

2009

SAIC Institutional Investor Conference

October 13-14 | McLean, Virginia



Information Technology & Network Solutions Group

Charles Koontz
Group President



Focused on the Mission



Accelerating R&D by bringing partners together



IT&NS Group and Customers



Note: All figures represent FY09 revenue

IT&NS Group Accomplishments



- Health
 - Leading Federal initiatives in VA/DoD data sharing and electronic health records
 - Established health information exchange (HIE) pilots in multiple regions
 - Expanded Footprint in Military Health IT, becoming the #1 Provider
 - Key player in Post-Traumatic Stress Disorder
 - National leadership in cancer and infectious disease R&D; \$305M in ARRA funding for SAIC-Frederick
- Energy IT
 - Digital Oil Field success—BP renewal, growth at Chevron and Shell, and new accounts at TOTAL and ADCO
 - Wins at Florida Power & Light and EDF (France) for asset management
 - Invited to bring our Smart Grid offerings to team with Sempra, Entergy, Oncor on their DOE/ARRA bids
 - Invested in beachhead market position in Middle East generating wins in ADCO and PDO (Oman)
 - Added new SAIC India contracts with Halliburton and Port Authorities in NY, NJ
 - 5-year sole source extension of IT outsourcing contract at Entergy
- Federal Civilian
 - Double digit YoY growth against \$9B DHS addressable market
 - Multiple extensions on our \$220M NASA UNITEs contract
 - Won a large EPA program displacing an incumbent
 - IRS transformation thought leader
 - Awarded IDIQ supporting the FEMA CIO and Information Technology Division (\$500M ceiling)



The Federal Health Market Today



Health

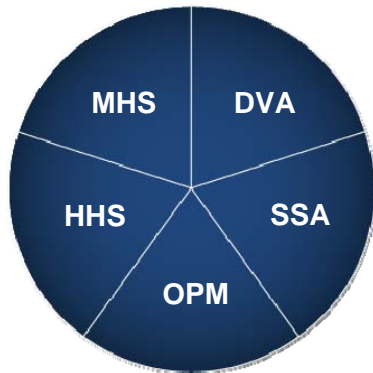
- Quality, Cost and Access to Care
- Privacy of Health Data
- Health IT Systems Standards
- Translational Medicine - Improve R&D ROI “From Bench to Bedside”

Customer Initiatives
• Legacy systems modernization (VA, DoD)
• EHR/EMR interoperability (VA/DoD Sharing, HIEs) / National Health Information Network (NHIN) (ONC)
• NHSN — Adverse event / infection tracking systems (FDA, CDC)
• Reducing the stigma of seeking help for mental illness (PTSD/TBI — Armed Services)
• Telehealth infrastructure support (VA, IHS)
• Quality measures / comparative effectiveness research (CMS, AHRQ)
• Nurse Advice Line (MHS)
• Vaccine development (PanFlu, Malaria, SMA, CBMS etc),
• Biosurveillance system development (NIH, CDC)
• Fraud and abuse detection (CMS)
• Grants management systems (NIH, CDC, HRSA)
• Infrastructure modernization (CMS, NIH, CDC)
• HIPAA (MHS, VA, CMS)

Health IT: Electronic Health Record (EHR) Interoperability



Customers



Market Drivers

- Electronic Health Records are one of the cornerstones of healthcare transformation
- Health IT enables improvement in quality and access to care while supporting reduced costs
- HITECH Act allocated \$18B in EHR adoption incentives and created \$2B in new funding for the Office of the National Coordinator (ONC) to facilitate the Nationwide Health Information Network (NHIN)

SAIC Capabilities

- Health Data Management
- Security and Privacy
- Infrastructure Lifecycle Management
- Systems Integration
- Software Lifecycle Management

SAIC Differentiators

- Developing and supporting the operation of the Military Health System for 20+ years
- Nationally recognized experts in interoperable health record systems standards
- Unique insight into the VA and DoD EHR systems and their use
- Internationally recognized thought leadership in meaningful privacy and security standards

Opportunities

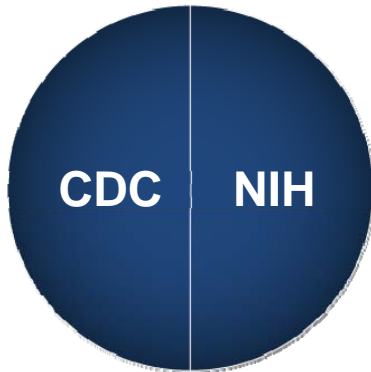
- Current pipeline includes \$568M in ARRA funded health opportunities with more anticipated
- VA/DoD sharing is a Congressional priority and SAIC is positioning for a leadership role
- Over the next five years, expect federal health IT market to exceed \$20B and state and local market to exceed \$9B



Public Health: Biosurveillance and Infectious Disease Control



Customers



Market Drivers

- Infectious diseases cause massive economic losses; monitoring and public awareness are critical to control costs and avoid loss of life
- Seasonal flu and emerging variants form one of the most pressing global health problems today
- Public health and infectious disease surveillance spending and research has grown to meet the challenge
- EHR spending will drive biosurveillance spending as new data sources become available

SAIC Capabilities

- Epidemiologists and biological scientists who understand this domain and create solutions that work
- Laboratory information management
- Data warehouse and data mart design and development
- Statistical analysis and decision support

