ICF International, Inc.
Form DEF 14A
April 30, 2007

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of

the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

ICF International, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

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(1) Amount Previously Paid:

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LETTER TO STOCKHOLDERS

ICF International 2006 Annual Report

Message from the Chairman

On behalf of ICF International and our staff of more than 2,000 employees worldwide, I am pleased to present our first annual report as a public company.

This has been a very exciting period for our company, and we look forward to taking full advantage of opportunities to leverage the extensive domain expertise that ICF has developed over the past 38 years. In particular, we believe that our company is well-positioned to benefit from what we believe to be the most favorable market trends the company has seen in many years, including:

- *growing global interest in climate change issues and methods to reduce carbon emissions*
- *continued growth in U.S. federal and state efforts to improve homeland security*
- *challenges of developing and implementing healthcare solutions*
- *increasing U.S. federal interest in establishing and maintaining information clearinghouses in government and industry*
- *significant requirements for human capital and business transformation services in U.S. government agencies*

In order to address these and other significant market opportunities, we have moved forward with strategic and financial plans that we believe give ICF important competitive advantages.

STRATEGY:

ICF is executing a two-pronged growth plan. The cornerstone of our strategy is to accelerate our organic growth by winning larger enterprise-wide assignments and to use our valuable business development dollars more efficiently and effectively. We already have begun this effort by providing end-to-end solutions to our customers. This means that we will work on solving client problems all the way from developing the advisory framework for the solution, to implementing our recommendations, and then improving upon the solution as we get the results. We intend to continue to leverage our strong client relationships at the advisory level to win additional long-term, enterprise-wide implementation assignments. This strategy has served ICF well. In mid-2006, ICF won The Road Home Program contract in Louisiana the largest award in the firm s history.

The second component of our strategy is to expand and strengthen the breadth and depth of ICF s professional services by acquiring businesses that are highly regarded in markets we understand. In 2006, we successfully completed integrating two acquisitions from 2005 Synergy, Inc. and Caliber Associates, Inc. Synergy added significantly to our presence in the U.S. Air Force market, and Caliber gave us a substantial footprint in the U.S. Department of Health and Human Services, U.S. Department of Education, and U.S. Department of Justice. Although ICF was active in these markets, the Synergy and Caliber acquisitions expanded our presence in these U.S. government agencies. Last year,

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LETTER TO STOCKHOLDERS

we negotiated two small yet strategic acquisitions that were completed in January 2007. The first, Energy and Environmental Analysis, Inc., specializes in energy market analyses and environmental advisory services, especially global natural gas markets, complementing our existing commercial and governmental offerings. The second, Advanced Performance Consulting Group, provides specialized services in strategic planning to U.S. government agencies and enhances our end-to-end solution offerings.

FINANCIAL STRUCTURE:

Over the past year, we have grown our business significantly and increased profitability. ICF s fully diluted earnings per share increased from $.21 in 2005 to $1.10 in 2006. Our revenues rose from $177 million in 2005 to $331 million in 2006, and we generated $17.5 million in cash from operations. The company successfully concluded an initial public offering of our stock, which began trading on the NASDAQ national market on September 28, 2006 under the symbol ICFI. We raised aggregate proceeds of $46.4 million net of expenses by offering 4,359,948 shares, including an over-allotment option of 700,500 shares that was exercised. These resources, together with the cash generated from the business, enabled us to repay our debt in full by the end of 2006 and retain substantial financial capacity for investment and potential acquisitions.

OUR EMPLOYEES:

ICF s success has been due largely to the unwavering commitment and extraordinary dedication of our employees to do an outstanding job for clients. In turn, the company s commitment to its employees and its reputation as a great place to work continue to be reflected in our relatively low turnover of personnel, the exceptionally long tenure of our senior staff, and our ability to attract and recruit the best and the brightest talent from outside the firm. In fact, in a 2006 *Consulting Magazine* survey of The 10 Best Firms to Work For, ICF placed in the top 10 in three categories. In addition, ICF was honored by *Environmental Finance* magazine in 2006 as the Best Carbon Advisory Company in three categories: European Union Emissions Trading Scheme, North American Greenhouse Gas Market, and Kyoto Project Credits.

CONTRACT AWARDS:

ICF s largest 12 contract wins in 2006 have an aggregate value of close to $1 billion over their contract life.

They include:

- The three-phase Louisiana Housing Management Services contract valued at up to $756 million over three years. After a four-month start-up phase in which statewide housing centers and a pilot program were established, ICF and its team of more than 20 companies moved into the production phase of this contract in October 2006.

- A $45 million contract with the U.S. Department of Justice, Office of Justice Programs, to help strengthen the capacity of federal, state, and local programs to prevent delinquency and support victims of crime.

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LETTER TO STOCKHOLDERS

A $32 million contract with the U.S. Environmental Protection Agency (EPA) to manage the Environmental Services Assistance Team program providing on-site analytical support at EPA s Regional Laboratory in Richmond, California.

