SI International is a provider of information technology and network solutions (IT) primarily to the Federal government. We define, design, build, deploy, and operate mission-critical IT solutions. We deliver a full spectrum of state-of-the-practice systems and services with a strategic focus on the Federal government’s most urgent initiatives in the areas of Federal IT Modernization, Defense Transformation, Homeland Defense, and Mission-Critical Outsourcing.

Mission Critical, Mission Accomplished:

- Providing frontline personnel in the military, civilian agencies, and the intelligence community with the right information at the right time to make the right decisions

- Developing transformational solutions that enable clients to respond to new mandates, expand the scope of their missions, and reengineer underlying business processes

- Supporting the complete systems technology life-cycle under tight timeframes and within budget

- Delivering solutions using rapid development processes and then incorporating additional capabilities in rapid succession
### Financial Highlights

(Amounts in thousands except earnings per share)

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$146,583</td>
<td>$149,351</td>
<td>$168,287</td>
<td>$262,306</td>
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<tr>
<td>Operating Income</td>
<td>4,778</td>
<td>6,719</td>
<td>12,769</td>
<td>20,736</td>
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<tr>
<td>Net Income</td>
<td>(729)</td>
<td>2,483</td>
<td>7,379</td>
<td>10,877</td>
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<tr>
<td>Diluted Earnings per Share</td>
<td>(1.06)</td>
<td>(0.03)</td>
<td>0.87</td>
<td>1.14</td>
</tr>
<tr>
<td>Stockholders’ Equity</td>
<td>(2,431)</td>
<td>73,977</td>
<td>81,547</td>
<td>145,070</td>
</tr>
</tbody>
</table>

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1. **EBITDA** is defined as GAAP net income (loss) plus other expense (income), interest expense, income taxes, depreciation, and amortization.

For further explanation of EBITDA and a reconciliation of EBITDA to its most directly comparable GAAP financial measure, net income, see Part II, Item 6, Selected Financial Data of our 2004 form 10-K.
This past year illustrates the essence of the successful SI International business model. We won every major contract recompete with our existing customers, and succeeded in growing our market share across each of our core focus areas. We successfully completed and integrated a major acquisition with MATCOM in the first quarter. In September of 2004, we completed a significantly oversubscribed $55 million stock offering of new equity capital to fund future acquisitions. We then identified and closed on a new strategic acquisition — Bridge Technology Corporation and announced our plans to acquire Shenandoah Electronic Intelligence, Inc. (SEI), which we subsequently acquired on February 9, 2005. They bring us important new customer sets and broaden our services and solutions platform. Our full year 2004 results clearly demonstrate that we have exceeded the goals we set for ourselves at the beginning of the year in every important respect, and confirm that we have a profitable business model that successfully combines strong organic growth with prudent strategic acquisitions.

Record Financial Performance
Our 2004 financial performance was impressive on several fronts. Revenue jumped by 56 percent, reflecting continued robust organic growth in our work for the Department of Defense and an upsurge in Federal civilian agency projects. Our Federal government business revenues were 97 percent of total 2004 revenues. Over 81 percent of our revenues were earned as a prime contractor, emphasizing the close relationships we have with our clients. Our total backlog of future work is growing significantly faster than revenues, up a full 111 percent from the prior year.

We also continued to deliver improved bottom-line results for our stockholders. Income from operations increased 62 percent over operating income reported for 2003. Our annual operating margins hit a new record high of 7.9 percent in 2004. Net income attributable to common stockholders increased 47 percent, as compared to 2003.

Supporting Front-Line Personnel with Superior Technology
SI International’s number one priority is providing the Federal government with “best of class” information technology services and network solutions to ensure that our nation is ready to
meet new global challenges as they arise. We specialize in supporting frontline personnel in the military, civilian agencies and the intelligence community by getting them the information they require to complete their mission-critical assignments. SI International’s solutions support and help simplify the government’s IT modernization and defense transformation by enabling our clients to respond to new mandates, expand the scope of their missions, and reengineer underlying business processes.

