

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934

Date of Report: March 20, 2006

Science Applications International Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

0-12771

(Commission File Number)

95-3630868

(I.R.S. Employer Identification No.)

10260 Campus Point Drive, San Diego, CA 92121

(Address of Principal Executive Offices) (Zip Code)

(858) 826-6000

(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 5.04 Temporary Suspension of Trading Under Registrant's Employee Benefit Plans

On March 20, 2006, Science Applications International Corporation ("SAIC" or the "Company") sent a notice to affected participants and beneficiaries with an account in the Science Applications International Corporation Retirement Plan ("Retirement Plan") informing them that SAIC has postponed the Retirement Plan trade date that was originally scheduled for April 7, 2006 to May 12, 2006. Participants and beneficiaries in the Retirement Plan are only permitted to increase, decrease or liquidate the portion of their account that is invested in SAIC common stock (or acquire shares of SAIC common stock for the first time) on a trade date. The period between April 7, 2006 and May 12, 2006 that is created by the postponement of the April 7th trade date is called a "blackout period."

On March 20, 2006, SAIC sent a notice to its executive officers and directors of the blackout period and the related restrictions on transactions in SAIC's equity securities pursuant to Section 306(a) of the Sarbanes Oxley Act of 2002 and Regulation BTR promulgated thereunder. A copy of the notice provided to the executive officers and directors is attached as Exhibit 99.1 hereto and incorporated by reference into this Item 5.04. SAIC provided such notice to its directors and executive officers within five (5) business days of March 17, 2006, which is the date the plan administrator for the Retirement Plan notified SAIC of the blackout period.

During the blackout period and for a period of two years after the ending date of the blackout period, a security holder or other interested person may obtain, without charge, the actual beginning and ending dates of the blackout period by sending a written inquiry to SAIC, 10260 Campus Point Drive, MS F3, San Diego, California 92121, Attention: General Counsel.

Item 8.01. Other Events.

On March 17, 2006, the Chairman of the Board of Directors and Chief Executive Officer of SAIC sent a memo dated March 17, 2006 to the employees and stockholders of the Company providing a year-end summary of Company performance and an update on certain topics, including: (i) the initiation of a CEO quarterly letter to employees; (ii) the status of the Greek Olympics contract; (iii) the current plan for completion of the proposed initial public offering; (iv) the rescheduling of the SAIC stock trade involving the Retirement Plan from April 7, 2006 to May 12, 2006; (v) the proposal to hold a limited market trade to buy and sell SAIC stock in the Summer; (vi) the plans to hold an annual meeting of stockholders in the Summer; and (vii) an update on the Company's performance. A copy of the memo is attached as Exhibit 99.2 and incorporated by reference herein in its entirety.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

The following exhibits are filed with this current report:

Exhibit 99.1	Important Notice Regarding SOX Blackout Period and Restrictions on Directors and Officers Ability to Trade in SAIC Securities dated March 20, 2006
Exhibit 99.2	Memo from Chairman and CEO to employees and stockholders dated March 17, 2006

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

(Registrant)

SCIENCE APPLICATIONS
INTERNATIONAL CORPORATION

Date: March 20, 2006

By /s/ DOUGLAS E. SCOTT

Douglas E. Scott

Its: Senior Vice President

General Counsel and Secretary

[SAIC Letterhead]

March 20, 2006

To the SAIC Directors and Executive Officers

Re: Important Notice Regarding SOX Blackout Period and
Restrictions on Directors and Executive Officers Ability to Trade in
Securities of Science applications International Corporation (“SAIC”)

Ladies and Gentlemen:

The purpose of this letter is to notify you of an upcoming “blackout period” (April 7, 2006 to completion of the next retirement plan transactions, currently scheduled for May 12, 2006) during which you will be prohibited from effecting any transactions in SAIC stock or options, including exercising stock options that expire during the blackout period.

Retirement Plan Blackout Period

As you know, SAIC has postponed the SAIC Retirement Plan trade date that was originally scheduled to occur on April 7, 2006 until May 12, 2006. Delaying the trade date will affect the ability of participants and beneficiaries in the SAIC Retirement Plan to complete transactions involving SAIC common stock. The period between April 7, 2006 and completion of the next retirement plan transactions, currently scheduled for May 12, 2006, which is created by the delay, is called a “blackout period.” The blackout period and reasons for the blackout period are further described in the Notice to SAIC Retirement Plan Participants attached as Exhibit A, which forms a part of this letter of notification to directors and executive officers.

