

Table 1
CA Technologies
Consolidated Statements of Operations
(unaudited)
(in millions, except per share amounts)

	Three Months Ended		Fiscal Year Ended	
	March 31,		March 31,	
	2016	2015	2016	2015
Revenue:				
Subscription and maintenance	\$ 821	\$ 851	\$ 3,317	\$ 3,560
Professional services	82	83	326	351
Software fees and other	106	89	382	351
Total revenue	<u>\$ 1,009</u>	<u>\$ 1,023</u>	<u>\$ 4,025</u>	<u>\$ 4,262</u>
Expenses:				
Costs of licensing and maintenance	\$ 74	\$ 80	\$ 283	\$ 297
Cost of professional services	76	85	300	338
Amortization of capitalized software costs	64	69	256	273
Selling and marketing	255	278	1,006	1,060
General and administrative	88	108	367	377
Product development and enhancements	140	160	560	603
Depreciation and amortization of other intangible assets	23	30	106	129
Other expenses, net	10	2	12	23
Total expenses before interest and income taxes	<u>\$ 730</u>	<u>\$ 812</u>	<u>\$ 2,890</u>	<u>\$ 3,100</u>
Income from continuing operations before interest and income taxes	<u>\$ 279</u>	<u>\$ 211</u>	<u>\$ 1,135</u>	<u>\$ 1,162</u>
Interest expense, net	15	9	51	47
Income from continuing operations before income taxes	<u>\$ 264</u>	<u>\$ 202</u>	<u>\$ 1,084</u>	<u>\$ 1,115</u>
Income tax expense	93	57	315	305
Income from continuing operations	<u>\$ 171</u>	<u>\$ 145</u>	<u>\$ 769</u>	<u>\$ 810</u>
Income from discontinued operations, net of income taxes	\$ 3	\$ 6	\$ 14	\$ 36
Net income	<u>\$ 174</u>	<u>\$ 151</u>	<u>\$ 783</u>	<u>\$ 846</u>
Basic income per common share:				
Income from continuing operations	\$ 0.41	\$ 0.33	\$ 1.79	\$ 1.83
Income from discontinued operations	0.01	0.01	0.03	0.08
Net income	<u>\$ 0.42</u>	<u>\$ 0.34</u>	<u>\$ 1.82</u>	<u>\$ 1.91</u>
Basic weighted average shares used in computation	413	437	426	439
Diluted income per common share:				
Income from continuing operations	\$ 0.41	\$ 0.33	\$ 1.78	\$ 1.82
Income from discontinued operations	0.01	0.01	0.03	0.08
Net income	<u>\$ 0.42</u>	<u>\$ 0.34</u>	<u>\$ 1.81</u>	<u>\$ 1.90</u>
Diluted weighted average shares used in computation	414	439	427	441

Results reflect the discontinued operations associated with the CA ERwin Data Modeling and CA arcserve data protection businesses.

Table 2
CA Technologies
Condensed Consolidated Balance Sheets
(in millions)

	March 31, 2016 (unaudited)	March 31, 2015
Cash and cash equivalents	\$ 2,812	\$ 2,804
Trade accounts receivable, net	625	652
Deferred income taxes	-	318
Other current assets	124	212
Total current assets	\$ 3,561	\$ 3,986
Property and equipment, net	\$ 242	\$ 252
Goodwill	6,086	5,806
Capitalized software and other intangible assets, net	795	731
Deferred income taxes	407	92
Other noncurrent assets, net	113	106
Total assets	\$ 11,204	\$ 10,973
Current portion of long-term debt	\$ 6	\$ 10
Deferred revenue (billed or collected)	2,197	2,114
Deferred income taxes	-	7
Other current liabilities	691	807
Total current liabilities	\$ 2,894	\$ 2,938
Long-term debt, net of current portion	\$ 1,947	\$ 1,247
Deferred income taxes	3	45
Deferred revenue (billed or collected)	737	863
Other noncurrent liabilities	245	255
Total liabilities	\$ 5,826	\$ 5,348
Common stock	\$ 59	\$ 59
Additional paid-in capital	3,664	3,631
Retained earnings	6,575	6,221
Accumulated other comprehensive loss	(416)	(418)
Treasury stock	(4,504)	(3,868)
Total stockholders' equity	\$ 5,378	\$ 5,625
Total liabilities and stockholders' equity	\$ 11,204	\$ 10,973

Table 3
CA Technologies
Condensed Consolidated Statements of Cash Flows
(unaudited)
(in millions)

