

DynCorp
INTERNATIONAL



2007
Annual Report

Areas of Specialty



Aerospace

From daily aircraft maintenance, modification, and overhaul to comprehensive airfield operations support, we provide solutions that ensure safety, reliability, and performance.

Contingency

Every day around the world we move, pre-position, maintain, and repair facilities, equipment, and supplies for military deployments, humanitarian operations, and disaster relief.

Law Enforcement & Security

Leveraging our global reach and vast experience, we deliver the right mix of qualified professionals and advanced technology for effective end-to-end security solutions worldwide. We are the world leader in international police training.

Infrastructure

Our professionals rapidly carry out construction and facility operations for contingency or long-term purposes in some of the world's most challenging environments.

Logistics

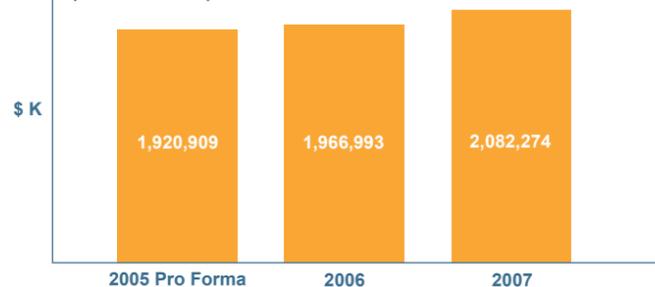
Our adaptable logistics solutions are quickly and carefully crafted to fit any need, from development and management of comprehensive long-term programs to rapid-response contingency.

Maritime

We offer a full range of maritime outsourcing services, including operations and maintenance of ships and equipment, crewing and management, port operations, and communications.

Financial Highlights

Three Year Revenues
(\$ in thousands)



Three Year Adjusted EBITDA and Margin
(\$ in thousands)



⁽¹⁾ A reconciliation of non-GAAP financial measures used above to comparable GAAP financial measures may be found on page 16 of this report.

Every Mission is Critical

For more than 50 years, DynCorp International (DI) and its predecessor companies have been entrusted with important responsibilities to keep our military personnel safe and ready, stem the flow of illegal narcotics to the United States, protect American diplomats and key foreign leaders, train police in countries that are critical to U.S. interests, respond to environmental catastrophes, and support nation-building efforts. We are proud to support the American people and U.S. allies in these important activities, and we are grateful that we can play a part in protecting the security of the United States.

- We maintain scores of different aircraft – rotary and fixed-wing – for all branches of the U.S. Armed Forces and for important U.S. allies. We help the U.S. Air Force manage its War Reserve Materiel and the U.S. Army manage its Pre-positioned Stocks Afloat so that our soldiers and airmen can be supplied quickly around the world should the need arise.
- Working directly with the U.S. Department of State in its Civilian Police (CIVPOL) programs, we have recruited, trained, and deployed police instructors to Macedonia, Kosovo, East Timor, Afghanistan, Iraq, and other countries to help establish democratically-oriented civilian police forces.
- As part of the State Department's Africa Peacekeeping program, we manage the reform of Liberia's defense and security institutions, provide logistical support for Africa Union peacekeeping efforts in Somalia and Darfur, build infrastructure for the government of Southern Sudan, and provide advisers to institutions like the Africa Union and the Economic Community of West African States.
- We assist the U.S. Department of State and friendly governments in the Western Hemisphere and Afghanistan in their efforts to eradicate illegal coca and opium poppy crops.
- In California, we apply our experience in military aviation to the critical task of preventing and combating forest and brush fires. DI maintains and operates tanker planes and other aircraft for the California Department of Forestry, deploying all over the state during fire season and assisting with fires as far away as Florida. We also fly and maintain spotter aircraft for the U.S. Department of Agriculture Forest Service's Fire Watch program, aimed at early detection of forest fires.
- We assist governments and non-governmental organizations in Afghanistan, Cambodia, and Honduras to destroy landmines, surplus weapons, and unexploded ordnance.
- In countries where the security threat is considered high, we supplement the officers of the U.S. Department of State's Bureau of Diplomatic Security who are charged with protecting our diplomats and diplomatic facilities. We work directly with them as an integral part of the security team of each diplomatic mission, reporting to the embassy's chief security officer.



To Our Shareholders

Fiscal 2007 was an eventful and productive year for DynCorp International. In May 2006, we successfully completed our Initial Public Offering and started trading on the New York Stock Exchange. We also moved our headquarters from Texas to Falls Church, Virginia, in order to be closer to our two main customers, the Departments of State and Defense. Additionally, we improved our organizational structure and strengthened our management team in order to manage the business better. The company also produced solid financial results in fiscal 2007, with new highs in revenue, earnings before interest, taxes, depreciation, and amortization (EBITDA), margins, cash flow, and contract backlog.

