
**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 (Date of Earliest Event Reported): October 13, 2010

SAIC, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-33072
(Commission File Number)

20-3562868
(I.R.S. Employer Identification No.)

1710 SAIC Drive, McLean, Virginia 22102
(Address of Principal Executive Offices) (Zip Code)

(703) 676-4300
(Registrant's Telephone Number, Including Area Code)

N/A
(Former Name or Former Address, If Changed Since Last Report)

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))
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Item 7.01 Regulation FD Disclosure.**SAIC Institutional Investor Conference**

SAIC, Inc. is holding its fourth annual Institutional Investor Conference in McLean, Virginia today, October 13, 2010. At the Conference, several executives of the Company will provide an overview of the Company and an update on its growth strategy, competitive environment and financial performance. Interested parties can listen to the presentations through a live audio webcast on the Company's website, www.saic.com, beginning at 8:00 a.m. Eastern time today, October 13, 2010.

Charts to be used in the presentations made by the Company's executives at the Conference are attached to this report as Exhibit 99.1.

Certain statements made in the charts attached to this report as Exhibit 99.1 or by executives at the Conference contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act). Forward-looking statements involve a number of risks and uncertainties. A number of factors could cause the Company's actual results, performance, achievements, or industry results to be materially different from any future results, performance, or achievements expressed or implied by these forward-looking statements. Some of these factors include, but are not limited to, the risk factors set forth in the Company's Annual Report on Form 10-K for the year ended January 31, 2010, the Company's Quarterly Reports on Form 10-Q and other filings that the Company makes with the SEC from time to time. Due to these uncertainties and risks, readers of this report and persons who view these presentations are cautioned not to place undue reliance on such forward-looking statements, which speak only as of October 13, 2010. The Company disclaims any duty to update guidance or any other forward-looking statement provided in the Exhibit to this report or in the presentations made by Company executives at the Conference to reflect subsequent events, actual results or changes in the Company's expectations.

The information contained in this report, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (Exchange Act), or otherwise subject to the liabilities of that section of the Exchange Act. Furthermore, the information contained in this report, including the Exhibit attached hereto, shall not be deemed to be incorporated by reference into any registration statement of the Company or other document filed by the Company pursuant to the Securities Act or the Exchange Act.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits**

Exhibit 99.1 Charts used in executive presentations made on October 13, 2010 at the SAIC Institutional Investor Conference*

* This Exhibit shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section of the Exchange Act, nor shall it be incorporated by reference into any filing under the Securities Act or the Exchange Act.



INGENUITY. AGILITY. GROWTH

2010 SAIC INVESTOR CONFERENCE

Welcome and Introduction

Paul Levi
October 13, 2010



Conference Materials

- Conference materials will be available on SAIC's Investor Relations web site
 - Management presentations
 - Presenter biographies
 - Acronym glossary



Agenda

Time	Event	Speaker
7:00 a.m.	Breakfast	
8:00 a.m.	Welcome	Paul Levi
8:05 a.m.	Enterprise Strategy and Outlook	Walt Havenstein
8:35 a.m.	Introduction to Health and Energy Strategies	Joe Craver
8:45 a.m.	Energy Strategy	JT Grumski
9:05 a.m.	Health Strategy	Clement Chen
9:25 a.m.	C4: Mission Capability Integration	Deb Alderson
9:45 a.m.	Cyber	Larry Cox
10:15 a.m.	Break	
10:30 a.m.	Business & Corporate Development	Jim Cuff
10:50 a.m.	Technology	Amy Alving
11:10 a.m.	Financial Overview	Mark Sopp
11:30 a.m.	Q&A	Walt Havenstein
11:55 a.m.	Closing	Walt Havenstein
12:00 p.m.	Lunch	

Energy | Environment | National Security | Health | Critical Infrastructure



Forward Looking Statements

Certain statements in these presentations contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended. The forward-looking statements involve a number of risks and uncertainties. A number of factors could cause our actual results, performance, achievements, or industry results to be materially different from any future results, performance, or achievements expressed or implied by these forward-looking statements. Some of these factors include, but are not limited to, the risk factors set forth in SAIC's Annual Report on Form 10-K for the year ended January 31, 2010, and other filings that SAIC makes with the SEC from time to time. Due to these uncertainties and risks, persons who view these presentations are cautioned not to place undue reliance on such forward-looking statements, which speak only as of October 13, 2010. SAIC disclaims any duty to update guidance or any other forward-looking statement provided in these presentations to reflect subsequent events, actual results or changes in expectations.

These presentations describe financial results through H1 (February 1 – July 31, 2010)



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Enterprise Strategy and Outlook

Walt Havenstein
October 13, 2010



One Year Later

- Market pressures developing as expected
- Industry responses are predictable
- Need for innovation greater than ever – including cross-enterprise



- Some missions will continue to grow/outperform
- Enduring needs will be just that
- Procurement environment will reward agility
- Providers that deliver exceptional value will prosper

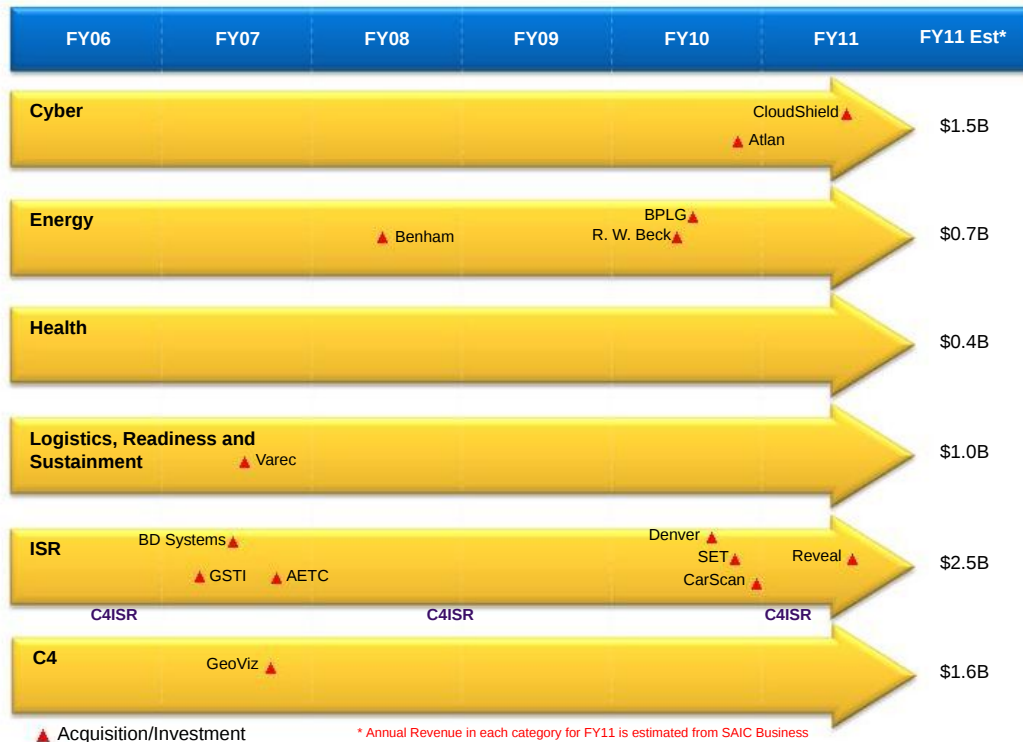
Bullish on SAIC's Growth in our Large Markets

Strategy Articulation

SAIC provides **mission-oriented solutions** for **national security, energy, health,** and other essential needs of the U.S. government and allied nations, as well as major enterprises serving critical infrastructure needs. **SAIC combines technologies and domain knowledge** to deliver solutions that support our customers' entire life cycle.



