

Press Releases

O'Melveny Represents Arcot Systems in Acquisition by CA Technologies

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SILICON VALLEY, CALIFORNIA – AUGUST 31, 2010 – O'Melveny & Myers LLP represented Arcot Systems, Inc., a leader in providing online fraud prevention solutions through software and cloud services, in its acquisition by CA Technologies. The all-cash transaction is valued at US\$200 million and expected to close at the end of CA Technologies' second fiscal quarter, September 30, 2010.

The O'Melveny Silicon Valley team was led by partners Warren Lazarow and Paul Sieben, counsel Megan Gess, and associates Sofia Lou and Timothy Hagen.

About O'Melveny & Myers LLP

With approximately 900 lawyers in 14 offices worldwide, O'Melveny & Myers LLP helps industry leaders across a broad array of sectors manage the complex challenges of succeeding in the global economy. We are a values-driven law firm, guided by the principles of excellence, leadership, and citizenship. Our commitment to these values is reflected in our dedication to improving access to justice through pro bono work and championing initiatives that increase the diversity of the legal profession. For more information, please visit www.omm.com

The following press release was recent issued by CA Technologies:

CA Technologies to Acquire Arcot Systems, Inc., a Visionary in Fraud Prevention, Advanced Authentication

Acquisition Supports Cloud Strategy, Extends Market Opportunity for Leading Identity and Access Management Offerings

ISLANDIA, NY, Aug. 30 /PRNewswire-FirstCall/ -- CA Technologies (Nasdaq: CA) today announced it has signed a definitive agreement to acquire privately-held Arcot Systems, Inc., a leader in providing advanced authentication and fraud prevention solutions through on premises software or cloud services, in an all-cash transaction valued at \$200 million.

The acquisition of Arcot adds visionary technology for fraud prevention and advanced authentication to CA Technologies leading Identity and Access Management (IAM) offerings.

Arcot's solutions – delivered as cloud services or deployed on premises – help prevent fraudulent transactions for about one million online credit card transactions each day. In addition, by combining Arcot's technology with CA Technologies market-leading CA SiteMinder portfolio, the company will provide advanced capabilities to help customers further reduce risk, support regulatory compliance and confidently secure business transactions.

"Arcot brings to CA Technologies a strong business in fraud prevention and unique capabilities in advanced authentication using a software-only approach," said Dave Hansen, general manager for the Security business at CA Technologies. "This acquisition adds industry-leading technology that extends the breadth and depth of our strong IAM portfolio and gives our customers more first-class options for securing their Web-based business."

The acquisition builds on CA Technologies cloud security strategy, providing the on-ramp to accelerate its delivery of IAM solutions as a comprehensive service from the cloud. The CA Technologies cloud security strategy is a three-fold approach: enable organizations to extend existing on-premises IAM systems to support cloud applications and services; provide IAM technology to cloud providers to secure their services – whether public, private or hybrid; and enable IAM services from the cloud.

In addition to helping customers leverage the value of cloud computing, this acquisition is compelling from several market perspectives:

- The Advanced Authentication market, a segment of the overall IAM sector, is expected to grow at low double digits over the next four years. The transaction is expected to drive new revenue streams for CA Technologies IAM business by growing Arcot's

eCommerce transaction business and growing sales to managed service providers that serve emerging enterprises.

- The synergies and customer benefits gained by combining solutions from Arcot with leading IAM solutions from CA Technologies, open strong cross-sell opportunities into both companies' existing customer bases, as well as opportunities for net new sales.
- The acquisition fast-tracks CA Technologies IAM cloud service offering, with 120 million identities already verified using the Arcot technology today.

"Identity is a critical area for security whether you're talking about in-house or the cloud, and with 120 million identities verified by our solutions today, we bring a strong, solid recurring revenue base as well as sources of new growth opportunities for CA Technologies," said Ram Varadarajan, President and CEO, Arcot Systems, Inc. "Arcot's strong established knowledge and expertise in core security and fraud prevention technology -- coupled with IAM solutions from CA Technologies -- will offer robust capabilities to our numerous shared customers, particularly in the financial industry."

Arcot's business features a subscription-based model, with almost 90 percent of revenue recurring and nearly 100 percent customer retention rates. Arcot has been cash-flow positive since the second quarter of 2009, which ended June 30, 2009.

The all-cash transaction is expected to be dilutive in fiscal 2011 to CA Technologies GAAP earnings per share and slightly accretive to non-GAAP earnings per share. The transaction is expected to close by the end of CA Technologies second fiscal quarter, ending September 30, 2010, and is subject to certain regulatory approvals and customary closing conditions.

Founded in 1997, Arcot is a recognized visionary in the Web fraud prevention sector. With 35 patents awarded and pending, Arcot co-invented with Visa the 3-D Secure protocol for online payment security.

Arcot's operations and its approximately 165 employees will become part of the Security business at CA Technologies.

About Arcot Systems, Inc.

Arcot is the Cloud Authentication Leader. Our solutions make Web transactions and online access safe for millions of consumer, enterprise, and e-Commerce users. Organizations can transparently protect their users from fraud without requiring expensive hardware.

Arcot fraud prevention, strong authentication, and e-Document security solutions can be deployed with SaaS, internal or mobile applications delivering the right balance of cost, convenience and strength. Arcot investors include Accel Partners, Granite Ventures, ONSET Ventures, SEB Venture Capital, and Vedanta Capital, among others.

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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existing businesses; competition in product and service offerings and pricing; the ability to retain and attract qualified key personnel; the ability to adapt to rapid technological and market changes; the ability of the Company's products to remain compatible with ever-changing operating environments; access to software licensed from third parties, third-party code and specifications for the development of code; use of software from open source code sources; discovery of errors in the Company's software and potential product liability claims; significant amounts of debt and possible future credit rating changes; the failure to protect the Company's intellectual property rights and source code; fluctuations in the number, terms and duration of our license agreements as well as the timing of orders from customers and channel partners; reliance upon large transactions with customers; risks associated with sales to government customers; breaches of the Company's software products and the Company's and customers' data centers and IT environments; access to third-party microcode; third-party claims of intellectual property infringement or royalty payments; fluctuations in foreign currencies; failure to successfully execute restructuring plans; successful outsourcing of various functions to third parties; potential tax liabilities; and these factors and the 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.