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PRESENTATION

Jonathan Doros - *CA Technologies - IR*

Good morning. Thank you for joining us today at CA Technologies 2014 Investor Day.

I am Jonathan Doros. I lead Investor Relations at CA along with my colleague, Mike Bauer.

And as you can see from the agenda today we have a comprehensive list of executives speaking. In addition, we have a great customer and partner panel that I'm really excited about.

Before begin the presentations I going to read a few disclosure statements. Please note that while Rich will be reviewing the highlights of fiscal 2014 performance a more detailed commentary from him is available on our investor relations website at investor.ca.com. We urge you to read this in connection with today's presentation.

The information shared today is effective as of today and will not be updated. During today's presentation non-GAAP financial measures will be discussed. Reconciliation to the most directly comparable GAAP financial measures are included in our earnings release which was filed on Form 8-K earlier today as well as in our supplemental earnings materials all of which are available on our website at ca.com/invest.

Today's discussion will include forward-looking statements subject to risks and uncertainties and actual results will differ materially from these forward-looking statements. Please refer to our SEC filings for a detailed discussion of potential risks. Please note that our first-quarter quiet period begins close of business June 13, 2014.

During the review of our fiscal 2014 results all comparisons are year-over-year in constant currency unless otherwise indicated and focused on key business drivers and performance indicators. The balance of our financial details including adjustment for CA ERwin to discontinued operations can be found in our supplemental and press release.

Before Rich begins the review of the results I'd like to highlight that for modeling purposes we do not expect currency to have an impact on our full-year 2015 revenue. So with that let me turn it over to Rich Beckert, our CFO.

Rich Beckert - *CA Technologies - EVP & CFO*

Good morning, everyone. I am Rich Beckert, CFO of CA Technologies, and this morning I will take you through Q4 full-year 2014 and then a look into fiscal year 2015.

So how did we do? If you look at it we had a very healthy renewal business ending the year. Remember we had a large outsourcer in that year as well but we felt very good about it. If you think about also where we ended up with our renewal yield for the year with that large renewal portfolio that was coming due we are very happy with how that performed for us.

If you look at the improved profitability year-over-year we went from 35% margin to a 37% margin and we will talk more about that as we go on. The mainframe segment performed basically how we had anticipated. It is in line with the industry and as we say the industry will be plus or minus 1 point over time.

The ES segment, we're going to spend a lot of time today talking about the ES segment, what we have done and where it is going. So, ES segment I would say fiscal year 2014 was really about building the base, the foundation for growth into fiscal year 2015.

And then we returned $1 billion of growth to our investors. We finished our $1.5 billion share buyback, finished that this year, and we had a $1.00 per share dividend.

So, Q4 and fiscal year 2014. If you look at our renewals bookings you can see that they were up for the year and down in Q4. Remember in Q4 we were supposed to have that large outsourcing contract, was technically due then, and it was pulled in a quarter into Q3.

So it actually performed exactly how we had anticipated. And in fact the bookings that we did there were a couple of transactions in fiscal year 2015 that we like the metrics and we actually had those closed because of customers wanting them closed in fiscal year 2014.

So when we talk about our year to year for 2015 you will see it is now flat. If you recall back in Q3 we had talked about it being up slightly single digits. It is really flat, the only change there is just the timing of a couple of those transactions.

But in general as I said earlier you can see Q4 we performed in the mid-90% range in the renewal yield. That's really a testament to the relationship we have with our customers. It's a testament to the products that we have and the value that they perceive by the customer and that's the right relationship we have when you get into the mid-90%s but all year they have been in the low to mid 90%s and that's very encouraging.

Talk about the new product and capacity sales. I talk about it being down 20% in the quarter what you start to see is I'm going to unlayer that. You move down to mainframe you can see it is down 50% in the quarter.

If you were to unlayer that you'd see that the capacity side of that was down 70%. Well, why is that such a big decline?

I have to remind people that in Q4 of last year we had a very large capacity transaction with the federal government so we had a difficult compare. When you back that out it closes that gap substantially.

On the ES aside this is where we are not happy with the performance of how we performed for the year. A lot of discussion on that that you will see throughout the rest of this presentation on how we think we've made the improvements to get ourselves on a trajectory for growth.

But you can see that it's down mid single digits for the year, which is a slowing of the deterioration from the prior years. But it is not where we want to be and you will see that change over time you will understand why we are confident in that as you go through the day.

Our services backlog was flat for the year and was up slightly in Q4. That's really, though, an indication of if you don't have a lot of new sales from the previous discussion most of the service is around the ES business, so that will also come back in line as we start to grow that platform.

Revenue backlog current was flat. It was flat last quarter and as we said last quarter a lot of that -- it's a false positive a little bit. So I want people to be clear.

That is that large outsourcer filling in our revenue backlog. What you will see over time that is that revenue backlog will continue to be flat and then start to grow.

And that's a very good indicator because a large portion of our revenue will actually start to materialize so we always ask people to be mindful of that. And we tell you whether or not it really has totally turned or is it still just a large contract either falling in or falling out.

Then you look at the current billings backlog being down 7%. It's actually down 8% in constant currency but if you looked at the noncurrent portion of revenue, of billings backlog it's actually up plus 8%.

So if you looked at the entirety and the total revenue backlog in entirety they are actually in line and it's really just a timing issue. So we really are not concerned about the billings. And you can see that for our net cash for the year was $1.3 billion.

Now, Q4 came in at minus 2%. I want to be very clear, minus 2% was in line with what we had anticipated and I'm telling you now that the first half of next year will be below our total guidance and then it starts to actually cross over and become above our total guidance, so as you come out of the back half of the year.

And it's really just what you saw that low single-digit or mid single-digit decline in our new sales at the ES showing up because revenue is a lagging indicator, as that turns around. And you'll see that pickup in the back half of fiscal 2015 and actually then move into acceleration.

GAAP and non-GAAP EPS and all the other metrics came in line with what we had anticipated. And we are going to talk about more of that in the segments as we go.

So, versus guidance. Revenue came in at the top end of guidance minus 1. You see we had a 37% margin.

Remember we went from a 35% margin to a 37% margin with a 1 point decline in revenue. And when we talk about all the things that we transitioned it really is an indication of just how well we are financially running the Company at this time.

So we were able to expand our margin from 35% to 37% with a 1 point decline. We were able to transition out 1,600 people, bring in another 700 people and that whole transition happening while we expand margin.

You work your way through you can see we came at the top end of EPS and we were right in line with our cash flow. Taxes came in at 13.5%. We had told you it was going to be 14% and we will talk more about taxes later.

Segments. Busy chart but it is an important chart. Now whenever I talk to people individually they ask how are we doing with the Company?

I always say go look at our segment chart and it really talks about how the Company is behaving. In total you can see the Company, 37% margin versus a 35% a year ago.

Let's start with mainframe. Mainframe expanded its margin as well, 59% to 60%. A lot of that is really now you see the benefits that we had in the G&A and the other infrastructures that flows through to the mainframe.

We are very content with the amount of development in the direct sales that we have in the mainframe business. And the margin should be sitting around that, as I always say, around 60% plus or minus depending on the revenue. Revenue being flat did a little bit better than the industry but we always say it should be plus or minus 1, so it is right in line with what we had anticipated.

If you move down to the ES segment, full year we expanded margins even though we shrank revenue 4%, gets back to the work effort that we have been doing in order to reposition the Company for growth. Specifically let's focus though on Q4 where we are down minus 2%.

This by design. The things that we did in the back half of the year, we transitioned out a lot of people, we closed or reduced 14 different development sites so that we have better productivity as we moved over to Agile. We invested in marketing and when Lauren gets up you're going to see the analytics that we now provide in pipeline generation, passing it over to the sales team, them qualify it, when it doesn't work out passing why those leads were not effective back to them.

We built out a system and bought a system last year and it's in there. And we built out IT for the general G&A function for the Company. A lot went on in the back half of the year to position the Company for growth and a lot of that falls right into that particular segment.

Services. Services again flat year-over-year and you can see in Q4 a low margin, it's really more about the number of transactions that we were able to close and that is really a lagging indicator of the performance of ES in the prior quarters.

We are not really concerned at all about the margin in the quarter because, not that I am happy with a 1% margin, but what I'm saying is that as ES comes back online the number of people and the efficiency that they will have will actually increase as we expand over the year. So again, an increase year-over-year of 35% to 37% and a big rebalance as we went through.

So, let's talk about fiscal 2015 outlook. The renewals portfolio will be flat. It is a very good indication, though, when you have a 90%-plus on the renewal yield and you have another big year for renewals, that benefits the Company quite a bit.

You will see that show up in the subscription line over time. Revenue minus 1% to minus 2%. We think that's the right place.

It's a prudent place to put our guidance. So as we transition through, remember it's going to be more of a back-half story. You'll see today people will talk about products they have out in the market today.

At CA World you will see a lot more products come out. When those products come out you will see those deals close in Q4.

Not a lot of revenue in Q4. A lot of business being done in Q4 with our ratable model.

And we have a 37% margin. We're going to keep our margin consistent even though we have a decline of minus 1% to minus 2%. Again it is really a statement of how well the Company is functioning from a financial standpoint.

And you can see now you move down to EPS, the minus 19% to minus 21%, I have to remind everyone that tax change from the 13.5% going back to a 30% tax rate is 19 points. So we are right back to where we were.

If you back that up it is the entire bottom end of that and the rest is just the minus 1% to minus 2%. It allows you to flow all the way down to free cash flow. I have another slide on that.

The plus 5% to plus 12% and I will go through that in a little more detail. And you can see now taxes is at 30% for the year.

So let's talk about this brings you back to where we were last year, what we said we were going to do and now where are we with the cash? So this is what we just talked about. You can start to see fiscal 2014 being the trough and cash coming back online and that's the CFFO in blue there.

If you add back in the rebalancing, now remember so for fiscal year 2013 that's buildings that we had mothballed out over time and so as those leases come due and that's what you see there. In fiscal 2014 you see a lot of people literally physically leaving the site, so we took the cost, the expense hit in fiscal 2014, we paid most people in the year, we still have another $70 million worth of payouts to hit in fiscal year 2015.

So just to remind people, $15 million is a point of cash. So when you take the $70 million you can understand why some people maybe had anticipated a little higher growth rate but if you add that back in it's actually right back on the trajectory we had talked about.

Taxes. So in fiscal year 2014 we change the text methodology that we would pay our taxes in the fiscal year. So it says we had to pay a portion of fiscal year 2013, all of fiscal year 2014 in that year. When you move over to now, and this is cash portion of taxes, when you move now into fiscal year 2015 you have a slight change in the mix of where our business is coming in.

So you see US actually grew last year to remind people. And it's at a higher tax jurisdiction than parts of Europe that were shrinking, it changes our mix slightly. So now we are at a 30% tax rate for the year.

And you start to just see why it's not back exactly where fiscal year 2013 was because fiscal year 2013 had roughly $25 million that was paid in 2014, just so people understand. So if you put that back in there and you change the text rate, we are actually in a very good position.

Cash flow statement. So here is our pretax adjusted. You can see though how that line trends and that you can see it in your supplemental.

Don't forget we did cap dev change. So as we moved away from the Waterfall methodology and moved to Agile, what you see in that little slither in fiscal year 2014 is the remainder of the projects that were in the Waterfall method.

You see now in fiscal year 2015 we don't have any projects that are in that. Doesn't change free cash flow, it changes my CFFO. So that big bar you see in 2013 is not going to reoccur because of the accounting treatment.

It's no longer going to the balance sheet, it's taken at the time. So our free cash flow actually looks -- growing year-over-year. And what you see is that it will continue to grow over time.

Our CFFO as it comes down, now this is back to the guidance that you saw in the previous slide, comes down and starts to come back up. You can see that this is the last year for the rebalancing cash and you get back into your steady-state minus the cap dev.

So, moving even more into fiscal year 2015, it is really about getting the boat to go faster. And so we really thought we set the foundation in fiscal year 2014 and you will hear today Mike talk and you'll hear the GMs talk about the products that they built out.

You'll hear Lauren talk about the incremental marketing. If any of you that flew in, or have flown lately, you will see the signage that we have. That's only a piece of it.

The thing that I am actually more excited about is the analytics that we now have in the pipeline generation and you will really be impressed with what we've been able to accomplish in fiscal year 2014. And then Adam will get up and talk about the separation between our traditional call it the Fortune 500 versus the rest of the customer set and how we plan on expanding that out with the new marketing and with the new products.

And why does that matter? This is the total growth opportunity for our segments we play in.

Let me start at the bottom, that's the mainframe. The mainframe market is 0.5%. You can see last year it grew at 0%, plus or minus 1 is what we always pretty consistently telling people.

Very steady, very sticky. This market gives us permission to go sell our other products into large accounts. It always gives us a seat at the table with the Fortune 2000 and it is something that generates a lot of cash for the Company, great franchise.

If you look at ES growing at 10%, it's a little different. I split it out separately for people to understand what we have been trying to tell people on the previous calls and over the next couple of slides you will see what we are seeing.

You now have the ES value portion growing at 7%. It's not a bad growth rate but you have the ES growth segment growing at 18%. That is explosive compounded growth rate.

And we are putting products out into that space over time. So, why does that matter, that previous slide? We are very focused on return on investment at CA.

You have heard us talk about us rationalizing the portfolio. Mike will talk about the rationalization. If you ask any of the development guys they go through the friendly approach we take with them every quarter in our portfolio reviews.

And mainframe business on the blue pie, slice of the pie, we are very content with that. That's the right expense-to-revenue ratio if you look at it from a development standpoint, if you look at it from a direct sales standpoint they get allocations associated with that but that allocations will really be attacked when you attack G&A and other functions.

If you look at the ES piece of the pie what you see is we have already made some improvements in fiscal year 2014 of moving our portfolio from the ES value to the ES growth and you see us continuing that in fiscal year 2015. And by continuing that it allows us more opportunity to go after a much faster expanding segment.

If I show you just a development slide, and we showed you a similar slide to this last year. The big blue circle, that's really our current game products set. Follow-on releases to current products set.

It's very important. This is what allows us to have a 90%-plus renewal cycle because we continue to invest with our customers. This is the backbone of their business so it is important for them that we invest in this.

And we believe that it is important. Now, in 2013 and 2014 and 2015 the efficiency, how fast we get our product out, the quality of the product, you see that improving. And that doesn't mean we are putting out less product, we are putting out the same or more just with fewer dollars and Agile has allowed that to happen.

The consolidation of those sites has allowed that to happen. The change of personnel from the 1,600 around the world into fewer sites, as Mike said we were up to 700 or 800 now that we have brought back in, that's all getting us going so that we can start to move now into that next circle, the adjacent markets.

Those adjacent markets are the ones that are growing at the compounded 18% growth rate over time. Very important for us from our return on investment.

And the last part is true breakthrough thinking. And these are products now that as you are thinking about them today you are on leading edge and they will come out as a product in a few years.

They should be a percentage of your portfolio. It will never be as huge percentage of your portfolio but it's very important that we view ourselves in that way in the technology industry.

So now there's a lot on this slide, so I'll go a little slower. This is really talking about how do we drive the business from the sales and marketing and what did we do last year and what are we doing going forward.

If you look at the top left that's bookings not revenue. We normally don't talk about bookings as much. I thought it was important this particular time to talk about bookings because it gives people an idea of how much of the business when you book a deal, how much of it is new product, how much of it is services and how much of it is the renewal.

That's the part that is the 90% that we talk about every quarter why that's an important metric. It also says that if you look at the top lighter blue and you can see that's now the new products coming in, how do we go after that space. That's how we move forward.

You move over to the right, that is now a statement of how have we allocated our resources of the sales team. So approximately half of them are in the top 500, which predominantly play in both -- it's a very large portion of the total circle but we have been consistently driving that number smaller because we feel we become more efficient with the number of people that we have to call on those Fortune 500 accounts.

We have shifted them, the salespeople, to the other side now which is really now named accounts. You should view those as number 501 down to Fortune 2,000 in round numbers and then the growth accounts are beyond Fortune 2,000 and Fortune 5,000, so we are not saying we are an SMB company.

Now what that allows though is a lot more feet on the street, a lot more sales specialists, a lot more regionalized geographically as opposed to account people that can go after multiple accounts. It's people that will then be held accountable to that revenue stream that they generate on that side of the pie as opposed to the other side of the pie.

It's very important. We made good strides last year. Notice an evolutionary process by design, our sales movement is evolutionary and not revolutionary.

It is very important to us to be evolutionary. We want to maintain that relationship with all the customers we have in there and we want to maintain that 90%-plus in that renewal cycle.

How did we do that? If you look from fiscal years 2013 to 2014 we removed $100 million out of sales. We reallocated a subset of that back into marketing and Lauren is going to get up and show you a lot of things we have done with those dollars and how it set us up going forward.

And you say well how could you take $100 million out of sales and then still put more feet on the street? But we have more quota carriers this year coming up than last year. And if you look at the bar chart on the lower right you see these are non-quota carriers and we had a step function down last year of people that were non-direct quota carriers.

