

CA, INC.
Form 10-K/A
May 17, 2011

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

**FORM 10-K/A
(Amendment No. 1)**

(Mark One)

**Annual Report Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended March 31, 2011**

OR

**Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Commission file number 1-9247**

CA, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation or
Organization)

13-2857434

(I.R.S. Employer Identification Number)

**One CA Plaza,
Islandia, New York**

(Address of Principal Executive Offices)

11749

(Zip Code)

1-800-225-5224

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

(Title of each class)

(Name of each exchange on which registered)

**Common stock, par value \$0.10 per share
Stock Purchase Rights Preferred Stock, Class A**

**The NASDAQ Stock Market LLC
The NASDAQ Stock Market LLC**

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the common stock held by non-affiliates of the registrant as of September 30, 2010 (the last business day of the registrant's most recently completed second fiscal quarter) was approximately \$8 billion based on the closing price of \$21.12 on the NASDAQ Stock Market LLC on that date.

The number of shares of each of the registrant's classes of common stock outstanding at May 6, 2011 was 506,108,276 shares of common stock, par value \$0.10 per share.

Documents Incorporated by Reference:

Part III: Portions of the Proxy Statement to be issued in conjunction with the registrant's 2011 Annual Meeting of Stockholders.

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Explanatory Note

CA, Inc. (CA Technologies) is filing this Amendment No. 1 to Form 10-K for the fiscal year ended March 31, 2011, which was filed with the Securities and Exchange Commission on May 16, 2011 (the Form 10-K). The signature pages that appear on pages 52 and 53 of the Form 10-K did not include the conformed signatures of the signatories to the Form 10-K. At the time of the filing of the Form 10-K with the Securities and Exchange Commission, CA Technologies was in possession of manually-signed signatures, but the signatures in typed form were inadvertently omitted from the electronic version. The sole purpose of this amendment is to include the signatures in typed form. Except for the amendment described above, the updated consent of KPMG LLP filed as Exhibit 23 and the updated certifications of our Chief Executive Officer and Chief Financial Officer, this Form 10-K/A does not modify or update other disclosures in, or exhibits to, the Form 10-K.

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This Annual Report on Form 10-K (Form 10-K) contains certain forward-looking information relating to CA, Inc. (the Company, Registrant, CA Technologies, CA, we, our, or us), that is based on the beliefs of, and assumptions of, our management as well as information currently available to management. When used in this Form 10-K, the words anticipate, believe, estimate, expect, and similar expressions are intended to identify forward-looking information. Such information includes, for example, the statements made under the caption Management's Discussion and Analysis of Financial Condition and Results of Operations under Item 7, but also appears in other parts of this Form 10-K. This forward-looking information reflects our current views with respect to future events and is subject to certain risks, uncertainties, and assumptions, some of which are described under the caption Risk Factors in Part I Item 1A and elsewhere in this Form 10-K. Should one or more of these risks or uncertainties occur, or should our assumptions prove incorrect, actual results may vary materially from those described in this Form 10-K as anticipated, believed, estimated, or expected. We do not intend to update these forward-looking statements.

The product and services names mentioned in this Form 10-K are used for identification purposes only and may be protected by trademarks, trade names, service marks and/or other intellectual property rights of the Company and/or other parties in the United States and/or other jurisdictions. The absence of a specific attribution in connection with any such mark does not constitute a waiver of any such right. ITIL[®] is a registered trademark of the Office of Government Commerce in the United Kingdom and other countries. All other trademarks, trade names, service marks and logos referenced herein, belong to their respective companies.

References in this Form 10-K to fiscal 2011, fiscal 2010 and fiscal 2009, etc. are to our fiscal years ended on March 31, 2011, 2010 and 2009, etc., respectively.

Part I

Item 1. Business.

(a) General development of business

Overview

CA Technologies is the leading independent enterprise information technology (IT) management software and solutions company with expertise across IT environments from mainframe and physical to virtual and cloud. We develop and deliver software and services that help organizations manage, secure and automate their IT infrastructures and deliver more flexible IT services. This allows companies to more effectively and efficiently respond to business needs.

We address components of the computing environment, including people, information, processes, systems, networks, applications and databases, regardless of the hardware or software customers are using. We have a broad portfolio of software solutions that address customer needs, including mainframe; service assurance; security (identity and access management); project and portfolio management; service management; virtualization and service automation; and cloud computing. We deliver our products on-premises or, for certain products, using Software-as-a-Service (SaaS).

Fiscal 2011 business developments and highlights

The following are significant developments and highlights relating to our business since the beginning of fiscal 2011:

In December 2010, we acquired Torokina Pty Ltd (Torokina), an Australia-based provider of telecommunications management solutions to 2G, 3G and next-generation networks, Voice-Over-Internet Protocol service providers and network operators worldwide. This acquisition enables us to expand the support of our service assurance portfolio for the advanced network devices and equipment used by communications service providers for their rapidly growing mobile voice and data environments.

In December 2010, we announced the availability of CA Mainframe Chorus, an important innovation in our Mainframe 2.0 strategy. It offers management capabilities that are designed to appeal to the next-generation of mainframe professionals, while also offering significant productivity improvements to today's mainframe experts.

In October 2010, we acquired Hyperformix, Inc. (Hyperformix), a provider of capacity management software for dynamic physical, virtual and cloud IT infrastructures.

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In October 2010, we announced the next-generation CA Automation Suite to help customers migrate to a virtualized, dynamic cloud computing infrastructure. CA Automation Suite is designed to offer a comprehensive business service-centric approach to the deployment and scaling of IT infrastructure and services.

In October 2010, we acquired Arcot Systems, Inc. (Arcot), a provider of authentication and fraud prevention solutions through on-premises software or cloud services. This acquisition enhances our identity and access management offerings.

In October 2010, we released CA 3Tera[®] AppLogic[®], our new turnkey cloud computing platform designed to help organizations reduce risks associated with cloud deployments and enter new markets more rapidly. These actions complement our August 2010 acquisition of 4Base Technology, a virtualization and cloud infrastructure consulting firm.

In July 2010, we announced five new products in our CA Virtual Suite, which enables customers to provision, control, assure, secure and optimize virtual environments. We also announced enhancements to CA Identity Manager to allow customers to automate provisioning to cloud applications, including Google Apps and Salesforce.com's enterprise cloud computing platform.

In June 2010, we sold our non-strategic Information Governance business, which consisted primarily of the CA Records Manager and CA Message Manager software offerings, to Autonomy Corporation plc.

In May 2010, we held CA World, our user conference, with more than 7,000 attendees. During the conference, we announced the change of our brand name to CA Technologies. We also introduced the CA Cloud-Connected Management Suite to help customers manage and secure IT in the cloud.

In May 2010, we announced a new stock repurchase program that authorizes us to purchase up to \$500 million of our common stock. During fiscal 2011, we repurchased 10.5 million shares of our common stock at a total cost of \$218 million.

In April 2010, we attained the International Organization for Standardization (ISO)/IEC 20000-1:2005 and ISO/IEC 27001:2005 certifications for our Global IT Operations demonstrating leadership in IT service management and information security.

We made the following changes to our executive management team and Board of Directors:

In April 2011, Rohit Kapoor was elected to our Board of Directors. Mr. Kapoor is Chief Executive Officer of ExlService Holdings, Inc.

In June 2010, we announced the appointment of David C. Dobson as Executive Vice President and Group Executive, Customer Solutions Group. During fiscal 2011, Mr. Dobson, along with George J. Fischer as Executive Vice President and Group Executive, Worldwide Sales and Operations, focused on driving collaboration and accountability across the Company while providing us the opportunity to deliver improved customer service and product innovation.

In June 2010, we announced the appointment of Phillip J. Harrington, Jr. to the position of Executive Vice President, Risk, and Chief Administrative Officer.

In May 2010, our Board of Directors elected Arthur F. Weinbach as non-executive chairman of the Board. In this capacity, Mr. Weinbach succeeded William E. McCracken, who became our Chief Executive Officer in January 2010.

(b) Financial information about segments

Our global business consists of a single operating segment – the design, development, marketing, licensing and support of IT management software products that operate on a wide range of hardware platforms and operating systems. Refer to Note 18 – Segment and Geographic Information, in the Notes to the Consolidated Financial Statements for financial data pertaining to our segment and geographic operations. We are in the process of reorganizing our internal management reporting and will change our segment reporting in the first quarter of fiscal 2012.

