



# CL King Best Ideas Conference 2008

September 18, 2008

## Cautionary Note about Forward-Looking Statements

Certain statements made by us in this presentation that are not historical facts or that relate to future plans, events or performances are forward-looking statements within the meaning of the federal securities laws. Our actual results may differ materially from those expressed in any forward-looking statements made by us. Forward-looking statements involve a number of risks of uncertainties including, but not limited to, the risks described under the heading “Risk Factors” in the company’s filings with the Securities and Exchange Commission. All forward-looking statements are qualified by those risk factors. All statements made by us in this presentation are further qualified in all respects by the information disclosed in the company’s filings with the Securities and Exchange Commission. These statements are only predictions. We are under no duty to update or revise any forward-looking statements to conform such statements to actual results or events, and do not intend to do so.

# ICF International: Overview

- Advisory-led consulting and implementation services for government and commercial clients
- Unparalleled domain expertise in dynamic, intersecting growth markets



Energy and Climate Change



Environment & Transportation



Health, Human Services &  
Social Programs



Homeland Security & Defense

- Proprietary modeling solutions
- Long-standing relationships in government and corporate sectors
- Global presence
- Industry-leading personnel retention rates
- Successful acquisition strategy

## ICF: Market Differentiators

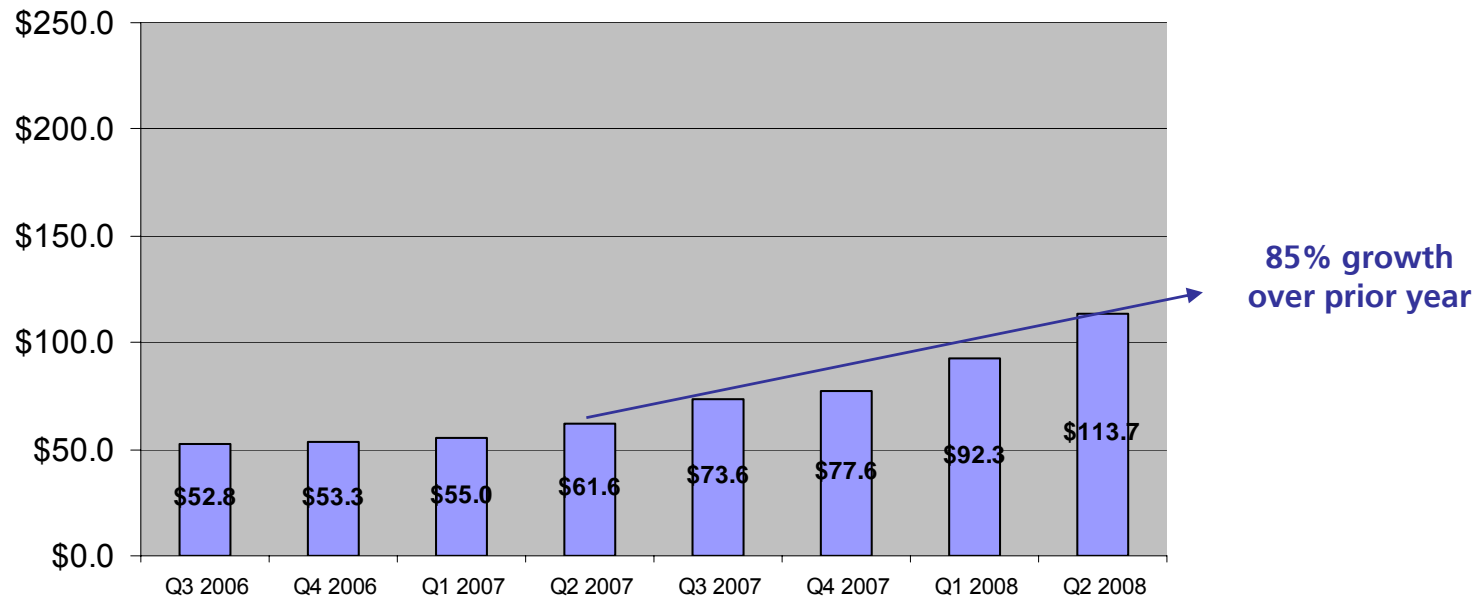
- **Unique Position:** Only professional services firm with large government client base that is focused on domain areas – not generic IT services
- **High Barriers to Entry:** Driven by significant intellectual property, long-standing relationships and institutional memory
- **Significant Growth Potential:** Major opportunities to leverage expertise within government agencies and to significantly expand commercial business
- **Consolidation Platform:** Broader range of acquisition targets available with less competition
- **Client Mix:** Government is the main client with around 80% of revenue