As always, our professionals bring an unyielding commitment to the work that they do — as demonstrated in our company’s consistently high marks in the timely delivery of complex, mission-critical solutions. Whether the assignment is securing America’s borders, enhancing space-based intelligence, or helping Federal agencies streamline and improve business processes and the sharing of information, our work directly affects key national interests.

We continue to see a close alignment of the Federal government’s IT agenda with SI International’s core strategic focus and proven capabilities. In this year’s annual report, we describe some examples of the work we are doing in Federal IT Modernization, Defense Transformation, Homeland Defense and Mission-Critical Outsourcing. We are helping to pioneer the next generation of key enabling technologies — such as the DOE’s Second Line of Defense Program for the 2004 Summer Olympics in Athens, Greece, our Net-centric approach to Enterprise Architecture, Global Information Grid bandwidth expansion for the military, and the implementation of the next generation of Internet Protocol for the Department of Defense.

**Acquisitions that Enhance Value**

The SI International team knows about successfully acquiring and integrating companies that maximize value. In a little over thirteen months, we have completed three significant acquisitions — putting us well ahead of schedule. We were able to finish MATCOM’s integration within 90 days, and its personnel and processes are now indistinguishable from the rest of the Company. We have also developed our relationships within key MATCOM customers, and made solid progress towards extracting cost synergies and optimizing the Days Sales Outstanding performance from this acquisition.

The acquisition of Bridge Technology provides us with an entry into a new and very complementary set of customers in the defense intelligence community. This area is experiencing rapid growth, given the focus on upgrading the U.S. intelligence posture and counteracting new global threats. The SEI acquisition significantly expands our presence within the Department of Homeland Security (DHS), which is expected to be the fastest growing segment of Federal government IT spending in 2006. With its experience in business process outsourcing for DHS, SEI brings tremendous talent and experience to bear in data and records management, applications processing, and secure optical card processing.

**Growing to Expand Our Opportunities**

In summary, 2004 was an outstanding year for SI International. We enter 2005 with the right strategy, the right capabilities, and the right team to build on this momentum. The three acquisitions we made over a thirteen month period expand our customer base and broaden our capabilities in the areas that are top priority within the President’s Budget request for 2006. Our continuing goal is to grow at an average of 25% per year, and we believe that the Company is well on its way to exceeding that target once again in 2005.

I want to close by thanking SI International’s stockholders for your continued support; our board of directors for your thoughtful guidance and oversight; and every single SI International team member for the invaluable contributions you make to our continued success. At SI International, “Mission Critical, Mission Accomplished” is more than a slogan — it is an ethos and a promise that we deliver on each and every day.

**Ray J. Oleson,**
Chairman of the Board of Directors & Chief Executive Officer
April 20, 2005
What Sets Us Apart From The Rest

✦ **High-quality Customer Base:**
SI International works with sophisticated customers whose budgets are growing at the high end of IT spending. The mission-critical projects and programs that we handle receive top priority for resources and funding.

✦ **High-priority, High-growth Assignments:**
Our capabilities are aligned with the Federal government’s most urgent IT initiatives, and we understand organizations’ mission-critical needs.

✦ **Rapid Response, Rapid Deployment Capabilities:**
We provide robust mission-critical solutions under very tight timeframes — often within only a few months.

✦ **Thought Leader in the Implementation of Key Technologies:**
We are developing the architectures and design prototypes for the next generation of enabling technologies that will guide major IT initiatives over the ensuing years - such as the Global Positioning System, or GPS III, Internet Protocol version 6, or IPv6, the Global Information Grid Bandwidth Expansion, or GIG-BE, and signal intelligence technologies in support of net-centric warfare.
Our vision of excellence is ensuring that our services and solutions remain aligned with the Federal government's highest priorities, are of superior quality, are performed rapidly, and are at the leading-edge of emerging enabling technologies that are transforming our government.
Building A Platform For Success

SI International acquired MATCOM International Corporation, an information technology, systems engineering and logistics provider, during January 2004. The MATCOM acquisition expanded SI International’s client base into new vertical markets and enhanced the portfolio of service offerings it provides to the Federal government. MATCOM brought to SI International a complementary set of customers within both the civilian and military agencies with meaningful cross-selling opportunities.

