
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

SCHEDULE TO

**Tender Offer Statement under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934**

RALLY SOFTWARE DEVELOPMENT CORP.
(Name of Subject Company (Issuer))

GRAND PRIX ACQUISITION CORP.
(Names of Filing Persons (Offeror))
a wholly owned subsidiary of

CA, INC.
(Names of Filing Persons (Offeror))

Common Stock, par value \$0.001 per share
(Title of Class of Securities)

751198102
(CUSIP Number of Class of Securities)

Michael Bisignano
Executive Vice President and General Counsel
CA, Inc.
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New York, NY 10022
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Copy to:

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One Market Plaza, Spear Tower, Suite 3300
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(Name, Address and Telephone Numbers of Persons
Authorized to Receive Notices and Communications on Behalf of Filing Persons)

CALCULATION OF FILING FEE

Transaction Valuation	Amount of Filing Fee
Not applicable(1)	Not applicable(1)

(1) In accordance with General Instruction D to Schedule TO, a filing fee is not required in connection with this filing as it relates solely to a preliminary communication made before the commencement of a tender offer.

Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: None
Form or Registration No.: Not applicable

Filing Party: Not applicable
Date Filed: Not applicable

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

This Tender Offer Statement on Schedule TO relates solely to preliminary communications made before the commencement of a planned tender offer by Grand Prix Acquisition Corp., a Delaware corporation (“Purchaser”) and a wholly-owned subsidiary of CA, Inc., a Delaware corporation (“CA”), for all of the outstanding shares of common stock of Rally Software Development Corp. (“Rally”), to be commenced pursuant to an Acquisition Agreement, dated as of May 27, 2015, by and among CA, Purchaser and Rally.

The tender offer for the outstanding shares of Rally described herein has not yet commenced. This communication is provided for informational purposes only and is neither an offer to purchase nor a solicitation of an offer to sell any securities of Rally pursuant to the tender offer by Purchaser or otherwise. Any offers to purchase or solicitations of offers to sell will be made only pursuant to the Tender Offer Statement on Schedule TO (including the offer to purchase, the letter of transmittal and other documents relating to the tender offer) which will be filed with the U.S. Securities and Exchange Commission (“SEC”) by CA and Purchaser. In addition, Rally will file with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 with respect to the tender offer. Rally’s stockholders are advised to read these documents, any amendments to these documents and any other documents relating to the tender offer that are filed with the SEC carefully and in their entirety prior to making any decision with respect to Purchaser’s tender offer because they contain important information, including the terms and conditions of the offer. Rally’s stockholders may obtain copies of these documents (when they become available) for free at the SEC’s website at www.sec.gov.

Exhibits

<u>Exhibit Number</u>	<u>Exhibit Description</u>
99.1	Letter from Mike Gregoire, CEO of CA, Inc. to Employees of Rally Software Development Corp.
99.2	FAQ for Employees of Rally Software Development Corp.
99.3	FAQ for Sales Teams Regarding Acquisition of Rally Software Development Corp.
99.4	Prepared Remarks of Mike Gregoire, CEO of CA, Inc. and Rich Buckert, CFO of CA, Inc., dated May 27, 2015

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EMAIL FROM MIKE GREGOIRE TO ALL RALLY EMPLOYEES, 6 PM (ET)**Subject: Joining Forces to Lead in the Application Economy**

Team Rally:

As Tim and Ryan shared with you earlier today, I am delighted that Rally Software Development Corp. and CA Technologies have entered into an agreement to join forces and lead in the application economy. This is an important day for our organizations. By coming together, we will change the way companies use software to innovate and compete.

As a Rally customer, we at CA have been impressed with Rally's advanced, large-scale agile development capabilities and customer focus. Combining forces will enable us to broaden our collective reach and deliver unparalleled value to both Rally and CA customers.

CA has a 30 plus-year track record of delivering software that runs the world's businesses. Today, CA's strategy is resonating in the marketplace, backed by a passionate and committed worldwide employee-base of 11,500, strong development capabilities and a robust global sales and support infrastructure. Our customer base spreads across industries and geographies and includes:

- 47 out of the Fortune 50 companies
- 15 out of 16 of the world's top banks
- 9 out of 10 top pharmaceutical companies

Our companies share the belief that the fastest businesses to convert ideas to software to loyal users will own the future. Together, we will strengthen our ability to take advantage of the disruption that software is exerting on traditional business models, and deliver value to our shareholders.