# ICF Background

- Founded in 1969
- Management buy-out in 1999
- Completed two strategic acquisitions in 2005
- IPO in 2006
- June 2006: Awarded 3 year,  $\approx$  \$900 million Louisiana Road Home Contract
  - Largest housing reconstruction program in U.S. history
  - Executing nearly nine months ahead of schedule
  - Revenue contribution through 6/30/08  $\approx$  \$720 million = 114,650 closings

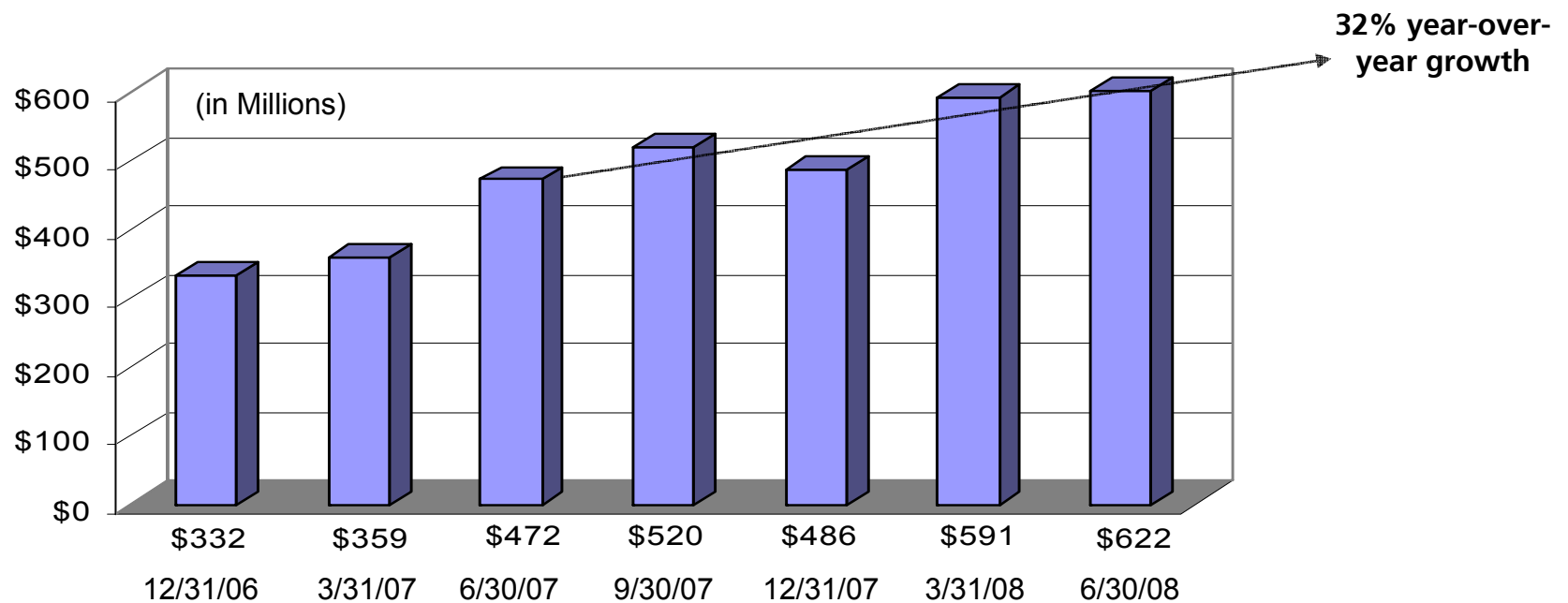
# Revenue Trends: Core Business Momentum

Gross Revenue (in millions)



\* Core Business excludes Road Home Revenue

# Backlog Trends: Core Business Momentum



Total backlog at 6/30/08: \$780 million

New business pipeline  $\approx$  \$1.6 billion

**\*\*Backlog in graph excludes Road Home and SH&E**

# Growth Drivers in ICF's Markets



## Energy & Climate Change

- ◆ Rising energy prices
- ◆ Alternative energy sources
- ◆ Emissions trading
- ◆ \$17 trillion of new capital required by 2030<sup>1</sup>


