

SAIC, Inc. Separation/Reverse Stock Split
General Stockholder - Questions and Answers
(updated: September 11, 2013)

Q1: What was approved by the Board of Directors of SAIC, Inc. with regards to the Company separation?

A: On September 9, 2013, the Board of Directors of SAIC, Inc. (Ticker Symbol (NYSE): SAI) approved the following:

- The separation of its technical, engineering and enterprise information technology services business through the distribution of shares of SAIC Gemini, Inc. to stockholders. Each stockholder of record of SAIC, Inc. as of September 19, 2013 (Record Date) will receive one (1) share of SAIC Gemini, Inc. common stock for every seven (7) shares of SAIC, Inc. common stock held by such stockholder as of the Record Date. This distribution will be effective after market close on September 27, 2013 (Distribution Date). After the Distribution Date, SAIC Gemini, Inc. will be renamed Science Applications International Corporation (New SAIC).
- A one (1) for four (4) reverse stock split of the SAIC, Inc. common stock effective as of Distribution Date. After the Distribution Date, SAIC, Inc. will be renamed Leidos Holdings, Inc. (Leidos).

Q2: As a stockholder, what do I need to do?

A: Nothing. You are not required to take any action since stockholder approval of the distribution is not required and the reverse stock split was approved by stockholders in June 2013. On the Distribution Date, the shares of SAIC, Inc. you own on the Record Date of September 19, 2013 will automatically receive shares of New SAIC and will automatically be adjusted for the reverse stock split.

Q3: What are the strategic objectives of the Company separation?

A: The Board of Directors has determined that the spin-off will provide each company the following benefits:

- Reduce Regulatory Constraints in the Pursuit of Business Opportunities
- Strategic Focus of Management's Efforts
- Investment Focus
- Improved Management Incentive Tools

Additional information can be found in the Information Statement which is being made available to each stockholder as of the Record Date.

Q4: Why is the separation structured as a spin-off?

A: On August 30, 2012, the SAIC, Inc. Board of Directors approved a plan to spin-off part of its technical, engineering and enterprise information technology services business into a new company. It believed that a spin-off was the most efficient way to accomplish a separation for various reasons, including:

- a tax-free distribution of common stock in the new company to stockholders, except to the extent of cash received in lieu of fractional shares;
- a higher degree of certainty of completion in a timely manner, lessening disruption to current business operations; and
- a greater assurance that decisions regarding the capital structure of the new company support future financial stability.

After consideration of strategic alternatives, including a sale, it is believed a spin-off will enhance the long-term value of both companies. Additional information can be found in the Information Statement which is being made available to each stockholder as of the Record Date.

Q5: How will the two companies interact in the future?

A: Following the separation, the two companies will be independent, publicly traded companies and Leidos will have no continuing stock ownership interest in New SAIC. The companies will have entered into a Distribution Agreement and will enter into several other agreements for the purpose of allocating various assets, liabilities, rights and obligations (including employee benefits, insurance and tax-related assets and liabilities). These agreements will also govern the relationship following the separation and will provide arrangements for employee matters, tax matters, intellectual property matters, insurance matters and other specified liabilities, rights and obligations attributable to periods before and, in some cases, after the separation. These agreements will also include arrangements regarding transitional services to be provided. Additional information can be found in the Information Statement which is being made available to each stockholder as of the Record Date.

Q6: How does the separation affect SAIC, Inc. stockholders?

A: On the Distribution Date, each SAIC, Inc. stockholder as of the Record Date will receive one (1) share of SAIC Gemini, Inc. common stock for every seven (7) shares of SAIC, Inc. common stock held as of the Record Date. Additionally, there will be a one (1) for four (4) reverse stock split of each share of SAIC, Inc. common stock upon company separation.

Q7: Who will be the Distribution Agent for the New SAIC shares?

