior to the Offering" on page 6. Together, the Class A common stock and the Class B common stock comprise all of the authorized common stock. Prior to this offering, there were 530,455 shares of Class A common stock and 18,136,208 shares of Class B common stock outstanding and held of record by three and five stockholders, respectively.

Common Stock

Upon completion of this offering, and assuming the over-allotment option is not exercised, there will be 6,818,813 shares of Class A common stock and 17,514,517 shares of Class B common stock outstanding. All of the outstanding Class B common stock is beneficially owned by George J. Pedersen, our Chairman of the Board of Directors, Chief Executive Officer and President. The number of shares outstanding represents 12.17% of all of the authorized common stock. In addition an aggregate of 5,000,000 shares of our common stock will be reserved for issuance under our Management Incentive Plan under which 1,159,621 options to purchase an equivalent number of shares of our Class A common stock will be outstanding as of the date of this prospectus.

The rights, preferences and privileges of holders of our common stock are subject to, and may be adversely affected by, the rights of holders of shares of any series of preferred stock that we may designate and issue in the future. The outstanding shares of our common stock are fully paid and non-assessable.

Voting. Holders of Class A common stock are entitled to one vote for each share held of record, and holders of Class B common stock are entitled to ten votes for each share held of record, except with respect to any "going private transaction" (generally, a transaction in which Mr. Pedersen, his affiliates, his direct or indirect permitted transferees or a group, which includes Mr. Pedersen, such affiliates and permitted transferees, seek to buy all outstanding shares), as to which each share of Class A common stock and Class B common stock are entitled to one vote per share. The Class A common stock and the Class B common stock vote together as a single class on all matters submitted to a vote of stockholders, including the election of directors, except as required by law. Our common stock does not have cumulative voting rights in the election of directors.

As a result of this offering, the percentage of the voting power of the outstanding common stock owned or controlled by Mr. Pedersen will decline to approximately 96.41%, if the over-allotment option is not exercised, and 95.85% if the underwriters' over-allotment option is exercised in full; but he will continue to control all actions to be taken by the stockholders, including the election of all directors to the board of directors. See "Principal and Selling Stockholder" and "Risk Factors--Mr. Pedersen, Our Chairman, Chief Executive Officer and President, Will Continue To Control Our Company."

Dividends; Stock Splits. Holders of the common stock are entitled to receive, when and if declared by the board of directors from time to time, such dividends and other distributions in cash, stock or property from our assets or funds legally available for such purposes subject to any dividend preferences that may be attributable to preferred stock that may be authorized. Each share of Class A common stock and Class B common stock is equal in respect of dividends and other distributions in cash, stock or property, except that in the case of stock dividends, only shares of Class A common stock will be distributed with respect to the Class A common stock and only shares of Class B
stock will be distributed with respect to Class B common stock. In no event will either Class A common stock or Class B common stock be split, divided or combined unless the other class is proportionately split, divided or combined. For example, if we effect a two-for-one stock split with respect to the Class A common stock, we will at the same time effect a two-for-one stock split with respect to the Class B common stock.

Conversion. The shares of Class A common stock are not convertible into any other series or class of securities. Each share of Class B common stock, however, is freely convertible into one share of Class A common stock at the option of the Class B stockholder. Except for transfers to certain family members or trusts established for the benefit of such family members, transfers to partnerships, corporations, or similar entities whose general partners, stockholders or members are, directly or indirectly, such family members, and transfers to certain charitable organizations or to one of our employee benefit plans (each, a "Permitted Transferee"), any transfer of Class B common stock will result in the automatic conversion of the transferred shares into Class A common stock. In addition, if Mr. Pedersen (either individually or through the Pedersen Family Limited Partnership I or the ManTech Special Assistance Fund, Inc.) transfers shares of Class B common stock to one or more Permitted Transferees, and at any time after such transfer or transfers he does not exercise voting control over the transferred shares and does not exercise voting control over shares of Class B common stock representing in excess of fifty percent of the voting power of all outstanding shares of common stock entitled to vote on the election of directors, then all of the shares of Class B common stock which Mr. Pedersen (either individually or through the Pedersen Family Limited Partnership I or the ManTech Special Assistance Fund, Inc.) transfers to all Permitted Transferees and over which Mr. Pedersen does not exercise voting control will automatically convert to an equivalent number of shares of Class A common stock. Shares of Class B common stock may be pledged as collateral for indebtedness but, unless the pledgee is a Permitted Transferee, the shares will automatically convert to Class A common stock upon any transfer in foreclosure of the pledged shares. Upon Mr. Pedersen's death, all outstanding shares of Class B common stock automatically convert to Class A common stock.

Mergers, Consolidation and Other Transactions. In the event that we enter into any consolidation, merger, combination or other transaction in which shares of common stock are exchanged for other capital stock, cash or property, then the shares of each class of common stock will be exchanged for the same amount of capital stock, cash or property, as the case may be, for which each share of any other class of common stock is exchanged. Holders of each class of common stock may receive different distributions of stock, securities, cash or property if:

- Shares of common stock are exchanged for shares of capital stock, then the shares exchanged may differ only to the extent that the Class A common stock and the Class B common stock differ;

- The holders of Class A common stock receive an amount of stock, securities, cash or property per share having a value greater than or equal to the value per share into which or for which each share of Class B common stock is exchanged; or

- Holders of Class A common stock and holders of Class B common stock receive an amount of stock, securities, cash or property per share in accordance with a transaction approved by the holders of a majority of Class A common stock and by the holders of a majority of Class B common stock, each voting separately as a class.

Nasdaq. We expect the Class A common stock will be quoted on The Nasdaq National Market under the symbol "MANT.

Preferred Stock
Subject to Delaware law, the board of directors, without further action by the stockholders, is authorized to issue an aggregate of 20,000,000 shares of preferred stock. No shares of preferred stock are outstanding and the board of directors currently has no plans to issue a series of preferred stock. The board of directors may, without stockholder approval, issue preferred stock with dividend rates, redemption prices, preferences on liquidation or dissolution, conversion rights, voting rights and any other preferences, which rights and preferences could adversely affect the voting power or other rights of the holders of our common stock. The issuance of preferred stock, while providing desirable flexibility in connection with possible acquisitions or other corporate purposes, could have the effects of making it more difficult for a third party to acquire, or could discourage or delay a third party from acquiring, a majority of our outstanding stock and of decreasing the amount of earnings or assets available for distribution to the holders of our common stock.

Corporate Governance Provisions of Our Certificate of Incorporation and Bylaws

Advance Notice. Our bylaws require that advance written notice of all director nominations or other business matters proposed to be brought before an annual meeting of stockholders be delivered to our secretary at our principal executive office not later than 60 days nor more than 120 days prior to the first anniversary of the date on which we first mailed our proxy materials for the prior year’s annual meeting of stockholders. This provision may make it more difficult for stockholders to nominate or elect directors or take action opposed by our board.

Special Meetings. Our certificate of incorporation and bylaws provide that special meetings of the stockholders may be called by our Secretary at the direction of:

. the affirmative vote of a majority of the board of directors;
. the chairman of the board of directors;
. the chief executive officer; or
. the holders of shares representing a majority of the voting power of the outstanding common stock entitled to vote at such meeting of stockholders.

No Stockholder Action by Written Consent. Our certificate of incorporation provides that stockholders entitled to take action on any matter may act solely at a meeting of stockholders duly called and held in accordance with law and our certificate of incorporation and bylaws and may not act by a consent or consents in writing. Accordingly, our stockholders will not be able to take action by written consent in lieu of a meeting. This provision may have the effect of deterring hostile takeovers or delaying changes in control or management.

Indemnification of Directors and Officers. Our certificate of incorporation and bylaws provide a right to indemnification to the fullest extent permitted by law for expenses, attorney’s fees, damages, punitive damages, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by any person whether or not the indemnified liability arises or arose from any threatened, pending or completed proceeding by or in our right by reason of the fact that he or she is or was our director or officer or while our director or officer, is or was serving at our request as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, to the fullest extent permitted under the Delaware General Corporation Law. Our certificate of incorporation and bylaws also provide for the advancement of expenses to an indemnified party. Additionally, we may indemnify any employee or agent of ours to the fullest extent permitted by law. Our bylaws authorize us to take steps to ensure that all persons entitled to the indemnification are properly indemnified, including, if the board of directors so determines, purchasing and maintaining insurance.

Certain Provisions of Delaware Law
We are a Delaware corporation and are therefore subject to the provisions of Section 203 of the Delaware General Corporation Law, an anti-takeover law. In general, the statute prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction by which that person became an interested stockholder, unless the business combination is approved in a prescribed manner. For purposes of Section 203, a "business combination" includes a merger, asset sale or other transaction resulting in a financial benefit to the interested stockholder, and an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years prior did own, 15.0% or more of our voting stock.

Limitations on Liability and Indemnification of Officers and Directors

Our certificate of incorporation provides that none of the directors shall be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except liability for:

. Any breach of the director's duty of loyalty to us or our stockholders;
. Acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
. The payment of unlawful dividends and certain other actions prohibited by Delaware General Corporation Law; and
. Any transaction from which the director derived any improper personal benefits.

The effect of this provision of our certificate of incorporation is to eliminate our rights and the rights of our stockholders to recover monetary damages against a director for breach of the fiduciary duty of care as a director, including breaches resulting from negligent or grossly negligent behavior, except in the situations described above. This provision does not limit or eliminate our rights or the rights of any stockholder to seek non-monetary relief, such as an injunction or rescission in the event of a breach of a director's duty of care.

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TAX CONSIDERATIONS

This is a general summary of material U.S. federal income and estate tax considerations with respect to your acquisition, ownership and disposition of our common stock if you are a beneficial owner of shares other than:

. A citizen or resident of the United States;
. A corporation, partnership or other entity created or organized in, or under the laws of, the United States or any political subdivision of the United States;
. An estate, the income of which is subject to U.S. federal income taxation regardless of its source;
. A trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust; or
. A trust that existed on August 20, 1996, was treated as a U.S. person on August 19, 1996, and elected to be treated as a U.S. person.

This summary does not address all of the U.S. federal income and estate tax considerations that may be relevant to you in light of your particular circumstances or if you are a beneficial owner subject to special treatment under United States income tax laws such as a:

. Controlled foreign corporation;
. Passive foreign investment company;
Dividends

In general, any distributions we make to you with respect to your shares of our common stock that constitute dividends for U.S. federal income tax purposes will be subject to U.S. withholding tax at a rate of 30.0% of the gross amount, unless you are eligible for a reduced rate of withholding tax under an applicable income tax treaty and you provide proper certification of your eligibility for such reduced rate (usually on an IRS Form W-8BEN). A distribution will constitute a dividend for U.S. federal income tax purposes to the extent of our current or accumulated earnings and profits as determined under the Internal Revenue Code. Any distribution not constituting a dividend will be treated first as reducing your basis in your shares of our common stock and, to the extent it exceeds your basis, as gain from the disposition of your shares of our common stock.

Dividends we pay to you that are effectively connected with your conduct of a trade or business within the United States and, if certain income tax treaties apply, are attributable to a U.S. permanent establishment maintained by you, generally will not be subject to U.S. withholding tax if you comply with applicable certification and disclosure requirements. Instead, such dividends generally will be subject to U.S. federal income tax, net of certain deductions, at the same rates applicable to U.S. persons. If you are a corporation, effectively connected income may also be subject to a "branch profits tax" at a rate of 30.0%, or a lower rate specified by an applicable income tax treaty. Dividends that are effectively connected with your conduct of a trade or business but that under an applicable income tax treaty are not attributable to a U.S. permanent establishment maintained by you may be eligible for a reduced rate of U.S. withholding tax under such treaty, provided you comply with certification and disclosure requirements necessary to obtain treaty benefits.

Sale or Other Disposition of Our Common Stock

You generally will not be subject to U.S. federal income tax on any gain realized upon the sale or other disposition of your shares of our common stock unless:

- The gain is effectively connected with your conduct of a trade or business within the United States and, under certain income tax treaties, is attributable to a U.S. permanent establishment you maintain;
- You are an individual, you hold your shares of our common stock as capital assets, you are present in the United States for 183 days or more in the taxable year of disposition and you meet other conditions, and you are not eligible for relief under an applicable income tax treaty; or
- We are or have been a "United States real property holding corporation"
for U.S. federal income tax purposes (which we believe we are not and have never been, and do not anticipate we will become) and you hold or have held, directly or indirectly, at any time within the shorter of the five-year period preceding disposition or your holding period for your shares of our common stock, more than 5.0% of our Class A common stock.

Gain that is effectively connected with your conduct of a trade or business within the United States generally will be subject to U.S. federal income tax, net of certain deductions, at the same rates applicable to U.S. persons. If you are a corporation, the branch profits tax, as discussed above, also may apply to such effectively connected gain. If the gain from the sale or disposition of your shares is effectively connected with your conduct of a trade or business in the United States but under an applicable income tax treaty is not attributable to a permanent establishment you maintain in the United States, your gain may be exempt from U.S. tax under the treaty. If you are described in the second bullet point above, you generally will be subject to U.S. tax at a rate of 30.0% on the gain realized, although the gain may be offset by some U.S. source capital losses realized during the same taxable year.

Information Reporting and Backup Withholding

We must report annually to the IRS the amount of dividends or other distributions we pay to you on your shares of our common stock and the amount of tax we withhold on these distributions regardless of whether withholding is required. The IRS may make copies of the information returns reporting those dividends and amounts withheld available to the tax authorities in the country in which you reside pursuant to the provisions of an applicable income tax treaty or exchange of information treaty.

The United States imposes a backup withholding tax on dividends and certain other types of payments to U.S. persons at a rate of 30.5% (with scheduled reductions through 2006 and a scheduled increase to 31.0% in 2011) of the gross amount. You will not be subject to backup withholding tax on dividends you receive on your shares of our common stock if you provide proper certification (usually on an IRS Form W-8BEN) of your status as a non-U.S. person or you are a corporation or one of several types of entities and organizations that qualify for exemption.

Information reporting and backup withholding generally are not required with respect to the amount of any proceeds from the sale of your shares of our common stock outside the United States through a foreign office of a foreign broker that does not have certain specified connections to the United States. However, if you sell your shares of our common stock through a U.S. broker or the United States office of a foreign broker, the broker will be required to report to the IRS the amount of proceeds paid to you and also backup withhold at a rate of 30.5% (with scheduled reductions through 2006 and a scheduled increase to 31.0% in 2011) of that amount unless you provide appropriate certification (usually on an IRS Form W-8BEN) to the broker of your status as a non-U.S. person or you are a corporation or one of several types of entities and organizations that qualify for exemption. Information reporting and backup withholding, if the appropriate certification is not provided, also apply if you sell your shares of our common stock through a foreign broker deriving more than a specified percentage of its income from U.S. sources or having certain other connections to the United States.

Any amounts withheld with respect to your shares of our common stock under the backup withholding rules will be refunded to you or credited against your U.S. federal income tax liability, if any, by the IRS if the required information is furnished in a timely manner.

Estate Tax

Shares of our common stock owned or treated as owned by an individual who is not a citizen or resident, as defined for U.S. federal tax purposes, of the United States at the time of his or her death will be subject to U.S. federal estate tax unless an applicable estate tax treaty provides otherwise.
Subject to the terms and conditions stated in the underwriting agreement between us, the selling stockholder and the underwriters, each of the underwriters named below has severally agreed to purchase, and we and the selling stockholder have agreed to sell to each named underwriter, the number of shares set forth opposite the name of each underwriter.

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<th>Underwriters</th>
<th>Number of Shares</th>
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<tbody>
<tr>
<td>Jefferies &amp; Company, Inc.</td>
<td></td>
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<tr>
<td>Legg Mason Wood Walker, Incorporated</td>
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<tr>
<td>BB&amp;T Capital Markets/Scott &amp; Stringfellow, Inc.</td>
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</tr>
<tr>
<td>Total</td>
<td>6,000,000</td>
</tr>
</tbody>
</table>

The underwriting agreement provides that the obligations of the several underwriters to purchase the shares offered by us and the selling stockholder are subject to some conditions. The underwriters are obligated to purchase all of the shares offered by us and the selling stockholder, other than those covered by the over-allotment option described below, if any of the shares are purchased. The underwriting agreement also provides that, in the event of a default by an underwriter, in some circumstances the purchase commitments of non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

Prior to this offering, there has been no public market for the Class A common stock. The initial offering price will be negotiated among us and the representatives for the underwriters. Among the factors to be considered in determining the initial public offering price of the Class A common stock shares, in addition to prevailing market conditions, will be our historical performance, estimates of our business potential and earnings prospects, an assessment of our management and consideration of the above factors in relation to market valuations of companies in related businesses. There can be no assurance, however, that the prices at which the Class A common stock shares will sell in the public market after this offering will not be lower than the price at which they are sold by the underwriters or that an active trading market in the shares will develop and continue after this offering.

The underwriters propose to offer the shares to the public initially at the public offering price set forth on the cover of this prospectus, and to some dealers at that price less a concession not in excess of $ per share. The underwriters may allow, and those dealers may reallocate, a discount not in excess of $ per share to other dealers. After this offering, the public offering price, the concession to selected dealers and the reallocation to other dealers may be changed by the underwriters.

We and the selling stockholder have granted to the underwriters an option, exercisable not later than 30 days after the date of this prospectus, to purchase, in whole or in part, up to 900,000 additional shares at the public offering price less the underwriting discount set forth on the cover of this prospectus.

The underwriters may exercise that option only to cover over-allotments, if any, made in connection with the sale of the shares of Class A common stock offered by us and the selling stockholder. To the extent that option is exercised, each underwriter will be obligated, subject to some conditions, to purchase a number of additional shares approximately proportionate to that underwriter's initial purchase commitment as indicated in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by us and the selling stockholder. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase 900,000 additional shares.
We estimate that the total expenses of this offering, excluding the underwriting discounts and commissions, will be approximately $1.1 million, which will be paid by us.

This offering of the shares is made for delivery when, as and if accepted by the underwriters and subject to prior sale and to withdrawal, cancellation or modification of this offering without notice. The underwriters reserve the right to reject an order for the purchase of shares in whole or in part.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, and to contribute to payments the underwriters may be required to make in respect of these liabilities.

We are applying to have the Class A common stock approved for qualification on The Nasdaq National Market under the symbol "MANT."

We and our existing stockholders, executive officers, directors and director nominees have agreed not to offer, sell, contract to sell, grant any option to purchase, announce any intention to sell, transfer the economic risk of ownership in, make any short sale, pledge or otherwise dispose of, directly or indirectly, or file a registration statement under the Securities Act relating to, any shares of our common stock or securities or other rights convertible into or exchangeable or exercisable for any shares of our common stock or securities either owned as of the date of this prospectus or thereafter acquired without the prior written consent of the underwriters for a period of 180 days after the date of this prospectus, other than:

1. the conversion of shares of Mr. Pedersen's Class B common stock to Class A common stock, and the sale by Mr. Pedersen of those shares of Class A common stock in this offering, including, if exercised, pursuant to the over-allotment option;

2. the conversion of the Class B common stock to Class A common stock either voluntarily or upon Mr. Pedersen's death; and

3. certain permitted transfers, such as transfers to family members, trusts established for the benefit of a transferring stockholder and its family members or transfers by stockholders that are partnerships or corporations to the partners or stockholders of such stockholders, but in each case subject to the prior execution by the transferee(s) of a lock-up agreement which is satisfactory to Jefferies & Company, Inc.

Upon the expiration of this 180-day lock-up period, substantially all of these shares will become eligible for sale, subject to the restrictions of Rule 144. These restrictions will not affect our ability to:

1. issue, sell or award shares of our common stock or securities convertible into, exercisable or exchangeable for, shares of our common stock pursuant to our Management Incentive Plan as long as such shares and securities do not vest and are not exercisable prior to the expiration of this 180-day period (other than upon the death or disability of a holder thereof);

2. issue shares of our common stock or other securities pursuant to the exercise of stock options currently outstanding; or

3. issue shares of our common stock or securities convertible into, or exercisable or exchangeable for, shares of our common stock in connection with an acquisition of or merger with another corporation as long as such securities are not registered under the Securities Act during this period.
We have been advised by the representatives that, in accordance with Regulation M under the Securities Act, some persons participating in this offering may engage in transactions, including syndicate covering transactions, stabilizing bids or the imposition of penalty bids, that may have the effect of stabilizing or maintaining the market price of the shares at a level above that which might otherwise prevail in the open market.

A "syndicate covering transaction" is a bid for or the purchase of shares on behalf of the underwriters to reduce a syndicate short position incurred by the underwriters in connection with this offering. The underwriters may create a syndicate short position by making short sales of our shares and may purchase our shares in the open market to cover syndicate short positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in this offering. Short sales can be either "covered" or "naked." "Covered" short sales are sales made in an amount not greater than the underwriters' over-allotment option to purchase additional shares from us and the selling stockholder in this offering. "Naked" short sales are sales in excess of the over-allotment option. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in this offering. If the underwriters create a syndicate short position, they may choose to reduce or "cover" this position by either exercising all or part of the over-allotment option to purchase additional shares from us and the selling stockholder or by engaging in "syndicate covering transactions." The underwriters may close out any covered short position by either exercising their over-allotment option or purchasing shares in the open market. The underwriters must close out any naked short position by purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option.

A "stabilizing bid" is a bid for or the purchase of shares on behalf of the underwriters for the purpose of fixing or maintaining the price of our Class A common stock. A "penalty bid" is an arrangement that permits the representatives to reclaim the selling concession from an underwriter or a syndicate member when shares sold by such underwriter or syndicate members are purchased by the representatives in a syndicate covering transaction and, therefore, have not been effectively placed by the underwriter or syndicate member.

We have been advised by the representatives that these transactions may be effected on The Nasdaq National Market or otherwise and, if commenced, may be discontinued at any time. Similar to other purchase activities, these activities may have the effect of raising or maintaining the market price of our Class A common stock or preventing or retarding a decline in the market price of our Class A common stock. As a result, the price of our Class A common stock may be higher than the price that might otherwise exist in the open market.

Both Jefferies & Company, Inc. and Quarterdeck Investment Partners, LLC, which is affiliated with Jefferies & Company, Inc. (which we refer to collectively as our financial advisors), have provided and in the future may provide investment banking and other financial advisory services to us, including strategic planning with respect to acquisitions, for which we have paid and expect to pay customary fees and expenses. In connection with our engagement of these financial advisors, we have granted to them a right of first refusal to act as managers or co-managers of a subsequent offering of securities by us.

Quarterdeck Investment Partners, LLC has provided financial advisory services to us with respect to this offering. In consideration for such services, Quarterdeck Investment Partners, LLC will be paid a fee. This fee is included in the table set forth above detailing the underwriters' compensation on a total and per share basis. Quarterdeck Investment Partners, LLC does not have any material relationship with us or any of our officers, directors or other controlling persons, except its contractual relationship with us relating
to the investment banking and financial advisory services provided to us which are described above.

Branch Banking and Trust Company of Virginia, an affiliate of BB&T Capital Markets, a division of Scott & Stringfellow, Inc., is a member of a syndicate of banking institutions that has advanced two loans, with an outstanding balance of $7.4 million as of December 31, 2001, to us. In connection with our application of the net proceeds of this offering, as described under "Use of Proceeds" above, less than 10% of such proceeds to us will be used to repay indebtedness to affiliates of the underwriters.

VALIDITY OF COMMON STOCK

The validity of the shares of Class A common stock offered by us in this offering and the shares of Class A common stock offered by the selling stockholder will be passed upon for us and the selling stockholder by Gibson, Dunn & Crutcher LLP, Washington, D.C. Certain legal matters relating to this offering will be passed upon for the underwriters by Morgan Lewis & Bockius LLP, New York, New York.

EXPERTS

The consolidated financial statements as of December 31, 1999 and 2000 and September 30, 2001 and for the years ended December 31, 1999 and 2000, and the nine months ended September 30, 2001, included in this prospectus and the related financial statement schedule included elsewhere in this registration statement have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports appearing herein and elsewhere in the registration statement, and have been so included in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements for the year ended December 31, 1998 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting. We have also included our financial statement schedule for the same period in the registration statement along with PricewaterhouseCoopers LLP report on the schedule.

Change in Independent Auditors

In July 1999, we determined to change our independent auditors from PricewaterhouseCoopers LLP, to Deloitte & Touche LLP. In connection with PricewaterhouseCoopers LLP's audits of our financial statements for the years ended December 31, 1997 and 1998 and through July 1999, there were no disagreements with PricewaterhouseCoopers LLP on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, nor any reportable events. The reports of PricewaterhouseCoopers LLP on the financial statements for the years ended December 31, 1997 and 1998 contained no adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principle. The decision to change auditors was approved by our board of directors. We have provided PricewaterhouseCoopers LLP with a copy of the disclosure contained in this section of this prospectus.

We have requested that PricewaterhouseCoopers LLP furnish us with a letter addressed to the Commission stating whether or not it agrees with the above statements. A copy of such letter, dated December 31, 2001, is filed as Exhibit 16.1 to our registration statement on Form S-1.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the Securities and Exchange Commission a registration statement on Form S-1, including exhibits and schedules, under the Securities Act with respect to the Class A common stock to be sold in this offering. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules that are part of the registration statement. Any statements made in this prospectus as to the contents of any contract, agreement or other document are not necessarily complete. With respect to each
such contract, agreement or other document filed as an exhibit to the registration statement, we refer you to the exhibit for a more complete description of the matter involved, and each statement in this prospectus shall be deemed qualified in its entirety by this reference. You may read and copy all or any portion of the registration statement or any reports, statements or other information in the files at the following public reference facilities of the Securities and Exchange Commission:

Washington, D.C.
Room 1024
450 Fifth Street, N.W.
Washington, D.C. 20549

You can request copies of these documents upon payment of a duplicating fee by writing to the Securities and Exchange Commission. You may call the Securities and Exchange Commission at 1-800-SEC-0330 for further information on the operation of its public reference rooms. Our filings, including the registration statement, will also be available to you on the Internet web site maintained by the Securities and Exchange Commission at www.sec.gov.

We intend to furnish our stockholders with annual reports containing financial statements audited by our independent auditors, and make available to our stockholders quarterly reports for the first three quarters of each year containing unaudited interim financial statements.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of ManTech International Corporation
Fairfax, Virginia:

We have audited the accompanying consolidated balance sheets of ManTech International Corporation and subsidiaries (the Company) as of December 31, 1999 and 2000 and September 30, 2001, and the related consolidated statements of income, stockholders' equity, and cash flows for the years ended December 31, 1999 and 2000 and the nine months ended September 30, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of ManTech International Corporation and subsidiaries at December 31, 1999 and 2000 and September 30, 2001, and the results of their operations and their cash flows for the years ended December 31, 1999 and 2000 and the nine months ended September 30, 2001 in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 8, effective January 1, 2001, the Company adopted Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended.

