

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

	Three Months Ended		Nine Months Ended	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Revenue:</b>				
Subscription and maintenance	\$ 843	\$ 817	\$ 2,486	\$ 2,467
Professional services	80	72	230	224
Software fees and other	170	118	436	333
<b>Total revenue</b>	<u>\$ 1,093</u>	<u>\$ 1,007</u>	<u>\$ 3,152</u>	<u>\$ 3,024</u>
<b>Expenses:</b>				
Costs of licensing and maintenance	\$ 79	\$ 68	\$ 223	\$ 202
Cost of professional services	76	74	223	222
Amortization of capitalized software costs	68	57	205	182
Selling and marketing	288	270	778	747
General and administrative	95	85	299	257
Product development and enhancements	157	144	476	428
Depreciation and amortization of other intangible assets	26	18	79	56
Other (gains) expenses, net	(3)	(17)	17	10
<b>Total expenses before interest and income taxes</b>	<u>\$ 786</u>	<u>\$ 699</u>	<u>\$ 2,300</u>	<u>\$ 2,104</u>
<b>Income before interest and income taxes</b>	<u>\$ 307</u>	<u>\$ 308</u>	<u>\$ 852</u>	<u>\$ 920</u>
Interest expense, net	25	16	74	45
<b>Income before income taxes</b>	<u>\$ 282</u>	<u>\$ 292</u>	<u>\$ 778</u>	<u>\$ 875</u>
Income tax expense	375	84	509	257
<b>Net (loss) income</b>	<u>\$ (93)</u>	<u>\$ 208</u>	<u>\$ 269</u>	<u>\$ 618</u>
<b>Basic (loss) income per common share</b>	\$ (0.23)	\$ 0.50	\$ 0.64	\$ 1.48
<b>Basic weighted average shares used in computation</b>	413	413	414	414
<b>Diluted (loss) income per common share</b>	\$ (0.23)	\$ 0.50	\$ 0.64	\$ 1.47
<b>Diluted weighted average shares used in computation</b>	413	414	415	415

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

	December 31, 2017 (unaudited)	March 31, 2017
Cash and cash equivalents	\$ 2,971	\$ 2,771
Trade accounts receivable, net	719	764
Other current assets	136	198
<b>Total current assets</b>	<b>\$ 3,826</b>	<b>\$ 3,733</b>
Property and equipment, net	\$ 230	\$ 237
Goodwill	6,799	6,857
Capitalized software and other intangible assets, net	1,176	1,307
Deferred income taxes	346	327
Other noncurrent assets, net	156	149
<b>Total assets</b>	<b>\$ 12,533</b>	<b>\$ 12,610</b>
Current portion of long-term debt	\$ 269	\$ 18
Deferred revenue (billed or collected)	2,095	2,222
Other current liabilities	726	766
<b>Total current liabilities</b>	<b>\$ 3,090</b>	<b>\$ 3,006</b>
Long-term debt, net of current portion	\$ 2,518	\$ 2,773
Deferred income taxes	118	119
Deferred revenue (billed or collected)	655	794
Other noncurrent liabilities	429	229
<b>Total liabilities</b>	<b>\$ 6,810</b>	<b>\$ 6,921</b>
Common stock	\$ 59	\$ 59
Additional paid-in capital	3,715	3,702
Retained earnings	6,871	6,923
Accumulated other comprehensive loss	(342)	(483)
Treasury stock	(4,580)	(4,512)
<b>Total stockholders' equity</b>	<b>\$ 5,723</b>	<b>\$ 5,689</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 12,533</b>	<b>\$ 12,610</b>