So if you were an overlay of some sort, you were a manager, you were some form of a technical assistant to that, a lot of those people now are in different jobs or are no longer here. You can see fiscal year 2015 will continue, not though at the same rate, so we do not feel we need another step function. You are really now on that evolution of continued improvement, productivity.

So, this is now -- I am switching back to revenue. Bottom line is the blue bar, is mainframe. You can see it is relatively flat, very stable.

The green is the ES. If you looked underneath there you can see that it would actually have deteriorated like we had talked about, the 4%. You get to midterm I called out three years for this discussion, it was important that we unlayer that and you start to put that back into the growth versus the value portion.

What you see is in fiscal year 2013 and 2014, the amount of new products coming out. And even though they have hyper growth we have products that are growing 80% inside of there. There weren't enough of those yet to offset the decline of some of the older technology.

You get to fiscal year 2015 there is now enough new product out there that we were actually at the back half of the year will have changed that. And by the time you get to the midterm you now have enough new product and the growth rate in those products allow us to grow out over time. And you will hear a lot about what we are doing through the rest of the presentations today.

So how do we do that and what did we do last year? A lot of the Legion, and you will hear that talked about, is to go after that one side of the pie chart that was the Fortune 501 through Fortune 5,000 and having direct products that can compete in that space and having sales specialists that can complete in that place is all now set in place this year. So we have already started, those quotas are done and we are good to go.

So if you look at our financial scorecard the renewals were in the high 80s, now they're in the low 90s and we expect them to stay there. We think that's the right balance between us and our customers and what we invest and the return that we get with that.

If you look at the growth rate minus 2% to minus 1%. We are calling this year minus 1% to minus 2% and it is going to swing over to low single digits as you move out into a couple years out.

The non-GAAP portion, 35% to 37%. We are keeping this year 37%, it moves to the high 30%s as you move out over time.

And cash, we talked about the complexities of cash moving in because of the changes in methodologies. When you get through that, this is really the last year of that, you will eventually get into your steady state that we should grow low to mid single digits with revenue a little bit better as you have margin expansion.

Cash flow. Our cash uses, excuse me. So three years ago we said we would deliver $1.5 billion of buyback.

We did that. We finished that in fiscal year 2014. We announced that $1.00 per share.

We have been consistent with that. This year we are announcing a $1 billion buyback over three years with a $1.00 per share dividend. And to remind people that $1.00 would be a 3% yield and the $1 billion would be about a 1 point reduction of outstanding shares per year.

So it's a decent return. You then look at what's left. We have $300 million to $500 million in the US.

We are very comfortable with our US cash position that allows us to invest $300 million to $500 million every year plus have that kind of -- it's the right balance for our three-legged stool of uses of cash. If you add the $300 million to $500 million plus the $600 million a year that we do in development, that's $1 billion a year that we either build or buy.

And that is the right amount of energy in order for us to really have a very dynamic company moving forward. So, I'm going to leave you on this slide. Last year we built the boat to get faster and faster.

You will see as everyone else talks that we really think now we are getting our cadence going. We are not done by any means, by any means, so we understand that.

We have a lot that we will continue to work on in the ES topline. But we have a lot of innovative products coming out.

We have marketing and brand awareness now that you will start to see on a more regular cadence. And we believe we are going to continue to expand our customer base. And with that I'm going to let Mike get up and talk.

Mike Gregoire - *CA Technologies - CEO*

Thanks, Rich. Good morning. Thank everyone for making it here.

I want to apologize right up front. I've got a little bit of a cold. After moving from San Francisco for 14 years my body was shocked by three days of decent weather in the Northeast and suffering through this winter I'm sure my immune system has not figured out how to handle it.

But I will try to project my voice the best I can. If I cackle a little bit it's not that I'm unwavering in my commitment to lead this Company, it's just that I've got a cold.

It's been a year since I have met with all of you and we had a really significant, what I would call foundation building year. I'm going to walk you through some of that today.

Rich mentioned this before, we went through a pretty significant restructuring, or rebuilding program through the course of the year. We took out 1,600 people, added about 700 or 800 folks, primarily architects and engineers that really understand where we are going and not learning on the job of how to build SaaS infrastructures and SaaS business models.

It's been a very significant transition over the course of the year. We have also done a lot of work in getting into the right places. If you take a look at the buildings and the geographic locations we have consolidated that down so we can really punch with a lot of weight in fewer places.

And if you are a student of the Agile methodology, one of the things you have to be able to do is collaborate. And the way that our development team was spread out was very a 1990s development model with Waterfall, where you have a group of people designing things in one location and then you have the idea that maybe you can follow the sun and develop all over the world.

You just can't innovate fast enough in today's day and age following that methodology. That was not going to work for us. We need to deal with that directly in FY14 so that we continue to build in FY15 and going forward.

One of the things that you have seen is we have had a very thoughtful approach to this restructuring. In order to do this and do this right my thesis was I had to bring the employees along with me, I had to bring my customers along with me, had to bring investors along with me.

And if I was to do that in a haphazard way or if I couldn't explain that to all those constituencies and get the buy-in I think we wouldn't be able to get the kind of result we did. And if you take a look at all the changes we've made over the course of the year we've been able to do that with really rigorous financial discipline.

And that is something I think is a hallmark of a great-run company and a great-run software company. No margin, no mission. And if we are paying attention to that as well as making all of these changes you can see that we are being very good leaders and very good managers and very good financial stewards.

One of the things I have also noticed in this process where we haven't taken a very unthoughtful way of making these changes is I have been able to take the employees along with me. There is definitely a renewed sense of passion in the Company, there's a sense of pride, and there's a sense of identity of what we really want to be which is a very significant software company playing in the biggest growing markets that are available to us.

So with that I'm going to hit on three themes today. I want to talk a little bit about what did we do in FY14. I'm going to take a little bit of time to do that and the reason for it is I want to build some context.

You have to understand how we built the foundation because as you start listening to the plan and whether you are following the Company or an investor in the Company you are going to want to understand that these changes are permanent and that they are substantial and that they are truly a foundation so that we can build on it in the out years. I also want to walk through the market opportunity. I am not convinced that it is very well understood, what is happening in the technical market and how it is changing very quickly.

There's going to be winners and there's going to be losers in this environment, and this change. I want to talk about how we have positioned ourselves to clearly be a winner in this market. And then lastly I want to make sure that we understand the work ahead in FY15.

So having said that with respect to progress, there are six key areas that I want to talk about the progress of the Company but it is based on a fundamental theme. When I first came to the Company 16 months ago my overall thesis is, what did you want to focus on, what did you want the employees to really thinking about all day, every day?

And it really came down to three things -- innovation, execution, and speed. When it comes to innovation you cannot be a software company of any kind of substance or any kind of future if you don't have innovation. I think it's very obvious that we pivoted too much using our balance sheet to buy companies, tried to take those products, put it through our distribution engine.

Well, our distribution engine was not set up to handle modern software companies. And I think we kind of lost our way with respect to understanding how to innovate and how to build products ourselves. I don't think you can be a software company if one of your core competencies is not great engineering.

This was a hallmark of FY14, getting that swagger, getting that innovation back into our Company. And I will walk you through some proof points where that has actually happened.

When it comes to execution this is all about doing what you are saying you are going to do and then making sure it happens. The day I got into the Company there was 10 layers of management between me and the most junior employee in the Company it's 6.

We have taken out a number of layers in the Company and we have taken out a lot of bureaucracy. And what that does is it gives us a clearer line of sight where I really understand the commitments that you are making to the Company, the commitments that you are making to me, the commitments you are making to yourself and trying to drive that kind of execution and that becomes part of our culture.

Say what you are going to do and then do it. Do it with passion, do it with thoughtfulness, do it better than anybody else in our industry.

And then speed. I had the impression and when I got here after a very short period of time I had the evidence that we just moved too slow. And when I am talking about speed it is not just about going fast. It is the ability to call an audible.

If you are in the middle of something especially in the software industry and you see a better way of doing things -- and I am not talking about taking shortcuts. My experience with shortcuts is hit and miss. When I take a shortcut many times I lose a lesson that I should've learned by taking the intermediary steps.

But when you see an opportunity to do something better and faster you have to have the autonomy, the courage, the intellect to be able to take that shot. And if you are so tightly controlled where you have no ability to call an audible, I just think you move slower.

This is a theme that we've been trying to work through the Company over the last year and once again I have seen evidence that we are on our way. Still definitely progress to happen.

So what did we actually get done in FY14? On the innovation side we hit this very very hard.

We had 23 very major releases launched in the year. We have 7 SaaS products today in the market. We did a big body of work on consolidation, so 94% of our enterprise technology services group is now in 10 locations where that was much more distributed in the previous years.

With respect to the rebalancing, this is probably the most un-fun part of my job. It's not a job that I am very skilled at.

I have been a grower all my life. I have never been one to take large sums of employees out of the Company. We took about 1,600 people out of the Company.

It was very necessary but as I said it is not the glamorous kind of work you want to be doing as a CEO. But we did the work. We did the heavy lifting.

And we continue to bring great talent into the Company. And I think that is something that is extraordinarily important.

From a sales execution perspective it has been one of the criticisms of CA for an awful long period of time that we have a very expensive sales model and that model is not yielding the kind of growth that we would like. Made a lot of changes in our sales organization but once again very thoughtful. Made it evolutionary by design.

I think especially for enterprise software companies making large-scale changes in sales without really understanding the ramifications of those changes is very very dangerous. So I had a team in place and I started experimenting in different parts of the world with the model that I think is good for us, good for our customers and yields the kind of financial results we wanted.

The very first thing I needed to do was find a leader. When I looked for a leader I did not want to go to a traditional sales leader. I wanted somebody that was more of an executive.

I brought Adam Elster on board. He was an employee of the Company. He has got a very strong track record as a person that can execute.

And he has run Engineering, he has run Professional Services and he has run Sales. So he understands the push and pull that is happening in the customer base on a day-to-day basis.

So he is the right kind of leader that we need. Because if you are a modern software development company and you truly believe in software as a service, having the Montblanc pen carrying, cufflink wearing, slicked back sales guy is not the way of the future.

They have to really understand the products. They have to really understand product roadmaps. They have to understand how a product gets implemented and then also have the financial discipline to craft a deal that makes sense for the customer and make sense for us.

So I think Adam has done a really really good job coming into the Company. And I can say with confidence that the big restructuring in our sales force is over. Now we are going to be into fine tuning going forward.

From a brand perspective the same way that we had to retool our sales organization we definitely had to retool our marketing organization. Changing anything in sales and trying to become a modern software company without making the requisite changes in marketing is just a fool's errand. You're never going to be successful.

If you want to be a modern software company you have to use marketing as a tool for lead generation and this has become a science. When you take a look at the IT budgets that are happening across the globe a lot of it is going into marketing systems. Unfortunately, we've had to participate in spending in a lot of those marketing systems because we didn't have them.

We have put three significant systems in. All of them are up and running. They are all live.

We have the right amount of control to make sure that people are using those systems and it puts us in a situation where we know our customers better. We know our prospects better. We know where we should be spending our time and energy.

And by the time we put a very expensive resource, a sales professional, in front of a customer we have a much higher probability of closing that sale and a much higher probability of ensuring that the products that we are putting in front of that customer are right for what they are looking for. I feel very comfortable that our lead generation and pipeline development is on the right track.

Secondly, it was shocking to me when I take a look at all of the things that this company has done for customers and how few people understand that. Our employees didn't understand it. Our customers only understood their context of how they interfaced with CA.

They didn't understand how the broader industry worked with CA. I think many of you didn't understand how CA helps customers. We have been through a very strong brand recognition program.

As Rich said, if you have flown here, or many of you the nature of your jobs put you in an airport, you see CA at the center. This is not a celebration about us. That was not the purpose of doing that.

I think that's arrogant. This is a celebration of how our customers use CA, and being able to help them understand that we are integral to their operations today. And as I talk about how the industry is changing and how we are making sure that we are in the slipstream of that growth, how we can be that partner that we have been in the past and we can be their partner in the future as they start dealing this technology disruption.

Talent. This is a big part of any CEO's job. At the end of the day I'm going to get measured by how strong my team is.

Having the team on the field that can win all day every day, not just today, not just tomorrow but in the future, that's one of the primary roles of a CEO. I spent an awful lot of time rebuilding my team over the last year. And I continue to look at my team and myself for that matter under the same lens.

Number one is do you have the skill set and the vision to be forward leaning? Do you bring real value to your function?

Number two, do you have the energy and the leadership to be able to accomplish that mission? Number three, do you make your commitments?

I've met lots of lots of smart people that don't make their commitments, they're not going to help us. You have to have a track record of meeting your commitments.

And lastly you got to be able to get along with people. Being super smart, being very narrowly focused in getting your thing done or causing disruption across the rest of the Company, that's not going to help us either. So over the last year I spent a lot of time evaluating how we function with respect to that and I think we have moved a long way.

You will see this morning we kicked out a press release of a new change in enterprise technology services. We brought a new leader on board that fits that description. I'm pleased to announce we have Amit Chatterjee who's going to run Enterprise Technology Services and he is the kind of person that is forward leaning.

He has brought multiple SaaS companies to market. He has been the CEO of a SaaS company. He is an innovator and an entrepreneur.

He is an E&Y Entrepreneur of the Year winner. He is a Forbes Top 40 Under 40. This is a person whose advice is sought out by some of the most important people in the world including our president.

This is someone that can really help us. When I talk about innovation being at the core of CA, this is the kind of thing I am talking about.

He is not going to be based here in New York, he is going to be based in the Valley. Because there are a ton of technical architects in the valley as well as everywhere else in the world but right now that is where most of them are. We want the best ones.

He has the ability to attract them and he has the ability to bring products to market quickly. And that's exactly what we need.

So when it comes to the talent space it has been an enormous amount of my attention over the last year. And I feel that we have got the right kind of team that can take us to where we really want to go.

Lastly, financial. Doing all of this and not cratering margins is not an easy thing to do. It requires decisiveness, it requires thought leadership, it requires a focus on execution and I think we have done a really nice job on that.

We've also hit every single metric that I promised you over the last year. So when you take a look at the guidance metrics we put out we are very thoughtful about that.

I'm not trying to sugarcoat anything. I'm trying to put things in place that I feel that we have the right amount of confidence to get.

And I think that should make investors very very happy with our performance over the last year but also give you the confidence to understand that the changes we are putting in place, these are not a one-time thing. These are an all-time thing. So when I took a look at FY14 we got a lot of foundational work that we can truly be what we want to be, which is a very significant technology company.

So moving forward, I didn't go through all of that to have a victory lap. That's not the intention. The whole intention is to make sure you understand that we are paying attention to the fundamentals of what you absolutely, positively have to do if you want to be a great software company.

It is not lost on me. I was happy to hear Rich say this in his talk, it is not lost on him. And it's not lost on any of us.

We have a lot of work to do. But we are more than willing to do that work. And I think we've got the right kind of team, the right kind of intellect and the right kind of passion to make that happen.

And that's not any one area that is going to make CA the kind of company we aspire to be. It's putting all of the stuff together and the ability for everybody to work together.

When we put this presentation together we tried to use some imagery. Rich, the Adonis that he is, was a rower and so for him it's all about the boat. Me, I'm a terrible cyclist, so me, it's about the bike.

So we tried to weave these things in to remind us of what we are trying to do, that it truly is teamwork. This is not something that I can do. It is not something Rich can do.

It's not something that any one person in the Company can do him, it's about us working together. I think we have really come a long way over the last year.

So, what about the market opportunity? This is a market opportunity that is consistently changing.

There is an incredible amount of disruption happening. You see it. For those of you that cover tech you see it all day every day.

What does it really mean? We are moving away from technology as an enabler, as an efficiency engine to being the heart of a company. This is going to be very disruptive over the next several years and I think that is great for CA because we are right in the heart of this disruption.

And what we see happening is that applications are becoming really the source of a new economy. So it's really software that is really powering businesses. And when these companies start thinking of how do I use software to power my business, they are going to look for a partner.

One of the beauties of CA is having this hallmark of this stable mainframe business that runs the most mission-critical applications in the world all day, every day and having the brand permission of taking that kind of scale and that kind of expertise and taking these companies to where they want to be using their software and other software applications. Now when I think about this I try to look at the proof points.

Why is this important? What do these disruptions look like?

There's 1.75 billion cell phones in the world. They are downloading 268 billion applications. Just think about that for a second.

Who is building those applications? Who is monitoring those applications?

How are you making sure those applications work? How often to those applications come out? Do they come out like traditional enterprise software systems once every 18 months, or are they coming out every day?

When you have an upgrade to one of those pieces of software, how quickly can you get it out? What happens if you make a mistake? Can you roll it back?

That's a business that we had been in for an awful long period of time. Now it's taking that business, getting it to scale with a new set of technology.

Everyone talks about user interfaces. We talk about user interfaces a lot. It's how you really differentiate.

Enterprise software has been atrocious with respect to enterprise systems and user interfaces. Consumer technology has been very good, but even that is changing. There's 400 million digital assistants out there, so the Siris of the world.