ICF Consulting Professionals: 400



## Environment & Infrastructure

- ◆ Aging energy, water, and transportation infrastructure
- ◆ Continued environmental degradation and renewed focus on environmental stewardship
- ◆ Annual transportation infrastructure investments of \$90 billion through 2020<sup>2</sup>
- ◆ \$22 billion in environmental consulting/ engineering services spending in 2006

ICF Consulting Professionals: 900



## Health, Human Services & Social Programs

- ◆ Aging population
- ◆ Rising healthcare costs
- ◆ Increased demand for social programs
- ◆ \$133 billion in FY07 federal discretionary health and social services spending

ICF Consulting Professionals<sup>3</sup>: 600



## Defense & Homeland Security

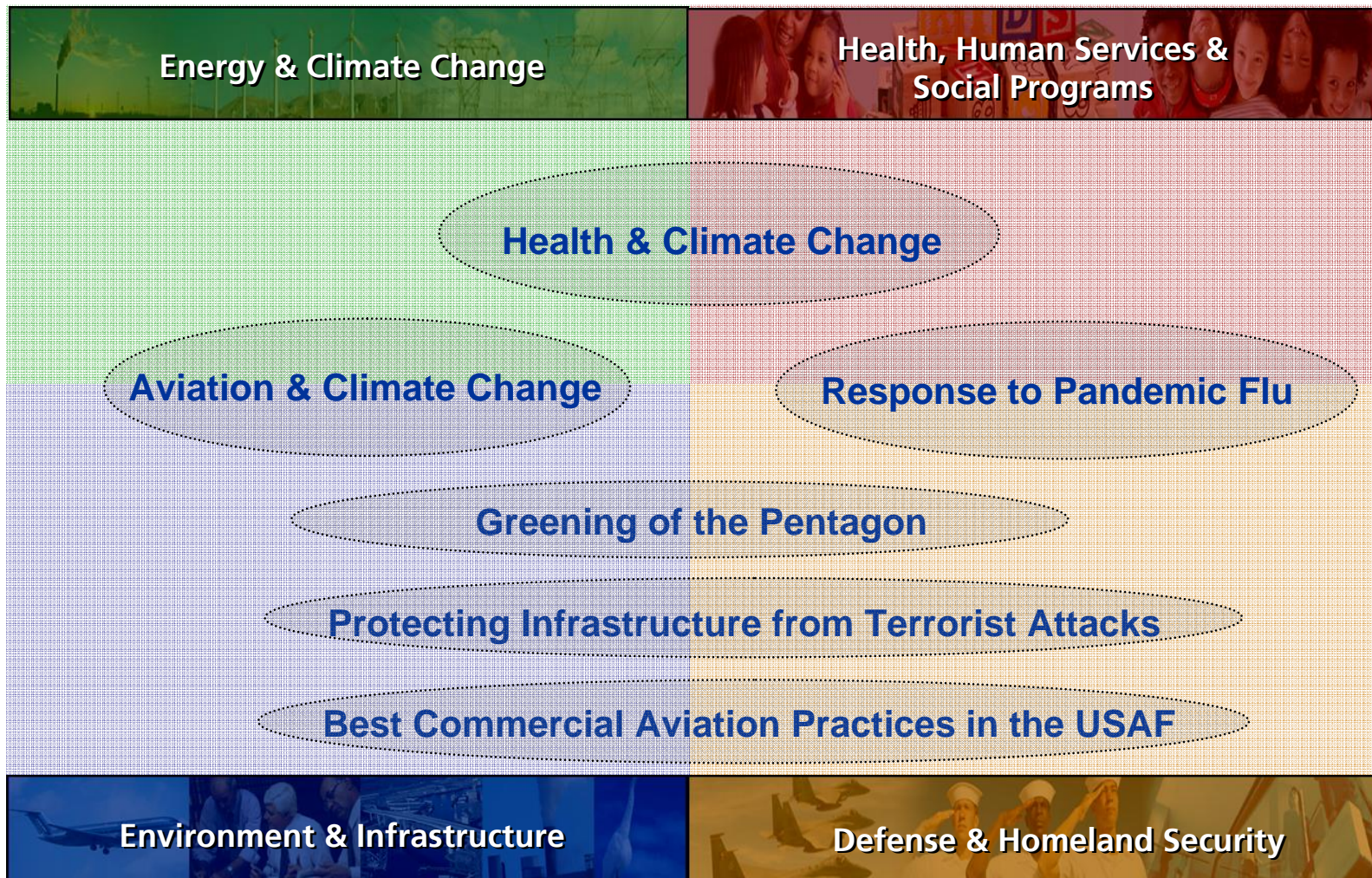
- ◆ Homeland security, terrorism and natural disasters
- ◆ Aging federal workforce
- ◆ \$516 billion proposed FY08 federal discretionary funding for security (defense and homeland security)
- ◆ Defense transformation