A: Computershare, SAIC's Transfer Agent and Stock Plan Administrator, will act as the Distribution Agent for the New SAIC shares. Computershare will also serve as Transfer Agent and Stock Plan Administrator for New SAIC.

Q8: What is the purpose of the reverse stock split?

A: The SAIC, Inc. Board of Directors believes that it is in the best interests of the company and its stockholders to reduce the number of issued and outstanding shares through a reverse stock split implemented in connection with the separation. The Board believes that implementing a reverse stock split:

- Will likely increase the market price for the common stock as fewer shares will be outstanding;
- May improve the marketability and liquidity of the common stock post-separation; and

- May encourage interest and trading in the common stock.

Q9: What is the impact of the reverse stock split?

A: The reverse stock split would affect all of our stockholders uniformly and would not affect any stockholder’s percentage ownership interests or proportionate voting power, except to the extent that the reverse stock split results in any stockholders receiving cash in lieu of a fractional share.

Q10: How will the value of my common stock holdings change after the separation?

A: The value of your common stock holdings immediately prior to separation and immediately after the distribution and reverse stock split should remain the same. However, following the separation, the value may vary greatly based on market conditions and fluctuations in each of the individual stock.

Below is an illustration of the conversion of 700 shares of SAIC, Inc. common stock:

Step 1 – Ownership as of Record Date:

Company	# of Shares	Stock Price*	Value*
SAIC, Inc. (SAI)	700	\$14.00	\$9,800

Step 2 – Spin-off of SAIC Gemini, Inc. (Distribution of 1 share of New SAIC for every 7 shares of SAIC, Inc.):

Company	# of Shares	Stock Price*	Value*
Leidos Holdings, Inc. (LDOS) – unadjusted	700	\$9.00	\$6,300
Science Applications International Corporation (SAIC)	100	\$35.00	\$3,500
		TOTAL	\$9,800

Step 3 – Reverse stock split of Leidos Holdings, Inc. (1 for 4 reverse stock split):

Company	# of Shares	Stock Price*	Value*
Leidos Holdings, Inc. (LDOS)	175	\$36.00	\$6,300
Science Applications International Corporation (SAIC)	100	\$35.00	\$3,500
		TOTAL	\$9,800

* The stock prices used in this example are for illustrative purposes only. Actual stock prices may vary. This example shows that the value of the SAIC, Inc. common stock immediately prior to the separation should equal the aggregate value of the New SAIC and Leidos common stocks immediately after the separation and reverse stock split. The value may thereafter fluctuate greatly based on market conditions after Distribution Date.

Q11: What are the different trading markets that may occur between Record Date and Distribution Date?

A: Beginning two days prior to the Record Date of September 19, 2013 through the Distribution Date on September 27, 2013, there may be three different trading markets available with respect to SAIC, Inc. and the separation.

- Stock Ticker – SAI (Regular Way Trading with Due Bills): Shares of SAI common stock that trade on the regular-way market will trade with an entitlement to shares of the New SAIC common stock distributed on the Distribution Date. Purchasers in this market are purchasing both the shares of Leidos and New SAIC common stock.
- Form of Stock Ticker – SAIC (When Issued Trading): Shares of New SAIC common stock may be traded on a “when-issued” basis. These transactions are made conditionally because the security has been authorized, but not yet issued. Purchasers in this market are only purchasing the shares of New SAIC common stock distributed on the Distribution Date.
- Form of Stock Ticker – LDOS (Ex-Distribution Trading): Shares that trade on the ex-distribution market will trade without an entitlement to shares of New SAIC common stock distributed on the Distribution Date. Purchasers in this market are only purchasing the shares of Leidos common stock.

Q12: What happens if I sell my SAIC, Inc. common stock after the Record Date, but prior to the Distribution Date?