That's changing the way you use your mobile phone. Have you thought about how that is going to affect enterprise systems today? Have you put enough money in R&D to understand how that is going to affect us in the future?

When we take a look at machine-to-machine transactions, this was the whole premise of why we bought Layer 7 is there's 250 million machine-to-machine transactions happening today. That's a 300% compounded annual growth rate over the last five years.

And it is going to completely eclipse the amount of transactions going from your mobile phone to a Web server, or from a browser to a Web server. You want to be in that business. You want to help customers understand how that business is going to work.

And it's not just about transactions. It has security involved with it as well.

And lastly, just over the last year workloads have increased incredibly but there's $100 billion of spend of moving workloads to the cloud. You want to be part of that story as well.

So when I take a look at technology and I take a look at CA, these are all the kinds of things that I want us participating in. This is where I want our product innovation to go.

And if you take a look at what we have done over the last year we have put a number of products that hit all of these trends and this is a significant opportunity for us going forward. And it hits virtually every single industry.

Many of you are car buyers. Some of you will probably buy a car this year. If you go buy a car this year there is no doubt in my mind that one of the criteria you are going to use in buying that car is how technically enabled is it.

General Motors is a great customer of ours. If you go buy one of their Chevy Volts or a number of their products you have the ability from an iOS device, or from an Android device to check your battery power, to start the car, to start the air conditioning, open the locks.

That's just standard features with respect to buying a car. If you buy a car that doesn't have those types of things and if you can't control your car using your personal device, you might not want to buy that car.

When you take a look at financial services we have a lot of financial services customers. You're going to see on a panel today one of our great customers, JPMorgan.

And their CEO said to me once, Jamie Dimon, I was standing outside of an event they were holding and we were talking about CA and we were talking about technology and he said, Mike, we are a huge user of technology, we just happen to have a banking license.

Financial services has always been a forward-leaning user of technology and we are right in the heart of the financial services market. If you take a look at our advanced authentication product we have 13,000 customers managing 150 million user IDs. That's a significant part of our story with respect to security.

Health. You're going to hear from Nike, another one of our customers today, a very significant user of technology. I would argue that their use of their website to drive commerce is probably one of the most sophisticated in the world.

But healthcare when you take a look at the Nike FuelBand, they are collecting a ton of data. And that is just another mobile device putting data up into the cloud, giving it to you so you can compare yourself to others, take advantage of social media.

You never would have thought that a company like Nike would be so strongly involved in both technology and these other business units. Completely enabling them to change the way that they look upon their revenue stream and their opportunities for growth going forward.

Transportation you can't be in this city where someone doesn't have their cell phone out and they are looking for a car service and using applications such as Uber, or if you are trying to go on vacation using Airbnb. Changing the whole way that that works.

Retail. If you have been in the software industry for a long time especially if you have been a sales professional in the software industry, and your territory was retail, you are going my God, please don't give me retail they never spend any money. Completely changed.

They were always a follower of technology. I would argue that retail over the last five years has become one of the most aggressive users of technology.

This is a great story for many of us in that they are a great buyer of high-volume, low-cost solutions. And if you want to participate in that game you've got to be able to bring these cloud solutions that are very easy to use, use very low network bandwidth and I think that that is another great opportunity that just has not been tapped into over the number of years.

And in media and communications, if you take a look at old world media and communications it didn't migrate to digital. They are out of business and they are selling their content to the people that do get digital.

One of our great customers in London is BSkyB and they are managing 2,000 projects over Clarity, all technology projects. And what they do is they use Clarity to weigh which one should get more investment, which ones should get less investment, which ones are on track, which ones are going to add revenue per quarter?

You have never been really able to do that up until the last couple of years. And we are number one in that space using this technology to enable a business to make the right kind of choices.

One of my favorite stories is in the retail space and its Tesco. This is the third biggest retailer in the world. And they are also the biggest retailer in the UK and this is a company that is completely immersed in technology.

Last year they spent $750 million. That's 3 times as much as they spent in 2010. We are probably one of their biggest technology partners.

They run almost all of our technology. They run our APM, they run our IM, they run our DevOps, they run our IT portfolio management.

This is a company that is fully immersed in the CA Technologies stack and they are clearly a leader. They have been thinking about technology and how does technology enable their business and they don't look upon themselves as a retailer.

If you listen to their CEO talk there's two things that he said that really caught my attention. Number one, is we're not a retailer. We satisfy customer demand.

And secondly he said, software is as important to me as property development, which is a big change in retail. In retail it's location, location, location. That's pivoting to software, software, software.

This picture right here is a picture of an iPhone in Seoul, Korea. If you a commuter in Seoul, Korea and you are in the subway you will walk in and see a wall much like this and you will see a bunch of products, high definition graphics up on the wall. You walk up to that wall, take a picture of the products you want, your phone knows who you are, they know the products you want and then when you get home from your commute 45 minutes later, Tesco has dropped off the groceries at your house.

That's a forward-thinking company. This is the kind of thing that retail is changing.

But how do they do that? They are using software. That's the place where we want to play.

So, having said that I want to go back to this slide that Rich put up. How big is this market opportunity?

I don't look upon the glass half empty. I look upon the glass as quarter full. There is a lot that CA can do to get into the growth markets of the business.

Our mainframe business is very stable. It is no secret why we haven't been shrinking like the rest of our competitors or the market. We are one of the only companies still investing in the mainframe.

And there is still opportunities for innovation in the mainframe and we're going to continue to do that because it is an important part of our fabric. It's an important part of our relationship with our customers going forward.

Now when you take a look at the enterprise services space, in that 18% growth that's where we are targeting our investments. And I can say with conviction we are successful in that space.

Right now I have 14 products in that space that are growing at double that market rate. And with Amit on board I want to get there faster. That's the whole idea.

Because that's where the market is going to go. We have been able to make a shift to ensure that we can get into those markets where the growth is much higher and I think that over time, and I'm not talking about a long time, you're going to see us pivot to those growth areas where more of our revenue is going to come from the high-growth areas.

And we will continue to stabilize our mainframe and the margin and the revenue that we get out of the value is truly about value. It will look and feel much more like the mainframe space.

Now, in order to do that you have to be true to your strategy. There is three places, broad categories that I think make a lot of sense for CA to play in and we've got the brand permission, we've got the patents, we've got the intellect and we've got the experience.

First, is this whole concept of management cloud. This is going to be a great space for us to be. We have a lot of products in that space right now and we are going to continue to invest in it.

This is where portfolio and product management is. This is where you see all of the Clarity work. This is where we are focusing our investments in mobile.

This is where we are focusing our investments on ITBM. This is an area that I think is going to grow significantly, be part of that 18% growth and I think we can really do some interesting things in that space.

And you will hear about some of the products we have today. And if you to step outside this door you can get a chance to see that these are not things that we are thinking of building, they are in the market today.

I think we have a two-year head start on DevOps. I can't stress how important this is going to be for CA and how important it is going to be for our industry.

When you talk about 268 billion apps being downloaded, this is the facility that makes that happen. We are not going to be able to sustain with the current technology space how we have today without reading in the front page of the newspaper a ton of issues with respect to crashes, security breaches.

When you start putting applications out the way that we currently do it today in our industry at that level of velocity on 10-year-old process, that is going to be a problem just waiting to happen. We are going to need to intersect that problem.

That's our DevOps mission. That's our DevOps story.

And then on security. We're pendulum swingers in general in tech. When there's not enough innovation from large companies you see a lot of companies in the Valley getting funded, building out point solutions.

Those point solutions get some kind of traction. Sometimes big companies like us buy the points solutions but customers get massively frustrated because now they got point solutions and they don't integrate.

We're at pivot point right now where the number of point solutions that are out there that don't integrate well and the version control between them, it is becoming so much noise in the market space. We are going to start pivoting back to suites. That is good for us.

We have probably the most sophisticated security sweep out there. Making that suite easy to use, easy to implement and taking our heritage of having all of the scale behind our security solution I think is good for us as that pivot happens.

We are probably one of the first companies that really said identity is going to be the next perimeter. And if you talk to any CISO in any company or even a CEO at this point in time because security is such a broad topic for executive management and boards, that identity management is becoming incredibly important.

We have got the leading product in that space. Getting our suite to be easier to use, easy to install I think is a lot easier to do than trying to stitch together four or five different security products for four or five different companies.

So I like the strategy we have. We need to pour more gas into that engine and make that happen in 2015.

In order to do that we have to be really smart about where we spend our budget. If you take a look at the Company historically I think that we were too siloed and we didn't take a look at the whole market and the whole Company in the context of what is it you want to be and where is it you want to go.

Taking a look at where we spend our money and making sure that we take enough budget to invest in those adjacent strategies and then also take enough money to invest in things that are going to happen, or we think are going to happen, two to three years out, this has been a transition for us over the last year. We have only moved a small amount from 2013 to 2014. We will take another big hit at that in 2015.

Where want to get to is I want about 30% of our budget spent on the next generation and another 10% spent on these net new ideas, these skunk work projects where we might not get a product out of it but we will get an idea. We might not get anything out of it but it's just as important to know something doesn't work as it is to know that something does work.

But it has to be purposeful. In every single dollar we spend on R&D I want to make sure we understand why we are spending it. And I think that our process to do that has gotten much much more sophisticated.

I still think there's a ways to go but we've gotten much more sophisticated over the last 12 to 18 months. But this chart here is one of the most important charts that I pay attention to because where you are spending your dollars and if you are managing outcomes is going to be great products.

So, I hope you have heard over the last 35, 40 minutes here that we have done a lot of work in foundation building and it really does come down to execution. The things that we are going to do is we are going to pay attention to the fundamentals.

We are going to have the right team on the field. We are going to develop differentiated product.

You can see from the moves I made on the talent side, you can see the moves I made from the budget, you can see the conviction I talk about the markets we want to be in and how demanding I want to be as a leader with respect to having great products, great engineers, great software. I think that you are going to see a lot of that happen in the out years.

Mainframe is still a big part of our business. It is something that gives us brand permission and gets us a seat at the table with some of the most sophisticated tech buyers in the world.

We need to preserve that. We need to honor our commitments to them and it is a big part of our history, it's a big part of our go-forward strategy.

We are done with the heavy heavy lifting in sales. It truly is about execution in sales.

I like the model. I like the team. I like the marketing.

I think we have to try all of that together, probably make a few mistakes over the course of the year. But we are in fine-tuning mode, not full open heart surgery with respect to our sales force.

I think those days are behind us. Now it is time to move forward.

Our marketing is going to kick in where people truly are going to understand the power of this Company. And what we have done in the past will give us the confidence and give our customers the confidence to help them get to the future.

The future is not going to be on static systems that are installed every 18 months. It's going to be a very dynamic environment where you get to use the data how you want, where you want on whatever device you want. That's good for us.

That's right in the heart of where all of our investments are going. And you'll continue to see the financial discipline that we executed last year. I think that's not here for one year, I think that's here all the time.

I think we want to be smart with respect to how we attack new markets and how we spend our shareholders' money. I think we have been very very prudent over the last year and you should expect that to continue going forward.

So in summary, big foundational year in 2014. We've got a market that is right for CA to step up and lead. I think that we've got the plan and the strategy in place both from the technology perspective and the go-to-market perspective so I am excited about 2015.

And I'm going to introduce our Chief Technology Officer to come up here and start talking about the thing that is most important to all of us is our technology. So, John Michelsen.

John Michelsen - *CA Technologies - CTO*

Thank you, Mike. Hi, everyone.

In a sense I will resist the urge to geek out given my audience. But what I will do is I will in a sense set the table for the rest of our conversation by talking a little bit more about our product strategy.

Mike just introduced this slide a minute ago. What I will do, maybe two threes hear.

First, these three different areas of focus from a functional domain point of view and then the three platforms upon which we are focused. So, the notion of business being rewritten by software is really what Mike test was talking about a minute ago, this application economy, this incredible focus on driving software into the hands of our partners, our customers and of course our own employees. And that this is a huge opportunity for

CA to stay at the center and to even increase our level of play with those customers as they do more and more application development and it becomes more and more important for them to deliver faster, better and cheaper.

The first of these three areas, the management cloud, it is critical to see just how fundamentally changed the business of IT has become. If you think about a typical large customer of ours they had many year-long and million-plus-hour IT projects.

Just statusing one of those projects was a three-day activity where you build a PowerPoint presentation after three days of some executive saying, where are we with whatever the project is? You know that today three days is as long as projects last. The fundamental shift in the way that IT is running is so different now.

We tend to think linearly, right, we tend to think about how growth rates go by percentage growth. They are actually exponentially growing.

So when you look at the pace of change and the way that IT as a business functions it is so fundamentally different that the way they manage their portfolio has to fundamentally change. The way they manage the service delivery, the way that people work in the environment in which they work, all fundamentally changed. And the way they ensure uptime and drive system availability, all fundamentally different.

So our management cloud is about providing that transformed experience for how the business of IT operates. Mike already mentioned that DevOps is a key theme for us. The reason is because I can't find a single common theme among all of our customers that is stronger said by them than it is all about how much faster, how much higher quality and how much less expensive we can deliver applications to those customers, partners and employees.

It literally is the competitive landscape today. It is hard to see a banking commercial that isn't about software features. It's hard to see an entertainment company's advertisements that aren't about software features.

You can't access the business as a consumer anymore except through software. It becomes the competitive landscape for them almost no matter what industry you're in.

So what happens then is you have to get really good at software. And of course many customers of ours actually have larger development staffs even than CA does. A lot of our customers like to tell us how many times bigger they are than us or that their development staff is larger than Microsoft.

We have to really rationalize this and we as an industry have to get so much better at how we build test, deliver and operate software. So our thought leadership here is critical to stay and be even more at the center of this incredibly important aspect of how customers are operating in the future.

Our application delivery portfolio, application performance management and infrastructure management are a very important part of that. But make no mistake, DevOps is actually a placeholder for really how the entire landscape transforms.

It touches the portfolio management aspects. It clearly envelops the security aspects. It has everything to do with how they leverage their platforms.

So DevOps is certainly something that is related to how dev, test and operations work but it actually is much bigger than that. Is the embracing of all of the disciplines of how software is produced and operated and it is the transformation too much faster, much more efficiently and much higher quality because all of those are required.

We have all been in this line of work long enough to hear that phrase. I can get it two of three -- faster, better or cheaper, but I can't give you all three. I can give you two out of three.

The other one is the counterbalance, if you will. But our customers are demanding and we are delivering to them the ability to move all three of those needles in the right direction.

Let me give you an example. I gave you a management cloud example of the projects that were many years long and now are three days long. One of our customers in the panel will discuss with you and we will make sure we ask him the question, he is driving environment provisioning from 200-plus days to four hours.

It is not uncommon for customers today to have literally months of lead time just to provision an environment and yet they want their projects done almost on a continuous basis. So they have got to get down hundreds of days of manual labor inactivity and wait time to literally hours. Our solution around enabling DevOps is getting them to that point.

Third is the security portfolio. We could all name examples in the form of big brand logos that have taken it because of the issues that they have in security. I will do one on the positive side.

Mike mentioned automobiles and how more connected they are. Well how do all of those cars connect to all of those backend systems and the variety of backend systems whether they are at the manufacturer of the car itself or any of the third parties that that car system integrates with?

Well, the answer is APIs. Those APIs are in exposure from a security standpoint and they are an SLA challenge. And they have all kinds of issues building applications that are so distributed that they are literally running in cars, on phones, on desktops.

And yet these capabilities have to be provided by General Motors and Ford, by the third parties, all of these. APIs are the middleware layer of the future. They are truly the middleware layer of today but even more tomorrow and on into the future.

Our API management capabilities are critical for those cars to connect and in fact that is true in some cases already. How cars connect to those backend systems, how they do that securely, how they do that with high fidelity and how they protect the business and how all of those third parties collaborate in a seamless fashion in the cars experience.

We can't have a typical enterprise application experience in a car, can we? We've got to glance down, hit a button and move on. APIs shield all of that complexity and provide that simplicity in the front end.

So those are the three areas that we are focused on. And what I really appreciate about this strategy is it is very much in the center of what these customers are trying to accomplish.

How the business of IT transforms, how their applications have to be delivered so much faster with high quality and at a lower cost. It's literally their competitive field now and of course securing this environment for them.

Platforms. CA has always been about platforms. In a sense the mainframe franchise that we continue to appreciate is all about how we were early and significant and understood just how critical this long-tail, very critical system was going to remain for our customers.

We continue to focus on it. We continue to innovate in the. And I will stand up Mike Madden in a minute to describe it more.

We see the cloud and mobile as equally interesting opportunities for us to build a similar or even larger franchises. The hybrid cloud is here to stay. If I were building an application at one of our customers right now, I would have portions of that running in public cloud, I'd have portions running on platform as a service offerings and I would have some of those pieces inside my own firewall.

Applications are no longer things you point at in a data center and say it's there. And cloud is all about that distribution of applications all over the Internet. And this only becomes more critical and our ability to manage that platform and provide all of the surrounding orchestration, security and automation capabilities, only more critical.