A $31 million contract with the U.S. Department of Health and Human Services (HHS), Administration on Children, Youth, and Families, to further develop and manage Children s Bureau information clearinghouse services in the areas of child abuse and neglect, child welfare, and adoption.

A $20 million contract, also with HHS, to continue to develop the National Child Care Information and Technical Assistance Center, dedicated to enhancing the quality, affordability, and availability of child care for all families.

A $16.5 million contract with the EPA, Office of Solid Waste to provide technical, outreach, and voluntary program support regarding hazardous, industrial, municipal, and special wastes.

A $14 million contract to continue our 15-year support of the EPA s ENERGY STAR® program. ICF provides technical and analytical support to the labeling and residential aspects of the program to reduce greenhouse gas emissions by identifying and labeling energy-efficient products in the marketplace.

An $11.5 million subcontract to The Pennsylvania State University to establish a mid-Atlantic regional laboratory for research into best educational practices and to coordinate all 10 regional labs for the U.S. Department of Education.

Four additional contracts with EPA valued at $40 million are for programs designed to reduce greenhouse gas emissions for cleaner air, assist in mitigating the air pollution from motor vehicles, enhance environmental stewardship across all industrial sectors, and support EPA s stratospheric ozone protection initiatives.

In addition to these larger contracts, we also secured numerous smaller multimillion dollar contracts that we believe are strategically significant and reaffirm our leadership in important growth markets. For example, we were awarded:

A contract to serve as a manager of the new Multilateral Carbon Credit Fund launched by the European Bank for Reconstruction and Development and the European Investment Bank. During this new seven-year contract, ICF will help develop a portfolio of carbon credit projects. This win continues to demonstrate our leadership in carbon management and global climate change issues.

The first $2 million task order under a new HHS blanket purchase agreement to support the expansion of department capabilities in public health and medical response operations.

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LETTER TO STOCKHOLDERS

A contract worth up to $2.5 million with the U.S. Department of Homeland Security, Transportation Security Administration, for the Registered Traveler Program to document and establish program standards.

OUR FUTURE:

As we move forward, ICF will continue to address many of the most important challenges of our time helping clients develop new approaches to energy supply and demand issues on a global basis; tackling the impact of global climate change and implementing carbon trading solutions; addressing the increased demand for human and social services in an era of an aging U.S. federal workforce and increased budget constraints; and enhancing the homeland security of the United States and its allies. We are confident that these markets will provide growth opportunities for the right firms, and that ICF is one of those firms. Our employees have the passion and expertise to tackle these complex issues and deliver the results that our clients demand.

I look forward to keeping you apprised of our progress.

/s/ Sudhakar Kesavan

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ICF INTERNATIONAL, INC.

9300 Lee Highway

Fairfax, Virginia 22031

Notice of Annual Meeting of Stockholders

to be Held June 1, 2007

The Annual Meeting of Stockholders of ICF International, Inc. will be held at ICF International, 9300 Lee Highway, Fairfax, Virginia 22031, on June 1, 2007, at 10:00 a.m., for the following purposes:

1. To elect two directors for terms expiring in 2010;

2. To ratify the selection of Grant Thornton LLP as our independent registered public accounting firm for fiscal year 2007; and

3. To transact any other business that is properly brought before the meeting or any adjournment.

Stockholders of record at the close of business on April 16, 2007 are entitled to notice of and to vote at the meeting. This proxy statement and the accompanying proxy will be sent to stockholders by mail on or about May 1, 2007.

We cordially invite you to attend the meeting. To ensure your representation at the meeting, please vote promptly by following the instructions on the enclosed proxy or voting instruction card, even if you plan to attend the meeting. Mailing your completed proxy or voting instruction card will not prevent you from voting in person at the meeting if you wish to do so.

Thank you for your cooperation and continued support of ICF International, Inc.

By Order of the Board of Directors

/s/ Judith B. Kassel

Judith B. Kassel, *Secretary*

Fairfax, Virginia

May 1, 2007

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PROXY STATEMENT

for

ANNUAL MEETING OF STOCKHOLDERS

of

ICF INTERNATIONAL, INC.

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ICF INTERNATIONAL, INC.

PROXY STATEMENT

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of ICF International, Inc. (ICF International or the Company) to be used at the annual meeting of stockholders of the Company. The annual meeting will be held at 9300 Lee Highway, Fairfax, Virginia 22031 on June 1, 2007 at 10:00 a.m., local time. This proxy statement and enclosed proxy card are being first mailed to stockholders of record on or about May 1, 2007.

ICF International provides management, technology and policy consulting and implementation services primarily to the government, as well as to commercial and international clients. We held an initial public offering of our shares of common stock in 2006. Our common stock began trading on the Nasdaq Global Select Market under the symbol ICFI on September 28, 2006, and we closed the initial public offering on October 3, 2006. We use the term CMEP to refer to our principal stockholder, CM Equity Partners, L.P. and its affiliated partnerships that hold shares of our common stock. CMEP was the principal selling stockholder in our initial public offering.