	Three Months Ended	
	<u>March 31,</u>	
	<u>2016</u>	<u>2015</u>
Operating activities from continuing operations:		
Net income	\$ 174	\$ 151
Income from discontinued operations	(3)	(6)
Income from continuing operations	<u>\$ 171</u>	<u>\$ 145</u>
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	87	99
Deferred income taxes	(62)	(10)
Provision for bad debts	-	2
Share-based compensation expense	27	22
Other non-cash items	(1)	4
Foreign currency transaction gains	(1)	(3)
Changes in other operating assets and liabilities, net of effect of acquisitions:		
Decrease (increase) in trade accounts receivable	4	(12)
Increase in deferred revenue	248	307
Decrease in taxes payable, net	(25)	(132)
(Decrease) increase in accounts payable, accrued expenses and other	(12)	29
Increase in accrued salaries, wages and commissions	25	22
Changes in other operating assets and liabilities	<u>10</u>	<u>12</u>
Net cash provided by operating activities - continuing operations	<u>\$ 471</u>	<u>\$ 485</u>
Investing activities from continuing operations:		
Acquisitions of businesses, net of cash acquired, and purchased software	\$ -	\$ (6)
Purchases of property and equipment	(14)	(7)
Decrease in restricted cash	4	-
Other investing activities	(1)	-
Net cash used in investing activities - continuing operations	<u>\$ (11)</u>	<u>\$ (13)</u>
Financing activities from continuing operations:		
Dividends paid	\$ (104)	\$ (111)
Purchases of common stock	(2)	(90)
Notional pooling borrowings, net	15	83
Debt repayments	(1)	(1)
Exercise of common stock options	3	1
Other financing activities	(1)	-
Net cash used in financing activities - continuing operations	<u>\$ (90)</u>	<u>\$ (118)</u>
Effect of exchange rate changes on cash	<u>\$ 62</u>	<u>\$ (222)</u>
Net change in cash and cash equivalents - continuing operations	<u>\$ 432</u>	<u>\$ 132</u>
Cash used in operating activities - discontinued operations	\$ (23)	\$ (11)
Cash provided by investing activities - discontinued operations	50	-
Net effect of discontinued operations on cash and cash equivalents	<u>\$ 27</u>	<u>\$ (11)</u>
Increase in cash and cash equivalents	<u>\$ 459</u>	<u>\$ 121</u>
Cash and cash equivalents at beginning of period	<u>\$ 2,353</u>	<u>\$ 2,683</u>
Cash and cash equivalents at end of period	<u><u>\$ 2,812</u></u>	<u><u>\$ 2,804</u></u>

Results reflect the discontinued operations associated with the CA ERwin Data Modeling business.

Table 4
CA Technologies
Operating Segments
(unaudited)
(dollars in millions)

	Three Months Ended March 31, 2016				Fiscal Year Ended March 31, 2016			
	Mainframe Solutions ⁽¹⁾	Enterprise Solutions ⁽¹⁾	Services ⁽¹⁾	Total	Mainframe Solutions ⁽¹⁾	Enterprise Solutions ⁽¹⁾	Services ⁽¹⁾	Total
Revenue ⁽²⁾	\$ 547	\$ 380	\$ 82	\$ 1,009	\$ 2,215	\$ 1,484	\$ 326	\$ 4,025
Expenses ⁽³⁾	213	341	76	630	854	1,337	303	2,494
Segment profit	\$ 334	\$ 39	\$ 6	\$ 379	\$ 1,361	\$ 147	\$ 23	\$ 1,531
Segment operating margin	61%	10%	7%	38%	61%	10%	7%	38%
Segment profit				\$ 379				\$ 1,531
Less:								
Purchased software amortization				40				146
Other intangibles amortization				8				44
Internally developed software products amortization				24				110
Share-based compensation expense				27				97
Other expenses (gains), net ⁽⁴⁾				1				(1)
Interest expense, net				15				51
Income from continuing operations before income taxes				\$ 264				\$ 1,084

