

CA, Inc. and Subsidiaries

Consolidated Statements of Operations

	YEAR ENDED MARCH 31,		
	2007	2006	2005
<small>(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)</small>			
Revenue:			
Subscription revenue	\$ 3,067	\$ 2,837	\$2,586
Maintenance	391	415	426
Software fees and other	108	160	254
Financing fees	26	45	77
Professional services	351	315	240
Total Revenue	3,943	3,772	3,583
Expenses:			
Amortization of capitalized software costs	354	449	447
Cost of professional services	326	263	222
Selling, general, and administrative	1,653	1,578	1,340
Product development and enhancements	712	697	708
Commissions, royalties, and bonuses	338	394	339
Depreciation and amortization of other intangible assets	148	134	130
Other gains, net	(13)	(15)	(5)
Restructuring and other	201	88	28
Charge for in-process research and development costs	10	18	—
Shareholder litigation and government investigation settlements	—	—	234
Total Expenses Before Interest and Income Taxes	3,729	3,606	3,443
Income from continuing operations before interest and income taxes	214	166	140
Interest expense, net	60	41	106
Income from continuing operations before income taxes	154	125	34
Income tax expense (benefit)	33	(35)	7
Income from Continuing Operations	121	160	27
Loss from discontinued operations, inclusive of realized gains (losses) on sales, net of income taxes	(3)	(1)	(3)
Net Income	\$ 118	\$ 159	\$ 24
Basic Income Per Share			
Income from continuing operations	\$ 0.22	\$ 0.28	\$ 0.05
Loss from discontinued operations	0.00	(0.01)	(0.01)
Net income	\$ 0.22	\$ 0.27	\$ 0.04
Basic weighted average shares used in computation	544	581	588
Diluted Income Per Share			
Income from continuing operations	\$ 0.22	\$ 0.27	\$ 0.05
Loss from discontinued operations	0.00	0.00	(0.01)
Net income	\$ 0.22	\$ 0.27	\$ 0.04
Diluted weighted average shares used in computation	569	607	590

See Accompanying Notes to the Consolidated Financial Statements.