Insider Trading Prohibition During Blackout Period

The Sarbanes-Oxley Act of 2002 (“SOX”) and Regulation Blackout Trading Restriction, or BTR, enacted under SOX impose trading restrictions on executive officers and directors during a blackout period. The SOX insider trading rules make it unlawful for any director or executive officer of SAIC to, directly or indirectly, purchase, sell or otherwise acquire or transfer any SAIC equity security during the period beginning on April 7, 2006 and ending immediately before the trade is completed (currently scheduled for May 12, 2006). Although the SOX insider trading rules contain limited exceptions, because of the complexity of the rules, SAIC has decided to prohibit all transactions by directors or executive officers that involve SAIC equity securities during the blackout period, other than any transaction that is approved in advance in writing by the General Counsel’s Office.

Importantly, during the blackout period, the SOX insider trading rules prohibit the grant and/or exercise of stock option grants, restricted stock, restricted stock units and other types of

compensation awards whose value is denominated in, derived from or based on the market value of SAIC common stock by directors and executive officers. **Because of these restrictions, you may wish to evaluate the expiration dates of any outstanding stock options prior to the beginning of the blackout period.**

If you have any questions regarding the blackout period, your status as an executive officer or director for purposes of the SOX rules, your ability to enter into a transaction during the blackout period, you should contact me by email at douglas.e.scott@saic.com, by telephone at (858) 826-7325, by facsimile at (858) 826-6808 or by mail at 10260 Campus Point Drive, M/S F2, San Diego, California 92121. If I am unavailable for any reason, please contact Paul Greiner by email at paul.h.greiner@saic.com or by telephone at (858) 826-7360.

Very truly yours,

/s/ Douglas E. Scott

Douglas E. Scott
Senior Vice President,
General Counsel and Secretary

cc: Paul H. Greiner



Important Notice Concerning Your Rights under the Science Applications International Corporation (SAIC) Retirement Plan

DATE: March 20, 2006

TO: SAIC Retirement Plan Participants

FROM: John H. Warner, Jr., Chairman, SAIC Retirement Plan Committee

SUBJECT: SAIC Stock Trade for Retirement Plan Only

Dear Plan Participant,

This memo is to notify you that the trade date for the exchange of stock of Science Applications International Corporation ("SAIC") in the SAIC Retirement Plan has been rescheduled from April 7, 2006 to May 12, 2006.

The original Retirement Plan trade date was set anticipating that SAIC would file its Annual Report on Form 10-K on or before March 31st and the SAIC Board of Directors would set a new price for SAIC stock at its meeting scheduled for March 31st. Currently, it is expected that the annual report will be filed on or before the SEC deadline of May 1st. To accommodate this schedule, the SAIC Retirement Plan trade is being rescheduled for May 12th with the Board expected to set a new price for SAIC stock on May 5th. For more information regarding this retirement plan trade and other information relevant to SAIC stockholders, please review SAIC CEO Ken Dahlberg's letter to SAIC employees and stockholders **[enclosed with this mailing.] or [posted on ISSAIC.]**

As a result of this change in the Retirement Plan trade date, there will be a change in the cutoff date for submitting your paperwork requesting an exchange of shares of SAIC stock into another investment option within the SAIC Retirement Plan. There is also a corresponding change in the date you must submit paperwork to obtain a distribution from the Plan. Please note that if you have previously submitted a distribution request for the April trade date, that request will remain in place for the May trade. You may contact Vanguard if you choose to retract your previously submitted distribution request; however, if any portion of this distribution has occurred you will be unable to retract the original request.

Please note the schedule of important dates below.

KEY DATES FOR SAIC RETIREMENT PLAN TRADE

EVENT	SCHEDULE
Distributions from the Plan and In-service Withdrawal Request Cutoff Date	April 28, 2006
Rollover into the SAIC Plan - Submission Cutoff Date	May 5, 2006
Board Pricing Date	May 5, 2006
Cutoff Date for requesting exchanges from the SAIC Exchangeable Stock Funds	May 9, 2006
Exchange/Trade Date	May 12, 2006

As a participant or beneficiary in the SAIC Retirement Plan, you may trade the portion of your account that is invested in exchangeable SAIC Stock** only on a scheduled Retirement Plan trade date. Although SAIC has a very strong balance sheet, with \$2.8 billion in cash reserves at the end of our last quarter and our stock has performed well against other investment alternatives, it is recommended that you consult with your personal financial advisor to review your Retirement Plan holdings, goals and objectives in order to determine if this opportunity makes sense for you.