During December 2004, SI International acquired Bridge Technology Corp., a provider of program management, acquisition management, logistics management, systems engineering, software engineering, and business process reengineering to the defense intelligence community. The acquisition supports SI International’s strategic growth goals to broaden its customer base into the intelligence agencies. The acquisition of Bridge Technology provides SI International with a platform to offer its capabilities and services directly to the intelligence agencies within the Federal government.

At the beginning of 2005, SI International announced that it had completed the purchase of Shenandoah Electronic Intelligence, Inc. (SEI). As a provider of critical business process outsourcing primarily for the Department of Homeland Security (DHS), SEI’s services include: data and records management; application processing; file and mail management; analytical support; and secure optical card processing at one of the largest facilities of its kind. This acquisition supports our Company’s strategic growth plan to expand the customer base in one of our key focus areas - Homeland Defense. The SEI acquisition strengthens SI International’s relationships with DHS agencies and expands SI International’s portfolio of mission-critical outsourcing services.
Federal IT Modernization

SI International is actively supporting the Federal government in creating and successfully implementing solutions that replace legacy, stove-piped applications and databases with completely integrated, interoperable IT technologies that promote seamless information sharing across various agencies and military units and commands. SI International supplies Federal clients with support for the complete systems technology life-cycle under tight timeframes – from feasibility study all the way through to training and fully outsourced operations. As in the private sector, the Federal government understands the significant productivity and efficiency gains that are possible when advanced IT technologies and applications are properly adopted and utilized. SI International’s solutions enable our Federal government clients to increase the flow of information sharing, enhance job performance, and make crucial decisions based on the most high-quality and accurate data available.

The Department of State

At the Kentucky Consular Center (KCC), SI International supports the eDiversity Lottery program by processing millions of electronic submissions. We have transitioned this process from a totally paper-based system to an electronic application process. KCC has worked with the Visa office to introduce the use of various biometric tools for reviewing applications for the eDiversity Visa program as well as for some Non-Immigrant Visa petitions for the U.S. Citizenship and Immigration Services.

Army National Guard

For over seven years, SI International has supported the mission of the Army National Guard by implementing innovative Web-based tools that empower staff with critical information in support of their missions. In November 2004, SI International migrated the existing custom built static information delivery channel, Guard Knowledge Online (GKO), to a dynamic knowledge portal in order to modernize collaboration and enhance knowledge management. With the advanced technology put in place by SI International, GKO now supports Army Guard, Air Guard, and state employees, and facilitates the authentication of users in organizations external to the National Guard.
SI International is at the forefront of developing the new architectures and design prototypes for the next-generation of enabling technologies that will revolutionize major Federal IT policies and initiatives over the coming years.

Defense Information Systems Agency (DISA)

As DISA’s prime contractor, we defined and established the solutions and procedures for the Department of Defense IPv6 Transition Office. SI International provided internetworking technology and program management consulting services to support the roll-out of this next generation Internet protocol among the various DoD agencies. SI International is supplying the DoD with the complete lifecycle of IPv6 consulting services - from transition planning to technology feasibility studies, and from network engineering to training.

Federal Retirement Thrift Investment Board

For the Federal Retirement Thrift Investment Board, we designed, developed and implemented a new, Web-based Thrift Savings Plan system that provides Federal civilian and uniformed services participants with the ability to monitor and manage a retirement savings and investment plan similar to private sector 401(k) plans. This complex project involved integrating custom and commercial off-the-shelf solutions, as well as interfacing with the Treasury Department, the Federal Reserve and financial investment companies.
SI International recognizes the important role that reliable intelligence plays in military operations where failure is simply not an option. We are pioneering the design and implementation of next-generation systems that optimize the utilization of our nation’s military assets in space, supply the necessary IT platforms to facilitate effective joint operations, and promote the orderly transition of the U.S. military from its “Cold War” roots into a more alert, nimble fighting force capable of responding to the disparate worldwide threats of the 21st century.

