



CA Technologies to Acquire Privately-held ITKO for \$330 Million in Cash

Adds New and Critical Dimension to Modern IT Management Will Help Customers Accelerate Migration to the Cloud, Achieve Faster Time-to-Market for Composite Applications and Services at Dramatically Lower Cost

ISLANDIA, N.Y. and PLANO, Texas, June 29, 2011 /PRNewswire/ -- CA Technologies (NASDAQ: CA) today announced a definitive agreement to acquire privately-held [Interactive TKO, Inc.](#) (ITKO), a leading provider of service simulation solutions for developing applications in composite and cloud environments, for \$330 million in an all-cash transaction.

Business demand for rapid time-to-market and lower operational costs is driving IT organizations to quickly adopt new approaches such as composite application architectures and cloud services. As the quest for quickly delivering high-quality business services continues, IT management — from automation and security to governance and service assurance — becomes the most critical factor for success.

CA Technologies acquisition of ITKO will add a new and critical dimension to modern IT management and extend it to encompass the entire service delivery lifecycle. In particular, the acquisition will help customers overcome the limitations of current organizational approaches, breaking down the silos across development, testing and operations.

"The addition of ITKO to CA Technologies will extend our ability to deliver a complete set of capabilities to help our customers and partners to increase their adoption and value from cloud-based applications," said David Dobson, executive vice president, Customer Solutions Group, CA Technologies.

"ITKO's technology allows customers to anticipate how their applications will perform in alternate environments, significantly reducing risk, and accelerating their time to value. Together, we believe we will offer the broadest continuum of IT management solutions—one that spans planning to production, emphasizes the service over the infrastructure, and accommodates the new heterogeneity that includes on-premise, cloud and hybrid application environments."

On an unaudited basis, for the trailing 12-month period ending March 31, 2011, ITKO reported revenue of approximately \$39 million, more than doubling the prior 12-month period. For this same period, ITKO was highly profitable and generated positive cash flow. Including transaction-related expenses, the transaction is expected to be slightly dilutive on a non-GAAP basis and dilutive on a GAAP basis to CA Technologies earnings per share in fiscal year 2012. The transaction also is expected to be accretive on a non-GAAP and dilutive on a GAAP basis to CA Technologies earnings per share in fiscal year 2013. The acquisition is expected to be completed within three months, pending regulatory approval.

ITKO's approach and pioneering service simulation technology has disrupted the traditional application development market. It also has rendered conventional application lifecycle management (ALM) methods and technology obsolete for organizations developing complex composite applications, employing agile development, and leveraging cloud services and components. ITKO customers are able to accelerate application delivery cycle times, improve the quality of services, and save millions in lab infrastructure and testing costs. ITKO's more than 100 percent bookings and revenue CAGR over four years is a testament to their ability to work with the world's largest enterprises and systems integrators.

ITKO's LISA solution enables organizations to "mock up" a service at enterprise speed and enterprise scale—even if the application is unfinished or unstable or the physical resource is unavailable. LISA, which is used by more than 125 enterprise customers, virtualizes an environment by simulating the behavior of external services without actually invoking them—e.g. how a checkout or fulfillment process should interact with a service, without actually authorizing a credit card or putting a box on a truck. "What-if" capabilities offer a whole new way to understand how an application might behave if components are changed—e.g. swapping an internal RDBMS for a cloud-based database or changing package shippers.

CA Technologies believes the combination of ITKO, with the company's solutions for [Service Assurance](#), [Service Automation](#), [Service Management](#) and [Turn-key Cloud](#), will create the most compelling offerings in the market that accommodate the complexity inherent in today's applications and environments. For customers, the benefit is business services that can be built, tested and delivered in hours and days, not months and years.

"We are thrilled to join CA Technologies because it gives us a tremendous platform to take our growth to an entirely new level," said Shridhar Mittal, president and CEO of ITKO. "Combining LISA with CA Technologies world-class IT management will give our customers a solution that is ready for where they're going, not limiting them to where they've been."

At the close of the transaction, Mittal will join CA Technologies as general manager of ITKO, a division of CA Technologies. It is anticipated that all of ITKO's approximately 120 employees will join CA Technologies.

The acquisition is a continuation of CA Technologies strategy that balances investments to grow the company with returning cash to shareholders. So far in its 2012 fiscal year, the company has repurchased \$150 million of its common stock.

For additional information about CA Technologies acquisition of ITKO, please view the supplemental materials posted on our website at <http://investor.ca.com>.

About ITKO

ITKO's LISA is the Platform for Agile, Composite Application Development, helping customers to reshape their enterprise application development lifecycles. Our LISA virtualization and validation software optimizes complex and cloud-based applications throughout the software lifecycle, eliminating costly constraints and defects, while improving agility in an environment of constant change.

ITKO's LISA solutions eliminate software dependences, decrease release times, and increase the reliability of composite applications that leverage cloud computing, SOA, BPM, integration suites, and ESBs. ITKO's global customers include 5 of the top 6 Fortune 500 commercial banks, 5 of the top 6 Fortune 500 telecommunications firms as well as leading firms in insurance, travel, retail, utilities and government agencies. For more information, visit <http://www.itko.com>.

(Logo: <http://photos.prnewswire.com/prnh/20100516/NY05617LOGO>)

About CA Technologies

CA Technologies (NASDAQ: CA) is an IT management software and solutions company with expertise across all IT environments — from mainframe and distributed, to virtual and cloud. CA Technologies manages and secures IT environments and enables customers to deliver more flexible IT services. CA Technologies innovative products and services provide the insight and control essential for IT organizations to power business agility. The majority of the Global Fortune 500 relies on CA Technologies to manage evolving IT ecosystems. For additional information, visit CA Technologies at www.ca.com.

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of various functions to third parties; potential tax liabilities; and other factors described more fully in the Company's filings with the Securities and Exchange Commission. The Company assumes no obligation to update the information in this communication, except as otherwise required by law. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

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