

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

	Three Months Ended		Six Months Ended	
	<u>September 30,</u>		<u>September 30,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Revenue:</b>				
Subscription and maintenance	\$ 908	\$ 922	\$ 1,817	\$ 1,844
Professional services	91	97	178	195
Software fees and other	80	86	153	161
<b>Total revenue</b>	<u>\$ 1,079</u>	<u>\$ 1,105</u>	<u>\$ 2,148</u>	<u>\$ 2,200</u>
<b>Expenses:</b>				
Costs of licensing and maintenance	\$ 71	\$ 71	\$ 143	\$ 139
Cost of professional services	88	88	169	176
Amortization of capitalized software costs	75	69	142	135
Selling and marketing	253	248	499	517
General and administrative	87	91	179	182
Product development and enhancements	150	142	300	274
Depreciation and amortization of other intangible assets	34	37	68	73
Other expenses, net <sup>(1)</sup>	1	14	15	140
<b>Total expenses before interest and income taxes</b>	<u>\$ 759</u>	<u>\$ 760</u>	<u>\$ 1,515</u>	<u>\$ 1,636</u>
<b>Income from continuing operations before interest and income taxes</b>	<u>\$ 320</u>	<u>\$ 345</u>	<u>\$ 633</u>	<u>\$ 564</u>
Interest expense, net	12	13	26	24
<b>Income from continuing operations before income taxes</b>	<u>\$ 308</u>	<u>\$ 332</u>	<u>\$ 607</u>	<u>\$ 540</u>
Income tax expense (benefit)	73	101	160	(21)
<b>Income from continuing operations</b>	<u>\$ 235</u>	<u>\$ 231</u>	<u>\$ 447</u>	<u>\$ 561</u>
Income from discontinued operations, net of income taxes	\$ 21	\$ 9	\$ 26	\$ 14
<b>Net income</b>	<u>\$ 256</u>	<u>\$ 240</u>	<u>\$ 473</u>	<u>\$ 575</u>
<b>Basic income per common share:</b>				
Income from continuing operations	\$ 0.53	\$ 0.51	\$ 1.01	\$ 1.24
Income from discontinued operations	0.05	0.02	0.06	0.03
<b>Net income</b>	<u>\$ 0.58</u>	<u>\$ 0.53</u>	<u>\$ 1.07</u>	<u>\$ 1.27</u>
<b>Basic weighted average shares used in computation</b>	440	448	440	449
<b>Diluted income per common share:</b>				
Income from continuing operations	\$ 0.53	\$ 0.51	\$ 1.00	\$ 1.23
Income from discontinued operations	0.05	0.02	0.06	0.03
<b>Net income</b>	<u>\$ 0.58</u>	<u>\$ 0.53</u>	<u>\$ 1.06</u>	<u>\$ 1.26</u>
<b>Diluted weighted average shares used in computation</b>	441	450	441	450

(1) For the three months periods ending September 30, 2014 and 2013, other expenses, net includes approximately \$12 million and \$2 million of charges relating to the FY2014 Board approved rebalancing initiative (the Fiscal 2014 Plan), respectively. For the six month periods ending September 30, 2014 and 2013, other expenses, net includes approximately \$21 million and \$119 million of charges relating to the FY2014 Board approved rebalancing initiative (the Fiscal 2014 Plan), respectively.

Prior year results have been adjusted to 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)

	September 30, 2014 (unaudited)	March 31, 2014
Cash and cash equivalents	\$ 3,193	\$ 3,252
Trade accounts receivable, net	511	800
Deferred income taxes	328	315
Other current assets	199	192
<b>Total current assets</b>	<b>\$ 4,231</b>	<b>\$ 4,559</b>
Property and equipment, net	\$ 278	\$ 295
Goodwill	5,811	5,922
Capitalized software and other intangible assets, net	869	1,063
Deferred income taxes	67	59
Other noncurrent assets, net	116	118
<b>Total assets</b>	<b>\$ 11,372</b>	<b>\$ 12,016</b>
Current portion of long-term debt	\$ 510	\$ 514
Deferred revenue (billed or collected)	1,957	2,419
Deferred income taxes	6	9
Other current liabilities	817	980
<b>Total current liabilities</b>	<b>\$ 3,290</b>	<b>\$ 3,922</b>
Long-term debt, net of current portion	\$ 1,253	\$ 1,252
Deferred income taxes	45	67
Deferred revenue (billed or collected)	779	872
Other noncurrent liabilities	262	333
<b>Total liabilities</b>	<b>\$ 5,629</b>	<b>\$ 6,446</b>
Common stock	\$ 59	\$ 59
Additional paid-in capital	3,588	3,610
Retained earnings	6,069	5,818
Accumulated other comprehensive loss	(255)	(171)
Treasury stock	(3,718)	(3,746)
<b>Total stockholders' equity</b>	<b>\$ 5,743</b>	<b>\$ 5,570</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 11,372</b>	<b>\$ 12,016</b>