	Three Months Ended March 31, 2015				Fiscal Year Ended March 31, 2015			
	Mainframe Solutions ⁽¹⁾	Enterprise Solutions ⁽¹⁾	Services ⁽¹⁾	Total	Mainframe Solutions ⁽¹⁾	Enterprise Solutions ⁽¹⁾	Services ⁽¹⁾	Total
Revenue ⁽²⁾	\$ 572	\$ 368	\$ 83	\$ 1,023	\$ 2,392	\$ 1,519	\$ 351	\$ 4,262
Expenses ⁽³⁾	253	354	86	693	970	1,353	342	2,665
Segment profit	\$ 319	\$ 14	\$ (3)	\$ 330	\$ 1,422	\$ 166	\$ 9	\$ 1,597
Segment operating margin	56%	4%	-4%	32%	59%	11%	3%	37%
Segment profit				\$ 330				\$ 1,597
Less:								
Purchased software amortization				37				124
Other intangibles amortization				13				58
Internally developed software products amortization				32				149
Share-based compensation expense				22				87
Other expenses, net ⁽⁴⁾				15				17
Interest expense, net				9				47
Income from continuing operations before income taxes				\$ 202				\$ 1,115

- (1) The Company's Mainframe Solutions and Enterprise Solutions segments comprise its software business organized by the nature of the Company's software offerings and the platform on which the products operate. The Services segment comprises product implementation, consulting, customer education and customer training, including those directly related to the Mainframe Solutions and Enterprise Solutions software that the Company sells to its customers.
- (2) The Company regularly enters into a single arrangement with a customer that includes mainframe solutions, enterprise solutions and services. The amount of contract revenue assigned to operating segments is generally based on the manner in which the proposal is made to the customer. The software product revenue is assigned to the Mainframe Solutions and Enterprise Solutions segments based on either: (1) a list price allocation method (which allocates a discount in the total contract price to the individual products in proportion to the list price of the product); (2) allocations included within internal contract approval documents; or (3) the value for individual software products as stated in the customer contract. The price for the implementation, consulting, education and training services is separately stated in the contract and these amounts of contract revenue are assigned to the Services segment. The contract value assigned to each operating segment is then recognized in a manner consistent with the revenue recognition policies the Company applies to the customer contract for purposes of preparing the Consolidated Financial Statements.
- (3) Segment expenses include costs that are controllable by segment managers (i.e., direct costs) and, in the case of the Mainframe Solutions and Enterprise Solutions segments, an allocation of shared and indirect costs (i.e., allocated costs). Segment-specific direct costs include a portion of selling and marketing costs, licensing and maintenance costs, product development costs and general and administrative costs. Allocated segment costs primarily include indirect and non-segment specific direct selling and marketing costs and general and administrative costs that are not directly attributable to a specific segment. The basis for allocating shared and indirect costs between the Mainframe Solutions and Enterprise Solutions segments is dependent on the nature of the cost being allocated and is either in proportion to segment revenues or in proportion to the related direct cost category. Expenses for the Services segment consist of cost of professional services and other direct costs included within selling and marketing and general and administrative expenses. There are no allocated or indirect costs for the Services segment.
- (4) Other expenses (gains), net consists of costs associated with the FY2014 Board approved rebalancing initiative (the Fiscal 2014 Plan), certain foreign exchange derivative hedging gains and losses, and other miscellaneous costs.

Results reflect the discontinued operations associated with the CA ERwin Data Modeling and CA arcserve data protection businesses.

Table 5
CA Technologies
Constant Currency Summary
(unaudited)
(dollars in millions)

	Three Months Ended March 31,				Fiscal Year Ended March 31,			
	2016	2015	% Increase (Decrease) in \$ US	% Increase (Decrease) in Constant Currency ⁽¹⁾	2016	2015	% Increase (Decrease) in \$ US	% Increase (Decrease) in Constant Currency (1)
Bookings	\$ 960	\$ 1,069	(10)%	(10)%	\$ 4,247	\$ 3,609	18%	22%
Revenue:								
North America	\$ 681	\$ 682	0%	0%	\$ 2,712	\$ 2,766	(2)%	(1)%
International	<u>328</u>	<u>341</u>	<u>(4)%</u>	<u>3%</u>	<u>1,313</u>	<u>1,496</u>	<u>(12)%</u>	<u>1%</u>
Total revenue	<u>\$ 1,009</u>	<u>\$ 1,023</u>	<u>(1)%</u>	<u>1%</u>	<u>\$ 4,025</u>	<u>\$ 4,262</u>	<u>(6)%</u>	<u>(1)%</u>
Revenue:								
Subscription and maintenance	\$ 821	\$ 851	(4)%	(1)%	\$ 3,317	\$ 3,560	(7)%	(2)%
Professional services	82	83	(1)%	0%	326	351	(7)%	(3)%
Software fees and other	<u>106</u>	<u>89</u>	<u>19%</u>	<u>23%</u>	<u>382</u>	<u>351</u>	<u>9%</u>	<u>13%</u>
Total revenue	<u>\$ 1,009</u>	<u>\$ 1,023</u>	<u>(1)%</u>	<u>1%</u>	<u>\$ 4,025</u>	<u>\$ 4,262</u>	<u>(6)%</u>	<u>(1)%</u>
Segment Revenue:								
Mainframe solutions	\$ 547	\$ 572	(4)%	(2)%	\$ 2,215	\$ 2,392	(7)%	(2)%
Enterprise solutions	\$ 380	368	3%	6%	1,484	1,519	(2)%	2%
Services	82	83	(1)%	0%	326	351	(7)%	(3)%
Total expenses before interest and income taxes:								
Total non-GAAP ⁽²⁾	\$ 630	\$ 693	(9)%	(11)%	\$ 2,494	\$ 2,665	(6)%	(4)%
Total GAAP	730	812	(10)%	(10)%	2,890	3,100	(7)%	(5)%

