SCIENCE APPLICATIONS INTERNATIONAL CORP
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SAIC Capital Restructuring & Initial Public Offering (IPO)

SAIC Capital Restructuring & IPO

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Pre-IPO and Post-IPO Comparison of Stockholder Rights and Employee Benefits

The following summary is qualified in its entirety by the specific provisions of our employee benefit plans and retirement plans, our stock programs policies and procedures, our certificate of incorporation and our other governing instruments. In addition, we are reviewing many of our employee benefit plans and retirement programs to take into account the merger and the IPO. We intend to make such changes as we deem appropriate to assist with our transformation to a company with a publicly traded security.

Stock Programs and Provisions	Before Merger and IPO	After Merger and IPO	Description of Change
Stock Bonus Awards	Awards of class A common stock (1 vote per share) issued pursuant to 1984 Bonus Compensation Plan	Awards of new class A preferred stock (10 votes per share) issued pursuant to 2006 Equity Incentive Plan	No significant change, except post-IPO bonus award shares carry 10 votes per share.
Stock Options	Options to purchase class A common stock granted under 1999 Equity Incentive Plan	Options to purchase new common stock granted under 2006 Equity Incentive Plan	All unexercised options adjusted to reflect value of special dividend
Option Exercise Process	Stock for Stock exchange to pay exercise price and Stock for Tax to pay tax	Stock for Stock exchange to pay exercise price	New flexibility for options issued under 2006 Equity

Who to Contact/Resources	withholding on options granted under 1999 Equity Incentive Plan	and Stock for Tax to pay tax withholding under 1999 Equity Incentive Plan	Incentive Plan
Trade Date Information			
Comparison of Benefits		Net Exercise feature for options issued under 2006 Equity Incentive Plan	

Questions/Feedback

See the Who to Contact/Resources page for contact information and hotline listings.

Vesting Schedule for Stock and Option Awards	20%, 20%, 20%, 40% over four years	20%, 20%, 20%, 40% over four years	No change
Valuation Pricing for Stock Trades	**Before Merger and IPO** Periodic valuation of class A common stock by board of directors with assistance of independent appraiser	**After Merger and IPO** Public market price for sales upon conversion of new class A preferred into shares of new common stock	**Description of Change** Market price for common stock instead of periodic valuations
Pricing for Plan Transactions (e.g., exchanges to and from SAIC Stock Funds in retirement plans; SAIC purchases from retirement plans in private transactions; ESPP purchases)	Periodic valuation of class A common stock by board of directors with assistance of independent appraiser	The board of directors will be responsible for establishing a valuation for the new class A preferred stock, which is expected to be the public market price for the new common stock	Valuation based on public market price rather than on appraised value
Valuation for Exercise of Options and Vesting of Stock Bonus Awards	Periodic valuation of class A common stock by board of directors with assistance of independent appraiser	The board of directors will be responsible for establishing a valuation for the new class A preferred stock, which is expected to be the public market price for the new common stock.	Valuation based on public market price rather than on appraised value

Liquidity Features	Before Merger and IPO	After Merger and IPO	Description of Change
Transfer Restrictions	SAIC has right of repurchase and right of first refusal on class A common stock	Transfer restrictions expire periodically after the IPO: 4/1/06 (series A-1 preferred stock) 180 days (series A-2 preferred stock) 270 days (series A-3 preferred stock) 360 days (series A-4 preferred)	Shares of new class A preferred stock may be converted to new common stock and sold in public market after transfer restrictions expire
Exceptions to Right of Repurchase and Right of First Refusal	Former employee program Alumni program Telcordia divestiture program	Not applicable	Stockholders may hold shares indefinitely after affiliation with SAIC terminates
Stock Trading	Limited market trades facilitated by Bull, Inc. four times annually	Public market for new common stock	Greater liquidity upon expiration of transfer restrictions
Employee Purchase Incentives	First time buyers program Various matching option programs ESPP	ESPP	Employees may purchase shares in public market
Permitted Transfers	Transfers permitted to family members, trusts, charities, etc, all subject to SAIC s rights and restrictions	During transfer restriction periods, transfers only to parties permitted by certificate of incorporation After expiration of transfer restriction periods, shares freely transferable	All restrictions lapse after 360 days and shares become freely transferable