DELOITTE & TOUCHE LLP
McLean, Virginia
November 16, 2001, except for Note 8 as to which the date is December 17, 2001

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of
MANTECH INTERNATIONAL CORPORATION:

In our opinion, the accompanying consolidated statement of income, of changes in stockholders' equity and of cash flows present fairly, in all material respects, the results of operations and cash flows of ManTech International Corporation (the Company) for the year ended December 31, 1998, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
McLean, Virginia
April 26, 1999, except for Note 16, as to which the date is June 7, 1999 and

Note 15, as to which the date is November 15, 2001

MANTECH INTERNATIONAL CORPORATION
CONSOLIDATED BALANCE SHEETS
(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>December 31, 1999</th>
<th>September 30, 1999</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2000</td>
</tr>
</tbody>
</table>
### MANTECH INTERNATIONAL CORPORATION

**CONSOLIDATED BALANCE SHEETS**

(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>December 31, 1999</th>
<th>September 30, 2000</th>
<th>September 30, 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT LIABILITIES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current portion of debt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued salaries and related expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Billings in excess of revenue earned</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities held for sale</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>82,552</td>
<td>79,591</td>
<td>76,259</td>
</tr>
<tr>
<td>Debt--net of current portion</td>
<td>72,005</td>
<td>73,000</td>
<td>66,630</td>
</tr>
<tr>
<td>Deferred rent</td>
<td>513</td>
<td>441</td>
<td>597</td>
</tr>
<tr>
<td>Accrued retirement</td>
<td>7,548</td>
<td>8,382</td>
<td>8,480</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>2,347</td>
<td>2,139</td>
<td>2,140</td>
</tr>
<tr>
<td>Minority interest</td>
<td>95</td>
<td>34</td>
<td>53</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>165,060</td>
<td>163,587</td>
<td>154,197</td>
</tr>
</tbody>
</table>

**COMMITMENTS AND CONTINGENCIES**

**STOCKHOLDERS' EQUITY:**

<table>
<thead>
<tr>
<th></th>
<th>December 31, 1999</th>
<th>September 30, 2000</th>
<th>September 30, 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock, Class A--no par value; 25,000,000 shares authorized; 4,111,502 shares issued; 1,022,882, 1,033,938 and 1,040,566 shares outstanding as of December 31, 1999 and September 30, 2000, and September 30, 2001, respectively.</td>
<td>1,179</td>
<td>1,179</td>
<td>1,179</td>
</tr>
<tr>
<td>Common stock, Class C--no par value; 100,000 shares authorized; 71,664 shares issued and outstanding</td>
<td>21</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>Additional paid in capital</td>
<td>1,326</td>
<td>2,468</td>
<td></td>
</tr>
<tr>
<td>Retained earnings</td>
<td>31,770</td>
<td>33,509</td>
<td>33,246</td>
</tr>
<tr>
<td>Accumulated other comprehensive loss</td>
<td>(159)</td>
<td>(240)</td>
<td>(1,540)</td>
</tr>
<tr>
<td>Deferred compensation</td>
<td>640</td>
<td>640</td>
<td>640</td>
</tr>
<tr>
<td>Treasury stock--at cost; 3,088,620, 3,077,564 and 3,070,936 shares of Class A; and 39,156, 47,738 and 47,738 shares of Class B at December 31, 1999 and 2000, and September 30, 2001, respectively</td>
<td>(13,903)</td>
<td>(14,641)</td>
<td>(14,612)</td>
</tr>
<tr>
<td><strong>Total stockholders' equity</strong></td>
<td>1,462</td>
<td>1,462</td>
<td>1,462</td>
</tr>
</tbody>
</table>
MANTECH INTERNATIONAL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(Dollars in Thousands Except Per Share Amounts)

Year Ended December 31, 2000

<table>
<thead>
<tr>
<th>Item</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES</td>
<td>$314,309</td>
<td>$353,924</td>
<td>$378,827</td>
</tr>
<tr>
<td>COST OF SERVICES</td>
<td>$265,189</td>
<td>$296,306</td>
<td>$315,414</td>
</tr>
<tr>
<td>GROSS PROFIT</td>
<td>$49,120</td>
<td>$57,618</td>
<td>$63,413</td>
</tr>
<tr>
<td>COSTS AND EXPENSES:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and administrative</td>
<td>$33,389</td>
<td>$39,175</td>
<td>$41,545</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>$2,284</td>
<td>$3,275</td>
<td>$3,279</td>
</tr>
<tr>
<td>Total costs and expenses</td>
<td>$35,673</td>
<td>$42,450</td>
<td>$44,824</td>
</tr>
<tr>
<td>INCOME FROM OPERATIONS</td>
<td>$13,447</td>
<td>$15,168</td>
<td>$18,589</td>
</tr>
<tr>
<td>Interest expense</td>
<td>$4,020</td>
<td>$4,122</td>
<td>$4,438</td>
</tr>
<tr>
<td>Loss from investment default</td>
<td>$5,230</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Equity in (earnings) losses of affiliates</td>
<td>$911</td>
<td>$810</td>
<td>$1,162</td>
</tr>
<tr>
<td>Other income</td>
<td>$29</td>
<td>$443</td>
<td>$123</td>
</tr>
<tr>
<td>INCOME BEFORE PROVISION FOR INCOME</td>
<td>$5,137</td>
<td>$12,299</td>
<td>$13,112</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>$(2,183)</td>
<td>$(5,466)</td>
<td>$(4,227)</td>
</tr>
<tr>
<td>Minority interest</td>
<td>$33</td>
<td>$37</td>
<td>$13</td>
</tr>
<tr>
<td>INCOME FROM CONTINUING OPERATIONS</td>
<td>$2,921</td>
<td>$6,796</td>
<td>$7,125</td>
</tr>
<tr>
<td>Loss on disposal of discontinued operations-net</td>
<td>$921</td>
<td>$719</td>
<td>$719</td>
</tr>
<tr>
<td>NET INCOME (LOSS)</td>
<td>$1,653</td>
<td>$4,069</td>
<td>$1,739</td>
</tr>
</tbody>
</table>

See notes to consolidated financial statements.

MANTECH INTERNATIONAL CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Item</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common</td>
<td>$1,559,790</td>
<td>$1,535,659</td>
<td>$1,135,140</td>
</tr>
<tr>
<td>Additional Paid In Capital</td>
<td>$2,838</td>
<td>$6,796</td>
<td>$7,125</td>
</tr>
<tr>
<td>Income (Loss)</td>
<td>$5,137</td>
<td>$12,299</td>
<td>$13,112</td>
</tr>
<tr>
<td>Deferred Compensation</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

See notes to consolidated financial statements.

F-5
## Treasury Stockholders' Equity

<table>
<thead>
<tr>
<th>Date</th>
<th>Treasury Stock</th>
<th>Total Stockholders' Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>BALANCE, JANUARY 1, 1998</td>
<td>$1,200</td>
<td>$16,831</td>
</tr>
<tr>
<td>Net income</td>
<td>$26,131</td>
<td>$1,653</td>
</tr>
<tr>
<td>Other comprehensive income (loss)</td>
<td>$126,131</td>
<td>$16,831</td>
</tr>
<tr>
<td>Net unrealized holding gain--net of income tax provision of $70</td>
<td>$126,131</td>
<td>$16,831</td>
</tr>
<tr>
<td>Translation adjustments</td>
<td>$110</td>
<td>(163)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>$40</td>
<td>40</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>$1,653</td>
<td>$1,653</td>
</tr>
<tr>
<td>Dividends on redeemable common stock</td>
<td>(83)</td>
<td></td>
</tr>
<tr>
<td>Redemption of Class B common stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock held in rabbi trust</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BALANCE, DECEMBER 31, 1998</td>
<td>1,200</td>
<td>(123)</td>
</tr>
<tr>
<td>Net income</td>
<td>1,200</td>
<td>(123)</td>
</tr>
<tr>
<td>Other comprehensive loss</td>
<td>1,200</td>
<td>(123)</td>
</tr>
<tr>
<td>Translation adjustments</td>
<td>110</td>
<td>(163)</td>
</tr>
<tr>
<td>Other comprehensive loss</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>1,653</td>
<td>1,653</td>
</tr>
<tr>
<td>Contribution of Class A common stock to Employee Stock Ownership Plan</td>
<td>(1,326)</td>
<td></td>
</tr>
<tr>
<td>Redemption of Class B common stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BALANCE, DECEMBER 31, 1999</td>
<td>1,200</td>
<td>1,326</td>
</tr>
<tr>
<td>Net income</td>
<td>1,200</td>
<td>1,326</td>
</tr>
<tr>
<td>Other comprehensive loss</td>
<td>1,200</td>
<td>1,326</td>
</tr>
<tr>
<td>Translation adjustments</td>
<td>110</td>
<td>(163)</td>
</tr>
<tr>
<td>Other comprehensive loss</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>1,653</td>
<td>1,653</td>
</tr>
<tr>
<td>Contribution of Class A common stock to Employee Stock Ownership Plan</td>
<td>(1,142)</td>
<td></td>
</tr>
<tr>
<td>BALANCE, SEPTEMBER 30, 2001</td>
<td>$1,200</td>
<td>$16,831</td>
</tr>
<tr>
<td>Net income</td>
<td>$2,468</td>
<td>$16,831</td>
</tr>
<tr>
<td>Other comprehensive income (loss)</td>
<td>$126,131</td>
<td>$16,831</td>
</tr>
<tr>
<td>Net unrealized holding gain--net of income tax provision of $70</td>
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<td>$16,831</td>
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<tr>
<td>Translation adjustments</td>
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<tr>
<td>Other comprehensive income</td>
<td>$40</td>
<td>40</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>$1,653</td>
<td>$1,653</td>
</tr>
<tr>
<td>Dividends on redeemable common stock</td>
<td>(83)</td>
<td></td>
</tr>
<tr>
<td>Redemption of Class B common stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock held in rabbi trust</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BALANCE, DECEMBER 31, 1998</td>
<td>(13,903)</td>
<td>15,515</td>
</tr>
<tr>
<td>Net income</td>
<td>4,069</td>
<td>1,653</td>
</tr>
<tr>
<td>Other comprehensive loss</td>
<td>(13,903)</td>
<td>15,515</td>
</tr>
<tr>
<td>Translation adjustments</td>
<td>(36)</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive loss</td>
<td>(36)</td>
<td></td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>$40</td>
<td>40</td>
</tr>
<tr>
<td>Contribution of Class A common stock to Employee Stock Ownership Plan</td>
<td>(1,142)</td>
<td></td>
</tr>
<tr>
<td>BALANCE, DECEMBER 31, 1999</td>
<td>(13,903)</td>
<td>19,548</td>
</tr>
<tr>
<td>Net income</td>
<td>1,739</td>
<td>1,739</td>
</tr>
<tr>
<td>Other comprehensive loss</td>
<td>(13,903)</td>
<td>19,548</td>
</tr>
<tr>
<td>Translation adjustments</td>
<td>(36)</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive loss</td>
<td>(36)</td>
<td></td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>$40</td>
<td>40</td>
</tr>
<tr>
<td>Contribution of Class A common stock to Employee Stock Ownership Plan</td>
<td>(1,142)</td>
<td></td>
</tr>
</tbody>
</table>
MANTECH INTERNATIONAL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th>Nine Months Ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income (loss).................</td>
<td>$1,653</td>
<td>$4,069</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to net cash provided by (used in) operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity in (earnings) losses of affiliates..........</td>
<td>(911)</td>
<td>(810)</td>
</tr>
<tr>
<td>Loss from discontinued operations..................</td>
<td>1,268</td>
<td>2,727</td>
</tr>
<tr>
<td>Loss on disposal of discontinued operations........</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Deferred income taxes.........................</td>
<td>(196)</td>
<td>(338)</td>
</tr>
<tr>
<td>Minority interest in income of consolidated subsidiaries.........</td>
<td>33</td>
<td>37</td>
</tr>
<tr>
<td>Loss from investment default.........................</td>
<td>5,230</td>
<td>--</td>
</tr>
<tr>
<td>Loss (gain) on disposal of property and equipment........</td>
<td>6</td>
<td>(183)</td>
</tr>
<tr>
<td>Depreciation and amortization........................</td>
<td>4,379</td>
<td>5,635</td>
</tr>
<tr>
<td>Change in assets and liabilities--net of effects from acquired and disposed businesses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) decrease in receivables.................</td>
<td>(3,133)</td>
<td>(9,965)</td>
</tr>
<tr>
<td>(Increase) decrease in prepaid expenses and other........</td>
<td>(160)</td>
<td>2,637</td>
</tr>
<tr>
<td>(Increase) decrease in inventory................</td>
<td>(263)</td>
<td>171</td>
</tr>
<tr>
<td>(Decrease) increase in accounts payable and accrued expenses................</td>
<td>(740)</td>
<td>5,144</td>
</tr>
<tr>
<td>(Decrease) increase in accrued salaries and related expenses.................</td>
<td>(503)</td>
<td>10</td>
</tr>
<tr>
<td>(Decrease) increase in billings in excess of revenue earned................</td>
<td>(1,418)</td>
<td>(1,380)</td>
</tr>
<tr>
<td>(Decrease) increase in deferred rent................</td>
<td>(44)</td>
<td>51</td>
</tr>
<tr>
<td>Increase in accrued retirement................</td>
<td>2,708</td>
<td>1,582</td>
</tr>
<tr>
<td>Net cash provided by operating activities of continuing operations........</td>
<td>7,909</td>
<td>9,387</td>
</tr>
</tbody>
</table>
### MANTECH INTERNATIONAL CORPORATION

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Nine Months Ended</th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>2000</td>
</tr>
<tr>
<td></td>
<td>2001</td>
<td></td>
</tr>
</tbody>
</table>

#### CASH FLOWS FROM INVESTING ACTIVITIES:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of property and equipment</td>
<td>(3,538)</td>
<td>(2,181)</td>
<td>(1,344)</td>
<td>(964)</td>
<td>(1,616)</td>
</tr>
<tr>
<td>Proceeds from sales of property and equipment</td>
<td>113</td>
<td>1,168</td>
<td>225</td>
<td>222</td>
<td>--</td>
</tr>
<tr>
<td>Proceeds from notes receivable</td>
<td>207</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Loans receivable from GSE</td>
<td>--</td>
<td>--</td>
<td>(1,550)</td>
<td>--</td>
<td>(3,350)</td>
</tr>
<tr>
<td>Investment in GSE Common Stock</td>
<td>--</td>
<td>--</td>
<td>(500)</td>
<td>(500)</td>
<td>--</td>
</tr>
<tr>
<td>Investment in capitalized software products</td>
<td>(1,787)</td>
<td>(900)</td>
<td>(316)</td>
<td>(233)</td>
<td>(933)</td>
</tr>
<tr>
<td>Investment in ADG, net of cash acquired of $4,429</td>
<td>--</td>
<td>(19)</td>
<td>(496)</td>
<td>(372)</td>
<td>--</td>
</tr>
<tr>
<td>Investment in REVIVE</td>
<td>--</td>
<td>(677)</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>(Investment in) dividends from MASI U.K</td>
<td>--</td>
<td>--</td>
<td>(216)</td>
<td>(216)</td>
<td>285</td>
</tr>
<tr>
<td></td>
<td>--</td>
<td>--</td>
<td>(216)</td>
<td>(216)</td>
<td>285</td>
</tr>
<tr>
<td></td>
<td>(5,005)</td>
<td>(2,609)</td>
<td>(4,197)</td>
<td>(2,063)</td>
<td>(5,614)</td>
</tr>
</tbody>
</table>

#### CASH FLOWS FROM FINANCING ACTIVITIES:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net increase (decrease) in borrowings under lines of credit</td>
<td>5,717</td>
<td>7,900</td>
<td>4,413</td>
<td>(269)</td>
<td>(4,344)</td>
</tr>
<tr>
<td>Repayment of term loan</td>
<td>(800)</td>
<td>(3,200)</td>
<td>(2,400)</td>
<td>(1,600)</td>
<td>(2,400)</td>
</tr>
<tr>
<td>Repayment of notes payable</td>
<td>(375)</td>
<td>(1,204)</td>
<td>(276)</td>
<td>(276)</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Repayment of mortgage</td>
<td>(75)</td>
<td>(1,163)</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Payment of not-to-compete financings</td>
<td>(443)</td>
<td>(337)</td>
<td>(1,000)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Repurchase of Class B common stock</td>
<td>(2,926)</td>
<td>--</td>
<td>(775)</td>
<td>(652)</td>
<td>--</td>
</tr>
<tr>
<td>Redemption of preferred stock</td>
<td>(8,029)</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Proceeds from subordinated debt</td>
<td>8,000</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Proceeds from exercise of stock options</td>
<td>269</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(83)</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Net cash provided by (used in) financing activities of continuing operations</td>
<td>1,255</td>
<td>1,996</td>
<td>(38)</td>
<td>(3,797)</td>
<td>(7,744)</td>
</tr>
</tbody>
</table>

#### EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS:

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td></td>
<td>5</td>
<td>(39)</td>
<td>167</td>
<td>(98)</td>
<td>3</td>
</tr>
</tbody>
</table>

#### NET CASH USED IN DISCONTINUED OPERATIONS:

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(6,910)</td>
<td>(3,736)</td>
<td>(5,777)</td>
<td>(3,449)</td>
<td>(10,508)</td>
</tr>
</tbody>
</table>

#### NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS:

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(2,746)</td>
<td>4,999</td>
<td>10,007</td>
<td>(8,205)</td>
<td>(11,347)</td>
</tr>
</tbody>
</table>

#### CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD:

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>17,318</td>
<td>14,572</td>
<td>19,571</td>
<td>19,571</td>
<td>29,578</td>
</tr>
</tbody>
</table>

#### CASH AND CASH EQUIVALENTS, END OF PERIOD:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>214,572</td>
<td>19,571</td>
<td>29,578</td>
<td>11,366</td>
<td>18,231</td>
</tr>
</tbody>
</table>

See notes to consolidated financial statements
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS


1. Description of the Business

ManTech International Corporation delivers a broad array of information technology and technical services solutions to U.S. federal government customers, focusing primarily on critical national defense programs for the intelligence community and Department of Defense. We design, develop, procure, implement, operate, test and maintain mission-critical, enterprise information technology and communication systems and infrastructures for our federal government customers in the United States and 28 countries worldwide.

2. Summary of Significant Accounting Policies

Principles of Consolidation--The accompanying consolidated financial statements include the accounts of ManTech International Corporation and its majority-owned subsidiaries (the Company). Minority interest represents minority stockholders' proportionate share of the equity in one of the Company's consolidated subsidiaries. The Company's share of affiliates' earnings (losses) is included in the consolidated statements of income using the equity method (see note 12). All intercompany accounts and transactions have been eliminated.

Use of Accounting Estimates--The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates involve judgments with respect to, among other things, various future economic factors that are difficult to predict and are beyond the control of the Company. Therefore, actual amounts could differ from these estimates.

Revenue Recognition--The majority of the Company's revenues are derived from cost-plus-fixed-fee, cost-plus-award-fee, firm-fixed-price, or time-and-materials contracts. Under cost-plus-fixed or award-fee contracts, revenues are recognized as costs are incurred and include an estimate of applicable fees earned. Under firm-fixed-price contracts, revenues are estimated on the percentage of completion method, on the basis of costs incurred in relation to estimated total costs, or upon delivery of specific products or services, as appropriate. For time-and-material contracts, revenues are computed by multiplying the number of direct labor-hours expended in the performance of the contract by the contract billing rates and adding other billable direct costs. Performance incentives are incorporated in certain contracts, which provide increased and decreased revenues based on actual performance compared to established targets. Incentives based upon cost performance are recorded when earned and other incentives and awards are recorded when the amounts are earned and can be reasonably determined, or are awarded. In certain circumstances, revenues are recognized when contract amendments have not been finalized. Anticipated losses are recognized in the accounting period in which they are first determined.

Cost of Services--Cost of services consists primarily of compensation expenses for program personnel and direct expenses incurred to complete programs, including cost of materials and subcontract efforts.

Cash and Cash Equivalents--For the purpose of reporting cash flows, cash and cash equivalents include cash on hand, amounts due from banks, and short-term investments with maturity dates of three months or less at the date of purchase.

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Property and Equipment--Property and equipment are recorded at original cost. Upon sale or retirement, the costs and related accumulated depreciation or amortization are eliminated from the respective accounts and any resulting gain or loss is included in income. Maintenance and repairs are charged to expense as incurred.

Depreciation and Amortization--Furniture and office equipment are depreciated using the straight-line method with estimated useful lives ranging from five to fifteen years. Leasehold improvements are amortized using the straight-line method over a life of five years, or the term of the lease, whichever is shorter.

Inventory--Inventory is carried at the lower of cost or market. Cost is computed on a specific identification basis.

Goodwill and Other Intangibles--Goodwill, the excess of cost over the fair value of net tangible and identifiable intangible assets of acquired companies, is amortized on a straight-line basis over periods ranging from two to twenty years. Contract rights and other intangibles are amortized on a straight-line basis over periods ranging from three to five years.

Software Development Costs--The Company accounts for software development costs in accordance with Statement of Financial Accounting Standards (SFAS) No. 86, Accounting for the Costs of Computer Software to be Sold, Leased, or Otherwise Marketed. For projects fully funded by the Company, significant development costs are capitalized from the point of demonstrated technological feasibility until the point in time that the product is available for general release to customers. Once the product is available for general release, capitalized costs are amortized on a straight-line basis over a five-year period or other such shorter period as may be required. The Company recorded $29,000, $431,000, and $665,000 of amortization expense for the years ended December 31, 1998, 1999 and 2000, respectively, and $499,000 for the nine months ended September 30, 2001. Capitalized software costs included in other intangibles at December 31, 1999 and 2000, and September 30, 2001 were $2,380,000, $2,031,000 and $2,465,000, respectively.

Employee Supplemental Savings Plan (ESSP) Assets--The Company maintains several nonqualified defined contribution supplemental retirement plans for certain key employees that are accounted for in accordance with Emerging Issues Task Force (EITF) Issue 97-14, Accounting for Deferred Compensation Arrangements Where Amounts Earned Are Held in a Rabbi Trust and Invested, as the underlying assets are held in rabbi trusts with investments directed by the respective employee. A rabbi trust is a grantor trust generally set up to fund compensation for a select group of management and the assets of this trust are available to satisfy the claims of general creditors in the event of bankruptcy of the Company. As required by EITF 97-14, the assets held by the rabbi trusts are recorded at fair value in the consolidated financial statements as Employee Supplemental Savings Plan Assets with a corresponding amount recorded as a deferred compensation liability in Accrued Retirement.

Impairment of Long-Lived Assets--Whenever events or changes in circumstances indicate that the carrying amount of long-lived assets, including goodwill, software development costs and other intangibles, may not be fully recoverable, the Company evaluates the probability that future undiscounted net cash flows, without interest charges, will be less than the carrying amount of the assets. If any impairment were indicated as a result of this review, the Company would recognize a loss based on the amount by which the carrying amount exceeds the estimated discounted future cash flows. The Company believes that no impairments exist as of September 30, 2001.

Income Taxes--Deferred income taxes are recognized based on the estimated
future tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Valuation allowances are established when necessary to reduce deferred tax assets to amounts expected to be realized. Income tax expense represents the current tax provision for the period and the change during the period in deferred tax assets and liabilities. No provision is made for U.S. taxes on foreign subsidiaries where earnings are expected to be reinvested indefinitely.

Foreign Currency Translation--All assets and liabilities of foreign subsidiaries are translated into U.S. dollars at fiscal year-end exchange rates. Income and expense items are translated at average monthly exchange rates prevailing during the fiscal year. The resulting translation adjustments are recorded as a component of Accumulated other comprehensive income (loss).

Comprehensive Income (Loss)--Comprehensive income (loss) consists of net income (loss), unrealized gains or losses on certain investments, cash flow hedge and foreign currency translation adjustments and is presented in the Consolidated Statements of Changes in Stockholders' Equity.

Stock-Based Compensation--As permitted under SFAS No. 123, Accounting for Stock-Based Compensation, the Company accounts for stock-based awards using the intrinsic value method prescribed in Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees. Accordingly, no compensation expense has been recognized in the financial statements related to employee stock option awards.

Fair Value of Financial Instruments--The carrying value of the Company's cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate their fair values.

New Accounting Pronouncements--In June 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 141, Business Combinations, which requires that all business combinations be accounted for by a single method - the purchase method. The provisions of SFAS No. 141 apply to all business combinations initiated after June 30, 2001. SFAS No. 141 also applies to all business combinations accounted for using the purchase method for which the date of acquisition is July 1, 2001, or later. The Company does not expect the adoption of the provisions of SFAS No. 141 to have a material impact on its consolidated financial position or results of operations.

In June 2001, the FASB issued SFAS No. 142, Goodwill and Other Intangible Assets. SFAS No. 142 requires that, upon its adoption, amortization of goodwill will cease and instead, the carrying value of goodwill will be evaluated for impairment on an annual basis. Identifiable intangible assets will continue to be amortized over their useful lives and reviewed for impairment in accordance with SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)


2. Summary of Significant Accounting Policies (Continued)

Disposed Of. SFAS No. 142 will be effective for fiscal years beginning after December 15, 2001. The Company has not yet completed its analysis of this new pronouncement and the impact it will have on the consolidated financial statements.

In July 2001, the FASB issued SFAS No. 143, Accounting for Asset Retirement Obligations. SFAS No. 143 requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred, if a reasonable estimate of fair value can be made. The associated asset retirement cost would be capitalized as part of the carrying amount of the long-lived asset. SFAS No. 143 will be effective for fiscal years beginning after June 15, 2002. The Company has not yet completed its analysis of this new pronouncement and the impact it will have on the consolidated financial statements.
In October 2001, the FASB issued SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, which replaces SFAS No. 121. SFAS No. 144 requires that long-lived assets be measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or in discontinued operations. SFAS No. 144 also broadens the reporting of discontinued operations to include all components of an entity with operations that can be distinguished from the rest of the entity and that will be eliminated from the ongoing operations of the entity in a disposal transaction. The provisions of SFAS No. 144 are effective for financial statements issued for fiscal years beginning after December 15, 2001. The Company has not yet completed its analysis of this new pronouncement and the impact it will have on the consolidated financial statements.

In November 2001, the EITF issued Topic No. D-103, Income Statement Characterization of Reimbursements Received for "Out-of-Pocket'' Expenses Incurred. EITF No. D-103 requires that companies report reimbursements received for out-of-pocket expenses incurred as revenue, rather than as a reduction of expenses. The provisions of EITF No. D-103 are effective for financial statements issued for fiscal years beginning after December 15, 2001. As we have historically accounted for reimbursements for out-of-pocket expenses in the manner provided for under EITF No. D-103, we do not expect the adoption of the provisions of EITF No. D-103 to have an impact on our consolidated financial position or results of operations.

Reclassifications—Certain reclassifications have been made to previously reported balances to conform with the current-period presentation.

3. Earnings per Share

Basic earnings per share has been computed by dividing net income available to common stockholders by the weighted average number of shares of Class A, Class B and Class C Common Stock outstanding during each period. Shares issued during the period and shares reacquired during the period are weighted for the portion of the period that they were outstanding. Diluted earnings per share have been computed in a manner consistent with that of basic earnings per share while giving effect to all potentially dilutive common shares that were outstanding during each period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)


3. Earnings per Share (Continued)

Basic and diluted earnings available to common stockholders are the same and are computed as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from continuing operations ................</td>
<td>2,921</td>
<td>6,796</td>
<td>7,125</td>
<td>5,113</td>
</tr>
<tr>
<td>Less: Dividends paid to Redeemable Class B common stockholders ..................</td>
<td>($83)</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Income from continuing operations available to common stockholders ................</td>
<td>2,838</td>
<td>6,796</td>
<td>7,125</td>
<td>5,113</td>
</tr>
</tbody>
</table>

The weighted average number of common shares outstanding is computed as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from continuing operations ................</td>
<td>2,921</td>
<td>6,796</td>
<td>7,125</td>
<td>5,113</td>
</tr>
<tr>
<td>Less: Dividends paid to Redeemable Class B common stockholders ..................</td>
<td>($83)</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Income from continuing operations available to common stockholders ................</td>
<td>2,838</td>
<td>6,796</td>
<td>7,125</td>
<td>5,113</td>
</tr>
</tbody>
</table>
Basic weighted average common shares
outstanding................................ 1,153 1,135 1,132 1,130 1,138
Effect of potential exercise of stock options    15    10    10    10    10

Diluted weighted average common shares
outstanding................................ 1,168 1,145 1,142 1,140 1,148

4. Business Segment and Geographic Area Information

The Company operates as one segment, delivering a broad array of information technology and technical services solutions under contracts with the U.S. Government. No single customer accounted for 10% or more of the Company's accounts receivable or revenues as of or for the years ended December 31, 1998, 1999 and 2000, and nine months ended September 30, 2001. In addition, there were no sales to any customers within a single country except for the United States where the sales accounted for 10% or more of total revenue. Substantially all assets of continuing operations were held in the United States for the years ended December 31, 1998, 1999 and 2000, and nine months ended September 30, 2001. Revenues by geographic customer and the related percentages of total revenues

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)


4. Business Segment and Geographic Area Information (Continued)

for the years ended December 31, 1998, 1999 and 2000, and the nine months ended September 30, 2001, were as follows (in thousands):

<table>
<thead>
<tr>
<th>Year Ended December 31</th>
<th>Nine Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1998</td>
</tr>
<tr>
<td></td>
<td>-------</td>
</tr>
<tr>
<td>United States</td>
<td>$312,507</td>
</tr>
<tr>
<td>International</td>
<td>1,802</td>
</tr>
<tr>
<td></td>
<td>-------</td>
</tr>
<tr>
<td></td>
<td>$314,309</td>
</tr>
<tr>
<td>United States</td>
<td>99.4 %</td>
</tr>
<tr>
<td>International</td>
<td>0.6</td>
</tr>
<tr>
<td></td>
<td>-------</td>
</tr>
<tr>
<td></td>
<td>100.0 %</td>
</tr>
</tbody>
</table>

5. Revenues and Receivables

The Company delivers a broad array of information technology and technical services solutions under contracts with the U.S. Government. Revenues from the U.S. Government under prime contracts and subcontracts, as compared to total contract revenues, were approximately 97%, 96% and 96% for the years ended December 31, 1998, 1999 and 2000, respectively, and approximately 96% for the nine months ended September 30, 2001. Approximately 44%, 45%, 40% and 36% of the Company's revenues were generated under cost-reimbursable contracts for the years ended December 31, 1998, 1999 and 2000, and for the nine months ended September 30, 2001, respectively.

The components of contract receivables are as follows (in thousands):
Billed receivables................................................. $61,025  $59,561     $71,335
Unbilled receivables:
  Amounts currently billable............................  20,612   16,529      14,192
  Revenues recorded in excess of estimated contract
  value or funding....................................   4,914    4,307       1,385
  Retainage...............................................   2,198    1,761       1,665
  Indirect costs incurred in excess of provisional billing
  rates.................................................   1,571    2,755       4,212
  Allowance for doubtful accounts.........................  (1,838)  (1,432)     (1,940)

$88,482  $83,481     $90,849

Indirect cost rates in excess of provisional billing rates on U.S.
Government contracts are generally billable at actual rates less a reduction of
.5% of the actual general and administrative rate base before a Defense
Contract Audit Agency (DCAA) audit is completed. The balance remaining, as well
as any retainage, is billable upon completion of a DCAA audit (see note 13).
Revenues recorded in excess of contract value or funding are billable upon receipt of contractual
amendments. Amounts currently billable consist principally of amounts to be
billed within the next month.

6. Property and Equipment

Major classes of property and equipment are summarized as follows (in
thousands):

<table>
<thead>
<tr>
<th>December 31,</th>
<th>September 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>$ 24,202</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>4,672</td>
</tr>
<tr>
<td>Less: Accumulated depreciation and amortization</td>
<td>(20,071)</td>
</tr>
<tr>
<td>$ 8,803</td>
<td>$ 7,033</td>
</tr>
</tbody>
</table>

Depreciation and amortization expense for the years ended December 31,
1998, 1999 and 2000, and for the nine months ended September 30, 2001 was
$2,606,000, $2,912,000, $2,837,000 and $1,816,000, respectively.