Our improved balance sheet and strengthened organization position us well to continue our growth during fiscal 2008.

Initial Public Offering (IPO)

Our common stock began trading on the New York Stock Exchange (ticker DCP) on May 4. Our IPO raised \$375 million, and these funds were used to retire 100 percent of our high-cost preferred stock, pay a dividend to Veritas Capital (our pre-IPO shareholder), redeem a portion of our senior subordinated notes, and pay expenses related to the IPO. These actions improved our balance sheet, lowered our leverage, and reduced our interest costs.

Organization

With more than 95 percent of our business with the Departments of State and Defense, we determined it was prudent to be closer to our two key customers, and in August 2006, we relocated our headquarters from Irving, Texas, to Falls Church, Virginia. This move put many of our key management personnel within easy reach of our two most important customers.

Organizationally, we implemented three key changes during the year to improve our responsiveness to our customers and employees and better position us for future growth. First, at the corporate level, we streamlined the number of senior staff positions, and we also reinvigorated our corporate human-resources function to better meet the needs of our number

one asset – our employees. Satisfying customers is key to our success, and as a service provider, capable, dedicated, and motivated employees are the key to customer satisfaction.

Second, we rebranded our two operating divisions. Field Technical Services is now called Maintenance and Technical Support Services, which better describes its key service capabilities – the maintenance of aircraft and other military equipment and systems. International Technical Services is now called Government Services, and is reorganized into four strategic business units (SBUs) around key service offerings: Law Enforcement and Security, Specialty Aviation and Counter Drug Operations, Contingency and Logistics Operations, and Operations Management/Construction Management. We also hired top-quality talent to manage and develop each of the Government Services SBUs. We believe these organizational changes will improve our focus and enable us to more effectively grow our business.

Financial Results

Our fiscal 2007 revenue increased to \$2.08 billion, up 5.9 percent over fiscal 2006. Adjusted EBITDA also increased to \$172.2 million, or a margin of 8.3 percent, both of which are improvements over the prior year. We generated \$86.8 million in cash flow from operations, which when combined with the proceeds from the IPO, significantly strengthened our balance sheet. Lastly, our contract backlog increased from \$2.6 billion at the end of fiscal 2006 to \$6.1 billion at the conclusion of fiscal 2007.

A Board of Distinction

Our Board of Directors gained greater strength following the IPO with the addition of Michael Bayer and Mark Ronald. Michael Bayer is the President and Chief Executive Officer of Dumbarton Strategies LLC, an energy and national-security consulting firm. He is the Chairman of the U.S. Department of Defense's Business Board and a member of the Sandia National Laboratory's National Security Advisory Panel, the Department of Defense Science Board, and the Chief of Naval Operations'

Executive Panel. He serves on both the Audit Committee and the Corporate Governance and Nominating Committee.

Mark Ronald is Chairman of the Board of BAE Systems Inc. He was President and CEO of BAE Systems Inc. from 2000 to 2006, and was COO and a director of BAE Systems plc from 2002 to 2006. He holds the title of Honorary Commander of the Most Excellent Order of the British Empire (CBE), awarded in recognition of his valuable services in furthering cooperation in the U.S.-U.K. defense industries. He serves on the Corporate Governance and Nominating Committee.

Ethics and Integrity Are at Our Core

At DynCorp International, our business goals are anchored by a strong commitment to high ethical standards. Our Standards of Business Conduct are applicable to all company employees, officers, consultants, and directors, and we will not compromise our adherence to these standards. We treat with the utmost seriousness the trust our stockholders and customers place in us.

Looking Ahead

We believe there is great opportunity for DI, given our functional expertise and proven ability to work virtually anywhere in the world. In fiscal year 2008, we plan to leverage these core capabilities to find more opportunities abroad, both through contracts awarded by the U.S. government and through those awarded directly by foreign customers – particularly in the Middle East, South Asia, and Africa. The United States government maintains important responsibilities overseas that require maintenance, logistical, and program support. In addition, many allied countries are turning to the private sector in order to meet the security demands of today's world, and they look increasingly to proven performers like DynCorp International.

Summary

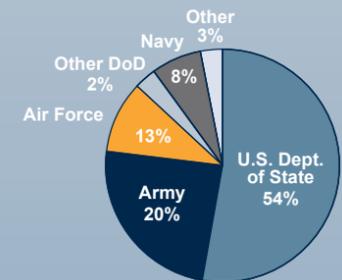
I am proud of our achievements in 2007, and I believe we are well positioned to continue to provide quality services to our customers, expand our customer base, and continue to reward shareholders.

