

SAIC, Inc.
Form 11-K
June 08, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 11-K

x **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the fiscal year ended December 31, 2011

.. **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 001-33072

A. Full title of plan and the address of the plan, if different from that of the issuer named below:

Science Applications International Corporation Retirement Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

SAIC, Inc.

1710 SAIC Drive

McLean, VA 22102

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SCIENCE APPLICATIONS INTERNATIONAL CORPORATION RETIREMENT PLAN

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NOTE: All other schedules required by Section 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Retirement Plans Committee and Participants of

Science Applications International Corporation Retirement Plan

McLean, VA

We have audited the accompanying statements of net assets available for benefits of Science Applications International Corporation Retirement Plan (the Plan) as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2011, and schedule of reportable transactions for the year ended December 31, 2011, are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ MAYER HOFFMAN MCCANN P.C.

San Diego, California

June 8, 2012

Table of Contents**SCIENCE APPLICATIONS INTERNATIONAL CORPORATION RETIREMENT PLAN****STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS****AS OF DECEMBER 31, 2011 AND 2010**

| | 2011 | 2010 |
|--|-----------------------|---------------------|
| | (in thousands) | |
| ASSETS: | | |
| Investments at fair value: | | |
| Mutual funds | \$ 2,794,805 | \$ 2,861,010 |
| SAIC, Inc. common stock | 708,586 | 1,093,915 |
| Common collective trusts | 1,623,041 | 1,536,588 |
| Separately managed accounts | 712,450 | 794,927 |
| Total investments | 5,838,882 | 6,286,440 |
| Receivables: | | |
| Notes receivable from participants | 88,103 | 87,403 |
| Company contributions | 6,925 | 12,600 |
| Participant contributions | 230 | |
| Total receivables | 95,258 | 100,003 |
| NET ASSETS AVAILABLE FOR BENEFITS | \$ 5,934,140 | \$ 6,386,443 |

See notes to financial statements.

Table of Contents**SCIENCE APPLICATIONS INTERNATIONAL CORPORATION RETIREMENT PLAN****STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS****FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

| | 2011 | 2010 |
|---|------------------|----------------|
| | (in thousands) | |
| ADDITIONS: | | |
| Investment income: | | |
| Net (depreciation) appreciation in fair value of investments | \$ (360,189) | \$ 296,627 |
| Interest and dividends | 65,163 | 53,780 |
| Net investment (loss) income | (295,026) | 350,407 |
| Interest income on notes receivable from participants | 4,105 | 4,336 |
| Contributions: | | |
| Participants | 275,221 | 282,781 |
| Employer | 150,862 | 158,018 |
| Employee rollovers | 21,087 | 23,935 |
| Total contributions | 447,170 | 464,734 |
| Total additions | 156,249 | 819,477 |
| DEDUCTIONS: | | |
| Distributions paid to participants | 607,413 | 548,465 |
| Administrative expenses | 2,304 | 765 |
| Total deductions | 609,717 | 549,230 |
| (DECREASE)/INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS | (453,468) | 270,247 |
| TRANSFERS FROM OTHER PLANS | 1,165 | 12,941 |
| NET ASSETS AVAILABLE FOR BENEFITS: | | |
| Beginning of year | 6,386,443 | 6,103,255 |
| End of year | \$ 5,934,140 | \$ 6,386,443 |

See notes to financial statements.

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SCIENCE APPLICATIONS INTERNATIONAL CORPORATION RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

1. DESCRIPTION OF THE PLAN

The following brief description of the Science Applications International Corporation Retirement Plan (the Plan) is for general information purposes only. Participants should refer to the Plan document and the Summary Plan Description dated November 2011 and Prospectus Supplement dated May 2012 for more complete information regarding the Plan. Within these financial statements, Science Applications International Corporation (the Company) refers to the sponsoring employer, and SAIC, Inc. refers to the publicly-traded parent of the sponsoring employer.

General The Plan is a defined contribution plan sponsored by the Company and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is a defined contribution 401(k) plan with profit-sharing and employee stock ownership plan (ESOP) features. Both employee and Company contributions to the Plan are held in a qualified retirement trust fund. The Science Applications International Corporation Retirement Plans Committee is the Plan's named fiduciary for purposes of Section 402(a) of ERISA.

