

# CA, Inc. and Subsidiaries

## Consolidated Statements of Cash Flows

(IN MILLIONS)	YEAR ENDED MARCH 31,		
	2007	2006	2005
<b>Operating Activities:</b>			
Net income	\$ 118	\$ 159	\$ 24
Loss from discontinued operations, net of income taxes	3	1	3
Income from continuing operations	121	160	27
Adjustments to reconcile income from continuing operations to net cash provided by continuing operating activities:			
Depreciation and amortization	502	583	577
Provision for deferred income taxes	(249)	(340)	(192)
Non-cash stock based compensation expense	116	99	116
Non-cash charge for purchased in-process research and development	10	18	—
Gain on sale of assets	(18)	(7)	—
Charge for impairment of assets	16	—	—
Foreign currency transaction (gain) loss — before taxes	—	(9)	8
Shareholder litigation settlement	—	—	16
Changes in other operating assets and liabilities, net of effect of acquisitions:			
Decrease in trade and current installment accounts receivable, net	244	293	340
Decrease in noncurrent installment accounts receivable, net	80	142	167
Increase in deferred subscription revenue (collected) — current	233	125	164
Increase (decrease) in deferred subscription revenue (collected) — noncurrent	13	154	(7)
Increase in financing obligations (collected) — current	38	24	—
Increase (decrease) in financing obligations (collected) — noncurrent	14	25	(1)
Decrease in deferred maintenance revenue	(68)	(20)	(27)
(Decrease) increase in taxes payable, net	(61)	75	164
(Decrease) increase in accounts payable, accrued expenses and other	(22)	87	56
Restitution fund, net	—	(150)	143
Restructuring and other, net	106	56	3
Changes in other operating assets and liabilities	(7)	65	(27)
<b>Net Cash Provided by Continuing Operating Activities</b>	<b>1,068</b>	<b>1,380</b>	<b>1,527</b>
<b>Investing Activities:</b>			
Acquisitions, primarily goodwill, purchased software, and other intangible assets, net of cash acquired	(212)	(1,011)	(469)
Settlements of purchase accounting liabilities	(21)	(37)	(21)
Purchases of property and equipment	(150)	(143)	(69)
Proceeds from sale of assets	21	2	—
Proceeds from divestiture of assets	1	—	14
Proceeds from sale-lease back transactions	201	75	—
Purchase of marketable securities	—	(54)	(390)
Proceeds from sale of marketable securities	44	398	274
(Increase) decrease in restricted cash	(1)	7	(9)
Capitalized software development costs	(85)	(84)	(70)
<b>Net Cash Used in Investing Activities</b>	<b>(202)</b>	<b>(847)</b>	<b>(740)</b>

See Accompanying Notes to the Consolidated Financial Statements.

# CA, Inc. and Subsidiaries

## Consolidated Statements of Cash Flows (Continued)

(IN MILLIONS)	YEAR ENDED MARCH 31,		
	2007	2006	2005
<b>Financing Activities:</b>			
Dividends paid	(88)	(93)	(47)
Purchases of common stock	(1,216)	(590)	(161)
Debt borrowings	751	—	1,000
Debt repayments	(5)	(912)	(4)
Debt issuance costs	—	—	(12)
Exercise of call spread option	—	—	(673)
Exercise of common stock options and other	43	127	99
<b>Net Cash (Used In) Provided by Financing Activities</b>	<b>(515)</b>	<b>(1,468)</b>	<b>202</b>
<b>Increase (Decrease) in Cash and Cash Equivalents Before Effect of Exchange Rate Changes on Cash</b>	<b>351</b>	<b>(935)</b>	<b>989</b>
Effect of exchange rate changes on cash	93	(63)	47
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>444</b>	<b>(998)</b>	<b>1,036</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>1,831</b>	<b>2,829</b>	<b>1,793</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>\$ 2,275</b>	<b>\$ 1,831</b>	<b>\$ 2,829</b>

See Accompanying Notes to the Consolidated Financial Statements.