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

	Three Months Ended September 30,	
	<u>2014</u>	<u>2013</u>
<b>Operating activities from continuing operations:</b>		
Net income	\$ 256	\$ 240
Income from discontinued operations	(21)	(9)
Income from continuing operations	<u>\$ 235</u>	<u>\$ 231</u>
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	109	106
Deferred income taxes	(29)	(11)
Provision for bad debts	2	3
Share-based compensation expense	22	20
Asset impairments and other non-cash items	(1)	2
Foreign currency transaction losses	3	3
Changes in other operating assets and liabilities, net of effect of acquisitions:		
Decrease (increase) in trade accounts receivable	12	(57)
Decrease in deferred revenue	(212)	(263)
(Decrease) increase in taxes payable, net	(59)	68
(Decrease) increase in accounts payable, accrued expenses and other	8	4
Increase (decrease) in accrued salaries, wages and commissions	18	(33)
Changes in other operating assets and liabilities	<u>(42)</u>	<u>-</u>
<b>Net cash provided by operating activities - continuing operations</b>	<u>\$ 66</u>	<u>\$ 73</u>
<b>Investing activities from continuing operations:</b>		
Acquisitions of businesses, net of cash acquired, and purchased software	\$ (1)	\$ (3)
Purchases of property and equipment	(13)	(22)
Capitalized software development costs	-	(10)
Purchases of short-term investments	-	(9)
<b>Net cash used in investing activities - continuing operations</b>	<u>\$ (14)</u>	<u>\$ (44)</u>
<b>Financing activities from continuing operations:</b>		
Dividends paid	\$ (111)	\$ (114)
Purchases of common stock	-	(151)
Notional pooling borrowings (repayments), net	45	(32)
Debt (repayments) borrowings, net	(3)	494
Debt issuance costs	-	(3)
Exercise of common stock options and other	<u>2</u>	<u>27</u>
<b>Net cash (used in) provided by financing activities - continuing operations</b>	<u>\$ (67)</u>	<u>\$ 221</u>
Effect of exchange rate changes on cash	<u>\$ (186)</u>	<u>\$ 65</u>
<b>Net change in cash and cash equivalents - continuing operations</b>	<u>\$ (201)</u>	<u>\$ 315</u>
Cash (used in) provided by operating activities - discontinued operations	\$ (31)	\$ 14
Cash provided by investing activities - discontinued operations	170	-
<b>Net effect of discontinued operations on cash and cash equivalents</b>	<u>\$ 139</u>	<u>\$ 14</u>
<b>(Decrease) increase in cash and cash equivalents</b>	<u>\$ (62)</u>	<u>\$ 329</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>\$ 3,255</u>	<u>\$ 2,461</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>\$ 3,193</u></u>	<u><u>\$ 2,790</u></u>

Prior year results have been adjusted to reflect the discontinued operations associated with the CA ERwin Data Modeling and CA arcserve data protection businesses.

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

	Three Months Ended September 30, 2014				Six Months Ended September 30, 2014			
	Mainframe Solutions <sup>(1)</sup>	Enterprise Solutions <sup>(1)</sup>	Services <sup>(1)</sup>	Total	Mainframe Solutions <sup>(1)</sup>	Enterprise Solutions <sup>(1)</sup>	Services <sup>(1)</sup>	Total
Revenue <sup>(2)</sup>	\$ 610	\$ 378	\$ 91	\$ 1,079	\$ 1,224	\$ 746	\$ 178	\$ 2,148
Expenses <sup>(3)</sup>	234	327	89	650	469	652	171	1,292
<b>Segment profit</b>	<u>\$ 376</u>	<u>\$ 51</u>	<u>\$ 2</u>	<u>\$ 429</u>	<u>\$ 755</u>	<u>\$ 94</u>	<u>\$ 7</u>	<u>\$ 856</u>
<b>Segment operating margin</b>	62%	13%	2%	40%	62%	13%	4%	40%
<b>Segment profit</b>				\$ 429				\$ 856
<b>Less:</b>								
Purchased software amortization				31				59
Other intangibles amortization				16				31
Software development costs capitalized				-				-
Internally developed software products amortization				44				83
Share-based compensation expense				22				42
Other expenses, net <sup>(4)</sup>				(4)				8
Interest expense, net				12				26
<b>Income from continuing operations before income taxes</b>				<u>\$ 308</u>				<u>\$ 607</u>