(1) Constant currency information is presented to provide a framework for assessing how the Company's underlying businesses performed excluding the effect of foreign currency rate fluctuations. To present this information, current and comparative prior period results for entities reporting in currencies other than U.S. dollars are converted into U.S. dollars at the exchange rate in effect on March 31, 2015, which was the last day of the prior fiscal year. Constant currency excludes the impacts from the Company's hedging program.

(2) Refer to Table 7 for a reconciliation of total expenses before interest and income taxes to total non-GAAP operating expenses.

Results reflect the discontinued operations associated with the CA ERwin Data Modeling and CA arcserve data protection businesses.

Certain non-material differences may arise versus actual from impact of rounding.

Table 6
CA Technologies
Reconciliation of Select GAAP Measures to Non-GAAP Measures
(unaudited)
(dollars in millions)

	Three Months Ended		Fiscal Year Ended	
	March 31,		March 31,	
	2016	2015	2016	2015
GAAP net income	\$ 174	\$ 151	\$ 783	\$ 846
GAAP income from discontinued operations, net of income taxes	(3)	(6)	(14)	(36)
GAAP income from continuing operations	\$ 171	\$ 145	\$ 769	\$ 810
GAAP income tax expense	93	57	315	305
Interest expense, net	15	9	51	47
GAAP income from continuing operations before interest and income taxes	\$ 279	\$ 211	\$ 1,135	\$ 1,162
GAAP operating margin (% of revenue) ⁽¹⁾	28%	21%	28%	27%
Non-GAAP adjustments to expenses:				
Costs of licensing and maintenance ⁽²⁾	\$ 2	\$ 1	\$ 7	\$ 5
Cost of professional services ⁽²⁾	1	1	4	4
Amortization of capitalized software costs ⁽³⁾	64	69	256	273
Selling and marketing ⁽²⁾	9	7	34	30
General and administrative ⁽²⁾	10	8	35	29
Product development and enhancements ⁽²⁾	5	5	17	19
Depreciation and amortization of other intangible assets ⁽⁴⁾	8	13	44	58
Other expenses (gains), net ⁽⁵⁾	1	15	(1)	17
Total Non-GAAP adjustment to operating expenses	\$ 100	\$ 119	\$ 396	\$ 435
Non-GAAP income from continuing operations before interest and income taxes	\$ 379	\$ 330	\$ 1,531	\$ 1,597
Non-GAAP operating margin (% of revenue) ⁽⁶⁾	38%	32%	38%	37%
Interest expense, net	15	9	51	47
GAAP income tax expense	93	57	315	305
Non-GAAP adjustment to income tax expense ⁽⁷⁾	19	17	115	120
Non-GAAP income tax expense	\$ 112	\$ 74	\$ 430	\$ 425
Non-GAAP income from continuing operations	\$ 252	\$ 247	\$ 1,050	\$ 1,125

(1) GAAP operating margin is calculated by dividing GAAP income from continuing operations before interest and income taxes by total revenue (refer to Table 1 for total revenue).

(2) Non-GAAP adjustment consists of share-based compensation.

(3) For the three month periods ending March 31, 2016 and 2015, non-GAAP adjustment consists of \$40 million and \$37 million of purchased software amortization and \$24 million and \$32 million of internally developed software products amortization, respectively. For the twelve month periods ending March 31, 2016 and 2015, non-GAAP adjustment consists of \$146 million and \$124 million of purchased software amortization and \$110 million and \$149 million of internally developed software products amortization, respectively.

(4) Non-GAAP adjustment consists of other intangibles amortization.