C4I2TSR Contract

SI International was selected as lead contractor for the Command, Control, Communications, Computer, Intelligence, Information Technology, Surveillance and Reconnaissance (C4I2TSR) Engineering and Technical Support Contract, which supports the Air Force Space Command (AFSPC), United States Strategic Command (USSTRATCOM), North American Aerospace Defense Command (NORAD), United States Northern Command (USNORTHCOM), and other government agencies. Under the contract, SI International provides organizations with the capability to design, engineer, integrate, furnish equipment and materials, install, test, and provide operations and maintenance and allied support for a wide range of current and future C4I net-centric systems located throughout the world.

Defense Ammunition Center (DAC)

SI International evaluated and implemented a Learning Management System (LMS) and a Learning Content Management System (LCMS) to support DAC’s on-going and future Web-based training initiatives. SI International is now hosting, operating, and maintaining both the LMS and the LCMS. The DAC’s mission is the provision of ammunition training, explosives safety training, and logistics support to Department of Defense military and civilian personnel, other federal agencies, and military students from allied nations. DAC’s primary focus areas are supporting both ammunition readiness for the 21st century war-fighter and the Global War on Terrorism.
Defense Transformation

SI International is assisting the transformation of our nation’s military into a more agile, nimble fighting force that effectively uses controlled resources to respond more rapidly to threats around the world. By leveraging our capabilities in space systems engineering, enterprise architecture, military satellite communications, command and control systems, information operations, and logistics, SI International is constructing solutions that satisfy the prerequisites of today’s net-centric warfare environment. In the area of Defense Transformation, we are working with the military branches to design integrated information systems and extend U.S. dominance in the exploitation of space.

Department of Defense Intelligence Agencies

SI International supports a major Department of Defense Intelligence Agency in the acquisition of several of their transformational systems. These ACAT 1M (Major Automated Information System) programs are vital to the national defense and are of such significance that the Milestone Decision Authority resides with the Under Secretary of Defense for Acquisition, Technology and Logistics. These programs include development of sophisticated mission management and intelligence processing systems that ensure certain DoD agency information is collected, correlated and made available in a classified domain with appropriate tools which facilitate ubiquitous collaboration and sharing of data to produce actionable intelligence.

Air Force Space Command

SI International developed and implemented an object-oriented/Unified Modeling Language-based Enterprise Architecture for defining, designing, and satisfying DoD agencies’ Command, Control, Communications, Computers, and Intelligence (C4I) requirements. SI International’s method leverages the most advanced Web-based technology and protocols available to ensure full interoperability among multiple, deployed systems. To our knowledge, SI International is the first and only contractor in the market that offers a net-centric enterprise architecture that integrates DoD’s three required architectural views - operational, systems, and technical - through the application of object oriented analysis and design techniques.
Homeland Defense

SI International equips the homeland with leading edge information technology to prevent and counter potential threats from abroad. Our Company has performed trailblazing work for the Department of Homeland Security (DHS) and Department of State including visa processing, applications development, records and data management, training, and optical secure card processing. These solutions help secure America’s borders and monitor the flow of people and goods coming into the country. SI International also collaborated with the Department of Agriculture to create Web-based systems to track livestock entering the country and protect the food supply.

Department of Energy
SI International is working with the Department of Energy (DOE) on their Second Line of Defense program to screen for potential nuclear threats around the globe. SI International identified, prioritized, and implemented improved security measures for the recent 2004 Summer Olympics in Athens, Greece. We engineered, integrated and installed radiation monitoring equipment and related software at several locations in Greece in an effort to detect, deter, and interdict dangerous nuclear and other radioactive materials, such as those that could be used by terrorists to manufacture a “dirty bomb.”

U.S. Coast Guard
SI International created an electronic document system that enables vessels to satisfy the DHS’ new ninety-six hour pre-arrival notice requirement by electronically submitting Notice of Arrival/Departure (NOA/D) information to the United States Coast Guard. The new system developed by SI International allows vessel operators in transit to download the necessary NOA/D forms to their on-board computer and enter NOA/D information into an offline form. The operators then either email or submit the NOA/D data to the Coast Guard online.
SI International has a long history of creating solutions that give America the necessary tools to defend and secure our borders, monitor and control the flow of people and goods entering the country, and organize potent countermeasures to emerging global menaces.