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VOTING AND MEETING INFORMATION

What is the purpose of the annual meeting?

At our annual meeting, you will be asked to:

- elect two directors to serve for terms expiring at our annual meeting in 2010;
- ratify the appointment of Grant Thornton LLP as our independent registered public accountant; and
- to transact any other business that properly comes before the meeting.

Who is entitled to vote?

Holders of record of our common stock as of the close of business on April 16, 2007 are entitled to vote at the annual meeting. At that time, we had 14,140,140 outstanding shares of common stock. We have no other outstanding classes of stock that are entitled to vote at the annual meeting. Voting stockholders are entitled to one vote per share.

How do I vote?

You may vote in person at the meeting or through a proxy or voting instruction card. To vote by proxy or voting instruction card, you should sign and date each proxy card or voting instruction card you receive and return it in the prepaid envelope.

What if I hold shares indirectly?

If you hold shares in a stock brokerage account or through a bank or other nominee, you are considered to be the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by your broker or nominee. As the beneficial owner, you have the right to direct your broker how to vote. If you do not direct your broker how to vote, your broker is permitted to vote your shares on the election of directors and the appointment of the independent registered public accountant, even if you do not furnish voting instructions.

If your shares are held in street name, your broker or other nominee may have procedures that will permit you to vote by telephone or electronically through the Internet.

Can I change my vote?

You have the right to revoke your proxy at any time before votes are counted at the meeting by:

- notifying us in writing at our corporate offices and to the attention of Judith B. Kassel;
- returning a later-dated proxy card; or
- voting in person at the meeting.

Attendance at the meeting will not in itself constitute revocation of your proxy.

Attending the Meeting

If you are a beneficial owner of ICF International common stock held by a broker, bank or other nominee (i.e., in street name), you will need proof of ownership to be admitted to the meeting. A recent brokerage statement or letter from a bank or broker is an example of proof of ownership. If you want to vote your shares of ICF International common stock held in street name in person at the meeting, you must obtain a written proxy in your name from the broker, bank or other nominee who is the record holder of your shares.

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What are the requirements and procedures for a quorum, abstentions and broker non-votes?

Your shares are counted as present at the meeting if you attend the meeting or if you properly return a proxy by mail. In order for us to vote on matters at the meeting, a majority of our outstanding shares of common stock as of April 16, 2007 must be present in person or by proxy at the meeting. This is referred to as a quorum. Abstentions will be counted for purposes of establishing a quorum at the meeting and will be counted as voting (but not for or against) on the affected proposal. Broker non-votes will be counted for purposes of establishing a quorum but will not be counted as voting. A broker non-vote occurs when a broker, bank or other nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner. If a quorum is not present, the meeting will be adjourned until a quorum is present.

How many votes are needed to elect directors and approve the other proposals?

At this year s annual meeting, stockholders will elect two directors to serve a term of three years. In voting on the election of directors, you may vote in favor of both nominees, withhold votes as to both nominees, or withhold votes as to a specific nominee. There is no cumulative voting for the election of directors. Directors must be elected by a plurality of the votes cast at the annual meeting. This means that the nominees receiving the greatest number of votes will be elected. Votes that are withheld and broker non-votes will have no effect on the outcome of the election.

In voting on the ratification of the appointment of Grant Thornton LLP as the independent registered public accounting firm, you may vote in favor of the proposal, vote against the proposal or abstain from voting. The ratification of Grant Thornton LLP as the independent registered public accounting firm will be decided by the affirmative vote of a majority of the votes cast at the annual meeting. Abstentions and broker non-votes will have no effect on the voting.

How will voting on any other business be conducted?

We currently do not know of any business to be considered at the annual meeting other than the two proposals described in this proxy statement. If any other business is properly presented at the meeting, your signed proxy card gives authority to the named proxies to vote your shares on such matters in their discretion.

Who will count the vote?

Representatives of The Proxy Advisory Group, LLC will tabulate the votes and act as inspectors of election.

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PROPOSAL 1. ELECTION OF DIRECTORS

Our authorized number of directors is presently fixed at six, divided into three classes of two members each. Our directors are elected to serve three-year terms, so that the term of office of one class of directors expires at each annual meeting.

The Board of Directors has nominated the following individuals, each of whom is currently a director, for election as directors for terms expiring at our annual meeting in 2010 or until their respective successors have been elected and qualified.

- Dr. Srikant M. Datar
- Peter M. Schulte

If either of these nominees becomes unavailable for election, the accompanying proxy may be voted for a substitute, or in favor of holding a vacancy to be filled by the directors. We have no reason to believe that either nominee will be unavailable. The accompanying proxy may be voted for up to the number of nominees named and the nominees receiving the largest number of FOR votes will be elected to the director positions to be filled.

The following information is provided regarding each nominee for election as a director and the continuing directors. The age indicated for each individual is as of December 31, 2006.