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

	Three Months Ended	
	December 31,	
	<u>2017</u>	<u>2016</u>
<b>Operating activities:</b>		
Net (loss) income	\$ (93)	\$ 208
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	94	75
Deferred income taxes	64	(9)
Provision for bad debts	(1)	1
Share-based compensation expense	28	26
Other non-cash items	1	1
Foreign currency transaction gains	(6)	(4)
Changes in other operating assets and liabilities, net of effect of acquisitions:		
Increase in trade accounts receivable	(259)	(119)
Increase in deferred revenue	126	230
Increase in taxes payable, net	278	61
Increase (decrease) in accounts payable, accrued expenses and other	9	(6)
Increase in accrued salaries, wages and commissions	37	35
Changes in other operating assets and liabilities, net	37	18
<b>Net cash provided by operating activities</b>	<u>\$ 315</u>	<u>\$ 517</u>
<b>Investing activities:</b>		
Acquisitions of businesses, net of cash acquired, and purchased software	\$ -	\$ (47)
Purchases of property and equipment	(12)	(14)
Other investing activities	(1)	(1)
<b>Net cash used in investing activities</b>	<u>\$ (13)</u>	<u>\$ (62)</u>
<b>Financing activities:</b>		
Dividends paid	\$ (106)	\$ (107)
Purchases of common stock	(53)	-
Notional pooling borrowings, net	-	15
Debt repayments	(5)	(1)
<b>Net cash used in financing activities</b>	<u>\$ (164)</u>	<u>\$ (93)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	\$ 12	\$ (119)
<b>Increase in cash, cash equivalents and restricted cash</b>	<u>\$ 150</u>	<u>\$ 243</u>
<b>Cash, cash equivalents and restricted cash at beginning of period</b>	<u>\$ 2,824</u>	<u>\$ 2,586</u>
<b>Cash, cash equivalents and restricted cash at end of period</b>	<u>\$ 2,974</u>	<u>\$ 2,829</u>

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

	Three Months Ended December 31, 2017				Nine Months Ended December 31, 2017			
	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>	\$ 552	\$ 461	\$ 80	\$ 1,093	\$ 1,627	\$ 1,295	\$ 230	\$ 3,152
Expenses <sup>(3)</sup>	197	408	78	683	572	1,169	226	1,967
<b>Segment profit</b>	<u>\$ 355</u>	<u>\$ 53</u>	<u>\$ 2</u>	<u>\$ 410</u>	<u>\$ 1,055</u>	<u>\$ 126</u>	<u>\$ 4</u>	<u>\$ 1,185</u>
<b>Segment operating margin</b>	64%	11%	3%	38%	65%	10%	2%	38%
<b>Segment profit</b>				\$ 410				\$ 1,185
<b>Less:</b>								
Purchased software amortization				60				176
Other intangibles amortization				11				31
Internally developed software products amortization				8				29
Share-based compensation expense				28				89
Other (gains) expenses, net <sup>(4)</sup>				(4)				8
Interest expense, net				25				74
<b>Income before income taxes</b>				<u>\$ 282</u>				<u>\$ 778</u>

	Three Months Ended December 31, 2016				Nine Months Ended December 31, 2016			
	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>	\$ 546	\$ 389	\$ 72	\$ 1,007	\$ 1,647	\$ 1,153	\$ 224	\$ 3,024
Expenses <sup>(3)</sup>	215	333	75	623	634	981	223	1,838
<b>Segment profit</b>	<u>\$ 331</u>	<u>\$ 56</u>	<u>\$ (3)</u>	<u>\$ 384</u>	<u>\$ 1,013</u>	<u>\$ 172</u>	<u>\$ 1</u>	<u>\$ 1,186</u>
<b>Segment operating margin</b>	61%	14%	-4%	38%	62%	15%	0%	39%
<b>Segment profit</b>				\$ 384				\$ 1,186
<b>Less:</b>								
Purchased software amortization				39				120
Other intangibles amortization				4				13
Internally developed software products amortization				18				62
Share-based compensation expense				26				80
Other gains, net <sup>(4)</sup>				(11)				(9)
Interest expense, net				16				45
<b>Income before income taxes</b>				<u>\$ 292</u>				<u>\$ 875</u>

- (1) The Company's Mainframe Solutions and Enterprise Solutions segments are comprised of its software business organized by the nature of the Company's software offerings and the platforms on which the products operate. The Services segment is comprised of product implementation, consulting, customer education and customer training services, 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 assigned to the Mainframe Solutions and Enterprise Solutions segments is 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 products); (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 consists of costs associated with certain foreign exchange derivative hedging gains and losses, and other miscellaneous costs.