Also mobile. I think mobile is already becoming that next mainframe platform. And we have an opportunity being early and being significantly providing already a set of capabilities here that this can be a franchise we build very similar, as I say to the mainframe and can really be a huge opportunity for CA and we are already underway there whether it's enterprise mobile management, content management, security, securing email, identity, API access, crash analytics, all of these are already capabilities we provide and they are going to only get stronger as we move forward.

And of course the mainframe. It's important to see and Mike has mentioned it, Rich has mentioned it, the mainframe is a platform that is itself changing.

The hardware platform of the mainframe and System z itself are interesting modern technology and our opportunity to take advantage of them is growing over time, not shrinking. We have opportunity here to do more and more and the fact that we are, and that Michael described some of those things, I think really does differentiate us from so many other vendors in that market.

It's why we deserve to continue to be a leader there. And we think that while others will tail off, we will be the beneficiary of that because we are the ones who have the new thoughts and new thinking in how to take advantage of that platform.

So, our portfolio, very vast, but not as vast as it was. CA is focused much more than I have seen it in the many years that I have looked at the Company and I have been here a few years now myself, where we know that where we focus from an innovation and investment and a conversations-with-customers point of view, is in these three areas and about the three platforms.

Hopefully I have set the table for the colleagues that have come behind me. What I'm going to do now is start with Mike Madden who is the General Manager of our Mainframe Business unit for System z.

Mike Madden - *CA Technologies - General Manager, Mainframe Solutions*

Thanks, John. All right, good morning, everybody.

So over the course of the next 14 minutes and 56 and counting seconds I'd like to give you just a little bit of a tour, or a little more shade as to what Rich and Mike and John talked about around the stability of the existing mainframe franchise and the fact that that is still a good area of investment for us, so a little more detail there.

But also like to talk a little bit about emerging additional opportunity on the platform as it relates to the cloud, as it relates to data center evolution. And last but not least of course I'm going to talk about the sort of things we're going to do in our portfolio and have already accomplished in our portfolio to make that a reality.

So first a little bit more on backdrop. Mike showed you some great metrics about what is going on. The overall market and the way that we think about it there's just some other data points that are interesting at least to me personally.

Not the least of which is incredible growth in economic transactions. E-commerce globally going from $1.5 trillion to $2.35 trillion. Smartphone penetration globally is only at 50%.

And last year 2 zettabytes of data were created in the world and that was the most in the entire history of the planet and we are on a path to create 4 times that. All of that being driven by this acceleration of applications and a good point example of that being over 1 million new applications on the iStore just in the last four or five years.

So that provides a backdrop for our mainframe strategy, which we call the Dynamic Data Center. And what that really is is the IT fabric that responds to the application economy from our perspective.

And the characteristics of the Dynamic Data Center are very cloudlike. It has to be very cost-effective, agility, flexibility really come to the forefront in this strategy.

And we define it as a computing environment that meets the fluid needs of an enterprise allowing businesses to predict, react and respond to their customers. If you think about it, System z or the mainframe is a perfect foundational elements for this.

It has been proven out over the last 50 years in the way that the platform works simply because of the underlying inherent architecture which still is in place right now. Massive horizontal and vertical scale, the best platform security on the planet. And even in the notion of business responsiveness the ability to deliver and provision new workloads very quickly in an isolated multitenant fashion so new workloads can come up without risking the rest of the business at high velocity.

Now going forward beyond that transaction processing base two other relative attributes have to be in place. The first is relevant technology to play a greater role in the Data Center.

And that clearly is available on the platform, as John mentioned, in areas like Linux, the fastest Java performance on the planet, integrated analytics on the platform and complete modern development environments that can develop and produce modern native mobile applications. So pretty amazing stuff that not a lot of people know about it.

And the third pillar in here ends up being the economic value proposition of the platform which I believe people traditionally think is overpriced and extremely expensive. But we know for a fact that the entry price on the platform now for an EBC 12 is $75,000. So that's operating system hardware, software and peripherals all in, so and initial cost, or initial acquisition cost is very low, very cheap, very competitive.

And at very pedestrian workloads the cost of running a mainframe can be 50% of less the cost of the equivalent x86 infrastructure. So at the end of the day when CIOs are considering how their businesses are being managed and how they are being run, this economic value proposition will come back to the forefront.

And a good example of this is [Sicoval] Bank in Brazil who recently switched from over 400 Linux blades to three mainframes, increased their transaction rate 625% across their ATMs and they are saving themselves $1.5 million a year in operating costs. So that's what happens when you take full advantage of this platform in a complete cloud scenario.

So step back a little bit on the market and give just a little bit more detail. As you heard the existing franchise is pretty solid. As Rich said, plus or minus 1%.

And our customers are speaking loud and clear to us that they are going to continue to invest on the platform. We see virtually all of the credit card transactions globally flowing through the platform, all of the ATM transactions.

One part that really strikes me as really important in this application economy, 80% of all the business data globally either is created on, resides on, or passes through the mainframe. That's pretty amazing stuff and that creates new application opportunities in and of itself.

So in addition to the existing franchise -- let me just say a little bit more on that. In the way that we see that market, that plus or minus 1% is set up in a particular way. We see a little bit of growth in capacity going forward but we see a little bit of offset in downward price pressure on those MIPS or on those computes. So that in and of itself is just going to continue to move over time and give that plus or minus 1% that Rich talked about.

Now given our customers have said they are going to stay on the platform, they are not really leaving it, the next obvious question comes into play, which is well, what else can I do with it. And that's really where this notion of cloud expansion comes in to take on new workloads, consolidated infrastructure like I just talked about.

We have another European customer who recently just moved their distributed SAP implementation back onto the platform and they are expecting large operational savings as well. So we see the idea of consolidated infrastructure and applications going forward accelerating more and more.

Now anecdotally this market is early on but we see some good evidence that it is going to grow to a degree and we are going to be able to take advantage of that. The reason we know that our 33% of the MIPS right now that are shipping are Linux-based MIPS, or Linux-based computes that our customers are going to put into their Data Centers and take advantage of.

I think the good news for us is we got a little bit ahead of that curve and we anticipated that. And we have a full suite of Z Linux capabilities right now available as our customers deploy those solutions.

So let me talk a little bit about what we're going to do to take advantage and help our customers take advantage of this opportunity. When we wake up in the morning the mainframe business unit we think about two things --Continuous delivery of applications and services and continuous availability of infrastructure. We do those things well, our customers are happy, they are satisfied, they are taking full advantage of the platform and we are successful.

In the area of continuous delivery of applications and services I'd like to start right in the middle of the notion of composite application delivery. So what that means is the UI, the business logic, the transaction processing is spread all over right now in a lot of applications.

What we are able to do and what we are continuing to work on are taking our industry-leading source code management solutions on the mainframe, our market-leading testing tools and tying that into that DevOps framework that John talked about so our customers can choose to put as much of that composite application except for the end device on the platform as it makes sense for their business. In addition to that in our workload solutions we give our customers the opportunity to move workloads around and select either the mainframe or the distributed technology to best fit their economic model. And last but not least we have end-to-end performance management where we can fully see transactions in very complex environments from the end device all the way to the mainframe and back out ensuring that the applications our customers deploy perform at the level they expect.

In the area of continuous availability of infrastructure we continue to focus on investing in our full portfolio of solutions to make sure as new capability comes onto the platform that we provide all of the security and policy, the underlying infrastructure of management, provisioning and monitoring that are necessary to fully execute the platform.

And over the course of the last year we have expanded those capabilities a little bit in two areas, cloud services were we release the product over the course of the last few quarters called cloud storage for System z where we take advantage of Amazon S3 and Amazon Glacier to give our customers a backup and restore capability to change their high-availability profile. In addition to that we have provided a first level of predictive analytics with our Workload iDash product, which allows us to do critical path analysis and understand how workloads are going to execute before they actually run, giving our customers an opportunity to optimize their infrastructure.

Now, underlying this focus we have three themes that we spend our time on. One is modernization. The modernization of our portfolio is all about making our customers more efficient, more effective in the way that they utilize our technology and run their IT operation.

Great example of this is our infrastructure management discipline in our CA core's product. This infrastructure management is role based rather than product based and brings together aspects of database performance, network management and systems monitoring to be able to allow our customers to isolate issues and challenges very quickly, get a better mean time to repair and have less people actually in place to solve the problem. And if you ever seen a bridge call where someone is trying to figure out a complex performance problem you'll know the value that is in this type of solution.

Second underlying theme is to make sure that we are enterprise aware. So regardless of the Dynamic Data Center configuration that our customers have they can select the technology that makes the most sense for their business. That is certainly true in our workload and application performance management solutions.

And last but not least, the other theme that we are focusing on is a next generation, making sure that we are taking advantage of next-generation technologies but also anticipating next-generation workloads like those that are being created with big data management type activities and marrying that up with the fact that that 80% of the business data in the world is flowing through the platform. So those are the three themes that we are focused on, focused on underlying the continuous delivery of apps and services and the continuous availability of infrastructure. And I hope that has given you a good sense of the mainframe at a high level, where we are going strategically with the platform and demonstrating to you that we continue to have a very strong portfolio against a rock-solid traditional market.

And we are setting our customers up to be able to take further advantage of their System z investment as they move along the lines of their application economy journey. So that's all I had today.

At this point I'd like to turn it over to the Lokesh Jindal, who is the General Manager of IT business management. Thank you.

Lokesh Jindal - *CA Technologies - General Manager, IT Business Management*

Thank you, Mike. Good morning. Thank you for being here today.

I'm the General Manager for IT Business Management. You just heard Mike talk about our growth strategy. A core pillar of that strategy is investment in CA management cloud.

Essentially it is a set of business applications delivered as cloud services. The focus of these business applications is really to cater to the modern worker, to truly empower, engage and make the modern worker productive, as well as really get the transparency in the IT investments and their connection to the business strategy. For the next 10 minutes or so I will talk to you about project portfolio management and service management.

As you heard earlier, the impact of application economy to the business is that every business today is a technology business. What that means is that the IT strategy and the business strategy is actually one in the same.

This is further supported by data that Accenture published last year which showed that any organization which truly leverages IT investment to drive business growth has a much better performance overall from a growth perspective than others that don't. We had Vanson Bourne conduct a survey of about 1,300 IT leaders a few months ago and found that the percentage of IT organizations that share key performance metrics with the business and the impact of shifting investments to the business is less than 30%.

It clearly shows that there is huge potential for improvement in this area. This potential is reflected in the market size and growth data published by Radius Analysts. Our estimates are that just at the core project portfolio management and service management market they will add more than $1.4 billion of new opportunity in the next five years.

That is above and beyond any replacement opportunity that is very vibrant in these areas as well. And this creates a huge opportunity for us to grow in this market.

We have a leadership position in project portfolio management which we intend to leverage. And I will talk more about that.

Looking at growth, it is important for us to understand how customers and consumers will consume products in this new application economy. When we look at yesterday's product winners which includes us in a number of areas, the focus was very much in the breadth and depth of functionality that these products provided.

Every customer thought that they were unique and hence needed to customize the product to truly differentiate in how they ran their business. However, more and more customers are realizing that the differentiation doesn't come in the uniqueness of these commoditized processes, but it comes from speed and adoption of these technologies to drive true value to the organization.

They want the same experience for their consumers as they get in their personal worlds from their smartphones and that drives adoption. They don't want to spend hundreds of thousands of dollars just upgrading the technology every three to four years as technology changes. But they will use that money to truly use the application and consume it for driving the value for the company.

Our goal is to truly provide applications that are a fit for business and so that money you spent in actually using them as opposed to trying to bring new products on a platform by the customers, that is our job and we will do that for the customers. This is the fundamental philosophy for all our investment in the last year and a half or so. And you will see the results of these in our announcements which we are going to unveil in the next six months starting this quarter with the first announcement of CA cloud service management, which Mike talked about a little earlier.

CA cloud service management is an enterprise class business application that essentially is delivered from the cloud and helps IT support and delivery teams truly automate the management of incident and changes, manage hardware and software and mobile assets in today's world, automate business requests because you don't need people managing them and enable end users to do self-service from any device whether it's their smartphone, it's on the website, sitting on their desktop or anywhere. And I will talk a little bit more about that as well.

What will you see from us going forward? A very clear articulation of the people that we serve.

Even Mike Madden talked a little bit about everything becoming role based. And that's a very very critical transition that is happening in this world.

The first set of people that we serve are the power users. Those are our traditional customers. These are essentially people in IT and project management office who we traditionally serve.

Second, are the decision makers. As the rate of pace is changing in the world the need for data and analytics to do what-if analysis of the impact of changes in this new world becomes very critical. And decision makers need that access anytime, anywhere on their tablets, etc., wherever they might be sitting.

And finally is the last person who we call is the business consumer, which it is all of us. We are the ones who actually are going to use these technologies to drive the value and productivity across the organization.

If we don't use them then the data is not provided for the business, for the decision maker to be able to make a decision either. So driving that adoption across business consumers becomes a very key strategy for us as we unveil these business applications.

On the product perspective we are the leader in the project and portfolio management. Mike gave an example of how Clarity is used in some of our customers and our customers truly drive optimization of ID investments by leveraging our technology.

If you look at any industry analyst report, Clarity PPM is the gold standard for PPM in large enterprise market. This is the discipline that allows businesses to keep their business strategy and ID strategy in sync. As the market landscape changes so do our investments.

In order to grow we start to invest in new areas. For example, maybe the next level of growth will be achieved by investing in a mobile transaction platform.

Ensuring that these investments are completely aligned with a growth strategy is really where PPM comes into play. Not only can you do a what-if analysis to see the impact of these changes, but you can also ensure that proper execution is carried to the most effective use of your people and other resources like assets, etc.

In today's world of significant change and the dependency of the business on IT, this becomes a very critical area and a huge area for growth for us as we go forward. And it is reflected in the prediction of how this is going to grow in the next five years.

We did lose some footing in this area about a couple of years ago. But over the last 18 months with the strong releases that we have had we have regained that position. And we grew our SaaS business in this PPM area in the high double digits last year.

Over the last two years we have pretty much transformed the business from being predominantly on-premise to being significantly SaaS. We are not standing still. We might be the leader but we need to go forward.

And we are now innovating in the way that the modern worker works. The nature of work in enterprises is changing. We talked about that earlier.

Instead of doing these long projects it is more and more team centric, more collaborative. You will see some new product announcements in this area in the beginning of next quarter. This will be a new SaaS offering that caters to the way these modern workers now work and do their job and is intended to follow a model where we can have vital growth of this technology in the customer.

So we need to make it simpler not just to ease views and adopt, but also for it to grow in our customers. I mentioned also about CA cloud service management that you will see towards the end of the quarter. The application economy has rapidly increased the workers and their expectations and how business applications and services are delivered.

IT teams are under great pressure to meet the increased demand from the business with limited budget and resources. In response the enterprise IT service delivery teams are looking for new ways to deliver service management, to replace the outdated systems, the inflexible systems that have become hard to use and upgrade.

And they now require more resources and budgets just to maintain the system as opposed to driving the value from these. The initial proposition was that SaaS-based tools will solve these problems. However, the experience has been that the initial adoption of SaaS in this area really hasn't delivered the value that people expected.

The idea was to give more efficiency and not being more expensive. That is exactly what our focus is.

We want to deliver to our customers the speed of deployment that this thing has delivered in days and not months or weeks and reduce the total cost of ownership for our customers to get the value from the investment. The objective is being more efficient and not more expensive than SaaS.

As we go forward one of the areas that we are also very focused on is investing in our partners. That is the new way in which we bring our products to market, we increase our reach in the market.

And one of the, although we added more than 150 new logos over the last one year, I wanted to highlight one deal where we truly leveraged our partnership to really drive more penetration in the market. This is a very large healthcare provider in the US. We partnered with Accenture who like Deloitte has a dedicated practice in PPM to really cater to the needs of this customer.

Their problem was what most companies face, which is they were having the challenge in this rapidly changing world to ensure that their IT investments are developing the technology that truly focused on growing the business as opposed to being focused on maintaining what they already have. We partnered with Accenture who went in and was able to quickly assess the need for this customer, the focus that the customer needed to have and be able to really articulate how Clarity PPM is able to fulfill the need that the customer has.

With this investment the Company is not only able to manage their investment but is also able to execute much better to these projects and be able to see where they are without spending days in trying to just get status reports. One of the areas where this truly helped us is also because industry analysts recommend Clarity PPM as a solution of choice when it comes to large enterprises.

So winning this deal became much easier as the customer started to look at industry analysts and ask, okay what are the leaders we should consider and see if Clarity PPM comes on top of that leadership. Over three years the value of this product contract is worth $1.7 million and it truly helps us expand the reach that we have in this market.

Our focus is moving from the IT side to the business side. In PPM more than 50% of our business now already comes from this business side.

With new offerings that target the decision makers and the business consumers we will significantly increase our penetration in our existing enterprises. They will also help us land new opportunities with new customers especially on the strength of the new sales model that Mike and Rich talked about earlier where we target this new category of customers through investment and more feet on street on that area.