ICF Consulting Professionals: 700

1) Source: International Energy Agency, 2) Source: U.S. Department of Transportation, and 3) Excludes State of Louisiana Contract Employees (800) and corporate staff  
 Note: All consulting professional numbers are rounded to the nearest 50



# Market Convergence Leading to Strong Organic Growth



# Advisory-Led Approach throughout the Project Life Cycle

Client Mission and Needs

## Advise

## Implement

## Improve

Energy and Climate Change

Environment & Infrastructure

Health, Human Services & Social Programs

Defense & Homeland Security

- Needs and Market Assessments
- Policy Analysis
- Strategy
- Concept Development
- Planning
- Change Management
- Enterprise Architecture
- Program Design

- IT Solutions
- Project Management
- Program Delivery
- Technical Assistance
- Outsourcing
- Clearinghouses
- Communications
- Training and Exercises

- Program Evaluation
- Transformation
- Continuous Improvement
- Performance Management
- Benchmarking
- Customer Satisfaction
- Business Process Reengineering
- Return on Investment Analysis

# Proprietary Modeling Solutions

- Carbon Emissions Pricing Tool (**InCap™**)
- Emission Reduction Projects (**GHGPortfolio™**)
- Greenhouse Emissions Management (**GEMs®**)
- Investment Rating System for Reducing Emissions (**RESPIRE™**)
- Kyoto Project Risk Management (**K-PRISM™**)
- Integrated Planning Model (**IPM®**)
- Energy Asset Decision Support System (**EADSS™**)
- Gas Market Model (**GMM™**)
- Market Clearing Engine (**MCE**)

Energy and Climate Change

- Urban Airshed Model (**UAM**)
- **CommentWorks®** – E-government Public Participation System
- Ecosystem Diagnosis and Treatment model (**EDT**)

Environment & Infrastructure

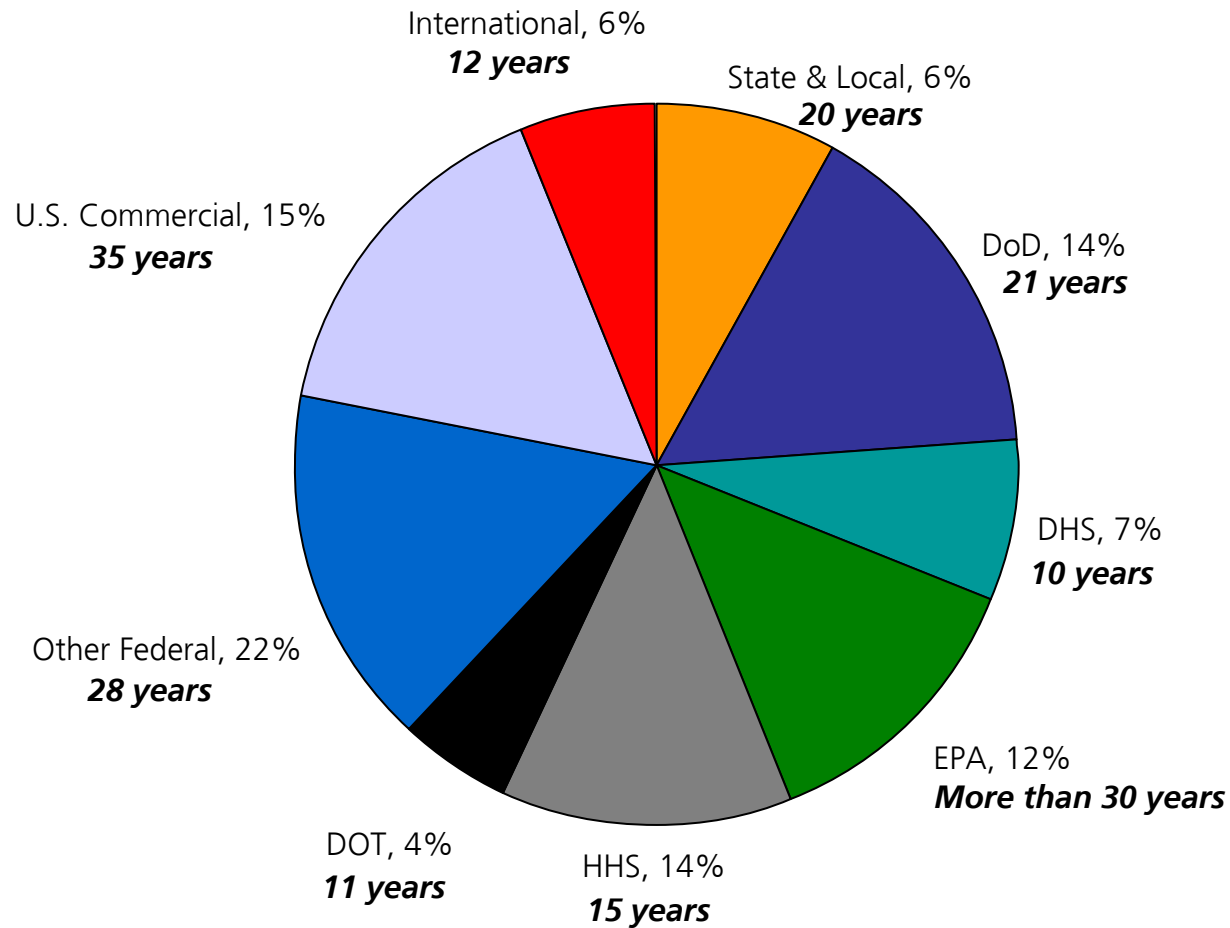
- Regional Collaboration Network (**RCN**)
- Regional Monitoring System (**RMS**)