Investment Funds As of December 31, 2011, the Plan held investments in 13 mutual funds, 14 common collective trust funds, three separately managed account funds and two Company stock funds: the SAIC Common Stock Fund and the SAIC Closed Stock Fund (collectively, the Stock Funds).

The SAIC Closed Stock Fund is no longer available for new investment. As of December 31, 2011 and 2010, all amounts in the Stock Funds are invested in SAIC, Inc. common stock, except for estimated cash reserves, which are invested in the Vanguard Prime Money Market Fund and are primarily used to provide future benefit distributions and facilitate investment exchanges.

Eligibility Employees of the Company and its subsidiaries that have adopted the Plan are eligible to participate in the Plan. Employees must be in an eligible fringe benefit package to be eligible to receive Company matching 401(k) contributions, profit sharing contributions, and ESOP contributions. Generally, employees may make elective contributions and receive Company matching 401(k) contributions upon commencing employment.

Participant Contributions The Plan permits participants to contribute up to 75% of their eligible compensation to the Plan, subject to statutory limitations. Participants may also contribute amounts representing rollovers from other qualified plans. Participant contributions are invested according to participant direction into any of the available investment funds of the Plan. Participant contributions and rollovers to the SAIC Common Stock Fund are limited to a maximum 50% of the employee deferral or rollover, as applicable.

Employer Contributions The Company may make discretionary contributions, which include matching 401(k) contributions, profit sharing contributions, and ESOP contributions. The Company does not intend to make future profit sharing or ESOP contributions. Eligible participants may receive Company matching 401(k) contributions based on a percentage of the first 6% of eligible compensation they contribute to the Plan, which are invested per participant direction. The Company, at its discretion, may also make additional contributions to the Plan for the benefit of non-highly compensated participants in order to comply with Section 401(k)(3) of the Internal Revenue Code (the Code). The Company made no additional contributions for the benefit of non-highly compensated participants for the Plan years ended December 31, 2011 and 2010. Company contributions to the Plan for the Plan years ended December 31, 2011 and 2010 were made in cash.

Participant Accounts In accordance with Plan provisions, individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contributions, and if eligible, allocations of Company discretionary contributions. Allocations are based on participant eligible compensation, as defined in the Plan document. Participant accounts also reflect changes from investment income and losses and from distributions. The benefit to which a participant is entitled is the vested balance of his or her account.

Vesting and Forfeitures Participant's elective deferrals and rollover contributions together with associated earnings vest immediately. Company contributions vest 20% for each calendar year during which the participant works at least 850 hours and become fully vested after the participant completes five years of vesting service, as defined by the Plan. In addition, participants become fully vested in Company contributions while employed with the Company upon reaching age 59-1/2, permanent disability, or death. Upon termination of employment with the Company, participants forfeit any portion of Company contributions that have not yet vested. Forfeitures may be applied to future Company matching

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401(k) contributions, to provide reinstatements due to military leave, to increase profit sharing or ESOP contributions, or to pay Plan expenses. During the years ended December 31, 2011 and 2010, the Company applied forfeited nonvested amounts of \$8,038,000 and \$6,699,000, respectively, primarily toward Company matching 401(k) contributions. As of December 31, 2011 and 2010, forfeited nonvested accounts available for application by the Company totaled \$506,000 and \$521,000 respectively.

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SCIENCE APPLICATIONS INTERNATIONAL CORPORATION RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Notes Receivable from Participants Participants may borrow up to 50% of their vested account balance, up to a maximum of \$50,000. Loan repayment periods may not exceed 60 months except for loans used to acquire a principal residence, in which case the repayment period may not exceed 30 years. The loans are secured by the vested account balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined monthly by the Plan administrator. Principal and interest are collected ratably through payroll deductions. As of December 31, 2011, outstanding loans bear interest at rates ranging from 3% to 12%, and have maturities from January 2012 through November 2041.