In closing, I am very excited about the upcoming new SaaS offerings in the area of work management and service management. We have increased the cadence of innovation in SaaS and are now delivering products every three to four months. We are the leader in enterprise project portfolio management and we are building further on that leadership by investing in the areas how modern workers are actually working in the new world.

Our focus is value and simplicity for our customers. And that is exactly how we will win in this market. Thank you and with that let me invite Shridhar Mittal, the General Manager for DevOps.

Shridhar Mittal - *CA Technologies - General Manager, Application Delivery*

Thank you, Lokesh. Good morning.

DevOps as a term was first searched on Google around the middle of 2010. And ever since it has been increasing steadily until about 12 months ago.

Over the last 12 months the number of times the term DevOps was actually searched in Google has more than doubled what was searched in the previous three years put together. That's how fast it is going.

It is an early market but it is growing very very fast. And because it's an early market no industry analysts have actually created a market sizing, addressable market space, for DevOps.

And so we have taken, CA, we have taken a point of view on what the addressable space is and we have collaborated with some of the leading analysts and this is what we have come up with. Essentially if you look at the space that is covered by management of applications and infrastructure along both preproduction and production that is basically what the DevOps addressable market space is.

So four different things, right. So it's application, infrastructure, preproduction, production. If you add all of them that is basically about $13.5 billion spend this year, or last year, of which CA had a market share of about 7% or so.

The good news here is that as this market is growing and it is supposed to grow, it's projected to grow in the high single digits, as it's growing the trend towards the new spend is actually shifting and it's shifting in two directions. One is shifting from the infrastructure to the application side because of new technologies like cloud coming in where infrastructure costs are actually coming down, reliability is going up. So part of the spend is going up into the application and the other side is moving from production into preproduction.

So why is that happening? Why is it that all of a sudden the shift is happening from infrastructure to applications and from production to preproduction?

Basically, Mike has talked a lot about this, Rich talked about it, John talked about it, business is now highly dependent on technology, on software applications. IT is under a lot of pressure from business to deliver.

Earlier, a few years ago when you got irritated with IT you would talk about the fact that your mail server is not working, I'm not getting all the mails and my network is down, I can't connect to the network. That is a nuisance.

Right now if IT doesn't deliver it's a sea level conversation. It is a Board level conversation now. Because revenue is directly dependent on IT, on software applications.

And if you can't get that out there is a significant impact on business. So IT is feeling this pressure in two different dimensions.

Number one, is around time to market. How fast can they get things out? As we said, revenue is directly dependent on application. If the application doesn't exist you don't get that revenue.

Every single day that the business has come up with an idea, a new idea, and they are not delivering that in production it is costing the Company anywhere from tens of thousands to hundreds of thousands, in some cases millions of dollars before it actually gets into production and starts driving that revenue. So the number one thing, the fastest, the biggest thing that IT has to change about themselves is to get applications out faster to market. Otherwise they have to answer to the CEO, they have to answer to the Board, number one.

Number two, sure you have to get it out fast but let's make sure that it actually works. There is no longer a buffer. There is no longer a buffer between the application and the end consumer.

Earlier what did you do? You would pick up the phone, call the call center, the call center person is really using the application, giving your answers, etc. No longer is that the case.

Now you're working on your mobile devices, you're working on the web, you're directly interacting with the application. If it doesn't work, you don't like it. If there is an outage, if you have run a promotion, if a retailer has run a promotion and if you brought all these people to the website and there is an outage, you have suddenly lost millions of dollars.

One of our customers actually did research that when they did a promotion and the website took an extra second, just one extra second to respond to you, the conversion rate dropped by 0.5%. So think about companies that are doing a lot of promotions literally on a weekly basis bringing hundreds of thousands of people in and they cannot convert 0.5% reduction, that's hundreds of millions of dollars.

So now with this time around it is not about the mail service not working, it is about the fact that you are losing tens of millions, hundreds of millions of dollars for me. That's the pressure IT is under, that's why they are moving all their focus and their budgets towards applications, towards application delivery, and that's what DevOps is all about.

Now, if you are a company that was built within the last 10 to 15 years, the Netflixes of the world and the ETs of the world, etc., they have really clean architecture, very very clean architecture. And you can get that. You can get the speed and quality and you can do this continuous delivery on a daily basis, not a very hard problem.

It is a hard problem but not a very hard problem to solve. Think about companies that have been -- that have architectures that were built starting in the 1960s and 1970s. Nobody retires technology.

The same technology that was there in the 1970s and 1980s is still around, you just add it to that stuff. The complexity is enormous. You walk into a customer, a bank, a retailer, an insurance company, etc., you walk in and you see the architecture diagram and you see thousands of boxes on it, thousands of boxes all connected to each other and nobody has a clue of how they are connected to each other.

We always talk about walking into a house and walking into the kitchen and turning on the faucet and the commode explodes. That's the kind of environment most of these big companies are living in right now.

So how do you expect to get that high speed, high quality in this complex environment? That's basically what DevOps is all about. That the promise of DevOps.

And that is what CA's mission is, is to work with our large customers, the Fortune 500, the Global 2,000, the 5,000, the people who have a high amount of complexity in their environments and make them behave like the Netflixes of the world in the ETs of the world. So that once they write their code -- so business comes up with a great idea, they go and tell the architects, this is what we want to do, the coders sit down and they actually write the code and today it takes months for it to get out.

It takes months for them to get out. What the vision you had is, how can we make them get things out in a matter of days, or matter of hours? Guess what impact that is going to have on these businesses if they can actually do that?

Tens of millions, hundreds of millions, billions of dollars of difference is what we're talking about if this is actually successfully implemented with these customers. So let's talk about what is it that causes this to be such a complex problem. I'm not going to delve into too many details except the fact that there are many many many development teams.

I talked about this thousands of boxes. When you're building applications you actually have multiple different teams working on different parts of that infrastructure, on different pieces of that application. Some of those teams might be in the US, some city in Eastern Europe, some city in Asia, some city in South Korea -- they are all over the place, they are all working on different parts of the application.

They all write their code and then they have to go through a series of testing processes. We talked about the fact that this offer has to work. You can't send something out there which is not going to work.

So they have to go through a series of testing processes, functional testing, performance testing, security testing before they can actually release it. That's what takes months. John talked about the fact that setting up an environment just to do the testing could take up to 200 days.

How do you get things out in days or hours if you are going to take 200 days just to set up an environment? Not going to happen. So this is the kind of environment that they are in.

To be able to solve this problem we have identified four specific areas that are needed by companies to get to that vision of days and hours. The first one is around removing constrained dependency. What this means is when I talked about those boxes and they are all connected to each other, if I am building one piece of this box I need access to all those other boxes to be able to develop my stuff and be able to test it against that.

And you don't have access to all that stuff. So how do you actually do any meaningful development and testing if all of those things are not available to you?

So the first thing you have to do is remove those constraints. You have to be able to create simulations of things around you. That is the first part of it.

If you can't get every developer to be able to simulate everything they are dependent on, now they can do things faster. So that is the first piece.

Number two is that you need to be to automate this entire release process. The 200 days that it takes to create an environment and then the weeks or months that it takes to move it through the various steps of processes, of functional testing, nonfunctional testing, performance, security, all of that stuff, that needs to be brought down to a matter of minutes and hours. So you need to be able to automate that entire release process.

Number three is you need to be able to automate the actual testing process itself. Being able to simulate how your applications are going to get used by the actual user both from a functional perspective that it actually does what it is supposed to do but also from a performance perspective.

The demands on performance have gone up exponentially. One of the customers we talked to two years ago, their applications were experience of 40 transactions per second. It was 40 transactions.

So the applications it was 40 transactions are coming in to their application at any given time, per second. Its 250 now, just in the last two years, 250 applications because they actually introduced some mobile applications.

That's all that happened, went from 40 to 250. The demands have gone up significantly.

You need to be able to simulate all of that stuff, hundreds of thousands of users coming to you, not a few hundred users coming to you. That's a big big task.

And then the last one is to be able to monitor continuously, monitor throughout this lifecycle but then monitoring production all the way from what the user is experiencing down to what is happening in the application, down to what is happening in the infrastructure, what's happening in the network. All of that monitoring so that you can proactively fix any issues that come in so the customer experience doesn't suffer, but also be able to take data from that monitoring and bring it back earlier in the process to optimize your delivery process and make this into a continuous delivery kind of an environment.

These are the four elements that people -- that most of the companies are starting when they get down to get to DevOps. CA has built this whole portfolio to be able to handle all four of those areas.

The journey started back with when we got Wily early in this, and the acquisition ITKO, the acquisition of Nolio and then some of the internal organic development that we've done using the $600 million that Rich talked about. We have built a very comprehensive portfolio of applications for all four of these boxes.

We have had some great success already. I told you this is a relatively early market. But we've already had a lot of good success. We have about maybe 250 to 300 customers that have already started this journey.

The good news about this is this is not one of those where you have to take two years to implement something and only after that do you start getting value. The good news here is that it is all modularized. You start with one piece and you can start getting value literally within a matter of weeks.

Not months, not years, literally a matter of weeks. And every one of them the value is measured in terms of reduction in time. Like I said that is the by far the biggest impact that DevOps has on our Company is things get out faster.

Reduction in time, you see all these case studies, these are just scratching the surface of four-weeks reduction, two-months reduction, in some cases three to six months reduction. And then a flawless quality, flawless quality getting out there. Zero defects showing up in production.

These are the kind of results that we are already starting to see. And we have just barely scratched the surface right now.

Finally, from an execution perspective we feel that the products -- we have a great product suite. We are continuing to build that out. We are continuing to integrate them.

At CA World, for those of you are coming to CA World in November, you are going to see a fully integrated suite of DevOps capabilities, but on the execution side we are doing several things. We are doubling the sales force to be able to go in and address this market. We are doing a significant higher amount of spend on marketing and then the last piece is around alliances.

One of the things that we have to remember here is this is a different way for companies to think about their IT. People have to think about the fact that it is about faster time-to-market, which has a direct impact on revenue. There is a transformation involved.

This is not just a technology play. So although we have a great product suite, we have the best products in the market, we can't do this alone. We are building a great partner network around us.

You'll hear from PwC later this afternoon. We have built a great partnerships with some of the other global service providers as well because they are the ones who are going to help us help our companies transform to where we need to go. Thank you, and I'm going to introduce Mike Denning, who runs our Security Business.

Mike Denning - *CA Technologies - SVP & General Manager, Security*

Thanks. Okay, Mike Denning, I am here to talk to you a little bit about security.

This is the you-are-here slide. And so I will talk a little bit about identity and access management as well as mobile device management.

We have mobile device management kind of in two categories mostly because when you think about the mobile device management market today it definitely is around managing the devices. But as we talk about moving forward and what you're going to see us moving forward, you'll definitely see us differentiate around security, application security, data security on that mobile device and it'll tie nicely into the conversation as I go forward.

From a market share perspective as you saw this is one of the highest growth markets that CA participates in today. And you really see it headline grabbing every day all the time multiple verticals, multiple industries and I will talk a little bit about why that is.

You don't usually come into a CISO, a meeting with the CO, CISO or CIO where they say we are decreasing the amount of spend in security because that is career limiting in a lot of IT departments, a statement like that. So people are looking very seriously about getting the most bang for their buck, ease of use, ease of implementation. And I will talk a little bit about how we play in that because it is not your traditional security that generally is seen as an inhibitor to growth, or an inhibitor to speed.

It's really a performance accelerant. And we are aggressively participating in this market and I will talk about some of the investments we are making both from a technology market and sales perspective as I go through the discussion.

So, from a vision perspective a lot of times I start the conversation when I'm talking with my customers about what is happening in the market today. Why is security more important than it was in the past, why in particular is identity management more important and how do you help identify who has access to what on what device? And that is fundamentally the question that we are trying to answer for our customers today.

So let me talk and start on the identity section, that top section and what is happening in the market right now. So most organizations today have some form of identity management whether it's a user store or user directory or something more sophisticated like an identity management and identity governance suite. But really what we're seeing is the increased mobility of those identities.

In the past organizations would manage the provisioning of users as they came into the company and that was good enough to get them up and running and productive inside the company. So the first evolution was productivity of the employee on day one.

How the market has changed is now they are much more interested around the governance of those users. As they move in the organization, the access that they have to different pieces of data creates greater threats inside that organization.

So identity governance became more and more important and providing an integrated suite has become more and more important. I will talk a little bit more about that.

And the third thing is they are starting to look at how do I manage the identities of external partners, how do I manage the identities of my external supply chain, how do I increase the speed of the network and developers that contribute to my technology ecosystem? All of these things are challenges being taken on by the open enterprise.

And the big challenge is now how do I take identity management from managing my employees, partners and developer ecosystem now to the consumer? How do I engage the consumer where they are everyday?

In the brick-and-mortar world we think about this all the time. If you walk into the store you're greeted by name, it's a personal offer with someone you know and someone you trust. The challenge of tomorrow is as more and more business and more and more of our interactions move online, how do I greet them with that same level of intimacy?

How do I establish that trust with my consumers? So that is the next horizon around identity management. And that is why the market is moving our way as far as we are strong in the security space overall.

The second area is around applications. The other major trend is applications are going from on-premise applications to cloud-based applications and SaaS-based applications. The reality is a lot of those applications are composite applications.

Major trend in technology right now and you heard it laced throughout each one of the conversations we have had and in particular Mike's conversation around how different verticals are adapting. The data is no longer resonant inside a single data center, inside a single application, inside a single database.

And a lot of times you need to have calls to external components, you need to be able to access that data in real time with high reliability. So application level security, the ability to do secure web calls, secure API calls, to deliver it on a mobile device, deliver it on a tablet, deliver it wherever they are, is an incredible change in the market today around how applications are being delivered.

And then finally that device. You have to deliver it to different devices, more mobile devices outside your network devices, connecting to potentially unprotected and unsecured networks.

This is why identity is becoming that new perimeter. This is why identity becomes so important.

You don't have control of the identities anymore. They are potentially outsourced to another organization or you are partnered with another organization, or they are a consumer.

You don't have control of the applications anymore and you don't have control of the devices anymore. All of those things really focus back to identity is becoming that audit and control point inside security and why we think we are well positioned in the market to take advantage of that migration.

So now I'm going to talk a little bit in detail of the specific product areas. And I'm going to start down here on the bottom left around the web security and a product that many of the companies that you work for use today and that is SiteMinder.

And really in the past what SiteMinder did at scale, it helped organizations do single sign-on from one application to another. But the real benefit of SiteMinder to application developers is that they were able to creatively develop web applications when it was kind of a land grab in the 1990s and 2000s and early of this decade so that they could creatively deliver a web application and a SiteMinder policy could wrap that in an envelope of security.

Maximum creativity, maximum flexibility but security from a session and user perspective. So it abstracted that security layer to really enable and accelerate those applications.

Today what is happening in the investment that we're making around SiteMinder is around Federation. And the importance of basically applications are no longer resonant inside that single data center back to the original conversation around applications.

And instead what we are able to allow our customers to do is take that same policy and now do it for federated identities, or federated applications, or SaaS applications. So when you have less control of those applications you can rely on Federation to do that user authentication and provide that seamless experience.

Shift to the API side of that story. What is happening in the market today, think back to cloud composite applications or composite applications. These APIs are the security glue the way SiteMinder was for Web applications.

The Layer 7 acquisition and our API security and management is now doing that for composite applications. So our offerings there are helping accelerate the time to market, in particular we are seeing the explosions around mobile applications.

So mobile developers can accelerate. They have access to a portal that lets them update and know the schema, know the rate limiting, all those things that they need to do in order to build a good application and the security is abstracted to the gateway layer.

So this really provides a nice clean way for a mobile app developer to accelerate the speed with which IT organizations can release and secure applications to their consumers and to their customers. And you heard about the explosion of applications earlier in Mike's talk.

THOMSON REUTERS

The third area is around mobility. And I talked a little about this earlier. We started around mobile device management and that is where everybody starts because you have to control the mobile device at that level.

But really where our investment is and where our differentiation is is on our security heritage. So what you will see and as we continue to evolve the releases around this is the application layer security. Really fine-grained controls around what users can do with that application.

Because one of the inhibitors for mobile application today is companies don't want to put sensitive information on mobile applications. Sure they will let you do, approve different things in your applications today but really critical transactions don't really exist on that mobile device.

We have to do a better job of securing who is accessing that mobile tablet or mobile device, authenticating who they are. And then finally the third area that we are focused on from a development perspective is that content management and securing the data.

So we will start with mobile device management and have an offering there. And we are recently introducing offerings around application security as well as data and content security around mobility.

So now I'll move up to the top area around authentication. So this was an acquisition we did called Arcot about a little over three years ago. If you think about authentication and the increased importance of authentication, we have the user store, and I talked about that earlier, but the importance now is more and more critical applications are moving online.

So what does that require? Instead, you would generally give someone a badge, they can come into the building, they are allowed to go anywhere inside the building.