(c) Narrative description of the business

As the leading independent enterprise IT management software and solutions company, we develop and deliver software and services that help organizations manage, secure and automate their IT infrastructures, adopt new technologies and deliver more flexible IT services. Our products are designed to work in a wide range of IT environments – from mainframe and physical to virtual and cloud. This allows our customers to more effectively and efficiently respond to business needs and compete in the marketplace.

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The ever-increasing role of IT in today's businesses is placing new demands on IT, moving our industry at a faster pace than in the past. As a result, the IT landscape continues to evolve rapidly with technologies like virtualization and cloud computing, and the introduction of SaaS.

Many companies are using these emerging technologies to extend their legacy physical environments to virtual and cloud environments, with the goals of increasing speed, flexibility and agility, and controlling costs. Companies use technology like virtualization, which lets users run multiple virtual machines on each physical machine, to improve the efficiency and availability of their IT resources and applications. This reduces operating costs tied to physical infrastructure. Virtualization is essential to the evolution of cloud computing, the on-demand access to a shared pool of computing resources that can be configured and used as needed. At the same time, the consumption of IT assets is evolving through the adoption of SaaS, where customers can obtain software on a subscription, "pay-as-you-go" model. This move to "just-in-time" sourcing for IT enables customers to obtain IT services and solutions when, where and how they need them.

As more companies begin to adopt virtualization and cloud computing, data centers are becoming more complex, with mainframe, physical servers, virtualized servers, and private, public and hybrid (a combination of public and private) cloud environments. As a result of this heightened complexity, we believe it is essential for companies to manage and secure all of their various computing environments.

To address these demands, we have built a broad portfolio of mainframe and distributed software products with a focus on:

Mainframe, where we are the leading independent software vendor. We continue to innovate on this platform that runs many of our largest customers' most important applications. Our mainframe strategy is to help customers and partners simplify mainframe management, gain more value from existing technology and extend mainframe capabilities. In December 2010, we introduced CA Mainframe Chorus and CA Mainframe Chorus for DB2 Database Management to further help customers control costs and increase mainframe productivity and agility. CA Mainframe Chorus is an innovation in our Mainframe 2.0 strategy, which offers management capabilities designed to appeal to the next generation of mainframe staff while also offering productivity improvements to today's mainframe experts.

Service Assurance, where we are a leader in application performance management and infrastructure management. We enable customers to simplify IT management by linking applications, real users, transactions and services with the underlying IT infrastructure. This provides a comprehensive, unified understanding of the real-time performance, risk and quality of business services and end-users' experience across physical, virtual and cloud environments. As a result of our fiscal 2010 acquisition of NetQoS, Inc. (NetQoS) we now have one of the most complete service assurance technologies in the industry. Service Assurance products include CA Application Performance Management, CA Introscope® and CA Infrastructure Management.

Security (Identity and Access Management), where we make IT more secure across physical, virtual and cloud environments. Our solution, Content Aware Identity and Access Management, helps manage identities, control access and manage how information is used to minimize risk, boost compliance and enable organizations to safely and confidently adopt next-generation technologies. Our fiscal 2011 acquisition of Arcot added products to our portfolio that we believe will accelerate our cloud security strategy and the delivery of identity and access management solutions. Our security solutions include CA SiteMinder®, CA Access Control, CA Identity Manager, CA Arcot RiskFort™ and CA Arcot WebFort®.

Project and Portfolio Management (PPM), where our CA Clarity™ PPM product is designed to help customers improve IT investment decision-making, enhance productivity and execute projects at a higher value and lower

cost. Our PPM products also include CA Idea Vision™, CA Product Vision™ and CA Agile Vision™.

Service Management, where we offer service desk management and IT asset management. We enable our customers to implement repeatable, measurable processes for defining, transitioning, delivering and supporting services and assets throughout their lifecycles. This allows our customers to improve service quality, user satisfaction and staff efficiency while maximizing the business value of their resources. Our solutions include CA Service Desk Manager, CA IT Asset Manager and CA Service Catalog.

Virtualization and Service Automation, where we enable customers to manage multiple virtual and underlying physical platforms to increase efficiency and reliability at a reduced cost. We manage virtualization centrally through real-time visibility and control, helping to improve quality and efficiency and reduce risk. In July 2010 we introduced five products in the CA Technologies virtual portfolio, and in September 2010 we added capacity management software for dynamic

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physical, virtual and cloud IT infrastructures with our acquisition of Hyperformix. Our solutions include CA Automation Suite for Data Centers, CA Client Automation and CA Workload Automation.

Cloud Computing, where we provide large enterprises with solutions to design, automate, secure and assure services to transform data centers into private clouds and leverage public cloud services. Cloud computing also creates opportunities to expand our reach to new markets. Our offerings such as those from our Arcot acquisition and our fiscal 2010 Nimsoft AS (Nimsoft) acquisition, as well as 3Tera AppLogic, enable new revenue streams and business models for managed service providers. These offerings also provide emerging enterprises, which we view as companies with annual revenue between \$300 million and \$2 billion, with subscription-based cloud services that help IT professionals of all skill levels quickly adopt best practices. Our solutions cover turnkey cloud platforms, automated capacity management, cloud vendor management services and cloud service quality assurance.

We offer our software products and solutions directly to our customers through our sales force and indirectly through global systems integrators, technology partners, managed service providers, solution providers, distributors and volume partners, and exclusive representatives. We deliver all of our products on-premises or, for certain products, using SaaS.

We license our products worldwide. We service companies across most major industries around the world, including banks, insurance companies, other financial services providers, government agencies, manufacturers, technology companies, retailers, educational organizations and health care institutions. The majority of the Global Fortune 500 uses our software to manage evolving IT environments.

Some of our business results are seasonal, including software license transactions and cash flows from operations. These business results typically increase during each consecutive quarter of our fiscal year, with the fourth quarter typically having the highest results.

Business strategy

Our industry is experiencing high levels of change as innovations in virtualization, cloud computing and SaaS offer new, high-value solutions to our customers' business and IT needs. Our strategy is to help our customers manage, secure and automate IT and to make us their strategic partner as they deploy new technologies and maximize their investments in current systems and applications. Our strategy is intended to build on our core strengths in IT management and to position us to drive sales in next-generation markets, including virtualization, cloud and SaaS. We have continued our ongoing efforts to shift our product portfolio to higher growth areas and modified our routes to market to match customer preferences. We are focused on making additional progress in these areas. We are executing our strategy through a combination of internal development and targeted acquisitions that are intended to add key technologies to our portfolio and extend our reach into new markets and segments. We believe the continuing evolution of IT opens the door for us to cross-sell and up-sell solutions to existing customers and attract new customers, all of which should help us drive new sales of products. This strategy is providing opportunities to develop new addressable markets and revenue streams for us.

We serve a core set of large enterprise customers who have highly complex and heterogeneous computing environments. Many of our customers run critical applications on a mainframe, have sizeable physical systems and are adopting virtualization and cloud computing technologies. We believe they need to leverage their existing IT investments while taking advantage of new technologies and the on-demand delivery made possible by SaaS. We are focused on strengthening our relationships with these core customers through improved account management and reinvigorating our end-to-end customer experience. Simultaneously, we have refreshed our product and services portfolio, introducing or acquiring more than 40 new products within the last 12 months. This enables us to offer new products and support the value of our maintenance renewal stream, while at the same time adding new enterprise customers to CA Technologies.

In addition to investing in technologies to serve our core enterprise market, we also are extending our reach to emerging enterprises and emerging geographies (which we also refer to as our growth geographies), such as Asia, Eastern Europe and Latin America. These markets are generally experiencing rapid economic growth and accelerating demand for IT products and services. For us, emerging markets also includes Japan, where we are expanding our presence. In addition, new technologies are key to business development in Brazil, China, India, Mexico and southeast Asia. During fiscal 2011, we enhanced our ability to address these markets with the introduction of new SaaS, virtualization, cloud and security solutions.