Nominees for Election as Directors for Terms Expiring in 2010 Class I Directors

Dr. Srikant M. Datar, age 53, has served as a director of ICF since July 2006. Dr. Datar is the Arthur Lowes Dickinson Professor of Business Administration at Harvard University and a Senior Associate Dean at Harvard Business School. Dr. Datar is a Chartered Accountant and has been a professor of accounting and business administration at Harvard since July 1, 1996, previously serving as a professor at Stanford University and Carnegie Mellon University. Dr. Datar is a member of the board of directors of Novartis AG, a holding company organized under Swiss law and publicly traded on the SWX Swiss Stock Exchange and, in the form of American Depositary Shares, NYSE. He has published his papers in several leading academic journals and has consulted with and done field-based research with many large corporations. He has presented his research to managers and executives in North and South America, Europe, Asia and Africa. Dr. Datar received gold medals upon his graduation from the Indian Institute of Management, Ahmedabad, and the Institute of Cost and Works Accountants of India. Dr. Datar received a master s degree in statistics, a master s degree in economics and a Ph.D. in business from Stanford University.

Peter M. Schulte, age 49, has served as a director of ICF since June 1999. Mr. Schulte is a Managing Partner, and was a founder, of private equity firm CM Equity Partners, which invests in established middle market companies and manages private equity funds and investments through its management companies, CMLS Management, L.P. and CM Equity Management, L.P. In addition, Mr. Schulte served as the President, Secretary and a director of ATS Corporation, formerly Federal Services Acquisition Corporation, from April 2005 until January 2007, and continues to serve as a director of ATS Corporation, an engineering services firm serving U.S. federal, state and local government agencies. Related to his private equity investing activities, Mr. Schulte is a director of several companies, including RGS Associates, Inc. and 3001 International, Inc., serving the U.S. Department of Defense and U.S. federal civil agencies. Mr. Schulte received a Bachelor of Arts degree in Government from Harvard College and a Masters in Public and Private Management from the Yale School of Management.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE **FOR** BOTH NOMINEES.

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Directors Whose Term of Office Expires in 2008   Class II Directors

Dr. Edward H. Bersoff, age 64, has served as a director of ICF since October 2003. Dr. Bersoff is the Chairman, President and CEO of ATS Corporation, an engineering services firm located in Northern Virginia. Previously, he was Chairman and Founder of Greenwich Associates, a business advisory firm that was formed in 2003. From November 2002 to June 2003, he was managing director of Quarterdeck Investment Partners, LLC, an investment banking firm, and chairman of Re-route Corporation, a company that offers email forwarding and address correction services. From February 1982 until November 2001, Dr. Bersoff was Chairman, President and CEO of BTG, Inc., a publicly traded information technology firm he founded in 1982. In November 2001, BTG, Inc. was acquired by The Titan Corporation, a NYSE listed company. Dr. Bersoff served as a director of Titan from February 2002 until August 2005 when Titan was sold. In addition, Dr. Bersoff serves on the boards of EFJ, Inc., a manufacturer of wireless communications products and systems primarily for public service and government customers, a public company, and a number of private companies, including 3001 International, Inc. Dr. Bersoff holds A.B., M.S. and Ph.D. degrees in mathematics from New York University and is a graduate of the Harvard Business School s Owner/President Management Program. Dr. Bersoff is the Rector of the Board of Visitors of Virginia Commonwealth University, a Trustee of the VCU Medical Center, and a Trustee of New York University. He also serves as Trustee of the Inova Health System.

David C. Lucien, age 56, has served as a director of ICF since August 2004. Mr. Lucien has more than 37 years of experience in the information technology industry within both commercial and government sectors. He has held several senior-level executive positions for private and public technology companies involved in computer systems manufacturing, technology services and systems integration. Most recently, Mr. Lucien assumed the role of Chairman and CEO of CMS Information Services, Inc. in March 2003, serving until CMS was sold to CACI International in March 2004. Currently, Mr. Lucien serves as an advisor from time to time, through Mr. Lucien s company, DCL Associates, assisting various equity funds in the review of current and potential portfolio companies that focus on information technology services, federal services, telecommunications and the Internet. Prior to his work at CMS Information Services, Inc., Mr. Lucien was the founder and principal of Interpro Corporation, a strategic advisory services firm, from January 1990 until December 2002. Mr. Lucien is a founder and Chairman Emeritus of the Northern Virginia Technology Council and Chairman Emeritus of the Virginia Technology Council. Mr. Lucien also sits on the Advisory Board of the Draper Atlantic Fund.

Directors Whose Term of Office Expires in 2009   Class III Directors

Joel R. Jacks, age 59, has served as a director of ICF since June 1999. Mr. Jacks is a Managing Partner, and was a founder, of private equity firm CM Equity Partners, which invests in established middle market companies and manages private equity funds and investments through its management companies, CMLS Management, L.P. and CM Equity Management, L.P. Mr. Jacks served as the Chairman and Chief Executive Officer of ATS Corporation, formerly Federal Services Acquisition Corporation, from April 2005 until January 2007, and continues to serve as a director of ATS Corporation. Related to his private equity investing activities, Mr. Jacks is a director of several companies, including RGS Associates, Inc. and 3001 International, Inc., serving the U.S. Department of Defense and U.S. federal civil agencies. Mr. Jacks received a Bachelor of Commerce degree from the University of Cape Town and an MBA from the Wharton School, University of Pennsylvania.