Health, Human Services & Social Programs

- Lean Portfolio Management (**LPfM™**)
- Logistics Analysis Supportability Assessment Resources (**LASAR**)

Defense & Homeland Security

# Long-standing Client Relationships\*



\* Each segment consists of multiple contracts with clients in each organization

Note: Percentages based on 2007 revenue excluding the Louisiana State Contract

## Highly Qualified Employees/High Retention Rates

### - Core Business -

- Deep subject matter experts – nearly 40% of consulting staff hold post-graduate degrees
- Multi-disciplinary capabilities
- Relevant industry experience
- Over 390 employees hold a US federal government security clearance
- Average tenure of more than 12 years among over 180 senior staff\*
- Low turnover - Annualized turnover of 13.3% in core business based on 6/30/2008 figures

\* Includes time prior to acquisition

# Differentiated Acquisition Strategy



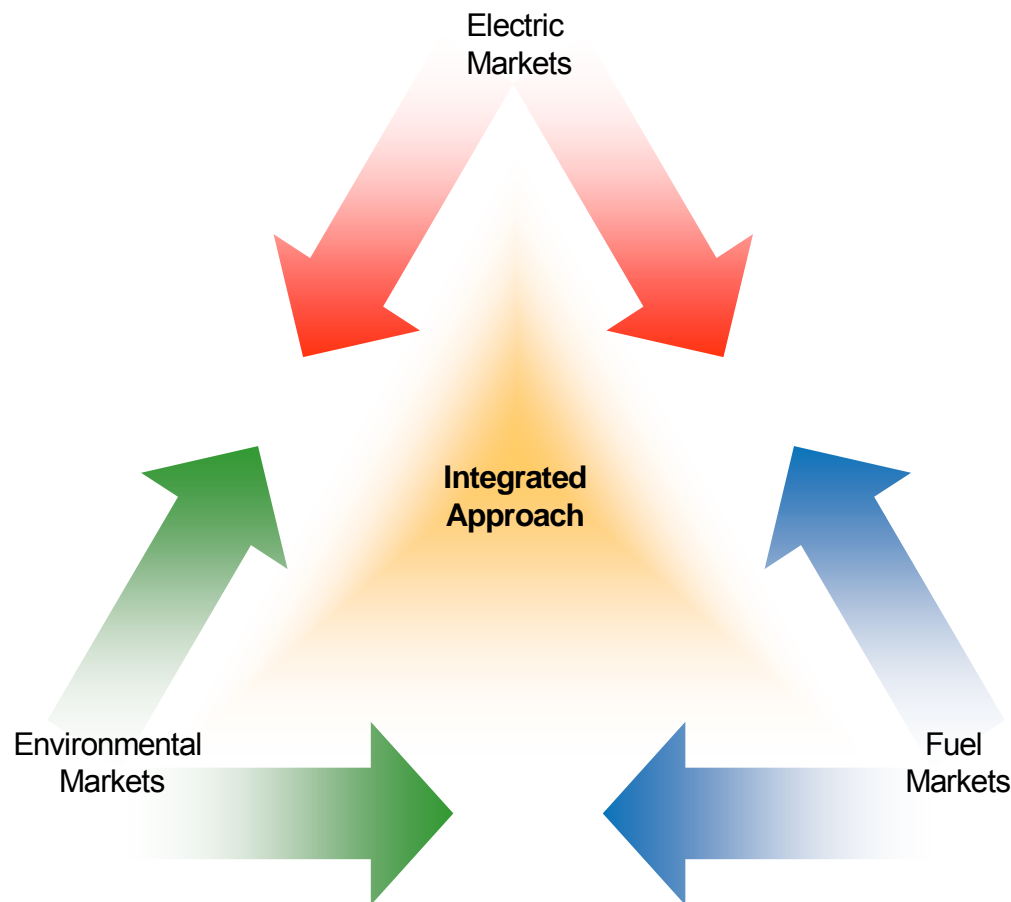
Date	Target	Key Market(s)	Advise	Implement	Improve
May 2002	Global Environment & Risk (Americas) and Public Sector Program Management consulting divisions of Arthur D. Little	<ul style="list-style-type: none"> <li>Environment &amp; Infrastructure</li> <li>Health, Human Services &amp; Social Programs</li> </ul>	←	→	
Jan 2005	Synergy, Inc.	<ul style="list-style-type: none"> <li>Defense &amp; Homeland Security</li> </ul>	←	→	→
Oct 2005	Caliber Associates	<ul style="list-style-type: none"> <li>Health, Human Services &amp; Social Programs</li> </ul>	←	→	→
Jan 2007	Advanced Performance Consulting Group	<ul style="list-style-type: none"> <li>Defense &amp; Homeland Security</li> </ul>	←	→	
Jan 2007	Energy & Environmental Analysis, Inc.	<ul style="list-style-type: none"> <li>Energy and Infrastructure and Environment</li> </ul>	←	→	→
June 2007	Z-Tech	<ul style="list-style-type: none"> <li>Health, Human Services &amp; Social Programs</li> </ul>	←	→	→
Dec 2007	SH&E	<ul style="list-style-type: none"> <li>Environment &amp; Infrastructure</li> </ul>	←	→	
Feb 2008	Jones & Stokes	<ul style="list-style-type: none"> <li>Environment &amp; Infrastructure</li> </ul>	←	→	→

# Energy and Climate: The Issue of the 21<sup>st</sup> Century

## ICF's Leadership

- World-class energy practice
  - 35 years experience
  - Extensive intellectual property
  - Trusted by industry and government
- Award winning climate practice
  - Leading consultants to government and industry
  - Over 20 years experience
  - Wrote the book(s)
- In-depth expertise
  - Power
  - Fuels
  - Climate policy and strategy
  - Energy efficiency and renewables