Customers rely on various types of service providers to help them select, deploy and use IT services and products. We are increasing the number of our relationships and expanding existing relationships with these providers, particularly global outsourcers, regional managed service providers and communication network operators. At the same time, we are improving

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the capabilities of our products and services to meet the unique needs of service providers. For example, our acquisition of Torokina enhances our ability to meet the performance management needs for both internal IT and network operations within the communications service provider market. The acquisition of Arcot added technology for fraud prevention and authentication to address the needs of both enterprise users and financial service providers. We also introduced new versions of our CA Service Desk Manager product targeting the largest providers of help desk services.

We believe that emerging enterprises are early adopters of cloud services and seek the increased flexibility, convenience and reduced costs that cloud computing can offer. To realize the benefits of cloud computing, these emerging enterprises need effective solutions for management and security. We believe that there are more than 14,000 emerging enterprises worldwide, which significantly expands our addressable market. We are delivering a suite of capabilities designed to meet the specific needs of this market. For example, following our acquisition of Nimsoft in fiscal 2010, we introduced Nimsoft Unified Monitoring for enterprises and service providers to centrally monitor their entire IT infrastructures, from the data center to the cloud. Nimsoft is offered as both an on-premises solution and SaaS, and offers the simple, quick-to-deploy functionality this market segment requires. We also have introduced CA Clarity PPM On Demand and CA Service Desk Manager On Demand to expand our SaaS offerings. Managed service providers who predominantly serve emerging enterprises are adopting our new suite, which creates an important new route to market for us. These product introductions represent our initial steps to capitalize on this market, and we are continuing to expand our capabilities to address the needs of emerging enterprises.

Customers

We have a large and broad base of customers, including the majority of the Global Fortune 500. Most of our revenue is generated from enterprise customers who have the ability to make substantial commitments to software and hardware implementations. While we continue to focus on solutions to offer to these customers, our strategy is also aimed at expanding our reach in emerging markets. This includes expanding in new geographies and segments such as managed service providers and emerging enterprises. Our software products are used in a broad range of industries, businesses and applications. We currently serve customers across most major industries worldwide, including banks, insurance companies, other financial services providers, government agencies, manufacturers, technology companies, retailers, educational organizations and health care institutions.

When customers enter into software license agreements with us, they often pay for the right to use our software for a specified period of time. When the terms of these agreements expire, customers may either renew the license agreements or pay usage and maintenance fees, if applicable, for the right to continue to use our software, receive support, and/or receive future upgrades. Our customers' satisfaction is important to us and we believe that our enhanced product portfolio allows us to maintain our customer base, cross-sell new software products and services to them, and attract new customers.

No single customer accounted for 10% or more of total revenue for fiscal 2011, 2010 and 2009. Approximately 9% of our total revenue backlog at March 31, 2011 is associated with multi-year contracts signed with the U.S. federal government and other U.S. state and local government agencies which are generally subject to any or all of the following: annual fiscal funding approval, renegotiation or termination at the discretion of the government.

Partners

Strategic partners are an important component of how we do business. We go to market with partners to increase sales in new market segments, complement our technology and services, provide more comprehensive offerings, and help build brand awareness. We continue to build strategic alliances to increase our share of currently served markets and penetrate additional markets. We are expanding our alliance partnerships globally, enhancing our network of regional lead solution providers who can extend our cloud technologies beyond our current customer base, and growing our next-generation offerings for service providers.

We work with several types of partners:

Global Systems Integrators (GSIs) offer our products and solutions in their business practices and leverage their process design, planning and vertical expertise to ensure that holistic solutions and services are enabled to benefit our customers.

Technology Partners enable strong product integration and technical collaboration of our products with their products to deliver comprehensive solutions for our customers IT environments. In addition to ensuring that our software remains compatible with complementary hardware and software, these partners help us adapt and respond to the emergence of

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new technologies and trends, such as virtualization and cloud computing, which is intended to ensure that our release of new IT solutions is coupled with management tools that support those installations.

Managed Service Providers use our software products and solutions to deliver IT services to organizations that prefer to outsource their IT operations or enable specific services provided by these partners. Products such as Spectrum and eHealth, as well as other products we have acquired through NetQoS, Nimsoft and 3Tera, are being selected as core elements of service provider platforms.

Solution Providers combine our software products with specialized consulting and professional services to provide enhanced, user-specific solutions to a particular market or sector. Their expertise in best practices, project management, implementation, training and other services adds value to our offerings as they target the needs of specialized customers.

Distributors and Volume Partners enable us to broaden our reach to the small and medium business market segment, as well as cover market segments with our catalog of SaaS services and hosting capabilities. These partners provide efficient and personalized local delivery, service and support to our customers.

Exclusive Representatives represent our interests in an emerging geography on an exclusive basis. These partners have been chosen for their deep understanding of the applicable territory and have an established business within the region.

Sales and marketing

We offer our solutions through our direct sales force and indirectly through our strategic partners. Our sales and marketing process includes carefully managing the customer lifecycle by continually improving the customer experience from purchase to deployment and beyond.

We are focused on reaching a broader range of customers and deepening existing relationships, which opens the door for us to cross-sell and up-sell additional solutions. Our maintenance renewal process provides opportunities for us to maintain our working relationship with customers as they continue to use and upgrade their environments with our technology. It also gives us the opportunity to offer our customers new solutions that address their needs. We rely on market analysis and customer insight to help us identify new market opportunities and provide fact-based insight on industry and customer trends, and we rely on our marketing organization to build awareness and demand for our products worldwide to help drive sales.

Our sales organization operates globally. We operate through branches, subsidiaries and partners around the world. Approximately 43% of our revenue in fiscal 2011 was from operations outside of the United States. At March 31, 2011, and March 31, 2010, we had approximately 3,500 and 3,400 sales and sales support personnel, respectively. In certain non-U.S. geographic locations, including in the Asia Pacific and Japan region, our primary routes to market are distributors and volume partners. In other non-U.S. geographic locations, principally in southern Eastern Europe, the Middle East and Africa, we utilize a franchise model with exclusive representatives as our primary route to market.

Customer lifecycle management

Our goal is to stay proactive and attuned to our customers' needs. We have a coordinated process to guide customers and partners through installing, employing and leveraging IT management software. In fiscal 2011, we announced Go Live with CA Technologies to further enhance the customer and partner experience and value after the sale. This program integrates professional, educational and support services to enable our customers and partners to rapidly and successfully deploy their IT management software. Go Live with CA Technologies manages a customer's post-sale lifecycle through four key phases. We provide personalized support (1) during the pre-implementation phase of the project, (2) at the outset of implementation, (3) during the critical first 90 days of implementation, and (4) over the

longer term, by presenting value programs to customers to show them how to maximize the business value of our technology. These activities are proactive and allow us the opportunity to stay in touch with our customers and drive customer value at each phase of service.

Research and development

We invest in product development and enhancements to bring innovative solutions to market and ensure that our products are compatible with hardware and operating system changes and our customers' evolving needs. We focus our development efforts for new and updated products by investing in areas we believe are important to our customers: mainframe; service assurance; security (identity and access management); project and portfolio management; service management; virtualization and service automation and cloud computing.

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Our 5,600 engineers are primarily in Beijing, China; Prague, the Czech Republic; Hyderabad, India; Herzliya, Israel; and the United States. In the United States, product development is primarily performed at our facilities in Redwood City and San Francisco, California; Lisle, Illinois; Framingham, Massachusetts; Ewing, New Jersey; Islandia, New York; Pittsburgh, Pennsylvania; Plano and Austin, Texas; and Herndon, Virginia. Our engineers work collaboratively in both physical and virtual labs, increasingly using an agile development methodology. Among other things, agile development is intended to enable the incorporation of new customer insights throughout the development process, which in turn strengthens our ability to bring to market leading-edge innovations that deliver real business value to our customers.

Our research and development activities also include a number of efforts to support our technical community in its pursuit of leading solutions for customers. We continue to use CA Technologies Labs on Demand to strengthen our relationships with research communities by working with academia, professional associations, industry standards bodies, customers and partners to explore novel products and emerging technologies. Our CA Council for Technical Excellence leads innovative projects designed to promote communication, collaboration and synergy throughout our global technical community. The CA Architecture Board helps us ensure a strong central architecture that supports our growth strategy and our Distinguished Engineer Board encourages and recognizes excellence in engineering.