Sudhakar Kesavan, age 52, has served as a director of ICF since June 1999 and serves as the Chairman, President and Chief Executive Officer of ICF and its wholly owned subsidiary, ICF Consulting Group, Inc. In 1997, Mr. Kesavan was named President of ICF Consulting Group, Inc. when it was a subsidiary of ICF Kaiser. In 1999, ICF Consulting Group was divested from Kaiser and became a wholly owned subsidiary of the Company through a joint effort of the management of ICF Consulting Group, Inc. and CM Equity Partners, L.P. Mr. Kesavan received his Master of Science degree from the Technology and Policy Program at the Massachusetts Institute of Technology, his postgraduate diploma in management from the Indian Institute of Management, Ahmedabad and his Bachelor of Technology degree (chemical engineering) from the Indian Institute of Technology, Kanpur. Mr. Kesavan serves on the Board of the Rainforest Alliance, a New York based nonprofit environmental organization.

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PROPOSAL 2. RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANT

The Audit Committee has appointed Grant Thornton LLP to serve as our independent registered public accountant for the fiscal year 2007 and requests that stockholders confirm such appointment. Grant Thornton audited our consolidated financial statements for 2006. Representatives of Grant Thornton will be present at the annual meeting and will have an opportunity to make a statement if they so desire and to respond to appropriate questions by stockholders. If our stockholders do not ratify Grant Thornton as our independent registered public accountant, the Audit Committee will reconsider the appointment of our independent registered public accountant. The Audit Committee may, in its discretion, retain Grant Thornton or another independent registered public accounting firm without re-submitting the matter to the Company s shareholders. Even if stockholders vote in favor of the appointment, or on an advisory basis, the Audit Committee may, in its discretion, direct the appointment of different independent auditors at any time during the year if it determines that such a change would be in the best interests of the Company and stockholders.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU RATIFY THE APPOINTMENT OF

GRANT THORNTON LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTANT FOR 2007.

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CORPORATE GOVERNANCE AND BOARD MATTERS

The Board of Directors

Our Board of Directors has four regularly scheduled meetings per year and special meetings are called as the need arises. These meetings are usually held at our headquarters in Fairfax, Virginia. The Board met seven times in 2006. Directors are expected to attend Board meetings, our annual stockholders meeting, and the meetings of the committees on which they serve. During 2006, each director attended at least 75% of the total meetings of the Board and those committees on which they served. Each director attended our annual meeting of stockholders held in 2006.

Director Independence

The Board has affirmatively determined that Dr. Edward H. Bersoff, Dr. Srikant M. Datar and David C. Lucien are independent directors in accordance with the requirements of the Nasdaq Global Select Market and the rules of the Securities and Exchange Commission. We believe that, within the transition periods available to us following the completion of our initial public offering, we will comply with all applicable requirements of the Securities and Exchange Commission and the Nasdaq Global Select Market relating to director independence and the composition of the committees of our Board of Directors.

Board Committees

The Board has an Audit Committee and Compensation Committee, each composed of a majority of independent directors as defined by the Nasdaq Global Select Market. Each Committee has a charter that can be found in the Investor Relations Corporate Governance portion of our web site (www.icfi.com).

Audit Committee. The Board has a separately designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934 as amended. It is currently composed of Drs. Bersoff and Datar, and Messrs. Jacks and Lucien, and met six times in 2006. Dr. Bersoff is the Committee Chairman. The Board has determined that each Audit Committee member is financially literate and has determined that Dr. Bersoff is an audit committee financial expert as defined under Securities and Exchange Commission rules and regulations by virtue of his background and experience. Dr. Bersoff also qualifies as a financial expert in accordance with the listing standards of the NASDAQ Stock Market LLC applicable to Audit Committee members. Each member of the Audit Committee other than Mr. Jacks is independent as defined by Rule 10A-3 of the Securities Exchange Act of 1934 and in accordance with the listing standards of the NASDAQ Stock Market LLC. Mr. Jacks will serve as a member of the Audit Committee in accordance with applicable Nasdaq Global Select Market rules allowing for a transition period of one-year following our initial public offering to an Audit Committee consisting of all independent members. We expect the Audit Committee to meet not less often than four times a year.

The Audit Committee appoints our independent auditors, reviews the financial reports and related financial information provided by the Company to governmental agencies and the general public, reviews the Company s system of internal and disclosure controls and the effectiveness of its control structure, and reviews the Company s accounting, internal and external auditing and financial reporting processes. The Audit Committee also reviews other matters with respect to our accounting, auditing and financial reporting practices and procedures as it may find appropriate or may be brought to its attention. All of the nonaudit services provided by the independent auditor were pre-approved by the Audit Committee in accordance with its pre-approval procedures. The Audit Committee s report can be found under Report of the Audit Committee in this proxy statement.