	Three Months Ended September 30, 2013				Six Months Ended September 30, 2013			
	Mainframe Solutions <sup>(1)</sup>	Enterprise Solutions <sup>(1)</sup>	Services <sup>(1)</sup>	Total	Mainframe Solutions <sup>(1)</sup>	Enterprise Solutions <sup>(1)</sup>	Services <sup>(1)</sup>	Total
Revenue <sup>(2)</sup>	\$ 624	\$ 384	\$ 97	\$ 1,105	\$ 1,243	\$ 762	\$ 195	\$ 2,200
Expenses <sup>(3)</sup>	232	337	88	657	475	688	178	1,341
<b>Segment profit</b>	<u>\$ 392</u>	<u>\$ 47</u>	<u>\$ 9</u>	<u>\$ 448</u>	<u>\$ 768</u>	<u>\$ 74</u>	<u>\$ 17</u>	<u>\$ 859</u>
<b>Segment operating margin</b>	63%	12%	9%	41%	62%	10%	9%	39%
<b>Segment profit</b>				\$ 448				\$ 859
<b>Less:</b>								
Purchased software amortization				31				59
Other intangibles amortization				15				29
Software development costs capitalized				(8)				(31)
Internally developed software products amortization				38				76
Share-based compensation expense				20				40
Other expenses, net <sup>(4)</sup>				7				122
Interest expense, net				13				24
<b>Income from continuing operations before income taxes</b>				<u>\$ 332</u>				<u>\$ 540</u>

- (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, net includes charges relating to the FY2014 Board approved rebalancing initiative (the Fiscal 2014 Plan), certain foreign exchange derivative hedging gains and losses, and other miscellaneous costs.

Prior year results have been adjusted to 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 September 30,				Six Months Ended September 30,			
	2014	2013	% Increase (Decrease) in \$ US	% Increase (Decrease) in Constant Currency <sup>(1)</sup>	2014	2013	% Increase (Decrease) in \$ US	% Increase (Decrease) in Constant Currency <sup>(1)</sup>
<b>Bookings</b>	\$ 749	\$ 844	(11)%	(11)%	\$ 1,473	\$ 1,640	(10)%	(10)%
<b>Revenue:</b>								
North America	\$ 693	\$ 715	(3)%	(3)%	\$ 1,375	\$ 1,416	(3)%	(3)%
International	386	390	(1)%	(3)%	773	784	(1)%	(3)%
Total revenue	\$ 1,079	\$ 1,105	(2)%	(3)%	\$ 2,148	\$ 2,200	(2)%	(3)%
<b>Revenue:</b>								
Subscription and maintenance	\$ 908	\$ 922	(2)%	(2)%	\$ 1,817	\$ 1,844	(1)%	(2)%
Professional services	91	97	(6)%	(8)%	178	195	(9)%	(9)%
Software fees and other	80	86	(7)%	(6)%	153	161	(5)%	(5)%
Total revenue	\$ 1,079	\$ 1,105	(2)%	(3)%	\$ 2,148	\$ 2,200	(2)%	(3)%
<b>Segment Revenue:</b>								
Mainframe solutions	\$ 610	\$ 624	(2)%	(3)%	\$ 1,224	\$ 1,243	(2)%	(2)%
Enterprise solutions	378	384	(2)%	(2)%	746	762	(2)%	(2)%
Services	91	97	(6)%	(8)%	178	195	(9)%	(9)%
<b>Total expenses before interest and income taxes:</b>								
Total non-GAAP <sup>(2)</sup>	\$ 650	\$ 657	(1)%	(2)%	\$ 1,292	\$ 1,341	(4)%	(4)%
Total GAAP	759	760	0%	2%	1,515	1,636	(7)%	(7)%

(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 US dollars are converted into US dollars at the exchange rate in effect on March 31, 2014, 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.