To keep us on top of major technological advances and to ensure our products continue to work well with those of other vendors, we are active in most major industry standards organizations and take the lead on many issues. Our professionals are certified across key standards, including ITIL[®], PMI and CISPP, and possess knowledge and expertise in key vertical markets, such as financial services, government, telecommunications, insurance, health care, manufacturing and retail. Further, we were the first major software company to earn the ISO's 9001:2000 Global Certification. In addition, our Global IT Operations have attained ISO/IEC 20000-1:2005 and ISO/IEC 27001:2005 certifications. These certifications demonstrate our leadership in IT service management and information security.

We have charged to operations \$471 million, \$468 million and \$479 million in fiscal 2011, 2010 and 2009, respectively, for product development and enhancements. In fiscal 2011, 2010 and 2009, we capitalized costs of \$170 million, \$188 million and \$129 million, respectively, for internally developed software.

Intellectual property

Certain aspects of our products and technology are proprietary. We rely on U.S. and foreign intellectual property laws, including patent, copyright, trademark and trade secret laws to protect our proprietary rights. However, the extent and duration of protection given to different types of intellectual property rights vary under different countries' legal systems. In some countries, full-scale intellectual property protection for our products and technology may be unavailable, or the laws of other jurisdictions may not protect our proprietary technology rights to the same extent as the laws of the United States. We also maintain contractual restrictions in our agreements with customers, employees and others to protect our intellectual property rights. In addition, we occasionally license software and technology from third parties, including some competitors, and incorporate them into our own software products.

Our patent portfolio includes more than 500 issued patents and 700 pending applications in the United States and the European Union. The patents generally expire at various times over the next 20 years. Although the durations and geographic coverage for our patents may vary, we believe our patent portfolio adequately protects our interests.

The source code for our products is protected both as trade secrets and as copyrighted works. Some of our customers are beneficiaries of a source code escrow arrangement that enables them to obtain a contingent, limited right to access our source code.

Although we have a number of patents and pending applications that may be of value to various aspects of our products and technology, we are not aware of any single patent that is essential to us or to any of our principal

business product areas.

Product licensing

Our licensing model offers customers a wide range of purchasing and payment options. Under our flexible licensing terms, customers can license our software products under multi-year licenses or on a month-to-month basis, with most customers choosing terms of one-to-three years, although longer terms are sometimes negotiated by customers in order to obtain greater cost certainty. We also help customers reduce uncertainty by providing a standard pricing schedule based on simple usage tiers. With respect to licenses sold for our mainframe products, we offer our customers the right to receive unspecified future software products for no additional fee, and we include maintenance during the term of the license. With respect to

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licenses sold for most of our distributed products, we do not offer our customers unspecified future software products and do not always include maintenance with the license sale. For a description of our revenue recognition policies, refer to Note 1, Significant Accounting Policies, in the Notes to the Consolidated Financial Statements.

Competition

Our industry is highly competitive. We believe that the enterprise IT management software and solutions business is marked by rapid technological change, the steady emergence of new companies and products, evolving industry standards and changing customer needs. We compete with many established companies in the markets we serve. Some of these companies have substantially greater financial, marketing and technological resources; broader distribution capabilities; earlier access to customers; and a greater opportunity to address customers' various information technology requirements than we do. These factors may, at times, provide some of our competitors with an advantage in penetrating markets with their products. Our primary competitors include BMC Software, Compuware Corporation, Hewlett-Packard Company, International Business Machines, Oracle Corporation, and VMware, Inc.

We also compete with many smaller, less established companies that may be able to focus more effectively on specific product areas or markets. Because of the breadth of our product portfolio, we have competitors who may only compete with us in one product area and other competitors who compete across most or all of our product portfolios.

We believe our competitive differentiators include: our independence (since our products are not linked to a proprietary hardware, software or operating system platform); industry vision; expertise; product quality, functionality, performance, integration and manageability, and breadth of product offerings; customer support; frequency of upgrades and updates; pricing, brand name recognition; and reputation.

Employees

The table below sets forth the approximate number of employees by location and functional area at March 31, 2011:

LOCATION	EMPLOYEES AT MARCH 31, 2011	FUNCTIONAL AREA	EMPLOYEES AT MARCH 31, 2011
Corporate headquarters	1,600	Professional services	1,200
		Support services	1,600
Other U.S. offices	5,400	Selling and marketing	4,000
		General and administrative	2,200
International offices	6,400	Product development	4,400
Total	13,400	Total	13,400

At March 31, 2011, and 2010, we had approximately 13,400 and 13,800 employees, respectively.

(d) Financial information about geographic areas

Refer to Note 18, Segment and Geographic Information in the Notes to the Consolidated Financial Statements for financial data pertaining to our segment and geographic operations.

(e) Corporate information

The Company was incorporated in Delaware in 1974, began operations in 1976 and completed an initial public offering of common stock in December 1981. Prior to April 28, 2008, our common stock was traded on the New York Stock Exchange under the symbol CA. On April 28, 2008, we commenced trading on The NASDAQ Global Select Market tier of The NASDAQ Stock Market LLC under the same symbol.

Our corporate website address is www.ca.com. All filings we make with the Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K, and any amendments thereto filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, are available for free in the investor relations section of our website (www.ca.com/investor) as soon as reasonably practicable after they are filed with or furnished to the SEC. Our SEC filings are available to be read or copied at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information about the operation of the Public Reference Room can be obtained by calling the SEC at 1-800-SEC-0330. Our filings can also be obtained for free on the SEC's website at www.sec.gov. The reference to our website address does not constitute inclusion or incorporation by reference of the

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information contained on our website in this Form 10-K or other filings with the SEC, and the information contained on our website is not part of this document.

The investor relations section of our website (www.ca.com/investor) also contains information about our initiatives in corporate governance, including: our corporate governance principles; information about our Board of Directors (including specific procedures for communicating with them); information concerning our Board Committees, including the charters of the Audit Committee, the Compensation and Human Resources Committee, the Corporate Governance Committee, and the Compliance and Risk Committee; and our Code of Conduct: Information and Resource Guide (applicable to all of our employees, including our Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer, and our directors). These documents can also be obtained in print by writing to our Corporate Secretary, CA, Inc., One CA Plaza, Islandia, NY 11749.

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Item 1A. Risk factors.

Current and potential stockholders should consider carefully the risk factors described below. Any of these factors, many of which are beyond our control, could materially adversely affect our business, financial condition, operating results, cash flow and stock price.

Failure to achieve success in our growth strategy could materially adversely affect our business, financial condition, operating results and cash flow.

Our current business strategy emphasizes accelerating our growth. As more fully described in Part I, Item 1.

Business, this strategy is designed to build on our portfolio of software and services to meet next-generation market opportunities. The success of this growth strategy could be affected by many of the risk factors discussed in this Form 10-K and also by our ability to:

Increase sales in new and emerging enterprises and markets where we currently may not have a strong presence and where we may have a dependence on unfamiliar distribution partners and routes;

Enable our sales force to sell new products, including instances where our offerings are of a type not previously provided by us;

Improve the CA Technologies brand in the marketplace, including as it relates to our ability to sell new products and penetrate new or emerging markets; and

Ensure our set of cloud computing, SaaS and other new offerings address the needs of a rapidly changing market, while not adversely affecting the demand for our traditional products or our profitability.

Failure to achieve success with this strategy while maintaining our core business could materially adversely affect our business, financial condition, operating results and cash flow.

Given the global nature of our business, economic factors or political events beyond our control and other business risks associated with non-U.S. operations can affect our business in unpredictable ways.

International revenue has historically represented a significant percentage of our total worldwide revenue. Success in selling and developing our products outside the United States will depend on a variety of factors in various non-U.S. locations, including:

Foreign exchange currency rates;

Local economic conditions;

Political stability and acts of terrorism;

Workforce reorganizations in various locations, including global reorganizations of sales, research and development, technical services, finance, human resources and facilities functions;

Effectively staffing key managerial and technical positions;

Successfully localizing software products for a significant number of international markets;

More restrictive employment regulation;

Trade restrictions such as tariffs, duties, taxes or other controls;

International intellectual property laws, which may be more restrictive or may offer lower levels of protection than U.S. law;

Complying with differing and changing local laws and regulations in multiple international locations as well as complying with U.S. laws and regulations where applicable in these international locations; and

Developing and executing an effective go-to-market strategy in various locations.

Any of the foregoing factors could materially adversely affect our business, financial condition, operating results and cash flow.