Evolving Market Focus



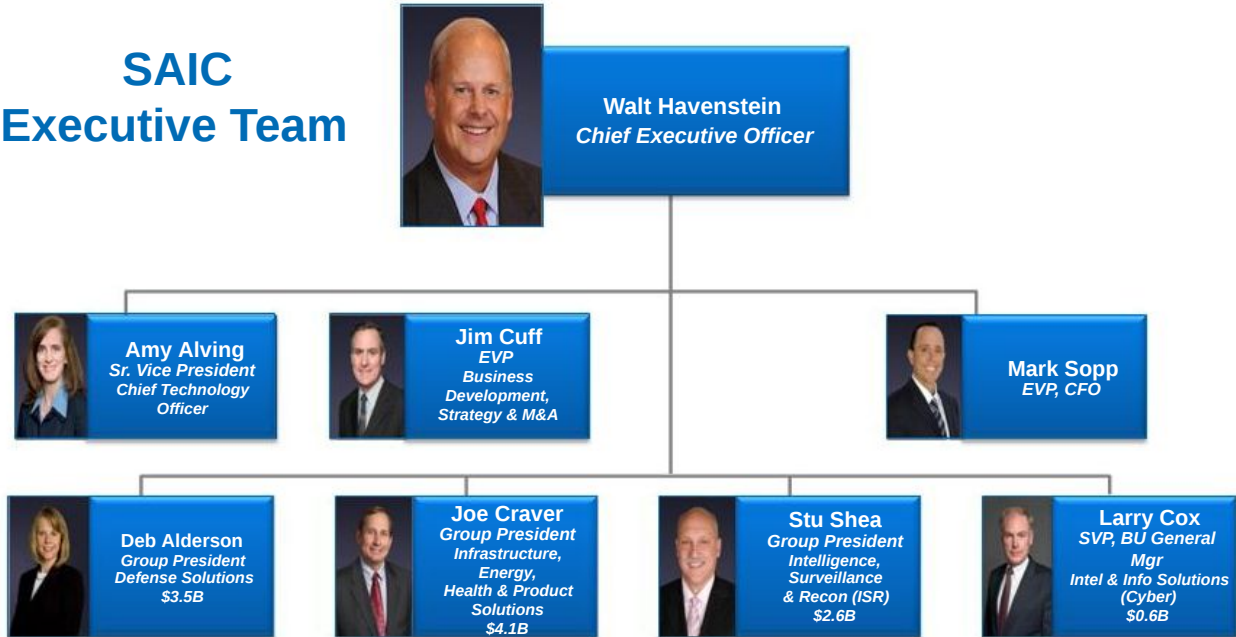
▲ Acquisition/Investment

* Annual Revenue in each category for FY11 is estimated from SAIC Business Unit data. See Appendix for a more detailed description of the methodology used to estimate revenues in these categories



SAIC's World Class Team

SAIC Executive Team



Major Accomplishments in FY11

- Increased investment in future growth
- H1 book-to-bill 1.1
 - Contract wins: 21 > \$100 million and counting*
- Operational achievements
 - Total of 23,500 MRAPs/ATVs delivered
 - Commercially Hosted InfraRed Payload (CHIRP) delivered
 - 114 bases completed for Guardian Installation Protection Program
 - 300,000 tires delivered in-theater (800,000 total)
 - Design-Build National Award of Excellence for LEED-Silver manufacturing facility
 - 3,000th hospital enrolled in CDC's Health Care Safety Network

Industry Recognition

- #4 Top 25 GSA Contractors
Government Executive (August 2010)
- #3 *Barron's* 500
Barron's (May 2010)
- #3 World's Most Admired Companies: Information Technology Services
FORTUNE (March 2010)
- #5 Top 100 Government Contractors
Washington Technology (June 2010)
- #5 Top 100 DHS Contractors
Government Security News (January 2010)
- #4 Sustainable Engineering *Verdantix Green Quadrant* (September 2010)
- #215 FORTUNE 500
Fortune (April 2010)

*As of 10/7/2010

The Way Ahead

- Changing environments require agility
- Substantial value creation potential from SAIC
 - Truly broad capabilities
 - Outstanding customer insight and affinity
 - Unlocking power of the enterprise
- The right team with the right tools for the times

INGENUITY
To build solutions

AGILITY
To adapt to the markets

GROWTH
To grow value



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Appendix

Definition of Strategic Growth Areas

- **Strategic Growth Areas:** In these presentations, we provide revenue and other performance data for the following strategic growth areas: ISR; Cyber; Energy; Logistics, Readiness & Sustainment; and Health. These are general market areas that we have determined to focus our investments and other business activities, but we do not manage our operations to fit these general market areas. We manage our operations through Business Units that form the basis for our financial reporting. The revenue and other performance data contained in these presentations reflect the performance of specific Business Units under which we focus our strategic growth area initiatives. These Business Units have operations in markets outside the strategic growth areas. Also, Business Units that are not included in calculating revenue and other performance metrics for a particular strategic growth area may have revenue from that area. The revenue and other performance data provided for strategic growth areas in these presentations, therefore, represent approximations of our performance in these areas.



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Introduction to Energy and Health

Joe Craver
October 13, 2010



Energy and Health

Aligning for Future Growth





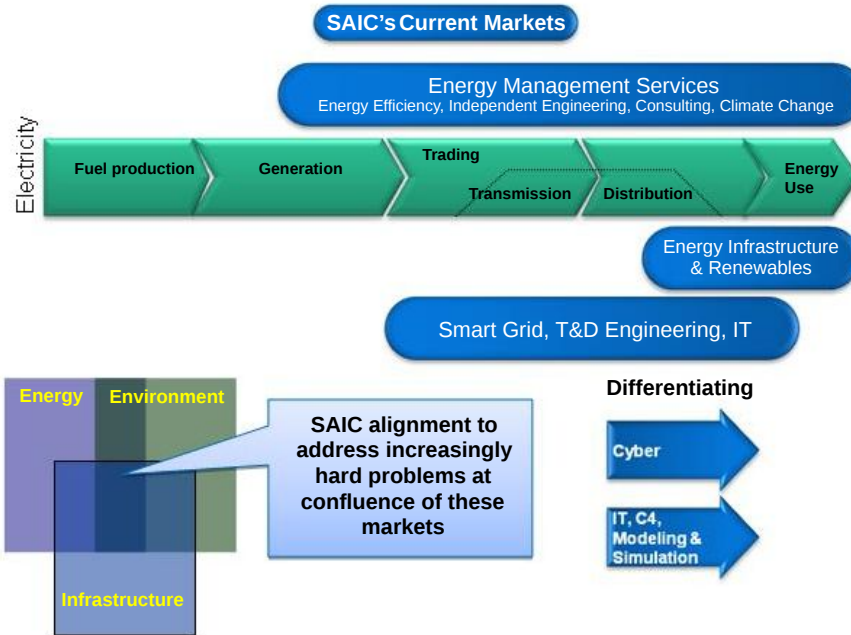
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Energy, Environment & Infrastructure

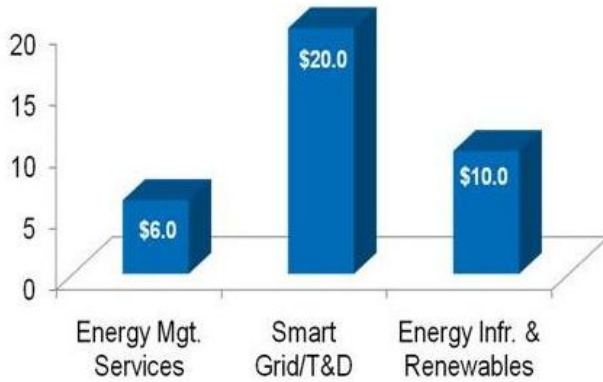
JT Grumski
October 13, 2010





Overall Market Characteristics

2009 Relevant US Market Est.
(Annual \$B)



Market Characteristics and SAIC

- Energy Management Services
 - Enduring energy efficiency market
 - Consulting fit with SAIC
 - Opportunity for long-term, close client relationships
- Smart Grid/T&D/IT
 - Convergence of engineering and information technologies and data
 - Enduring, developing field with need for integration
 - Developing cyber market
- Energy Infrastructure and Renewables
 - Offer complete solutions to clients
 - Long term market as energy mix evolves and decentralizes