But if you think about in the application world, you know how some critical applications that maybe require a step-up authentication. Wait a minute, you are a general employee, this is a data center, you can come in the building but you can't get into the data center. We are going to restrict access there.

So what two factor authentication does and from a technology perspective, why we are seeing increased demand around two-factor authentication, is people are looking to find ways to authenticate am I who I say I am? But after you have authenticated the users, sometimes you are sharing such critical information you want to do a second-factor authentication, or a one-time password. That's where we are seeing a lot of growth, both from a consumer perspective as well as from an employee and partner perspective.

And then finally around identity management, the migration from managing and provisioning identities has definitely turned the corner to governing those identities. An employee moves in the organization, maybe they had access to marketing information, they moved to finance, and now they have the finance information.

That creates a segregation-of-duties problem. You have to govern what they can see and that's where the evolution is happening there.

Additionally, trying to help companies connect and build that trust with consumers is another area where we are seeing growth. And finally, more on a traditional security side, we are helping control privileged users, the identities of privileged users with one-time password and shared account management where they check-in and checkout passwords but then we take it all the way down to the OS level where we do fine-grained controls all the way to the OS level.

So from a market perspective these are the areas we are investing in. What it really comes all back together is from a cloud perspective, so we continue to invest in an integrated suite of offerings.

Each one of these is a standalone market-leading product in their own right. But brought together as an integrated suite, brought together whether they consume it in a private cloud or a public cloud, is an important differentiator that we are making in the market as we continue to evolve the product roadmap and invest in our go-forward cloud strategy.

So a couple of areas of key differentiation I will talk about now. First is the build time and run-time area and this is back to the application acceleration.

I talked about the story of how SiteMinder helped app developers more quickly deliver secured applications. Now the same evolution is happening in APIs. And we are actually helping developers publish their APIs to share them internally across the organizational silos, and all the challenges that Shridhar talked about of multi-geographic, global development organizations where you have to share those APIs, publish them in a consistent way via the portal.

Then you have to help them run and get them into production, do the rate monitoring, all these things are critically important. So we are there right alongside our customers as they build the applications but also as they securely deploy them into production.

Second area is around engaging the customers on a multichannel. Many of our new customers as our net new logos we are bringing in, they will start with an individual point product.

But what their real, ultimate goal, their long-term strategy is deliver a multichannel experience for their consumers. So whether it's a website, or whether they switch to a tablet or a mobile device, or they have a wearable-type device, we want to enable that secure transaction and secure movement throughout the entire ecosystem from a web browser to tablet, mobile, to composite applications that leverage APIs. And then finally on mobile security we talked about mainframe to mobile, the secure end-to-end capabilities around securing the device, securing the application and securing the data all the way back into the deepest recesses of the mainframe data that is critically important to expose externally to a mobile device and really accelerating the mobile application developer and securing the mobile application and its data itself.

So I just wanted to talk to a couple of more things. First of all some real customer examples. Thanks to Comcast for recently we did a press release with them and I really think -- I talked about identity and identity governance, but one of the things I wanted to talk the importance around identity is much more business users are getting involved in identity from a purchase perspective today.

And this is where our investment in user interfaces, user experience and really pushing identity decisions to say should this person have access to this application, pushing that to the end business user. The demands for user interface and user experience that you heard Lokesh talk about are consistent I think across all the product areas.

And this is an area where investment has definitely delivered results. And it has delivered results that are exposed to the business users and business owners inside of Comcast that pull together a development ecosystem that leverages identity, governance and that partner ecosystem for user interface.

The second area I wanted to talk about is really specifically around the connectivity between how we step off from SiteMinder, an established and well entrenched franchise around policy and users in the organization and expand it into APIs. And this is a specific example of a credit card company that had SiteMinder, they had their policy store, they are making decisions around who has access to what on a web authentication side and they wanted to move into the mobile world.

And they used the Layer 7 and the Mobile Gateway technology to consume the same SiteMinder policy store that they had already invested in and knew its scale at the consumer level now to the API level so they can pull in composite information. Maybe it is geolocation information for the closest Starbucks tied with location information from where that is, or where the closest bank is that they can access and get money from, on a mobile device in this case.

And then finally, I just want to talk about some of the key investments that CA is making in security. First, we talked about some of the innovative things we are doing around movement from on-premise to cloud, private cloud and public cloud environments. The assisting in developers to accelerate the time to build and time to run, the importance of mobility and how we have taken that from a real innovation and investment in organic innovation and accelerated that and the importance of Federation and participating in the ecosystem around allowing identities to move between different applications.

The second area, and you are going to a lot more from this from Adam and Lauren, is the investment that we are making in sales and marketing and increasing the awareness. We are a big sponsors of the RSA Conference. We are loud and proud in a lot of security forums and a lot of security standards bodies.

And we have significantly more feet on the street thanks to the investment that Adam is making that really understand the core differentiation around security, the growth that we've seen in the market and that sale specialization is going to go a long way. Because we have a very targeted buyer inside the organization and Adam has taken a very targeted approach with that.

And finally, I want to talk a little bit about the difference between when CA talks security and maybe what you traditionally think of when you hear security talked about in general terms. And the traditional approach that you'll hear is what I call the security of no which is no holes in the firewall, no malware, no viruses, no fun.

It's slowing everybody down and it's really the security of slowing things down, slowing down innovation. Where we are really focusing is enabling that open enterprise. The security of know, or knowledge, helping organizations understand their customers, understand their devices, understand their developer ecosystem and really acceleration of their innovation, acceleration of their time-to-market.

If you think about in the real world the importance of trust. Identity is a cornerstone of establishing trust with your consumers and your customers, or even your citizens. If you can have a trusted relationship with a business that consumer is much more likely to stick with that business, that consumer is much more likely to spend money with that business.

And our security business is not about slowing the organization down, it's about enablement, acceleration and building that trust for our consumers, our customers, to communicate with their consumers. Thank you very much. I will bring up Jonathan Doros now to take us to the break.

Jonathan Doros - *CA Technologies - IR*

So for those of you in the room we're going to take a quick 10 minute break and then for those of you on the webcast that'll be about a 30 minute break.

When we come back we'll have our customer panel. So hurry back quick. It's going to be an exciting panel.

Jonathan Doros - *CA Technologies - IR*

(audio in progress) invite Lauren to come up, our chief marketing Officer to talk about CA as a brand.

Lauren Flaherty - *CA Technologies - EVP & Chief Marketing Officer*

Thanks, Jon. Good afternoon, everybody. I am really thrilled to be here and have this opportunity because there is a lot going on at CA.

Mike shared it with you. There is big changes that we are making and marketing is absolutely no exception. In fact, I would say we are right in the center of it because if you think of what we do it is twofold.

We are here to create the opportunities that accelerate the growth opportunity, or the growth agenda for CA. And we are also here to make sure that the narrative that we deliver to the market, to our customers, to influencers, folks like yourselves is dead clear with our capability.

I've been in this category my entire career. I have been a neighbor to CA. I have competed with CA.

I will tell you that when I had the opportunity to have the discussion about joining CA what I came to appreciate most was what we are kind of calling the disconnect. The disconnect with the incredible capability and investment in capability the Company has made and how people see CA, think about CA.

When you are in tech if you are not about the future by default you are about the past. And when you are in tech you have to be about the future.

And when we went into it and looked hard and spoke to customers and did market data and focus groups, quantitative, qualitative over and over and again one of the things we were struck by was we are outweighed on the past of CA versus folks genuinely understanding where CA is going. So every cylinder of marketing, product marketing, corporate marketing, field marketing, every single thing we do is aligned to one thing and it is to drive the growth agenda for the Company.

Two particular areas of focus that I'm going to share with you this morning are around how we are going to build a demand engine that is much more automated. Think about what our customers just said. Marketing is going through the same transformation, tools, technology, systems, processes that let us light up opportunity like we've never been able to do it before so we're going to talk about that.

But also the Company, the brand, what we stand for, how people think about us and how people feel about us. And if you say how were those related, I will tell you they are intimately related. They are mutually reinforcing.

You cannot win one without the other. So I'm going to break it down for you and show how what we are doing is designed to make most of these two initiatives working together in a really powerful way.

Over the last couple of months and what is really fabulous about the space we are in right now is it doesn't take the time it used to build the change in outcomes. The tools, the processes really enable us.

So we've got a couple of big themes here. We want the demand model to be acutely aligned to how customers by. And I am sure as many of you know, you are buyers yourselves, it has changed it has changed radically.

We want marketing's contribution to what Adam is doing, sales productivity, getting more deals through the pipeline faster, to be informed by what we know about our targets, how they buy, what they want to buy, when they want to buy. And this is all the analytics and capability and investment actually we have been making to make sure that marketing provides this level of insight and capability to the business.

Mike talked a bit about the currency of the Company being new customers, how we onboard them, how we find them. It's interesting, not all customers are created equal. And having the right customer fit married to what we do best is critical, so not just back in the day when it was spray and pray.

Totally out. You have to be completely clear on the target, the opportunity, what you are trying to accomplish and then do it with a kind of rigor and systematic approach that gives you scale and speed and velocity.

So these areas here are designed to do that. In the last six months it has been about process creation. It's been about talent.

We have on boarded a lot of incredible talent to the team. Folks who have run demand centers for SaaS companies, folks who have run demand centers, I happen to like this one, for very high-volume low-margin businesses.

Why? Because they didn't grow up with the luxury of a direct sales force. And when you don't you have an entirely different sensibility about what you expect from marketing and what marketing can do.

When you can get these two things together, which is Adam's sales force with marketing starting to fire on a whole different level, you are now into a very interesting space where the contribution of what my team does becomes meaningful. And that's what we are focused on.

I wanted to dive into a couple of very specific areas because I thought it might help come alive for you. Digital. You know this, Corporate Executive Board, Sirius, a whole bunch of analytic companies are all over this.

70% of the buyer's journey is happening before there is ever an engagement with a direct salesperson or somebody in the partner community. Why? Think of yourselves.

When is the last time you walked into a dealer, automotive, and said I am looking for a car. You just don't do it. You don't do it.

You have been out, you have been doing your research, you have spoken to people, you have done a whole lot of analysis on websites, you go into that store, you go into that automotive site and what you are looking to do is have a conversation about opportunity, about deal making. But you are not doing your discovery there. You've done your discovery digitally.

And that's part of the capability we have to build. So what we have been doing, we have been driving promotion, launches, announcements, the airport advertising, and I will talk more about that.

Top-of-funnel drivers to get more inbound. Inbound is critically important for us because you want folks knocking on your door, not the other way. That's what current marketing is in 2014.

So we are changing the shift of how we look at ca.com, and it is going through a big overhaul right now. So it becomes much more of a front door to the Corporation, one that's going to have a richer experience and frankly one that is simpler and easier to navigate.

Key to us is that we can already see, as I mentioned to you, time to value here has been pretty quick. We are watching the increases in traffic already and that we want more to come but directionally we are seeing the right things.

Trial. We live in an environment. We are all skeptics. It's all about show me.

Show me. And so what we see in software, is such a perfect for this, is that folks want to be in the sandbox of what your technology can do. Let me experience it. Let me touch it.

We launched a program in October with a product called Nimsoft Monitor Snap and the initiative had a couple of goals. Sure we wanted to create awareness but what we also wanted to do was hotwire folks into the experience, tie it to lead automation through our Marketo tool so that all the way through the automated nurture stream constant touches, we know where they are, we know how many systems they are monitoring, we know what they are doing.

And by tying that kind of capability together when you hear those words lead nurture, the tools today give you the opportunity to do that and the outcomes were pretty terrific. We saw with Nimsoft Monitor Snap 7,000 downloads. Our projections were quite a bit more modest.

But what has really been interesting is the conversions have already started. In the whole larger scope of lead management, the question you ask, and I was just on a CMO panel about a week and a half ago and it was a really interesting topic, it was the art and science of marketing. And probably 150 CMOs having this conversation about what matters, what matters to CEOs, where is the business value creation of marketing?

And the lead management, particularly in B2B, is critical. And it is obvious but building it is something that you have to be vigilant about in terms of skills and capabilities.

Cost of sale is expensive. Marketing is a powerful tool, a net that can help you really change the economics of pipeline creation. And that's what we are focused on.

So we want more and more of the opportunity coming into the CA pipeline to have been marketing touched, marketing lead, marketing driven. So that Adam's team can be out there on the higher value deals, do the big game hunting that is important to us. And then we can facilitate more at-bats for our sales colleagues.

And again with a focus on this we have already seen our ability to generate significantly greater contribution to the absolute sales pipeline from a dollars point of view and also the velocity of the deals moving through the pipe are improving. It's faster.

So if you think about what Mike said about innovation, speed, execution, that applies to us very directly. And we are really deeply committed to being best in class.

If you ask any member of my team they will tell you she likes to benchmark. And I do. Because you want to know what is best in class, who is out there doing the best, let's understand how they are doing it.

I want to be right up in there with them meeting or beating what is possible. Because there is no reason so long as you have the tools, the commitment and the capability that you cannot really get to these much higher levels of contribution for the business.

New accounts, this was another part of the topics that we had with the CMO community. We are here to be an engine of growth for businesses. That's our role.

And so we have become very specific. We've created a center of excellence that is specifically focused, one team, it's all they do, out profiling the opportunities, on boarding, creating the different programs, discreetly within everything we do going after and chasing for it net new logos to onboard them to CA, new capability that we are very excited about.

And then last but not least, both Rich and Mike spoke to you about the level of investment around how you create a more digital automated marketing capability. CA was a bit behind so what we've been doing is building and pedaling very quickly to catch up.

But having tools like Marketo, having tools like Lattice Engines, Allocadia, these are all tools. In fact, one of the things I most enjoyed when I was actually working out in the Valley for the last couple of years is that the number of boutique agencies who do nothing but big data analytics marketing focus is really quite powerful, as I am sure you are familiar.

And we have been working with those folks to pull their capabilities into our systems, leverage and tap this really powerful installed base that CA has. But tap into it in a way frankly that we haven't done before.

So these new analytic capabilities again, absolutely core to our sharpening our ability to target the best opportunities, find the best customer profile that is fit for a company, know when they are ready to go and constantly move them through the nurture stream so that when we hand these opportunities to sales they are ready. Again, think back to that 70%. We want to be there along the way predisposing them to be about CA and understanding what we do.

One part of the equation very much in sort of the transformation right now but literally you quickly see the impact when you've got the kind of focus, when you really doubled down on it, when you make the process systems and talent commitments to this it shows and it shows up pretty quick. But as I said that is kind of one half of the equation.

And the other half of the equation is CA. What is CA about? What is CA's purpose?

If I woke you up in the middle of the night and I said CA Technologies, what would you say? And that might sound kind of artificial to you. But having a clarity of purpose, having a brand definition, having a company definition more importantly so that you are known for certain areas of expertise, is critical.

It's common sense. People have so many choices. So if you don't stand for something you kind of stand for nothing.

And so what we want to do is really sharpen the positioning of the corporation and be very clear about all the capabilities that you have heard about this morning, how they add up to something that is unique to CA, ownable by CA and differentiating for CA. And we are on the journey to do that and I want to walk you through how it started.

It always starts with customers. It always starts with customers. They are the answer to every question you have about how you should message your position.

And so we started the airport campaign with a really simple goal, get the Company's name back out there. Show the work that we are doing, the success that we are driving for our customers.

Because the thing that I was most struck by when I would ask who are some of our customers, what are the interesting things that we are doing as I was going through my on boarding, over and over again I found myself going, the market doesn't know this, the market has no clue, the market has a different perspective on the Company that is just not quite as current as it needs to be for us to compete and win. So we crafted CA at the Center, nine airports around the globe, every major airport that is a combination of national and international.

We will be with continuity and we will just continue to drumbeat how we help different verticals, different vertical industries, different customer types and how fundamentally we are essential to what we do. Think about this. These companies have agreed to put their names and ads that say CA is at the Center.

It's a pretty tall order and they are doing. And they are doing it because it is real. And when you see the case studies it becomes very compelling.

And there are a bunch of them. There are seven or eight of them out there now. They are nine more in the hopper.

We're going to keep on driving them. But another really interesting thing was born of this body of work. And it was about the combination of seeing our customers and you just heard our customers talk about the market dynamics that we see and then looking at the actual market dynamics.

And you started to get this thread of where we fit and what we do and what sets us apart as it relates to the larger market forces in the industry. And you have seen some of this before.

It's a great quote. It's couple of years old. But boy was it prophetic.

This is Andreessen in the Wall Street Journal back in 2011 and you have to say he got it right. He talked about the fact that software was eating the world.

There has been a raft of press and analyst studies on this about how we're in the advent of a kind of business transformation that is software driven. Software is enabling these companies to do the things that they need to do and you heard the patterns. They are consistent.

In fact, in the financial services industry it's fascinating, $500 billion in IT spend alone in financial services. And in fact one of the things that I really enjoyed, I was out in the Valley once at a job fair and you would expect all the logical suspects to be there and it was Berkeley and Stanford and all the great schools.

You're out there and sure, all the big tech firms were there. And we were all being nudged over as all the banks were they're hunting for the software engineers because you folks are doing a lot of hiring in this area.