I wish to express my sincere appreciation to our customers, our shareholders, and our employees for their support and contribution to our success in FY 2007, and I look forward to a successful 2008.

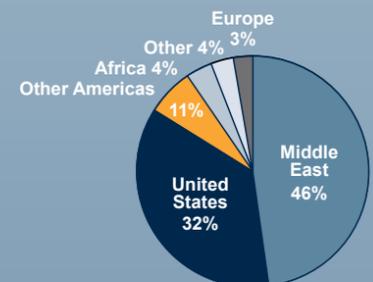


Herbert J. Lanese
President and CEO

Fiscal 2007
Revenue Mix by Customer



Fiscal 2007
Revenue Mix by Region



Three Year Backlog
(\$ in millions)



■ Funded Backlog
■ Unfunded Backlog

Government Services



Critical and Sensitive Missions

Our Government Services (GS) division (formerly International Technical Services – ITS) manages a broad range of complex programs worldwide, including peacekeeping operations, law enforcement training, counter-narcotics operations, contingency and logistics support, maritime services, and facility operations. It also manages infrastructure development projects and provides security services to government and commercial customers. Since fiscal 2001, this division has increased its revenues from \$264.7 million to \$1.36 billion for fiscal 2007, or 65 percent of our total revenues.

Increased Outsourcing by U.S. and Foreign Governments

In recent years, defense spending has been rising at the fastest pace since the 1980s. DI has benefited from the U.S. government's increasing reliance on the private sector for critical functions that need not be performed by uniformed personnel or civilian government employees. Typically, once these functions have been outsourced, they remain with the private sector.

Former Secretary of Defense Donald Rumsfeld said that some 300,000 military personnel are performing work that can be outsourced. More recently, Secretary of Defense Robert M. Gates said that he favors a protracted U.S. troop presence in Iraq along the lines of the military stabilization force in South Korea. Gates said such a long-term U.S. presence would assure allies in the Middle East that the United States will not withdraw from Iraq as it did from Vietnam, "lock, stock and barrel." With DI's strong record in Iraq and Afghanistan, and its support of the U.S. military in aviation, logistics, and contingency operation in the region, the company should be in a strong position to support a continued U.S. presence.

Many foreign governments, such as the United Kingdom, Australia, and the United Arab Emirates, are following the lead of the United States in outsourcing services. Our track record as a service provider to the United States military and our experience working overseas for both the United States government and foreign governments – under both direct and Foreign Military Sales-related contracts – put DI in an excellent position to find new opportunities with allies and friends of the United States.

What Sets DynCorp International Apart

We have broad international expertise in sensitive national-security program areas, and we believe we are the best of the companies that provide such services anywhere in the world. We integrate our many competencies to provide solutions that are tailor-made for each customer, and we are comfortable operating virtually anywhere in the world – even in austere environments. As a service company, our people are our greatest asset, and we believe our people set us apart from other companies. We pride ourselves on the quality and commitment of our people and the agility and depth of our program management.

We support the U.S. Department of State's initiatives to promote stabilization and the rule of law in post-conflict societies. In fact, we were the first company chosen by the State Department to service its new programs in aerial narcotics eradication and civilian peacekeeping and police training in 1991 and 1994, respectively. We have continuously held both of these pioneering contracts, and in those programs we developed and refined management and recruitment systems that are discriminators for us to this day. We understand that ensuring basic security in society is a fundamental element in establishing an environment in which conflict is minimized and trust and confidence are restored. We believe the work we do is a public trust. We carry out our programs with commitment to the needs of our government client, sensitivity to the local culture, and absolute concern for the well-being of our employees.

Breadth of Our Experience and Unique Capabilities

- We are the sole-source provider for the Department of State's Air Wing program.
- We are the primary provider for the Department of State's CIVPOL contract.

Our Global Presence and Response Capabilities

- We are a dominant provider of services to the U.S. government in the Middle East and are increasing our presence in Africa.
- We are unmatched in identifying, attracting, and retaining global talent.
- We specialize in fast reaction and deployment.
- We have a core understanding of government contracts and, most importantly, government operations and requirements.
- We have a reliable worldwide vendor base.

People Make The Difference: Tim Newman



CIVPOL Employee Assistance Program

Tim is an advocate for American police officers serving overseas. After a serious injury from a roadside bomb explosion in Iraq, Tim returned from his mission to help DI form a civilian police alumni association. He also helped create an advocacy program for injured employees and their families. Tim is also working diligently to honor DI officers lost in the line of duty by getting their names included at the National Law Enforcement Officers Memorial in Washington, D.C. Tim has continued to work with DI after his injury because he believes, "DynCorp is a family that has not and will not forget the sacrifices made by its employees." Tim also says, "Working with heroes every day is a true thrill and honor."