Relevant Drivers and Trends

Drivers

Energy Prices—Green House Gas—Economic Recovery—Financing Ability—Business Transformation

Trends Across Our Offerings	Energy Management Services	Smart Grid/T&D Engineering/IT	Energy Infrastructure & Renewables
Industry	<ul style="list-style-type: none"> Enterprise approach Sustainability 	<ul style="list-style-type: none"> Solutions for grid connections Demand response 	<ul style="list-style-type: none"> Renewable generation Continued energy efficiency
Utilities	<ul style="list-style-type: none"> Growing demand for energy efficiency programs 	<ul style="list-style-type: none"> Meter deployments create data management need Concerns about cybersecurity American Recovery and Reinvestment Act (ARRA) 	<ul style="list-style-type: none"> Power purchase from renewable developers
Government	<ul style="list-style-type: none"> Energy efficiency, audit through implementation No cohesive approach yet 	<ul style="list-style-type: none"> Microgrids 	<ul style="list-style-type: none"> Energy security Mandates for energy/ water use reduction

Solid Projects and Pipeline

Energy Management Services	Smart Grid/T&D Engineering/IT	Energy Infrastructure & Renewables
<ul style="list-style-type: none"> • \$5B DOE Energy Efficiency IDIQ • Pull from international customers • \$15M of Air Force energy audits • Won \$38M Hawaii Energy Mgt 	<ul style="list-style-type: none"> • Won 20+ utility smart grid contracts • Entergy IT contract extended 5 years • \$13M Lakeland Win 	<ul style="list-style-type: none"> • Signed \$23M SAIC financed geothermal project in Nevada • Won \$25M DOE bio-mass contract • Pursuit of >\$350M geothermal projects and \$500M of other renewable energy projects

Across Diverse and Powerful Customer Set

Industry	<ul style="list-style-type: none"> • Heavy Industry • Refineries • Commercial 	<ul style="list-style-type: none"> • Financial Institutions • Developers • Automotive
Utilities	<ul style="list-style-type: none"> • Electric and Water • Investor Owned • Coops 	<ul style="list-style-type: none"> • Municipals • Transmission Operators
Government	<ul style="list-style-type: none"> • Department of Energy • Navy • Air Force 	<ul style="list-style-type: none"> • National Guard • State & Local Energy Agencies • Energy Information Agency

Energy | Environment | National Security | Health | Critical Infrastructure





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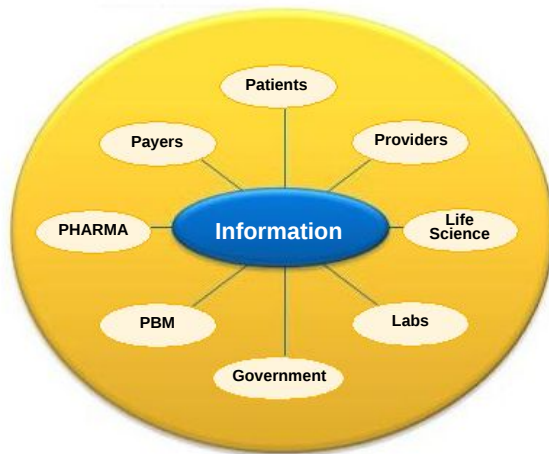
Health & Life Science Solutions

Clement Chen
October 13, 2010



Healthcare Drivers of Change

U.S. Healthcare Ecosystem

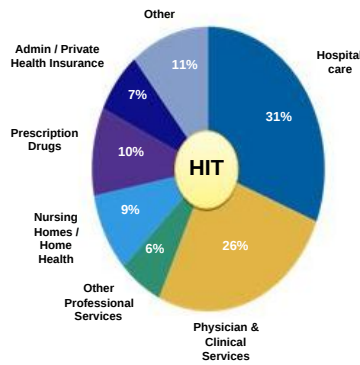


- Rising costs
- Aging population
- Prevalence of chronic disease
- Advances in technology and medicine
- Data volume and use growth
- Systemic business model dysfunction
- American Recovery and Reinvestment Act (ARRA) / Health Reform Bill
- Emergence of new entities and disruptive delivery schemes

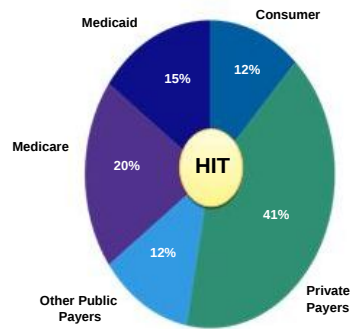
Information-Based Health Solutions - Key to the Future

Total U.S. Healthcare Cost Summary

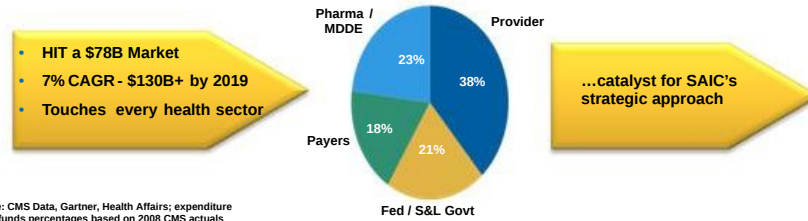
Expenditures ~ \$2.6T in 2010 (Est.)








Payers - Sources of Funds



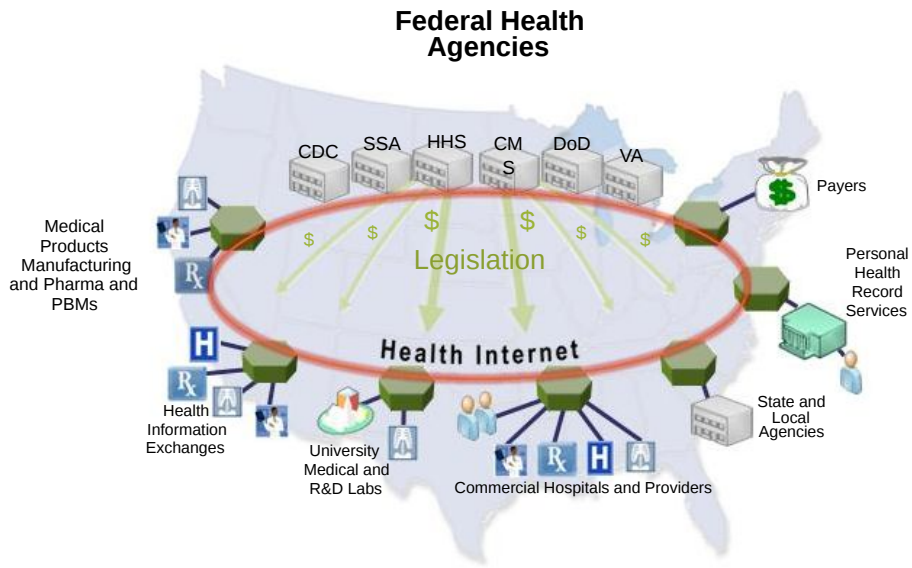
Health Information Technology (HIT)



Sources include: CMS Data, Gartner, Health Affairs; expenditure and sources of funds percentages based on 2008 CMS actuals