Why? To create the capability that you need to bring products to market faster, be stickier in a mobile environment where you have to deliver consumer services at a rate and piece that frankly is unprecedented.

So this whole trend is something that really speaks and couples with what CA does best. We are not confused about what category we are in. We are pure play and infrastructure software.

And it gives us a kind of relevance in connection to the market that I think we really have an opportunity to capitalize on. Listening to Chris talk about Nike, when I grew up Nike was about sneakers. We don't think about Nike like that anymore.

We think about Nike as a company that is tapped into big data analytics, social, really wired into modern technologies to create an entirely different addressable market opportunity for themselves. Look at Amazon, look at Google. Their TAMs in the course of a decade probably look a lot different because of what they've wired into and how they are recasting themselves and their vision for their futures.

So if you take this and you say, so where is the fit for CA, and I love following a customer panel because they kind of set it up. And we saw it over and over and over again.

And if you agree that we are at this advent of transformation that is largely powered by software you sit there and you say to yourself, this is an opportunity for us to really speak about that's our focus, that's what we want to sit. And so we came up with this framing. It's a line.

It's called business, rewritten by software. It's designed to be emblematic of the fact that what we are about is enabling our customers, our partners to have the opportunities that come from having really top-flight software infrastructures that enable them to focus on their core businesses but we help manage that software infrastructure.

I'm just going to show you a couple of things that we are going to bring to market over the next couple of months to make this come alive. The first thing I'm going to tee up is just a video asset and I'm going to show you some other things but I hope you will see a couple of nuggets in here.

One is about a clarity of positioning a focus that really plays to CA's innovation strengths and capabilities. From the heritage of mainframe all the way to the new areas of investment and expertise that we are developing but also a kind of new face of CA, more vibrant, more contemporary, more relevant. So with that as a backdrop can we roll the tape?

(Video playing).

So think about it. If you look at what the Company does, our capability in DevOps, our capability in security, how we are able to help companies manage the business of IT. It's really a great fit for this notion of business, rewritten by software.

And fundamentally as we look at it it is an app economy. And we are powering the apps that actually power the world. And it's a really unique discrete positioning and something that we think we can really own to provide our own clarity about who CA is and where CA sees the vision.

Just a couple of examples here. We're going to have ca.com go through a major overhaul. You can check it out today.

It's different than it has been in the past. It's more focused, it's got theme areas that are around the core capabilities you heard from the team this morning.

It also sets up our product portfolio in a very different way, Intellicenter, Devcenter, Opscenter, Securecenter, providing navigation in a really simple way that gets you to where our products are. The really interesting thing about this, this site we've done kind of a soft launch. In four weeks we have already seen an uptick significant to the product pages.

Because we are actually providing a context for how people see the totality of the portfolio that we hadn't offered before. And one of our strengths and points of differentiation is portfolio. So everything that we are doing is designed to ratchet that up and make that be part of what makes CA special and stand apart.

Just to wrap up here, in terms of rolling out one of the things that is actually really critical to us is getting this right on the inside before we really go broader in the fall. So right now we are going through a process.

We've been working with Adam and his team to make sure that we've got the sales folks really capable, articulate, understanding the messaging, comfortable with it, the new naming conventions, that takes some time, that's what we are focused on. We're also making sure that folks like yourselves, key influencers, understand where this Company is pointed and our intent to win in the spaces where we have basically said this is where we fit and this is the territory we want to claim.

And then we start to become broader internally, more and more members of the employee population being armed with this. And then we come into the fall right before we go into CA World, which is our very large event with customers and partners and major ecosystem.

And that's when we really start to dial it up and become frankly more forward facing in the market with this messaging. You can't have it right on the outside if you don't have it right on the inside so this is a big mobilization for us.

It's an exciting time to be here. Personally I am thrilled to be part of it and now I'm going to invite Adam up here to show you how we go to the next level. Thanks very much.

Adam Elster - *CA Technologies - EVP & Group Executive, Worldwide Sales and Services*

Great. Thank you, Lauren.

How is everyone doing? Doing okay? It's been a few hours.

Enough coffee? All right.

So appreciate everyone giving me a little bit of time today. So what I want to talk about and what you've heard so far is you've heard about the opportunity that we've seen in the marketplace. You have seen what we believe the opportunity is and how the market is changing.

You have seen and heard from our heads of product to understand what we are doing with our technology and where we believe we are able to meet market demands. And now recently you've heard from our customers and partners about how they have been able to leverage our technology and have some proven success with our technology.

And now certainly last but not least and most helpful to me right now is you have heard from Lauren and how we plan to take those stories and what you have heard today and activate that in the marketplace to tell the marketplace who we are, what we are doing and where we plan to go with the Company as we begin to grow. So now what I want to do is and I am sure for many of you want to know, how are we then going to execute against the opportunity in the market with the products we have in the marketplace?

When I want to share with you is how we are evolving the sales organization and the go-to-market so we can take the products and meet the market opportunity. So it's an evolution that we are on.

This is not a revolutionary change in the sales force. This is an evolution in things that we have laid the groundwork for in the last few years.

So last year as we came to you about our sales go-to-market we created distinct customer segments. And this was talking about how we were segmenting our customers. For this fiscal year we have established hardline organizational structure so we have separated the sales go-to-market strategy into distinct segments.

And I will go through that in other slides. You understand the specifics but we have created hardline organizational structures against each one of these segments.

Last year we added sales headcount which was good to penetrate new accounts. What we are actually doing this year is we are targeting those new accounts with product specialists.

So traditionally we have served large accounts through general account management and account directors supported by specialists. But as we look in the marketplace our focus now is on product specialist with deep expertise in specific product areas.

From a product perspective we have had a large breadth of technology. And you have heard from our general managers about the portfolio and how we view different segments of the portfolio.

For this year as we go-to-market against new customer sales we are focused on the key strategic growth products that we believe will help us penetrate new customers and show value into the technology that we are building. And last and certainly not least and most dear to my heart is the execution. And we have had ongoing improvement of existing management but as anyone who works for me will tell you I am a data guy, I kind of see it in numbers.

So I like to see things black-and-white in the numbers. And they do tell a story to me. And we are going to use technology, database-driven decision making and a very disciplined cadence in how we run this business moving forward.

So these are the evolutionary steps that we have taken this year to change the business. So what does that mean specifically?

So this is full transparency. You are looking at the slide that I presented to the sales management team a few -- about a month ago. My town hall to every employee at CA and that I have been doing in ever show across pretty much every continent that I have been on in the last 90 days.

This is how we are doing the distinct segmentation. What is very important about this as much as the segments are the metrics for success in each segment and how we manage those businesses.

So, I will walk you through the segments and then I will tell you why that is so important to create the right cadence. Because the cadence to run one of our top accounts and the cadence to run a partner business and the cadence to run a new customer business are different.

And the metrics are different. And you have to run them differently. And that's why having different hardline organizational structures are important because the goals are different so you cannot run them the same way.

So if I take the first group, these are what we are calling our Platinum customers. These are top 500 customers. And I will argue we do a better job than almost anyone in the industry at managing our top 500 customers.

We have great relationships with these customers. We have a long history with them and what do we want out of this?

So what is success for CA with these 500 customers? Success for us is true strategic relationships.

All of these customers are going through a similar transformation that we are going through. They have to manage the historical value of their business and adapt that with technology and trends to meet the market opportunity.

And what we want to be with these customers is true strategic partners. So what is success? So to me success in these customers is high renewal yields.

As Rich said earlier this is a recognition that they see value in the technology we provide. It is fundamental to their business and it is something they believe will sustain in their environment for a period of time. To me, that's what high renewal yields are.

Next is net promoter score. Over the last year we have piloted and implemented a net promoter score program because we want to make sure we do have those true lasting relationships that we are not a -- they are not a customer by necessity but a customer because of that partnership. So we are very focused on the net promoter to make sure that we have a true strategic relationship and we don't make sure we are doing the right things to develop it.

Next we want to make sure they are using, adopting and upgrading our existing solutions. One of the biggest pressures that all customers have are they utilizing the technology we provide to run their business, are they on the latest releases, is it fully adopted and we are very focused and have a very detailed program how we go-to-market with this.

And last and certainly not least, and this is very important to us, these same customers are a foundation for our business. But they are also a key buyer for our latest technology because they are evolving as fast as everyone else.

So when I look at what success means for someone who runs one of my Platinum customers it is not just about new sales. It's about new sales, renewal yields, net promoter score, adopting the solutions. And for this we feel very confident that we have the right team, we know how to manage these types of accounts and these are the metrics to run that business.

The next segment is called named. So why do we call it named which was the first one? We tried every clever name we could come up with, named is what we came up with.

So when you look at the market you can't argue from a market opportunity perspective if I just took out the 500 accounts in the universe and take the other 70,000 customers who buy technology in one form or another, there is a tremendous market opportunity. But I couldn't possibly spend enough money in sales, nor would Rich let me or any of you from a margin perspective where I could go after all of those 70 -- the other 69,500 accounts.

So what we have done is we have looked at the accounts through data analytics and said what are the customers that have the businesses that necessitate the technology we serve. And we took a segment of these and it's about 3000 customers that we are targeting to attack with our new technology.

And what does success mean in these customers? To attract these customers we are focused on our strategic high growth products where we believe we can show value and establish a foothold for us to help them build their technology moving forward and success for me in this area is new logos and successful deployments. And that's what success means here.

And last and certainly not least is our partner area. And what is the success look for us in the partner area? This is partners who utilize CA technology to help serve their customers and that is what we see the success is.

And again the metrics for success in the partner community is about enablement. It's about joint programs. It is a different metric for success as we go to business.

So when we look at these segments the real question is, which is most important? And the real answer is they are all equally important for both our for us to maintain our business and grow.

So when I look at my business I have multimillion dollar renewals that are very important in my top 500 accounts. But I have to tell you that a $100,000 deal with a new customer who has never done business with us is just as important to my future. And training a number of our partners on our technology who will utilize that to build their offerings in the future, just as important.

So what I have to do with the organization and we all have to do, is discover can we honor some of the traditions of what we have done with CA in the past and can I leverage technology and partners and new technology to attack the market? And the reality is none of these are important, they are all important.

So I need one plus one plus one to equal three and grow each one of these segments. And while we have done well with our top 500 accounts we need to run the business differently on how we go after new customers and how we go after partners.

So that's why when I say I have hardlined the business and create a different cadence and metrics because each one of these has a different rhythm to it, a different measurement of success. And we believe if we are able to get results as we have done with our top 500 in the other areas, that we will be well positioned to meet the opportunity in the marketplace.

So, why do we think this has positioned us for success? And I have repeated some of this but I am going to -- I think it's worth saying again.

We created hardline customer segments and what was the benefit? We were able to remove layers of cost from the folks in sales that covered our top 500 accounts to fund the new market opportunity.

So what you saw is we were able to make this transformation and not increase our spend in sales. So you saw from a number of the general managers talk about how we increase sales head count. We were able to this because we were able to look at how we service our top 500 accounts and look how we could become more efficient there.

How do you maintain the same relationships and take the sum of the resources that were stacked and multiple layers that were focused on our top 500 accounts and say at a very simple level if you were a company and you were only managing 500 accounts, what would you use to staff that? How many people would you need in account management? How many people would you do doing a renewal?

Or how many people are doing sales specialization? And when you approach the business from that perspective it allows you to realize that we were able to destack. And all of that money we were able to use that to fund the additional headcount which was focused either on telesales, technology to drive the analytics, new salespeople for new customers or the partner enablement.

So when I took a dollar -- so this is what my whiteboard looked like 90 days ago -- take $1.00 out of the $500 and I was like where am I going to spend $1.00? Technology, telesales, new headcount to go after customers or enablement program for partners?

And that's how we viewed the business and we were able to balance the budget and increase headcount in the process. So resources, and this is very important to me, is product sales specialist are very important. When you look at some of the areas where we are competing with new technology, with our growth products around security, DevOps, mobility, these areas require deep expertise.

Going at the market and competing in those areas like security or DevOps with an account manager whose focus is on relationship when we are going against competitors who have deep specialization, we were challenged. And when we did the analysis of the data and the data spoke for itself. So it wasn't, this wasn't a pure whiteboard.

There is data back behind it. When we saw pockets where we were successful selling some of our more complex cutting edge solutions like Layer 7 and LISA and Nolio and Mobility at the heart of it, we were finding presales engineers and sales engineers who had deep histories in that technology, were deep expertise, they weren't generalist account managers who were good at the relationship, they were good at the technology and that's the value that they were providing.

So we believe that this was the right choice for us from a resource perspective. We have done deep dive training sessions already. We are doing certifications across all of our employees in these areas to make sure we have that expertise and we are going to be extending that to the partner community in our Q2.

From a product perspective these are the products that we believed are most aligned to some of the immediate market needs to meet that opportunity. So when I look at the market opportunity we do have a set of technologies that provide a lot of value in the marketplace. But when you look at some of the most important needs that our customers are having and these are new customers that we want to penetrate, we believe these are tightly aligned to some of these solutions.

So we can take our sales specialists and have them only focused on a few products. And we believe that gives more expertise, more repeatability, more volume in the opportunity that we can meet in the marketplace.

And execution, this is just a modern more cost-effective way to run the business. This is leveraging telesales and marketing programs that Lauren talked about so we can utilize the website.

Because the truth is my favorite part -- Nimsoft Snap. That was a great example that Lauren talked about with 7,000 downloads. And yes, we have converted a number of those to deals and we have created a number to leads.

What it really tells me is I was able to do 7,000 demos without a presales resource or an airplane ticket, or a hotel, or rent a car. Because I just did 7,000 demos. I couldn't possibly tell you how much I spend on 7,000 demos a year because you'd throw me out of the room.

When I look at some of the human resources and the size of my presales resources and that type of organization that when I look at Nimsoft Snap, I see the future and exactly what Lauren said. I see people doing a demo via YouTube, doing a download, trying it themselves. The possibility how that could scale our business, that's the potential I see.

I like the deals I got. That's great. I like the pipeline.

But I also like what it tells me about, and Lauren did a great job talking about it, how consumers buy now, how we will probably sell in the future and how that is evolving. To me that was one of the biggest wins of the Nimsoft Snap campaign.

So when you look at the execution. Again, I'm very into the data-driven measuring and management. We had performance dash -- we have new performance dashboards so I'm able to look at a dashboard and I can see all the key metrics in my business.

I can see the individual performance standings of everyone on my team. They hate it. I have two giant flatscreen TVs outside of my office that scroll the performance results and the leader board and the ranking of everyone in my organization, but I can't leave my office.

I can't walk into it without seeing these giant scoreboards. And I can look at it on my iPad. But I have individual performance standings, notes, activity history, I can look at opportunities by stage and it also allows us to do this coaching.

So when you go and you meet with a sales and whether I'm doing a review with one of my senior managers or down to a sales director, I can quickly see a snapshot of the individual, how they are doing, against quota, how many opportunities, last meetings, I can see all of that information at my fingertips. And it provides us an ability to say what are you doing in this area, I see there's an issue. And it also provides this coaching opportunity for us to say, you know what, I am looking at your business and I see this is something you need to consider.

From a forecast perspective we have integrated all of these tools together. So I can do that all the way up to the top level, to the weekly forecast that I have to give to Rich and to Mike and I am able to roll that down all the way to the individual level.

So I'm not going to do the demo because I don't think we have enough time, but to give you some kind of you into it I'm able to go on to one screen, and it's hard to read on here but I can show it on my iPad during a break, is I can look across any of the teams and understand each salesperson, where they are against their metrics, what their pipeline conversion is, how many deals they have, what do I think based on analysis what is the likelihood so they might give me a forecast. We have a thing called forecast yield where I'll predict what they're actually going to do based on a trailing six months of their actual performance.

So you can give me a forecast and I tell you what the computer tells you you are going to actually do, so I can do that as well. And it gives me all the statistics so I can actually review the business at performance level all the way to the top.

This is a view where I can look at a sales director and their team and highlight which of the areas per member on their team and how they are doing. So I can actually compare people on one team and say how come this person has figured out this part of the business and this one hasn't?

I can compare an individual level for (technical difficulties) each then if I want to, which I have a tendency to do. I can go down all the way to the deal level and understand where we are with the deal, who are the -- this is an org chart of the players involved in the opportunity, what the stages are and where we are at with each one of the opportunities.

So I can go from my level to each one of the teams down to the opportunity level and do that exact same analysis. And that's how we're running the business now.

We were able to close Q4. I closed Q4 100% based on this technology. I was not using PowerPoint.

We were using these screenshots. People came in my office, were surprised it was just my laptop projected against the wall in my office and we were running it off my laptop. And that's how we are running the business.

So what I believe is I believe we do have the market opportunity right now. I think we have the products that will meet the demands that we are seeing in the marketplace to meet that opportunity.

And I think we have the right people and the right cadence started to start to meet that opportunity. And I believe is what Mike has said earlier, what you heard from Rich, is I think we have the financial discipline in how we know how to run the business that we can leverage the assets we have.