	Before Merger and IPO	After Merger and IPO	Description of Change
Employee Stock Retirement Plan Contributions	Discretionary contributions determined by SAIC board of directors and invested in Non-Exchangeable Company Stock Fund holding class A common stock	Discretionary contributions determined by SAIC board of directors and invested in Non-Exchangeable Company Stock Fund Special dividend either reinvested in participant accounts or, if favorable guidance is received from the IRS on proposed tax treatment of the dividend, distributed to participants in cash	No practical change, except participants will receive special dividend in cash or participant accounts will reflect equivalent value
Diversification of Non-Exchangeable Company Stock Fund	At age 55 and after 10 or more years of service, sales from Non-Exchangeable Company Stock Fund to SAIC concurrent with limited market trades	At age 55 and after 10 or more years of service, either: through periodic private sales to SAIC; or through public market sales after expiration of transfer restriction periods.	No practical change, except greater liquidity after transfer restrictions lapse
In-Kind Distributions	In kind distributions of class A common stock available to terminated participants at age 59.5 In service in-kind distributions of class A common stock available on or after age 62	In kind distributions of common stock available to terminated participants at age 59.5 In service in-kind distributions of new common stock available on or after age 62	No practical change

Put Option	Participant who takes in-kind distributions can require SAIC to repurchase class A common stock during two 60 day windows	Participant who takes in-kind distributions will either maintain pre-IPO put option or sell into the public market	No practical change
SAIC 401(k)		**After**	
Plan	**Before Merger and IPO**	**Merger and IPO**	**Description of Change**
Matching Contributions	SAIC matches 50% of the first 6% of employee deferrals: 50% of matching contribution invested in Non-Exchangeable Company Stock Fund 50% of matching contribution invested according to employee deferral elections	SAIC matches 50% of the first 6% of employee deferrals: 50% of matching contribution invested in Non-Exchangeable Company Stock Fund 50% of matching contribution invested according to employee deferral election Special dividend either re-invested in participant accounts or, if favorable guidance is received from the IRS on proposed tax treatment of the dividend, distributed to participants in cash	No practical change, except participants will receive special dividend in cash or participant accounts will reflect equivalent value

Profit Sharing Contributions (Discretionary-determined by SAIC board of directors)	Invested according to participant deferral elections	Invested according to participant deferral elections Special dividend either re-invested in participant accounts or, if favorable guidance is received from the IRS on proposed tax treatment of the dividend, distributed to participants in cash	No practical change, except participants will receive special dividend in cash or participant accounts will reflect equivalent value
Reallocation of Non-Exchangeable Company Stock Fund	No reallocation of stock in Non-Exchangeable Company Stock Fund	No reallocation of stock in Non-Exchangeable Company Stock Fund	No change
Reallocation of Exchangeable Company Stock Fund	Participant may exchange out of Exchangeable Company Stock Fund under normal plan procedures concurrent with limited market trades	Participant may exchange out of Exchangeable Company Stock Fund under normal plan procedures at regularly scheduled times	No practical change

AMSEC 401(k) Plan	Before Merger and IPO	After Merger and IPO	Description of Change
Matching Contributions	50% of matching contribution invested in Non-Exchangeable Company Stock Fund 50% of matching contribution invested according to employee deferral elections	50% of matching contribution invested in Non-Exchangeable Company Stock Fund 50% or matching contribution invested according to employee deferral election Special dividend either re-invested in participant accounts or, if favorable guidance is received from the IRS on proposed tax treatment of the dividend, distributed to participants in cash	No practical change, except participants will receive special dividend in cash or participant accounts will reflect equivalent value
Reallocation of Non-Exchangeable Company Stock Fund	No reallocation of stock in Non-Exchangeable Company Stock Fund	No reallocation of stock in Non-Exchangeable Company Stock Fund	No change
Reallocation of Exchangeable Company Stock Fund	Participant may exchange out of Exchangeable Company Stock Fund under normal plan procedures concurrent with limited market trades	Participant may exchange out of Exchangeable Company Stock Fund under normal plan procedures at regularly scheduled times	No change