Government Services

DI by the Numbers FY2007

CIVPOL

Police trainers in Iraq
(3/30/2007):
688

Police trainers in Afghanistan
(3/30/2007):
490

California Department of Forestry

Annual number of wildfires in
California:
5,600

Hours flown:
9,649

Gallons of water and retardant
dropped:
10,385,150

Acres protected by CDF:
31,000,000

Firefighters supported:
9,700

Full Array of Services

Law Enforcement Training – Our capabilities include international policing and police training, judicial support, immigration support, and base operations.

International Narcotics Eradication – Our services include drug eradication and interdiction, host nation pilot training, and crew training.

Contingency Services – We provide peacekeeping support, humanitarian relief, de-mining, worldwide contingency planning, warehousing, and heavy equipment inspections – all on a rapid-response basis.

Logistics Support Services – We offer procurement, parts tracking, inventory and equipment maintenance, property control, data entry, and mobile repair services. We can deploy personnel and equipment on short notice.

Security Services – Our services include personal protection; facility protection; and design, installation, and operation of security systems.

Facility Operations – We provide facility and equipment maintenance and control; civil, electrical, environmental, and mechanical engineering; and custodial and administrative services for military bases or civilian facilities.

Infrastructure Development – We provide infrastructure engineering and construction management.

Maritime Services – Our services include ship logistics, range-ship maintenance, crewing, port services, communications services, and specialized fleet operations.

Security Technology – We install, maintain, and upgrade both physical and electronic access control points and servers. We also develop security software, smart cards, and biometrics for our customers.

Project and Program Management – We manage complex programs in all of our areas of competency and integrate them to provide comprehensive solutions.

GS – Business Highlights for Fiscal 2007

In Fiscal 2007, GS enjoyed and was awarded important follow-on contract awards, including:

- Task orders, extensions, and modifications under the CIVPOL contract vehicle for work in Afghanistan with a total contract value of more than \$400 million, including more than \$60 million for the Afghan eradication force.
- A significant increase in task orders under the State Department's Africa Peacekeeping contract, including some \$25 million for advisers, the Africa Mission in Sudan, and support of peacekeeping efforts in Somalia.
- A task order to provide personal protection services to the U.S. Department of State in northern Iraq under the Worldwide Personal Protection Services contract vehicle, valued at approximately \$200 million for five years.

In addition, GS will provide support to three DI joint ventures that were awarded significant IDIQ contracts:

- Global Linguist Solutions LLC (GLS), a joint venture formed by DynCorp International and McNeil Technologies, was awarded a five-year contract by the U.S. Army's Intelligence and Security Command (INSCOM) to provide translation services in Iraq. The contract, currently under protest, has a maximum value of \$4.645 billion over five-years.
- The Federal Emergency Management Agency awarded DI and its partners in Partnership for Temporary Housing (PaTH) a two-year contract with a potential value of \$250 million to provide temporary housing for future disaster victims.

People Make The Difference: Debbie Newberry



Small Business Manager

This year, Veterans Business Journal selected DynCorp International as one of the country's top ten companies supporting veteran-owned small business. VBJ singled out Debbie Newberry, DI's small business manager, for particular praise. Debbie understands the concerns and needs of small businesses after owning her own small business for seven years. She joined DI's Alliance, Texas, office to provide expert guidance, support, counseling, and training to U.S. small businesses – including disadvantaged and veteran-owned businesses. Debbie manages a small-business program that maximizes business opportunities and complies fully with all legal requirements and Federal Acquisition Regulation guidelines.

Maintenance and Technical Support Services (MTSS)



A Reputation for Excellence Remade Every Day

Our Maintenance and Technical Support Services (MTSS) division (formerly Field Technical Services – FTS) is our historical core business, and it generates a steady stream of revenues and cash flows. As it did last year, this segment comprised approximately one-third of our business in fiscal 2007. We have pioneered and provided services to the U.S. government for more than 50 years. MTSS offers aviation services such as aircraft fleet maintenance, aviation ground-equipment support, and ground vehicle maintenance. It also carries out training, airfield operations, and aviation engineering, and maintains non-aviation-related vehicles.

What Sets DynCorp International Apart

We have a long history of supporting the U.S. government in battlefield environments and have supported every U.S. military campaign since Korea. DI has a strong position in the marketplace as the largest provider of CFT services to the U.S. Department of Defense.