7. Goodwill and Other Intangibles

The components of goodwill and other intangibles are as follows (in
thousands):
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)


8. Debt

| Goodwill.......................... | $17,948 | $18,092 | $18,092 |
| Other intangibles.................. | 8,691   | 9,007   | 9,939   |
| Less: Accumulated amortization... | (12,041)| (14,752)| (16,805)|

December 31, September 30
| Goodwill amortization expense for the years ended December 31, 1998, 1999 and 2000, and for the nine months ended September 30, 2001 was $836,000, $1,033,000, $1,124,000 and $863,000, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)


8. Debt

| Borrowings under the Amended and Restated Business Loan and Security Agreement: | December 31, | September 30, |
| Revolving credit facility.............. | $53,100 | $57,496 |
| Term loan.............................. | 12,000  | 9,600  |
| Subordinated credit agreement......... | 8,000   | 8,000   |
| Other notes............................ | 3,406   | 2,104   |

December 31, September 30
| Total debt.......................... | 76,506 | 77,200 |
| Less: Current portion of debt........ | 4,501  | 4,200  |
| Debt--net of current portion......... | $72,005 | $73,000 |

On December 17, 2001, the Company executed a new Business Loan and Security Agreement (the Agreement) with Citizens Bank of Pennsylvania, PNC Bank N.A., Branch Banking and Trust Company of Virginia, and Chevy Chase Bank, F.S.B. to refinance and replace the company's agreement. The Agreement provides for maximum borrowings of $71.4 million and consists of a $65.0 million revolving credit facility and a $6.4 million term loan. Under the term loan portion of the Agreement, the principal balance is payable in consecutive quarterly installments of $492,308 on the last business day of each quarter commencing with the last business day of December 2001. The maturity date of the Agreement is December 31, 2004. Borrowings under the Agreement are collateralized by the Company's eligible contract receivables, inventory, and certain property and equipment and bear interest at the agreed-upon London Interbank Offered Rate (LIBOR) plus market-rate spreads that vary according to the calculation of a certain Company leverage ratio. Under the Agreement, the Company is required to maintain specified financial covenants relating to fixed charge coverage, interest coverage, debt coverage, and minimum consolidated net worth. The Agreement also places limitations on additional borrowings, mergers, and related party transactions, issuance of capital stock and payment of dividends, and limitations with respect to capital expenditures.
On October 27, 2000, the Company executed the Second Amendment to the Amended and Restated Business Loan and Security Agreement (the Prior Agreement) with Mellon Bank N.A. (Mellon), First Union Commercial Corporation (First Union) and PNC Bank N.A., which provides for maximum borrowings of $76.0 million. The Prior Agreement consisted of a $60.0 million revolving credit facility and a $16.0 million term loan. Under the revolving portion of the Prior Agreement, the Company could borrow the lesser of defined percentages of receivables or $60.0 million. The maximum available borrowing under the revolving credit facility at September 30, 2001 was $60.0 million. Under the term loan portion of the Prior Agreement, the principal balance was payable in consecutive quarterly installments of $800,000 on the last business day of each quarter commencing with the last business day of December 1998. A final payment of $6.4 million was due upon expiration of the Prior Agreement on December 31, 2001. In conjunction with the execution of the Prior Agreement, the Company recorded $175,000 in loan origination costs, included in other assets, which are being amortized ratably over the term of the Prior Agreement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Debt (Continued)

Borrowings under the Prior Agreement were collateralized by the Company's eligible contract receivables, inventory, and certain property and equipment and bear interest at the agreed-upon LIBOR plus 2.25% for the first $25.0 million outstanding, at LIBOR plus 2.75% for the $7.2 million associated with the term loan, at LIBOR plus 2.03125% for European currency loans of $1.0 million, and at the bank's prime rate plus 1.00% for outstanding amounts greater than $33.2 million. At September 30, 2001, the agreed-upon LIBOR rate was 2.79% for $15.0 million, 3.52% for $10.0 million, 3.49% for $6.4 million, 4.95% for $1.0 million and the bank's prime rate was 6.00% for the remaining $27.9 million. The aggregate annual weighted average interest rates were 8.15%, 7.52% and 8.75% for 1998, 1999 and 2000, respectively. The aggregate weighted average interest rate for the nine months ended September 30, 2001 was 8.49%. The weighted average borrowings under the revolving portion of the Prior Agreement for the years ended December 31, 1998, 1999 and 2000, and the nine months ended September 30, 2001, were $43,663,000, $32,357,000, $43,876,000 and $36,848,000, respectively.

As of September 30, 2001, the Company was contingently liable under letters of credit totaling $6,703,000, which reduce the availability to borrow under the revolving portion of the Prior Agreement.

The Company had $16.0 million and $20.5 million in borrowings under the Prior Agreement at December 31, 1999 and 2000, respectively, and $13.8 million in borrowings at September 30, 2001, which were repaid immediately after the end of the respective periods.

On January 15, 1998, the Company redeemed all 75,000 shares of its then outstanding Preferred Stock for a total of $8,029,000, or $107.05 per share (see note 10). In order to provide the funding necessary to redeem the Preferred Stock, the Company executed a seven-year Subordinated Credit Agreement with First Source Financial LLP for $8,000,000 on January 9, 1998. The remaining $29,000 of funding was provided by the Company's revolving credit facility. The principal balance is payable in eight consecutive quarterly installments of $888,889 on the first business day of each quarter commencing with the first business day of January 2003. A ninth and final payment of $888,888 is due on the last business day of December 2004. Interest under the Subordinated Credit Agreement accrues at a fixed rate of 12% per annum and is payable quarterly in arrears.

Debt outstanding at September 30, 2001, is scheduled to mature by the following calendar year ends: $1,292,000 in 2001, $1,968,000 in 2002, $6,525,000 in 2003, and $59,546,000 in 2004, and $104,000 in 2005.

The total interest paid was $4,510,000, $6,094,000, $6,073,000 and $3,614,000, for the years ended December 31, 1998, 1999 and 2000, and for the nine months ended September 30, 2001, respectively.
The Company uses interest rate swap agreements to manage exposure to fluctuations in interest rates. At September 30, 2001, the Company had an unleveraged swap agreement with First Union with a notional principal amount of $25,000,000. This agreement was placed on November 22, 2000 with a fixed LIBOR rate of 6.53% and is settled in cash on a monthly basis. The term of the agreement is four years, but is cancelable at the option of First Union after the third year. In December 2001, the swap agreement was reset within our new banking group at a rate of 6.83% with a four-year term.

8. Debt (Continued)

Effective January 1, 2001, the Company adopted SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, which, as amended by SFAS No. 138, establishes accounting and reporting standards for derivative instruments, including some derivative instruments embedded in other contracts, and for hedging activities. Upon adoption of SFAS No. 133, the Company recorded a $704,000 ($422,000 net of tax) transition adjustment in other comprehensive loss as a cumulative effect of a change in accounting principle. The Company will reclassify this amount into interest expense over the remaining life of the interest rate swap. The amount of the transition adjustment that will be reclassified to earnings over the 12 months following the initial adoption of SFAS No. 133 will be $180,000.

The Company hedges the cash flows of some of its long-term debt using an interest rate swap. The Company enters into these derivative contracts to manage its exposure to interest rate movements by achieving a desired proportion of fixed rate versus variable rate debt. In an interest rate swap, the Company agrees to exchange the difference between a variable interest rate and either a fixed or another variable interest rate, multiplied by a notional principal amount.

As of September 30, 2001, the Company has recognized the cash flow hedge at its fair value of $2,084,000 in accounts payable and accrued expenses on the consolidated balance sheet. The interest rate swap qualifies for cash flow hedge accounting, therefore, an unrealized loss of $1,380,000 ($829,000 net of tax), representing the effective portion of the change in its fair value, is reported in other comprehensive loss and will be reclassified into interest expense. The ineffective portion of the change in fair value of the swap qualifying for cash flow hedge accounting is recognized in the consolidated statements of income in the period of the change. For the nine months ended September 30, 2001, the swap did not have any ineffectiveness for the cash flow hedge.

Management believes that the fair value of debt is not significantly different from what is recorded by the Company, based on comparable market rates on similar issues.

9. Income Taxes

The domestic and foreign components of income before provision for income taxes and minority interest were as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Nine Months Ended</th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2001</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1999</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1998</td>
</tr>
<tr>
<td>Domestic</td>
<td>$4,454</td>
<td>$11,556</td>
</tr>
<tr>
<td></td>
<td>$13,401</td>
<td>$20,376</td>
</tr>
<tr>
<td>Foreign</td>
<td>683</td>
<td>743</td>
</tr>
<tr>
<td></td>
<td>(289)</td>
<td>864</td>
</tr>
</tbody>
</table>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)


9. Income Taxes (Continued)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Income Taxes (Continued)

The provision for income taxes was comprised of the following components (in thousands):

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>Nine Months Ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1998</td>
</tr>
<tr>
<td>Current provision (benefit):...</td>
<td>$1,540</td>
</tr>
<tr>
<td>Federal.......................</td>
<td>828</td>
</tr>
<tr>
<td>State.........................</td>
<td>--</td>
</tr>
<tr>
<td>Foreign.......................</td>
<td>--</td>
</tr>
<tr>
<td>Total........................</td>
<td>2,368</td>
</tr>
</tbody>
</table>

| Deferred provision (benefit):... | $1,107 | $ 1,073 | $1,357 | $ 1,059 |
| Federal....................... | (371) | (1,227) | 606 | (1,947) |
| State......................... | (25)  | 48    | (732) | (427) |
| Foreign....................... | 211   | 239   | 119   | 119   |
| Total........................ | (185) | (940) | (7)   | (2,255) |

The provision for income taxes $2,183 $ 5,466 $5,974 $ 9,062

The provision for income taxes varies from the amount of income tax determined by applying the applicable U.S. statutory tax rate to pre-tax income as a result of the following:

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>Nine Months Ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1998</td>
</tr>
<tr>
<td>Statutory U.S. Federal tax rate..............</td>
<td>35.0%</td>
</tr>
<tr>
<td>Increase (decrease) in rate resulting from:</td>
<td>4.9</td>
</tr>
<tr>
<td>State taxes--net of Federal benefit........</td>
<td>(1.7)</td>
</tr>
<tr>
<td>Foreign taxes.........................</td>
<td>4.2</td>
</tr>
<tr>
<td>Other--additional provision...............</td>
<td>--</td>
</tr>
<tr>
<td>Nondeductible items:</td>
<td>6.1</td>
</tr>
<tr>
<td>Goodwill amortization.................</td>
<td>(1.8)</td>
</tr>
<tr>
<td>Effective tax rate......................</td>
<td>42.5%</td>
</tr>
</tbody>
</table>

The Company paid income taxes, net of refunds, of $1,996,000, $1,648,000, $4,100,000 and $2,711,000 for the years ended December 31, 1998, 1999 and 2000, and for the nine months ended September 30, 2001, respectively.
9. Income Taxes (Continued)

Deferred income taxes arise from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements. A summary of the tax effect of the significant components of deferred income taxes follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
<th>September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2000</td>
</tr>
<tr>
<td>Gross deferred tax liabilities:</td>
<td>$19,720</td>
<td>$20,628</td>
</tr>
<tr>
<td>Receivables and payables</td>
<td>$19,536</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>1,846</td>
<td>1,323</td>
</tr>
<tr>
<td>Other assets</td>
<td>1,294</td>
<td>1,016</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>109</td>
<td>--</td>
</tr>
<tr>
<td>Total deferred tax liabilities</td>
<td>22,969</td>
<td>22,967</td>
</tr>
<tr>
<td>Gross deferred tax assets:</td>
<td>(2,708)</td>
<td>(2,751)</td>
</tr>
<tr>
<td>Tax credits and net operating loss carryforwards</td>
<td>(2,468)</td>
<td>(2,631)</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>(1,431)</td>
<td>(1,404)</td>
</tr>
<tr>
<td>Cash flow hedge</td>
<td>--</td>
<td>(833)</td>
</tr>
<tr>
<td>Allowance for potential contract losses and other contract reserves</td>
<td>(631)</td>
<td>(675)</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>(195)</td>
<td>(75)</td>
</tr>
<tr>
<td>Total deferred tax assets</td>
<td>(5,642)</td>
<td>(5,008)</td>
</tr>
<tr>
<td>Less: Valuation allowance</td>
<td>902</td>
<td>902</td>
</tr>
<tr>
<td>Total deferred tax assets--net</td>
<td>(4,740)</td>
<td>(4,106)</td>
</tr>
<tr>
<td>Net deferred tax liabilities</td>
<td>$18,229</td>
<td>$18,861</td>
</tr>
</tbody>
</table>

At September 30, 2001, the Company has state net operating losses of approximately $13,300,000 that expire beginning 2001 through 2020. At September 30, 2001, the Company had a capital loss carryforward of $2,127,000 that expires in 2003.

10. Capital Stock, Employee Stock Plan

Common Stock--Class A Common Stock is voting, no par value. The Company has 25,000,000 shares authorized with 4,111,502 shares issued and 1,022,882, 1,033,938 and 1,040,566 shares outstanding at December 31, 1999 and 2000, and September 30, 2001, respectively. There were 3,088,620, 3,077,564 and 3,070,936 shares of Class A Common Stock held as Treasury Stock at December 31, 1999 and 2000, and September 30, 2001, respectively. At December 31, 1999 and 2000, and September 30, 2001, there were an additional 37,366 shares of Class A Common Stock, with a cost value of $640,000, reflected as Treasury Stock in accordance with Emerging Issues Task Force Abstract 97-14, Accounting for Deferred Compensation Arrangements where Amounts Earned are Held in a Rabbi Trust and Invested. These shares are held in a Rabbi Trust to satisfy a defined contribution pension obligation, to be paid in stock for the benefit of a senior Company employee.

Class C Common Stock is no par value, nonvoting common stock. At December 31, 1999 and 2000, and September 30, 2001, the Company had 100,000 Class C Common Stock shares authorized and 71,664 shares issued and outstanding.
10. Capital Stock, Employee Stock Plan (Continued)

Redeemable Class B Common Stock--Class B Common Stock is no par value, nonvoting stock and is mandatorily redeemable by the stockholder at any time and by the Company in the event of the involuntary or voluntary termination of the stockholder's position within the Company at a per share price to be determined by an independent valuation company. On July 31, 1998, the Company redeemed 39,156 shares of Class B Common Stock from a former employee for $2,926,500. On January 6, 2000, the Company redeemed 6,582 shares of Class B Common Stock from an employee for $566,082. On February 29, 2000, the Company redeemed 1,000 shares of Class B Common Stock from an outside Director for $86,060. On December 18, 2000, the Company redeemed an additional 1,000 shares of Class B Common Stock from an outside Director for $123,240. All of these shares were placed in Treasury at their redemption value. The Company had 250,000 shares of Class B Common Stock authorized, 80,269 shares issued, and 41,113, 32,531 and 32,531 shares outstanding at December 31, 1999 and 2000, and September 30, 2001, respectively.

On December 18, 1998, the Board of Directors approved a change to the Company By-Laws, effective January 1, 1999, to conform Class B Common Stock dividend rights on a parri-passu basis with Class A and Class C Common Stock. Prior to this amendment, the Board of Directors paid an annual, per share dividend on the Class B Common Stock using the prime rate announced periodically by the Company's primary lender. These dividends were paid quarterly. The 1998 Class B Common Stock cash dividends totaled $83,200, or $1.43 per share. Class B Common Stock dividends paid in 1998 totaled $69,200, whereas dividends payable at December 31, 1998, paid on January 15, 1999, totaled $14,000.

With respect to liquidation rights, the Class C Common Stock is on a pro rata parity with the Class A and Class B Common Stock.

Preferred Stock--Each December 31, beginning in 1994, the Company had the right to require the holders of Preferred Stock to sell all or any part of the 75,000 authorized and issued shares of Preferred Stock for the Redemption Price, which equated to the greater of (i) the par value plus accrued but unpaid dividends or (ii) the fair market value of the Preferred Stock. In December 1997, the Company's Board of Directors chose to exercise this right and announced its intention to repurchase all of the Preferred Stock shares based on a valuation performed as December 31, 1997.

On January 15, 1998, the Company redeemed and retired all 75,000 shares of the Preferred Stock for a total of $8,029,000, or $107.05 per share. In accordance with the terms of the Preferred Stock, the per share redemption price was based on a valuation performed by an independent third party as of December 31, 1997. In order to provide the funding necessary to redeem the Preferred Stock, the Company executed a seven-year Subordinated Credit Agreement with First Source Financial LLP for $8,000,000 on January 9, 1998 (see note 8).

Stock Options--The Company has a nonqualified fixed option plan that reserves shares of Class B Common Stock for issuance to key employees. The Company has adopted the disclosure-only provisions of SFAS No. 123, Accounting for Stock-Based Compensation. No compensation cost is recognized for the stock option plan.

The plan provides that shares granted come from the Company's authorized but unissued Class B Common Stock. The price of the options granted pursuant to this plan was not less than 100%
of the fair market value of the shares on the date of grant. On April 15, 1995, the Company granted options to purchase 19,578 shares at an exercise price of $27.46 per share. These options vested quarterly over a three-year period from the date of grant. In July 1998, options to purchase 9,789 shares were exercised. At December 31, 1998, 1999 and 2000, and at September 30, 2001, options to purchase 9,789 shares were outstanding and exercisable, and expire on April 15, 2005. No grants have been made since 1995.

In November 2001, the Board of Directors adopted, and the Stockholders approved, the 2001 Stock Incentive Plan. No grants under this plan have been made.

11. Retirement Plans

The Company maintains nonqualified supplemental defined benefit pension plans for certain retired employees of an acquired company. The weighted average assumptions used in accounting for the Company's pension plans in 1999, 2000 and 2001 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>8.0%</td>
<td>8.0%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Rate of compensation increase</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

The discount rate is the estimated rate at which the obligation for pension benefits could effectively be settled. The expected return on plan assets reflects the average rate of earnings that the Company estimates will be generated on the assets of the plans. The Plans were partially funded beginning in 1999. The rate of compensation increase reflects the Company's best estimate of the future compensation levels of the individual employees covered by the plans and is not applicable, as all covered employees had retired prior to 1998.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Retirement Plans (Continued)

The following table sets forth the status of the plans (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th>Nine Months Ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999 2000 2001</td>
<td>1999 2000 2001</td>
</tr>
<tr>
<td>Change in benefit obligation:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit obligation at beginning of period</td>
<td>$ 1,748 $ 1,693 $ 1,707</td>
<td>$ 1,748 $ 1,693 $ 1,707</td>
</tr>
<tr>
<td>Interest cost</td>
<td>132 131 98</td>
<td></td>
</tr>
<tr>
<td>Actuarial (gain) loss</td>
<td>(16) 58 105</td>
<td></td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(171) (175) (131)</td>
<td></td>
</tr>
<tr>
<td>Benefit obligation at end of period</td>
<td>1,693 1,707 1,779</td>
<td>1,693 1,707 1,779</td>
</tr>
<tr>
<td>Change in plan assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value of plan assets at beginning of period</td>
<td>-- 180 203</td>
<td>180 203 203</td>
</tr>
<tr>
<td>Employer contribution</td>
<td>351 198 150</td>
<td></td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(171) (175) (132)</td>
<td></td>
</tr>
<tr>
<td>Fair value of plan assets at end of period</td>
<td>180 203 221</td>
<td>180 203 221</td>
</tr>
</tbody>
</table>

Change in plan assets:
The components of net periodic pension cost for the Company's defined benefit plans are provided in the following table (in thousands):

<table>
<thead>
<tr>
<th>Year Ended December 31</th>
<th>Nine Months Ended September 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1998</td>
</tr>
<tr>
<td>Interest cost on projected benefit obligation</td>
<td>$134</td>
</tr>
<tr>
<td>Net amortization of prior-service cost and transition obligation</td>
<td>53</td>
</tr>
<tr>
<td>Net periodic pension cost</td>
<td>$187</td>
</tr>
</tbody>
</table>

The Company maintains two qualified defined contribution plans, which cover substantially all employees, that comply with Section 401 of the Internal Revenue Code. Under these plans, the Company's stipulated Basic Matching Contribution matches a portion of the participants' contribution based upon a defined schedule. Contributions are invested by an independent investment company in one or more of several investment alternatives. The choice of investment alternatives is at the election of each participating employee. The Company's contributions to the plans were approximately $2,091,000, $2,317,000, $2,420,000 and $1,917,000 for the years ended December 31, 1998, 1999 and 2000, and for the nine months ended September 30, 2001, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
contribution to the ESOP is at the discretion of the Company's Board of Directors.

For the years ended December 31, 1999 and 2000, the Company contributed and
allocated to participants' accounts $1,363,000 and $1,419,000, respectively, worth of Class A common stock and cash. The Board of Directors has authorized
an additional ESOP contribution for the year ended December 31, 2001. It is
anticipated that shares attributable to the year ended December 31, 2001
commitment will be issued to the ESOP during the second quarter 2002, after an
independent appraisal of the stock value as of December 31, 2001, has occurred.
At September 30, 2001, an obligation to fund $910,000 was accrued.

As required under Statement of Position No. 93-6, Employers' Accounting for Employee Stock Ownership Plans, compensation expense is recorded for shares
committed to be released to employees based on the fair market value of those
shares in the period in which they are committed to be released. The difference
between cost and fair market value of the released shares, which was $1,326,000
and $1,142,000 for the years ended December 31, 2000 and the nine months ended
September 30, 2001, respectively, is recorded in additional paid in capital.

12. Investments

GSE Systems, Inc.--The Company and its designees hold stock in GSE Systems,
Inc. (GSE), which was created by the merger of one of the Company's
majority-owned subsidiaries and two other entities in April 1994. In January
2000, the Company purchased 116,959 additional shares of common stock in GSE,
increasing the Company's ownership to 17.61%. The Company's ownership
percentage of GSE was 17.53% at September 30, 2001. The Company's and its
designee's ownership percentage of GSE was 20.22% at September 30, 2001.

majority-owned subsidiary of the Company, and Vosper Thornycroft Limited
entered into a Joint Venture agreement to form Vosper-ManTech Limited (the Joint Venture). The Joint Venture is owned 40% by MASI U.K. Limited and 60% by Vosper Thornycroft Limited. In 2000, the Joint Venture began work on a ten-year
follow-on contract providing outsourcing of the Government Communications
Headquarters (GCHQ) for the United Kingdom's logistics and engineering services.

The Company's interest in the Joint Venture is accounted for using the
equity method. The Company recorded $692,000, $794,000, $393,000 and $400,000
in equity earnings for the years ended December 31, 1998, 1999 and 2000, and
for the nine months ended September 30, 2001, respectively.

The components of investments are as follows (in thousands):
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)


13. Commitments and Contingencies (Continued)

believes that the ultimate resolution of these matters will not have a material effect on the Company's financial position or results of operations.

In February 2000, a judgment was entered against the Company in favor of Boston Properties, a real estate management firm, in the amount of $1,175,000 for unpaid rent under a lease held by Boston Properties with Global-InSync, Inc. (Global). Global is the successor to a business sold by the Company in 1996 (see note 16). The Company provided a financial guarantee to Boston Properties on the lease to facilitate the timely closing of this business sale. Boston Properties and Global extended the original lease without notice to the Company. The legal action sought to recover unpaid rent beyond the term of the original lease. After losing the appeal, the Company paid this judgment and other related expenses in August 2000.

The company leases office space and equipment under long-term operating leases. A number of the leases contain renewal options and escalation clauses. At September 30, 2001, aggregate future minimum rental commitments under these leases are as follows (in thousands):

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Office Space</th>
<th>Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three months ending December 31, 2001</td>
<td>1,929</td>
<td>1,191</td>
<td>3,120</td>
</tr>
<tr>
<td>Year ending:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 31, 2002</td>
<td>6,288</td>
<td>3,069</td>
<td>9,357</td>
</tr>
<tr>
<td>December 31, 2003</td>
<td>5,333</td>
<td>2,508</td>
<td>7,841</td>
</tr>
<tr>
<td>December 31, 2004</td>
<td>4,752</td>
<td>1,934</td>
<td>6,686</td>
</tr>
<tr>
<td>December 31, 2005</td>
<td>4,214</td>
<td>1,523</td>
<td>5,737</td>
</tr>
<tr>
<td>Thereafter</td>
<td>8,193</td>
<td>1,269</td>
<td>9,462</td>
</tr>
<tr>
<td>Total</td>
<td>$30,709</td>
<td>$11,494</td>
<td>$42,203</td>
</tr>
</tbody>
</table>
Office space and equipment rent expense totaled approximately $6,303,000, $7,441,000, $9,578,000 and $7,715,000 for the years ended December 31, 1998, 1999 and 2000, and for the nine months ended September 30, 2001, respectively.

14. Acquisitions

Each of the following acquisitions has been accounted for as a purchase, and accordingly, the operating results of each of the acquired entities have been included in the Company's consolidated financial statements since the respective dates of acquisition. The aggregate amount of goodwill and other intangibles resulting from the excess of the respective purchase prices over the fair market value of net assets acquired in 1999 was approximately $3,558,000.

REVIVE Technologies, Inc.--On April 16, 1999, the Company acquired certain assets and liabilities of REVIVE Technologies, Inc. (REVIVE) for a cash purchase price of $500,000 and a note payable of $1,105,000 (interest accrues at a rate of 6.50%), due and payable in four equal quarterly installments beginning in July 1999. REVIVE specializes in the automated conversion of legacy mainframe databases.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)


14. Acquisitions (Continued)

Advanced Development Group, Inc.--On January 5, 1999, the Company acquired all of the outstanding stock of Advanced Development Group, Inc. (ADG) for a purchase price of $2,000,000 in the form of a note payable over two years (interest accrues at the prime rate). This acquisition also provided for additional cash payments, not to exceed $5,000,000, to be made over the three years following the closing, based on the attainment of certain earnings levels. In May 2000, the Company paid $495,000 against this obligation.

ADG specializes in the development of interactive multimedia and distance learning training products. It is the leading Interactive Multimedia Instruction (IMI) developer for the U.S. Army. In addition, ADG has developed a proprietary IMI Course Builder Program (C) to enable the development of high-quality, low-cost training products that incorporate sophisticated animation, graphics and video.

15. Discontinued Operations

On September 26, 2001, the Company executed a formal plan to exit certain commercial and foreign lines of business that no longer contribute to the core competencies. The businesses include the Australian-based software solutions consulting business, the United Kingdom-based bank remittance processing business, the China-based consulting business, the U.S.-based environmental consulting and remediation business and the U.S.-based application-hosting business. Although some of these ventures show promise and growth, these businesses are oriented towards commercial customers and do not contribute to the core competencies on which the Company is currently focused. All of these businesses are expected to be sold, and all of the dispositions are expected to be completed on or before June 30, 2002. Based on independent valuations, market comparable information and interest expressed in these businesses, an estimate has been provided for the likely net gains and losses to income expected from these businesses through the estimated date of disposal. As a result, in accordance with APB Opinion No. 30, Reporting the Results of Operations--Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions, results of operations have been classified as discontinued and prior periods have been restated. The Company has segregated the net assets and liabilities held for sale, recorded all current and expected future losses and deferred all gains expected to be realized upon disposal of the respective entities. The amounts the Company will ultimately realize could differ in the near term from the amounts estimated in arriving at the loss on disposal of the discontinued operations.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)


15. Discontinued Operations (Continued)

Revenues and losses from discontinued operations are as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Nine Months Ended</th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 30, 2001</td>
<td>1998</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1999</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2000</td>
</tr>
<tr>
<td>Income statement data:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues..................</td>
<td>$ 85,976</td>
<td>$ 97,503</td>
</tr>
<tr>
<td>Costs and expenses........</td>
<td>(87,034)</td>
<td>(101,428)</td>
</tr>
<tr>
<td>Operating loss............</td>
<td>(1,058)</td>
<td>(3,925)</td>
</tr>
<tr>
<td>Minority interest........</td>
<td>(716)</td>
<td>(652)</td>
</tr>
<tr>
<td>Income tax benefit........</td>
<td>506</td>
<td>1,850</td>
</tr>
<tr>
<td>Loss from discontinued operations net</td>
<td>$ (1,268) $ (2,727)</td>
<td></td>
</tr>
</tbody>
</table>
| of tax and minority interest... | $ (4,667) $ (6,533) | $ 37,587 $ 63,389 $ 63,389

The estimated net loss on disposal of discontinued operations recorded for the nine months ended September 30, 2001 was $5,890,000, net of an income tax benefit of $3,818,000. This loss included a provision for anticipated closing costs and net operating losses through the estimated date of disposal of $3,852,000, net of an income tax benefit of $2,404,000.

The Company's Australian-based software solutions consulting business disposed of its Local Government business on June 30, 2000 and recorded a loss on the disposal of $719,000, net of tax. The revenues and operating losses of this business unit were not significant for the periods presented.

16. Loss From Investment Default

On September 16, 1996, the Company sold certain assets of the Systems Integration business to Global in exchange for notes receivable of $1,956,000, due and payable in full over the next five years, and stock in their parent company, Global Intellicom, Inc. as follows: 49,778 shares of common stock and convertible exchangeable preferred stock with a carrying value of $3,080,000, based upon an independent third-party valuation as of the date of sale.

At December 31, 1997, Global was in default on its note obligations but had proposed a payment plan satisfactory to the Company to cure this default. In 1998, Global was unable to discharge the payment plan and defaulted on the full note obligations in early 1999. As a result of the general financial condition of Global Intellicom, Inc. and a sharp decline in the trading value of their stock, it is the belief of the Company management that the value of all investments in Global Intellicom, Inc. are permanently impaired. A pre-tax charge of $5,230,000 ($3,138,000 after tax) was recorded against 1998 earnings, representing the total recorded value of all notes and stock in Global and Global Intellicom, Inc., respectively.

