## FORM 4

## UNITED STATES SECURITIES AND EXCHANGE COMMISSION

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

ington, D.C. 20049	OMB APPROVAL
	<del></del>

OMB Number: 3235-0287 Estimated average burden hours per response: 0.5

Check this box if no longer subject to
Section 16. Form 4 or Form 5
obligations may continue. See
Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

		Reporting Person*	CEN ID			r Name <b>ar</b> , <u>Inc.</u> [		ker or Trading	Symbol			elationship of eck all applica		Person(s) to Issu	er
KRAE	MER HA	RRY M JAN	<u>SEN JR</u>			,						X Director		10% Ov	vner
(Last) 10260 C.	•	First)	(Middle)		. Date ( .0/16/2		Tran	saction (Month	/Day/Year)			Officer ( below)	give title	Other (s below)	specify
(Stroot)				4	. If Ame	endment, I	Date	of Original File	d (Month/Da	y/Year)	6. Ir Line		int/Group Fil	ling (Check App	licable
(Street) SAN DII	EGO C	A	92121										•	eporting Persor han One Repor	
(City)	(5	State)	(Zip)									Ferson			
		Та	ıble I - Non-De	erivati	ive S	ecuritie	s A	cquired, Di	sposed o	f, or Ber	eficiall	/ Owned			
1. Title of \$	Security (Ins	tr. 3)	Dat	ransacti e nth/Day		2A. Deem Execution if any (Month/Da	n Date	Code (Inst	n Disposed	ties Acquire I Of (D) (Inst		5. Amount Securities Beneficial Owned Fo	s F lly (I	orm: Direct D) or Indirect	7. Nature of Indirect Beneficial Ownership
								Code V	Amount	(A) or (D)	Price	Reported Transaction (Instr. 3 ar			(Instr. 4)
			Table II - Der					quired, Disp s, options,				Owned	'		
1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	ution Date, Transaction Derivative Expiration Date of Securities Code (Instr. Securities (Month/Day/Year) Underlying		es g Security	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported	Ownership Form:	Beneficial Ownership t (Instr. 4)					
				Code	v	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		Transaction (Instr. 4)	n(s)	
Class A Preferred Stock <sup>(1)</sup>	(2)	10/16/2006		A		116,722		(2)	(3)	Common Stock	116,722	(4)	116,722	D	
Class A Preferred Stock <sup>(1)</sup>	(2)	10/16/2006		A		40,292		(2)	(3)	Common Stock	40,292	(4)	40,292	I	By Key Executive Stock Deferral Plan
Stock Option (Right to Buy) <sup>(1)</sup>	\$10.9833	10/16/2006		A		35,999		03/27/2003 <sup>(5)</sup>	03/26/2007	Class A Preferred Stock <sup>(2)</sup>	35,999	(6)	35,999	D	
Stock Option (Right to Buy) <sup>(1)</sup>	\$9.5333	10/16/2006		A		26,999		04/10/2004 <sup>(5)</sup>	04/09/2008	Class A Preferred Stock <sup>(2)</sup>	26,999	(6)	26,999	D	
Stock Option (Right to Buy) <sup>(1)</sup>	\$12.1733	10/16/2006		A		35,999		04/02/2005 <sup>(5)</sup>	04/01/2009	Class A Preferred Stock <sup>(2)</sup>	35,999	(6)	35,999	D	
Stock Option (Right to Buy) <sup>(1)</sup>	\$13.5166	10/16/2006		A		35,998		04/08/2006 <sup>(5)</sup>	04/07/2010	Class A Preferred Stock <sup>(2)</sup>	35,998	(6)	35,998	D	
Stock Option (Right to Buy) <sup>(1)</sup>	\$14.64	10/16/2006		A		33,000		03/31/2007 <sup>(5)</sup>	03/30/2011	Class A Preferred Stock <sup>(2)</sup>	33,000	(6)	33,000	D	

## **Explanation of Responses:**

- 1. On October 16, 2006, SAIC, Inc. became the successor to Science Applications International Corporation pursuant to a merger. The merger resulted in SAIC, Inc. becoming the parent holding company of Science Applications International Corporation, but did not alter the proportionate interests of security holders.
- 2. Class A Preferred Stock is convertible into Common Stock on a 1 for 1 basis on and after the following dates and in the proportionate amounts for each Series: 20% allocated to Series A-1 and convertible on January 11, 2007; 20% allocated to Series A-2 and convertible on April 11, 2007; 30% allocated to Series A-3 and convertible on July 10, 2007; 30% allocated to Series A-4 and convertible on October 8, 2007.
- 3. Class A Preferred Stock has no expiration date.
- 4. Received in a reorganization merger with Science Applications International Corporation ("Old SAIC"). On the effective date of the merger, the closing price for SAIC, Inc.'s common stock (into which the Class A preferred shares will become convertible on a one-for-one basis) was \$18.11 per share; the securities of Old SAIC were not listed on any securities exchange.
- 5. The option is exercisable according to the following annual vesting schedule: 20% in years 1, 2 and 3, and 40% in year 4. The date exercisable set forth above is the first anniversary of the date of grant of each option and represents the date on which the option first became exercisable with respect to 20% of the underlying shares in accordance with the aforementioned vesting schedule.

6. Received in a reorganization merger with Old SAIC in exchange for an option to purchase shares of Old SAIC common stock.

By: N. Walker, Attorney-in-fact 10/18/2006

\*\* Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

- \* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.