Compensation Committee. The Compensation Committee is currently composed of Dr. Bersoff and Messrs. Lucien and Schulte and met four times in 2006. Mr. Schulte is the Committee Chairman.

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The Compensation Committee provides assistance to the Board in fulfilling its responsibilities relating to management, organization, performance, compensation and succession. In discharging its responsibilities, the Compensation Committee considers and authorizes our compensation philosophy, evaluates our senior management s performance, and approves all material elements of the compensation of our executive officers. The Compensation Committee also reviews the administration of our incentive compensation, retirement and equity-based plans. See Compensation Discussion and Analysis for more information regarding the role of the Compensation Committee, management, and compensation consultants in determining and/or recommending the amount or form of executive compensation. The report of the Compensation Committee required by the rules of the Securities and Exchange Commission is included in this proxy statement. See Compensation Committee Report.

In accordance with applicable Nasdaq Global Select Market rules allowing for a one-year period to transition to a Compensation Committee consisting of all independent members and allowing for the appointment of a non-independent member of the compensation committee in exceptional and limited circumstances, the Board has determined that the appointment of Peter M. Schulte to the Compensation Committee is in the best interests of the Company. In making this determination, the Board considered Mr. Schulte s relationship with CMLS and the payment by the Company to CMLS Management of consulting fees in 2004, 2005 and 2006. The Board determined that this relationship did not affect Mr. Schulte s ability to execute independent judgment on the Compensation Committee and that his participation on the committee was in the best interests of the Company. We expect the Compensation Committee to meet not less often than twice per year. Each member of the Compensation Committee qualifies as a non-employee director under Rule 16b-3 promulgated under the Securities Exchange Act of 1934 and, except for Mr. Schulte, an outside director under Section 162(m) of the Internal Revenue Code.

Compensation Committee Interlocks and Insider Participation

Dr. Bersoff and Messrs. Lucien and Schulte were members of the Compensation Committee for the year ended December 31, 2006. None of them is or was an officer or employee of the Company. None of our executive officers served as a member of the Board of Directors or Compensation Committee of any entity that has one or more executive officers serving as a member of our Board of Directors or Compensation Committee. As described more fully below in the section captioned Executive Compensation - Special Event Bonuses, Messrs. Kesavan and Schulte were members, and William Moody had previously been a member, of the committee related to our Amended and Restated Employee Annual Incentive Compensation Pool Plan. The Amended and Restated Employee Annual Incentive Compensation Pool Plan was terminated and the committee related to the plan was dissolved at the conclusion of our initial public offering. Mr. Kesavan is our Chief Executive Officer, President and Chairman, and Mr. Moody is an employee and has served as a director of the Company.

See discussion below in the section captioned Certain Relationships and Transactions with Related Persons, for additional discussion regarding Compensation Committee members.

Process for Selecting and Nominating Directors

We do not maintain a standing nominating committee responsible for nominating director candidates or considering director nominees and accordingly do not maintain a Nominating Committee Charter. Nominees for the Board of Directors are recommended to the Board by a majority of the independent directors who review the credentials of potential director candidates (including potential candidates recommended by stockholders, current directors or management) and conduct interviews and make formal recommendations to the Board for the annual and any interim election of directors. In making recommendations, a variety of factors are considered, including skills, diversity, experience with business and other organizations of comparable size, the interplay of the candidate s experience with the familiarity and background of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board. Other than the foregoing, there are no stated minimum criteria for director nominees, although the Board may also consider such other factors as it deems appropriate and in the best interests of us and our stockholders.

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We will consider candidates for director who are recommended by the stockholders. Stockholder recommendations should be submitted in writing to: Secretary, ICF International, Inc., 9300 Lee Highway, Fairfax, Virginia 22031. The letter should include the candidate s name, age, business address, residence address, principal occupation, as well as the number of shares of our stock the candidate owns. We may also require a candidate to furnish additional information regarding eligibility, qualifications and commitment to serve. The Board is developing a written policy on stockholder nominations and expects to adopt such a policy in 2007.

Stockholder Communications with the Board

You may contact the Board by sending a letter marked Confidential and addressed to the Board of Directors, ICF International, Inc., c/o Judith B. Kassel, Secretary, 9300 Lee Highway, Fairfax, Virginia 22031 USA. All communications will be forwarded to the Board.

Executive Officers and Registrant

The following table includes information with respect to all of our executive officers at December 31, 2006. All executive officers serve at the pleasure of our Board of Directors.