(5) Non-GAAP adjustment consists of charges relating to the FY2014 Board approved rebalancing initiative (the Fiscal 2014 Plan) and certain other gains and losses, including gains and losses since inception of hedges that mature within the quarter, but excludes gains and losses of hedges that do not mature within the quarter.

(6) Non-GAAP operating margin is calculated by dividing non-GAAP income from continuing operations before interest and income taxes by total revenue (refer to Table 1 for total revenue).

(7) The full year non-GAAP income tax expense is different from GAAP income tax expense because of the difference in non-GAAP income from continuing operations before income taxes. On an interim basis, this difference would also include a difference in the impact of discrete and permanent items where for GAAP purposes the effect is recorded in the period such items arise, but for non-GAAP such items are recorded pro rata to the fiscal year's remaining reporting periods.

Refer to the discussion of non-GAAP financial measures included in the accompanying press release for additional information.

Results reflect the discontinued operations associated with the CA ERwin Data Modeling and CA arcserve data protection businesses.

Certain non-material differences may arise versus actual from impact of rounding.

Table 7
CA Technologies
Reconciliation of GAAP to Non-GAAP
Operating Expenses and Diluted Earnings per Share
(unaudited)
(in millions, except per share amounts)

<u>Operating Expenses</u>	Three Months Ended March 31,		Fiscal Year Ended March 31,	
	2016	2015	2016	2015
Total expenses before interest and income taxes	\$ 730	\$ 812	\$ 2,890	\$ 3,100
Non-GAAP operating adjustments:				
Purchased software amortization	40	37	146	124
Other intangibles amortization	8	13	44	58
Internally developed software products amortization	24	32	110	149
Share-based compensation	27	22	97	87
Other expenses (gains), net ⁽¹⁾	1	15	(1)	17
Total non-GAAP operating adjustment	<u>\$ 100</u>	<u>\$ 119</u>	<u>\$ 396</u>	<u>\$ 435</u>
Total non-GAAP operating expenses	<u>\$ 630</u>	<u>\$ 693</u>	<u>\$ 2,494</u>	<u>\$ 2,665</u>

<u>Diluted EPS from Continuing Operations</u>	Three Months Ended March 31,		Fiscal Year Ended March 31,	
	2016	2015	2016	2015
GAAP diluted EPS from continuing operations	\$ 0.41	\$ 0.33	\$ 1.78	\$ 1.82
Non-GAAP adjustments, net of taxes:				
Purchased software amortization	0.06	0.06	0.24	0.20
Other intangibles amortization	0.01	0.02	0.07	0.10
Internally developed software products amortization	0.04	0.05	0.18	0.24
Share-based compensation	0.04	0.04	0.16	0.14
Other expenses, net ⁽¹⁾	-	0.02	-	0.03
Non-GAAP effective tax rate adjustments ⁽²⁾	0.04	0.04	-	-
Total non-GAAP adjustment	<u>\$ 0.19</u>	<u>\$ 0.23</u>	<u>\$ 0.65</u>	<u>\$ 0.71</u>
Non-GAAP diluted EPS from continuing operations	<u>\$ 0.60</u>	<u>\$ 0.56</u>	<u>\$ 2.43</u>	<u>\$ 2.53</u>

(1) Other expenses (gains), net consists of costs associated with the FY2014 Board approved rebalancing initiative (the Fiscal 2014 Plan), certain foreign exchange derivative hedging gains and losses, and other miscellaneous costs.

(2) The non-GAAP effective tax rate is equal to the full year GAAP effective tax rate, therefore no adjustment is required on an annual basis. On an interim basis, the difference in non-GAAP income tax expense and GAAP income tax expense relates to the difference in non-GAAP income from continuing operations before income taxes, and includes a difference in the impact of discrete and permanent items where for GAAP purposes the effect is recorded in the period such items arise but for non-GAAP purposes such items are recorded pro rata to the fiscal year's remaining reporting periods.

Refer to the discussion of non-GAAP financial measures included in the accompanying press release for additional information.

Results reflect the discontinued operations associated with the CA ERwin Data Modeling and CA arcserve data protection businesses.

Certain non-material differences may arise versus actual from impact of rounding.