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General economic conditions and credit constraints, or unfavorable economic conditions in a particular region, business or industry sector, may lead our customers to delay or forgo technology investments and could have other impacts, any of which could materially adversely affect our business, financial condition, operating results and cash flow.

Our products are designed to improve the productivity and efficiency of our customers' information processing resources. However, a general slowdown in the global economy, or in a particular region, or business or industry sector (such as the financial services sector), or tightening of credit markets, could cause customers to: have difficulty accessing credit sources; delay contractual payments; or delay or forgo decisions to (i) license new products (particularly with respect to discretionary spending for software), (ii) upgrade their existing environments or (iii) purchase services. Any such impacts could materially adversely affect our business, financial condition, operating results and cash flow.

Such a general slowdown in the global economy may also materially affect the global banking system, including individual institutions as well as a particular business or industry sector, which could cause further consolidations or failures in such a sector. Approximately one third of our revenue is derived from arrangements with financial institutions (*i.e.*, banking, brokerage and insurance companies). The majority of these arrangements are for the renewal of mainframe capacity and maintenance associated with transactions processed by our financial institution customers. While we cannot predict what impact there may be on our business from further consolidation of the financial industry sector, or the impact from the economy in general on our business, to date the impact has not been material to our balance sheet, results of operations or cash flows. The vast majority of our subscription and maintenance revenue in any particular reporting period comes from contracts signed in prior periods, generally pursuant to contracts ranging in duration from three to five years.

Any of these events could affect the manner in which we are able to conduct business, including within a particular industry sector or market and could materially adversely affect our business, financial condition, operating results and cash flow.

Failure to expand our partner programs related to the sale of CA solutions may result in lost sales opportunities, increases in expenses and a weakening in our competitive position.

We sell CA solutions through global systems integrators, technology partners, managed service providers, solution providers, distributors of volume partners and exclusive representatives in partner programs that require training and expertise to sell these solutions, and global penetration to grow these aspects of our business. The failure to expand these partner programs and penetrate these markets could materially adversely affect our success with partners, resulting in lost sales opportunities and an increase in expenses, as well as weaken our competitive position.

If we do not adequately manage and evolve our financial reporting and managerial systems and processes, including the successful implementation of our enterprise resource planning software, our ability to manage and grow our business may be harmed.

Our ability to successfully implement our business plan and comply with regulations requires effective planning and management systems and processes. We need to continue to improve and implement existing and new operational and financial systems, procedures and controls to manage our business effectively in the future. As a result, we have licensed enterprise resource planning software, consolidated certain finance functions into regional locations, and are in the process of expanding and upgrading our operational and financial systems. Any delay in the implementation of, or disruption in the transition to, our new or enhanced systems, procedures or internal controls, could adversely affect our ability to accurately forecast sales demand, manage our supply chain, achieve accuracy in the conversion of electronic data and records, and report financial and management information, including the filing of our quarterly or annual reports with the SEC, on a timely and accurate basis. Failure to properly or adequately address these issues could result in the diversion of management's attention and resources, adversely affect our ability to manage our business and materially adversely affect our business, financial condition, results of operations and cash flow. Refer to

Item 9A, Controls and Procedures, for additional information.

We may encounter difficulties in successfully integrating companies and products that we have acquired or may acquire into our existing business, and any failed integration could materially adversely affect our infrastructure, market presence, business, financial condition, operating results and cash flow.

In the past we have acquired, and in the future we expect to acquire, complementary companies, products, services and technologies (including through mergers, asset acquisitions, joint ventures, partnerships, strategic alliances, and equity

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investments). Additionally, we expect to acquire technology and software that are consistent with our growth strategy. The risks we may encounter include:

We may find that the acquired company or assets do not further improve our financial and strategic position as planned;

We may have difficulty integrating the operations, facilities, personnel and commission plans of the acquired business;

We may have difficulty forecasting or reporting results subsequent to acquisitions;

We may have difficulty retaining the skills needed to further market, sell or provide services on the acquired products in a manner that will be accepted by the market;

We may have difficulty incorporating the acquired technologies or products into our existing product lines;

We may have product liability, customer liability or intellectual property liability associated with the sale of the acquired company's products;

Our ongoing business may be disrupted by transition or integration issues and our management's attention may be diverted from other business initiatives;

We may be unable to obtain timely approvals from governmental authorities under applicable competition and antitrust laws;

We may have difficulty maintaining uniform standards, controls, procedures and policies;

Our relationships with current and new employees, customers and distributors could be impaired;

An acquisition may result in increased litigation risk, including litigation from terminated employees or third parties; and

Our due diligence process may fail to identify significant issues with the acquired company's product quality, financial disclosures, accounting practices, internal control deficiencies, including material weaknesses, product architecture, legal and tax contingencies and other matters.

These factors could materially adversely affect our business, results of operations, financial condition and cash flow, particularly in the case of a large acquisition or number of acquisitions. To the extent we issue shares of stock or other rights to purchase stock, including options, to pay for acquisitions or to retain employees, existing stockholders' interests may be diluted and income per share may decrease.

We are subject to intense competition in product and service offerings and pricing, and we expect to face increased competition in the future, which could either diminish demand for or inhibit growth of our products and, therefore, reduce our sales, revenue and market presence.

The markets for our products are intensely competitive, and we expect product and service offerings and pricing competition to increase. Some of our competitors have longer operating histories, greater name recognition, a larger installed base of customers in any particular market niche, larger technical staffs, established relationships with hardware vendors, or greater financial, technical and marketing resources. Furthermore, our growth strategy is predicated upon our ability to develop and acquire products and services that address customer needs and are accepted

by the market better than those of our competitors.

We also face competition from numerous smaller companies that specialize in specific aspects of the highly fragmented software industry, and from shareware authors that may develop competing products. In addition, new companies enter the market on a frequent and regular basis, offering products that compete with those offered by us. Moreover, certain customers historically have developed their own products that compete with those offered by us. The competition may affect our ability to attract and retain the technical skills needed to provide services to our customers, forcing us to become more reliant on delivery of services through third parties. This, in turn, could increase operating costs and decrease our revenue, profitability and cash flow. Additionally, competition from any of these sources could result in price reductions or displacement of our products, which could materially adversely affect our business, financial condition, operating results and cash flow.

Our competitors include large vendors of hardware and operating system software and service providers. The widespread inclusion of products that perform the same or similar functions as our products bundled within computer hardware or other companies' software products, or services similar to those provided by us, could reduce the perceived need for our products

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and services, or render our products obsolete and unmarketable. Furthermore, even if these incorporated products are inferior or more limited than our products, customers may elect to accept the incorporated products rather than purchase our products. In addition, the software industry is currently undergoing consolidation as software companies seek to offer more extensive suites and broader arrays of software products and services, as well as integrated software and hardware solutions. This consolidation may adversely affect our competitive position, which could materially adversely affect our business, financial condition, operating results and cash flow. Refer to Part I, Item 1, Business (c) Narrative Description of the Business Competition, for additional information.

Our business may suffer if we are not able to retain and attract adequate qualified personnel, including key managerial, technical, marketing and sales personnel.

We operate in a business where there is intense competition for experienced personnel in all of our global markets. We depend on our ability to identify, recruit, hire, train, develop and retain qualified and effective personnel and to attract and retain talent needed to execute our growth strategy. Our ability to do so depends on numerous factors, including factors that we cannot control, such as competition and conditions in the local employment markets in which we operate. Our future success depends in large part on the continued contribution of our senior management and other key employees. A loss of a significant number of skilled managerial or other personnel could have a negative effect on the quality of our products. A loss of a significant number of experienced and effective sales personnel could result in fewer sales of our products. Our failure to retain qualified employees in these categories could materially adversely affect our business, financial condition, operating results and cash flow.

Failure to adapt to technological changes and introduce new software products and services in a timely manner could materially adversely affect our business.

If we fail to keep pace with, or in certain cases lead, technological change in our industry, that failure could materially adversely affect our business. We operate in a highly competitive industry characterized by rapid technological change, evolving industry standards, and changes in customer requirements and delivery methods. During the past several years, many new technological advancements and competing products entered the marketplace. The distributed systems and application management markets in which we operate are far more crowded and competitive than our traditional mainframe systems management markets.