Name	Age	Title
Sudhakar Kesavan	52	Chairman, President and Chief Executive Officer
John Wasson	45	Executive Vice President and Chief Operating Officer
Alan Stewart	52	Chief Financial Officer
Ellen Glover	51	Executive Vice President
Gerald Croan	57	Executive Vice President

Sudhakar Kesavan serves as the Chairman, President and Chief Executive Officer of ICF and its wholly owned subsidiary, ICF Consulting Group, Inc. In 1997, Mr. Kesavan was named President of ICF Consulting Group, Inc. when it was a subsidiary of ICF Kaiser. In 1999, ICF Consulting Group was divested from Kaiser and became a wholly owned subsidiary of the Company through a joint effort of the management of ICF Consulting Group and CM Equity Partners, L.P. Mr. Kesavan received his Master of Science degree from the Technology and Policy Program at the Massachusetts Institute of Technology, his postgraduate diploma in management from the Indian Institute of Management, Ahmedabad and his Bachelor of Technology degree (chemical engineering) from the Indian Institute of Technology, Kanpur. Mr. Kesavan serves on the Board of the Rainforest Alliance, a New York based nonprofit environmental organization.

John Wasson serves as an Executive Vice President and Chief Operating Officer of ICF and has been with ICF Consulting Group since 1987. Mr. Wasson previously worked as a staff scientist at the Conservation Law Foundation of New England and as a researcher at the Massachusetts Institute of Technology Center for Technology, Policy and Industrial Development. Mr. Wasson holds a Master of Science degree in Technology and Policy from the Massachusetts Institute of Technology and a Bachelor of Science in Chemical Engineering from the University of California, Davis.

Alan Stewart serves as Senior Vice President and Chief Financial Officer of ICF and has been with ICF Consulting Group, Inc. since 2001. Mr. Stewart has almost 30 years of experience in financial management, including mergers and acquisitions. Prior to joining the Company, Mr. Stewart was Chief Financial Officer at DataZen Corporation, Blackboard, Inc. and Deltek Systems, Inc. Prior to joining Deltek Systems, Inc., Mr. Stewart held senior finance positions at BTG, Inc., Tempest Technologies, Inc., C3, Inc., the Division of Corporation Finance at the U.S. Securities and Exchange Commission, Martin Marietta Corporation and Touche Ross & Co. Mr. Stewart received his Bachelor of Science in Accounting from Virginia Commonwealth University and is a Certified Public Accountant.

Ellen Glover serves as an Executive Vice President of ICF and joined ICF Consulting Group in 2005. Prior to joining us, since 2004, Ms. Glover served as the Vice President and General Manager of Dynamics Research, a publicly traded professional and technical services contractor to federal and state government agencies, which acquired Impact Innovations Group. Prior to the acquisition, from 2002 to 2004, Ms. Glover served as President of Impact Innovations Group, a provider of information technology services to federal and commercial markets. From 1983 to 2002, Ms. Glover was an officer of Advanced Technology Systems, a provider of information technology services to the U.S. Department of Defense and civilian agencies. Ms. Glover served as President and Chief Operating Officer of Advanced Technology Systems from 1994 to 2002, as Director of Operations from 1990 to 1993 and as a Program Manager prior to 1990. Ms. Glover holds a Masters of Science in Urban Planning and a Bachelor of Arts in History and Political Science from the University of Pittsburgh.

Gerald Croan serves as an Executive Vice President of ICF and the president of ICF s subsidiary, Caliber Associates, Inc., which focuses on our health, human services and social programs market. Mr. Croan joined ICF with our acquisition of Caliber Associates, Inc. effective October 1, 2005. Mr. Croan founded Caliber Associates, Inc. in 1983 and has served as its president since its inception. Mr. Croan s experience includes research, evaluation, technical assistance and training, and related program support services for juvenile justice, victim services, youth services and community programs, military family issues and developmental work on community needs assessment systems for the military. Mr. Croan s work has been recognized by the U.S. Department of Defense, Department of Justice, and Department of Health and Human Services. Prior to founding Caliber Associates, Inc., Mr. Croan served as a senior manager at two consulting organizations and with the Pennsylvania Department of Justice. Mr. Croan holds a Bachelor of Science degree and a Master of City Planning degree from the Massachusetts Institute of Technology. Mr. Croan has served on the Board of the National Association of Child Care Resource and Referral Agencies, an Arlington, Virginia based nonprofit organization, since 2003 and on the Board of the National Learning Institute, a Washington, D.C. based nonprofit organization, since 2001.

Code of Ethics and Corporate Governance Principles

The Company has adopted a Code of Ethics that is designed to promote the highest standards of ethical conduct by the Company s directors, executive officers and employees. The Code of Ethics requires that the Company s directors, executive officers and employees avoid conflicts of interest, comply with all laws and other legal requirements, conduct business in an honest and ethical manner, and otherwise act with integrity and in the Company s best interest. Under the terms of the Code of Ethics, directors, executive officers and employees are required to report any conduct that they believe in good faith to be an actual or apparent violation of the Code of Ethics.

Our Code of Ethics applies to all of our employees, including our chief executive officer, our chief financial officer and our controller. The Code of Ethics and all committee charters are posted in the Investor Relations Corporate Governance portion of our website (www.icfi.com). A copy of any of these documents is available in print free of charge to any stockholder who requests a copy by writing to ICF International, Inc., 9300 Lee Highway, Fairfax, Virginia 22031 USA, Attention: Eric A. Hamann, Investor Relations.