A: Since SAIC, Inc. is trading with Due Bills, if you sell stock after the Record Date of September 19, 2013, you will not be entitled to keep the distribution of New SAIC shares made to you on the Distribution Date. The selling program through Computershare will be restricted during this time to prevent any confusion to stockholders of record. However, if you choose to sell through a broker or financial institution, your account will be debited by the corresponding New SAIC shares received on the Distribution Date to provide to the purchaser. Please consult with your financial advisor regarding selling or transferring shares during this period of time.

Q13: What is the difference between holding shares as a stockholder of record and beneficial owner, and how does it affect communications related to the separation?

A: If your shares are registered directly in your name with SAIC, Inc.’s Registrar and Transfer Agent, Computershare, you are considered a stockholder of record with respect to those shares. If your shares are held in a brokerage account or financial institution, you are considered the beneficial owner of those shares. This is also known as holding shares in “street name.” If you are a stockholder of record, all of your communications and statements will be provided by Computershare. If you hold shares in street name, your broker or financial institution will be distributing communications and/or statements.

Q14: How will fractional shares be handled as part of the separation?

A: Fractional shares will not be distributed (except for those held in the Leidos Employee Stock Purchase Plan (ESPP)). Fractional shares will be aggregated, sold in the public market at prevailing market prices,

and distributed ratably to stockholders who would otherwise have received fractional shares. Receipt of the cash proceeds from these sales will generally result in a taxable gain or loss to those stockholders and each individual should consult a personal tax advisor with respect to these sales and proper reporting.

- Computershare will combine your common stock and dividend reinvestment holdings for New SAIC prior to applying the distribution ratio in order to maximize the number of whole shares retained. Cash proceeds from the sale of any fractional share resulting from your combined common stock and dividend reinvestment holdings will be added to the cash proceeds from the sale of any fractional share resulting from your ESPP holdings and will be distributed in a single check. For shares held at a broker, please contact your broker for information regarding any fractional share of New SAIC common stock to which you might be entitled.
- Computershare will combine your common stock and dividend reinvestment holdings for Leidos prior to applying the reverse stock ratio in order to maximize the number of whole shares retained. The Leidos ESPP shares will maintain their fractional balances. Cash proceeds from the sale of any fractional share resulting from your combined common stock and dividend reinvestment holdings will be distributed in a single check. For shares held at a broker, please contact your broker for information regarding any fractional share of Leidos common stock to which you might be entitled.

Q15: What are the tax consequences to stockholders of the spin off?

A: The spin-off is conditioned to qualify as a tax-free distribution under Section 355 of the Internal Revenue Code of 1986 (except for cash payments made to stockholders in lieu of fractional shares). Additional information can be found in the Information Statement which is being made available to each stockholder as of the Record Date.

Q16: What are the tax consequences to stockholders of the reverse stock split?

A: Other than the cash payments for any cash in lieu of fractional shares, no gain or loss should be recognized by a U.S. holder as a result of the reverse stock split.

Q17: How do I determine my cost basis in my shares?

A: Information with respect to tax basis will be posted on the Investor Relations and the Computershare websites for both companies within 45 days of the separation. Please note that the cost basis information provided on your Computershare account will reflect the original cost basis per share until this information is provided and updated. If you hold stock through a broker or financial institution, please contact them regarding your cost basis for shares held with your broker or financial institution.

Q18: Will there be any blackouts in conjunction with the separation?

A: For **stockholders of record**, there are several key dates you will want to be aware of as it relates to the separation:

Dates	Action	What does this mean?
4 pm ET, September 16, 2013 through 10 am ET, September 30, 2013	The Computershare selling program will be suspended.	<ul style="list-style-type: none"> You will not be able to sell shares from your transfer agent or ESPP accounts using the Computershare selling program. If you wish to sell shares from these accounts during this time, it is suggested that you transfer the shares to a broker for sale by such broker prior, to the suspension. Please note that brokers may also be restricted from effecting transfers near the effective date of the separation. All Good Till Cancelled (GTC) orders outstanding through Computershare, as of 4 pm ET on September 16, 2013 will be cancelled.
4 pm ET, September 27, 2013 through 10 am ET, September 30, 2013	The transfer agent and ESPP accounts at Computershare for both New SAIC and Leidos will be in a blackout status.	<ul style="list-style-type: none"> You will not be able to access the transfer agent or ESPP accounts of Computershare for both New SAIC and Leidos either online, through the automated IVR telephone system or through a Computershare customer service representative. Any transfer requests pending as of 4 pm ET on September 27, 2013 will be canceled and will need to be re-submitted on or after September 30, 2013.