Our ability to compete effectively and our growth prospects for all of our products, including those associated with our growth strategy, depend upon many factors, including the success of our existing distributed systems products, the timely introduction and success of future software products and related delivery methods, and the ability of our products to perform well with existing and future leading databases and other platforms supported by our products that address customer needs and are accepted by the market. We have experienced long development cycles and product delays in the past, particularly with some of our distributed systems products, and may experience delays in the future. In addition, we have incurred, and expect to continue to incur, significant research and development costs, as we introduce new products. If there are delays in new product introductions or there is less-than-anticipated market acceptance of these new products, we will have invested substantial resources without realizing adequate revenues in return, which could materially adversely affect our business, financial condition, operating results and cash flow.

If our products do not remain compatible with ever-changing operating environments we could lose customers and the demand for our products and services could decrease, which could materially adversely affect our business, financial condition, operating results and cash flow.

The largest suppliers of systems and computing software are, in most cases, the manufacturers of the computer hardware systems used by most of our customers. Historically, these companies have from time to time modified or introduced new operating systems, systems software and computer hardware. In the future, such new products from these companies could incorporate features that perform functions currently performed by our products, or could require substantial modification of our products to maintain compatibility with these companies' hardware or software. Although we have to date been able to adapt our products and our business to changes introduced by hardware

manufacturers and system software developers, there can be no assurance that we will be able to do so in the future. Failure to adapt our products in a timely manner to such changes or customer decisions to forgo the use of our products in favor of those with comparable functionality contained either in their hardware or operating system could materially adversely affect our business, financial condition, operating results and cash flow.

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Certain software that we use in our products is licensed from third parties and thus may not be available to us in the future, which has the potential to delay product development and production and, therefore, could materially adversely affect our business, financial condition, operating results and cash flow.

Some of our solutions contain software licensed from third parties. Some of these licenses may not be available to us in the future on terms that are acceptable to us or allow our products to remain competitive. The loss of these licenses or the inability to maintain any of them on commercially acceptable terms could delay development of future products or the enhancement of existing products. We may also choose to pay a premium price for such a license in certain circumstances where continuity of the licensed product would outweigh the premium cost of the license. The unavailability of these licenses or the necessity of agreeing to commercially unreasonable terms for such licenses could materially adversely affect our business, financial condition, operating results and cash flow.

Certain software we use is from open source code sources, which, under certain circumstances, may lead to unintended consequences and, therefore, could materially adversely affect our business, financial condition, operating results and cash flow.

Some of our products contain software from open source code sources. The use of such open source code may subject us to certain conditions, including the obligation to offer our products that use open source code for no cost. We monitor our use of such open source code to avoid subjecting our products to conditions we do not intend. However, the use of such open source code may ultimately subject some of our products to unintended conditions, which could require us to take remedial action that may divert resources away from our development efforts and therefore could materially adversely affect our business, financial condition, operating results and cash flow.

Discovery of errors in our software could materially adversely affect our revenue and earnings and subject us to costly and time consuming product liability claims.

The software products we offer are inherently complex. Despite testing and quality control, we cannot be certain that errors will not be found in current versions, new versions or enhancements of our products after commencement of commercial shipments. If new or existing customers have difficulty deploying our products or require significant amounts of customer support, our operating margins could be adversely affected. Moreover, we could face possible claims and higher development costs if our software contains errors that we have not detected or if our software otherwise fails to meet our customers' expectations. Significant technical challenges also arise with our products because our customers license and deploy our products across a variety of computer platforms and integrate them with a number of third-party software applications and databases. These combinations increase our risk further because, in the event of a system-wide failure, it may be difficult to determine which product is at fault. As a result, we may be harmed by the failure of another supplier's products. As a result of the foregoing, we could experience:

Loss of or delay in revenue and loss of market share;

Loss of customers, including the inability to obtain repeat business with existing key customers;

Damage to our reputation;

Failure to achieve market acceptance;

Diversion of development resources;

Increased service and warranty costs;

Legal actions by customers against us that could, whether or not successful, be costly, distracting and time-consuming;

Increased insurance costs; and

Failure to successfully complete service engagements for product installations and implementations.

Consequently, the discovery of errors in our products after delivery could materially adversely affect our business, financial condition, operating results and cash flow.

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We have a significant amount of debt. Changes in market conditions or our ratings could increase our interest costs and adversely affect the cost of refinancing our debt and our ability to refinance our debt, which could materially adversely affect our business, financial condition, operating results and cash flow.

At March 31, 2011, we had \$1,551 million of debt outstanding, consisting mostly of unsecured fixed-rate senior note obligations and credit facility borrowings. Refer to Note 9, Debt, in the Notes to the Consolidated Financial Statements for the payment schedule of our long-term debt obligations. Our senior unsecured notes are rated by Moody's Investors Service, Fitch Ratings, and Standard and Poor's. These agencies or any other credit rating agency could downgrade or take other negative action with respect to our credit ratings in the future. If our credit ratings were downgraded or other negative action is taken, we could be required to, among other things, pay additional interest on outstanding borrowings under our principal revolving credit agreement. Any downgrades could affect our ability to obtain additional financing in the future and may affect the terms of any such financing.

We expect that existing cash, cash equivalents, marketable securities, cash provided from operations and our bank credit facilities will be sufficient to meet ongoing cash requirements. However, our failure to generate sufficient cash as our debt becomes due or to renew credit lines prior to their expiration could materially adversely affect our business, financial condition, operating results and cash flow.

Failure to protect our intellectual property rights and source code would weaken our competitive position.

Our future success is highly dependent upon our proprietary technology, including our software and our source code for that software. Failure to protect such technology could lead to the loss of valuable assets and our competitive advantage. We protect our proprietary information through the use of patents, copyrights, trademarks, trade secret laws, confidentiality procedures and contractual provisions. Notwithstanding our efforts to protect our proprietary rights, policing unauthorized use or copying of our proprietary information is difficult. Unauthorized use or copying occurs from time to time and litigation to enforce intellectual property rights could result in significant costs and diversion of resources. Moreover, the laws of some foreign jurisdictions do not afford the same degree of protection to our proprietary rights as do the laws of the United States. For example, for some of our products, we rely on shrink-wrap or click-on licenses, which may be unenforceable in whole or in part in some jurisdictions in which we operate. In addition, patents we have obtained may be circumvented, challenged, invalidated or designed around by other companies. If we do not adequately protect our intellectual property for these or other reasons, our business, financial condition, operating results and cash flow could be materially adversely affected. Refer to Part I, Item 1, Business (c) Narrative Description of the Business Intellectual Property, for additional information.

The number, terms and duration of our license agreements as well as the timing of orders from our customers and channel partners, may cause fluctuations in some of our key financial metrics, which may affect our quarterly financial results.

Historically, a substantial portion of our license agreements are executed in the last month of a quarter and the number of contracts executed during a given quarter can vary substantially. In addition, we experience a historically long sales cycle, which is driven in part by the varying terms and conditions of our software contracts. These factors can make it difficult for us to predict sales and cash flow on a quarterly basis. Any failure or delay in executing new or renewed license agreements in a given quarter could cause declines in some of our key financial metrics (*e.g.*, revenue or cash flow), and, accordingly, increases the risk of unanticipated variations in our quarterly results and financial condition.

We may become dependent upon large transactions, and the failure to close such transactions on a satisfactory basis could materially adversely affect our business, financial condition, operating results and cash flow.

In the past, we have been dependent upon large-dollar enterprise transactions with individual customers. There can be no assurances that we will not be reliant on large-dollar enterprise transactions in the future, and the failure to close those transactions on terms that are commercially attractive to us could materially adversely affect our business, financial condition, operating results and cash flow.

Our sales to government clients subject us to risks, including early termination, renegotiation, audits, investigations, sanctions and penalties.

Approximately 9% of our total revenue backlog at March 31, 2011 is associated with multi-year contracts signed with the U.S. federal government and other U.S. state and local government agencies. These contracts are generally subject to annual fiscal funding approval, may be renegotiated or terminated at the discretion of the government, or all of these. Termination, renegotiation or funding for a contract could adversely affect our sales, revenue and reputation. Additionally, our government

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contracts are generally subject to audits and investigations, which could result in various civil and criminal penalties and administrative sanctions, including termination of contracts, refund of a portion of fees received, forfeiture of profits, suspension of payments, fines and suspensions or debarment from doing business with the government, which could materially adversely affect our business, financial condition, operating results and cash flow.