Certain Relationships and Transactions with Related Persons

We review all transactions between us and any of our officers and directors. Our Code of Ethics, which applies to all directors and employees, emphasizes the importance of avoiding situations or transactions in which personal interests interfere with the best interests of us or our stockholders. The Board reviews any transaction with a director to determine, on a case-by-case basis, whether a conflict of interest exists. The Board ensures that all directors voting on such a matter have no interest in the matter and discusses the transaction with counsel as necessary. The Board has delegated the task of discussing, reviewing and approving transactions between us and any of our officers to the Audit Committee.

The following includes a description of transactions since January 1, 2004 and certain transactions prior to that date to which we have been a party, in which the amount involved in the transaction exceeds $120,000, and in which any of our directors, executive officers, or holders of more than 5% of our capital stock had or will have a direct or indirect material interest other than equity and other compensation, termination, change-in control and other arrangements, which are described in the section captioned Executive Compensation Potential Payments upon Termination or Change in Control.

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Our subsidiary, ICF Consulting Group, Inc., had a consulting agreement with CMLS Management, L.P. that we entered into on June 25, 1999 and which terminated upon completion of our initial public offering on October 3, 2006. CMLS Management, L.P. is an affiliate of CMEP, our majority stockholder prior to the completion of our initial public offering. Also, Directors Jacks and Schulte are the managing members of entities that direct the affairs of CMLS Management, L.P. and CMEP. CMLS Management, L.P. provided financial, acquisition, strategic, business and consulting services to us. In consideration for these services, ICF Consulting Group, Inc. annually paid a fixed consulting fee of $100,000 and a variable fee equal to 2% the average EBITDA of ICF Consulting Group, Inc., as calculated pursuant to the terms of the consulting agreement, based on recent fiscal years of ICF Consulting Group, Inc. Upon termination of the consulting agreement as a result of the completion of our initial public offering, ICF Consulting Group, Inc. paid a $90,000 termination fee to CMLS Management, L.P. ICF Consulting Group, Inc. paid CMLS Management, L.P. approximately $361,000 for 2004, $380,000 for 2005, and $465,000 for 2006 (exclusive of the termination fee) for consulting services under the consulting agreement.

In addition to the consulting agreement, we, CMEP and certain other stockholders were parties to a Management Shareholders Agreement, which terminated upon completion of our initial public offering. Pursuant to the Management Shareholders Agreement, certain CMEP affiliates had the right to select up to a majority of our Board and at least one additional director, ICF s chief executive officer was entitled to serve as a director, and the employees who are stockholders and party to the agreement were entitled to elect one director. Messrs. Jacks, Hopkins, Schulte, Bersoff and Lucien were selected by CMEP to serve on our Board. The employees selected William Moody to serve on our Board. Mr. Moody resigned from our Board as of the completion of our initial public offering.

We provided loans to the executive officers specified below for the purpose of purchasing shares of our common stock. Each loan was approved by a majority of our Board of Directors, including a majority of the disinterested members of the Board of Directors. The loans bore floating interest at rates based on the Company s line of credit ranging from 4.0% to 7.4%, and were balloon notes where interest was billed and paid quarterly. Each executive officer specified below pledged a portion of the shares acquired with the loan as security for the promissory note evidencing such loan. All of the loans were repaid by May 5, 2006.

Name & Title	**Principal amount**	**Date of loan**	**Interest Rate***	**January 1, 2006 to December 31, 2006 Largest aggregate indebtedness**	**January 1, 2006 to December 31, 2006 Amount Repaid**
Sudhakar Kesavan Chairman, President and Chief Executive Officer	$ 250,000	June 25, 1999	7.4%	$ 264,801	$ 264,801
John Wasson Executive Vice President and Chief Operating Officer	139,797(1)	October 8, 2002(1)	7.4%	143,394	145,830(3)
Alan Stewart Chief Financial Officer	71,700(2)	August 26, 2002(2)	7.4%	74,794	74,794
Ellen Glover Executive Vice President	216,530	September 6, 2005	7.4%	222,101	225,874(3)

* *Represents the interest rate on the loan for the quarter ending March 31, 2006.*

[1] Represents two loans. The first loan was made as of October 8, 2002 in the principal amount of $100,000 and the second loan was made as of December 28, 2004 in the principal amount of $39,797.

[2] Represents two loans. The first loan was made as of August 26, 2002 in the principal amount of $35,000 and the second loan was made as of December 28, 2004 in the principal amount of $36,700.

[3] Represents repayment of interest accrued during calendar year 2005 but repaid in calendar year 2006.

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SECURITY OWNERSHIP OF DIRECTORS, EXECUTIVE

OFFICERS AND CERTAIN BENEFICIAL OWNERS

The following table sets forth certain information regarding beneficial ownership of our common stock as of March 31, 2007, by:

- each person, or group of affiliated persons, known to us to beneficially own more than 5% of the outstanding shares of our common stock;

- each of our directors;