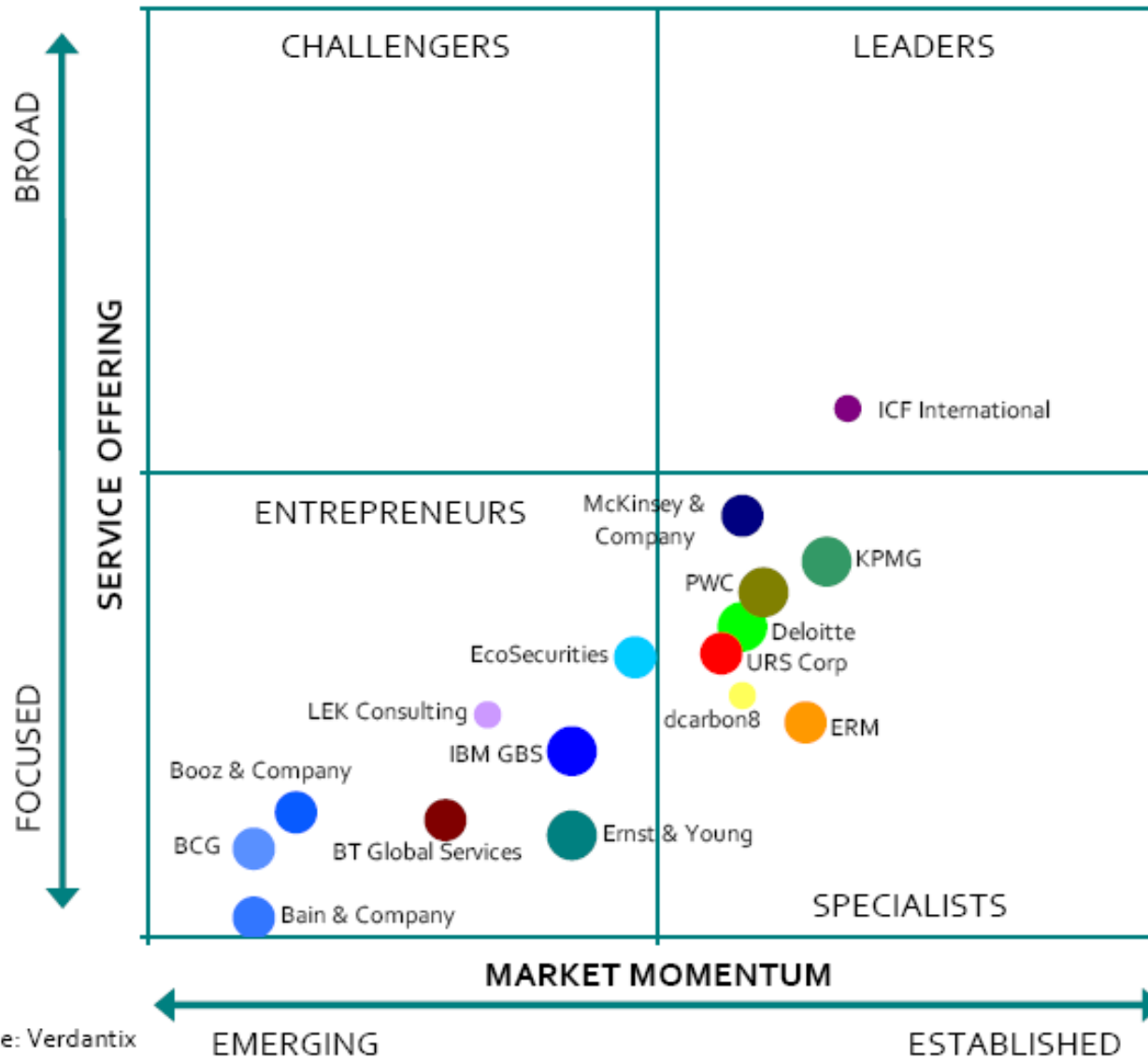
# ICF's Integrated Approach to Electric, Fuel, and Environmental Markets



- To develop a meaningful assessment of wholesale power, transmission, fuel, or emissions markets, one must have an integrated view of these markets.
- That core view is reflected in how ICF is organized and in the analytical tools that we have developed.
- We have expertise in each of these key markets and an analytical platform, the Integrated Planning Model (IPM<sup>®</sup>) that integrates our expertise into a unified vision of markets going forward.