Department of Homeland Security – Secure Identity Card Solutions

Based on our proven experience in implementing optical storage and smart card technology, SI International developed and produces secure identification cards for DHS. With our team members, we currently operate one of the world’s largest secure card processing facilities. We have received awards from the INS Immigration Services Division for exceeding production levels and reducing backlog, and from U.S. Citizenship and Immigration Services for setting productions records, cutting costs and implementing technical improvements.

US Air Force Combat Command

SI International supports the USAF HQ Air Combat Command in the area of Counter-Narcoterrorism. There are two separate but related types of Narcoterrorism that exist: Narco-driven terrorism, which is terrorism conducted by drug traffickers to further their aims of drug trafficking, and Narco-supported terrorism, which is terrorism that benefits from or uses drug trafficking to further terrorist activities. SI International’s role is to provide policy management, engineering analysis, logistical support, and financial management services in coordination efforts of the unified combatant Commands of USCENTCOM, USNORTHCOM, and USOUTHCOM.
SI International is proud of its long history of provisioning the U.S. Army personnel at Aberdeen Proving Grounds (Aberdeen) with consistently high-quality personnel support services. Since 1999, we have consistently received top marks in internal Aberdeen quality of service reviews. Based on our success at Aberdeen, we were selected to provide similar services for Headquarters, Department of the Army at the Pentagon and throughout the nation’s capital region. In 2004, SI International was awarded a new contract vehicle to provide these services to the U.S. Army.

Department of Homeland Security—
Records Management
SI International manages over 60 million active records at several Department of Homeland Security (DHS) facilities across the United States for the US Citizenship and Immigration Services. The Company's records management services include real-time data entry, applications processing, reports preparation, and business analysis.

Department of Justice
For the Antitrust Division, SI International provides research and development, network engineering, IT security, network operations, audio/visual, multi-tiered Help Desk, and training support. Since 1979, SI International's support has ensured continuity in the delivery of the technology and facilities management services essential to its operation and mission fulfillment capabilities.
Mission-Critical Outsourcing

SI International is an expert in putting together mission-critical business process outsourcing solutions for document management and processing, records management, workflow management, human resource services, and logistics operations. These outsourcing arrangements increase efficiency, productivity and quality of service, lower administrative costs, reduce office supply costs, enhance supervisory oversight over personnel, minimize time spent on unnecessary research and statistical analysis, and enable civilian agency and Department of Defense personnel to take on higher priority assignments. Given today’s global environment, government employees are routinely asked to take on more and more tasks with increasingly finite resources, which makes the need for these business outsourcing arrangements even more acute.

U.S. Army

SI International is a pioneer in business process outsourcing arrangements that allow Federal government clients to free up personnel for higher priority assignments and increase operational efficiency. SI International provides personnel administration and human resource systems operations support for the military personnel services mission of the U.S. Army Garrison, Aberdeen Proving Grounds and for Headquarters, Department of the Army Military Personnel Services Center at the Pentagon. Additionally, SI International supplies automation support services to the Office of the Assistant G-1 for Civilian Personnel Policy at the U.S. Dept. of the Army. As a result of these arrangements, 100 uniformed personnel were made available for higher priority assignments.

National Institutes of Health

For the National Institutes of Health (NIH), SI International operates and manages an ISO:9001:2000 certified warehouse operation: performs inventory control; and operates loading docks for over 25 NIH buildings, providing property accountability, direct delivery of supplies and material to users, and loading dock security and traffic control.
Corporate Officers

Ray J. Oleson
Chairman & Chief Executive Officer

S. Bradford Antle
President & Chief Operating Officer

Thomas E. Dunn
Executive Vice President & Chief Financial Officer

Paul Brubaker
Executive Vice President & Chief Marketing Officer

Thomas E. Lloyd
Vice President, Corporate Development

Board of Directors

Ray J. Oleson
Chairman & Chief Executive Officer
SI International, Inc.