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

	Three Months Ended December 31,				Nine Months Ended December 31,			
	2017	2016	% Increase (Decrease) in \$ US	% Increase (Decrease) in Constant Currency <sup>(1)</sup>	2017	2016	% Increase (Decrease) in \$ US	% Increase (Decrease) in Constant Currency <sup>(1)</sup>
<b>Bookings</b>	\$ 1,128	\$ 1,258	(10)%	(12)%	\$ 2,551	\$ 3,340	(24)%	(24)%
<b>Revenue:</b>								
North America	\$ 717	\$ 674	6%	6%	\$ 2,099	\$ 2,033	3%	3%
International	376	333	13%	8%	1,053	991	6%	5%
Total revenue	\$ 1,093	\$ 1,007	9%	7%	\$ 3,152	\$ 3,024	4%	4%
<b>Revenue:</b>								
Subscription and maintenance	\$ 843	\$ 817	3%	1%	\$ 2,486	\$ 2,467	1%	0%
Professional services	80	72	11%	9%	230	224	3%	2%
Software fees and other	170	118	44%	43%	436	333	31%	30%
Total revenue	\$ 1,093	\$ 1,007	9%	7%	\$ 3,152	\$ 3,024	4%	4%
<b>Segment Revenue:</b>								
Mainframe solutions	\$ 552	\$ 546	1%	0%	\$ 1,627	\$ 1,647	(1)%	(2)%
Enterprise solutions	461	389	19%	16%	1,295	1,153	12%	12%
Services	80	72	11%	9%	230	224	3%	2%
<b>Total expenses before interest and income taxes:</b>								
Total GAAP	\$ 786	\$ 699	12%	9%	\$ 2,300	\$ 2,104	9%	7%
Total non-GAAP <sup>(2)</sup>	683	623	10%	7%	1,967	1,838	7%	6%

(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, 2017, 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.

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 December 31,		Nine Months Ended December 31,	
	2017	2016	2017	2016
GAAP net (loss) income	\$ (93)	\$ 208	\$ 269	\$ 618
GAAP income tax expense	375	84	509	257
Interest expense, net	25	16	74	45
GAAP income before interest and income taxes	<u>\$ 307</u>	<u>\$ 308</u>	<u>\$ 852</u>	<u>\$ 920</u>
GAAP operating margin (% of revenue) <sup>(1)</sup>	28%	31%	27%	30%
Non-GAAP adjustments to expenses:				
Costs of licensing and maintenance <sup>(2)</sup>	\$ 1	\$ 2	\$ 5	\$ 5
Cost of professional services <sup>(2)</sup>	1	1	2	3
Amortization of capitalized software costs <sup>(3)</sup>	68	57	205	182
Selling and marketing <sup>(2)</sup>	9	9	29	28
General and administrative <sup>(2)</sup>	10	8	33	27
Product development and enhancements <sup>(2)</sup>	7	6	20	17
Depreciation and amortization of other intangible assets <sup>(4)</sup>	11	4	31	13
Other expenses, net <sup>(5)</sup>	(4)	(11)	8	(9)
Total Non-GAAP adjustment to operating expenses	<u>\$ 103</u>	<u>\$ 76</u>	<u>\$ 333</u>	<u>\$ 266</u>
Non-GAAP income before interest and income taxes	\$ 410	\$ 384	\$ 1,185	\$ 1,186
Non-GAAP operating margin (% of revenue) <sup>(6)</sup>	38%	38%	38%	39%
Interest expense, net	25	16	74	45
GAAP income tax expense	375	84	509	257
Non-GAAP adjustment to income tax expense <sup>(7)</sup>	14	21	87	69
Non-GAAP adjustment US Tax Reform <sup>(8)</sup>	(318)	-	(318)	-
Non-GAAP income tax expense	<u>\$ 71</u>	<u>\$ 105</u>	<u>\$ 278</u>	<u>\$ 326</u>
Non-GAAP net income	<u>\$ 314</u>	<u>\$ 263</u>	<u>\$ 833</u>	<u>\$ 815</u>

(1) GAAP operating margin is calculated by dividing GAAP income 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 December 31, 2017 and 2016, non-GAAP adjustment consists of \$60 million and \$39 million of purchased software amortization and \$8 million and \$18 million of internally developed software products amortization, respectively. For the nine month periods ending December 31, 2017 and 2016, non-GAAP adjustment consists of \$176 million and \$120 million of purchased software amortization and \$29 million and \$62 million of internally developed software products amortization, respectively.

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

(5) Non-GAAP adjustment consists 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 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 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.

(8) The Company's tax expense from enactment of the US Tax Reform in the third quarter of fiscal 2018 was recorded as a discrete item in the third quarter of fiscal 2018 only for purposes of the GAAP income tax expense, and was excluded from the non-GAAP income tax expense.