<ul style="list-style-type: none"> eHealth Records Clinical Workflow Privacy and Security 	Clinical Health IT		<ul style="list-style-type: none"> Department of Veterans Affairs Department of Defense Commercial Enterprises
<ul style="list-style-type: none"> National Health Infrastructure Health Information Exchanges Grants Management 	Health Infrastructure		<ul style="list-style-type: none"> Military Health System & VA Health & Human Services, ONC State and Commercial Enterprises
<ul style="list-style-type: none"> Patient Safety Comparative Effectiveness Health Data Repositories Eligibility Determination 	Healthcare Cost and Quality		<ul style="list-style-type: none"> Agency for Healthcare Research Quality, FDA, MHS, VA Centers for Medicare Services SSA, States and Commercial
<ul style="list-style-type: none"> Pandemic and Bio Surveillance Informatics, Disease Reporting Epidemiology and Biostatistics 	Public Health		<ul style="list-style-type: none"> National Institutes of Health Centers for Disease Control States, International
<ul style="list-style-type: none"> Translational Research PTSD, TBI Regulatory Affairs 	Health Sciences		<ul style="list-style-type: none"> National Institutes of Health Food & Drug Administration Centers for Disease Control Commercial Enterprises

Public and Private Sectors Together Driving Toward a Future Integrated Healthcare System

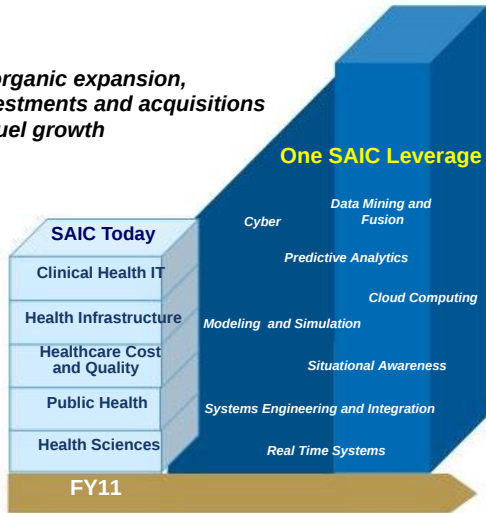


Market Convergence Creating Opportunity

Source material based on Onchit & Input

Continuing to Pursue our Strategic Plan

... organic expansion, investments and acquisitions to fuel growth



SAIC Health Solutions at the Heart of Information-Based Healthcare





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C4ISR

C4: Mission Capability Integration

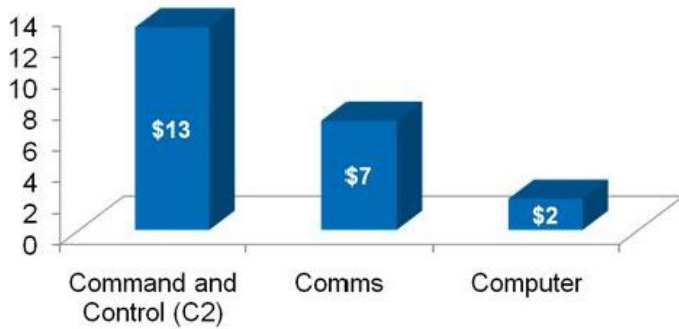
Providing Integration, Innovation and Customer Value

Deb Alderson
October 13, 2010



Overall C4 Market Characteristics

FY11 C4 DoD Market Est. (Annual \$B)



Ref: Frost & Sullivan DoD C4ISR Market Estimates March 2010

Market Characteristics and SAIC

- Market Trends
 - Stable market CAGR
 - C4 + ISR defines strength
- Command and Control
 - Focus on Army and Air Force
 - Joint will increase with DoD reorganizations
 - Extending to the tactical edge
 - Service oriented architectures/collaboration
 - Modeling and simulation
 - Cybersecurity
- Net Centric Communications
 - Distributed networks and communications infrastructure
 - Interoperability
 - Bandwidth

C4 Strategy Components



C4 Mission Capability Integrator

- \$8.4 billion three-year pipeline; 46 opportunities > \$100 million
- Joint C4 interoperability and service oriented architecture
- Strategic partnerships



Distributed Networks

- \$8.3 billion three-year pipeline; 25 opportunities >\$100 million
- Enterprise network and communications capability and management
- Tactical edge capability



Life Cycle Capability Management Approach

- \$11 billion three-year pipeline; leveraging logistics readiness and sustainment needs
- C4 legacy asset upgrades across all asset domains
- ISR and ground force modernization

Customer Change Vectors

Using it Differently

Building it Differently

Buying it Differently

Imperatives

Irregular Warfare

Integrated Solutions

75% Solutions

SAIC Approach

Enabling Innovation in Doctrine and Organization

The Network as the Platform for Innovation

Mission Capability Integration

Market Evolution...Mission Capability Integration

Customer Change Vectors

Using it Differently

Building it Differently

Buying it Differently

Recent Accomplishments

- MRAP Integration & Support
- Afghanistan Surge Support
- Combatant Command Wins
- Expeditionary Surveillance & Security
- Air Operations Command
- Air Force Combat Information Transport System
- Navy Consolidated Afloat Network Enterprises Services

C4 SAIC Approach

Enabling Innovation in Doctrine and Organization

The Network as the Platform for Innovation

SE&I Agent

Ground Forces Modernization

Building Upon MRAP/GCV

Continuous Modernization Through Sustainment ...

- *Thought Leadership*
- *Platform Independence*
- *Technical Depth*
- *Domain Expertise*
- *Organizational Agility*
- *Customer Affinity*



**Ground Forces
Modernization**

Full Life-Cycle Solutions



C4 Game Changers



<p>Dept of State</p> <p>Vanguard II – Enterprise Network Solution</p> <p>Prime: \$3B</p>	<p>Special Operations Command</p> <p>IT & Enterprise Network Contract</p> <p>Prime: \$300M Multi Year IDIQ</p>	<p>Defense Information Systems Agency</p> <p>Global Services Management (GSM)</p> <p>Prime: \$4B</p>	<p>Air Force - Electronic Systems Center</p> <p>Operations Command Weapons Systems Management</p> <p>Prime: \$500M</p>	<p>Army - Network Enterprise Tech. Command</p> <p>Sustainment & Defense of Army Communication Southwest Asia and Central Asia</p> <p>Prime: \$800M Multi Year IDIQ</p>	<p>Ground Combat Vehicle</p> <p>Army Acquisition Command</p> <p>Prime: \$400M</p>
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\$8B+ Opportunities Decided Over Next 12 Months





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Cybersecurity

Larry Cox
October 13, 2010

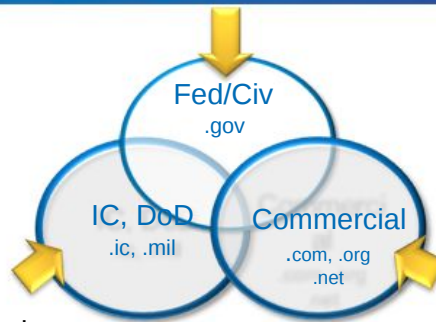


Global Cyber Market

- Global IT spending estimated at \$3.2 trillion per year
 - Represents hundreds of billions of dollars in potential cyber opportunities
- U.S. market leading global investment in cyber
- Federal cyber center of gravity migrating to Maryland (I-95 corridor)
- Intelligence community is leading the way in cyber technology investments in the federal space
- Borderless nature of cyber is fueling international investment
 - Global networks are interconnected and subject to the vulnerability of weak defenses anywhere in the world
- International buyers looking to U.S. companies
- International market growing faster than U.S. market
- Global commerce and governments are increasingly dependent on information and communication technology