* * * * *
PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The estimated expenses in connection with this offering (all of which will be borne by the registrant), are as follows:

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securities and Exchange Commission registration fee</td>
<td>$ 26,000</td>
</tr>
<tr>
<td>NASD filing fee</td>
<td>$ 11,000</td>
</tr>
<tr>
<td>Nasdaq listing fees</td>
<td>$ 5,000</td>
</tr>
<tr>
<td>Printing expenses</td>
<td>$200,000</td>
</tr>
<tr>
<td>Accounting fees and expenses</td>
<td>$450,000</td>
</tr>
<tr>
<td>Legal fees and expenses</td>
<td>$424,000</td>
</tr>
<tr>
<td>Blue Sky fees and expenses</td>
<td>$ 5,000</td>
</tr>
<tr>
<td>Transfer agent's fees and expenses</td>
<td>$ 3,000</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$ 7,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,131,000</strong></td>
</tr>
</tbody>
</table>


Section 145 of the Delaware General Corporation Law (DGCL) generally provides that all directors and officers (as well as other employees and individuals) may be indemnified against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with certain specified actions, suits or proceedings, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation -- a "derivative action"), if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. A similar standard of care is applicable in the case of derivative actions, except that indemnification extends only to expenses (including attorneys' fees) actually and reasonably incurred in connection with defense or settlement of an action and the DGCL requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. Section 145 of the DGCL also provides that the rights conferred thereby are not exclusive of any other right which any person may be entitled to under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, and permits a corporation to advance expenses to or on behalf of a person to be indemnified upon receipt of an undertaking to repay the amounts advanced if it is determined that the person is not entitled to be indemnified.
The registrant's certificate of incorporation and bylaws provide that each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding by reason of the fact that he is or was a director or officer of the registrant (or is or was serving at the request of the registrant as director, officer, employee or agent of another entity), shall be indemnified and held harmless by the registrant to the fullest extent authorized by the DGCL, as in effect (or to the extent that indemnification is broadened, as it may be amended), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith. Except with respect to actions initiated by an officer or director against the registrant to recover the amount of an unpaid claim, the registrant is required to indemnify an officer or director in connection with an action, suit or proceeding initiated by such person only if such action, suit or proceeding was authorized by the board of directors of the registrant. The certificate of incorporation and bylaws further provide that an officer or director may (60 days after a written claim has been received by the registrant) bring suit against the registrant to recover an unpaid claim and, if such suit is successful, the expense of bringing such suit. While it is a defense to such suit that the claimant has not met the applicable standards of conduct which make indemnification permissible under the DGCL, neither the failure of the board of directors to have made a determination that indemnification is proper, nor an actual determination that the claimant has not met the applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

The certificate of incorporation and bylaws also provide that the rights conferred thereby are contract rights, that they are not exclusive of any other rights which an officer or director may have or hereafter acquire under any statute, any other provision of the certificate of incorporation, bylaw, agreement, vote of stockholders or disinterested directors or otherwise, and that they include the right to be paid by the registrant the expenses incurred in defending any specified action, suit or proceeding in advance of its final disposition provided that, if the DGCL so requires, such payment shall only be made upon delivery to the registrant by the officer or director of an undertaking to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under the bylaws or otherwise.

Item 15. Recent Sales of Unregistered Securities.

On September 17, 2001, we made a net contribution of 6,628 shares of the Class A common stock of our predecessor company, a New Jersey corporation, to the Employee Stock Ownership Plan Trust.

The transaction described above was undertaken in reliance upon the exemptions from the registration requirements of the Securities Act of 1933 afforded by Rule 701 promulgated thereunder, as a transaction pursuant to the compensatory benefit plans and contracts relating to compensation. The registrant believes that exemptions other than the foregoing exemption may exist for this transaction.


(a) Exhibits

**EXHIBIT INDEX**
1.1 Form of Underwriting Agreement

**2.1 Form of Plan of Merger by and between ManTech International Corporation, a New Jersey corporation, and ManTech International Corporation, a Delaware corporation

**3.1 Second Amended and Restated Certificate of Incorporation of the Registrant

**3.2 Amended and Restated Bylaws of the Registrant

**4.1 Form of Common Stock Certificate.


**5.1 Opinion of Gibson, Dunn & Crutcher LLP

10.1 Retention Agreement, effective as of January 1, 2002, between John A. Moore, Jr. and ManTech International Corporation.

**10.2 Form of Confidentiality, Non-competition and Non-solicitation Agreement, effective as of the closing of this offering, between specified executive officers and ManTech International Corporation.

**10.3 Management Incentive Plan of ManTech International Corporation

**10.4 Lease of Facility at 12015 Lee Jackson Highway, Fairfax, Virginia.


10.6 Retention Agreement, effective as of January 1, 2002, between George J. Pedersen and ManTech International Corporation

**10.7 Promissory Note dated February 27, 1997, by and between George J. Pedersen and ManTech International Corporation


**10.9 ManTech International Corporation, Supplemental Executive Retirement Plan for the benefit of George J. Pedersen, effective as of April 12, 1996

**10.10 ManTech International Corporation, Supplemental Executive Retirement Plan for the benefit of John A. Moore, Jr., effective as of April 12, 1996

**10.11 Severance Arrangement, by and between ManTech International Corporation and Bradley H. Feldmann

10.12 Form of Term Sheet for ManTech International Corporation Management Incentive Plan Non-Qualified Stock Option, and Standard Terms and Conditions for Non-Qualified Stock Options

10.13 Form of Term Sheet for ManTech International Corporation Management Incentive Plan Incentive Stock Option, and Standard Terms and Conditions for Incentive Stock Options

**16.1 Letter from PricewaterhouseCoopers LLP to the Securities and Exchange Commission

**21.1 Subsidiaries of the Registrant

**23.1 Consent of Gibson, Dunn & Crutcher LLP (included in Exhibit 5.1)

23.2 Consent of Deloitte & Touche LLP

23.3 Consent of PricewaterhouseCoopers LLP

**23.4 Prospective Director's Consent of Walter R. Fatzinger, Jr.

**23.5 Prospective Director's Consent of Richard J. Kerr

**24.1 Power of Attorney (included on the signature page to the Registration Statement filed on November 23, 2001)

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* To be filed by amendment.

** Previously filed.

(b) Financial Statement Schedule

Valuation and Qualifying Accounts
INDEPENDENT AUDITORS' REPORT ON SCHEDULE
To the Board of Directors and Stockholders of
ManTech International Corporation
Fairfax, Virginia:

We have audited the consolidated financial statements of ManTech International Corporation as of December 31, 1999 and 2000 and September 30, 2001 and for the years ended December 31, 1999 and 2000 and the nine months ended September 30, 2001, and have issued our report thereon dated November 16, 2001, except for Note 8 as to which the date is December 17, 2001. Such consolidated financial statements and report are included elsewhere in this Registration Statement. Our audits also included the financial statement schedule of ManTech International Corporation listed in Item 16(b). This consolidated financial statement schedule is the responsibility of the Company’s management. Our responsibility is to express an opinion based on our audits.

In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

DELOITTE & TOUCHE LLP
McLean, Virginia
November 16, 2001

Report of Independent Accountants on Financial Statement Schedule
To the Board of Directors and Stockholders of
MANTECH INTERNATIONAL CORPORATION:

Our audit of the consolidated financial statements referred to in our report dated April 26, 1999, except for Note 16, as to which the date is June 7, 1999 and Note 15, as to which the date is November 15, 2001, appearing in the Registration Statement under the Securities Act of 1933 of ManTech International Corporation also included an audit of the financial statement schedule listed in Item 16(b) of this Registration Statement. In our opinion, the financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PricewaterhouseCoopers LLP
McLean, Virginia
April 26, 1999

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Doubtful Accounts
------------------------------

<table>
<thead>
<tr>
<th>Period</th>
<th>Beginning of Period</th>
<th>Charged to Costs and Expenses</th>
<th>Deductions</th>
<th>Other*</th>
<th>End of Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>------</td>
<td>-------------------</td>
<td>-----------------------------</td>
<td>------------</td>
<td>--------</td>
<td>--------------</td>
</tr>
</tbody>
</table>

SCHEDULE II
Valuation and Qualifying Accounts
Activity in the Company's allowance accounts for the years ended December 31, 1998, 1999 and 2000 and the nine months ended September 30, 2001 was as follows (in thousands):

------------------------------
Doubtful Accounts
------------------------------
Deferred Tax Asset Valuation

<table>
<thead>
<tr>
<th>Period</th>
<th>Balance at Beginning of Period</th>
<th>Charged to Costs and Expenses</th>
<th>Deductions</th>
<th>Other*</th>
<th>End of Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998.....</td>
<td>$902</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>$902</td>
</tr>
<tr>
<td>1999.....</td>
<td>902</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>902</td>
</tr>
<tr>
<td>2000.....</td>
<td>902</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>902</td>
</tr>
<tr>
<td>Sept. 2001</td>
<td>902</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>902</td>
</tr>
</tbody>
</table>

* Other represents doubtful account reserves recorded as part of Net Revenues.

Item 17. Undertakings

(a) The undersigned registrant hereby undertakes to provide to the underwriters, at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(c) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES AND POWER OF ATTORNEY

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the

MANTECH INTERNATIONAL CORPORATION

By: /s/ GEORGE J. PEDERSEN
-----------
George J. Pedersen
Chairman of the Board of
Directors, Chief Executive Officer
and President

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on February 4, 2002.

<table>
<thead>
<tr>
<th>Signature</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>/s/ GEORGE J. PEDERSEN</td>
<td>Chairman of the Board of Directors, Chief Executive Officer and President</td>
</tr>
<tr>
<td>/s/ JOHN A. MOORE, JR.</td>
<td>Executive Vice President, Chief Financial Officer, Treasurer and Director</td>
</tr>
<tr>
<td>/s/ MICHAEL D. GOLDEN*</td>
<td>Director</td>
</tr>
<tr>
<td>/s/ STEPHEN W. PORTER*</td>
<td>Director</td>
</tr>
<tr>
<td>/s/ WALTER W. VAUGHAN*</td>
<td>Director</td>
</tr>
</tbody>
</table>

* Executed by George J. Pedersen on behalf of such individual pursuant to a power of attorney granted November 23, 2001.

II-8
DEAR SIRS:

ManTech International Corporation, a Delaware corporation ("ManTech Delaware") which is the successor by merger to ManTech International Corporation, a New Jersey corporation ("ManTech New Jersey"), (ManTech Delaware as the legal successor to ManTech New Jersey is referred to herein as the "Company"; references to the Company are deemed to include ManTech New Jersey as the predecessor to ManTech Delaware, except as the context otherwise requires), proposes to issue and sell to the underwriters named in Schedule I hereto (the "Underwriters"), for which you are acting as representatives (the "Representatives"), and George Pedersen (the "Selling Stockholder") proposes to sell to the several Underwriters an aggregate of 6,000,000 shares (the "Firm Shares") of the Company's Class A common stock, par value $.01 per share (the "Class A Common Stock") of which 5,666,667 shares are to be sold by the Company (the "Company Firm Shares") and 333,333 shares are to be sold by the Selling Stockholder (the "Selling Stockholder Firm Shares"). The Company has also agreed to sell an aggregate of 516,487 shares (the "Company Additional Shares") of Class A Common Stock and the Selling Stockholder has also agreed to sell up to an aggregate of 383,513 shares of Class A Common Stock (the "Selling Stockholder Additional Shares") and, together with the Company Additional Shares, to cover over-allotments, if any. The Firm Shares and the Additional Shares are hereinafter collectively referred to as the "Shares.

You have advised us that, subject to the terms and conditions herein contained, you desire to purchase the Firm Shares and that you propose to make a public offering of the Firm Shares as soon as you deem advisable after the Registration Statement referred to below becomes effective.

The terms that follow, when used in this Agreement, shall have the meanings indicated. "Preliminary Prospectus" shall mean each prospectus subject to completion included in the Registration Statement referred to below, and "Prospectus" shall mean the Preliminary Prospectus, as supplemented by any amendment or supplement thereto, and "Pricing Supplement" shall mean each supplement to the Preliminary Prospectus, as supplemented by any amendment or supplement thereto.

February [ ], 2002

JEFFERIES & COMPANY, INC.
LEGG MASON WOOD WALKER INCORPORATED
BB&T CAPITAL MARKETS/SCOTT & STRINGFELLOW, INC.
As Representatives of the Several Underwriters

C/O Jefferies & Company, Inc.
520 Madison Avenue, 12th Floor
New York, New York 10022

MANTECH INTERNATIONAL CORPORATION
6,000,000 Shares/1/
Class A Common Stock
UNDERWRITING AGREEMENT
----------------------
Company's Registration Statement on Form S-1 referred to in Section 1(a)(i) below and includes each preliminary prospectus relating to the Shares which has heretofore been furnished to the Underwriters and dealers for distribution and use. "Registration Statement" shall mean the registration statement referred to in Section 1(a)(i) below, including all exhibits, as amended at the Representation Date (as defined in Section 1(a) hereof) (or, if not effective at the Representation Date, in the form in which it shall become effective), all financial statements and schedules thereto and, if any post-effective amendment thereto becomes effective prior to any Closing Date (as defined in Section 3 hereof), shall also mean such registration statement as so amended. The term "Registration Statement" shall include Rule 430A Information (as defined herein) deemed to be included therein on the date the registration statement becomes effective (the "Effective Date") as provided by Rule 430A (as defined herein) and also any registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "Act"). "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and "Exchange Act Rules and Regulations" shall mean the rules and regulations of the Securities and Exchange Commission (the "Commission") thereunder. "Prospectus" shall mean the prospectus first filed with the Commission pursuant to Rule 424(b) under the Act, and the prospectus included in the Registration Statement at the time it becomes effective. "Rule 158," "Rule 424," "Rule 434" and "Rule 430A" refer to such rules under the Act (the rules and regulations under the Act, the "Act Regulations"), and "Rule 430A Information" means information with respect to the Shares and the offering thereof permitted to be omitted from the Registration Statement when it becomes effective pursuant to Rule 430A. For purposes of the representations and warranties contained herein, to the extent reference is made to the Prospectus and at the relevant time the Prospectus is not yet in existence, such reference shall be deemed to be to the most recent Preliminary Prospectus. For purposes of this Agreement, all references to the Registration Statement, Prospectus or Preliminary Prospectus or to any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering Analysis and Retrieval system ("EDGAR").

1. Representations and Warranties of the Company.

(a) The Company represents and warrants to, and agrees with, each of the Underwriters as of the date hereof (such date being referred to as the "Representation Date"), as follows:

(i) The Company has satisfied the conditions for use of Form S-1 under the Act, as set forth in the general instructions thereto, and has filed with the Commission a registration statement (Registration No. 333-73946) on such form, including a Preliminary Prospectus, for the registration under the Act of the offering and sale of the Shares (the "Offering"). The Company has filed one or more amendments thereto, including to the related Preliminary Prospectus, each of which has previously been furnished to the Representatives. After the execution of this Agreement, the Company will file with the Commission either (A) prior to effectiveness of such registration statement, a further amendment to such registration statement (including a form of prospectus), a copy of which amendment has been furnished to and approved by the Representatives prior to the execution of this Agreement, or (B) after effectiveness of such registration statement, a prospectus in the form most recently included in an amendment to such registration statement (or, if no amendment shall have been filed, in such registration statement) in accordance with Rules 430A and 424(b) of the Act Regulations and as
have been provided to and approved by the Representatives prior to execution of this Agreement. No document has been or will be prepared or distributed in reliance on Rule 434 under the Act.

(ii) Neither the Commission nor any "blue sky" or securities authority of any jurisdiction in which the Shares have been offered has issued any order preventing or suspending the use of any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto. On the Effective Date, the Registration Statement did, and when the Prospectus is first filed (if required) in accordance with Rule 424(b) and on each Closing Date, the Prospectus will, comply with the applicable requirements of the Act and the Act Regulations; on the Effective Date, the Registration Statement did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading; on the Effective Date if not filed pursuant to Rule 424(b), and on the date of any filing pursuant to Rule 424(b) and each Closing Date, the Prospectus did not and will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and each Preliminary Prospectus and the Prospectus delivered to the Underwriters for use in connection with the Offering will, at the time of such delivery, be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T under the Act. Notwithstanding anything to the contrary in this Agreement, the Company makes no representations or warranties as to the information contained in or omitted from the Registration Statement, any Preliminary Prospectus or the Prospectus in accordance with information provided in writing to the Company by or on behalf of the Underwriters through the Representatives expressly for use in any Preliminary Prospectus, the Registration Statement or the Prospectus, and the Company agrees that the only information provided in writing by or on behalf of Underwriters to the Company expressly for use in any Preliminary Prospectus, the Registration Statement or the Prospectus is (1) other than the information contained in the last paragraph of the section set forth under the caption "Underwriting," that information contained in the section set forth under the caption "Underwriting" in the Prospectus, which does not describe the terms of this Agreement, and (2) that information on the cover page of the Prospectus stating that the Underwriters expect to deliver the Shares to purchasers on or about _____, 2002.

(iii) The Company has been duly organized and is validly existing and in good standing under the laws of the State of Delaware, with all requisite power (corporate and other) and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement and the Prospectus, and is duly qualified to conduct its business and is in good standing in each jurisdiction or place where the nature or location of its properties (owned, leased or managed) or the conduct of its business requires such qualification, except where the failure so to qualify would not, individually or in the aggregate, have an adverse effect on the condition (financial or other), business, properties, assets, rights, operations, or results of operations of the Company or any of the Subsidiaries (as hereinafter defined) that is or would be, material to the Company and the Subsidiaries, taken as a whole, whether or not occurring in the ordinary course of business (a "Material Adverse Effect").

(iv) The only subsidiaries (as defined in Rule 405 under the Act) of the Company are the subsidiaries listed on Schedule 1(a)(iv) to this Agreement (individually, a "Subsidiary" and collectively, the "Subsidiaries"). Each of the Subsidiaries is a corporation or other entity duly organized, validly existing and in good standing in the jurisdiction of its incorporation with all requisite power (corporate or other) and authority to own, lease, manage and operate its properties and to conduct its business as described in the Registration Statement and the Prospectus, and is duly qualified to conduct its business and is in good standing in each jurisdiction or place where the nature or location of its properties (owned, leased or managed) or the conduct of its business
requires such qualification, except where the failure to so qualify would not, individually or in the aggregate, have a Material Adverse Effect.

(v) Each of the Company and each Subsidiary possesses all authorizations, approvals, orders, licenses, certificates, franchises and permits of and from, and has made all declarations and filings with, all regulatory or governmental officials, bodies and tribunals ("Permits") that are material to the ownership, leasing, management or operation of their respective properties and to the conduct of the business of the Company and its Subsidiaries as described in the Registration Statement and the Prospectus, and none of the Company or any of the Subsidiaries has received any notice of proceedings relating to the revocation or modification of any such Permits. Except as described in the Registration Statement and Prospectus, each of the Company and each Subsidiary has fulfilled and performed all its current material obligations with respect to such Permits and no event has occurred that allows, or after notice or lapse of time, or both, would allow, revocation or termination thereof or result in any other material impairment of the rights of the holder of any such Permit and such Permits contain no restrictions that are materially burdensome to the Company or any of the Subsidiaries. The Company and each of the Subsidiaries are, in all material respects, in compliance with all federal, state, local and foreign laws, rules, regulations, orders and consents of any governmental agency or body or court and, to the knowledge of the Company, except as set forth in the Registration Statement and Prospectus, no prospective change in any such federal, state, local or foreign laws, rules, regulations, orders or consents has been adopted or is proposed which, when made effective, would have a Material Adverse Effect. The property and business of the Company and the Subsidiaries conform to the descriptions thereof contained in the Registration Statement and the Prospectus.

(vi) All of the Company's issued and outstanding capital stock has been duly authorized, validly issued and is fully paid and nonassessable, and the Company's outstanding classes of capital stock, including, without limitation, the Class A Common Stock, and the capitalization (authorized and outstanding) of the Company conform in all material respects to the descriptions thereof and the statements made with respect thereto in the Registration Statement and the Prospectus as of the date set forth therein under "Capitalization" and "Description of Capital Stock, Certificate of Incorporation and Bylaws." None of the issued and outstanding shares of the Company's capital stock including, without limitation, the Class A Common Stock, have been issued in violation of any preemptive or other rights to subscribe for or purchase shares of capital stock of the Company. Except as set forth on Schedule 1(a)(vi), there are no outstanding securities convertible into or exchangeable for, and no outstanding options, warrants or other rights to purchase, any shares of the capital stock of the Company, nor any agreements or commitments to issue any of the same, and there are no preemptive or other rights to subscribe for or to purchase, and no restrictions upon the voting or transfer of, any capital stock of the Company pursuant to the Company's certificate of incorporation or bylaws or any agreement or other instrument to which the Company is a party. All offers and sales of the Company's capital stock prior to the date hereof were at all relevant times duly registered or exempt from the registration requirements of the Act, and were duly registered or the subject of an available exemption from the registration requirements of the applicable state securities or blue sky laws. The form of certificates for the Shares complies with the corporate laws of the State of Delaware.

(vii) All the outstanding shares of capital stock or other equity interests of each Subsidiary have been duly authorized and validly issued and are fully paid and nonassessable, and, except as set forth on Schedule 1(a)(vii), all outstanding shares of capital stock and other equity interests of such Subsidiaries are owned of record and beneficially by the Company, either directly or through one of the other Subsidiaries, free and clear of any security interests, liens, encumbrances, equities or other claims. Except as set forth on Schedule 1(a)(vii), there are no outstanding rights, warrants or options to acquire, or instruments convertible into or exchangeable for, any shares of capital stock or other equity interest in any Subsidiary.

(viii) Except as set forth on Schedule 1(a)(viii)(A), each of the Company and each Subsidiary has good and marketable title to, and is
possessed of, each property, right, interest or estate constituting the properties and assets described in the Registration Statement and the Prospectus as owned by it or reflected in the Financial Statements (as defined below), free and clear of all liens, charges, security interests, pledges, encumbrances and restrictions and other claims, except such as are described in the Registration Statement and the Prospectus or such as are not burdensome and do not interfere with the use or proposed use of the property or the conduct of the business of the Company or any Subsidiary in a manner that is or would be material to the business of the Company and the Subsidiaries taken as a whole. The leases identified on Schedule 1(a)(viii)(B) (the "Leases") are the only leases to which

the Company or any Subsidiary is a party that are material to the conduct of the business of the Company and its Subsidiaries as described in the Registration Statement and the Prospectus. Each of the Leases is valid, subsisting and enforceable and no event has occurred which, with the passage of time or the giving of notice or both, would cause a material breach of, or default under, any such Lease. Each of the Leases to which the Company or any Subsidiary is a party is substantially of the same character and has terms no more materially burdensome or disadvantageous to the Company or such Subsidiary than those contained in the leases made available to the Representatives in connection with their legal due diligence review of the Company and its Subsidiaries.

(ix) No Subsidiary is currently prohibited, directly or indirectly, from paying any dividends to the Company, from making any other distribution with respect to such Subsidiary's capital stock or other equity interests to the Company or a Subsidiary, as the case may be, from repaying to the Company or a Subsidiary any loans or advances to such Subsidiary from the Company or a Subsidiary or from transferring any of such Subsidiary's property or assets to the Company or any Subsidiary, except as described in the Registration Statement, the Prospectus and that certain Business Loan and Security Agreement with Citizens Bank of Pennsylvania, PNC Bank N.A., Branch Banking and Trust Company of Virginia and Chevy Chase Bank, F.S.B.

(x) The Company has all corporate power, authority, authorizations, approvals, orders, licenses, certificates and permits to (i) enter into this Agreement and to carry out the provisions and conditions hereof, including, but not limited to, the issuance and delivery of the Shares to the Underwriters as provided herein and (ii) perform the transactions contemplated by the Registration Statement and the Prospectus under "Transactions Prior to the Offering - Reincorporation, Recapitalization and Stock Split". This Agreement has been duly and validly authorized by the Company and duly executed and delivered by the Company and constitutes a legal, valid and binding agreement of the Company. The transactions contemplated by the Registration Statement and the Prospectus under "Transactions Prior to the Offering - Reincorporation, Recapitalization and Stock Split" have been duly and validly authorized by each of ManTech New Jersey and ManTech Delaware.

(xi) The Company and each Subsidiary owns, or possesses adequate rights to use, all patents, patent rights, licenses, inventions, trademarks, service marks, trade names, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information or procedures) and other rights necessary for the conduct of its business as described in the Registration Statement and the Prospectus, and except as described in the Registration Statement and the Prospectus, none of the Company or any of the Subsidiaries has received a notice, or knows of any basis, of any infringement or other conflict with the asserted rights of others in any such respect that could reasonably be expected to have a Material Adverse Effect.

(xii) The Shares (A) to be issued and sold by the Company have been duly and validly authorized for issuance by the Company and the Company has the corporate power and authority to issue, sell and deliver the Company Firm Shares and the Company Additional Shares to the Underwriters and (B) to be sold by the Selling Stockholder to the Underwriters have been duly authorized and are validly issued, fully paid and non-assessable; and when the Company Firm Shares and the Company Additional Shares are issued and delivered and when the Selling Stockholder Firm Shares and the Selling Stockholder Additional Shares are delivered against payment therefor as provided by this Agreement, the Company Firm Shares and the Company Additional Shares and the
Selling Stockholder Firm Shares and the Selling Stockholder Additional Shares will be validly issued, fully paid and nonassessable, and the issuance of such Company Firm Shares and the Company Additional Shares and the Selling Stockholder Firm Shares and the Selling Stockholder Additional Shares will not be subject to any preemptive or similar rights. All corporate action required to be taken by the stockholders or the Board of Directors of the Company for the authorization, issuance and sale of the Company Firm Shares and the Company Additional Shares has been duly and validly taken. The Company Firm Shares, Company Additional Shares, Selling Stockholder Firm Shares and Selling Stockholder Additional Shares conform in all material respects to the description of the Class A Common Stock set forth in the Registration Statement and the Prospectus under the caption "Description of Capital Stock, Certificate of Incorporation and Bylaws."

(xiii) To the Company's knowledge, each of Deloitte & Touche LLP and PricewaterhouseCoopers LLP, whose reports are included in the Registration Statement and who has certified certain of the Financial Statements, are independent certified public accountants with respect to the Company and the Subsidiaries, under the meaning of and as required by the Act and the Act Regulations.

(xiv) The consolidated financial statements and related schedules and notes included in the Registration Statement and the Prospectus (the "Financial Statements") present fairly the financial position of the Company and the Subsidiaries, on the basis stated in the Registration Statement, as of the respective dates thereof and the results of operations and cash flows of the Company and the Subsidiaries, for the respective periods covered thereby, all in conformity with generally accepted accounting principles applied on a consistent basis throughout the entire period involved, except as otherwise disclosed in the Registration Statement and the Prospectus and all adjustments necessary for a fair presentation of results for such periods have been made. The summary consolidated financial data, the selected consolidated financial information and the quarterly consolidated financial data included under the captions "Summary Financial Data," "Selected Financial Data" and "Quarterly Results of Operations," respectively, in the Prospectus present fairly the information shown therein and have been compiled on a basis consistent with that of the audited consolidated financial statements of the Company included therein. The backlog and GSA Schedule Contract Value data included in the Registration Statement and the Prospectus are complete and accurate in all material respects and present fairly, in all material respects, the information shown therein; the assumptions used in the preparation of the backlog and GSA Schedule Contract Value data included in the Registration Statement and Prospectus are reasonable and the adjustments used therein are appropriate to give effect to the transactions or circumstances referred to therein. No other financial statements, schedules or data of the Company and its Subsidiaries are required by the Act or the Act Regulations to be included or incorporated by reference in the Registration Statement or Prospectus.

(xv) The Company and each Subsidiary maintains a system of internal accounting controls sufficient to provide reasonable assurance that (A) transactions are executed in accordance with management's general or specific authorization; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(xvi) The Company and each Subsidiary maintains insurance issued by insurers of nationally recognized financial responsibility and covering its properties, operations, personnel and businesses. Such insurance insures against such losses and risks and in such amounts as are prudent and customary in the businesses in which the Company and its Subsidiaries are engaged. None of the Company or any Subsidiary has been refused any insurance coverage sought or applied for; and none of the Company or any Subsidiary has reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers, as may be necessary to continue its business at a cost that could not reasonably be expected to have a Material Adverse Effect. All such insurance is outstanding and duly in force on the date hereof.
Except as set forth in the Registration Statement and the Prospectus, the Company and the Subsidiaries are in compliance with all [material] federal, state, local or foreign laws or regulations relating to pollution or protection of human health and safety, the environment or toxic substances or wastes, pollutants or contaminants ("Environmental Laws"). Except as set forth in the Registration Statement and the Prospectus, none of the Company or any of the Subsidiaries has authorized, conducted or has knowledge of the generation, transportation, storage, use, treatment, disposal or release of any hazardous substance, hazardous waste, hazardous material, hazardous constituent, toxic substance, pollutant, contaminant, petroleum product, natural gas, liquefied gas or synthetic gas, defined or regulated under any Environmental Law on, in or under any property in violation of any applicable law, [other than such that would not have a Material Adverse Effect.] Except as set forth on Schedule 1(a)(xvii) and in the Registration Statement and the Prospectus, there is no pending or, to the Company's knowledge, threatened claim, action, litigation or any administrative agency proceeding involving the Company or any of the Subsidiaries or their respective properties, nor has the Company or any of the Subsidiaries received any written notice, or any oral notice to any executive officer of the Company or any other employee responsible for receipt of any such notice, from any governmental entity or third party, that (A) alleges a violation of any Environmental Laws by the Company or any of the Subsidiaries or any person or entity whose liability for a violation of an Environmental Law the Company or any Subsidiary has retained or assumed either contractually or by operation of law; (B) alleges the Company or any of the Subsidiaries is a liable party under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. ss. 9601 et seq., or any state superfund law; (C) alleges possible contamination of the environment by the Company or any of the Subsidiaries; or (D) alleges possible contamination of any of the Company's or the Subsidiaries' properties.