Table 8
CA Technologies
Effective Tax Rate Reconciliation
GAAP and Non-GAAP
(unaudited)
(dollars in millions)

	<u>Three Months Ended</u> <u>March 31, 2016</u>		<u>Fiscal Year Ended</u> <u>March 31, 2016</u>	
	<u>GAAP</u>	<u>Non-GAAP</u>	<u>GAAP</u>	<u>Non-GAAP</u>
Income from continuing operations before interest and income taxes ⁽¹⁾	\$ 279	\$ 379	\$ 1,135	\$ 1,531
Interest expense, net	15	15	51	51
Income from continuing operations before income taxes	<u>\$ 264</u>	<u>\$ 364</u>	<u>\$ 1,084</u>	<u>\$ 1,480</u>
Statutory tax rate	35%	35%	35%	35%
Tax at statutory rate	\$ 92	\$ 127	\$ 379	\$ 518
Adjustments for discrete and permanent items ⁽²⁾	1	(15)	(64)	(88)
Total tax expense	<u>\$ 93</u>	<u>\$ 112</u>	<u>\$ 315</u>	<u>\$ 430</u>
Effective tax rate ⁽³⁾	35.2%	30.8%	29.1%	29.1%

	<u>Three Months Ended</u> <u>March 31, 2015</u>		<u>Fiscal Year Ended</u> <u>March 31, 2015</u>	
	<u>GAAP</u>	<u>Non-GAAP</u>	<u>GAAP</u>	<u>Non-GAAP</u>
Income from continuing operations before interest and income taxes ⁽¹⁾	\$ 211	\$ 330	\$ 1,162	\$ 1,597
Interest expense, net	9	9	47	47
Income from continuing operations before income taxes	<u>\$ 202</u>	<u>\$ 321</u>	<u>\$ 1,115</u>	<u>\$ 1,550</u>
Statutory tax rate	35%	35%	35%	35%
Tax at statutory rate	\$ 71	\$ 112	\$ 390	\$ 543
Adjustments for discrete and permanent items ⁽²⁾	(14)	(38)	(85)	(118)
Total tax expense	<u>\$ 57</u>	<u>\$ 74</u>	<u>\$ 305</u>	<u>\$ 425</u>
Effective tax rate ⁽³⁾	28.2%	23.1%	27.4%	27.4%

(1) Refer to Table 6 for a reconciliation of income from continuing operations before interest and income taxes on a GAAP basis to income from continuing operations before interest and income taxes on a non-GAAP basis.

(2) The effective tax rate for GAAP generally includes the impact of discrete and permanent items in the period such items arise, whereas the effective tax rate for non-GAAP generally allocates the impact of such items pro rata to the fiscal year's remaining reporting periods.

(3) The effective tax rate on GAAP and non-GAAP income from continuing operations is the Company's provision for income taxes expressed as a percentage of GAAP and non-GAAP income from continuing operations before income taxes, respectively. The non-GAAP effective tax rate is equal to the full year GAAP effective tax rate. On an interim basis, the effective tax rates are determined based on an estimated effective full year tax rate after the adjustments for the impacts of certain discrete items (such as changes in tax rates, reconciliations of tax returns to tax provisions and resolutions of tax contingencies).

Refer to the discussion of non-GAAP financial measures included in the accompanying press release for additional information.

Results reflect the discontinued operations associated with the CA ERwin Data Modeling and CA arcserve data protection businesses.

Certain non-material differences may arise versus actual from impact of rounding.

Table 9
CA Technologies
Reconciliation of Projected GAAP Metrics to Projected Non-GAAP Metrics
(unaudited)

<u>Projected Diluted EPS from Continuing Operations</u>	<u>Fiscal Year Ending</u> <u>March 31, 2017</u>	
Projected GAAP diluted EPS from continuing operations range	\$ 1.92	to \$ 1.97
Non-GAAP adjustments, net of taxes:		
Purchased software amortization	0.25	0.25
Other intangibles amortization	0.03	0.03
Internally developed software products amortization	0.14	0.14
Share-based compensation	0.17	0.17
Total non-GAAP adjustment	<u>\$ 0.59</u>	<u>\$ 0.59</u>
Projected non-GAAP diluted EPS from continuing operations range	<u>\$ 2.51</u>	<u>to \$ 2.56</u>

<u>Projected Operating Margin</u>	<u>Fiscal Year Ending</u> <u>March 31, 2017</u>
Projected GAAP operating margin	30%
Non-GAAP operating adjustments:	
Purchased software amortization	4%
Other intangibles amortization	0%
Internally developed software products amortization	2%
Share-based compensation	2%
Total non-GAAP operating adjustment	<u>8%</u>
Projected non-GAAP operating margin	<u>38%</u>

Refer to the discussion of non-GAAP financial measures included in the accompanying press release for additional information.