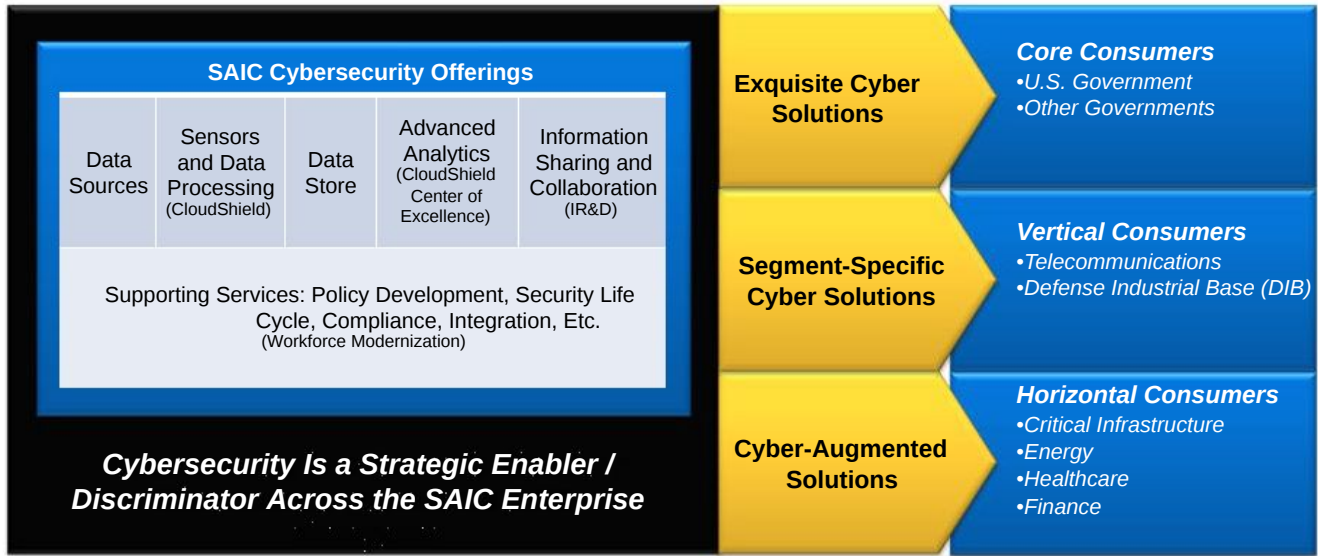


Leveraging Intelligence Community Experience, CloudShield, IR&D, and M&A to Grow Federal & Commercial Business



- Security challenges are increasing
 - Greater sophistication, severity, and frequency of attacks
 - Heightened government and industry regulations
 - Highly organized and well-funded hackers
 - Increased risk of unknown vulnerabilities
- Similarity in cyber threats drives similarity in solution sets and technology transfer
 - Cyber underpins all communications, records, and control systems
 - Domain expertise is found in both commercial and federal organizations
- The majority of critical infrastructure is managed by commercial organizations
 - Health, banking/financial, energy, telecommunications, defense industrial base
- Major push by the DoD to combine the best technologies to protect critical infrastructure across the federal and commercial markets

SAIC Cybersecurity: Strategy to Serve Multiple Markets



SAIC Cybersecurity Summary

- SAIC's cybersecurity business is well positioned for growth
 - \$1.5 billion FY11 awards (including IDIQ) through October 2010
 - Strategic internal investment
 - CloudShield platform: ITS integration, cloud computing, and Center of Excellence application development
 - Developing other platforms with multi-year investment
 - Workforce modernization efforts are attracting and retaining talented employees for current and future customer needs
- A leader in cybersecurity:
 - Cybersecurity training
 - Security and information operations
 - System engineering, development and integration
 - Managed security services
 - Certification and accreditation
 - Deep packet inspection
 - Advanced analytics



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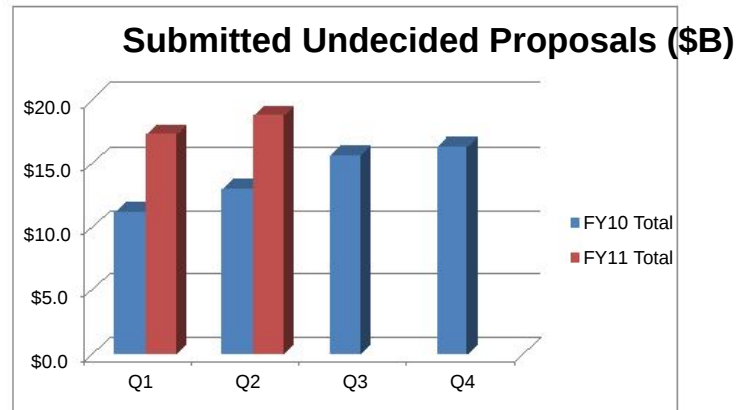
Business Development / Mergers and Acquisitions

Jim Cuff
October 13, 2010



Business Development Successes

- \$ bookings and book-to-bill (BTB) tracking higher
 - Standard contracts* and task orders only
 - H1 bookings up 21 percent (FY11 vs. FY10)
 - H1 BTB is 1.1, compared with 0.9 a year ago
- \$ submittals tracking higher
 - For standard contracts* and task orders, H1 up 32 percent (FY11 vs. FY10)
- \$ win rate comparable to last year despite more competition
 - 65 percent for standard contracts* and task orders (H1)
- Submitted undecided proposals at an all-time high
 - \$18.8 billion
 - Includes \$10 billion for standard contracts* and task orders
- \$100 million + wins tracking higher (includes IDIQ's)
 - 21 wins in FY11 as of 10/7/2010; ended FY10 with 29
 - 41 more decisions expected in FY11
- Growing pipeline



* Excludes IDIQ vehicles

FY11 \$100M+ Wins*

- Standard Contracts** and Task Orders (10 total)
 - Navy Joint Special Operations Sensors & Weapons (\$351M)
 - **Army Sustainment Command Distribution Management Center (\$128M)**
 - Navy Tactical Mobile Systems Engineering (\$108M)
 - **Seven Additional Wins (\$2,109M) (Customer restrictions prohibit public release; two Recompete wins)**

- IDIQ's (11 total)
 - **Defense Intelligence Agency Solutions for the Information Technology Enterprise (Multiple, \$600M)**
 - Navy Common Afloat Local Area Network Infrastructure (Multiple, \$502M)
 - Missile Defense Agency Engineering & Support Services Group 3 Full & Open (Multiple, \$338M)
 - Centers for Disease Control & Prevention Information Management Services (Multiple, \$250M)
 - **Army Industrial Prime Vendor Generation II - Anniston & Red River (Single, \$241M)**
 - **Defense Technical Info Center Software Network Information Modeling (Multiple, \$222M)**
 - Army Chemical Biological Radiological Nuclear Explosive Mission Support (Multiple, \$200M)
 - US Strategic Command Systems & Mission Support II Plus-up (Single, \$180M)
 - National Geospatial Intelligence Agency Total Application Services for Enterprise Rqmts (Multiple, \$150M)
 - Army Aviation & Missile R&D Engineering & Integration (Single, \$148M)
 - Navy Program Executive Office C4I Support (Multiple, \$101M)

* Estimated future revenue value to SAIC
** Excludes IDIQ vehicles

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Energy | Environment | National Security | Health | Critical Infrastructure



Business Development Initiatives

- Sharpening our focus on faster growing markets
 - Cyber
 - C4ISR
 - Logistics readiness and sustainment
 - Energy
 - Health
- Taking market share
 - Account management
 - Cross-selling
 - Differentiated offerings
 - Enterprise solutions
 - Larger more complex pursuits
- Deploying an advanced customer relationship management system

Organizational Conflict of Interest (OCI)

- Responding proactively
- Tailoring our OCI approach to individual customers and markets
 - Overarching strategy in our high growth markets → mission oriented solutions provider vs. advisor
 - Do not intend to declare a single strategic intent (performer or advisor) across all customers
 - Can best support some clients through an advisor role with no impact to our other business
- Enhancing our common business development process to address OCI
 - Targeted checks for OCI in capture planning phases
 - Avoid opportunities that may interfere with ability to expand work in our high-growth markets
 - Leveraging our capture and account managers

Mergers and Acquisitions

- Strategy-driven enterprise M&A focus
 - Defined process led by the CEO
 - Enterprise-driven due diligence and integration
- Emphasis on high-growth markets and mission-oriented solutions:
 - Assets that can give us market access