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

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 December 31,		Nine Months Ended December 31,	
	2017	2016	2017	2016
Total expenses before interest and income taxes	\$ 786	\$ 699	\$ 2,300	\$ 2,104
Non-GAAP operating adjustments:				
Purchased software amortization	60	39	176	120
Other intangibles amortization	11	4	31	13
Internally developed software products amortization	8	18	29	62
Share-based compensation	28	26	89	80
Other (gains) expenses, net <sup>(1)</sup>	(4)	(11)	8	(9)
Total non-GAAP operating adjustment	<u>\$ 103</u>	<u>\$ 76</u>	<u>\$ 333</u>	<u>\$ 266</u>
Total non-GAAP operating expenses	<u>\$ 683</u>	<u>\$ 623</u>	<u>\$ 1,967</u>	<u>\$ 1,838</u>
<u>Diluted EPS</u>	Three Months Ended December 31,		Nine Months Ended December 31,	
	2017	2016	2017	2016
GAAP diluted EPS	\$ (0.23)	\$ 0.50	\$ 0.64	\$ 1.47
Non-GAAP adjustments:				
Purchased software amortization	0.14	0.09	0.42	0.29
Other intangibles amortization	0.02	0.01	0.07	0.03
Internally developed software products amortization	0.02	0.04	0.07	0.15
Share-based compensation	0.07	0.06	0.21	0.19
Other expenses, net <sup>(1)</sup>	(0.01)	(0.02)	0.02	(0.02)
Tax effect of non-GAAP adjustments	(0.05)	(0.05)	(0.20)	(0.19)
Non-GAAP effective tax rate adjustments <sup>(2)</sup>	0.79	-	0.75	0.02
Total non-GAAP adjustment	<u>\$ 0.98</u>	<u>\$ 0.13</u>	<u>\$ 1.34</u>	<u>\$ 0.47</u>
Non-GAAP diluted EPS	<u>\$ 0.75</u>	<u>\$ 0.63</u>	<u>\$ 1.98</u>	<u>\$ 1.94</u>

(1) Other expenses, net consists of costs associated with certain foreign exchange derivative hedging gains and losses, and other miscellaneous costs.

(2) The effective tax rate on GAAP and non-GAAP income from operations is the Company's provision for income taxes expressed as a percentage of pre-tax GAAP and non-GAAP income from operations, respectively. These tax rates are determined based on an estimated effective full year tax rate, with the effective tax rate for GAAP including the impact of discrete items in the period in which such items arise and the effective tax rate for non-GAAP allocating the impact of discrete items pro rata to the fiscal year's remaining reporting periods. The non-GAAP effective tax rate is typically equal to the full year GAAP effective tax rate, therefore no adjustment is required on an annual basis. However, to minimize certain distortions that otherwise would have resulted from applying this methodology to the significant non-recurring impact on the Company's tax expense from enactment of the US Tax Reform in the third quarter of fiscal 2018, such impact was recorded as a discrete item in the third quarter of fiscal 2018 only for purposes of the GAAP effective tax rate, but excluded from the non-GAAP effective tax rate, which is anticipated to also yield different full-year effective tax rates for the Company's GAAP and non-GAAP results in fiscal 2018.

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

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>December 31, 2017</u>		<u>Nine Months Ended</u> <u>December 31, 2017</u>	
	<u>GAAP</u>	<u>Non-GAAP</u>	<u>GAAP</u>	<u>Non-GAAP</u>
Income before interest and income taxes <sup>(1)</sup>	\$ 307	\$ 410	\$ 852	\$ 1,185
Interest expense, net	25	25	74	74
Income before income taxes	<u>\$ 282</u>	<u>\$ 385</u>	<u>\$ 778</u>	<u>\$ 1,111</u>
Statutory tax rate	31.55%	31.55%	31.55%	31.55%
Tax at statutory rate	\$ 89	\$ 121	\$ 245	\$ 351
Adjustments for discrete and permanent items <sup>(2)</sup>	286	268	264	245
US Tax Reform Adjustment <sup>(2)</sup>	-	(318)	-	(318)
Total tax expense	<u>\$ 375</u>	<u>\$ 71</u>	<u>\$ 509</u>	<u>\$ 278</u>
Effective tax rate <sup>(2)</sup>	132.98%	18.44%	65.42%	25.02%

  