Our Proven Expertise and Reputation for Excellence

- We consistently receive outstanding performance ratings by government customers.
- We enjoy high customer satisfaction ratings and a strong reputation in the aviation industry.
- We have well-established quality standards.

Our Extensive Capabilities and Global Reach

- Our multi-skilled workforce provides efficiency and cost savings to customers.
- We are experienced and skilled in overseas management.
- We have a superior record in recruitment.

Full Array of Services

Aviation Services and Operations – Our services and operations include aircraft fleet maintenance, depot augmentation, aftermarket logistics support, aircrew services and training, ground equipment maintenance and modifications, quality control, Federal Aviation Administration certification, facilities and operations support, aircraft scheduling and flight planning, and the provisioning of pilots, test pilots, and flight crews. We provide services from both main base locations and forward operating locations.

Aviation Engineering – We design, manufacture, and install aircraft modification programs for a broad range of weapons systems and more than 70 engine types, updating entire fleets to mission-ready status. We provide services such as engineering design, kit manufacturing and installation, field installations, configuration management, avionics upgrades, cockpit and fuselage redesign, technical data, drawings, and manual revisions.

Aviation Ground Equipment Support – Our services include ground equipment support, maintenance and overhaul, modifications and upgrades, corrosion control, engine rebuilding, hydraulic and load testing, and serviceability inspections. We provide these services worldwide and offer both short- and long-duration field teams. At year end, we employed more than 850 mechanics, technicians, and support personnel who perform depot-level overhaul of ground support equipment for U.S. Navy and U.S. Coast Guard programs and provide depot-level ground equipment support at 20 worldwide locations.

Ground Vehicle Maintenance – We provide vehicle maintenance, overhaul and corrosion control, and scheduling and work flow management. We perform maintenance and overhaul on wheeled and tracked vehicles for the U.S. Army and U.S. Marine Corps, in support of their pre-positioning programs. We also provide overall program management, logistics support, tear down, and inspection of equipment cycled off pre-positioned ships.

People Make The Difference: James Degeneffe



Electronics Technician

James is using his expertise as a former U.S. Navy Chief Petty Officer Avionics Technician in his current work with DI. James and his team support the U.S. Naval Fleet, plus other military installations at the U.S. Navy Fleet Readiness Centers Support Equipment Facility in Solomons, Md. James is also a certified Lean Master, and he leads small teams in Lean Six Sigma projects for continuous process improvement. He says he “likes the challenge and especially likes seeing results of continuous process involvement projects executed at the work site.”

Maintenance and Technical Support Services (MTSS)



MTSS – Business Highlights for Fiscal 2007

In Fiscal 2007, Maintenance and Technical Support Services earned new and follow-on business in areas of traditional strength, including:

- UAE General Maintenance Directorate – A seven-year contract with the General Maintenance Directorate of the Armed Forces of the United Arab Emirates valued at \$165 million to provide maintenance and logistical support of some 17,000 land-force vehicles. This is the company's second contract with the UAE armed forces; MTSS currently maintains the country's fleet of Apache helicopters.
- FIRST (Field and Installation Readiness Support Team) – A five-year IDIQ Army contract to provide base operations and field-level logistics support services.
- TSMO (Threat Systems Management Office) – A five-year U.S. Army contract with a value of \$99 million to provide technical and engineering services, including operation and maintenance of foreign weapon systems and threat simulators and logistical support of any U.S. Army support equipment.
- C21 – A seven-year contract with an annual value of \$38 million to provide the U.S. Air Force full Contractor Logistics Support (CLS) for its 76 C-21A aircraft.
- Life Cycle Contractor Support (LCCS) – Task orders, modifications, and extensions valued at \$68.8 million, including the U.S. Army RC-12 Standard Cockpit Avionics Modification Program, valued at \$47.5 million.
- Also under LCCS, DI currently provides C-12 maintenance services for the U.S. Army and U.S. Navy at more than 70 locations in the United States, Europe, East Asia, and the Middle East.
- Contract Field Teams (CFT) Program – We have a long history of providing a rapid-response, mobile workforce of highly skilled aircraft technicians to the U.S. Air Force. In 1951, DI's predecessor, Land-Air Inc., was awarded the first CFT contract by the U.S. Air Force. We have held the CFT contract continuously since that time. Today, we operate under 30 delivery orders, and this ten-year contract generated \$359 million in revenues in fiscal 2007. The three CFT teams at Fort Campbell, Kentucky, support Army, Army Reserve, and Army National Guard Aviation throughout a seven-state region as well as Army aviation worldwide in RESET, National Maintenance, Special Operations Support, and Force Modernization Programs.