Our customers' data centers and IT environments may be subject to hacking or other breaches, harming customer relationships and the market perception of the effectiveness of our products.

An actual or perceived breach of our customers' network security allowing access to our customers' data centers or other parts of their IT environments, regardless of whether the breach is attributable to our products, may cause contractual disputes and may negatively affect the market perception of the effectiveness of our products. Because the techniques used by computer hackers to access or sabotage networks change frequently and may not be recognized until launched against a target, we may be unable to anticipate these techniques. Alleviating any of these problems could require significant expenditures of our capital and diversion of our resources from development efforts. Additionally, these efforts could cause interruptions, delays or cessation of our product licensing, or modification of our software, which could cause us to lose existing or potential customers, which could materially adversely affect our business, financial condition, operating results and cash flow.

Our software products, data centers and IT environments may be subject to hacking or other breaches, resulting in a loss or misuse of proprietary and/or confidential information and harm to the market perception of the effectiveness of our products.

We expect to be an ongoing target of attacks specifically designed to impede the performance of our products. Similarly, experienced computer programmers or hackers may attempt to penetrate our network security or the security of our data centers and IT environments and misappropriate proprietary and/or confidential information of the Company, its employees or other individuals or cause interruptions of our services. Although we believe we have sufficient controls in place to prevent significant external disruptions, if these intentionally disruptive efforts are successful, our activities could be adversely affected, our reputation and future sales could be harmed and our business, financial condition, operating results and cash flow could be materially adversely affected.

We may lose access to third-party code and specifications for the development of code, which could materially adversely affect our ability to develop software compatible with third-party software products in the future.

In the past, we have either directly licensed from third parties, or used within the scope of our customer's license, code and information for third-party software and hardware that enables us to develop compatible products and interfaces. Such code and information includes: source code, which is human-readable and makes the software understandable to programmers; object code, which is machine-readable and can be directly executed by a computer; beta and evaluation software; microcode and firmware that implement machine instructions on hardware; and technical documentation. Since the availability of this code and information facilitated the development of systems and applications software that interfaces with the third-party software and hardware, independent software vendors, such as us, were able to develop and market compatible software. Some software providers and hardware manufacturers, including some of the largest vendors, have a policy of restricting the use or availability of their code or technical documentation for some of their operating systems, applications, or hardware. To date, this policy has not had a material effect on us. Some companies, however, may adopt more restrictive policies in the future or impose unfavorable terms and conditions for such access. These restrictions may, in the future, result in higher research and development costs for us in connection with the enhancement and modification of our existing products and the development of new products. There can be no assurance that any additional restrictions would not materially adversely affect our business, financial condition, operating results and cash flow.

Third parties could claim that our products infringe their intellectual property rights or that we owe royalty payments to them, which could result in significant litigation expense or settlement with unfavorable terms, which could materially adversely affect our business, financial condition, operating results and cash flow.

From time to time, third parties have claimed and may claim that our products infringe various forms of their intellectual property or that we owe royalty payments to them. Investigation of these claims can be expensive and could affect development, marketing or shipment of our products. As the number of software patents issued increases, it is likely that additional claims will be asserted. Defending against such claims is time consuming and could result in significant litigation

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expense or settlement on unfavorable terms, which could materially adversely affect our business, financial condition, operating results and cash flow.

Fluctuations in foreign currencies could result in translation losses.

Our consolidated financial results are reported in U.S. dollars. Most of the revenue and expenses of our foreign subsidiaries are denominated in local currencies. Given that cash is typically received over an extended period of time for many of our license agreements and given that a substantial portion of our revenue is generated outside of the U.S., fluctuations in foreign currency exchange rates against the U.S. dollar could result in substantial changes in reported revenues and operating results due to the foreign currency impact upon translation of these transactions into U.S. dollars.

In the normal course of business, we employ various strategies to manage these risks, including the use of derivative instruments. These strategies may not be effective in protecting us against the effects of fluctuations from movements in foreign exchange rates. Fluctuations of the foreign currency exchange rates could materially adversely affect our business, financial condition, operating results and cash flow.

We have outsourced various functions to third parties and these arrangements may not be successful, thereby resulting in increased costs, or may adversely affect service levels and our public reporting.

We have outsourced various functions to third parties, including certain development and other administrative functions, and may outsource additional functions to third-party providers in the future. We rely on those third parties to provide services on a timely and effective basis. Although we periodically monitor the performance of these third parties and maintain contingency plans in case the third parties are unable to perform as agreed, we do not ultimately control the performance of our outsourcing partners. The failure of third-party outsourcing partners to perform as expected or as contractually required could result in significant disruptions and costs to our operations, which could materially adversely affect our business, financial condition, operating results and cash flow and our ability to file our financial statements with the SEC timely or accurately.

Potential tax liabilities may materially adversely affect our results.

We are subject to income taxes in the United States and in numerous foreign jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes. In the ordinary course of our business, we engage in many transactions and calculations where the ultimate tax determination is uncertain.

We are regularly under audit by tax authorities. Although we believe our tax estimates are reasonable, the final determination of tax audits and any related litigation could be materially different from that which is reflected in our income tax provisions and accruals. Additional tax assessments resulting from audit, litigation, or changes in tax laws may result in increased tax provisions or payments which could materially adversely affect our business, financial condition, operating results and cash flow in the period or periods in which that determination is made.

Item 1B. Unresolved staff comments.

None.

Item 2. Properties.

Our principal real estate properties are located in areas necessary to meet sales and operating requirements. All of the properties are considered to be both suitable and adequate to meet current and anticipated operating requirements.

At March 31, 2011, we leased 61 facilities throughout the United States, including our corporate headquarters located in Islandia, New York, and 98 facilities outside the United States. Our lease obligations expire on various dates with

the longest commitment extending to 2023. We believe that substantially all of our leases will be renewable at market terms at our option as they become due.

We own one facility in Germany totaling approximately 100,000 square feet, two facilities in Italy totaling approximately 140,000 square feet, two facilities in India totaling approximately 455,000 square feet and one facility in the United Kingdom totaling approximately 215,000 square feet.

We utilize our leased and owned facilities for sales, technical support, research and development and administrative functions.

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Item 3. Legal proceedings.

Refer to Note 12, Commitments and Contingencies, in the Notes to the Consolidated Financial Statements for information regarding certain legal proceedings, the contents of which are herein incorporated by reference.

Item 4. Removed and reserved.

* * *

Executive Officers of the Registrant.

The name, age, present position, and business experience for at least the past five years of our executive officers at May 13, 2011 are listed below:

William E. McCracken, 68, has been Chief Executive Officer of the Company since January 2010 and a director of the Company since 2005. He was non-executive Chairman of the Board from June 2007 to September 2009 and interim Executive Chairman of the Board from September 2009 to January 2010, and he served as executive Chairman of the Board from January 2010 to May 2010. He was President of Executive Consulting Group, LLC from 2002 to January 2010. During a 36-year tenure at International Business Machines Corporation (IBM), a manufacturer of information processing products and a technology, software and networking systems manufacturer and developer, Mr. McCracken held several executive positions, including General Manager of the IBM Printing Systems Division and General Manager of Worldwide Marketing of IBM PC Company. From 1995 to 2001, he served on IBM's Worldwide Management Council, a group of the top 30 executives at IBM.

Nancy E. Cooper, 57, has been Executive Vice President and Chief Financial Officer of the Company since she joined the Company in August 2006. From December 2001 to August 2006, she served as Senior Vice President and Chief Financial Officer of IMS Health Incorporated (IMS Health), a leading provider of information solutions to the pharmaceutical and healthcare industries. Ms. Cooper began her career at IBM, where she held positions of increasing responsibility over a 22-year period, including Chief Financial Officer of the Global Industries Division, Assistant Corporate Controller, and Controller and Treasurer of IBM Credit Corporation.