Under federal law, the period between April 7 and May 12, 2006 that is created by the postponement of the April 7th SAIC Retirement Plan trade date is called a "blackout period." During a blackout period, plan participants are effectively prohibited from trading the SAIC Stock held in their SAIC Retirement Plan accounts. Although it is possible the SAIC Retirement Plan trade may be further delayed and the blackout period extended, at this time we expect the SAIC Retirement Plan trade to occur and the blackout period to end on May 12, 2006. To confirm whether the blackout period has started or ended, you may contact the Director of Retirement Programs via the information provided below or visit SAIC's ISSAIC intranet site, at <https://issaic.saic.com/rp/>, or the section of SAIC's publicly available web site devoted to SAIC stockholder information, at <http://www.saic.com/employees/retirement.html>.

Federal law generally requires that you be furnished notice of a blackout period at least 30 days in advance of the last date immediately before the commencement of any blackout period (*i.e.*, the last date on which you could trade in SAIC stock) in order to provide you with sufficient time to consider the effect of the blackout period on your retirement and financial plans. However, the 30 day advance notice requirement does not apply under certain circumstances, including when failure to comply is due to events that were unforeseeable or beyond the reasonable control of the plan administrator.

This 30-day advance notice would have required that we provide you notice of the blackout period on December 13, 2005 (30 days prior to the last trade of January 13, 2006). Because SAIC did not finalize its decision to postpone the scheduled SAIC Retirement Plan trade until March 17, 2006, which is after the previously held January 13, 2006 trade, this notice of the blackout period is being issued as soon as reasonably possible after the delay was known.

If you have any additional questions regarding this notice, you may contact Lucy K. Moffitt, Vice President, Director for Retirement Programs, SAIC, by mail at 10260 Campus Point Drive, M/S F2, San Diego, CA 92121, by email at lucy.k.moffitt@saic.com, or by phone at (858) 826-5330.

Sincerely,

/s/ John H. Warner, Jr.

John H. Warner, Jr.

Chairman of the SAIC Retirement Plan Committee

* The SAIC 401(k) Profit Sharing Plan and SAIC Employee Stock Retirement Plan combined to form the SAIC Retirement Plan effective January 1, 2006.

** In addition to exchangeable SAIC stock, participants who are no longer employed by SAIC may exchange their non-exchangeable SAIC stock in the Retirement Plan trade. Also, participants who are employed by SAIC and are 59 1/2 years old may have rights to diversify some of their non-exchangeable SAIC stock.

DATE: March 17, 2006
TO: SAIC Employees and Stockholders
FROM: Ken Dahlberg, Chairman and CEO
SUBJECT: Year-end Summary and Update on Important Topics

As we embark on our new fiscal year, I want to discuss a number of items with you related to the Company's performance and future priorities, and continue to update you on the status of other important matters affecting our Company.

Enhanced Communications. Over the last several months, I have visited a significant number of our business units and met with many of our employees. One recurring response I heard from many of you is a desire for more communication. Toward that end, I am initiating a CEO quarterly letter to employees that will communicate major corporate-wide initiatives, feature the capabilities of our operating units, highlight recent marketing successes, and share other items of interest. The first letter to employees will be distributed in May.

In addition, I will continue my practice of communicating to you on important matters such as the Greek Olympics contract situation and our plans to complete our initial public offering (IPO), as warranted.

Greek Olympics Contract Update. The status of the Greek Olympics contract was described in detail in the Company's third quarter FY06 Quarterly Report on Form 10-Q (our 10-Q), which was filed with the SEC on December 15, 2005. As noted, the Company and the Greek Government signed a letter in December 2005 to negotiate in good faith a modification to the Greek Olympics contract by February 15, 2006. The contract modification has not yet been signed, as our Greek Olympics contract team continues to work tirelessly with representatives of the Greek Government to resolve the various contract issues of disagreement. We believe we have made good progress at narrowing the technical, contractual and financial issues of contention with our customer. The process required to implement a contract modification with the Greek Government has been complicated by significant personnel changes in government representatives involved in negotiating the contract, and other factors.

If agreement is reached, it will take approximately one year to deliver the agreed-upon system after the contract modification is executed. If the Company reaches a point at which it believes no further progress is being made to obtain the contract modification, or that further effort ultimately will be futile, the Company intends to initiate arbitration to resolve the disputes related to this contract. The timeline for resolving the disputes is less certain, but it would likely take a year or longer to resolve. It should be noted that the Company does not need to obtain final resolution with the Greek government in order to complete our planned IPO. The potential financial statement consequences if we are unable to resolve the disputes surrounding the Greek are fully described in our 10-Q.

As you are aware, a special committee of independent Board members was formed to review certain matters relating to the Greek Olympics contract. This independent review

is a significant and thorough undertaking. This process included interviewing numerous personnel and reviewing a substantial number of documents beginning with our original bid process and covering almost a four-year period. We expect that the process will be completed in another 30 to 45 days.

