Pursuant to Rule 425 under the Securities Act of 1933 and deemed filed under Rule 14a-12 of the Securities Exchange Act of 1934

Subject Company: Science Applications International Corporation Registration No.: 000-12771

SAIC Capital Restructuring & Initial Public Offering (IPO)

SAIC Capital Restructuring & IPO



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 of class A common	Awards of new	No significant
Awards	stock (1 vote per share) issued pursuant to 1984 Bonus Compensation Plan	class A preferred stock (10 votes per share) issued pursuant to 2006 Equity Incentive Plan	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	No significant change, except all unexercised options adjusted to reflect potential impact of special dividend on value of SAIC stock
Option Exercise Process	"Stock Swap" exchange to pay exercise price and "Share Withholding" to pay tax withholding on options granted under 1999 Equity Incentive Plan	 Ÿ "Stock Swap" exchange to pay exercise price and "Share Withholding" to pay tax withholding under 1999 Equity Incentive Plan Ÿ "Net Exercise" feature for options issued under 2006 Equity Incentive Plan 	Ϋ Someprocesschanges due toappointment ofMellonInvestorServices asstock planadministratorΫ Newflexibility foroptions issuedunder 2006EquityIncentive Plan

Questions/Feedback

See the <u>Who to</u> <u>Contact/Resources</u> 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	Before Merger and IPO	After Merger and IPO	Description of Change
Pricing for Stock Trades	Periodic valuation of class A common stock by board of directors with assistance of independent appraiser	Public market price for sales upon conversion of new class A preferred into shares of new common stock	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	Board of directors responsible for establishing value of new class A preferred stock during transfer restriction periods, expected to be equal to public market price for new common stock; thereafter, plan transactions conducted in common stock at public price	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	Board of directors responsible for establishing value for new class A preferred stock, expected to be equal to public market price for 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 and Sale	SAIC has	Transfer and	Shares of
Restrictions	right of	sale	new class A
	repurchase	restrictions	preferred
	and right of	expire	stock may
	first refusal on	periodically	be converted
	class A	after the IPO:	to new
	common	Ÿ 90 days	common
	stock	(series A-1	stock and
		preferred	sold in
		stock)	public
		Ÿ 180 days	market as transfer and
		(series A-2 preferred	sale
		stock)	restrictions
		Ÿ 270 days	expire
		(series A-3	chpire
		preferred	
		stock)	
		Ÿ 360 days	
		(series A-4	
		preferred)	
Exceptions to Right of	Ÿ Former	Not	Stockholders
Repurchase and Right	employee	applicable	may hold
of First Refusal	program		shares
	Ÿ Alumni		indefinitely
	program		after
	Ÿ Telcordia		affiliation
	divestiture		with SAIC
Stock Trading	program L imited	Public market	terminates
Stock Trading	Limited market trades	for new	Greater liquidity
	facilitated by	common	upon
	Bull, Inc. four	stock	expiration of
	times	51501	transfer
	annually		restrictions
Employee Purchase	Various	Ÿ 2006 ESPP	Employees
Incentives	matching		may
	option		purchase
	programs		shares in
	Ÿ 2004 ESPP		public
			market

Permitted Transfers	Transfers permitted to family members, trusts, charities, etc, all subject to SAIC's rights and	Ÿ During transfer restriction periods, transfers only to "permitted transferees" Ÿ After expiration of	All restrictions lapse after 360 days and shares become freely transferable
SAIC Retirement	restrictions Before Merger	transfer restriction periods, shares freely transferable After Merger	Description of
Plan ESOP Contributions	and IPO Discretionary contributions determined by board of directors and invested in Non- Exchangeable Company Stock Fund holding class A common stock	and IPO Ÿ Discretionary contributions determined by board of directors and invested in Non- Exchangeable Company Stock Fund Ÿ Special dividend either reinvested in participant accounts or, if IRS issues favorable ruling on proposed deductibility of special dividend, distributed to participants in cash (subject to tax at applicable ordinary income rate)	Change No practical change, except special dividend either reinvested in participant accounts or distributed to participants in cash

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participants in cash (subject to tax at applicable ordinary			-	
cash (subject to tax at applicable ordinary				
to tax at applicable ordinary				
applicable ordinary				
ordinary				
-				
income rate)			-	
			income rate)	