Each of the Company and each Subsidiary (A) is in compliance, in all material respects, with any and all applicable foreign, federal, state and local laws, rules, regulations, treaties, statutes and codes promulgated by any and all governmental authorities (including pursuant to the Occupational Health and Safety Act) relating to the protection of human health and safety in the workplace ("Occupational Laws"); (B) has received all material permits, licenses or other approvals required of it under applicable Occupational Laws to conduct its business as currently conducted; and (C) is in compliance, in all material respects, with all terms and conditions of such permit, license or approval, and the Company does not have knowledge of any facts, circumstances or developments relating to its operations or cost accounting practices that could reasonably be expected to form the basis for or give rise to such actions, suits, investigations or proceedings. No action, proceeding, revocation proceeding, writ, injunction or claim is pending or, to the Company's knowledge, threatened against the Company or any Subsidiary relating to Occupational Laws.

There is (A) no material unfair labor practice complaint pending against the Company or, to the Company's knowledge, threatened against it before the National Labor Relations Board or any state or local labor relations board, and no material grievance or arbitration proceeding arising out of or under any collective bargaining agreement is so pending against the Company or, to its knowledge, threatened against it, (B) no labor dispute in which the Company is involved nor is any labor dispute imminent, other than routine disciplinary and grievance matters, and (C) no union representation question existing with respect to the employees of the Company and no union organizing activities are taking place. Except as set forth on Schedule 1(a)(xix), the Company has not received written notice that (i) any executive, key employee or significant group of employees of the Company plans to terminate employment with the Company or (ii) any such executive or key employee is subject to any noncompete,
nondisclosure, confidentiality, employment, consulting or similar agreement that would be violated by the present or proposed business activities of the Company.

(xx) Neither the Company nor any of the Subsidiaries is in violation of its respective charter or bylaws or other organizational documents. Neither the Company nor any Subsidiary is, nor with the passage of time or the giving of notice or both would be, in violation of any federal, state, local or foreign law, statute, ordinance, administrative or governmental rule, regulation or code applicable to the Company or any of the Subsidiaries, including, without limitation, the Federal Acquisitions Regulations and supplements and the Truth in Negotiations Act, or of any judgment, order or decree of any court or governmental agency or body or of any arbitrator having jurisdiction over the Company or any of the Subsidiaries, or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any mortgage, loan agreement, note, bond, debenture, credit agreement or any other evidence of indebtedness or in any agreement, contract, indenture, lease, deed of trust or other instrument to which the Company or any of the Subsidiaries is a party or by which the Company or any of the Subsidiaries is bound, or to which any of the property or assets of the Company or any of the Subsidiaries is subject, other than (i) as described in the Registration Statement and the Prospectus, or (ii) any violation of, or default with respect to, any of the foregoing that would not have a Material Adverse Effect. The Company has fully satisfied the judgment entered against it in the civil litigation captioned Boston Properties Limited Partnership vs. Global Insync, Inc. and ManTech International Corporation.

(xxii) There is no legal or governmental action, suit, investigation or proceeding before or by any court, arbitrator or governmental agency or body pending or, to the Company's knowledge, threatened, against the Company or any of the Subsidiaries, or to which any of their respective properties, officers or personnel is subject, nor does the Company have knowledge of any facts, circumstances or developments relating to its or its Subsidiaries' operations or cost accounting practices that could reasonably be expected to form the basis for or give rise to such actions, suits, investigations or proceedings (A) that are required to be described in the Registration Statement or the Prospectus but are not described as required, (B) that, if adversely determined, could reasonably be expected to have a Material Adverse Effect, (C) that could prevent or adversely affect the transactions contemplated by this Agreement or (D) that could result in the suspension of the effectiveness of the Registration Statement and/or the Prospectus in any jurisdiction. The Company is not a party to or subject to the provisions of any injunction, judgment, decree or order of any court, regulatory body or other governmental agency or body, other than (x) as described in the Registration Statement or Prospectus or (y) such judgments that would not have a Material Adverse Effect. Neither the Company nor any of its Subsidiaries nor any of their respective directors or officers has been subject to any investigations or proceedings by the Securities and Exchange Commission.

(xxii) Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, except as otherwise stated therein, (A) none of the Company or any of the Subsidiaries (1) has issued or granted any securities or interests or rights to acquire capital stock other than in connection with the exercise of any outstanding options or warrants which are reflected in the Registration Statement and the Prospectus, (2) incurred any material liability or obligation, direct, indirect or contingent, other than liabilities and contingencies which were incurred in the ordinary course of business, (3) entered into any transaction, not in the ordinary course of business, that is material to the Company and the Subsidiaries as a whole, (4) entered into any transaction with an affiliate of the Company (as the term "affiliate" is defined in Rule 405 promulgated by the Commission pursuant to the Act), which would otherwise be required to be disclosed in the Registration Statement and the Prospectus or (5) declared or paid any dividend on its capital stock or made any other distribution to its equity holders, (B) there has not been any material change in the capital stock or other equity interests, or material increase in the
short-term debt or long-term debt, of the Company or any of the Subsidiaries and
(C) there has been no change or development with respect to the condition
(financial or otherwise), business, properties, assets, rights, operations,
management, net worth or results of operations of the Company or any of the
Subsidiaries that could reasonably be expected to have a Material Adverse
Effect.

(xxiii) Neither the execution, delivery or performance of this
Agreement, the offer, issuance, sale or delivery of the Shares, nor the
consummation of the other transactions contemplated hereby and by the
Registration Statement and the Prospectus including, without limitation, the
transactions described under "Transactions Prior to the Offering -
Reincorporation, Recapitalization and Stock Split" (A) requires the consent,
approval, authorization or order of or provision by the Company to any court or
governmental agency or body applicable to the Company or any Subsidiary, except
such as have been obtained under the Act and such as may be required under the
blue sky laws of any jurisdiction in connection with the purchase and
distribution of the Shares by the Underwriters or such as may be required by the
National Association of Securities Dealers, Inc. (the "NASD") and such other
approvals as have been obtained, (B) will conflict with, result in a breach or
violation of, or constitute a default under the terms of any agreement,
contract, indenture, loan agreement, note, lease, deed of trust or other
instrument to which the Company or any of the Subsidiaries is a party or by
which any of them or any of their respective properties may be bound, (C) will
conflict with or violate any provision of the charter, bylaws or other
organizational documents of the Company or any Subsidiary, (D) will result in
the creation or imposition of any lien, charge or encumbrance upon any property
or assets of the Company or any of the Subsidiaries or an acceleration of
indebtedness pursuant to the terms of any agreement or instrument to which any
of them is a party or by which any of them may be bound or to which any of the
property or assets of any of them is subject, or (E) will conflict with or
violate any federal, state, local or foreign law, statute or regulation, or any
judgment, order, consent, decree or memorandum of understanding applicable to
the Company or any Subsidiary of any court, regulatory body, administrative
agency, governmental body or arbitrator having jurisdiction over the Company or
any of the Subsidiaries or their respective properties.

(xxiv) The Company has not distributed and, prior to the
later to occur of the Closing Date or completion of the distribution of the
Shares, will not distribute without the prior consent of Jefferies & Company,
Inc. ("Jefferies") any offering material in connection with the Offering other
than the Registration Statement, any Preliminary Prospectus, the Prospectus or
other materials, if any, permitted by the Act and the Act Regulations and the
use of which has been approved in advance by Jefferies.

(xxv) None of the Company or any Subsidiary nor, to the
Company's knowledge, any officer, director, employee or agent of the Company or
any Subsidiary has made any payment of funds of the Company or any Subsidiary,
or received or retained any funds, in violation of any law, rule or regulation,
or which payment, receipt or retention of funds is of a character required to be
disclosed in the Registration Statement or the Prospectus.

(xxvi) The Company (including all predecessors of the Company)
and each of the Subsidiaries have filed (or have obtained extensions thereto)
all federal, state, local and foreign tax returns that are required to be filed
(other than returns with respect to which failure to so file could not be
expected to have a Material Adverse Effect), which returns are complete and
correct in all material respects, and have paid all taxes shown on such returns
and all assessments received by them with respect thereto to the extent that the
same have become due, except those taxes that are being contested or protested
in good faith by the Company or its Subsidiaries and as to which any reserves
required under generally accepted accounting principles have been established;
and there is no tax deficiency that has been or, to the knowledge of the
Company, could reasonably be expected to be asserted or threatened against the
Company or any Subsidiary or any of their respective assets or properties which
could reasonably be expected to have a Material Adverse Effect including,
without limitation, arising in connection with the matters described in the
Registration Statement and the Prospectus under "Transactions Prior to the
Offering - Termination of Personal Service Corporation Status.".
Except for the shares of capital stock or other equity interests of each of the Subsidiaries, neither the Company nor any of the Subsidiaries owns any share of stock or any other securities of any corporation or has any equity interest in any firm, partnership, association, limited liability company, joint venture or other entity other than as reflected in the consolidated financial statements included in the Registration Statement and the Prospectus.

No holder of any security of the Company has the right (other than a right which has been waived in writing or complied with) to have any security owned by such holder included in the Registration Statement and, except as described in the Registration Statement and the Prospectus, no holder of any security of the Company has the right to demand registration of any security owned by such holder during the period ending 12 months after the date of the Prospectus.

Neither the Company nor any Subsidiary or their respective officers, directors, employees or agents on behalf of the Company or any Subsidiary have taken, directly or indirectly, (A) any action designed to cause or to result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares, or (B) since the filing of the Registration Statement (i) sold, bid for, purchased or paid anyone any compensation for soliciting purchases of the Shares or (2) paid or agreed to pay any person any compensation for soliciting another to purchase any securities of the Company.

As of the date of the Prospectus, neither the Company nor any of the Subsidiaries is currently planning any probable acquisitions for which disclosure of pro forma financial information would be required by the Act or the Act Regulations.

The Class A Common Stock to be sold by the Company has been approved for quotation by the Nasdaq National Market upon official notice of issuance.

Neither the Company nor any Subsidiary is, and, upon consummation of the Offering contemplated by the Prospectus, the Company will not be, an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission thereunder, and is not subject to registration under such act.

To the Company's knowledge, no officer, director or beneficial owner of 5% or more of the Class A Common Stock of the Company has any affiliation or association with the NASD or any member thereof.

There are no contracts, agreements or other documents which are required to be described in the Prospectus or filed as exhibits to the Registration Statement by the Act or by the Act Regulations which have not been described in the Prospectus or filed as exhibits to the Registration Statement as required by the Act Regulations. The contracts so described or otherwise described in the Prospectus or filed as exhibits to the Registration Statement are in full force and effect on the date hereof, and neither the Company or any Subsidiary nor, to the Company's knowledge, any other party is in material breach of or default under any of such contracts. The Company has not received any written notice of such default or breach. The descriptions of such contracts in the Prospectus and the Registration Statement are true summaries thereof and fairly present, in all material respects, the information purported to be summarized. All such agreements to which the Company or any of its Subsidiaries is a party have been duly authorized, executed and delivered by the Company or a Subsidiary, constitute valid and binding agreements of the Company or a Subsidiary, and are enforceable against the Company or a Subsidiary in accordance with the terms thereof, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally, or by general equitable principles.

No relationship, direct or indirect, exists between or among the Company or any Subsidiary on the one hand, and the directors, officers, stockholders, customers or suppliers of the Company or any Subsidiary.
(or any partner, affiliate or associate of any of the foregoing persons or entities) on the other hand, which is required to be described in the Prospectus which is not so described.

(xxxvi) The Company is in compliance in all material respects with all presently applicable provisions of the Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder ("ERISA"); no "reportable event" (as defined in ERISA) has occurred with respect to any "pension plan" (as defined in ERISA) for which the Company would have any liability; the Company has not incurred and does not expect to incur liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any "pension plan" or (ii) Sections 412 or 4971 of the Internal Revenue Code of 1986, as amended, including the regulations and published interpretations thereunder (the "Code"); and each "pension plan" for which the Company would have any liability that is intended to be qualified under Section 401(a) of the Code is so qualified in all material respects and nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification.

(xxxvii) There are no claims, payments, issuances, arrangements or understandings, whether oral or written, for services in the nature of a finder's, consulting or origination fee with respect to the sale of the Shares hereunder or any other arrangements, agreements, understandings, payments or issuances with respect to the Company or any Subsidiary, or any of their respective officers, directors, stockholders, partners, employees or affiliates on behalf of the Company or any Subsidiary that may affect the Underwriter's compensation, as determined by the NASD, other than as described in the Prospectus.

(xxxviii) The Company has obtained written agreements and delivered such agreements to the Representatives as of the date hereof ("Lock-Up Agreements") to the effect and in substantially the form attached hereto as Schedule 1(a)(xxxviii) from each of its directors, director nominees, executive officers, and stockholders.

(xxxix) The increased level of general and administrative expenses that the Company will incur as a function of the transactions contemplated by this Agreement and the Registration Statement and Prospectus and the Company's being subject to the periodic reporting requirements of the Exchange Act will not materially adversely affect the Company's ability to obtain and enter into contracts with U.S. federal government customers or otherwise result in a Material Adverse Effect.

(b) Any certificate signed by any officer of the Company delivered to the Representatives or to counsel for the Underwriters pursuant to the terms of this Agreement shall be deemed a representation and warranty by the Company to the Underwriters as to the matters covered thereby.

2. Representations and Warranties of the Selling Stockholder.

(a) The Selling Stockholder represents and warrants to, and agrees with, each Underwriter as of the Representation Date, as follows:

(i) The Selling Stockholder is the lawful owner of the Shares to be sold by the Selling Stockholder pursuant to this Agreement and has, and on each Closing Date, as applicable, will have, good, valid and clear title to such Shares, free of any and all restrictions on transfer, liens, encumbrances, security interests, equities, claims and other defects whatsoever.

(ii) The Selling Stockholder has, and on each Closing Date, as applicable, will have, full legal right, power and authority, and all authorizations and approvals required by law, to enter into this Agreement and to sell, assign, transfer and deliver the Shares to be sold by the Selling Stockholder in the manner provided herein.
This Agreement has been duly executed and delivered by or on behalf of the Selling Stockholder and is a legal, valid and binding agreement of the Selling Stockholder.

Upon delivery of and payment for the Shares to be sold by the Selling Stockholder pursuant to this Agreement, good, valid and clear title to such Shares will pass to the Underwriters, free and clear of all restrictions on transfer, liens, encumbrances, security interests, equities, claims and defects whatsoever.

The execution, delivery and performance of this Agreement by the Selling Stockholder, the compliance by the Selling Stockholder with all the provisions hereof and the consummation by the Selling Stockholder of the transactions contemplated hereby will not (A) require the Selling Stockholder to obtain any consent, approval, authorization or other order of, or qualification with, any court or governmental body or agency (except as such may be required under the securities or blue sky laws of the various states or as have been or will be obtained), (B) conflict with or constitute a breach of any of the terms or provisions of, or a default under, any indenture, loan agreement, mortgage, deed of trust, lease, license or other agreement or instrument to which the Selling Stockholder is a party or by which the Selling Stockholder or any property of the Selling Stockholder is bound or (C) to his knowledge, violate or conflict with any applicable federal, state, local or foreign law, statute, rule, regulation or judgment, order or decree of any court or any governmental body or agency having jurisdiction over the Selling Stockholder or any property of the Selling Stockholder.

The information in the Registration Statement and Prospectus under the caption "Principal and Selling Stockholder" which specifically relates to the Selling Stockholder does not, and will not on any Closing Date, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, the light of the circumstances under which they were made, not misleading and the Selling Stockholder has agreed to immediately notify the Company, if, at any time during the period when a Prospectus is required by law to be delivered in connection with sales of Class A Common Stock by an Underwriter or a dealer, there is any material change in such information.

The Selling Stockholder has not taken, and will not take, directly or indirectly, any action designed to, or which might reasonably be expected to, cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares pursuant to the distribution contemplated by this Agreement, and, other than as permitted by the Act, the Selling Stockholder has not distributed and will not distribute any prospectus or other offering material in connection with the Offering.

Each certificate signed by or on behalf of the Selling Stockholder and delivered to the Underwriters or counsel of the Underwriters shall be deemed to be a representation and warranty by the Selling Stockholder to the Underwriters as to the matters covered thereby.

3. Sale and Delivery to the Underwriters; Closing.

(a) Subject to the terms and conditions and in reliance upon the representations, warranties, covenants and agreements herein set forth, the Company agrees to sell to each Underwriter, and each Underwriter agrees, severally and not jointly, to purchase from the Company, at a purchase price of $___ per share (the "Purchase Price"), the number of Company Firm Shares set forth opposite such Underwriter's name in Schedule I hereto, subject to adjustment in accordance with Section 10 hereof.

(b) Subject to the terms and conditions and in reliance upon the representations, warranties, covenants and agreements herein set forth, the
Selling Stockholder agrees to sell to each Underwriter, and each Underwriter
agrees, severally and not jointly, to purchase from the Selling Stockholder, at
the Purchase Price, the number of Selling Stockholder Firm Shares set forth
opposite such Underwriter's name in Schedule I hereto, subject to adjustment in
accordance with Section 10 hereof.

(c) The Company and the Selling Stockholder grant to the Underwriters
an option to purchase all or any part of the Additional Shares at the Purchase
Price. Subject to the terms and conditions and in reliance upon the
representations, warranties, covenants and agreements herein set forth,
Additional Shares may be purchased from the Company and the Selling Stockholder,
for the accounts of the respective Underwriters in the same proportion that the
number of Firm Shares set forth in Schedule I hereto opposite the name of such
Underwriter bears to the total number of Firm Shares. Such option may be
exercised only to cover over-allotments in the sale of the Firm Shares by the
Underwriters and may be exercised in whole or in part at any time and from time
to time within 30 days after the date of this Agreement, in each case upon
written or facsimile notice, or verbal or telephonic notice confirmed by written
or telegraphic notice, by the Underwriters to the Company and the Selling
Stockholder no later than 12:00 noon, New York City time, on the business day
before the Firm Shares Closing Date (as hereinafter defined) or at least two
business days before the Additional Shares Closing Date (as hereinafter
defined), as the case may be, setting forth the number of Additional Shares to
be purchased and the time and date (if other than the Firm Shares Closing Date)
of such purchase. Notwithstanding anything to the contrary set forth herein, the
initial 383,513 Additional Shares to be purchased by the Underwriters pursuant
to this Section 7 shall be Selling Stockholder Additional Shares which shall be
purchased from the Selling Stockholder and any Additional Shares in excess
thereof to be purchased by the Underwriters shall be Company Additional Shares
which shall be purchased exclusively from the Company.

(d) Payment of the purchase price for, and delivery of, the Firm
Shares to be purchased by the Underwriters shall be made at the offices of
Jefferies & Company, Inc., 520 Madison Avenue, 12th Floor, New York, New York
10022, or at such other place as shall be agreed upon by the Representatives and
the Company at 10:00 A.M. on the third (fourth, if the pricing occurred after
4:30 p.m. on any given day) business day after the date of this Agreement, or
such other time not later than ten business days after such date as shall be
agreed upon by the Representatives and the Company (such time and date of
payment and delivery being herein called the "Firm Shares Closing Date").

(e) Payment of the purchase price for, and delivery of, the
Additional Shares to be purchased by the Underwriters shall be made at the
offices as set forth above or at such other place as shall be agreed upon by the
Representatives and the Company at the time and on the date (which may be the
same as, but in no event shall be earlier than, the Firm Shares Closing Date)
specified in the notice referred to in Section 3(c) hereof (such time and date of
delivery and payment are called the "Additional Shares Closing Date"). The Firm
Shares Closing Date and the Additional Shares Closing Date are called,
individually, a "Closing Date" and together, the "Closing Dates." Payment shall
be made to the Company and the Selling Stockholder by wire transfer and payable
in immediately available funds to the order of the Company and the Selling
Stockholder against delivery to the Underwriters of the Firm Shares.

(f) The Shares shall be in such denominations and registered in such
names as the Representatives may request in writing at least two business
days before the Firm Shares Closing Date or, in the case of the Additional Shares, on
the day of notice of exercise of the option as described in Section 3(c) hereof.
The Shares will be made available for examination and packaging by the
Underwriters not later than 1:00 P.M. on the last business day prior to the Firm
Shares Closing Date (or the Additional Shares Closing Date in the case of the
Additional Shares) at such place as is reasonably designated by the Representatives. If the Representatives so elect, delivery of the Shares may be made by credit through full FAST transfer to the accounts of The Depository Trust Company designated by the Representatives.

(g) It is understood that the Representatives, individually and not as Representatives of the several Underwriters, may (but shall not be obligated to) make payment to the Company on behalf of any Underwriter or Underwriters for any Shares to be purchased by such Underwriter or Underwriters in connection with the Offering. Any such payment by the Representatives shall not relieve such Underwriter or Underwriters from any of its or their other obligations hereunder.


(a) The Company covenants with each Underwriter as follows:

(i) The Company will use its reasonable best efforts to cause the Registration Statement, if not effective at the Representation Date, and any amendment thereto, to become effective, as promptly as possible after the filing thereof and agrees to prepare the Prospectus in a form approved by the Underwriters. The Company will not file any amendment to the Registration Statement or amendment or supplement to the Prospectus of which the Representatives shall not previously have been advised and furnished with a copy or to which the Representatives shall reasonably object in writing after a reasonable opportunity to review such amendment or supplement. Subject to the foregoing sentences in this clause 4(a)(i), if the Registration Statement has become or becomes effective pursuant to Rule 430A, or filing of the Prospectus or supplement to the Prospectus is otherwise required under Rule 424(b), the Company will cause the Prospectus, properly completed, or such supplement thereto, to be filed with the Commission pursuant to the applicable paragraph of Rule 424(b) within the time period prescribed and will provide evidence satisfactory to the Representatives of such timely filing. The Company will promptly advise the Representatives (A) when the Registration Statement, if not effective at the Representation Date, and any amendment thereto, shall have become effective, (B) when the Prospectus, and any supplement thereto, shall have been filed (if required) with the Commission pursuant to Rule 424(b), (C) when any amendment to the Registration Statement shall have been filed or become effective, (D) of receipt of any comments from the Commission or any request by the Commission for any amendment of or supplement to the Registration Statement or any Prospectus or for any additional information, (E) of the receipt by the Company of any notification of, or if the Company otherwise has knowledge of, the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the institution or threatening of any proceeding for that purpose, (F) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Shares for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose and (G) when, prior to termination of the Offering of the Shares, any document shall have been filed by the Company under the Act or the Exchange Act or under the rules and regulations promulgated thereunder. The Company will use its best efforts to prevent the issuance of any such stop order and, if issued, to obtain as soon as possible the lifting thereof.

(ii) If, at any time when a prospectus relating to the Shares is required to be delivered under the Act or the Act Regulations in connection with the Offering of the Shares, any event occurs as a result of which the Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, or if it shall be necessary to amend the Registration Statement or amend or supplement the Prospectus to comply with the Act or the Act Regulations, the Company promptly will prepare and file with the Commission, at the Company's expense, an amendment or supplement which will correct such statement or omission or effect such compliance and will use its reasonable best efforts to cause the same to become effective as soon as possible; and, in case any Underwriter is required to deliver a prospectus after such time, the Company upon request, but at the expense of such Underwriter, will promptly prepare such amendment or amendments to the Registration Statement and such Prospectus or Prospectuses as may be necessary to permit compliance with the requirements of
the Act and the Act Regulations. Neither your consent to, nor your delivery of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 7.

(iii) During such period when a prospectus is required by law to be delivered in connection with sales by an Underwriter or dealer, the Company, at its expense, will furnish to each Underwriter or mail to its order copies of the Registration Statement, the Prospectus, the Preliminary Prospectus and all amendments and supplements to any such documents in each case as soon as available and in such quantities as such Underwriter may reasonably request, for the purposes contemplated by the Act.

(iv) The Company consents to the use of the Prospectus in accordance with the provisions of the Act and with the securities or blue sky laws of the jurisdictions in which the Shares are offered by the Underwriters and by all dealers to whom Shares may be sold, both in connection with the Offering and for such period of time thereafter as the Prospectus is required by the Act to be delivered in connection with the sales by any Underwriter or dealer. The Company will comply with all requirements imposed upon it by the Act as the same may be amended so far as necessary to permit the continuance of sales of or dealing in the Shares in accordance with the provisions hereof and the Prospectus.

(v) As soon as practicable, the Company will make generally available to its security holders and to the Representatives a consolidated earnings statement or statements of the Company and the Subsidiaries covering a twelve-month period beginning with the first full calendar quarter following the Effective Date which will satisfy the provisions of Section 11(a) of the Act and Rule 158 thereunder (it being understood that such delivery requirements shall be deemed met by the Company's compliance with the Company's reporting requirements pursuant to the Exchange Act and the Exchange Rules and Regulations).

(vi) The Company will (A) on or before the Closing Date, deliver to the Representatives manually signed copies of the Registration Statement as originally filed and of each amendment thereto filed prior to the time the Registration Statement becomes effective and, promptly upon the filing thereof, manually signed copies of each post-effective amendment, if any, to the Registration Statement (together with, in each case, all exhibits thereto unless previously furnished to you) and will also deliver to you, for distribution to the Underwriters, a sufficient number of additional conformed copies of each of the foregoing (but without exhibits) so that one copy of each may be distributed to each Underwriter, (B) as promptly as possible deliver to you and send to the several Underwriters, at such office or offices as you may designate, as many copies of the Preliminary Prospectus and Prospectus as you may reasonably request and (C) thereafter from time to time during the period in which a prospectus is required by law to be delivered by an Underwriter or dealer, likewise send to the Underwriters as many additional copies of the Prospectus and as many copies of any supplement to the Prospectus and of any amended Prospectus, filed by the Company with the Commission, as you may reasonably request for the purposes contemplated by the Act.

(vii) During the 180 day period following the Effective Date, the Company shall cause each new director elected or appointed to the Company's Board of Directors and each executive officer hired by the Company, in each case who would be required to file statements of Beneficial Ownership in accordance with Section 16 of the Exchange Act, to enter into a Lock-Up Agreement which will terminate on the 181st day following the Effective Date.

(viii) The Company will apply the net proceeds from the Offering and sale of the Shares to be sold by the Company in accordance with the description set forth in the "Use of Proceeds" section of the Prospectus.

(ix) The Company will cooperate with the Underwriters and their counsel in connection with endeavoring to obtain and maintain the qualification or registration, or exemption from qualification, of the Shares for offer and sale under the applicable securities laws of such states of the United States and other jurisdictions as the Underwriters may designate; provided, that in no event shall the Company be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any
action which would subject it to taxation or general service of process in any
distinction where it is not now so subject.

(x) The Company will not, and will not permit any
Subsidiary to, at any time, directly or indirectly (A) take any action designed
to cause or result in, or that has constituted or which might reasonably be
expected to constitute, the stabilization or manipulation of the price of any
security of the Company to facilitate the sale or resale of any of the Shares or

(B) (1) sell, bid for, purchase or pay anyone any compensation for
soliciting purchases of the Shares or (2) pay or agree to pay any person any
compensation for soliciting another to purchase any other securities of the
Company.

(xi) The Company will comply with all the provisions of any
undertakings contained in the Registration Statement.

(xii) The Company will not for a period of 180 days
following the date of the Prospectus, without the prior written consent of
Jefferies, (A) directly or indirectly, offer, sell, contract to sell, sell any
option or contract to purchase, purchase any option or contract to sell, grant
any option, right or warrant for the sale of, lend, pledge, hypothecate or
otherwise dispose of or transfer or enter into any transaction which is
designed, or might reasonably be expected, to result in the disposition of any
shares of capital stock of the Company or any securities convertible into or
exercisable or exchangeable for or repayable with shares of capital stock of the
Company (other than (1) the Shares, (2) shares of capital stock of the Company
or securities convertible into or exercisable or exchangeable for shares of
capital stock of the Company which are issued, sold or exchanged in connection
with an acquisition by the Company or one of its Subsidiaries, (3) shares of
capital stock of the Company or securities convertible into or exercisable or
exchangeable for shares of capital stock of the Company which are issued, sold
or awarded pursuant to the Management Incentive Plan as contemplated by and
described in the Registration Statement and Prospectus; provided, however, that
any such shares of capital stock or other securities issued, sold or awarded
under the Management Incentive Plan shall not vest or become exercisable prior
to the 180th day following the date of the Prospectus or (4) pursuant to
currently outstanding options, warrants or rights which are described in the
Registration Statement and Prospectus), or enter into any swap or other
derivatives transaction that transfers to another, in whole or in part, any of
the economic benefits or risks of ownership of shares of such capital stock of
the Company or securities convertible into or exercisable or exchangeable for
shares of capital stock of the Company whether any such transaction is to be
settled by delivery of capital stock, or other securities, in cash or otherwise
or (B) file (or participate in the filing of) a registration statement with the
Commission in respect of any shares of capital stock of the Company or
securities convertible into or exercisable or exchangeable for such capital
stock (except for (x) a Registration Statement on Form S-8 or (y) a registration
statement on the applicable form covering (I) the issuance of shares of capital
stock in connection with and as currency for an acquisition by the Company or
(II) resales of capital stock issued after the expiration of such period by the
Company in connection with and as currency for, an acquisition; provided,
however, that in no event shall the Company cause or permit such registration
statement to be declared or become effective until the 180th day following the
date of the Prospectus) or (C) publicly announce any intention to effect any
transaction described in clause (A) or clause (B) during the one hundred eighty
(180) days following the date of the Prospectus. In addition, during the one
hundred eighty (180) days following the date of the Prospectus, the Company will
not (x) release any executive officer, director or security holder of the
Company from their obligations under any similar agreement with the Company not
to sell, transfer or dispose of securities of the Company for the 180-day period
following the date of the Prospectus and (y) waive compliance with any
prohibitions on trading which may be in effect during such 180-day period under
the Company's trading policy as previously provided to the Representatives and
in effect on the date hereof.