CloudShield - Department of Homeland Security



- Assets that grow our technical discriminators

SET – Providing CounterBombersystem technology
Reveal – Leader in explosive detection systems



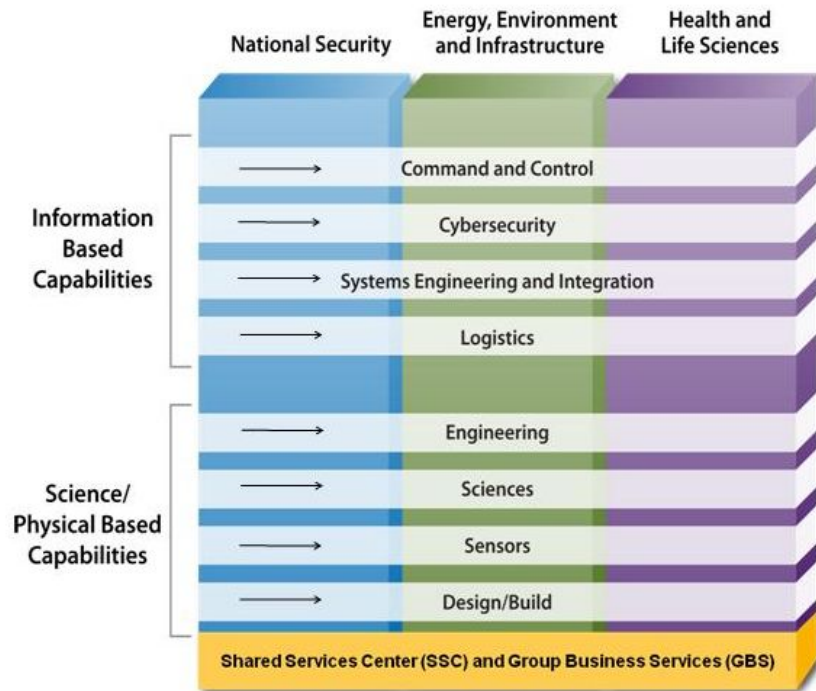
- Assets that benefit the enterprise

CloudShield
Benham



Leveraging SAIC Market Position

“One SAIC”





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Technology

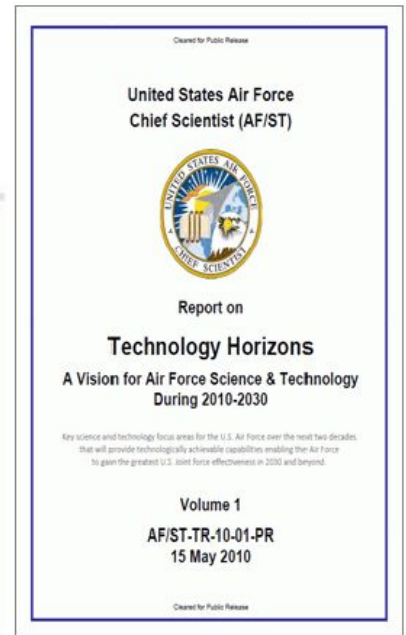
An enabler for growth

Amy Alving
October 13, 2010



The Current Environment

- Funding is tight in all markets
 - DoD: fewer new-start programs
- Technology is needed to solve our toughest problems



Data Tsunami – Where We’re Headed

- Enduring realities
 - Data tsunami is here and getting worse:
 - More resolution per sensor
 - More sensors
 - More sensors of different types
 - Extended persistence
 - Available bandwidth is insufficient
 - Increasing reliance on mobile devices
 - Not well-suited for high volume tactical data



Wide Area
Multi-Platform
Near Real-Time

Multi-Int
Persistent



Data Tsunami – The Path Forward

- Architectural elements that support real-time operations:
 - On-board processing
 - Operationally informed workflow
 - Smart fusion
 - Cross-cueing sensors in real time
 - Intelligent push/pull data dissemination
 - “Chipping” info of interest



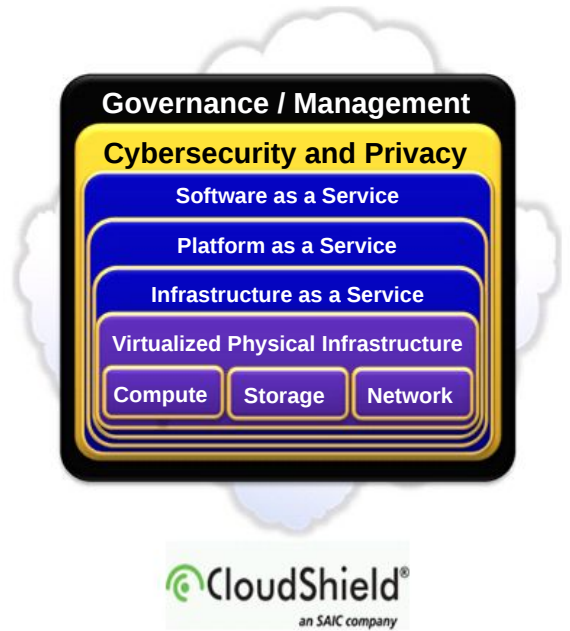
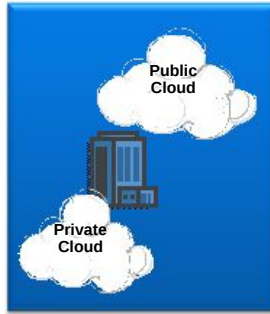
Next-Gen IT – Where Things are Headed

- Enduring realities enabled by virtualization
 - More efficient asset utilization
 - New business model: pay “by the drink”
 - Elastic – what you need, when you need it
 - Platform for innovation
 - New software delivery model
- The marketplace is already moving, e.g.
 - Amazon launches S3, AWS...
 - Google launches Google App Engine
 - HP purchases EDS, 3COM, 3Par, ...
 - EMC purchases RSA, VMware
 - Acadia joint venture: EMC, VMware, Cisco



Next-Gen IT – SAIC’s Role

- SAIC’s role:
 - Transition into cloud
 - Managed services
 - Governance
 - Cyber security
 - Domain-specific software as a service (SaaS)





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Financial Overview

Mark Sopp, Chief Financial Officer
October 13, 2010



Issued on Q2 FY11 Earnings Call: 9/1/2010

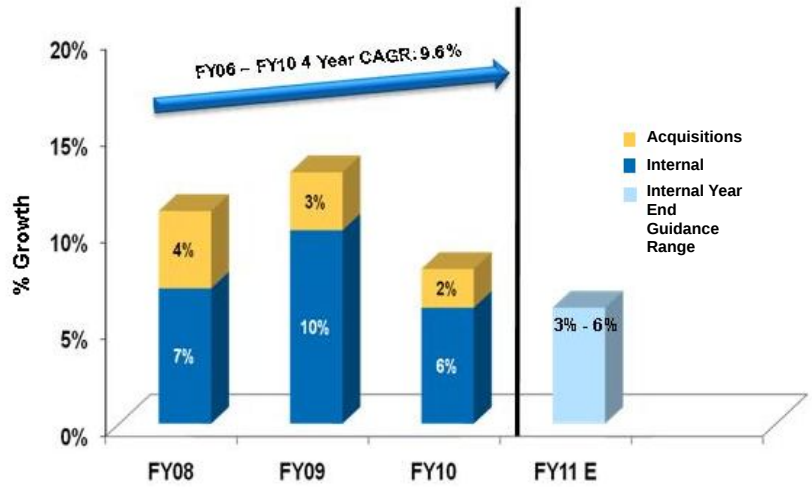
	FY10	FY11
Revenues	\$10.85B	3% - 6% Internal Growth
Operating Margin	8.0%	20 – 40 bps Improvement
EPS*	\$1.24	14% - 18% Growth