	<u>Three Months Ended</u> <u>December 31, 2016</u>		<u>Nine Months Ended</u> <u>December 31, 2016</u>	
	<u>GAAP</u>	<u>Non-GAAP</u>	<u>GAAP</u>	<u>Non-GAAP</u>
Income before interest and income taxes <sup>(1)</sup>	\$ 308	\$ 384	\$ 920	\$ 1,186
Interest expense, net	16	16	45	45
Income before income taxes	<u>\$ 292</u>	<u>\$ 368</u>	<u>\$ 875</u>	<u>\$ 1,141</u>
Statutory tax rate	35.00%	35.00%	35.00%	35.00%
Tax at statutory rate	\$ 102	\$ 129	\$ 306	\$ 399
Adjustments for discrete and permanent items <sup>(2)</sup>	(18)	(24)	(49)	(73)
Total tax expense	<u>\$ 84</u>	<u>\$ 105</u>	<u>\$ 257</u>	<u>\$ 326</u>
Effective tax rate <sup>(2)</sup>	28.77%	28.53%	29.37%	28.57%

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

(2) The effective tax rate on GAAP and non-GAAP income from operations is the Company's provision for income taxes expressed as a percentage of pre-tax GAAP and non-GAAP income from operations, respectively. These tax rates are determined based on an estimated effective full year tax rate, with the effective tax rate for GAAP including the impact of discrete items in the period in which such items arise and the effective tax rate for non-GAAP allocating the impact of discrete items pro rata to the fiscal year's remaining reporting periods. The non-GAAP effective tax rate is typically equal to the full year GAAP effective tax rate, therefore no adjustment is required on an annual basis. However, to minimize certain distortions that otherwise would have resulted from applying this methodology to the significant non-recurring impact on the Company's tax expense from enactment of the US Tax Reform in the third quarter of fiscal 2018, such impact was recorded as a discrete item in the third quarter of fiscal 2018 only for purposes of the GAAP effective tax rate, but excluded from the non-GAAP effective tax rate, which is anticipated to also yield different full-year effective tax rates for the Company's GAAP and non-GAAP results in fiscal 2018.

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

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</u>	<u>Fiscal Year Ending</u> <u>March 31, 2018</u>		
Projected GAAP diluted EPS range	\$ 1.00	to	\$ 1.10
Non-GAAP adjustments:			
Purchased software amortization	0.55		0.55
Other intangibles amortization	0.10		0.10
Internally developed software products amortization	0.09		0.09
Share-based compensation	0.27		0.27
Tax effect of non-GAAP adjustments	(0.25)		(0.25)
Non-GAAP effective tax rate adjustments <sup>(1)</sup>	0.78		0.74
Total non-GAAP adjustment	<u>\$ 1.54</u>		<u>\$ 1.50</u>
Projected non-GAAP diluted EPS range	<u>\$ 2.54</u>	to	<u>\$ 2.60</u>

<u>Projected Operating Margin</u>	<u>Fiscal Year Ending</u> <u>March 31, 2018</u>		
Projected GAAP operating margin range	26%	to	27%
Non-GAAP operating adjustments:			
Purchased software amortization	5%		5%
Other intangibles amortization	1%		1%
Internally developed software products amortization	1%		1%
Share-based compensation	3%		3%
Total non-GAAP operating adjustment	<u>10%</u>		<u>10%</u>
Projected non-GAAP operating margin	<u>36%</u>	to	<u>37%</u>

<u>Projected Effective Tax Rate</u>	<u>Fiscal Year Ending</u> <u>March 31, 2018</u>		
Projected GAAP effective tax rate <sup>(1)</sup>	58%	to	55%
US Tax Reform Adjustment <sup>(1)</sup>	<u>(33)%</u>		<u>(30)%</u>
Projected non-GAAP effective tax rate <sup>(1)</sup>	<u>25%</u>		<u>25%</u>

(1) The effective tax rate on GAAP and non-GAAP income from operations is the Company's provision for income taxes expressed as a percentage of pre-tax GAAP and non-GAAP income from operations, respectively. These tax rates are determined based on an estimated effective full year tax rate, with the effective tax rate for GAAP including the impact of discrete items in the period in which such items arise and the effective tax rate for non-GAAP allocating the impact of discrete items pro rata to the fiscal year's remaining reporting periods. The non-GAAP effective tax rate is typically equal to the full year GAAP effective tax rate, therefore no adjustment is required on an annual basis. However, to minimize certain distortions that otherwise would have resulted from applying this methodology to the significant non-recurring impact on the Company's tax expense from enactment of the US Tax Reform in the third quarter of fiscal 2018, such impact was recorded as a discrete item in the third quarter of fiscal 2018 only for purposes of the GAAP effective tax rate, but excluded from the non-GAAP effective tax rate, which is anticipated to also yield different full-year effective tax rates for the Company's GAAP and non-GAAP results in fiscal 2018.

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

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