(xiii) The Company shall cause the Shares to be quoted on the
Nasdaq National Market and shall use its reasonable best efforts to maintain such trading while the Shares are outstanding for a period of three hundred sixty five (365) days following the Firm Shares Closing Date; provided, however, that during the 365-day period, the Company may apply to list the securities on a national securities exchange in lieu of being included for quotation on the Nasdaq National Market.

(xiv) During the 25 day period following the Effective Date, the Company shall provide to the Representatives copies of any press release or similar communication the Company intends to disseminate a reasonable period of time prior to the release thereof and shall not disseminate any such press release or similar statement to which the Representatives shall reasonably object. The Company also agrees to consult with the Representatives during such period regarding the need to issue press releases or similar statements.

(b) The parties acknowledge that, within six months of the date of the Prospectus, the Company intends to increase the size of its Board of Directors to consist of eight members, and, in connection with such increase, the Company shall appoint another independent director to its Board of Directors. The Company agrees to advise Jefferies of the identity of any individual that the Company proposes to appoint as such independent director and further agrees that any such individual that the Company shall appoint will not have received any remuneration, directly or indirectly, from the Company or its affiliates during the year preceding such appointment.

(c) The Company covenants and agrees with the Underwriters that the amounts to be paid to the Chief Executive Officer and the Chief Financial Officer set forth in the Registration Statement and Prospectus under "Management and Key Advisors -- Executive Compensation" with respect to bonuses earned in 2001 which will be paid in 2002 shall not exceed, either on an individual basis or in the aggregate, the amounts set forth in such table as being earned by those individuals in 2000 and paid in 2001.

5. Covenants of the Selling Stockholder.

(a) The Selling Stockholder covenants with each Underwriter as follows:

(i) The Selling Stockholder will advise the Underwriters promptly of the happening of any event known to the Selling Stockholder during any period in which a prospectus relating to the Shares is required to be delivered under the Act which, in the judgment of such Selling Stockholder, would require the making of any change in the Prospectus then being used so that the Prospectus would not include an untrue statement of material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading.

(ii) The Selling Stockholder will pay all federal and other taxes, if any, on the transfer and sale of the Shares being sold by the Selling Stockholder to the Underwriters. The Selling Stockholders will deliver to Jefferies, attn: [   ] on or prior to the first Closing Date a properly completed and executed United States Treasury Department Form W-9 (or other applicable form in lieu thereof).

6. Payment of Expenses.

(a) The Company shall, regardless of whether the Offering contemplated by this Agreement and the Prospectus is consummated, be responsible for and shall pay all costs, fees and expenses incurred in connection with or incident to the proposed Offering, including, without limitation, (A) all expenses and taxes incident to the authorization, issuance, sale and delivery of the Shares to be sold by the Company to the Representatives, (B) all expenses incident to the registration of the Shares under the Act, (C) all costs of preparing stock certificates, including printing and engraving costs, (D) all fees and expenses of the registrar and transfer agent of the Shares, (E) without limiting clause (A) above, all necessary, transfer and other stamp taxes in connection with the issuance and sale of the Shares to be sold by the Company to the Underwriters, (F) all fees and expenses of the Company's counsel, the
Company's independent accountants and any other experts or consultants retained by or on behalf of the Company in connection with the Offering including, without limitation, those of Rubino & McGeehin, (G) all costs and expenses incurred in connection with the preparation, printing, filing, shipping and distribution of the Registration Statement, each Preliminary Prospectus and the Prospectus, including all exhibits and financial statements, and all amendments and supplements provided for herein, including, without limitation, any post-effective amendments, the Powers of Attorney, the Custody Agreement, the Underwriters' Questionnaire and Power of Attorney, (H) the filing fees and expenses incurred by the Company or the Underwriters in connection with exemptions from qualifying or registering (or obtaining qualification or registration of) all or any part of the Shares for offer and sale and determination of eligibility for investment under the blue sky or other securities laws of such jurisdictions as the Representatives may designate (including related fees and expenses of counsel to the Underwriters), (I) the fees paid or incurred in connection with filings made with the NASD (including related fees and expenses of counsel to the Underwriters not to exceed $10,000), (J) all travel and lodging fees and expenses incurred by or on behalf of officers and representatives of the Company in connection with presentations to prospective purchasers of the Shares, (K) all word processing charges, messenger and duplicating services, facsimile expenses and other customary expenses of the Company related to the proposed Offering, (L) the costs and expenses relating to preparation and delivery to the Underwriters of five closing binders, (M) all applicable listing or other fees relating to the Shares, including, without limitation, the fees relating to quotation of the Class A Common Stock on the Nasdaq National Market and (N) all other costs and expenses incident to the performance by the Company and the Selling Stockholder of their obligations under this Agreement; provided, however, that except as provided in this Section 6 and in Section 11, the Underwriters shall pay their own costs and expenses, including the costs and expenses of their counsel.

(b) The Company will pay, either directly or by reimbursement, all fees and expenses incident to the performance of the Selling Stockholder's obligations under this Agreement, which are not otherwise specifically provided for herein, provided, however, in no event shall such fees and expenses include the underwriting discounts and commissions applicable to the Selling Stockholder Firm Shares or the Selling Stockholder Additional Shares.

(c) Unless otherwise specifically stated in Section 8(b), no fee, cost or expense paid or payable by or to Jefferies or any of its affiliates shall be credited against any other fee, cost or expense paid or payable by or to Jefferies or any of its affiliates.

7. Conditions of the Underwriters' Obligation.
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The several obligations of the Underwriters to purchase the Shares hereunder are subject to the accuracy of the representations and warranties of the Company and the Selling Stockholder herein contained as of the date hereof and on each Closing Date, to the accuracy of the statements of the Company and the Selling Stockholder made in any certificate or certificates pursuant to the provisions hereof as of the date of thereof and on each Closing Date and to the performance by the Company and the Selling Stockholder of its obligations hereunder, and to the following further conditions:

(a) The Registration Statement shall have become effective not later than 5:30 P.M. on the date hereof, or at such later time and date as may be approved by the Representatives and the Company, and shall remain effective at each Closing Date. No stop order suspending the effectiveness of the Registration Statement or the qualification or registration of the Shares under the Act shall be in effect or proceedings therefor initiated or threatened by the Commission. If the Company has elected to rely upon Rule 430A, the price of the Shares and any price-related or other information previously omitted from the effective Registration Statement pursuant to Rule 430A shall have been transmitted to the Commission for filing pursuant to Rule 424(b) within the prescribed time period, and prior to the Firm Shares Closing Date, the Company shall have provided evidence satisfactory to the Representatives of such timely filing, or a post-effective amendment providing such information shall have been promptly filed and declared effective in accordance with the requirement of Rule 430A.
(b) Since the respective dates as of which information is given in the Registration Statement and the Prospectus, and except as set forth in or contemplated in the Prospectus, there shall not have occurred (i) any change in or affecting the business (including, without limitation, a change in management or control of the Company), properties, condition (financial or other), or results of operations of the Company or the Subsidiaries, taken as a whole, or adverse change in the capital stock, short-term debt or long-term debt of the Company which, in the good faith judgment of the Representatives, materially adversely affects the market for the Shares or otherwise makes it impracticable or inadvisable to proceed with the Offering or to purchase the Shares as contemplated by this Agreement or (ii) any material loss or interference with the business or properties of the Company or any of the Subsidiaries from fire, explosion, flood or other casualty, whether or not covered by insurance, or from any labor dispute, (iii) any development involving any court or legislative or other governmental or administrative action, order or decree, which is not set forth or fully described in the Registration Statement and the Prospectus and which would have a Material Adverse Effect, if in the judgment of the Representatives any such development makes it impracticable or inadvisable to proceed with completion of the Offering and the sale of and payment for the Shares, or (iv) any development involving any governmental investigation involving the Company or any Subsidiary which is not set forth or fully described in the Registration Statement and the Prospectus if in the judgment of the Representatives any such development makes it impracticable or inadvisable to proceed with completion of the Offering and the sale of and payment for the Shares.

(c) Since the respective dates as of which information is given in the Registration Statement and the Prospectus, there shall have been no litigation, investigation or other proceeding instituted against the Company or any of the Subsidiaries or any of their respective officers, directors or senior management personnel, before or by any federal, state, local or foreign court, commission, regulatory body, administrative agency or other governmental body, domestic or foreign, or arbitrator, in which such litigation, investigation or proceeding an unfavorable ruling, decision or finding would result in a Material Adverse Effect or may affect the Company's or the Selling Stockholder's ability to perform their respective obligations under this Agreement.

(d) All corporate proceedings and other legal matters incident to the authorization, form and validity of this Agreement, the Shares, the Registration Statement and the Prospectus, and all other legal matters relating to this Agreement and the transactions contemplated hereby and by the Registration Statement and Prospectus including, without limitation, the transactions contemplated by and described under "Transactions Prior to the Offering - Reincorporation, Recapitalization and Stock Split" and "Management and Key Advisors - Retention Agreements," shall be reasonably satisfactory in all material respects to counsel for the Underwriters, and the Company and the Selling Stockholder shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(e) (i) Gibson, Dunn & Crutcher LLP, counsel for the Company and the Selling Stockholder, shall have furnished to the Underwriters their opinion, reasonably satisfactory in form and substance to counsel for the Underwriters, dated each Closing Date to the effect set forth on Exhibit A, and (ii) [ ] shall have furnished to the Underwriters their opinion, reasonably satisfactory in form and substance to counsel for the Underwriters, dated each Closing Date relating to matters pertaining to Subsidiaries of the Company organized outside the United States.

(f) Morgan, Lewis & Bockius LLP, counsel for the Underwriters, shall have furnished to the Underwriters an opinion with respect to such matters as may be reasonably requested by the Underwriters, dated each Closing Date.

(g) The following conditions contained in clauses (A) through (C) of this Section 7(g) shall have been satisfied on and as of each Closing Date and the Company shall have furnished to the Underwriters a certificate of the Company, signed by the Chairman of the Board or the President and the principal financial or accounting officer of the Company, dated such Closing Date, to the
effect that the signers of such certificate have examined the Registration Statement, the Prospectus, any supplement or amendment to the Prospectus and this Agreement and that:

(A) the representations and warranties of the Company in this Agreement are true and correct on and as of such Closing Date, with the same effect as if made on such Closing Date; and the Company has complied with all the agreements and satisfied all

the conditions under this Agreement on its part to be performed or satisfied at or prior to such Closing Date;

(B) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or, to the knowledge of the Company, threatened; and

(C) since the date of the most recent financial statements included in the Prospectus, there has been no change or development involving a change, with respect to the business, properties, financial condition or results of operations of the Company or the Subsidiaries, taken as a whole, that could reasonably be expected to have a Material Adverse Effect.

(h) The following conditions contained in clause (A) of this Section 7(h) shall have been satisfied on and as of each Closing Date and the Selling Stockholder shall have furnished to the Underwriters a certificate of the Selling Stockholder, signed by the Selling Stockholder, dated each Closing Date, to the effect that the Selling Stockholder has carefully examined the Registration Statement, the Prospectus, any supplement or amendment to the Prospectus and this Agreement and that the representations and warranties of the Selling Stockholder in this Agreement are true and correct on and as of such Closing Date, with the same effect as if made on such Closing Date; and the Selling Stockholder has complied with all the agreements and satisfied all the conditions under this Agreement on its part to be performed or satisfied at or prior to such Closing Date.

(i) At the Effective Date, and at each Closing Date, the Representatives shall have received from each of Deloitte & Touche LLP and PricewaterhouseCoopers LLP a letter, in form and substance satisfactory to the Representatives, addressed to the Underwriters and dated the respective dates set forth above (i) confirming that they are independent public accountants within the meaning of the Act and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission, (ii) stating, as of the date thereof (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Prospectus, as of a date not more than five days prior to the date thereof), the conclusions and finding of such firm with respect to the financial information and other matters ordinarily covered by accountants' "comfort letters" to underwriters in connection with registered public offerings.

(j) The Nasdaq National Market shall have approved the Shares for inclusion, subject only to official notice of issuance and evidence of satisfactory distribution.

(k) At each Closing Date, counsel for the Underwriters shall have been furnished with such information, certificates and documents as they may reasonably require for the purpose of enabling them to pass upon the issuance and sale of the Shares as contemplated herein and related proceedings, or to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained, or otherwise in connection with the Offering contemplated hereby; and all opinions and certificates mentioned above or elsewhere in this Agreement shall be reasonably satisfactory in form and substance to the Underwriters and counsel for the Underwriters.

(l) The Representatives shall have received the Lock-Up Agreements referenced in Section 1(a)(xxxviii).
8. Indemnification and Contribution.

(a) The Company agrees to indemnify, defend and hold harmless, each Underwriter, the directors, officers, employees and agents of each Underwriter and each person who controls any Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, to the fullest extent lawful from and against any losses, expenses, claims, damages or liabilities (including any and all investigative, legal and other expenses reasonably incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claim asserted), which, jointly or severally, any of them may become subject under the Act, the Exchange Act, or any other federal, state, local or foreign statute or regulation, at common law or otherwise insofar as such losses, expenses, claims, damages or liabilities arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in (A) the Registration Statement, any Preliminary Prospectus or the Prospectus, or in any amendment thereof or supplement thereto, or (B) any blue sky application or other document executed by the Company specifically for that purpose or based upon information furnished by the Company in writing filed in any state or other jurisdiction in order to qualify any or all of the Shares under the securities laws thereof or filed with the Commission or any securities association or securities exchange (each, an "Application"), or (C) in any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the Offering, including any roadshow or investor presentations made to investors by the Company (whether in person or electronically), or (ii) the omission or alleged omission to state (with respect to (A), (B) or (C) above) therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Company will not be liable in any such case to the extent that any such loss, expense, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with the written information furnished to the Company by the Representatives on behalf of any Underwriters expressly for use in the Registration Statement or any amendment thereto, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto, any Application or any materials described in (C) above; and provided, further, that with respect to any untrue statement or omission or alleged untrue statement or omission made in any Preliminary Prospectus, the indemnity agreement contained in this Section 8(a) shall not inure to the benefit of any such Underwriter, the directors, officers, employees or agents of such Underwriter or any persons controlling such Underwriter and the Company shall not be liable to any such Underwriter, the directors, officers, employees or agents of such Underwriter or any persons controlling such Underwriter, from whom the person asserting any such losses, expenses, claims, damages or liabilities purchased the Shares concerned, to the extent that any such loss, expense, claim, damage or liability results from the fact that there was not sent or given to such person, at or prior to the written confirmation of the sale of such Shares to such person, a copy of the Prospectus, as the same may be amended or supplemented, as required by the Act (if required thereby), and the untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact in such Preliminary Prospectus was corrected in such Prospectus and the Company had previously furnished copies thereof to such Underwriter on a timely basis in order to permit the Prospectus (as the same may be amended or supplemented) to be sent or given. The foregoing indemnity agreement shall be in addition to any liability that the Company may otherwise have.

(b) The Selling Stockholder agrees to indemnify, defend and hold harmless the Company, each of its directors, each of its officers who signs the Registration Statement, each Underwriter, the directors, officers, employees and agents of each Underwriter and each person who controls any Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, to the fullest extent lawful from and against any losses, expenses, claims, damages or liabilities (including any and all investigative, legal and other expenses reasonably incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claim asserted), which, jointly or severally, any of them may become subject under the Act, the Exchange Act, or...
any other federal, state, local or foreign statute or regulation, at common law or otherwise, as such expenses are incurred, insofar as such losses, expenses, claims, damages or liabilities arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained (A) in the Registration Statement, any Preliminary Prospectus or the Prospectus, or in any amendment thereof or supplement thereto, that is based upon information provided by the Selling Stockholder or information under the caption "Principal and Selling Stockholder" that specifically relates to the Selling Stockholder, or (B) in any Application executed by the Selling Stockholder specifically for that purpose or based upon information furnished by the Selling Stockholder filed in any Application, or (C) the omission or alleged omission to state therein with respect to either (A) or (B) a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that the Selling Stockholder will not be liable in any such case to the extent that any such loss, expense, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with the written information furnished to the Selling Stockholder or the Company by the Representatives on behalf of any Underwriter expressly for use in the Registration Statement or any amendment thereto, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto, any Application or any materials described in (C) above; and provided, further, that with respect to any untrue statement or omission or alleged untrue statement or omission made in any Preliminary Prospectus, the indemnity agreement contained in this Section 8(b) shall not inure to the benefit of any such Underwriter, the directors, officers, employees or agents of such Underwriter or any persons controlling such Underwriter, from whom the person asserting any such losses, expenses, claims, damages or liabilities purchased the Shares concerned, to the extent that any such loss, expense, claim, damage or liability results from the fact that there was not sent or given to such person, at or prior to the written confirmation of the sale of such Shares to such person, a copy of the Prospectus, as the same may be amended or supplemented, as required by the Act (if required thereby), and the untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact in such Preliminary Prospectus was corrected in such Prospectus and the Selling Stockholder had previously furnished copies thereof to such Underwriter on a timely basis in order to permit the Prospectus (as the same may be amended or supplemented) to be sent or given. The foregoing indemnity agreement shall be in addition to any liability that the Selling Stockholder may otherwise have.

(c) Each Underwriter severally agrees to indemnify and hold harmless the Company, each person, if any, who controls the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, each director of the Company and each officer who signs the Registration Statement, and the Selling Stockholder, to the same extent as the foregoing indemnity from the Company to each Underwriter, the directors, officers, employees, and agents of such Underwriter and any person controlling such Underwriter, but only insofar as such loss, expense, claim, damage or liability arises out of or is based upon any untrue statement or omission or alleged untrue statement or omission made in reliance on or in conformity with information relating to such Underwriter furnished in writing to the Company by the Representatives on behalf of such Underwriter, expressly for use in the documents referred to in the foregoing indemnity. This indemnity agreement will be in addition to any liability that any Underwriter may otherwise have.

(d) If any action is brought against an indemnified party under this Section 8, the indemnified party or parties shall promptly notify the indemnifying party in writing of the institution of such action (provided that the failure to give such notice shall not relieve the indemnifying party of any liability which it may have pursuant to this Agreement, unless and to the extent the indemnifying party did not otherwise learn of such action and such failure has resulted in the forfeiture of substantive rights or defenses by the indemnifying party) and the indemnifying party shall assume the defense of such action, including the employment of counsel and payment of reasonable expenses. The indemnified party or parties shall have the right to employ separate counsel (including local counsel) in any such case and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of
the indemnified party or parties unless (i) the employment of such counsel shall have been authorized in writing by the indemnifying party in connection with the defense of such action, (ii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to take charge of the defense of such action within a reasonable time after notice of the institution of such action, (iii) such indemnified party or parties shall have reasonably concluded that there may be defenses available to it or them that are different from or additional to those available to the indemnifying party or (iv) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest (in which case the indemnifying party shall not have the right to direct the defense of such action on behalf of the indemnified party or parties), in any of which events such fees and expenses shall be borne by the indemnifying party and paid as incurred; provided that the indemnifying party shall only be responsible for the fees and expenses of one counsel for the indemnified party or parties hereunder).

Anything in this paragraph to the contrary notwithstanding, the indemnifying party shall not be liable for any settlement of any such claim or action effectuated without its written consent, which consent shall not be unreasonably withheld. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent involves only the payment of monetary damages and includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding.

(e) If the indemnification provided for in this Section 8 is unavailable to an indemnified party under subsections (a), (b) or (c) of this Section 8 or is insufficient to hold harmless a party indemnified thereunder, in respect of any losses, expenses, claims, damages or liabilities referred to therein, then each applicable indemnifying party shall contribute to the amount paid in settlement of any action, suit or proceeding or any claims asserted, but after deducting any contribution received by an applicable indemnified party from persons who may also be liable for contribution, including persons who control the indemnified party within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, in such proportion as is appropriate to reflect the relative benefits received by the Company or the Selling Stockholder on the one hand, and the Underwriters on the other hand, from the Offering or, if, but only if, such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to above but also the relative fault of the Company or the Selling Stockholder on the one hand, and the Underwriters on the other hand, in connection with the statements or alleged statements or omissions or alleged omissions which resulted in such losses, expenses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company or the Selling Stockholder on the one hand, and the Underwriters on the other hand, shall be deemed to be in the same proportion as the total proceeds from the Offering (net of underwriting discounts but before deducting expenses) received by the Company and the Selling Stockholder bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Prospectus. The relative fault of the Company or the Selling Stockholder on the one hand, and the Underwriters on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement or omission or alleged omission to state a material fact relates to information supplied by the Company, the Selling Stockholder or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable by a party as a result of the losses, expenses, claims and liabilities referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any claim or action. The Company, the Selling Stockholder and the Underwriters agree that it would not be just and equitable if contribution pursuant hereto were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this Section 8(e), no Underwriter shall be required to contribute any amount in excess of the
underwriting discount received by it by reason of such untrue statement or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this Section 8(e) to contribute are several in proportion to their respective underwriting obligations and not joint.

(f) The Company and the Selling Stockholder may agree, as between themselves and without limiting the rights of the Underwriters under this Agreement, as to the respective amounts of such liability for which they each shall be responsible; provided that in the absence of any such agreement, such liability shall be allocated in accordance with each such party's pro rata portion of the aggregate net proceeds from the Offering contemplated hereby.

(g) The liability of the Selling Stockholder under the Selling Stockholder's representations and warranties contained in Section 1 hereof and under the indemnity and contribution agreements contained in this Section 8 shall be limited to an amount equal to the price received by the Selling Stockholder for the Shares sold by the Selling Stockholder to the Underwriters.

9. Survival. The respective indemnity and contribution agreements contained in Section 8 hereof and the covenants, warranties and other representations of the Company and the Selling Stockholder contained in this Agreement or contained in certificates of officers of the Company or the Selling Stockholder or submitted pursuant hereto, shall remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter, or any of their respective officers, employees, directors, stockholders or persons who control the Underwriters within the meaning of Section 15 of the Act, or by or on behalf of the Company or any of its directors, officers, employees or any person who controls the Company within the meaning of Section 15 of the Act or the Selling Stockholder, and shall survive delivery of and payment for the Shares.

10. Default by an Underwriter. If one or more of the Underwriters shall fail or refuse on the Firm Shares Closing Date or the Additional Shares Closing Date to purchase and pay for any of the Shares agreed to be purchased by such Underwriter or Underwriters hereunder on such date and the aggregate number of Firm Shares or Additional Shares, as the case may be, have agreed but failed or refused to purchase is not more than one-tenth of the total number of Shares to be purchased on such date by all Underwriters, each non-defaulting Underwriter shall be obligated severally, in the proportion which the number of Firm Shares set forth opposite its name in Schedule I bears to the total number of Firm Shares which all the non-defaulting Underwriters, as the case may be, have agreed to purchase, or in such other proportion as the Representatives may specify, to purchase the Firm Shares or Additional Shares, as the case may be, which such defaulting Underwriter or Underwriters, as the case may be, have agreed but failed or refused to purchase on such date; provided that in no event shall the number of Firm Shares or Additional Shares, as the case may be, which any Underwriter has agreed to purchase pursuant to Section 3 hereof be increased pursuant to this Section 10 by an amount in excess of one-tenth of such number of Firm Shares or Additional Shares, as the case may be, without the written consent of such Underwriter. If on the Firm Shares Closing Date or on the Additional Shares Closing Date, as the case may be, any Underwriter or Underwriters shall fail or refuse to purchase Firm Shares, or Additional Shares, as the case may be, and the aggregate number of Firm Shares or Additional Shares, as the case may be, with respect to which such default occurs is more than one-tenth of the aggregate number of Shares to be purchased on such date by all Underwriters in the event of a default by an Underwriter and arrangements satisfactory to the Representatives and the Company for purchase of such Shares are not made within 48 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Underwriter, the Selling Stockholder and the Company. In any such case which does not result in termination of this Agreement, either the Representatives or the Company shall have the right to postpone the Firm Shares Closing Date or the Additional Shares Closing Date, as the case may be, but in no
event for longer than seven days, in order that the required changes, if any, in
the Registration Statement and the Prospectus or any other documents or
arrangements may be effected. Any action taken under this paragraph shall not
relieve any defaulting Underwriter from liability in respect of any default of
any such Underwriter under this Agreement.

11. Termination of Agreement.

(a) The Representatives may terminate this Agreement, by written
notice to the Company and the Selling Stockholder prior to the Firm Shares
Closing Date (or, if applicable, the Additional Shares Closing Date) (i) if
there shall occur any failure, refusal or inability of the Company or the
Selling Stockholder to satisfy any of the conditions contained in Section 7
hereof or (ii) if, since the date of this Agreement and prior to the Firm Shares
Closing Date (or, if applicable, the Additional Shares Closing Date), (A) there
has occurred any material adverse change in the financial markets of the United
States or in political, financial or economic conditions in the United States or
any outbreak or material escalation of hostilities or any other insurrection or
armed conflict or declaration by the United States of a national emergency or
war or other calamity or crisis, the effect of which on the financial securities
markets of the United States is such as to make it, in the judgment of the
Representatives, impracticable or inadvisable to market the Shares on the terms
and in the manner contemplated by the Prospectus, (B) trading in any of the
securities of the Company has been suspended by the Commission, or trading
generally on the New York Stock Exchange or the Nasdaq National Market has been
suspended, or minimum or maximum prices for trading have been fixed, or maximum
ranges for prices for securities have been required, by the New York Stock
Exchange or the Nasdaq National Market or by order of the Commission or any
other governmental authority or (C) a banking moratorium has been declared by
any of the federal or New York authorities.

(b) If this Agreement is terminated pursuant to this Section 11 or
any other provision of this Agreement, such termination shall be without
liability of any party to any other party except the provisions of Sections 6, 8
and 11(c) shall remain in full force and effect.

(c) Notwithstanding any other provisions hereof, (i) if this
Agreement shall be terminated by the Representatives under Section 11, the
Company will bear and pay the expenses to be paid by the Company pursuant to
Section 6 hereof and (ii) if this Agreement shall be terminated by the
Representatives under Section 11(a)(i), in addition to its obligations pursuant to
Section 8 and Section 11(c)(i) hereof, the Company will reimburse the
out-of-pocket expenses of the several Underwriters (including reasonable fees
and disbursements of counsel for the underwriters) incurred in connection with
this Agreement and the proposed purchase of the Shares, and promptly upon demand
the Company will pay such amounts to the Representatives.

12. Notices. All notices and other communications hereunder shall be

in writing and shall be deemed to have been duly given if mailed, delivered or
transmitted by facsimile or telegraphed and confirmed. Notices to the
Representatives or the Underwriters shall be directed to the Underwriters, c/o
Jefferies & Company, Inc., 11100 Santa Monica Boulevard, Los Angeles, California
90025, attention of Jerry Gluck, with a copy to Morgan, Lewis & Bockius LLP, 101
Park Avenue, New York, New York 10176, attention of Sharon Ferko, Esq.; notices
to the Company or the Selling Stockholder shall be directed to 12015 Lee Jackson
Highway,

Fairfax, VA 22033, attention of George Pedersen, with a copy to Gibson, Dunn
& Crutcher LLP, 1050 Connecticut Avenue, N.W., Washington, D.C. 20036, attention
of Ronald Mueller, Esq.
13. Parties. This Agreement shall inure to the benefit of and be binding upon the Underwriters, the Company, the Selling Stockholder and their respective successors and legal representatives and controlling persons and officers, employees, directors and stockholders referred to in Sections 8 and 9 and their respective heirs and legal representatives. Nothing expressed or mentioned in this Agreement is intended or shall be construed to provide any person, firm or corporation, other than the Underwriters, the Company, the Selling Stockholder and their respective successors and legal representatives and the controlling persons and officers, employees, directors and stockholders referred to in Sections 8 and 9 and their respective heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Underwriters, the Company, the Selling Stockholder and their respective successors and legal representatives, and said controlling persons, stockholders, officers and directors and their respective heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Shares from the Underwriters shall be deemed to be a successor by reason merely of such purchase.

14. Construction; Choice of Law. This Agreement incorporates the entire understanding of the parties and supersedes all previous agreements relating to the subject matter hereof should they exist. This Agreement and any issue arising out of or relating to the parties' relationship hereunder shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to the principles of conflicts of law thereof.

15. Jurisdiction and Venue. Each party hereto consents specifically to the exclusive jurisdiction of the federal courts of the United States sitting in the Southern District of New York, or if such federal court declines to exercise jurisdiction over any action filed pursuant to this Agreement, the courts of the State of New York in the County of New York, and any court to which an appeal may be taken in connection with any action filed pursuant to this Agreement, for purposes of all legal proceedings arising out of or relating to this Agreement. In connection with the foregoing consent, each party irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the court's exercise of personal jurisdiction over each party to this Agreement or the laying of venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. Each party further irrevocably waives its right to a trial by jury and consents that service of process may be effected in any manner permitted under the laws of the State of New York.