- Today we reaffirm this guidance for FY11

**Diluted EPS from Continuing Operations*

Revenue Growth Trend

- Key growth drivers
 - Redirect spend from G&A to growth initiatives
 - Business Development, B&P, IR&D
 - Bid larger programs
 - FY10 29 wins >\$100M
 - FY11 YTD 21 wins* >\$100M
 - Expand focus and resources to Strategic Growth Areas (SGA)



*as of 10/7/2010

Revenue Breakout

	Attribute	FY08 Revenue	FY09 Revenue	FY10 Revenue	FY11 H1 Revenue
Reporting Segment	Government	94%	95%	96%	96%
	Commercial	6%	5%	4%	4%
Group / Organization*	Infrastructure, Energy, Health & Product Solutions	40%	38%	38%	36%
	Defense Solutions	29%	31%	32%	33%
	Intelligence, Surveillance & Reconnaissance	31%	31%	30%	31%
Revenue Type	Labor-Related	62%	60%	58%	58%
	Material and Subcontract	38%	40%	42%	42%
Contract Type	Cost-Reimbursement	47%	48%	48%	47%
	Time and Materials	35%	33%	30%	30%
	Fixed Price	18%	19%	22%	23%
Contract Source	Single-Award IDIQ Task Order	24%	25%	26%	27%
	Multiple-Award IDIQ Task Order	26%	27%	27%	28%
	GSA Schedule	14%	15%	15%	15%
	Subtotal Master and Schedule Agreements	64%	67%	68%	70%
	Standard Contract	36%	33%	32%	30%

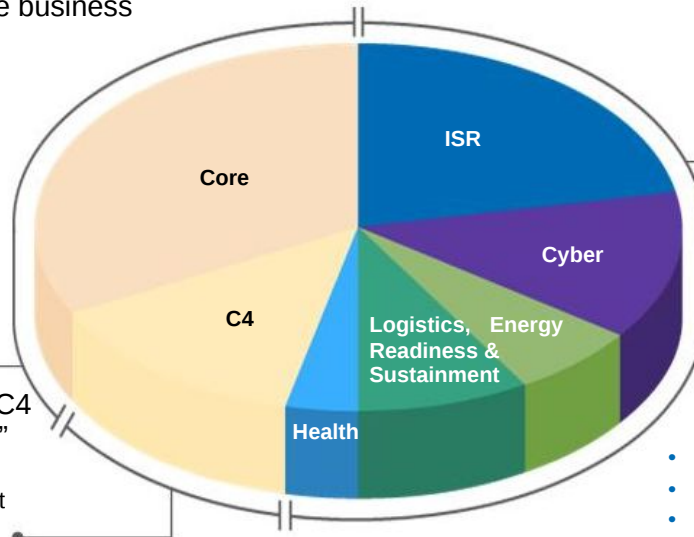
- Trend towards fixed price contracts
- Contract sources continue to migrate towards heavier ID/IQ mix

*Revenue from Groups provided for illustrative purposes only. SAIC manages its operations at the business unit level which are aggregated into Groups for presentation purposes only.

Enterprise Market Areas*

32% of revenue** in core business

- Limited investments
- Create discretion to fund campaigns
- Significant overhead absorption
- SAIC legacy



14% of revenue** in C4 "sustaining business"

- Moderate investments
- Large addressable market
- Large opportunities
- Demonstrated ability to compete

54% of revenue** in strategic growth areas***

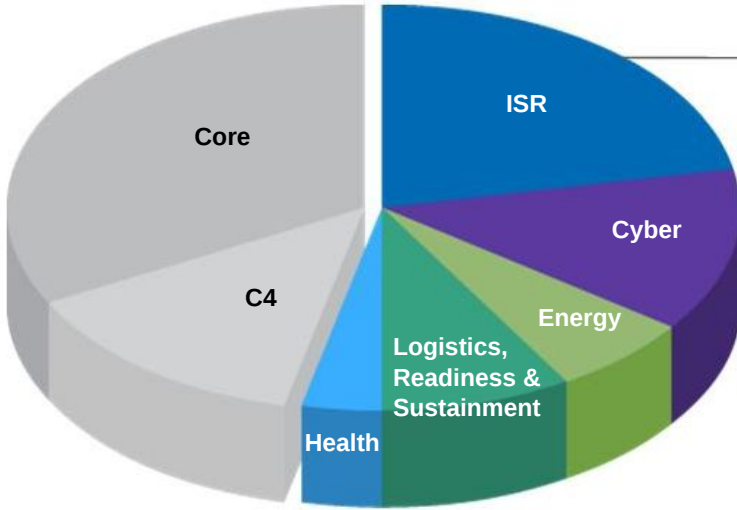
- Focus of investments
- Differentiated offerings
- Higher margins

* Areas represented by SAIC Business Units

**Estimated revenue for FY11

***Definition of SGA in Appendix

Focus: Strategic Growth Areas



	Strategic Growth Areas (SGA)		Core+C4	
	FY10	FY11E	FY10	FY11E
Total Revenue Growth*	9.5%	8.0%	5.8%	2.3%
Internal Revenue Growth*	8.3%	5.2%	2.7%	0.8%
Book to Bill: FY11 H1	1.3x		0.9x	

*Estimated revenue for SAIC FY11

Focus: Operating Margin Dynamics

~120 bps margin improvement since FY08

Factors	FY11 bps Impact	FY12 and Beyond
Guidance issued on 3/30/2010	10 - 20	
Margin Tailwinds - Project Alignment - Shift to FFP - Higher Revenues in SGA - Facilities and Real Estate		
Margin Headwinds - Amortization from acquisitions - Fee pressures		
FY11 Discrete Items - VirnetX Royalty - Unabsorbed investments - Revenue shortfall	45 (20) (5) - (15)	
Guidance issued on 9/1/2010	20 - 40	

Still expect additional base margin improvements

Project Alignment: Sources and Uses of Savings

Savings FY09 – FY11

- Streamlining Organizations
- Shared Services/ GBS
- Facilities Consolidation
- Business Process Reengineering
- Leveraged Spend

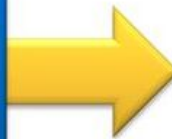


Uses

- Lower wrap rates to increase competitiveness
- Increase investment to drive growth and profitability
 - B&P to increase volume and win probability
 - IR&D to build discriminators
- IT modernization to achieve efficiencies
- Improve operating margin
 - Higher fees on fixed price contracts

Savings FY12 – FY14

- Streamlining Organizations
- Shared Services/ GBS
- Facilities Consolidation
- Business Process Reengineering
- Leveraged Spend
- Total Targeted Savings \$75M - \$100M



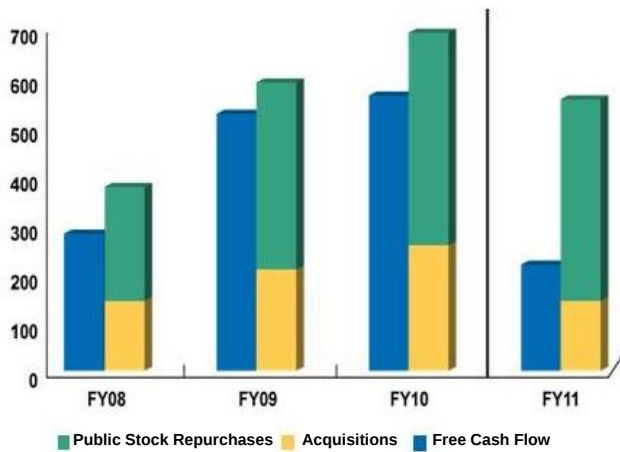
Expected Uses

- Pricing flexibility
- Discretionary investments in Strategic Growth Areas
- Operating margin improvement