Dr. Walter J. Culver
Former SI International Executive

Charles A. Bowsher
Former Comptroller General of the United States

James E. Crawford III
Managing Director
Frontenac Co.

Walter C. Florence
Managing Director
Frontenac Co.

Gen. R. Thomas Marsh
USAF (retired)

Edward H. Sproat
Former President
Bell Atlantic Network Services

John Stenbit
Former Asst. Secretary of Defense

Corporate Management

Mike Becraft
Senior Vice President
Homeland Security

Mike Berendt
Vice President, Acquisition Programs Intelligence

Bill Bristow
Vice President, Business Development

Esther Burgess
Vice President, GSA/GWAC Programs

Daniel Cooley
Senior Vice President
Network & Telecom

Ron Dabbiere
Senior Vice President
Intelligence

James Daniel
Vice President
General Counsel & Secretary

Robert Day
Vice President, Controller

Al DeBenedicts
Vice President

Don Eich
Vice President, C4 Ops

Nedra Engelson
Vice President, Controller

Lou Gould
Senior Vice President
Market Development

Steven Hagan
Senior Vice President
Outsourcing

Larry Huffman
Vice President
Capture & Proposal Operations

Stephen Hunt
Vice President

Bill James
Chief Information Officer

Dennis Lonchena
Vice President, Business/Finance Services, Intelligence

Ann Martin
Vice President, Civilian Programs Learning

Dale McHenry
Senior Vice President Consulting

Catherine McMahon
Executive Vice President Learning

Osama Mowafi
Vice President

Kathy O’Hara
Vice President

Earl Pedersen
Vice President

Thomas Pettit
Senior Vice President Applications Development

William Smithson
Vice President, Financial Systems

Marc Tommer
Vice President, Finance & Accounting

J. David Wilcox
Vice President, Human Resources
Stock Listing
SI International, Inc. is traded on the NASDAQ Stock Market under the symbol “SINT.”

Corporate Headquarters
SI International, Inc.
12012 Sunset Hills Road, Suite 800
Reston, VA 20190
703-234-7000

Stockholder Services
Questions concerning registered stockholder accounts, including name or address changes and transfers, should be directed to our transfer agent:
American Stock Transfer & Trust Company
Attn: Shareholder Services
59 Maiden Lane
Plaza Level
New York, NY 10038
(800) 937-5449

Independent Auditors
Ernst & Young LLP
8484 Westpark Drive
McLean, VA 22102

Annual Meetings
The 2005 Annual Meeting of stockholders will be held at 8:30 a.m. (EDT) on Thursday, June 16, 2005 at:
Hyatt Regency Reston
1800 Presidents Street
Reston, VA 20190

Annual Report on Form 10-K
Copies of SI International's 2004 Form 10-K filed with the Securities and Exchange Commission may be obtained at no charge by calling SI International’s Investor Relations Department at 703-234-6900 or by sending an email to: investors@si-intl.com

Additional Information
SI International's Web site (www.si-intl.com) contains information such as corporate news releases, management profiles, corporate governance, financial results, and SEC filings. Inquiries for additional investor information should be directed to:
Alan Hill
Director
Corporate Communications & Investor Relations
703-234-6854
alan.hill@si-intl.com

Safe Harbor
Certain statements in the Annual Report contain forward-looking statements. The use of words such as “may,” “might,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “intends,” “future,” “potential,” or “continues,” the negation of these terms, and other comparable terminology are intended to identify forward-looking statements and defined by the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. These statements are only predictions based on our current expectations and projections about future events. Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. These risks and uncertainties include: differences between authorized amounts and amounts received by SI International under government contracts, government customers’ failure to exercise options under contracts, changes in Federal government (or other applicable) procurement laws, regulation policies, and budgets, SI International’s ability to attract and retain qualified personnel, and other risks described in the “Risk Factors” section discussed in our Form 10-K for the fiscal year ended December 25, 2004.

Equal Employment Opportunity
It is the policy of SI International, Inc. to recruit, hire, employ, train, and promote persons in all job classifications without regard to race, color, religion, sex, age, national origin, or disability.