Distributions to Participants For vested account balances less than \$5,000, participants receive their vested account balance in a single lump sum within 12 calendar months following termination of employment with the Company. For vested account balances that exceed \$5,000, a participant's vested account balance is not distributed unless the participant elects to take a distribution following the participant's termination of employment with the Company. Regardless of the existing account balance, distributions are made to participants who die or become permanently disabled while employed by the Company. After attaining age 59-1/2, a participant may make withdrawals even if still employed by the Company. A participant may make withdrawals from the Plan prior to attaining age 59-1/2 if the participant incurs a financial hardship, as specified by the Plan. Former employees, regardless of their age, may elect to receive up to two distributions in any given Plan year, of all or a portion of their account balance.

Tax Status The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated October 3, 2001, that the Plan was designed in accordance with the applicable requirements of the Code. In 2008, the Plan timely filed with the IRS a request for determination and is awaiting the IRS's response. The Plan has been amended since receiving the October 3, 2001 determination letter; however, the Company and the Plan administrator believe that the Plan is currently designed and operated in compliance with the applicable requirements of the Code and that the Plan and related trust continue to be tax exempt. Accordingly, no provision for income taxes has been included in the Plan's financial statements.

Termination of the Plan Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions and to terminate the Plan at any time subject to the provisions of ERISA. Upon termination of the Plan, the participants become 100% vested in any unvested portion of their accounts.

Transfers from Other Plans Transfers of assets from other plans primarily represents amounts transferred from terminated acquired plans.

Related-Party Transactions Certain Plan investments are managed by The Vanguard Group, the Plan's recordkeeper; therefore, transactions with these investments qualify as party-in-interest transactions. Fees paid to the recordkeeper were \$2,304,000 and \$765,000 for the Plan years ended December 31, 2011 and 2010, respectively. Beginning in the fourth quarter of 2010, Plan participants began paying to the recordkeeper directly a quarterly administrative fee of \$10 as part of a restructuring of the participant fee structure and the investment fund lineup, which included offering additional lower cost institutional funds. Administrative expenses paid directly by the Plan participants are considered related-party transactions. Prior to this restructuring, a portion of the Plan's administrative expenses were paid by participants to the recordkeeper indirectly through the fund's expense ratio and deducted from the fund's assets before determining the fund's overall performance. Administrative expenses paid indirectly through the fund's expense ratio were not considered related-party transactions. There were no amounts payable to the Plan's recordkeeper as of December 31, 2011 and December 31, 2010. Members of the Company's Retirement Plans Committee also participate in the Plan.

Table of Contents**SCIENCE APPLICATIONS INTERNATIONAL CORPORATION RETIREMENT PLAN****NOTES TO FINANCIAL STATEMENTS (Continued)****AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

SAIC, Inc. is the parent company of the sponsoring employer. At December 31, the following SAIC, Inc. shares were held by the Plan:

| | Number of Shares | Cost Basis |
|-------------------------|---------------------|------------|
| | (in thousands) | |
| At December 31, 2011: | | |
| SAIC, Inc. common stock | 57,644 | \$ 541,580 |
| At December 31, 2010: | | |
| SAIC, Inc. common stock | 69,008 | \$ 633,722 |

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting The Plan's financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Investment transactions are accounted for on their trade dates.

Investment Valuation and Income Recognition Investments held by the Plan are carried at fair value as follows:

Investment in Mutual Funds The Plan's investments in mutual funds are stated at fair value based on quoted market prices.

Investment in Common Collective Trusts As of December 31, 2011, the Plan held investments in 14 common collective trusts (CCT): a series of Vanguard Target Retirement Trusts I; the Wellington Trust Small Cap 2000 Portfolio; and the Wellington Trust TIPS Portfolio. Fair value for these investments is determined by the trustee using observable inputs other than unadjusted quoted prices.

Investment in Separately Managed Accounts As of December 31, 2011, the Plan held investments in three separately managed accounts: Total Return Bond Fund; Dodge & Cox Equity Fund; and Mid-Cap Value Fund. The fair value for these investments is determined daily by the custodian, J.P. Morgan, based on the net asset value held within each account. These separately managed accounts are similar to their corresponding publically available mutual funds but are offered and managed specifically for the Plan.

Investment in Common Stock Investments in shares of SAIC, Inc. common stock, which are publicly traded on the New York Stock Exchange, are recorded at their publicly-traded quoted market price as of December 31, 2011 and 2010.