16. Counterparts. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

17. Attorney-in-Fact. Any person executing and delivering this Agreement as Attorney for the Selling Stockholder represents by so doing that he has been duly appointed as Attorney by the Selling Stockholder pursuant to a validly existing and binding Power of Attorney which authorizes such Attorney to take such action.

18. Partial Unenforceability. The invalidity or unenforceability of any section, paragraph or provision of this Agreement shall not affect the validity or enforceability of any other section, paragraph or provision hereof. If any section, paragraph or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

19. General. In this Agreement, the masculine, feminine and neuter
genders and the singular and the plural include one another. The section headings in this Agreement are for the convenience of the parties only and will not affect the construction or interpretation of this Agreement. This Agreement may be amended or modified, and the observance of any term of this Agreement may be waived, only by a writing signed by the Company, the Selling Stockholder and the Representatives.

[Remainder of page intentionally left blank]

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* * * * *

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company and the Selling Stockholder a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Underwriters, the Company and the Selling Stockholder in accordance with its terms.

Very truly yours,

MANTECH INTERNATIONAL CORPORATION

By:

-----------------------------------
Name:
Title:

SELLING STOCKHOLDER

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George J. Pedersen

CONFIRMED AND ACCEPTED,
as of the date first above written:

JEFFERIES & COMPANY, INC.
LEGG MASON WOOD WALKER INCORPORATED
BB&T Capital Markets/Scott & Stringfellow, Inc.
By: Jefferies & Company, Inc.

By:

------------------------------------------
Name:
Title:

For themselves and as Representatives of the other Underwriters named in this Agreement

Schedule I

<table>
<thead>
<tr>
<th>Underwriter</th>
<th>Number of Company Firm Shares To Be Purchased</th>
<th>Number of Selling Stockholder Firm Shares To Be Purchased</th>
</tr>
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<tbody>
<tr>
<td>Jefferies &amp; Company, Inc.</td>
<td>..............................................</td>
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<tr>
<td>Legg Mason Wood Walker Incorporated</td>
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BB&T Capital Markets/Scott & Stringfellow, Inc. .................

Total ............

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THIS AGREEMENT (the "Agreement") is made as of January 1, 2002 (the "Effective Date"), by and between ManTech International Corporation, a Delaware corporation that is the successor to a New Jersey corporation of the same name ("ManTech"), and John A. Moore, Jr. (the "Executive").

WITNESSETH
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WHEREAS, the Executive is presently the Executive Vice President, Chief Financial Officer and Treasurer of ManTech and also holds various other positions (whether as an employee, board member or otherwise) of ManTech and certain of its subsidiaries, and ManTech wishes to continue to employ the Executive in such capacities;

NOW THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ManTech and the Executive hereby agree as follows:

1. Employment Duties.
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   (a) This Agreement shall become effective on the Effective Date noted above. During the employment period fixed by Section 3 hereof (the "Employment Period"), the Executive hereby agrees to serve as Executive Vice President, Chief Financial Officer and Treasurer of ManTech and to continue to hold various other positions (whether as an employee, board member or otherwise) of certain subsidiaries of ManTech, and ManTech hereby agrees to employ the Executive as such. Executive shall hold such further positions with ManTech and with any of its subsidiaries or affiliates as ManTech shall reasonably specify from time to time. The Executive shall report to the Chief Executive Officer of ManTech and to such person as he may delegate.

   (b) During the Employment Period, Executive will not, without the prior written consent of ManTech, directly or indirectly engage in any other business activities or pursuits whatsoever, except activities in connection with (i) any charitable or civic activities, (ii) personal investments, and (iii) serving as an executor, trustee or in another similar fiduciary capacity for a non-commercial entity; provided, however, that any such activities do not materially interfere with his performance of his responsibilities and obligations pursuant to this Agreement. With the approval of the Board of Directors or the Chief Executive Officer of ManTech, Executive may engage in any other business activities or pursuits not otherwise permitted under this Section 1.

   (c) Notwithstanding the foregoing, Executive shall terminate the Executive Employment Agreement between Executive and GSE Systems, Inc., an affiliate of ManTech, on or before January 25, 2002; provided, however, ManTech and Executive agree that Executive shall continue to serve as a member of the Board of Directors of GSE Systems, Inc.

2. Compensation.
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   (a) During the Employment Period, ManTech shall pay the Executive a cash base salary of $425,000 per annum (the "Base Salary"). The Base Salary shall be paid to the Executive, less applicable withholdings, in installments pursuant to ManTech's normal and customary executive officer payroll procedures. Executive's Base Salary shall be reviewed annually by the Compensation Committee of ManTech's Board of Directors beginning with calendar year 2003 and may be increased as determined by the Compensation Committee of the Board of Directors in its sole discretion. In addition to the foregoing, Executive shall be entitled to receive a bonus for services performed during calendar year 2001.

   (b) In addition, during the Employment Period, ManTech shall provide
certain non-cash compensation to Executive consistent with the position of Executive Vice President, Chief Financial Officer and Treasurer, including without limitation, those benefits set forth on Attachment A hereto.

(c) In addition to the Base Salary, during the Employment Period, Executive shall be entitled to participate in such bonus and other incentive award programs as determined by the Compensation Committee of ManTech's Board of Directors in its sole discretion. In addition, the Executive shall be entitled to participate in any employee benefit plans and programs as are generally applicable to executive officers and, to the extent permitted by law, to employees of ManTech and in such other benefit plans and programs as determined by the Compensation Committee of ManTech's Board of Directors in its sole discretion.

3. Employment Period. The Employment Period shall commence on the Effective Date and shall terminate on the day preceding the second anniversary of the Effective Date (the "Scheduled Termination Date," as such date may be modified by the following clause); provided, that the Executive's Employment Period and the Scheduled Termination Date shall automatically extend for one additional year upon each anniversary of the Effective Date unless ManTech or the Executive notifies the other party in writing of its intent not to extend the term of employment under this Agreement no less than sixty (60) days before the applicable anniversary date. Notwithstanding anything in this Section 3 to the contrary, Executive's employment shall end earlier than the Scheduled Termination Date, or any renewal period thereafter, if terminated upon death, by ManTech for Cause (as hereinafter defined) or otherwise by the Executive or ManTech pursuant to notice given as provided in Section 4 hereof.

4. Termination Procedure.

(a) Subject to section 4(b) below, ManTech or Executive may terminate this Agreement at any time during the Employment Period (other than due to the Executive's death or a termination by ManTech for Cause) if notice of such termination is communicated by written "Notice of Termination" to the Executive or ManTech no later than sixty (60) days prior to the desired date of termination of this Agreement.

(b) Upon termination of Executive's employment with ManTech for any reason, the Executive shall also resign from (a) ManTech's Board of Directors, if the Executive then serves on the Board of Directors, (b) any position (whether as an employee, board member or otherwise) of any affiliate or subsidiary of ManTech, and (c) any position in which the Executive serves at the request of ManTech, including, without limitation, any position with GSE Systems, Inc.

5. Termination Payments.

(a) Upon the Executive's termination of employment for any reason, ManTech shall pay to the Executive any unpaid Base Salary then in effect accrued up to the date of termination of employment and any amount payable for accrued but unused vacation time up to the date of termination. Other than the accrued salary and vacation pay referenced in the preceding sentence, the Executive shall not be entitled to any further payments or benefits, unless otherwise agreed to in writing between ManTech and the Executive.

(b) Notwithstanding Section 5(a), if the Executive's employment is terminated by ManTech without Cause, ManTech also shall pay to the Executive the greater of (i) an amount of Base salary equal to what otherwise would have been payable for the remainder of the Employment Period until the Scheduled Termination Date, or (ii) six (6) months of Base Salary ("Severance Payment"). Such Severance Payment shall be made in a lump sum as soon as practicable following such termination using the Base Salary rate in effect immediately prior to such termination. The period used to calculate the amount of Base Salary payable pursuant to the preceding sentence shall be known as the "Severance Period" (e.g. if the payment is calculated using six (6) months of Base Salary, then the Severance Period commences on the day after the effective
termination date and continues for the next six (6) months).

(c) Upon ManTech tendering the Severance Payment described in Section 5(b), Executive shall execute and deliver to ManTech a release, in substantially the same form as the Waiver Agreement and Release of Claims attached hereto as Attachment B.

(d) For purposes of this Agreement, "Cause" shall mean a termination of the Executive's employment by ManTech for a reason other than:
   (i) a material violation by the Executive of this Agreement which the Executive fails to cure to ManTech's reasonable satisfaction within thirty (30) days after ManTech delivers to the Executive a written notice that specifically identifies such violation; (ii) the willful failure by the Executive to act in a manner consistent with Executive's responsibilities or with the best interests of ManTech, after ManTech delivers to the Executive a written demand for satisfactory performance that specifically identifies the manner in which ManTech believes that the Executive has not satisfactorily performed the Executive's duties and the Executive fails to cure the existing problem to ManTech's reasonable satisfaction within thirty (30) days; or (iii) the conviction of the Executive of a felony (other than an offense related to the operation of an automobile which results only in a fine, license suspension or other non-custodial penalty) or other serious crime involving moral turpitude.

(e) This Agreement shall not be construed to be in lieu of or to the exclusion of any other rights, benefits and privileges to which Executive may be entitled

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as an executive of ManTech or any of its subsidiaries or affiliates under any retirement, pension, profit-sharing, insurance, hospitalization or other plans or benefits which may now be in effect or which may hereafter be adopted.

6. Confidentiality, Non-Competition and Non-Solicitation. For good and valuable consideration, the receipt and sufficiency of which Executive hereby acknowledges, the Executive hereby agrees as follows:

(a) That both during the entire term of Executive's employment with ManTech and/or any of its subsidiaries and affiliates (collectively, the "Employer") and thereafter, Executive will not publish or otherwise disclose to persons other than those employed by Employer, without specific permission from Employer, any Employer proprietary or confidential information which Executive learns or acquires during the course of employment with or as a result of performing services with Employer, and will not use such information in any way which might be detrimental to the interests of the Employer. For purposes of this Agreement, proprietary or confidential information includes, but is not limited to:

(i) All information not generally known to the public or within the federal, state or local government market(s) or the commercial market(s) in which the Employer offers or provides its services, solutions or products, pertaining to the Employer's marketing, bidding or cost plans, strategies, forecasts or projections; practices, procedures, policies, goals or objectives pertaining to the foregoing; contract proposals, contract bids which have been prepared or submitted or which are proposed to be prepared or submitted, or bidding and pricing techniques; information on Employer's cost structure; quoting and pricing practices, procedures and policies; customer data including customer list, contracts, contacts, representatives, requirements and needs, specifications, data provided by or about prospective customers; supplier information, including joint venture and subcontractor proposals; employee and consultants' identities, skills, resumes, records and lists; and the physical embodiments of any of the foregoing information.

(ii) All information concerning or relating to the way the Employer conducts their business which is not generally known to the public or within the federal, state or local government market(s) or the commercial market(s) in which the Employer offers or provides its services, solutions or products (such as Employer contracts, internal business procedures, controls, plans, licensing techniques and practices, supplier, subcontractor and prime contractor names and contacts and other vendor information, Employer processes, techniques, data, computer system passwords and other computer security controls, financial information, and distributor information) and the physical
(iii) All information not generally known to the public or within the federal, state or local government market(s) or the commercial market(s) in which the Employer offers or provides its services, solutions or products concerning development of new products, services or solutions, negotiations for new business ventures or acquisitions, future business or acquisition plans, and similar information and the physical embodiments of such information.

(iv) Information which is not a public record and is not generally known to the public or within the federal, state or local government market(s) or the commercial market(s) in which the Employer offers or provides its services, solutions or products regarding litigation and potential litigation matters and the physical embodiments of such information.

(v) Any information which (i) is not generally known to the public or within the federal, state or local government market(s) or the commercial market(s) in which the Employer offers or provides its services, solutions or products, (ii) gives the Employer a significant advantage over its or their competitors, or (iii) has significant economic value or potentially significant economic value to the Employer, including the physical embodiments of such information.

(b) That both during the entire term of Executive's employment with Employer and thereafter through the Severance Period, the Executive shall not:

(i) directly or indirectly, own, manage, operate, control or participate in the ownership, management, operation or control of, or be connected as an officer, employee, consultant, partner, director or otherwise with, or have any financial interest in, or aid or assist anyone else in the conduct of any business which competes with any services, solutions or products conducted, offered or provided by the Employer (any such service, solution or product, an "Employer Operation"), to any federal, state or local government market(s) or the commercial market(s) if such Employer Operation is being conducted or developed at any time during the term of Executive's employment with Employer and at the later time in question;

(ii) directly or indirectly, solicit any customer or any former or prospective customer of the Employer with a view to inducing such customer to enter into an agreement, or otherwise do business, involving an Employer Operation with any competitor or attempt to induce any customer to terminate its relationship with the Employer or to not enter into a relationship with the Employer, as the case may be; or

(iii) solicit or attempt to solicit the employment of any employee of the Employer, or any person employed by the Employer during the prior six (6) month period, or attempt to solicit or induce any such employee or person to leave the employ of the Employer.

(c) That in the event any provision of this Section 6 shall be challenged by Executive or deemed to be unenforceable by a court of competent jurisdiction, ManTech's obligation to make payments under Section 5(b) shall immediately cease, and

Executive shall reimburse ManTech any payments previously received pursuant to Section 5(b) hereof.

7. Survival. Executive agrees that the restrictions in Section 6 shall survive the termination of Executive's employment with Employer, notwithstanding any actual or alleged breach or failure of ManTech to perform its obligations under this Agreement or otherwise.
8. Specific Enforcement; Extension of Period.

(a) Executive acknowledges that the restrictions contained in Section 6 hereof are reasonable and necessary to protect the legitimate interests of the Employer and that Employer would not have entered into this Agreement in the absence of such restrictions. Executive also acknowledges that any breach by him of Section 6 hereof will cause continuing and irreparable injury to Employer for which monetary damages would not be an adequate remedy. Executive shall not, in any action or proceeding by Employer to enforce Section 6 of this Agreement, assert the claim or defense that an adequate remedy at law exists. In the event of such breach by Executive, Employer shall have the right to enforce the provisions of Section 6 of this Agreement by seeking injunctive or other relief in any court, and this Agreement shall not in any way limit remedies at law or in equity otherwise available to the Employer.

(b) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF VIRGINIA, WITHOUT REFERENCE TO THE PRINCIPLES OF CONFLICTS OF LAW EXCEPT TO THE EXTENT SUCH PRINCIPLES PERMIT THE APPLICATION OF VIRGINIA LAW OR JURISDICTION AND VENUE IN COURTS WITHIN VIRGINIA. ANY DISPUTE HEREUNDER SHALL BE LITIGATED IN FEDERAL DISTRICT COURT IN THE EASTERN DISTRICT OF VIRGINIA OR, IF JURISDICTION CANNOT BE OBTAINED IN SUCH COURT, IN THE STATE COURT WHOSE JURISDICTION INCLUDES THE PRINCIPAL EXECUTIVE OFFICE OF MANTECH.

(c) Except as otherwise expressly set forth in Section 6(c), all provisions of this Agreement are intended to be severable. In the event any provision or restriction contained herein is held to be invalid or unenforceable in any respect, in whole or in part, such finding will in no way affect the validity or enforceability of any other provision of this Agreement, except as otherwise expressly set forth in Section 6(c). The parties hereto further agree that any such invalid or unenforceable provision will be deemed modified so that it will be enforced to the greatest extent permissible under law, and to the extent that any court of competent jurisdiction determines any restriction herein to be unreasonable in any respect, such court shall limit this Agreement to render it reasonable in light of the circumstances in which it was entered into and specifically enforce this Agreement as limited.


(a) This Agreement by and between the Executive and ManTech constitutes the entire agreement between the parties hereto with respect to the Executive's employment, and supersedes and is in full substitution for any and all prior understandings or agreements, whether oral or written, with respect to the Executive's employment.

(b) ManTech may withhold from any amounts payable to the Executive hereunder all federal, state, city or other taxes that ManTech may reasonably determine are required to be withheld pursuant to any applicable law or regulation.

(c) This Agreement may be executed by facsimile signature and in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

(d) The headings in this Agreement are inserted for convenience of reference only and shall not be a part of or control or affect the meaning of any provision hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Executive MANTECH INTERNATIONAL CORPORATION

signature Print Name: George J. Pedersen
Title: Chairman, Chief Executive Officer and President
Attachment A

Non-Cash Compensation

. First class business travel, including such expenses for Executive's spouse when traveling together on ManTech business;
. business travel insurance;
. the lease of an executive type of vehicle for business and personal use;
. reimbursement of certain cell phone and home telephone/fax services;
. matching contributions to the company's 401(k);
. payments for term life insurance;
. payments of premiums under one or more split dollar life insurance policies;
. a minimum $25,000 per year contribution to Executive's supplemental executive retirement plan; and
. initiation and periodic dues associated with executive clubs and memberships, including, without limitation, the Tower Club and Argyle Country Club.

Attachment B

WAIVER AGREEMENT AND RELEASE OF CLAIMS

THIS AGREEMENT ("Release Agreement") is made by and between ManTech International Corporation, a Delaware corporation that is the successor to a New Jersey corporation of the same name ("ManTech"), and John A. Moore, Jr. (the "Executive").

WHEREAS, the Executive entered into an employment agreement with ManTech dated as of January 1, 2002 ("Employment Agreement"); and

WHEREAS, the employment of Executive has been terminated pursuant to Section 5(b) of the Employment Agreement, and Executive has received the Severance Payment as provided therein;

NOW THEREFORE, in consideration of the mutual covenants and promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ManTech and the Executive hereby agree as follows:

1. Executive, on his own behalf and on behalf of his agents, representatives, heirs, executors and administrators (whether or not then existing), releases ManTech, its subsidiaries and affiliates (whether or not then existing), and the employees, officers, directors, agents, representatives, successors and assigns of any of them, as well as the trustees of any of their executive or employee benefit or welfare plans (except with respect to claims for benefits due under the terms of such plans) from any and all actions, causes of action, suits, debts, claims, complaints, charges, contracts, controversies, agreements, promises, damages, counterclaims, cross-claims, claims for contribution and/or indemnity, claims for costs and/or attorneys' fees, judgments and demands whatsoever, in law or equity, known or unknown, that Executive ever had, now has, or may have in the future based on his employment through the date of this Waiver Agreement, except that such release shall not cover (i) claims to enforce his rights under the Employment Agreement, (ii) claims for benefits pursuant to any executive or employee benefit or welfare plan of ManTech or any of its subsidiaries in which Executive participated prior to his termination of employment, and (iii) claims for indemnification pursuant
to ManTech's indemnification policies and practices applicable to its executive officers (collectively, the "Excluded Claims"). Except for the Excluded Claims, Executive understands and agrees that this Release Agreement includes, but is not limited to, a complete waiver and release of the following rights or claims:

1. Executive agrees that this Release Agreement includes, but is not limited to, a complete waiver and release of the following rights or claims:

(a) any right(s) or claim(s) arising under the Virginia Human Rights Act, the Age Discrimination in Employment Act ("ADEA"); Title VII of the Civil Rights Act of 1964 ("Title VII"), which prohibits discrimination in employment based on race, color, national origin, religion or sex; the Americans with Disabilities Act ("ADA"), which prohibits discrimination based on disability; and any right(s) or claim(s) arising under any other federal, state or local law regarding discrimination based on age, race, sex, pregnancy, religion, national origin, marital status or disability or any other unlawful basis;

(b) any right(s) or claim(s) for alleged violations of any local, state or federal law, regulation, ordinance, public policy or common-law duty having any bearing whatsoever upon Executive's employment with ManTech or the Employer (as defined in Section 6(a) of the Employment Agreement) or the terms and conditions of, and/or the cessation of, Executive's employment with ManTech; and

(c) any claim(s) for breach of express or implied contract, wrongful discharge, constructive discharge, breach of an implied covenant of good faith and fair dealing, negligent or intentional infliction of emotional distress, or any claims under the Executive Retirement Income Security Act of 1974 ("ERISA").

2. The parties agree that this Release Agreement is intended to cover all claims (other than any Excluded Claim) in existence as of the date of the execution of this Release Agreement and all claims that may accrue from such date of execution through the expiration of the Revocation Period, including both claims about which Executive knows and about which Executive does not know.

3. Executive represents and warrants that he has not filed any claims against ManTech and/or any of its subsidiaries or affiliates, or any of the individuals covered by this Release Agreement, with any governmental agency or any court, and Executive agrees that Executive will not do so at any time hereafter regarding any matter released herein.

4. Executive acknowledges and agrees that he has been advised to and has been given an opportunity to consult with an attorney of his choice prior to executing this Release Agreement. Executive further acknowledges that he has 21 days within which to consider whether to execute this Release Agreement. Executive acknowledges and agrees that he has 7 calendar days to revoke this Release Agreement after executing it, but if he revokes this Release Agreement after executing it, he must return the Severance Payment (as defined in Section 5(b) of the Employment Agreement) tendered by ManTech prior to Executive's execution and delivery of this Release Agreement.

THE PARTIES STATE THAT THEY HAVE READ THIS AGREEMENT, THAT THEY UNDERSTAND EACH OF ITS TERMS, AND THEY INTEND TO BE BOUND THEREBY.

Executive MANTECH INTERNATIONAL CORPORATION

_____________________________   ____________________________________________
signature                   Print Name: George J. Pedersen
Title: Chairman, Chief Executive Officer and President

_____________________________
print name

DATE:____________________________   DATE:_______________________________________
THIS AGREEMENT (the "Agreement") is made as of January 1, 2002 (the "Effective Date"), by and between ManTech International Corporation, a Delaware corporation that is the successor to a New Jersey corporation of the same name ("ManTech"), and George J. Pedersen (the "Executive").

WHEREAS, ManTech has grown and its business progressed during the time that the Executive has served as the Chairman of the Board, Chief Executive Officer and President and also holds various other positions (whether as an employee, board member or otherwise) of ManTech and certain of its subsidiaries, and ManTech wishes to continue to retain and continue to employ the Executive in such capacities;

NOW THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ManTech and the Executive hereby agree as follows:

1. Employment Duties.

   (a) This Agreement shall become effective on the Effective Date noted above. During the term of this Agreement, the Executive hereby agrees to continue to serve as Chairman of the Board, Chief Executive Officer and President of ManTech and various other positions (whether as an employee, board member or otherwise) of certain subsidiaries of ManTech, and ManTech hereby agrees to employ the Executive as such. Executive shall hold such further positions with ManTech and with any of its subsidiaries or affiliates as ManTech shall reasonably specify from time to time. The Executive shall report to the Board of Directors of ManTech.

   (b) Executive shall terminate the Executive Employment Agreement between Executive and GSE Systems, Inc., an affiliate of ManTech, on or before January 25, 2002; provided, however, ManTech and Executive agree that Executive shall continue to serve as a member of the Board of Directors and Chairman of the Executive Committee of the Board of Directors of GSE Systems, Inc.

2. Compensation.

   (a) During the Employment Period, ManTech shall pay the Executive a cash base salary of $1,000,000 for his service during calendar year 2002 (the "Base Salary"). The Base Salary shall be paid to the Executive, less applicable withholdings, in installments pursuant to ManTech's normal and customary executive officer payroll procedures. Executive shall not be eligible for payment of a bonus for service during calendar year 2002, and shall not be granted employee stock options during calendar year 2002. For service following 2002, Executive's Base Salary shall be subject to change and Executive shall be eligible for bonus and stock option grants as shall be determined by the Compensation Committee of the Board of Directors in its sole discretion. Notwithstanding the foregoing, Executive shall be entitled to receive a bonus for services performed during calendar year 2001.

   (b) In addition, during the Employment Period, ManTech shall provide certain non-cash compensation to Executive consistent with the position of Chairman of the Board, Chief Executive Officer and President, including without limitation, those benefits set forth on Attachment A hereto.

   (c) In addition to the Base Salary, during the Employment Period Executive shall be entitled to participate in such bonus and other incentive award programs as determined by the Compensation Committee of ManTech's Board of Directors in its sole discretion, except as provided in section 2(a) with respect to 2002. In addition, the Executive shall be entitled to participate in
any employee benefit plans and programs as are generally applicable to executive
officers and, to the extent permitted by law, to employees of ManTech and in
such other benefit plans and programs as determined by the Compensation
Committee of ManTech's Board of Directors in its sole discretion.

3. Employment Period. The Executive shall be an at-will employee of
ManTech. The Employment Period shall commence on the Effective Date and shall
terminate on the earliest of (a) the day set forth in a writing delivered by
ManTech or the Executive in accordance with Section 4 hereof, (b) the
Executive's death, or (c) the Executive's Termination for Cause.

4. Termination Procedure. ManTech or Executive may terminate this
Agreement at any time during the Employment Period (other than due to the
Executive's death or a termination by ManTech for Cause) if notice of such
termination is communicated by written "Notice of Termination" to the Executive
or ManTech no later than sixty (60) days prior to the desired date of
termination of this Agreement.

5. Termination Payments.
(a) Upon the Executive's termination of employment for any reason,
ManTech shall pay to the Executive any unpaid Base Salary then in effect accrued
up to the date of termination of employment and any amount payable for accrued
but unused vacation time up to the date of termination. Other than the accrued
salary and vacation pay referenced in the preceding sentence, the Executive
shall not be entitled to any further payments or benefits, unless otherwise
agreed to in writing between ManTech and the Executive.

(b) Notwithstanding Section 5(a), if the Executive's employment is
terminated by ManTech without Cause, ManTech also shall pay to the Executive an
amount equal to one (1) year's Base Salary at the rate in effect immediately
prior to such termination of employment, such payment to be made in a lump sum
as soon as practicable following such termination. The one (1) year period for
which the payment of severance is calculated pursuant to the preceding sentence
shall be known as the "Severance Period."

(c) For purposes of this Agreement, "Cause" shall mean a termination of
the Executive's employment by ManTech for a reason other than: (i) a material
violation by the Executive of this Agreement which the Executive fails to cure
to ManTech's

reasonable satisfaction within thirty (30) days after ManTech delivers to the
Executive a written notice that specifically identifies such violation; (ii) the
willful failure by the Executive to act in a manner consistent with Executive's
responsibilities or with the best interests of ManTech, after ManTech delivers
to the Executive a written demand for satisfactory performance that specifically
identifies the manner in which ManTech believes that the Executive has not
satisfactorily performed the Executive's duties and the Executive fails to cure
the existing problem to ManTech's reasonable satisfaction within thirty (30)
days; or (iii) the conviction of the Executive of a felony (other than an
offense related to the operation of an automobile which results only in a fine,
license suspension or other non-custodial penalty) or other serious crime
involving moral turpitude.

(d) This Agreement shall not be construed to be in lieu of or to the
exclusion of any other rights, benefits and privileges to which Executive may be
entitled as an executive of ManTech or any of its subsidiaries or affiliates
under any retirement, pension, profit-sharing, insurance, hospitalization or
other plans or benefits which may now be in effect or which may hereafter be
adopted.

6. Confidentiality, Non-Competition and Non-Solicitation. For good and
valuable consideration, the receipt and sufficiency of which Executive hereby
acknowledges, the Executive hereby agrees as follows:

(a) That both during the entire term of Executive's employment with
ManTech and/or any of subsidiaries and affiliates (collectively, the "Employer")
and thereafter, Executive will not publish or otherwise disclose to persons other than those employed by Employer, without specific permission from Employer, any Employer proprietary or confidential information which Executive learns or acquires during the course of employment with or as a result of performing services with Employer, and will not use such information in any way which might be detrimental to the interests of the Employer. For purposes of this Agreement, proprietary or confidential information includes, but is not limited to:

(i) All information not generally known to the public or within the federal, state or local government market(s) or the commercial market(s) in which the Employer offers or provides its services, solutions or products, pertaining to the Employer's marketing, bidding or cost plans, strategies, forecasts or projections; practices, procedures, policies, goals or objectives pertaining to the foregoing; contract proposals, contract bids which have been prepared or submitted or which are proposed to be prepared or submitted, or bidding and pricing techniques; information on Employer's cost structure; quoting and pricing practices, procedures and policies; customer data including customer list, contracts, contacts, representatives, requirements and needs, specifications, data provided by or about prospective customers; supplier information, including joint venture and subcontractor proposals; employee and consultants' identities, skills, resumes, records and lists; and the physical embodiments of any of the foregoing information.

(ii) All information concerning or relating to the way the Employer conducts their business which is not generally known to the public or within the federal, state or local government market(s) or the commercial market(s) in which the Employer offers or provides its services, solutions or products (such as Employer contracts, internal business procedures, controls, plans, licensing techniques and practices, supplier, subcontractor and prime contractor names and contacts and other vendor information, Employer processes, techniques, data, computer system passwords and other computer security controls, financial information, and distributor information) and the physical embodiments of such information (such as check lists, samples, service and operational manuals, contracts, proposals, printouts, correspondence, forms, listings, ledgers, financial statements, financial reports, financial and operational analyses, financial and operational studies, management reports of every kind, databases, and any other written or machine-readable expression of such information as are filed in any tangible media).

(iii) All information not generally known to the public or within the federal, state or local government market(s) or the commercial market(s) in which the Employer offers or provides its services, solutions or products concerning development of new products, services or solutions, negotiations for new business ventures or acquisitions, future business or acquisition plans, and similar information and the physical embodiments of such information.

(iv) Information which is not a public record and is not generally known to the public or within the federal, state or local government market(s) or the commercial market(s) in which the Employer offers or provides its services, solutions or products regarding litigation and potential litigation matters and the physical embodiments of such information.