Proposed IPO Timeline. Last year, the Board and your management team concluded that completing an IPO was in the best interests of stockholders. Although the IPO has been delayed, we remain committed to completing our IPO. My letter of December 16, 2005 stated that we planned to proceed with our special stockholders' meeting and then the IPO following the filing in April of 2006 of our FY06 Annual Report on Form 10-K (our 10-K). Because the completion of the independent review is taking longer than originally anticipated, we now are planning to file our 10-K on or before the SEC filing deadline of May 1st. Our 10-K includes our annual audited financial statements that must be filed before we can restart the IPO process.

Filing our 10-K in May leads us to planning to complete the IPO in the Fall, as Summer has historically not been an attractive time to go to the market. I want to stress that the exact timing of the IPO will be determined by the Board and our management team when we believe it is advisable to proceed. As always, events within and outside our control (*e.g.*, regulatory requirements, market conditions) may impact the ultimate timing and additional delay beyond the Fall is possible.

I want to caution stockholders and especially our employees to not focus too heavily on the short-term timeline for completion of our IPO. We began the IPO process as the best way to meet our long-term capital requirements. Our Company had \$2.8 billion in cash and cash equivalents as reported in our 10-Q, and is continuing to generate significant operating cash flow. Again, we are committed to taking the Company public and although we want to complete our IPO as soon as practicable, we will do so when conditions are favorable to the Company.

Rescheduled Retirement Plan Trade. The Retirement Plan trade date set for April 7th has been rescheduled for May 12th. The original April 7th trade date was based on the Company filing our 10-K on or before March 31st and the Board establishing a new price for SAIC stock at its March 31st meeting. As I stated above, we now expect to file our 10-K on or before the SEC deadline of May 1st. To accommodate this timing, the Board is expected to establish a new SAIC stock price on May 5th. More details on the rescheduled Retirement Plan Trade will be sent to the participants shortly.

New Limited Market Trade. Given the current schedule for completion of the IPO, the Company has determined that it will hold a limited market trade this Summer to provide our stockholders with an opportunity to buy or sell SAIC stock. Another SAIC Retirement Plan trade will be held at the same time. More details regarding these trades will be published in the coming months.

Annual Stockholders' Meeting. We will hold our annual stockholders' meeting to elect directors in the Summer. You will receive a proxy statement in advance of the meeting explaining the details (time, date, place, *etc.*) and how to vote or submit proxies.

Company Performance. While we hoped to complete the IPO before our current schedule for doing so, it does not diminish our strong performance this past year and I congratulate and thank all of our employees for your individual contributions to our success. While I can't report specific financial results until our annual audit is complete and our 10-K is filed with the SEC, I can convey a general sense of how well we did. We exceeded all of our profit goals before the impact of the Greek Olympics contract loss. Even with the Greek Olympics contract loss, we came close to achieving our annual profit plan. We exceeded our cash flow and contract award goals, and we have started FY07 with record Company backlog. Equally important, we continue to be recognized for our excellence in the marketplace, as evidenced by various trade rankings and by excellent feedback from our customer base (you can find our trade rankings on www.saic.com or ISSAIC). These accomplishments have been achieved through excellent performance by all of our employees, working hard together on behalf of our customers every day.

Company Vision. Looking forward, we are making good progress against our vision and end-state I described in April of last year. To reiterate, our Company's vision is **"to be the leading systems and solutions company, solving our customer's most important business and mission-critical problems through innovative applications of technology and domain knowledge."** Last year, I outlined a number of high priority activities needed to achieve our vision. These can be summed-up in three high nail points: – Execute – Grow – Invest.

The long-term success of SAIC depends upon all of us understanding where we are taking the Company – this means developing a deep understanding of our vision, our desired objective state and our values. As we refine our end-state vision, you will find that we are blending the best of SAIC's heritage with new attributes to maintain and enhance our competitiveness in the current environment. This is an ongoing process that requires broad participation and support from all of our employees.

Summary. To summarize, the Company has had a very good year, especially in light of the challenges we have faced. As we enter FY07, I will continue to dialog with you through my personal letters and all of the other communication channels available to me. I ask that you be mindful not only of our strong heritage from past achievements and the goals for the current year, but where we are taking the Company in the future. We must retain those core values that built this great Company, and but extend our culture to include those attributes necessary for future success. I need each and every one of you to make the Company's vision your own.

Thanks for your dedicated efforts in support of our Company.

/s/ Ken Dahlberg

Ken Dahlberg
Chairman and CEO

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 proposed merger and related proposals of Science Applications International Corporation in connection with the above-described initial public offering 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 at <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.