Project Alignment is a catalyst for future margin improvement

Capital Deployment and Liquidity

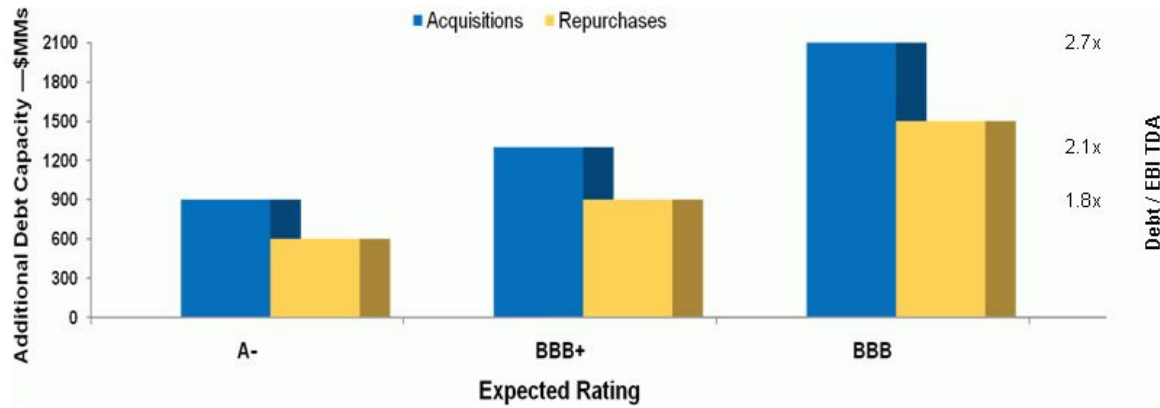
- Strong, consistent free cash flow generation
- Greater than 90% of free cash flow since FY08 returned to shareholders through stock repurchases
- Consistently strong (>22%) ROIC*
- Future real estate sales targeted to generate additional capital for deployment



Capital Deployment (\$M)	FY08	FY09	FY10	FY11 H1
Operating Cash Flow	346	583	620	249
Capital Expenditures	(61)	(59)	(58)	(35)
Free Cash Flow	285	524	562	214
Acquisitions	(145)	(204)	(258)	(140)
Public Stock Repurchases	(215)	(382)	(434)	(415)
Payment of Debt	(10)	(113)	(18)	(1)
Other	68	15	73	85
Δ Total Cash	(17)	(160)	(75)	(257)
Ending Cash Position	1,096	936	861	604

* See reconciliation table in Appendix

Additional Debt Capacity: Acquisitions vs. Stock Repurchases



- Reflective of an indicative leverage ratio consistent with external rating agencies' guidance.
- As an example, SAIC could borrow at most an additional \$900 million for acquisitions and retain it's A- rating (1.8x max) or \$1.3 billion for a BBB+ rating (2.1 max)
- Estimated borrowing capacity includes incremental income generated by target acquisitions

Financial Summary Chart

- More emphasis and investment in Strategic Growth Areas (SGA) should drive enterprise-wide improvement in revenues and profitability
 - Higher FY11 H1 Book to Bill: 1.3x vs. 0.9x for non-SGA
 - Significantly higher projected FY11 internal revenue growth:
 - SGA: 5.2%
 - Non-SGA: 0.8%
 - Significantly higher margin performance in SGA
- Significant, ongoing cost reduction initiatives – especially Project Alignment – expected to increase SAIC ability to invest in SGA and contribute to margin improvement
- Strong, disciplined cash-flow generation leaves SAIC well capitalized and can be further leveraged to fuel other initiatives targeted to improve shareholder value



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Appendix

- Definition of Strategic Growth Areas
- Reconciliation of Non-GAAP ROIC to GAAP Operating Income
- Reconciliation of Non-GAAP Free Cash Flow to GAAP Cash Flow from Operations

Definition of Strategic Growth Areas

- **Strategic Growth Areas:** In these presentations, we provide estimates of revenue and other performance data for the following strategic growth areas: ISR; Cyber; Energy; Logistics, Readiness & Sustainment; and Health. These are general market areas that we have determined to focus our investments and other business activities, but we do not manage our operations to fit these general market areas. We manage our operations through Business Units that form the basis for our financial reporting. The revenue and other performance data contained in these presentations reflect the performance of specific Business Units under which we focus our strategic growth area initiatives. These Business Units have operations in markets outside the strategic growth areas. Also, Business Units that are not included in calculating revenue and other performance metrics for a particular strategic growth area may have revenue from that area. The revenue and other performance data provided for strategic growth areas in these presentations, therefore, represent approximations of our performance in these areas.

Reconciliation of Non-GAAP ROIC to GAAP Operating Income

In this presentation, SAIC, Inc. refers to return on invested capital (ROIC) which is a non-GAAP financial measure that is reconciled to the most directly comparable financial measure, which is operating income. The company believes that reporting ROIC provides investors with greater visibility into how effectively it uses the capital invested in its operations. The company calculates ROIC by dividing operating income after normalized income taxes by average invested capital. Operating income after normalized income taxes is calculated by multiplying the sum of operating income by (1 - the normalized income tax rate). The normalized income tax rate of 38.5% approximates our combined federal and state statutory tax rate. Average invested capital is calculated by adding total stockholders' equity to notes payable and long-term debt and subtracting cash and cash equivalents.

The limitation of this non-GAAP financial measure as compared to the most directly comparable GAAP financial measure is that financing or cash deployment decisions may cause ROIC to trend differently from operating income which is the most directly comparable GAAP financial measure. The company addresses this limitation by presenting ROIC near disclosures of operating income and net income. This financial measure is not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with SAIC, Inc.'s consolidated financial statements prepared in accordance with GAAP. The method that the company uses to calculate ROIC is not necessarily comparable to similarly titled financial measures presented by other companies.

Reconciliation of Return on Invested Capital					
		FY08	FY09	FY10	H1 FY11
Operating income, as reported		\$673	\$776	\$867	\$480
Normalized income tax rate		38.5%	38.5%	38.5%	38.5%
Operating income after normalized income taxes		\$414	\$477	\$533	\$295
Components of Invested Capital:	31-Jan-07	31-Jan-08	31-Jan-09	31-Jan-10	31-Jul-10
Total stockholders equity	\$1,502	\$1,868	\$2,084	\$2,291	\$2,280
Notes payable and long-term debt	1,228	1,228	1,116	1,106	1,105
Cash and cash equivalents	(1,109)	(1,096)	(936)	(861)	(604)
Invested Capital	\$1,621	\$2,000	\$2,264	\$2,536	\$2,781
Average Invested Capital		\$1,811	\$2,132	\$2,400	\$2,659
Return on Invested Capital		22.9%	22.4%	22.2%	22.2%*

* FY 2011 H1 Return on Invested Capital is an annualized number

Reconciliation of Non-GAAP Free Cash Flow to GAAP Cash Flow from Operations

In this presentation, SAIC, Inc. refers to free cash flow which is a non-GAAP financial measure that is reconciled to the most directly comparable financial measure, which is cash flows provided by operations. The company believes that reporting free cash flow provides investors with greater visibility into how effectively it generates cash. The company calculates free cash flow by subtracting expenditures for property, plant and equipment from total cash flows provided by operations.

The limitation of this non-GAAP financial measure as compared to the most directly comparable GAAP financial measure is that free cash flow does not represent total cash flows. The company addresses this limitation by presenting free cash flow near disclosures of cash flows provided by operations. This financial measure is not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with SAIC, Inc.'s consolidated financial statements prepared in accordance with GAAP. The method that the company uses to calculate free cash flow is not necessarily comparable to similarly titled financial measures presented by other companies.

Calculation of Free Cash Flow				
	FY08	FY09	FY10	H1 FY11
Total cash flows provided by operations	\$346	\$583	\$620	\$249
Less: Expenditures for property, plant and equipment	(\$61)	(\$59)	(\$58)	(\$35)
Free Cash Flow	\$285	\$524	\$562	\$214