On June 2, I will join Tim and Ryan in Boulder for a town hall, during which I will talk with you about CA's strategy and the opportunities we see for growth. I look forward to meeting many of you then. For the time being, until the deal is closed, we will remain two separate companies.

I am very excited about the enormous opportunities ahead of us.

Sincerely,

Mike Gregoire

Cautionary Statement Regarding Forward-Looking Statements

Certain statements in this communication (such as statements containing the words "believes," "plans," "anticipates," "expects," "estimates," "targets" and similar expressions relating to the future) constitute "forward-looking statements" that are based upon the beliefs of, and assumptions made by, CA's management, as well as information currently available to CA's management. These forward-looking statements reflect CA's current views with respect to future events and are subject to certain risks, uncertainties, and assumptions. A number of important factors could cause actual results or events to differ materially from those indicated by such forward-looking statements, including: the ability to consummate the transaction; the risk that an insufficient number of Rally's

stockholders tender into the tender offer; the risk that regulatory approvals required for the acquisition are not obtained or are obtained subject to conditions that are not anticipated; the risk that the other conditions to the closing of the acquisition are not satisfied; potential adverse reactions or changes to customer, supplier, partner or employee relationships, including those resulting from the announcement or completion of the acquisition; uncertainties as to the timing of the acquisition; competitive responses to the proposed acquisition; response by activist stockholders to the acquisition; uncertainty of the expected financial performance of CA following completion of the proposed transaction; the ability to successfully integrate Rally's operations and employees in a timely manner; the ability to realize anticipated synergies, cost savings and operational efficiencies; unexpected costs, charges or expenses resulting from the acquisition; litigation relating to the acquisition; the inability to retain key personnel; any changes in general economic and/or industry specific conditions; and other factors described more fully in CA's filings with the Securities and Exchange Commission. Should one or more of these risks or uncertainties occur, or should CA's assumptions prove incorrect, actual results may vary materially from those described herein as believed, planned, anticipated, expected, estimated, targeted or similarly expressed in a forward-looking manner. CA 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.

Notice to Investors of Rally Software Development Corp.

*The tender offer for the outstanding shares of Rally Software Development Corp. described herein has not yet commenced. This communication is provided for informational purposes only and is neither an offer to purchase nor a solicitation of an offer to sell any securities of Rally Software Development Corp. pursuant to the tender offer by Merger Sub or otherwise. Any offers to purchase or solicitations of offers to sell will be made only pursuant to the Tender Offer Statement on Schedule TO (including the offer to purchase, the letter of transmittal and other documents relating to the tender offer) which will be filed with the U.S. Securities and Exchange Commission ("**SEC**") by CA and Merger Sub. In addition, Rally Software Development Corp. will file with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 with respect to the tender offer. Rally Software Development Corp.'s stockholders are advised to read these documents, any amendments to these documents and any other documents relating to the tender offer that are filed with the SEC carefully and in their entirety prior to making any decision with respect to Merger Sub's tender offer because they contain important information, including the terms and conditions of the offer. Rally Software Development Corp.'s stockholders may obtain copies of these documents (when they become available) for free at the SEC's website at www.sec.gov.*

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Rally Software Development Corp. Frequently Asked Questions For Day Zero

CA Acquisition: Rally Software Development Corp.

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About Rally and Acquisition Highlights

Q. Who is CA Technologies?

A. CA Technologies (NASDAQ:CA) creates software that fuels transformation for companies and enables them to seize the opportunities of the application economy. Software is at the heart of every business in every industry. From planning, to development, to management and security, CA is working with companies worldwide to change the way we live, transact, and communicate – across mobile, private and public cloud, distributed and mainframe environments. Learn more at www.ca.com.