(v) Any information which (i) is not generally known to the public or within the federal, state or local government market(s) or the commercial market(s) in which the Employer offers or provides its services, solutions or products, (ii) gives the Employer a significant advantage over its or their competitors, or (iii) has significant economic value or potentially significant economic value to the Employer, including the physical embodiments of such information.

(b) That both during the entire term of Executive's employment with Employer and thereafter through the Severance Period, the Executive shall not:

(i) directly or indirectly, own, manage, operate, control or participate in the ownership, management, operation or control of, or be connected as an officer, employee, consultant, partner, director or otherwise with, or have any financial interest in, or aid or assist anyone else in the conduct of any business which competes with any services, solutions or products conducted, offered or provided by the Employer (any such service, solution or
product, an "Employer Operation"), to any federal, state or local government market(s) or the commercial market(s) if such Employer Operation is being conducted or developed at any time during the term of Executive's employment with Employer and at the later time in question;

(ii) directly or indirectly, solicit any customer or any former or prospective customer of the Employer with a view to inducing such customer to enter into an agreement, or otherwise do business, involving an Employer Operation with any competitor or attempt to induce any customer to terminate its relationship with the Employer or to not enter into a relationship with the Employer, as the case may be; or

(iii) solicit or attempt to solicit the employment of any employee of the Employer, or any person employed by the Employer during the prior six (6) month period, or attempt to solicit or induce any such employee or person to leave the employ of the Employer.

(c) That in the event any provision of this Section 6 shall be challenged by Executive or deemed to be unenforceable by a court of competent jurisdiction, ManTech's obligation to make payments under Section 5(b) shall immediately cease, and Executive shall reimburse ManTech any payments previously received pursuant to Section 5(b) hereof.

7. Survival. Executive agrees that the restrictions in Section 6 shall survive the termination of Executive's employment with Employer, notwithstanding any actual or alleged breach or failure of ManTech to perform its obligations under this Agreement or otherwise.

8. Specific Enforcement; Extension of Period.

(a) Executive acknowledges that the restrictions contained in Section 6 hereof are reasonable and necessary to protect the legitimate interests of the Employer and that Employer would not have entered into this Agreement in the absence of such restrictions. Executive also acknowledges that any breach by him of Section 6 hereof will cause continuing and irreparable injury to Employer for which monetary damages would not be an adequate remedy. Executive shall not, in any action or proceeding by Employer to enforce Section 6 of this Agreement, assert the claim or defense that an adequate remedy at law exists. In the event of such breach by Executive, Employer shall have the right to enforce the provisions of Section 6 of this Agreement by seeking injunctive or other relief in any court, and this Agreement shall not in any way limit remedies at law or in equity otherwise available to the Employer.

(b) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF VIRGINIA, WITHOUT REFERENCE TO THE PRINCIPLES OF CONFLICTS OF LAW EXCEPT TO THE EXTENT SUCH PRINCIPLES PERMIT THE APPLICATION OF VIRGINIA LAW OR JURISDICTION AND VENUE IN COURTS WITHIN VIRGINIA. ANY DISPUTE HEREUNDER SHALL BE LITIGATED IN FEDERAL DISTRICT COURT IN THE EASTERN DISTRICT OF VIRGINIA OR, IF JURISDICTION CANNOT BE OBTAINED IN SUCH COURT, IN THE STATE COURT WHOSE JURISDICTION INCLUDES THE PRINCIPAL EXECUTIVE OFFICE OF MANTECH.

(c) Except as otherwise expressly set forth in Section 6(c), all provisions of this Agreement are intended to be severable. In the event any provision or restriction contained herein is held to be invalid or unenforceable in any respect, in whole or in part, such finding will in no way affect the validity or enforceability of any other provision of this Agreement, except as otherwise expressly set forth in Section 6(c). The parties hereto further agree that any such invalid or unenforceable provision will be deemed modified so that it will be enforced to the greatest extent permissible under law, and to the extent that any court of competent jurisdiction determines any restriction herein to be unreasonable in any respect, such court shall limit this Agreement to render it reasonable in light of the circumstances in which it was entered into and specifically enforce this Agreement as limited.

(a) This Agreement by and between the Executive and ManTech constitutes the entire agreement between the parties hereto with respect to the Executive's employment, and supersedes and is in full substitution for any and all prior understandings or agreements, whether oral or written, with respect to the Executive's employment.

(b) ManTech may withhold from any amounts payable to the Executive hereunder all federal, state, city or other taxes that ManTech may reasonably determine are required to be withheld pursuant to any applicable law or regulation.

(c) This Agreement may be executed by facsimile signature and in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

(d) The headings in this Agreement are inserted for convenience of reference only and shall not be a part of or control or affect the meaning of any provision hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Executive                                     MANTECH INTERNATIONAL CORPORATION

_____________________________________       ___________________________________
signature                                   Print Name: John A. Moore, Jr.
                                             Title: Executive Vice President,
                                             Chief Financial Officer and
                                             Treasurer

print name

Attachment A

Non-Cash Compensation

. First class business travel, including such expenses for Executive's spouse when traveling together on ManTech business;
. business travel insurance;
. the lease of an executive type of vehicle for business and personal use;
. the portion of an employee's time spent on non-corporate matters on behalf of Executive (including attending to chauffeur/valet services and other assistance as required from time to time);
. reimbursement of certain cell phone and home telephone/fax services;
. various tax, legal and estate planning services relating to the equity holdings of ManTech's stock by Executive and Executive's family;
. matching contributions to the company's 401(k);
. payments for term life insurance;
. payment of premiums under one or more split dollar life insurance policies;
. a minimum contribution of $50,000 per year to Executive's supplemental executive retirement plan; and
. initiation and periodic dues associated with executive clubs and memberships, including, without limitation, the Tower Club, Washington Golf and Country Club and the Annapolis Yacht Club.
MANTECH INTERNATIONAL CORPORATION
TERM SHEET FOR MANAGEMENT INCENTIVE PLAN NON-QUALIFIED STOCK OPTION

FOR GOOD AND VALUABLE CONSIDERATION, ManTech International Corporation, a Delaware corporation ("ManTech"), hereby grants to Optionee named below the non-qualified stock option (the "Option") to purchase any part or all of the number of shares of its Class A Common Stock, $0.01 par value (the "Common Stock"), that are covered by this Option, as specified below, at the Exercise Price per share specified below and upon the terms and subject to the conditions set forth in this Term Sheet, the Plan specified below (the "Plan") and the Standard Terms and Conditions (the "Standard Terms and Conditions") promulgated under such Plan, each as amended from time to time. This Option is granted pursuant to the Plan and is subject to and qualified in its entirety by the Standard Terms and Conditions.

The Plan: This Option is granted pursuant to ManTech's Management Incentive Plan.

Name of Optionee:

Social Security Number:

Grant Date:

Number of Shares of Common Stock covered by Option:

Exercise Price Per Share: $

Expiration Date:

Vesting Schedule: [At the Committee's discretion]

This Option is not intended to qualify as an incentive stock option under Section 422 of the Internal Revenue Code of 1986, as amended. By accepting this Term Sheet, Optionee acknowledges that he or she has received and read, and agrees that this Option shall be subject to, the terms of this Term Sheet, the Plan and the Standard Terms and Conditions.

MANTECH INTERNATIONAL CORPORATION
Optionee Signature

By

Title: Address (please print):

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MANTECH INTERNATIONAL CORPORATION
STANDARD TERMS AND CONDITIONS FOR
NON-QUALIFIED STOCK OPTIONS

These Standard Terms and Conditions apply to any Options granted under the Management Incentive Plan of ManTech International Corporation (the "Plan"), which are identified as non-qualified stock options and are evidenced by a Term Sheet or an action of the Committee that specifically refers to these Standard Terms and Conditions.

1. TERMS OF OPTION

MANTECH INTERNATIONAL CORPORATION, a Delaware corporation ("ManTech"), has granted to the Optionee named in the Term Sheet provided to said Optionee herewith (the "Term Sheet") a non-qualified stock option (the "Option") to purchase up to the number of shares of ManTech's Class A Common Stock, $0.01 par value per share (the "Common Stock"), set forth in the Term Sheet, at the purchase price per share and upon the other terms and subject to the conditions set forth in the Term Sheet, these Standard Terms and Conditions (as amended from time to time), and the Plan. For purposes of these Standard Terms and Conditions and the Term Sheet, any reference to ManTech shall include a reference to any Subsidiary.

2. NON-QUALIFIED STOCK OPTION

The Option is not intended to be an incentive stock option under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code") and will be interpreted accordingly.

3. EXERCISE OF OPTION

The Option shall not be exercisable as of the Grant Date set forth in the Term Sheet. After the Grant Date, to the extent not previously exercised, and subject to termination or acceleration as provided in these Standard Terms and Conditions and the Plan, the Option shall be exercisable to the extent it becomes vested, as described in the Term Sheet, to purchase up to that number of shares of Common Stock as set forth in the Term Sheet provided that (except as set forth in Section 4.C below) Optionee remains employed with ManTech and does not experience a termination of employment. The vesting period and/or exercisability of an Option may be adjusted by the Committee to reflect the decreased level of employment during any period in which the Optionee is on an approved leave of absence or is employed on a less than full time basis, provided that the Committee may take into consideration any accounting consequences to ManTech in making any such adjustment.

To exercise the Option (or any part thereof), Optionee shall deliver to ManTech a "Notice of Exercise" on a form specified by the Committee, specifying the number of whole shares of Common Stock Optionee wishes to purchase and how Optionee's shares of Common Stock should be registered (in Optionee's name only or in Optionee's and Optionee's spouse's names as community property or as joint tenants with right of survivorship).

The exercise price (the "Exercise Price") of the Option is set forth in the Term Sheet. ManTech shall not be obligated to issue any shares of Common Stock until Optionee shall have paid the total Exercise Price for that number of shares of Common Stock. The Exercise Price may be paid in cash or by certified or cashiers' check. In addition, the Committee may permit the Exercise Price to be paid:

A. by payment under an arrangement with a broker where payment is made pursuant to an irrevocable commitment by a broker to deliver in the future all or part of the proceeds from the sale of the Option shares to ManTech,

B. by tendering (either physically or by attestation) shares of Common Stock owned by the Optionee and having a fair market value
on the date of exercise equal to the Exercise Price but only if such will not result in an accounting charge to ManTech, or

C. by any combination of the foregoing or in such other form(s) of consideration as the Committee (as defined in the Plan) in its discretion shall specify.

Fractional shares may not be exercised. Shares of Common Stock will be issued as soon as practical after exercise. Notwithstanding the above, ManTech shall not be obligated to deliver any shares of Common Stock during any period when ManTech determines that the exercisability of the Option or the delivery of shares hereunder would violate any federal, state or other applicable laws.

4. EXPIRATION OF OPTION

Except as provided in this Section 4, the Option shall expire and cease to be exercisable as of the Expiration Date set forth in the Term Sheet.

A. Upon the date of a termination of the Optionee's employment as a result of the death or disability of the Optionee, the Option shall become fully exercisable, and shall be exercisable by the Optionee's estate, heir or beneficiary for a period commencing on the date of termination of the Optionee's employment and expiring upon the earlier of twelve (12) months following the date of termination of the Optionee's employment or the Expiration Date of the Option.

B. Upon the date of a termination of the Optionee's employment with ManTech for any reason other than the death or disability of the Optionee, and except as otherwise provided under paragraph (C) of this Section 4, (i) any part of the Option that is unexercisable as of such termination date shall remain unexercisable and shall terminate as of such date, and (ii) any part of the Option that is exercisable as of such termination date shall expire the earlier of ninety (90) days following such date or the Expiration Date of the Option or, if the Optionee's employment with ManTech was terminated by ManTech for Cause (as defined in Section 12 hereof) the earlier of five (5) days following such date or the Expiration Date of the Option.

C. In the event Optionee is serving as a director, upon the date of termination of the Optionee's service as a director for any reason other than the death or disability, the Option shall be exercisable by the Optionee for a period commencing on the date of termination of the Optionee's service as a director and expiring on the earlier of twelve (12) months following the date of termination of Optionee's service as a director and the Expiration Date of the Option.

5. RESTRICTIONS ON RESALES OF OPTION SHARES

ManTech may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Optionee or other subsequent transfers by the Optionee of any shares of Common Stock issued as a result of the exercise of the Option, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Optionee and other optionholders and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

6. INCOME TAXES

To the extent required by applicable federal, state, local or foreign
law, the Optionee shall make arrangements satisfactory to ManTech for the satisfaction of any withholding tax obligations that arise by reason of an Option exercise or disposition of shares issued as a result of an Option exercise. ManTech shall not be required to issue shares or to recognize the disposition of such shares until such obligations are satisfied.

7. NON-TRANSFERABILITY OF OPTION

Unless otherwise provided by the Committee, the Optionee may not assign or transfer the Option to anyone other than by will or the laws of descent and distribution and the Option shall be exercisable only by the Optionee during his or her lifetime. ManTech may cancel the Optionee's Option if the Optionee attempts to assign or transfer it in a manner inconsistent with this Section 7.

8. THE PLAN AND OTHER AGREEMENTS

In addition to these Terms and Conditions, the Option shall be subject to the terms of the Plan, which are incorporated into these Standard Terms and Conditions by this reference. Certain capitalized terms not otherwise defined herein are defined in the Plan.

The Term Sheet, these Standard Terms and Conditions and the Plan constitute the entire understanding between the Optionee and ManTech regarding the Option. Any prior agreements, commitments or negotiations concerning the Option are superseded.

9. LIMITATION OF INTEREST IN SHARES SUBJECT TO OPTION

Neither the Optionee (individually or as a member of a group) nor any beneficiary or other person claiming under or through the Optionee shall have any right, title, interest, or privilege in or to any shares of Common Stock allocated or reserved for the purpose of the Plan or subject to the Term Sheet or these Standard Terms and Conditions except as to such shares of Common Stock, if any, as shall have been issued to such person upon exercise of the Option or any part of it. Nothing in the Plan, in the Term Sheet, these Standard Terms and Conditions or any other instrument executed pursuant to the Plan shall confer upon the Optionee any right to continue in ManTech's employ or service nor limit in any way ManTech's right to terminate the Optionee's employment at any time for any reason.

10. NOTICES

All notices, requests, demands and other communications pursuant to these Standard Terms and Conditions shall be in writing and shall be deemed to have been duly given if personally delivered, telexed or teledcopied to, or, if mailed, when received by, the other party at the following addresses (or at such other address as shall be given in writing by either party to the other):

If to ManTech to:
ManTech International Corporation
12015 Lee Jackson Highway
Fairfax, VA 22033
Attention: Chief Financial Officer
Fax: (703) 218-6001

with a copy to:
ManTech International Corporation
12015 Lee Jackson Highway
Fairfax, VA 22033
Attention: Legal Compliance
Fax: (703) 218-8398
11. GENERAL

In the event that any provision of these Standard Terms and Conditions is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of these Standard Terms and Conditions shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision.

The headings preceding the text of the sections hereof are inserted solely for convenience of reference, and shall not constitute a part of these Standard Terms and Conditions, nor shall they affect its meaning, construction or effect.

These Standard Terms and Conditions shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, beneficiaries, successors and assigns.

All questions arising under the Plan or under these Standard Terms and Conditions shall be decided by the Committee in its total and absolute discretion. In the event the Optionee or other holder of an Option believes that a decision by the Committee with respect to such person was arbitrary or capricious, the Optionee or other optionholder may file suit in state court in the Commonwealth of Virginia. The review by the court shall be limited to determining whether the Committee's decision was arbitrary or capricious. This lawsuit shall be the sole and exclusive review permitted of the Committee's decision.

12. DEFINITIONS

For purposes of this Agreement, the terms set forth below shall have the following meanings:

A. "Cause" means the commission of an act of fraud or theft against ManTech; conviction for any felony; conviction for any misdemeanor involving moral turpitude which might, in ManTech’s opinion, cause embarrassment to ManTech; significant violation of any material ManTech policy; willful or repeated non-performance or substandard performance of material duties which is not cured within thirty (30) days after written notice thereof to the Optionee; or violation of any material Virginia, state or federal laws, rules or regulations in connection with or during performance of the Optionee's work which, if such violation is curable, is not cured within thirty (30) days after notice thereof to the Optionee.

B. "Termination of employment" shall mean ceasing to serve as a full time employee of ManTech, except that an approved leave of absence or approved employment on a less than full time basis may constitute employment unless the Committee provides otherwise. The Committee shall determine whether any corporate transaction, such as a sale or spin-off of a division, business unit, joint venture or Subsidiary that employs an Optionee, shall be deemed to result in a termination of employment with ManTech for purposes of any affected Optionee's Options, and the Committee's decision shall be final and binding.
C. "Subsidiary" means any corporation in which ManTech owns, directly or indirectly, stock possessing 50% or more of the total combined voting power of all classes of stock in such corporation.
FOR GOOD AND VALUABLE CONSIDERATION, ManTech International Corporation, a Delaware corporation (the "Company"), hereby grants to Optionee named below the incentive stock option (the "Option") to purchase any part or all of the number of shares of its Class A Common Stock, $0.01 par value (the "Common Stock"), that are covered by this Option, as specified below, at the Exercise Price per share specified below and upon the terms and subject to the conditions set forth in this Term Sheet, the Plan specified below (the "Plan") and the Standard Terms and Conditions (the "Standard Terms and Conditions") promulgated under such Plan, each as amended from time to time. This Option is granted pursuant to the Plan and is subject to and qualified in its entirety by the Standard Terms and Conditions.

The Plan: This Option is granted pursuant to ManTech's Management Incentive Plan.

Name of Optionee: 

Social Security Number: 

Grant Date: 

Number of Shares of Common Stock covered by Option: 

Exercise Price Per Share: $ 

Expiration Date: 

Vesting Schedule: [At the Committee's discretion] 

This Option is intended to qualify as an incentive stock option under Section 422 of the Internal Revenue Code of 1986, as amended, to the extent specified in the Standard Terms and Conditions. By accepting this Term Sheet, Optionee acknowledges that he or she has received and read, and agrees that this Option shall be subject to, the terms of this Term Sheet, the Plan and the Standard Terms and Conditions.

MANTECH INTERNATIONAL CORPORATION

Optionee Signature

By 

Title: Address (please print): 

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These Standard Terms and Conditions apply to any Options granted under the Management Incentive Plan of ManTech International Corporation (the "Plan"), which are identified as incentive stock options and are evidenced by a Term Sheet or an action of the Committee that specifically refers to these Standard Terms and Conditions.

1. TERMS OF OPTION

MANTECH INTERNATIONAL CORPORATION, a Delaware corporation ("ManTech"), has granted to the Optionee named in the Term Sheet provided to said Optionee herewith (the "Term Sheet") an incentive stock option (the "Option") to purchase up to the number of shares of ManTech's Class A Common Stock, $0.01 par value per share (the "Common Stock"), set forth in the Term Sheet, at the purchase price per share and upon the other terms and subject to the conditions set forth in the Term Sheet, these Standard Terms and Conditions (as amended from time to time), and the Plan. For purposes of these Standard Terms and Conditions and the Term Sheet, any reference to ManTech shall include a reference to any Subsidiary.

2. EXERCISE OF OPTION

The Option shall not be exercisable as of the Grant Date set forth in the Term Sheet. After the Grant Date, to the extent not previously exercised, and subject to termination or acceleration as provided in these Standard Terms and Conditions and the Plan, the Option shall be exercisable to the extent it becomes vested, as described in the Term Sheet, to purchase up to that number of shares of Common Stock as set forth in the Term Sheet provided that (except as set forth in Section 3.C. below) Optionee remains employed with ManTech and does not experience a termination of employment. The vesting period and/or exercisability of an Option may be adjusted by the Committee to reflect the decreased level of employment during any period in which the Optionee is on an approved leave of absence or is employed on a less than full time basis, provided that the Committee may take into consideration any accounting consequences to ManTech or in making any such adjustment and shall inform the Optionee of any effects to the Option's qualification as an Incentive Stock Option of any such adjustment and of such approved leave of absence or less than full time employment.

To exercise the Option (or any part thereof), Optionee shall deliver to ManTech a "Notice of Exercise" on a form specified by the Committee, specifying the number of whole shares of Common Stock Optionee wishes to purchase and how Optionee's shares of Common Stock should be registered (in Optionee's name only or in Optionee's and Optionee's spouse's names as community property or as joint tenants with right of survivorship).

The exercise price (the "Exercise Price") of the Option is set forth in the Term Sheet. ManTech shall not be obligated to issue any shares of Common Stock until Optionee shall have paid the total Exercise Price for that number of shares of Common Stock. The Exercise Price may be paid in cash or by certified or cashiers' check. In addition, the Committee may permit the Exercise Price to be paid:

A. by payment under an arrangement with a broker where payment is made pursuant to an irrevocable commitment by a broker to deliver in the future all or part of the proceeds from the sale of the Option shares to ManTech,

B. by tendering (either physically or by attestation) shares of Common Stock owned by the Optionee and having a fair market value on the date of exercise equal to the Exercise Price but only if such will not result in an accounting charge to ManTech, or
Fractional shares may not be exercised. Shares of Common Stock will be issued as soon as practical after exercise. Notwithstanding the above, ManTech shall not be obligated to deliver any shares of Common Stock during any period when ManTech determines that the exercisability of the Option or the delivery of shares hereunder would violate any federal, state or other applicable laws.

3. EXPIRATION OF OPTION

Except as provided in this Section 3, the Option shall expire and cease to be exercisable as of the Expiration Date set forth in the Term Sheet.

A. Upon the date of a termination of the Optionee's employment as a result of the death or disability of the Optionee, the Option shall become fully exercisable, and shall be exercisable by the Optionee's estate, heir or beneficiary for a period commencing on the date of termination of the Optionee's employment and expiring upon the earlier of twelve (12) months following the date of termination of the Optionee's employment or the Expiration Date of the Option.

B. Upon the date of a termination of the Optionee's employment with ManTech for any reason other than the death or disability of the Optionee, and except as otherwise provided under paragraph (C) of this Section 3, (i) any part of the Option that is unexercisable as of such termination date shall remain unexercisable and shall terminate as of such date, and (ii) any part of the Option that is exercisable as of such termination date shall expire the earlier of ninety (90) days following such date or the Expiration Date of the Option or, if the Optionee's employment with ManTech was terminated by ManTech for Cause (as defined in Section 11 hereof) the earlier of five (5) days following such date or the Expiration Date of the Option.

C. In the event Optionee is serving as a director, upon the date of termination of the Optionee's service as a director for any reason other than the death or disability, the Option shall be exercisable by the Optionee for a period commencing on the date of termination of Optionee's service as a director and expiring the earlier of twelve (12) months following the date of termination of Optionee's service as a director and the Expiration Date of the Option.

4. RESTRICTIONS ON RESALES OF OPTION SHARES

ManTech may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Optionee or other subsequent transfers by the Optionee of any shares of Common Stock issued as a result of the exercise of the Option, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Optionee and other optionholders and (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

5. INCOME TAXES

To the extent required by applicable federal, state, local or foreign law, the Optionee shall make arrangements satisfactory to ManTech for the satisfaction of any withholding tax obligations that arise by reason of an Option exercise or disposition of shares issued as a result of an Option exercise. ManTech shall not be required to issue
shares or to recognize the disposition of such shares until such obligations are satisfied.

The Option is intended to qualify as an incentive stock option under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), and will be interpreted accordingly. Section 422 of the Code provides, among other things, that the Optionee shall not be taxed upon the exercise of a stock option that qualifies as an incentive stock option provided the Optionee does not dispose of the shares of Common Stock acquired upon exercise of such option until the later of two years after such option is granted to the Optionee and one year after such option is exercised. Notwithstanding anything to the contrary herein, Section 422 of the Code provides that incentive stock options (including, possibly, the Option) shall not be treated as incentive stock options if and to the extent that the aggregate fair market value of shares of Common Stock (determined as of the time of grant) with respect to which such incentive stock options are exercisable for the first time by the Optionee during any calendar year (under all plans of ManTech and its subsidiaries) exceeds $100,000, taking options into account in the order in which they were granted. Thus, if and to the extent that any shares of Common Stock issued under a portion of the Option exceeds the foregoing $100,000 limitation, such shares shall not be treated as issued under an incentive stock option pursuant to Section 422 of the Code.

6. NON-TRANSFERABILITY OF OPTION

Unless otherwise provided by the Committee, the Optionee may not assign or transfer the Option to anyone other than by will or the laws of descent and distribution and the Option shall be exercisable only by the Optionee during his or her lifetime. ManTech may cancel the Optionee's Option if the Optionee attempts to assign or transfer it in a manner inconsistent with this Section 6.

7. THE PLAN AND OTHER AGREEMENTS

In addition to these Terms and Conditions, the Option shall be subject to the terms of the Plan, which are incorporated into these Standard Terms and Conditions by this reference. Certain capitalized terms not otherwise defined herein are defined in the Plan.

The Term Sheet, these Standard Terms and Conditions and the Plan constitute the entire understanding between the Optionee and ManTech regarding the Option. Any prior agreements, commitments or negotiations concerning the Option are superseded.

8. LIMITATION OF INTEREST IN SHARES SUBJECT TO OPTION

Neither the Optionee (individually or as a member of a group) nor any beneficiary or other person claiming under or through the Optionee shall have any right, title, interest, or privilege in or to any shares of Common Stock allocated or reserved for the purpose of the Plan or subject to the Term Sheet or these Standard Terms and Conditions except as to such shares of Common Stock, if any, as shall have been issued to such person upon exercise of the Option or any part of it. Nothing in the Plan, in the Term Sheet, these Standard Terms and Conditions or any other instrument executed pursuant to the Plan shall confer upon the Optionee any right to continue in ManTech's employ or service nor limit in any way ManTech's right to terminate the Optionee's employment at any time for any reason.

9. NOTICES

All notices, requests, demands and other communications pursuant to these Standard Terms and Conditions shall be in writing and shall be deemed to have been duly given if personally delivered, telexed or teledcopied to, or, if mailed, when received by, the other party at the following addresses (or at such other address as shall be given in...
writing by either party to the other):

ManTech International Corporation
12015 Lee Jackson Highway
Fairfax, VA 22033
Attention: Chief Financial Officer
Fax: (703) 218-6001

with a copy to:

ManTech International Corporation
12015 Lee Jackson Highway
Fairfax, VA 22033
Attention: Legal Compliance
Fax: (703) 218-8398

If to the Optionee, to the address set forth below the Optionee's signature on the Term Sheet.

10. GENERAL

In the event that any provision of these Standard Terms and Conditions is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of these Standard Terms and Conditions shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision.

The headings preceding the text of the sections hereof are inserted solely for convenience of reference, and shall not constitute a part of these Standard Terms and Conditions, nor shall they affect its meaning, construction or effect.

These Standard Terms and Conditions shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, beneficiaries, successors and assigns.

All questions arising under the Plan or under these Standard Terms and Conditions shall be decided by the Committee in its total and absolute discretion. In the event the Optionee or other holder of an Option believes that a decision by the Committee with respect to such person was arbitrary or capricious, the Optionee or other optionholder may file suit in state court in the Commonwealth of Virginia. The review by the court shall be limited to determining whether the Committee's decision was arbitrary or capricious. This lawsuit shall be the sole and exclusive review permitted of the Committee's decision.

11. DEFINITIONS

For purposes of this Agreement, the terms set forth below shall have the following meanings:

A. "Cause" means the commission of an act of fraud or theft against ManTech; conviction for any felony; conviction for any misdemeanor involving moral turpitude which might, in ManTech's opinion, cause embarrassment to ManTech; significant violation of any material Company policy; willful or repeated non-performance or substandard performance of material duties which is not cured within thirty (30) days after written notice thereof to the Optionee; or violation of any material Virginia, state or federal laws, rules or regulations in connection with or during performance of the Optionee's work which, if such violation is curable, is not cured within thirty (30) days after notice thereof to the Optionee.
B. "Termination of employment" shall mean ceasing to serve as a full time employee of ManTech, except that an approved leave of absence or approved employment on a less than full time basis may constitute employment unless the Committee provides otherwise. The Committee shall determine whether any corporate transaction, such as a sale or spin-off of a division, business unit, joint venture or Subsidiary that employs an Optionee, shall be deemed to result in a termination of employment with ManTech for purposes of any affected Optionee's Options, and the Committee's decision shall be final and binding. In the event that the Committee determines that any such transaction does not constitute a termination of employment for purposes of an affected Optionee's Options, such Option may nevertheless cease to qualify as an Incentive Stock Option pursuant to the Code and by accepting the Option the Optionee agrees in advance to any such disqualification.

C. "Subsidiary" means any corporation in which ManTech owns, directly or indirectly, stock possessing 50% or more of the total combined voting power of all classes of stock in such corporation.
INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Amendment No. 4 to Registration Statement No. 333-73946 of ManTech International Corporation of our report dated November 16, 2001, except for Note 8, as to which the date is December 17, 2001, appearing in the Prospectus, which is part of this Registration Statement, and of our report dated November 16, 2001, relating to the financial statement schedule appearing elsewhere in this Registration Statement.

We also consent to the reference to us under the heading "Experts" in such Prospectus.

DELOITTE & TOUCHE LLP
McLean, Virginia
February 1, 2002
CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in this Registration Statement on Form S-1 of our reports dated April 26, 1999, except for Note 16, as to which the date is June 7, 1999 and Note 15, as to which the date is November 15, 2001, relating to the consolidated financial statements and financial statement schedule of ManTech International Corporation, which appear in such Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

PricewaterhouseCoopers LLP

McLean, Virginia
February 1, 2002