Investment Gains and Losses Realized gains and losses on sales of investments are calculated as the difference between the fair value of the investments upon sale and the fair value of the investments at purchase. Unrealized appreciation or depreciation is calculated as the difference between the fair value of the investments at the end of the year and the fair value of the investments at the beginning of the year or at purchase if purchased during the year. Interest income is recorded on the accrual basis of accounting. Dividends are recorded on the ex-dividend date.

Notes Receivable from Participants Notes receivable from participants are carried at the aggregate unpaid principal balance of loans outstanding.

Benefits Payable Benefit payments to participants are recorded upon distribution. There were no benefits payable to participants who had elected to withdraw from the Plan but had not yet been paid as of December 31, 2011 and 2010.

Accounting Estimates The preparation of financial statements in conformity with generally accepted accounting principles requires Plan management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of additions and deductions during the reporting periods. Actual results may differ from those estimates.

Administrative Expenses Administrative expenses of the Plan are paid by the Plan sponsor or Plan participants as provided in the Plan document.

Adoption of New Accounting Pronouncement In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-06, *Fair Value Measurements and Disclosures* (ASU No. 2010-06), which amends Accounting Standards Codification (ASC) 820, adding new disclosure requirements for Levels 1 and 2, separate disclosures of purchases, sales, issuances, and settlements relating to Level 3 measurements and clarification of existing fair value disclosures. ASU No. 2010-06 was adopted in 2010, except for the requirement to provide Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which was adopted in 2011 and did not impact the Plan's financial position or results of operations.

Table of Contents**SCIENCE APPLICATIONS INTERNATIONAL CORPORATION RETIREMENT PLAN****NOTES TO FINANCIAL STATEMENTS (Continued)****AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

In May 2011, the FASB issued Accounting Standards Update No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards (Topic 820) Fair Value Measurement* (ASU 2011-04), to provide a consistent definition of fair value and ensure that the fair value measurement and disclosure requirements are similar between U.S. GAAP and International Financial Reporting Standards. ASU 2011-04 changes certain fair value measurement principles and enhances the disclosure requirements particularly for level 3 fair value measurements (as defined in Note 3 below). ASU 2011-04 is effective for the Plan prospectively for the year ending December 31, 2012. Management is currently evaluating the impact of the pending adoption of ASU 2011-04 on the Plan's financial statements.

3. INVESTMENT INFORMATION

The Plan's investments are held in a trust fund. The fair values of the investments representing 5% or more of the Plan's net assets available for benefits as of December 31, 2011 and 2010, are as follows:

| | 2011 | 2010 |
|---|----------------|------------|
| | (in thousands) | |
| Mutual funds: | | |
| Vanguard Prime Money Market Fund Institutional Shares | \$ 487,517 | \$ 460,675 |
| Vanguard Institutional Index Fund Institutional Plus Shares | 470,547 | 465,260 |
| Vanguard Total Bond Market Index Fund Institutional Shares | 368,037 | * |
| Dodge & Cox Equity Fund | 362,324 | 404,143 |
| SAIC, Inc. common stock | 708,586 | 1,093,915 |

* Investment does not represent 5% or more of net assets available for benefits

During the years ended December 31, 2011 and 2010, the Plan's investments (including investments bought, sold, and held during the year) (depreciated) appreciated as follows:

| | 2011 | 2010 |
|--|---------------------|-------------------|
| | (in thousands) | |
| Mutual funds | \$ (138,124) | \$ 423,899 |
| Common collective trusts | 3,512 | 95,673 |
| Separately managed accounts | (10,306) | 13,036 |
| SAIC, Inc. common stock | (215,271) | (235,981) |
| Net (depreciation) appreciation in fair value | \$ (360,189) | \$ 296,627 |

The Plan invests in various securities as detailed above. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with investment securities, it is reasonably possible that changes in the values of certain investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Table of Contents**SCIENCE APPLICATIONS INTERNATIONAL CORPORATION RETIREMENT PLAN****NOTES TO FINANCIAL STATEMENTS (Continued)****AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010****4. FAIR VALUE MEASUREMENTS**

Accounting guidance has been issued that establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value, on a recurring basis:

As of December 31, 2011 and 2010

| | Active Markets for Identical Assets (Level 1) | | Other Observable Inputs (Level 2) | | Total | |
|--|--|---------------------|--------------------------------------|---------------------|---------------------|---------------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| (in thousands) | | | | | | |
| Mutual funds: | | | | | | |
| Domestic equity funds | \$ 1,564,785 | \$ 1,673,402 | \$ | \$ | \$ 1,564,785 | \$ 1,673,402 |
| Short term reserve funds | 504,124 | 474,947 | | | 504,124 | 474,947 |
| Bond funds | 520,758 | 468,859 | | | 520,758 | 468,859 |
| International equity funds | 205,138 | 243,801 | | | 205,138 | 243,801 |
| Common stock: | | | | | | |
| SAIC, Inc. | 708,586 | 1,093,915 | | | 708,586 | 1,093,915 |
| Separately managed accounts: | | | | | | |
| Domestic equity funds | | | 492,578 | 554,642 | 492,578 | 554,642 |
| Bond funds | | | 219,872 | 240,285 | 219,872 | 240,285 |
| Common collective trusts: | | | | | | |
| Balanced funds | | | 1,535,342 | 1,476,580 | 1,535,342 | 1,476,580 |
| Domestic equity funds | | | 51,848 | 56,167 | 51,848 | 56,167 |
| Bond funds | | | 35,851 | 3,842 | 35,851 | 3,842 |
| Total investments at fair value | \$ 3,503,391 | \$ 3,954,924 | \$ 2,335,491 | \$ 2,331,516 | \$ 5,838,882 | \$ 6,286,440 |

The Plan did not have any Level 3 investments for the years ended December 31, 2011 and 2010.

5. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits as of December 31, 2011 and 2010, as reported in the financial statements to Schedule H on Form 5500:

| | 2011 | 2010 |
|---|-----------------------|------------------|
| | (in thousands) | |
| Net assets available for benefits as reported in financial statements | \$ 5,934,140 | \$ 6,386,443 |
| Participant loans deemed distributed | (2,323) | (3,212) |
| Deemed loans repaid | 779 | 520 |
| Net assets available for benefits reported on Schedule H on Form 5500 | \$ 5,932,596 | \$ 6,383,751 |

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SCIENCE APPLICATIONS INTERNATIONAL CORPORATION RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

The following is a reconciliation of deemed distributions of participant loans for the year ended December 31, 2011, as reported in the financial statements to Schedule H on Form 5500:

| | 2011 |
|---|-----------------------|
| | (in thousands) |
| Deemed distributions of participant loans as reported in the financial statements | \$ |
| Add participant loans deemed distributed in 2011 | 410 |
| Deemed distributions of participant loans reported on Schedule H of Form 5500 | \$ 410 |

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SUPPLEMENTAL SCHEDULES

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| | | EIN: 95-3630868 | Plan #004 | | |
|-----|---|--|-----------|-------------------|---------|
| (a) | (b) Identity of Issue, Borrower, Lessor, or Similar Party | (c) Description of Investment Including Maturity Date, Rate of Interest and Collateral | (d) Cost | (e) Current Value | |
| * | SAIC, Inc. common stock | Company stock | ** | \$ | 708,586 |
| * | Vanguard Total Bond Market Index Fund Institutional Shares | Mutual fund | ** | | 368,037 |
| * | Vanguard Short-Term Bond Index Fund Signal Shares | Mutual fund | ** | | 152,721 |
| * | Vanguard Institutional Index Fund Institutional Plus Shares | Mutual fund | ** | | 470,547 |
| * | Vanguard Prime Money Market Fund Institutional Shares | Mutual fund | ** | | 487,517 |
| * | Vanguard Extended Market Index Fund Institutional Shares | Mutual fund | ** | | 295,049 |
| * | Vanguard PRIMECAP Fund | Mutual fund | ** | | 243,650 |
| * | Vanguard International Growth Fund | Mutual fund | ** | | 192,787 |
| | T. Rowe Price Mid-Cap Growth Fund Institutional Shares | Mutual fund | ** | | 145,420 |
| | Longleaf Partners Small-Cap Fund | Mutual fund | ** | | 150,293 |
| | DFA Emerging Markets Core Equity Fund Institutional Shares | Mutual fund | ** | | 178,022 |
| | Templeton Institutional Funds, Inc. Foreign Equity Series | Mutual fund | ** | | 12,351 |
| * | Vanguard FTSE All-World ex-US Index Fund Institutional Shares | Mutual fund | ** | | 81,804 |
| * | Vanguard Federal Money Market Fund | Mutual fund | ** | | 16,607 |
| | Mid-Cap Value Fund | Separately managed account | ** | | 130,254 |
| | Total Return Bond Fund | Separately managed account | ** | | 219,872 |
| | Dodge & Cox Equity Fund | Separately managed account | ** | | 362,324 |
| | Wellington Trust Small Cap 2000 Portfolio | Common collective trust | ** | | 51,848 |
| | Wellington Trust TIPS Portfolio | Common collective trust | ** | | 35,851 |
| * | Vanguard Target Retirement 2005 Trust I | Common collective trust | ** | | 62,910 |
| * | Vanguard Target Retirement 2010 Trust I | Common collective trust | ** | | 140,830 |
| * | Vanguard Target Retirement 2015 Trust I | Common collective trust | ** | | 248,392 |
| * | Vanguard Target Retirement 2020 Trust I | Common collective trust | ** | | 268,783 |
| * | Vanguard Target Retirement 2025 Trust I | Common collective trust | ** | | 277,966 |
| * | Vanguard Target Retirement 2030 Trust I | Common collective trust | ** | | 193,476 |
| * | Vanguard Target Retirement 2035 Trust I | Common collective trust | ** | | 129,795 |