		After	
Non-Qualified Deferral Plans Management Stock Compensation Plan (MSCP) (a/k/a rabbi trust plan)	**Before Merger and IPO** SAIC stock unit-based plan for key executives funded by the rabbi trust	**Merger and IPO** SAIC stock unit-based plan for key executives funded by the rabbi trust Participants will receive the special dividend in cash	**Description of Change** No practical change, except participants will receive special dividend in cash
Stock Compensation Plan (SCP) (a/k/a rabbi trust plan)	SAIC stock unit-based plan for high potential employees funded by the rabbi trust	SAIC stock unit-based plan for high potential employees funded by the rabbi trust Participants will receive the special dividend in cash	No practical change, except participants will receive special dividend in cash
Key Executive Stock Deferral Plan (KESDP)	Deferred compensation plans for key executives funded by rabbi trust	Deferred compensation plans for key executives funded by the rabbi trust Participants will receive the special dividend in cash	No practical change, except participants will receive special dividend in cash

Forward-looking Statements

This communication may contain forward-looking statements that are based on our management s belief and assumptions and on information currently available to our management. Any such forward-looking statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance, achievements or benefits to be materially different from any future results, levels of activity, performance, achievements or benefits expressed or implied by such forward-looking statements. As a result of these risks, uncertainties and other factors, readers are cautioned not to place undue reliance on any forward-looking statements included in this communication. These risks, uncertainties and factors are discussed in the filings of Science Applications International Corporation and SAIC, Inc. with the SEC, which are available without charge at the SEC s internet site at **http://www.sec.gov**. The forward-looking statements speak only as of the date made. Neither Science Applications International Corporation nor SAIC, Inc. assume any obligation to update any forward-looking statements to reflect events or circumstances arising after the date as of which they are made or to conform such statements to actual results.

Additional Information and Where to Find It

More detailed information pertaining to the merger and related proposals of Science Applications International Corporation will be set forth in appropriate filings that have been and will be made with the SEC, including the proxy statement/prospectus contained in the registration statement on Form S-4 filed by SAIC, Inc. concerning the proposed merger and related proposals. **We urge stockholders to read such documents that are or may be filed with the SEC when they are available because they will contain important information about the proposed merger and related proposals.** Stockholders will be able to obtain a free copy of any filings, containing information about Science Applications International Corporation or SAIC, Inc., without charge, at the SEC s internet site at **http://www.sec.gov**. Copies of any filings by Science Applications International Corporation or SAIC, Inc. can also be obtained, without charge, by directing a request in writing to Science Applications International Corporation, 10260 Campus Point Drive, M/S F-3, San Diego, California 92121, Attention: General Counsel or by email to **SECfilings@saic.com**.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Participants in the Solicitation

Science Applications International Corporation, SAIC, Inc. and their respective directors and executive officers may be deemed, under the SEC s rules, to be participants in the solicitation of proxies from the stockholders of Science Applications International Corporation in connection with the proposed merger and related proposals. The names of the directors and executive officers of Science Applications International Corporation and SAIC, Inc. and their interests, direct or indirect, by security holdings or otherwise, in the proposed merger and related proposals are contained in the proxy statement/prospectus contained in a registration statement on Form S-4 filed by SAIC, Inc., which may be obtained without charge at the SEC s internet site a**t http://www.sec.gov**, or by directing a request in writing to Science Applications International Corporation, 10260 Campus Point Drive, M/S F-3, San Diego, California 92121, Attention: General Counsel or by email to **SECfilings@saic.com**.