Reallocation of	Participant	Participant	No practical
Exchangeable	may exchange	may exchange	change
Company Stock Fund	out of	out of	chunge
Company Stock I and	Exchangeable	Exchangeable	
	Company	Company	
	Stock Fund	Stock Fund	
	under normal	under normal	
	plan	plan	
	procedures	procedures at	
	concurrent	regularly	
	with limited	scheduled	
	market trades	times	
Diversification of Non-	At age 55 and	At age 55 and	No practical
Exchangeable	after 10 or	after 10 or	change,
Company Stock Fund	more years of	more years of	except
Company Stoter I and	service, sales	service,	greater
	from Non-	either:	liquidity
	Exchangeable	Ÿ through	after transfer
	Company	periodic	restrictions
	Stock Fund to	private sales	lapse
	SAIC	to SAIC; or	
	concurrent	Ÿ through	
	with limited	public market	
	market trades	sales after	
	manet traces	expiration of	
		transfer	
		restriction	
		periods.	
In-Kind Distributions	Ÿ In-kind	Ÿ In-kind	No practical
	distributions	distributions	change -
	of class A	of common	note that
	common	stock	effective
	stock	available to	January
	available to	terminated	2006, age at
	terminated	participants at	which in
	participants at	age 59.5	service in-
	age 59.5	Ÿ In service	kind
	Ÿ In service	in-kind	distributions
	in-kind	distributions	available
	distributions	of new	lowered
	of class A	common	from 62 to
	common	stock	59.5
	stock	available on	
	available on	or after age	
	or after age	59.5	
	59.5		
Put Right	Participant	Participant	In-kind
	who takes in-	who takes	distributions
	kind	pre-IPO in-	taken post-
	distributions	kind	IPO will not
	can require	distribution	have a "put
	SAIC to	will maintain	right"
	repurchase	pre-IPO "put	
	class A	right"	
	common	Participant	
	stock during	who takes	
	two 60 day	post-IPO in-	
	windows	kind	
		distribution	
		will sell into	
		the public	
<u> </u>		market	

AMSEC 401(k) Plan	Before Merger and IPO	After Merger and IPO	Description of Change
Matching Contributions	Ÿ 50% of	Ÿ 50% of	No practical
	matching	matching	change,
	contribution	contribution	except plan
	invested in	invested in	will reinvest
	Non-	Non-	dividend
	Exchangeable	Exchangeable	proceeds in
	Company	Company	participant
	Stock Fund	Stock Fund	accounts
	Ÿ 50% of	Ÿ 50% or	
	matching	matching	
	contribution	contribution	
	invested	invested	
	according to	according to	
	employee deferral	employee deferral	
	elections	election	
	elections	Ÿ Special	
		dividend re-	
		invested in	
		participant	
		accounts	
Reallocation of Non-	No	No	No change
Exchangeable	reallocation of	reallocation of	No change
Company Stock Fund	stock in Non-	stock in Non-	
company storm r and	Exchangeable	Exchangeable	
	Company	Company	
	Stock Fund	Stock Fund	
Reallocation of	Participant	Participant	No change
Exchangeable	may exchange	may exchange	0
Company Stock Fund	out of	out of	
	Exchangeable	Exchangeable	
	Company	Company	
	Stock Fund	Stock Fund	
	under normal	under normal	
	plan	plan	
	procedures	procedures at	
	concurrent	regularly	
	with limited market trades	scheduled times	
<u> </u>	Before	After	Description
Non-Qualified Deferral Plans	Merger and IPO	Merger and IPO	of Change
	SAIC stock	Ÿ SAIC stock	5
Management Stock Compensation Plan	unit-based	unit-based	No practical change,
(MSCP) (a/k/a "rabbi	plan for key	plan for key	except
trust" plan)	executives	executives	participants
dust piul)	funded by the	funded by the	will receive
	"rabbi trust"	"rabbi trust"	special
		Ÿ Participants	dividend in
		will receive	cash and be
		the special	taxed at
		dividend in	applicable
		cash	ordinary
			income rate

Stock Compensation Plan	SAIC stock	Ÿ	No practical
(SCP) (a/k/a "rabbi	unit-based	SAIC stock	change,
trust" plan)	plan for high	unit-based	except
	potential	plan for high	participants
	employees	potential	will receive
	funded by the	employees	special
	"rabbi trust"	funded by	dividend in
		"rabbi trust"	cash and be
		Ÿ Participants	taxed at
		will receive	applicable
		special	ordinary
		dividend in	income rate
		cash	
Key Executive Stock	Deferred	Ÿ Deferred	No practical
Deferral Plan	compensation	compensation	change,
(KESDP)	plans for key	plans for key	except
	executives	executives	participants
	funded by	funded by the	will receive
	"rabbi trust"	"rabbi trust"	special
		Ÿ Participants	dividend in
		will receive	cash and be
		the special	taxed at
		dividend in	applicable
		cash	ordinary
			income rate

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.

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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 <u>http://www.sec.gov</u>. 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 <u>SECfilings@saic.com</u>.

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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 at <u>http://www.sec.gov</u>, 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 <u>SECfilings@saic.com</u>.