Prior year results have been adjusted to 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		Six Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
GAAP net income	\$ 256	\$ 240	\$ 473	\$ 575
GAAP income from discontinued operations, net of income taxes	(21)	(9)	(26)	(14)
GAAP income from continuing operations	\$ 235	\$ 231	\$ 447	\$ 561
GAAP income tax expense (benefit)	73	101	160	(21)
Interest expense, net	12	13	26	24
GAAP income from continuing operations before interest and income taxes	\$ 320	\$ 345	\$ 633	\$ 564
GAAP operating margin (% of revenue) <sup>(1)</sup>	30%	31%	29%	26%
Non-GAAP adjustments to expenses:				
Costs of licensing and maintenance <sup>(2)</sup>	\$ 1	\$ 1	\$ 2	\$ 2
Cost of professional services <sup>(2)</sup>	1	1	2	2
Amortization of capitalized software costs <sup>(3)</sup>	75	69	142	135
Selling and marketing <sup>(2)</sup>	8	7	15	14
General and administrative <sup>(2)</sup>	7	6	13	12
Product development and enhancements <sup>(4)</sup>	5	(3)	10	(21)
Depreciation and amortization of other intangible assets <sup>(5)</sup>	16	15	31	29
Other expenses, net <sup>(6)</sup>	(4)	7	8	122
Total Non-GAAP adjustment to operating expenses	\$ 109	\$ 103	\$ 223	\$ 295
Non-GAAP income from continuing operations before interest and income taxes	\$ 429	\$ 448	\$ 856	\$ 859
Non-GAAP operating margin (% of revenue) <sup>(7)</sup>	40%	41%	40%	39%
Interest expense, net	12	13	26	24
GAAP income tax expense (benefit)	73	101	160	(21)
Non-GAAP adjustment to income tax expense (benefit) <sup>(8)</sup>	52	(41)	89	136
Non-GAAP income tax expense	\$ 125	\$ 60	\$ 249	\$ 115
Non-GAAP income from continuing operations	\$ 292	\$ 375	\$ 581	\$ 720

(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 September 30, 2014 and 2013, non-GAAP adjustment consists of \$31 million and \$31 million of purchased software amortization and \$44 million and \$38 million of internally developed software products amortization, respectively. For the six month periods ending September 30, 2014 and 2013, non-GAAP adjustment consists of \$59 million and \$59 million of purchased software amortization and \$83 million and \$76 million of internally developed software products amortization, respectively.

(4) For the three and six month periods ending September 30, 2014, non-GAAP adjustment consists of \$5 million and \$10 million of share-based compensation, respectively. For the three and six month periods ending September 30, 2013, non-GAAP adjustment consists of \$5 million and \$10 million of share-based compensation and (\$8) million and (\$31) million of software development costs capitalized, respectively.

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

(6) 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.

(7) 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).

(8) 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.

Prior year results have been adjusted to 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>	<u>Three Months Ended</u> <u>September 30,</u>		<u>Six Months Ended</u> <u>September 30,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Total expenses before interest and income taxes	\$ 759	\$ 760	\$ 1,515	\$ 1,636
Non-GAAP operating adjustments:				
Purchased software amortization	31	31	59	59
Other intangibles amortization	16	15	31	29
Software development costs capitalized	-	(8)	-	(31)
Internally developed software products amortization	44	38	83	76
Share-based compensation	22	20	42	40
Other expenses, net <sup>(1)</sup>	(4)	7	8	122
Total non-GAAP operating adjustment	<u>\$ 109</u>	<u>\$ 103</u>	<u>\$ 223</u>	<u>\$ 295</u>
Total non-GAAP operating expenses	<u>\$ 650</u>	<u>\$ 657</u>	<u>\$ 1,292</u>	<u>\$ 1,341</u>

