

CA Technologies Agrees to Acquire Rally Software, Accelerates Ability for Businesses to Build Transformative Applications Quickly

Acquisition Expands CA's Opportunity in the Application Economy

Johannesburg Friday 19th June, 2015: CA Southern Africa has announced that CA Technologies (NASDAQ: CA) has signed a definitive agreement to acquire Rally Software Development Corp. (NYSE: RALY), a leading provider of Agile development software and services, for \$19.50 per share, which equates to approximately \$480 million, net of cash acquired. The transaction has been unanimously approved by both Boards of Directors, and is expected to close in the second quarter of CA's fiscal 2016. Based in Boulder, CO, Rally has approximately 500 employees across four continents and FY 2015 sales of \$88 million.

"Software applications are changing the world, disrupting established business models and bringing in completely new experiences in areas from travel to banking. In order to compete, businesses need to develop high quality software quickly and reliably," says Mike Gregoire, Chief Executive Officer, CA Technologies. "Rally is a leading provider of Agile development software and services, with offerings that complement and expand CA's strengths in the areas of DevOps and Management Cloud. Every developer dreams of creating truly transformative software that responds to a business challenge extremely quickly. Joining forces with Rally makes this dream a possibility for millions of developers worldwide, and in turn opens up the possibility of a whole new range of experiences driven by software. At the end of the day, this deal is about enabling speed and flexibility, about how we can make the most demanding enterprises truly agile."

With users in more than 135 countries and nearly every industry, Rally works with some of the world's largest and most respected brands, including over 35 of the Fortune 100. These customers depend on Rally's award-winning, cloud-based Agile development platform and the industry's most experienced transformation consultants and Agile coaches.

The acquisition of Rally is a significant milestone in CA's strategy to help customers thrive in the application economy, in which software applications are ubiquitous - driving every facet of business in every part of the world.

Tim Miller, Rally's Chairman and Chief Executive Officer adds, "In a world driven by software, the powerful combination of Rally and CA will help our combined customers to better navigate changing markets, improve performance and deliver value faster - while accelerating the pace of disruption and developing a competitive advantage through technology. CA and Rally have more than four years of history working together, and we are thrilled to be taking this next step in our relationship to deliver unique value to both CA and Rally customers."

Leading industry analysts like Forrester and IDC say that the Agile methodology is a powerful framework for developing software. According to Forrester, sixty-nine percent of respondents out of 560 surveyed decision-makers of the annual Forrester Forrsights Software Survey¹ have interest, plan to implement, or have already implemented Agile for their custom development. Sixty-three percent of respondents of the same survey answered similarly for packaged software development and maintenance.

Market intelligence firm IDC expects strong growth for Agile ALM software. In an analysis² of the Agile application life-cycle management market, it reports that worldwide Agile application life-cycle management software revenue in 2012 reached \$211.9 million, and, with a forecasted compound annual growth rate of 39%, will reach \$1.1 billion by 2017.