Trusted Where It Counts

Today, we maintain rotary and fixed-wing aircraft for all branches of the U.S. Armed Forces throughout the world and for foreign governments flying U.S. aircraft. At Andrews Air Force Base, Maryland, we are entrusted with what may be the most demanding job in aviation maintenance – the maintenance of the presidential fleet. In Fiscal 2007, our team at Andrews won the Federal Aviation Administration's Diamond Certificate of Excellence for the fifth consecutive year. The award recognizes DI for providing outstanding maintenance for aircraft used by America's leaders. Most importantly, it recognizes the commitment to excellence and personal improvement of employees at all levels.

MTSS provides technical personnel to the Kuwait Air Force's Precision Measurement Equipment Laboratory, a major metrology center in the region.

We maintain the trainer jets used by new generations of American and allied-nation pilots at Columbus Air Force Base, Mississippi, and we maintain, modify, and refurbish virtually all classes of helicopters at Fort Campbell, Kentucky, and Fort Hood, Texas.

MTSS has deployed aviation technicians to Iraq under the CFT program to support the Army's aviation requirements, and currently trains Iraq's new generation of air traffic controllers.

People Make The Difference: Carol Ann Simmons



Leadman, Contract Field Teams

Carol supervises operations for Contract Field Teams in Mannheim, Germany, in addition to providing support through administration, human resources, security, payroll, and accreditations to various company programs in Europe. Carol has been with DI for more than 30 years. She says she believes in staying with a company "that cares for and takes care of its people."

Looking Ahead

DI by the Numbers FY2007

Colombia Department of State Air Wing

Missions flown:
29,539
Hours flown:
52,715
Hectares eradicated:
157,061
Number of aircraft deployed:
146, 12 different types

Oman War Reserve Materiel

58 upgrading and rehabilitation, renovation, and construction projects, including new roads and hardstand, electrical distribution systems, new accommodations, equipment and vehicle maintenance and storage facilities, test facilities, and staging areas.

MTSS

Types of aircraft maintained:
85
Number of aircraft maintained:
3,500
Worksites:
185
Employees (3/30/2007):
7,000

Continued GS and MTSS Growth from U.S. Government Customers

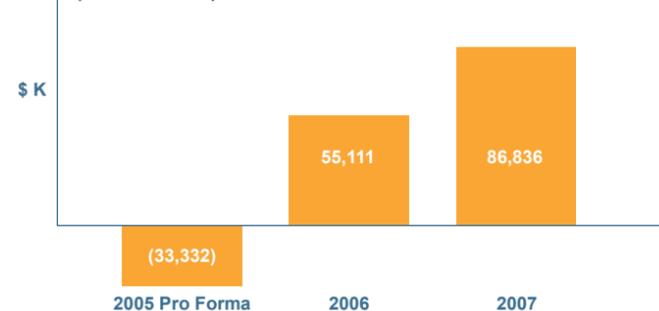
The continuing trend toward outsourcing of services by the U.S. government has provided important business opportunities for DynCorp International, in both traditional and new areas, mostly with the Departments of Defense and State. The increased deployment of U.S. troops and resources overseas creates both domestic and international needs for private-sector services that we are well placed to fulfill. Many U.S. government agencies, including traditionally domestic agencies, frequently deploy personnel overseas, some in relatively large numbers. Our solid reputation for excellence, our strong relationships with the Departments of Defense and State, and our experience working in support of the U.S. government overseas and in sensitive operations uniquely position DI to provide more services to the government in the future.

New Business Opportunities

DI is actively pursuing new business beyond the Departments of State and Defense, and has been successful in both the U.S. and foreign markets. One example is our project to build a new airport in Nigeria's Akwa Ibom State, now in its second year of construction and nearing completion of the first phase. This three-phase greenfield project has a potential total value of \$350 million. This project and others are helping us develop a track record in Africa infrastructure that we expect to help us win new business in this fast-growing continent.

We see strong potential in offering our existing services directly to non-U.S.-government customers. For several years, we have maintained the entire fleet of Apache helicopters for the United Arab Emirates, and this year we began maintaining all 17,000 ground vehicles belonging to the UAE armed forces. There is great potential for outsourcing in other countries, particularly those using American-manufactured equipment with which we have a great deal of experience and a successful track record.

Three Year Operating Cash Flow
(\$ in thousands)



Brief History of DynCorp International

1946

DynCorp International LLC has its origins with two companies formed in 1946 – Land-Air, Inc., and California Eastern Airways. Land-Air performed maintenance services, and California Eastern provided freight service to Asia and the Middle East.

1951

Land-Air reached a major milestone in 1951, when it was awarded the first Contract Field Teams (CFT) contract by the Air Force Logistics Command (AFLC). DynCorp International and its predecessors have held that contract continuously ever since.