<u>Diluted EPS from Continuing Operations</u>	<u>Three Months Ended</u> <u>September 30,</u>		<u>Six Months Ended</u> <u>September 30,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
GAAP diluted EPS from continuing operations	\$ 0.53	\$ 0.51	\$ 1.00	\$ 1.23
Non-GAAP adjustments, net of taxes:				
Purchased software amortization	0.05	0.05	0.10	0.14
Other intangibles amortization	0.02	0.02	0.05	0.07
Software development costs capitalized	-	(0.01)	-	(0.07)
Internally developed software products amortization	0.08	0.06	0.14	0.17
Share-based compensation	0.04	0.03	0.07	0.09
Other expenses, net <sup>(1)</sup>	(0.01)	0.01	0.01	0.28
Non-GAAP effective tax rate adjustments <sup>(2)</sup>	(0.06)	0.16	(0.07)	(0.33)
Total non-GAAP adjustment	<u>\$ 0.12</u>	<u>\$ 0.32</u>	<u>\$ 0.30</u>	<u>\$ 0.35</u>
Non-GAAP diluted EPS from continuing operations	<u>\$ 0.65</u>	<u>\$ 0.83</u>	<u>\$ 1.30</u>	<u>\$ 1.58</u>

(1) 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.

(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.

Prior year results have been adjusted to 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>September 30, 2014</u>		<u>Six Months Ended</u> <u>September 30, 2014</u>	
	<u>GAAP</u>	<u>Non-GAAP</u>	<u>GAAP</u>	<u>Non-GAAP</u>
Income from continuing operations before interest and income taxes <sup>(1)</sup>	\$ 320	\$ 429	\$ 633	\$ 856
Interest expense, net	12	12	26	26
Income from continuing operations before income taxes	<u>\$ 308</u>	<u>\$ 417</u>	<u>\$ 607</u>	<u>\$ 830</u>
Statutory tax rate	35%	35%	35%	35%
Tax at statutory rate	\$ 108	\$ 146	\$ 212	\$ 291
Adjustments for discrete and permanent items <sup>(2)</sup>	(35)	(21)	(52)	(42)
Total tax expense	<u>\$ 73</u>	<u>\$ 125</u>	<u>\$ 160</u>	<u>\$ 249</u>
Effective tax rate <sup>(3)</sup>	23.7%	30.0%	26.4%	30.0%

	<u>Three Months Ended</u> <u>September 30, 2013</u>		<u>Six Months Ended</u> <u>September 30, 2013</u>	
	<u>GAAP</u>	<u>Non-GAAP</u>	<u>GAAP</u>	<u>Non-GAAP</u>
Income from continuing operations before interest and income taxes <sup>(1)</sup>	\$ 345	\$ 448	\$ 564	\$ 859
Interest expense, net	13	13	24	24
Income from continuing operations before income taxes	<u>\$ 332</u>	<u>\$ 435</u>	<u>\$ 540</u>	<u>\$ 835</u>
Statutory tax rate	35%	35%	35%	35%
Tax at statutory rate	\$ 116	\$ 152	\$ 189	\$ 292
Adjustments for discrete and permanent items <sup>(2)</sup>	(15)	(92)	(210)	(177)
Total tax (benefit) expense	<u>\$ 101</u>	<u>\$ 60</u>	<u>\$ (21)</u>	<u>\$ 115</u>
Effective tax rate <sup>(3)</sup>	30.4%	13.8%	(3.9)%	13.8%

(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.

Prior year results have been adjusted to reflect the discontinued operations associated with the CA ERwin Data Modeling and CA arcsolve 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 March 31, 2015</u>	
Projected GAAP diluted EPS from continuing operations range	\$ 1.73	to \$ 1.80
Non-GAAP adjustments, net of taxes:		
Purchased software amortization	0.17	0.17
Other intangibles amortization	0.09	0.09
Internally developed software products amortization	0.24	0.24
Share-based compensation	0.14	0.14
Other expenses, net <sup>(1)</sup>	0.03	0.03
Total non-GAAP adjustment	<u>\$ 0.67</u>	<u>\$ 0.67</u>
Projected non-GAAP diluted EPS from continuing operations range	<u>\$ 2.40</u>	to <u>\$ 2.47</u>

<u>Projected Operating Margin</u>	<u>Fiscal Year Ending March 31, 2015</u>
Projected GAAP operating margin	27%
Non-GAAP operating adjustments:	
Purchased software amortization	3%
Other intangibles amortization	1%
Internally developed software products amortization	4%
Share-based compensation	2%
Other expenses, net <sup>(1)</sup>	0%
Total non-GAAP operating adjustment	<u>10%</u>
Projected non-GAAP operating margin	<u>37%</u>

(1) Non-GAAP adjustment consists of charges relating to the FY2014 Board approved rebalancing initiative (the Fiscal 2014 Plan).

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