(Continued)

* Indicates party-in-interest to the Plan.

** Not applicable participant-directed investment.

Table of Contents**SCIENCE APPLICATIONS INTERNATIONAL CORPORATION RETIREMENT PLAN****FORM 5500, SCHEDULE H, PART IV, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)****AS OF DECEMBER 31, 2011****(in thousands)**

| | | EIN: 95-3630868 | | Plan #004 | |
|-----|---|--|----------|-------------------|-----------------------|
| (a) | (b) Identity of Issue, Borrower, Lessor, or Similar Party | (c) Description of Investment Including Maturity Date, Rate of Interest and Collateral | (d) Cost | (e) Current Value | |
| * | Vanguard Target Retirement 2040 Trust I | Common collective trust | ** | \$ | 84,137 |
| * | Vanguard Target Retirement 2045 Trust I | Common collective trust | ** | | 57,472 |
| * | Vanguard Target Retirement 2050 Trust I | Common collective trust | ** | | 24,439 |
| * | Vanguard Target Retirement 2055 Trust I | Common collective trust | ** | | 1,713 |
| * | Vanguard Target Retirement Income Trust I | Common collective trust | ** | | 45,429 |
| * | Notes Receivable from Participants | Loans/Interest rates from 3% to 12%; maturities from January 2012 to November 2041 | | | 88,103 (Concluded) |

* Indicates party-in-interest to the Plan.

** Not applicable participant-directed investment.

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SCIENCE APPLICATIONS INTERNATIONAL CORPORATION RETIREMENT PLAN

FORM 5500, SCHEDULE H, PART IV, LINE 4j SCHEDULE OF REPORTABLE TRANSACTIONS

FOR THE YEAR ENDED DECEMBER 31, 2011

(in thousands)

| | | EIN: 95-3630868 | | Plan #004 | | |
|---|--------------------------|--------------------|-------------------|-------------------|--|------------------------|
| (a) Identity of Party Involved | (b) Description of Asset | (c) Purchase Price | (d) Selling Price | (g) Cost of Asset | (h) Current Value of Asset on Transaction Date | (i) Net Gain or (Loss) |
| REPORTABLE SERIES OF TRANSACTIONS IN THE SAME SECURITY | | | | | | |
| Vanguard Prime MM Inst | Mutual fund | \$ 269,182 | | | \$ 269,182 | |
| Vanguard Prime MM Inst | Mutual fund | | \$ 242,981 | \$ 242,981 | \$ 242,981 | |

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Science Applications International Corporation Retirement Plans Committee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

SCIENCE APPLICATIONS INTERNATIONAL CORPORATION
RETIREMENT PLAN

Date: June 8, 2012

/s/ LUCY K. MOFFITT
Lucy K. Moffitt
Member, Science Applications International Corporation
Retirement Plans Committee

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Exhibit Index

Exhibit No.

23.1 Consent of Independent Registered Public Accounting Firm

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