1951-1987

Also in 1951, Land-Air was acquired by California Eastern Airways, which became California Eastern Aviation. In 1962, the company changed its name to Dynalectron Corporation, and in 1987, Dynalectron became DynCorp. Dynalectron and DynCorp expanded into many different business activities, including information technology, health systems, electrical contracting, range services, and petrochemical services.

1998

In 1998, DynCorp formed a new subsidiary for its aerospace and international-division business, DynCorp Technical Services, Inc. (DTS). Two years later, it formed DynCorp International LLC to perform its international business, while DTS continued to perform the company's domestic contracts.

2003-2006

In 2003, DynCorp and its subsidiaries were acquired by Computer Sciences Corporation (CSC), and in February 2005, CSC completed the sale of what is now DynCorp International LLC to private investors. DynCorp International Inc. became a public company in May 2006.

Present

DynCorp International is a global company that provides services essential to national security, humanitarian operations, nation-building, peacekeeping, and aviation.

People Make The Difference: Lloyd Carpenter



Project Manager, WRA

Lloyd is a retired Special Forces soldier and former business and management professor who now manages the U.S. Department of State's Explosive Remnants of War clearance efforts in Afghanistan for DI. He also helps organize campaigns for the Mine Detection and Dog Center – an Afghan demining non-governmental organization – and the U.N. Mine Action Center in Afghanistan to find homes for newly retired mine-detector dogs, mostly German shepherds and Belgian Malinois. Lloyd says he knows his team "makes a lasting impact on an entire society," and "saves lives by removing silent killers such as landmines and unexploded ordnance from communities."

A History of Critical Missions



Contract Field Teams

In 1951, the U.S. military needed an efficient system to maintain aircraft at multiple – and often remote – locations. As Land-Air, Inc., we were a pioneer of Contract Field Teams, deploying maintenance experts and equipment anywhere in the world – and we have held this contract ever since. Today in our aviation programs, we maintain rotary and fixed-wing aircraft for all branches of the U.S. Armed Forces throughout the world, for foreign governments flying American aircraft, and for commercial aviation companies.

Civilian Policing

The U.S. government turned to us in 1994 to find, train, deploy, and support U.S. civilian police to serve as United Nations peacekeepers in Haiti. Since then, we have deployed more than 5,000 law-enforcement professionals for peacekeeping and police-training duties – to Kosovo, East Timor, Afghanistan, Iraq, and other places trying to recover from armed conflict.

Contingency Support for Hurricane Katrina Relief

In 2005, DI worked directly with local government officials to provide security and logistics support following Hurricane Katrina. Shortly after the hurricane, we established living and working facilities, communications, food service, and transportation for employees of St. Bernard Parish, which was almost completely inundated and had suffered the loss of nearly all its structures.

War Reserve Materiel

Since 2000, DynCorp International has managed the U.S. Air Force's War Reserve Materiel (WRM) program in Southwest Asia. With strategic sites throughout the Persian Gulf, DI manages billions of dollars in pre-positioned assets, including expeditionary airfield resources, fuel support equipment, aerospace ground equipment, and vehicles. WRM was called on to provide unprecedented support for Operation Enduring Freedom and Operation Iraqi Freedom, resulting in one of the largest movements of wartime assets in history.

California Department of Forestry

DI applies the experience gained in military aviation to the critical task of preventing and combating forest and brush fires in California. DI maintains and operates tanker planes and other aircraft for the California Department of Forestry, deploying all over the state during fire season and assisting with forest fires as far away as Florida.

Colombia – Air Wing

In 1991, the United States Congress gave the U.S. Department of State responsibility for an air wing to assist the government of Colombia in eradicating illicit coca crops. The State Department chose DynCorp International to carry out this critical program, and DI has held the contract ever since. Carrying out the precise instructions of the governments of Colombia and the United States, DI has helped eradicate hundreds of thousands of hectares of coca that might otherwise have found their way into the United States and other countries.

Africa Peacekeeping

DI supports peacekeeping and nation-building efforts in Africa. Working through the Africa Peacekeeping program of the U.S. Department of State, DI manages critical security-sector reform in Liberia, with the objective of creating a modern, democratic security force. In Sudan, DI is helping develop governmental infrastructure and supports efforts to reinforce civil society. And DI has provided logistical support to the Ugandan People's Defence Force as it carried out peacekeeping duties in Somalia for the Africa Union.