Stockholders are strongly encouraged to review their accounts now and take any necessary action prior to the implementation of any restriction and/or blackout. Account information is available online at www.computershare.com/saic. If you have any questions, please contact Computershare at 1-866-400-SAIC (7242).

Q19: I am a stockholder of record. How will I be able to view my shares held in both companies following the separation?

A: As a stockholder of record, post-separation, you will be able to view your account information through the Computershare website for each company. For Leidos employees or former employees, you will be able to view your Leidos holdings including equity award information through the Leidos Employee Online Portal and your New SAIC holdings through the Investor Centre for New SAIC. For New SAIC employees, you will be able to view your New SAIC holdings including equity award information through the New SAIC Employee Online Portal. New login information will provided to you immediately following the separation. New SAIC employees may continue to use your current login to the Leidos Employee Online Portal to view your Leidos holdings including your prior equity awards.

- www.computershare.com/saic (existing website - will be updated at separation with separation information)
- www.comptuershare.com/saicaccess (new website for New SAIC – available post-separation)

- www.computershare.com/leidos (new website for Leidos – available post-separation)

Q20: What information will I receive as part of the separation?

A: If you are a stockholder on the Record Date, you will receive the following information:

- Information Statement Mailing
- New SAIC Statement and a check for any cash in lieu of fractional shares from Computershare – within two weeks of the Distribution Date
- Leidos Statement and a check for any cash in lieu of fractional shares from Computershare – within two weeks of the Distribution Date

If you are not a stockholder of record, please contact your broker or financial institution for information specific to your account.

Q21: Will both companies issue dividends and have a Dividend Reinvestment Plan (DRIP)?

A: On September 9, 2013, the SAIC, Inc. Board of Directors declared a quarterly cash dividend of \$0.32 per share to stockholders of record on October 15, 2013 (equivalent to \$0.08 per share on a pre-reverse stock split basis). The cash dividend will be payable by Leidos on October 30, 2013. The company expects that, after the spin-off, New SAIC will declare a quarterly cash dividend of \$0.28 per share (equivalent to \$0.04 per share on a pre-distribution basis), so that the aggregate quarterly dividend for the two companies combined will equal SAIC Inc.'s prior quarterly dividend rate of \$0.12 per share. Thereafter, the respective Board of Directors of Leidos and New SAIC will determine the dividend policy of each company.

The timing, declaration, amount and payment of future dividends to stockholders will fall within the discretion of each set of Board of Directors and will depend on many factors, including financial condition, results of operations and capital requirements, industry practice and other business considerations that the Boards consider relevant from time to time. Leidos will maintain its existing DRIP and New SAIC will have an established DRIP upon separation. Additional information can be found in the Information Statement which is being made available to each stockholder as of the Record Date.

Q22: Who can assist me if I have further questions?

A: Computershare is the Company's Distribution Agent, Registrar, and Transfer Agent. Representatives are available from 3am to 9pm ET, Monday through Friday via phone at 866-400-SAIC (7242) in the US or 201-680-6625, if calling outside of the US. If you hold your shares through a broker or financial institution, please contact your broker or financial institution for additional questions you may have regarding your holdings. If you are a **stockholder of record**, Computershare can assist you with the following:

- General Questions regarding the Separation
- Account Consolidation
- Account Information
- Address Changes

- Dividend Information
- Dividend Reinvestment Plan
- Electronic Delivery of Communications
- Registration Changes
- Stock Transfers