SAIC Differentiators

- Years of experience building and operating nationwide biosurveillance systems gives SAIC staff valuable insight into what makes an effective system
- Signature systems such as BioFlu — an open source system that graphically visualizes CDC approved flu data from various sources
- Tools to quickly deploy and evaluate all types of flu data, including social networks and news feeds, at a fraction of the cost of proprietary solutions

Opportunities

- HHS: NIH and CDC
 - National Institute of Allergy and Infectious Diseases
 - National Cancer Institute
 - Center for Disease Control and Prevention
 - BARDA
- DoD USAMRAA and Chemical Biological Medical Systems
- SAIC accessible market ~\$2.8B in FY11



Military Health: Psychological Health Maintenance



Market Drivers

- Psychological Health Maintenance
 - Post Traumatic Stress Disorder (PTSD)
 - Traumatic Brain Injury (TBI)
 - Combat Stress, Depression, Suicide
- Psychological health effects are the chronic disease of the war fighter
- Approximately 30% of war veterans suffer from PTSD
- 1.4 million sustain a TBI each year in the United States

Current Programs

- Combat Stress Education and Self-Help Strategies - Graphic novel (prepares personnel for service)
- Naval Center for Combat and Operational Stress Control (Research, Communication Knowledge Management)
- Mental Health Care Access Initiative

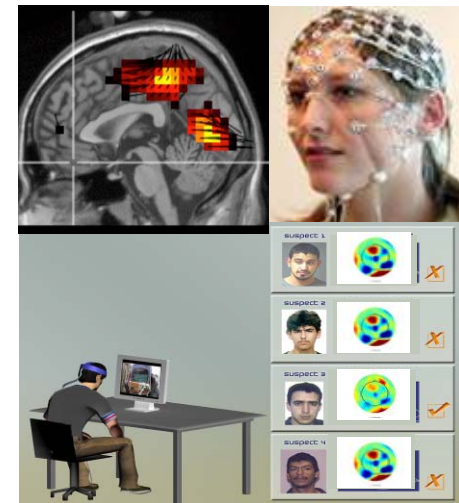
SAIC Capabilities

- Behavioral Sciences and Epidemiology
- Psychology
- Physiology
- Injury Prevention
- Biomechanics Counseling
- Family Therapy
- Combat & Operational Stress
- Training & Education



Opportunities

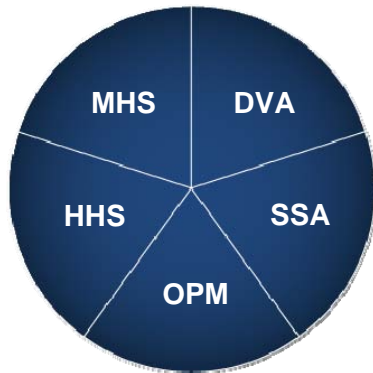
- Executing on a \$100M+ pipeline
- DVA requested \$5B for behavioral health in FY10
- DoD services requested an additional \$650M for behavioral health in FY10
- Exploring opportunities with NIMH and SAMHSA



Health Sciences: Translational Research and Personalized Medicine



Customers

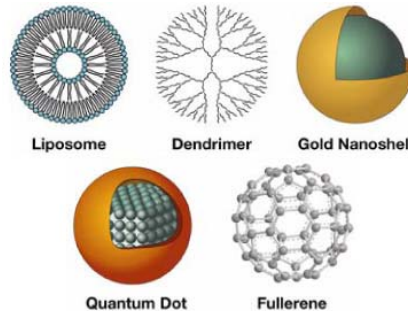


Market Drivers

- Taking a drug from discovery to market requires 15 years and costs \$800M
- Translational Medicine rapidly moves discoveries made at the “bench” to therapies at the “bedside”
- Tomorrow’s therapies based on an individual’s biochemistry avoid serious adverse reactions to broad-based therapies in many patients
- Translational & Personalized Medicine is the mission of the National Institute of Health – ARRA added \$10B to NIH

Major Focus Area

- Genomics, proteomics and metabolomics
- Molecular diagnostics, and nanotechnology
- Rapid development of vaccines and therapies for cancer, AIDS and other diseases

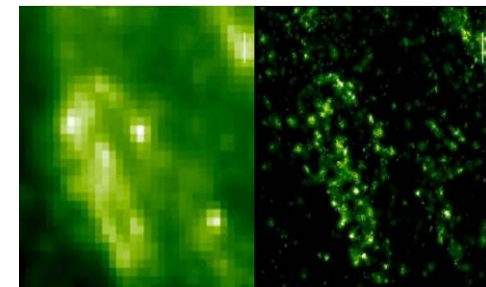


SAIC-Frederick Capabilities

- Research and Bioinformatics
- Biotechnology
- Genetics and Genomics
- Proteomics and metabolomics
- Super computing and biological imaging

SAIC-Frederick Differentiators

- 1,750 full-time employees including highly skilled life scientists and physician scientists
- Core corporate competencies in vaccine research and production and regulatory affairs
- Molecular biology including genomics, proteomics and metabolomics
- Bioinformatics and biomedical computing expertise



President's Summary



Mission

- Enterprise growth engine for Homeland Security, Federal Civilian, Health and Energy IT markets
- Lead our health campaign march toward a ~\$1B enterprise

Strategy

- Capitalize on health reform and market disruptions to fill “white space” opportunities
- Commercial energy upstream oil and gas and utilities solutions development
- Differentiate DHS & Federal Civilian offerings with mission driven IT modernization