Andrews Air Base

DI maintains the aircraft of the presidential fleet at Andrews Air Force Base with a mission readiness rate of 99.4 percent – an extraordinary feat in the aviation industry. This year, our Andrews maintenance team won the Federal Aviation Administration's Diamond Certificate of Excellence for the fifth consecutive year. The award recognizes DI for providing outstanding maintenance for aircraft serviced by the company's Andrews Support Division for the Air Mobility Command's 89th Air Wing used by America's leaders.

People Make The Difference: John Anthony



Lead Fabrication Technician

"If we can't fix it, it ain't broke" is the motto of John's BEAR Base fabrication team at the Al Udeid Air Base in Qatar. The Sri Lankan native has been with DI for almost seven years, beginning as a contractor in Oman. His current team maintains assets of the BEAR Base Program by performing periodic inspections, modifying equipment and updating assets when required by DI's customers. The team also builds and removes tent cities and provides services at the base camps for the U.S. Air Force.

Corporate Officers

Robert B. McKeon
Chairman of the Board

Herbert J. Lanese
President and
Chief Executive Officer

Michael J. Thorne
Senior Vice President and
Chief Financial Officer

Curtis L. Schehr
Senior Vice President,
General Counsel and Secretary

Board of Directors

Robert B. McKeon
Chairman of the Board
President, Veritas Capital

Michael J. Bayer
President and Chief Executive Officer of
Dumbarton Strategies LLC

General Richard E. Hawley
U.S. Air Force Retired

Herbert J. Lanese
President and Chief Executive Officer
DynCorp International Inc.

General Barry R. McCaffrey
U.S. Army Retired

Ramzi M. Musallam
Partner, Veritas Capital

Admiral Joseph W. Prueher
U.S. Navy Retired

Charles S. Ream
Former Executive Vice President and CFO
of Anteon International Corporation

Mark H. Ronald
Chairman of the Board of
BAE Systems Inc.

Admiral Leighton W. Smith, Jr.
U.S. Navy Retired

William G. Tobin
Former Managing Director and Chairman
of the Defense & Aerospace practice of
Korn/Ferry International

General Anthony C. Zinni
U.S. Marine Corps Retired

Stock Listing

DynCorp International Inc. is traded on the New York Stock Exchange under the symbol DCP.

Corporate Headquarters

DynCorp International Inc.
3190 Fairview Park Drive, Suite 700
Falls Church, VA 22042
571-722-0210

Stockholder Services

Questions concerning registered stockholder accounts, including name or address changes and transfers, should be directed to our transfer agent:

The Bank of New York

Attn: Stock Transfer Administration
101 Barclay St., (11 E)
New York, NY 10286
Fax: 212-815-7048

Independent Auditors

Deloitte & Touche LLP
201 Main Street, Suite 1501
Fort Worth, TX 76102

Annual Report on Form 10-K

Copies of DynCorp International's 2007 Form 10-K filed with the Securities and Exchange Commission may be obtained at no charge by calling DynCorp International's Investor Relations Department at 817-224-1461 or by sending an email to: Cindy.Roberts@dyn-intl.com.

Additional Information

DynCorp International Inc.'s Web site (www.dyn-intl.com) contains information such as corporate news releases, corporate governance, financial results, and SEC filings. Inquiries for additional investor information should be directed to:

Cindy Roberts

Director, Investor Relations
817-224-1461
Cindy.Roberts@dyn-intl.com

Table to Accompany Financial Highlights

For the Fiscal Year Ended (\$ in thousands)	2007	2006	2005 Pro Forma ⁽¹⁾
Net income (loss)	\$ 27,023	\$ 7,243	\$ (12,826)
Income taxes	20,549	16,627	4,863
Interest expense and loss on early extinguishment of debt and preferred stock ⁽²⁾	70,615	77,828	76,610
Depreciation and amortization	45,251	47,020	46,732
EBITDA	\$ 163,438	\$ 148,718	\$ 115,379
Non-cash equity based compensation	2,353	2,417	-
Compensation expenses ⁽³⁾	781	4,969	-
Severance expenses ⁽⁴⁾	5,678	-	-
Adjusted EBITDA	\$ 172,250	\$ 156,104	\$ 115,379

⁽¹⁾ For explanation of Pro Forma results, see "explanation of reporting periods and basis of presentation" in Item 7 of the Company's Form 10-K.

⁽²⁾ Fiscal 2007 includes the premium associated with the redemption of all of the outstanding preferred stock, the premium on the redemption of a portion of the senior subordinated notes and the write-off of deferred financing costs associated with the early retirement of a portion of the senior subordinated notes.

⁽³⁾ Represents one-time IPO bonuses and one-time retention bonuses paid to certain members of management.

⁽⁴⁾ Represents severance expense related to certain former senior executives.

DynCorp International

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www.dyn-intl.com

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