David C. Dobson, 48, has been the Company's Executive Vice President and Group Executive, Customer Solutions Group since July 2010. He is responsible for managing the Company's broad portfolio of products and solutions for mainframe, distributed and cloud computing environments. Prior to joining the Company, Mr. Dobson served as Executive Vice President and Chief Strategy and Innovation Officer of Pitney Bowes Inc. (Pitney Bowes), a manufacturer of software and hardware and a provider of services related to documents, packaging, mailing and shipping, where he was responsible for leading the development of the company's long-term strategy from June 2008 to July 2009. In addition, he also served as President of Pitney Bowes Management Services, Inc., a wholly owned subsidiary of Pitney Bowes Inc., from August 2009 to July 2010. Prior to joining Pitney Bowes, he was Chief Executive Officer of Corel Corporation, a computer software company specializing in graphics processing, from 2005 to 2008. Before joining Corel Corporation, Mr. Dobson spent 19 years at IBM, where he held a number of senior management positions.

George J. Fischer, 48, has been the Company's Executive Vice President and Group Executive, Worldwide Sales and Operations since June 2010. He is responsible for all sales for the Company. In addition to worldwide sales and marketing, he leads a wide-range of customer facing activities globally, including professional services, support and ensuring overall customer success. Since joining the Company in 1999, Mr. Fischer has held a number of senior management positions, including Executive Vice President, Global Sales and Marketing from 2009 to July 2010,

Executive Vice President and General Manager, Worldwide Sales from 2007 to 2009, and Senior Vice President and General Manager of North America Sales from 2004 to 2007. Before joining the Company, Mr. Fischer held a number of leadership positions at Platinum Technology Inc., a provider of software products and IT consulting services.

Amy Fliegelman Olli, 47, has been Executive Vice President and General Counsel of the Company since February 2007. She is responsible for all of the Company's legal, compliance and internal audit functions worldwide. Ms. Fliegelman Olli joined the Company in September 2006. From September 2006 to February 2007, she served as Executive Vice President and Co-General Counsel of the Company. Before September 2006, Ms. Fliegelman Olli spent nearly 20 years in various senior-level legal positions with divisions of IBM, most recently as General Counsel Americas and Global Coordinator for Sales and

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Distribution, where she was responsible for a team of more than 200 lawyers in the U.S., Europe, Latin America and Canada and for coordination of all of IBM's sales and distribution lawyers on a global basis.

Phillip J. Harrington, Jr., 54, has been the Company's Executive Vice President, Risk, and Chief Administrative Officer since June 2010. He is responsible for the Company's human resources, education, administrative services, risk management, information services and government relations operations globally. Previously, Mr. Harrington served as a director at Deloitte & Touche LLP, a provider of audit, tax, consulting, enterprise risk and financial advisory services, where he served clients in the areas of general management consulting, operational risk management and regulation. Prior to joining Deloitte & Touche in 2008, he spent 20 years at Prudential Financial, Inc., a provider of insurance, investment management, and other financial products and services, where he held a number of senior management positions.

William L. Hughes, 51, has been Chief Communications Officer of the Company since June 2010. He is responsible for media relations, employee and executive communications and corporate philanthropy, working closely with the Company's government affairs, marketing and investor relations departments. Mr. Hughes joined the Company in 2006, serving as Corporate Senior Vice President, Global Communications until July 2010. Before joining the Company, Mr. Hughes was Senior Vice President, Global Communications and Public Affairs at IMS Health from 2004 to 2006. Previously, he spent eight years at IBM, where he held a number of senior executive positions, including Vice President, Media, and Vice President, Communications - APAC, based in Tokyo.

Jacob Lamm, 46, has been the Company's Executive Vice President, Strategy and Corporate Development since February 2009. He is responsible for directing the Company's overall business strategy, as well as the Company's strategy for acquisitions. Mr. Lamm has held various management positions since joining the Company in 1998. He served as the Company's Executive Vice President, Governance Group from January 2008 to February 2009, as Executive Vice President and General Manager, Business Service Optimization Business Unit from March 2007 to January 2008, as Senior Vice President, General Manager and Business Unit Executive from April 2005 to March 2007, and as Senior Vice President, Development from October 2003 to April 2005.

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Part II

Item 5. Market for registrant's common equity, related stockholder matters and issuer purchases of equity securities.

Our common stock is traded on The NASDAQ Global Select Market tier of The NASDAQ Stock Market LLC (NASDAQ) under the symbol CA. The following table sets forth, for the fiscal quarters indicated, the quarterly high and low closing sales prices on NASDAQ:

	FISCAL 2011		FISCAL 2010	
	HIGH	LOW	HIGH	LOW
Fourth Quarter	\$ 25.57	\$ 22.43	\$ 23.80	\$ 21.52
Third Quarter	\$ 24.89	\$ 21.18	\$ 23.91	\$ 20.68
Second Quarter	\$ 21.24	\$ 17.96	\$ 22.99	\$ 16.44
First Quarter	\$ 23.85	\$ 18.40	\$ 18.27	\$ 16.75

On March 31, 2011, the closing price for our common stock on NASDAQ was \$24.18. At March 31, 2011, we had approximately 7,200 stockholders of record.

We have paid cash dividends each year since July 1990. For fiscal 2011, 2010 and 2009, we paid annual cash dividends of \$0.16 per share, which have been paid out in quarterly installments of \$0.04 per share as and when declared by the Board of Directors.

On May 12, 2011, we announced an increase of the Company's regular quarterly dividend to \$0.05 per share as and when declared by the Board of Directors.

Purchases of equity securities by the issuer

The following table sets forth, for the months indicated, our purchases of common stock in the fourth quarter of fiscal 2011:

Issuer purchases of equity securities

PERIOD	TOTAL NUMBER OF SHARES PURCHASED AS PART OF PUBLICLY ANNOUNCED PLANS OR PROGRAMS	TOTAL AVERAGE PRICE PAID PER SHARE	APPROXIMATE DOLLAR VALUE OF SHARES THAT MAY BE PURCHASED UNDER THE PLAN	
			PROGRAM	UNDETERMINED

(DOLLARS IN THOUSANDS, EXCEPT AVERAGE PRICE PAID PER SHARE)

January 1, 2011	January 31, 2011	483,700	\$ 24.72	483,700	\$ 317,7
February 1, 2011	February 28, 2011	583,700	\$ 24.75	583,700	\$ 303,3
March 1, 2011	March 31, 2011	914,630	\$ 23.55	914,630	\$ 281,8
		1,982,030		1,982,030	

During April 2010, we completed the \$250 million stock repurchase program authorized by our Board of Directors on October 29, 2008, by repurchasing approximately 0.8 million shares of our common stock for approximately \$20 million.

On May 12, 2010, our Board of Directors approved a stock repurchase program that authorizes us to acquire up to \$500 million of our common stock. We will fund the amount remaining under this program with available cash on hand and repurchase shares on the open market from time to time based on market conditions and other factors.

Under this program, we have repurchased approximately 10.5 million shares of our common stock for approximately \$218 million at March 31, 2011.

On May 12, 2011, our Board of Directors approved a stock repurchase program that authorized us to acquire up to an additional \$500 million of our common stock, in addition to the previous program approved on May 12, 2010. We will fund the program with available cash on hand and repurchase shares on the open market from time to time based on market conditions and other factors.

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Item 6. Selected financial data.

The information set forth below should be read in conjunction with the Results of Operations section included in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

Statement of operations data

(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)	YEAR ENDED MARCH 31,				
	2011 ⁽¹⁾	2010 ⁽¹⁾	2009 ⁽¹⁾	2008 ⁽¹⁾	2007 ⁽¹⁾
Revenue	\$ 4,429	\$ 4,227	\$ 4,138	\$ 4,179	\$ 3,842
Income from continuing operations ⁽²⁾	823	759	661	472	85
Basic income from continuing operations per share	1.60	1.46	1.27	0.91	0.16
Diluted income from continuing operations per share	1.60	1.45	1.27	0.91	0.16
Dividends declared per common share	0.16	0.16	0.16	0.16	0.16

Balance sheet and other data

(IN MILLIONS)	AT MARCH 31,				
	2011	2010	2009	2008	2007
Cash provided by continuing operating activities	\$ 1,377	\$ 1,336	\$ 1,184	\$ 1,062	\$ 1,027
Working capital surplus (deficit)	447	409	147	213	(34)
Working capital, excluding deferred revenue ⁽³⁾	3,047	2,913	2,553	2,860	2,343
Total assets	12,414	11,888	11,241	11,731	11,479
Long-term debt (less current maturities)	1,282	1,530	1,287		