## Independent Research Recommends ICF's Climate Change Market Offerings



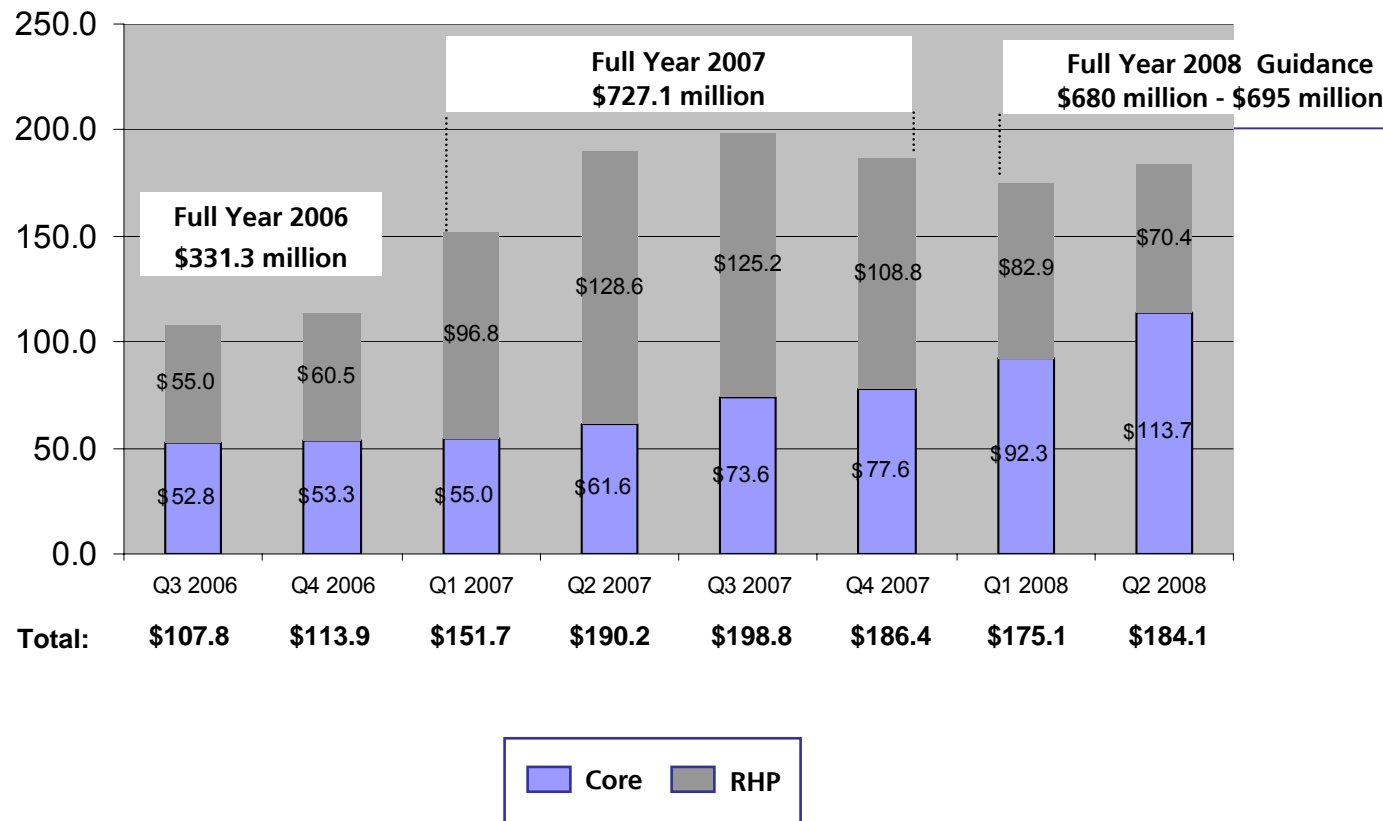
Source: Verdantix

### Key Conclusions of Verdantix Green Quadrant™ Climate Study Research:

- ICF leads the market
- Broader service offering than competitors
- Wider range of named customer references
- Recommended for several services

# Revenue Trends

Gross Revenue (in millions)



## P & L Highlights

	Q2' 08	2008(E)	2007	2006
<b>EBITDA</b> (in millions)	\$17.9	\$61.2 - \$69.5	\$76.8	\$26.5
<b>EBITDA margin</b>	9.7%	9% -10%	10.6%	8%
<b>Diluted EPS</b>	\$.52	\$1.85 - \$1.92	\$2.72	\$1.10
<b>Weighted average shares outstanding- diluted</b>	15.2	15.3	14.9	10.8

- ◆ Annualized core business run rate ≈ \$455 million at 6/30/08
- ◆ Third quarter 2008 revenues expected to be \$170 million to \$175 million; EBITDA margin of ≈ 9.5% and diluted EPS of ≈ \$0.45 on 15.3 million weighted average shares outstanding

## Balance Sheet Highlights

<b>(\$ 000's)</b>	<b>6/30/08</b>	<b>12/31/07</b>
<b>Cash &amp; Equivalents</b>	\$2,018	\$2,733
<b>Working Capital</b>	\$59,044	\$37,470
<b>Total Assets</b>	\$404,116	\$393,025
<b>Long-term Debt</b>	\$92,896	\$47,079
<b>Stockholders' Equity</b>	\$185,959	\$164,791

## Creating a Highly-Profitable Core Business

- **Leverage:** Utilizing proven ability to execute on large projects to win more end-to-end contracts
- **Visibility:** Building upon the stability of government contract work/backlog to serve higher-margin corporate clients
- **Recruiting:** Adding consulting professionals with expertise in targeted markets
- **Expense Management:** Maintaining optimal cost structure
- **Acquisitions:** Strengthening the business through strategic acquisitions of firms with positive EBITDA trends