We have set the foundation in place to start executing against that opportunity in the marketplace. And we have a lot of work to do but I feel confident that the baseline has been formed. The foundation is solid and now it is up to us to execute so we can deliver upon that opportunity that we have in the marketplace.

Thank you very much. John, back to you.

Jonathan Doros - *CA Technologies - IR*

(technical difficulty) himself will be available afterwards for any modeling questions. So let's try to keep the Q&A focused on high-level strategy type questions.

QUESTIONS AND ANSWERS

Raimo Lenschow - *Barclays Capital - Analyst*

Thanks, Raimo Lenschow from Barclays. To stay on the subject, Adam and Mike, if you think about the broader product portfolio especially on the new products you are going to offer now and then your account management function that you had on the top accounts, how do you see that evolving over time because it's going to be more and more specialized? Does that work with just the sales overlay or do you need to create separate sales forces, or how do you want to square that up?

Adam Elster - *CA Technologies - EVP & Group Executive, Worldwide Sales and Services*

Well, if we do this very well I would love my top 500 to be 501, 502, 503. So the theory around this is a basic land and expand. If we can penetrate a new customer with a new technology to show value and then we can build CA's portfolio from there.

So what we do know out of our history and our experience with our top 500 customers, when we do get in and we show a value we can then leverage the breadth of the CA portfolio to add different technology. So the way I see this evolving is I hope to have probably a yearly process where we have new customers who have bought maybe one product and then midyear expanded it and maybe bought a second. And then from a yearly process perspective I assume I'm going to have some type of promotion where there is customers who you know what, at this point you warrant account management on top of that and I can move customers into the platinum group.

At the same time there might be Platinum customers who we become less strategic with who might move out. So I believe we will probably have some type of annual process where we would have customers that would move into that area, warrants dedicated architects, warrants account management as we service them in the future.

Raimo Lenschow - *Barclays Capital - Analyst*

And I have one follow-up here. On the data-driven sales process, and Mike I am sure you have seen it as an industry standard before and a slightly new thing for CA now, where are you in the process with your sales force in terms of usually it takes time for people to adjust to that to get questions asked and put numbers in front of them.

Usually it takes a while for people to put the deals properly into the system and then be reviewed like that. Where are you in that process?

Adam Elster - *CA Technologies - EVP & Group Executive, Worldwide Sales and Services*

First 30 days was definitely a little rocky. Second 60 days better. I was pretty simple in my messaging.

You don't have to put an opportunity in the system but then I don't have to pay you on it. You don't have to put a contact in the system but then I don't need to invite them to events.

So to be honest in the first 60 days I was pretty binary black and white. This is how we are going to run the business. You can ask any of my managers that are here if they were forecasted to me in the fourth quarter I don't want an email, I don't want a spreadsheet, I'm just going to pull it up in the system.

It needs to be there. So for the first 60 days I went very black and white to drive adoption. And I need more time but I definitely think the initial approach was very binary in my view of it.

This is how I'm going to run the business. You don't have to like it but this is how we are going to do it.

Rich Beckert - *CA Technologies - EVP & CFO*

We've had sales force for two years. So they all know how to use sales force. This is about consistently using it and when you talk to management -- every Tuesday we have a meeting where we basically take that view and go through it at our level.

And that has been going on for a while. What Adam is really saying, this is taking it to the next step. This really ensures that we are taking this to a level of speed and execution that is just that next level in every year we move forward with that.

So it's not a new concept to the sales team. It's now doing it repeatedly.

Mark Moerdler - *Sanford C. Bernstein & Company, Inc. - Analyst*

Mark Moerdler, Sanford Bernstein. So, last year there was discussions about separating those key most valuable products away from the yearly process in selling those. Is that still part of the -- and where are you in that process because it wasn't in the discussion but I figured it is still going on.

Mike Gregoire - *CA Technologies - CEO*

Yes, that became part of our DNA throughout the year. And what Adam is talking about is having these specialists.

In doing that one of the things that we did find is if they didn't have deep subject matter expertise and they are going against another point player, our win rate was not where we needed it to be. When Adam, once again, took a look at the data and said why is this particular individual in this particular territory winning and why is this particular individual in this particular territory not winning, what really happened was the subject matter expertise to how well did they understand the product space.

And quite frankly especially in some of our more technical products like in security, people go into that market, that's what they want to do. And to try to have a generalist compete against somebody that is passionate about security is just a hard way to win.

Mark Moerdler - *Sanford C. Bernstein & Company, Inc. - Analyst*

Excellent, thank you. One more quick follow-up. Just wondered if you have always had licensed revenue ratably recognized over contract term.

So from that point of view the move to a more SaaS model doesn't have that big impact on revenue on a monthly, quarterly basis, etc. But overall do you believe that from selling let's say a Clarity license to a Clarity On Demand license, does that create per user a significant lift or is it the fact that you will be able to sell more users?

Rich Beckert - *CA Technologies - EVP & CFO*

You would sell more users. I think what you will find is two things.

We do have a ratable model but we did have some products that would go perpetual trailing maintenance but two-thirds of that was ratable. So, no, in fact for our transition it is actually very simple.

We already know how we want to pay people. We've had that already in place for a while. You can hear with our cost structure we already have that in place.

I think for other people that will be a transitional problem for them, for their margin expansion. So we are really in very good -- Paul, who is on our staff, he has taken over, consolidated all that. So as opposed to the silo effect of that we are getting very very efficient and effective as to even how we are setting those up for the Company.

So that's why last year was really about rebuilding, putting the foundation up. Now it's really about generating the sales.

Mark Moerdler - *Sanford C. Bernstein & Company, Inc. - Analyst*

Excellent, thank you.

Aaron Schwartz - *Jefferies & Company - Analyst*

Aaron Schwartz. Sort of the follow-up question but I know you have been trying to sell more outside the renewal process and more than touching the customer once every two years or once every three years.

The question I have I guess is the early renewals we are starting to see, is that related? Are these conversations with customers pulling forward the renewal?

The subterm sort of ticked down in the quarter. I know you don't want to get into the model questions here.

But if that is the case what happens to the overall renewal size? As you pressure that would it shrink that even though you are winning more business?

Rich Beckert - *CA Technologies - EVP & CFO*

No. Last year and even the year before we are very analytical. When we look at our renewals we measure them five different ways, of which we are only sharing just one of those today.

We literally sit down and we look at the beginning of every quarter about transactions that are going to happen a quarter or two quarters out. Customers come to us and say, and the best example they just did in acquisition, or they are taking something offline or whatever, and they want to bring something forward into the year.

When that happens, if the metrics make sense for us then we would agree to do those transactions. If it's poor metrics, we're not pulling them in for bookings. The analysts are more concerned about the overall bookings than we are about booking really good business.

And so to us that 90% renewal yield is a very important metric that we use. We also have revenue per day. We have a lot of other metrics that we look at to ensure that that is the right time for us to do those transactions between us and our customers because we view it as much more of a partnership.

That's why I said when you get into the mid-90%s, that's about as high is you want to go. We are not looking to jam people.

So we really feel that's very important. I think what people need to understand our Fortune 500, they actual expand every year. So that footprint and their wallet share for us has been expanding.

Aaron Schwartz - *Jefferies & Company - Analyst*

And then just a quick follow-up, if I could on the ES growth products that you pointed out here as having obviously the higher growth rate there. Is there any different composition there in how the license comes in? Is that more perpetual or more SF&O, or how would you describe the component? Thanks.

Rich Beckert - *CA Technologies - EVP & CFO*

Both. Because what you will see an example, Clarity On Demand, it's a SaaS product. Had explosive growth.

We also had LISA had explosive growth. Nolio had explosive growth. Those were all perpetual trailing maintenance.

If those transactions happen inside an ELA it all goes ratable. So kind of back to Mark's question, two-thirds of those tend to be around an ELA, so therefore they go ratable.

But we have VSOE for all this piece parts, so depending on where they are inside or outside the ELA. The reason for going outside the ELA is not about driving -- revenue is going to happen. That's just timing of revenue.

This is about touching the account as often as possible and making sure if you're away for three years that two of your point product competitors didn't come in and plant a seed and all of a sudden you come back in year three and you see you are odd man out. That's the real reason and the focus for it.

Michael Turits - *Raymond James - Analyst*

Michael Turits from Raymond James. Hi, guys, thanks very much and one for Mike, one for Rich.

Mike, first a lot of the discussion today has been it seems to me on the approximately layer especially around DevOps. And I felt like less emphasis perhaps on the more traditional areas that CA has been around infrastructure management. That's a very hot area of discussion right now.

Then you just went down to the OpenStack Summit this week, there's a lot that's going on in terms of cloud management, cloud orchestration from some of the people you have competed with historically. So my question is, is that right in terms of our perception that it's a bit of a shift over towards application versus infrastructure?

Mike Gregoire - *CA Technologies - CEO*

I wouldn't say a shift. When you talk about DevOps you have to put them on equal footing because they're going to push and pull on each other.

The fact of the matter is the infrastructure portion of the DevOps story is very grounded, very solid. It's relatively mature.

The dev side is a massively fragmented, it's not well understood. It has a lot of creativity in it, which is great but it's massively unstructured.

If we can bring the kind of science and precision that you have in the operations world and try to help the dev world get some of that science and some of that engineering, I think that the ability to get product to customers happens an awful lot quicker. Now today we are focusing more on some of the newer products that we have built but if you take a look at what we are doing with infrastructure management and you take a look at what we are doing with application management, those products are still best in class running very well on a global basis. But some of the things we're trying to help our customers get to is how do you get this dev to operate with the level of sophistication that we have in ops and it's a very very big problem.

Michael Turits - *Raymond James - Analyst*

Great. Thanks. And then for Rich, the buyback it said at $1 billion over three years.

Just do simple math on that it's a little bit lower rate than we've been seeing over the last two years. So $300 million-ish versus $400 million-ish to $500 million-ish. Should I take this as just kind of a first bar to be set, or is there a reason that we are slowing down a little bit?

Rich Beckert - *CA Technologies - EVP & CFO*

No, as I think we said earlier and just to make sure I heard you, you're asking the $1.5 billion versus the billion-dollar buyback? No, what we were saying is we think we are positioned very well.

We have a 3% yield currently on our dividend. That is industry-leading. We have a 1% reduction in the share count every year over time and that allows us to have $300 million to $500 million a year in acquisitions. We think that that is the right balance.

We are very comfortable with our capital allocation. I think that is in the 70-plus range of what we're going to put out. And I think with the things that we've talked about today you can really start to see the momentum shifting and that's the right balance that we have.

Abhey Lamba - *Mizuho Securities Co., Ltd. - Analyst*

Abhey Lamba, Mizuho. Couple of questions.

Just one on the Nimsoft Snap selling mechanism that you guys talked about. Clearly seems like that is helping a lot. But what are your other products in your portfolio that can actually follow the same selling mechanism and how far along are you in migrating them over to the new selling model?

Mike Gregoire - *CA Technologies - CEO*

Well, from a strategic point of view we want to put as many products as possible into that mode. Once again you have heard me use the word a modern software company. That is the evolution of a modern software company.

The days of being able to walk into an account, get a $5 million perpetual license and the amount of time it takes for that to happen, those are going to happen fewer and far between. The amount of time it takes to get $100,000, $250,000 deal where the customer is invested themselves in understanding your technology and your value proposition and then over time turns that into a $4 million or $5 million account, I think that's basically where the software industry is going.

And we need to be there. We have that right now from Nimsoft Monitor Snap. You'll hear about a couple more between now and CA World and you are going to see more of our products moved to that model because at the end the day, that's the way customers buy.

Abhey Lamba - *Mizuho Securities Co., Ltd. - Analyst*

Got it. And just revisiting the renewal portfolio question, Rich. We have historically seen a three-year pattern, every third year we saw a big dip in your renewal portfolio and then it built out.

Some of these early renewals are selling outside of the renewal cycle. Are we at a point where we should see more smoother growth in bookings, more smoother than the old pattern? Thanks.

Rich Beckert - *CA Technologies - EVP & CFO*

So, repeat your -- are you ask me, exactly what?

Abhey Lamba - *Mizuho Securities Co., Ltd. - Analyst*

Historically we have seen every third year your bookings really went down on a year-over-year basis. Are we at a pattern in the renewal portfolio?

Rich Beckert - *CA Technologies - EVP & CFO*

No, if you are asking a bookings question year-to-year it will be flat when you back out that large outsourcer and the attach rate we are seeing come back to the normal attach rate that we would see on those renewals. I think most of what we really talked about today is the rate and piece that we touch our customers more so than about the bookings.

Unidentified Audience Member

Hi, just a question for Rich. Rich, you talked about earlier the sales and marketing expense-to-revenue ratio. Looks like it is going to be pretty flat in fiscal 2015 versus 2014.

Just wondering at a higher level if you could talk about how you are approaching sales, sorry, not sales headcount, overall headcount for the Company this year? And then with regard to quota carrying heads, is it a fair assumption based on what Adam was saying that that should be flattish?

Rich Beckert - *CA Technologies - EVP & CFO*

So, a sales productivity question, a couple of things. If you recall on that slide we actually have more salesmen out there.

Depending on where they work, you remember on my chart were a said the 500, then the next 1,500 and then the ones that are partner, they have three different levels of quota. So in other words I'm not going to expect a person who is on a very large account that will do a $100 million transaction to have the same quarter as someone who might have the New Jersey Central region and therefore have eight customers that they have to go attack.

So each one of those, what you will see though is, and Adam alluded to it and Lauren alluded to it, the pipeline build is faster. The transition from just it being a something that is a possibility to a strong probability to actually close is accelerating.

So what we have done is actually some of the quotas are actually lower, so if you look over all the success though of people actually making quota we think will be a little bit higher. If you look out on a $1 per head of the sales reps that are quota carriers, it is different. The overall sales force, there is actually fewer in the overall sales force.

For our productivity in total sales improved quite a bit. On the quota carriers they actually had a slight reduction because of that blend that we talked about. We took more people out of that were stacked and moved them over.

So overall when people make their plan now the Company grows faster than before. If they had done well in the 500 we talked about, which is expanding, we had to pay more people on that same account.

This year, fiscal 2015, fewer people get paid there. The people that get paid on a lower quota actually have to perform on their own as a sales specialist selling whatever the security product or whatever it is. So it will actually drive more revenue for the Company on a per head basis.

Unidentified Audience Member

Okay, thanks Rich. That's helpful.

Then just a follow-up for Mike. So, in Q4 just wondering if you could sort of talk from a high-level or from a macro standpoint whether it's bookings or revenue just any territories that significantly did perhaps better or worse than your expectations? Thanks.

Mike Gregoire - *CA Technologies - CEO*

I was happy with the UK. We have a new leadership team that Adam put in place there and that team is really starting to gel and taking advantage of the business opportunity.

Latin America is another area that I thought did a very good job. Both Adam and I were both in Latin America this quarter, met with a number of different customers. And that team seems to be really driving hard.

Our North America team pretty much got to where I thought they would be. And there is just a few areas in the -- around the globe, primarily Asia and a few pockets in Europe that we are working hard at.

Both Adam and I once again, in different parts of Europe were there last week. Maybe you would comment on your expectations, maybe going forward and kind of how you saw Q4?

Adam Elster - *CA Technologies - EVP & Group Executive, Worldwide Sales and Services*

Yes, I would say it goes back to some of my answers earlier is what we saw when we looked at the results in Q4 we saw pockets with technology and in geography that did very well. So for us it was an indicator that it wasn't the market opportunity and it wasn't the product.

What we needed to do is make sure we had the right people, the right expertise to meet that market demand. So whether it was a result we saw in the UK, I shouldn't expect a different result from the market opportunity or the products across some other geos. But we didn't necessarily have the right expertise or alignment to meet those market needs.

And right now we've put some people in place, done deeper dive training so we can use that to set the bar to meet the market. So that was the case in certain countries in Europe and in APJ, the exact same thing.

So we have done, we have launched the new organization, we held deep dive training in the pockets that were yellow or red and not green. And we are using the folks that were green to say this is the bar and our expectation of account management for the 500 products expertise for the new customers and enablement for the partners to meet the market opportunity.

Mike Gregoire - *CA Technologies - CEO*

You know the beauty of a data-driven approach, which is like what any modern software company would do, it really identifies where should you put your calories. If the product is not differentiated you are going to see poor performance in multiple areas.

If the product -- if you are seeing performance in different areas, you will be able to look at a dashboard and this is where an executive management team can come together and actually make corrections. Where if you don't have this data-driven approach it is always somebody's opinion.

And if you ever been in the software industry, sales guys say the product is not differentiated, the product guys say the sales guys don't know how to sell. We don't have those conversations anymore. We deal with data, we get very specific about it and then we take action.

Thank you very much guys. To wrap up really quickly I think to echo on the things you've heard today, FY14, big year for us. A lot of fundamental change.

Still sticking with our ability to drive tough financial management. A great opportunity, very well positioned in FY15.

And I think you are going to see a lot of execution come out of this Company because that is going to be our focus. Thank you.