Q. Why is CA acquiring Rally?

A. The reasons why this acquisition is important for CA include the following:

- This transaction presents a significant growth opportunity for us. The current sentiment in corporate boardrooms is that (1) every business is in the software business, and (2) all companies must become adept at developing applications or perish. At CA we believe the fastest businesses to convert ideas to software to loyal users will own the future. The acquisition of Rally will be a significant milestone in CA's strategy to help customers thrive in the application economy, and in turn, own the future.
- Second, this transaction is about expanding our offerings to customers. Rally is natural fit for CA on both a product and a go-to-market basis. We believe there are incredible synergies between the two companies and adding Rally's software will enable CA to better help customers disrupt their industries even faster. Together we will allow the most demanding enterprises to be truly agile, improving their ability to deliver high quality software to customers faster, and enabling them to respond to market changes more quickly and confidently.
- Third, we are interested in acquiring Rally for the solutions it offers as well as for the talented people they employ. Rally personnel will help to evolve our organization and advance new business and delivery models. Conversely, Rally will benefit from the depth of our employee base, our global channels, and our sales/support infrastructure and relationships.

Q. Will Rally solutions be renamed or rebranded? How will they be offered to the market?

A. While Rally's solutions are descriptively named and therefore inline with the CA naming approach, we have not yet completed a full assessment as to how they will fit in the CA Portfolio and as such, cannot say if these names will be changed or not. We will conduct equity studies on the Rally brand to determine the path of its identity and name after the acquisition.

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Q. How is the pending acquisition being communicated externally?

A. CA issued a press release and held a conference call with press, industry and financial analysts. Additionally, Rally has started communicating with Rally customers and partners about the pending acquisition – a process that will continue.

Q. When is the acquisition set to close?

A. The transaction is expected to close in the third quarter of calendar year 2015, subject to completion of a tender offer, receipt of regulatory approvals and satisfaction of other customary closing conditions.

Q. What happens during the time between the announcement and the close of this transaction?

A. The day-to-day does not change between now and close. You should continue to operate as you have been and to focus on the same goals and business plans you have been executing on up to this point.

Q. Will CA continue to offer solutions that are competitive with Rally, either through CA products or through partner products?

A. We expect to bring the combined strengths of CA and Rally to bear for all of our combined customers to deliver an unparalleled end-to-end application development experience. As we are still in the early days and the transaction is not expected to close until the third quarter of calendar year 2015, it will be business as usual for all CA and Rally customers in the near term. More information about the solution portfolio will be available after the close of the transaction.

Q. Will you bundle offerings of CA and Rally solutions?

A. We will evaluate all solutions and potential joint offerings through a more comprehensive process after transaction closes.

Q. Where do we go if we have more questions?

A. Besides your manager, you can email rallyinternalcomms@rallydev.com or AskRally@ca.com with questions you have. A team will review and consolidate all questions on an ongoing basis.

Rally Employees

We are excited about the opportunity for CA to share in the knowledge, experience and energy of Rally Employees. We share a common belief that the fastest businesses to convert ideas to software to loyal users will own the future. Rally is the leader in enterprise Agile at scale. The acquisition of Rally, when it does close, will add a critical piece to CA's portfolio, improves the ability of enterprises to sense and respond to changes quickly and confidently, and delivers differentiated software products that help drive business value.

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After the deal closes, Rally will benefit from the depth of CA's 11,500 employees, its global channels, and sales/support infrastructure and relationships. CA will also help to accelerate Rally's growth by providing access to Fortune 2000 companies that recognize the value of speeding development cycles and Agile principles. Rally employees will help advance CA's new-business objectives and delivery models. CA acquired Rally both for the solutions it offers, and for the talented people they employ.

For Rally employees business will be as usual. Job responsibilities are generally expected to remain the same at this time. In addition, compensation and benefits are also generally expected to remain the same as we work through a transition period after the deal closes. In the post-close transition period CA Human Resources will work to integrate Rally employee's salary and benefits.

As we approach the close of the transaction CA and Rally will work together to provide you with additional detail about the integration of our business. We understand how important human resources matters are to Rally employees and will work diligently to keep you informed. In the meantime Rally employees should focus on the continued success of Rally's business and be excited about the business and professional opportunities that lie ahead for both Rally and CA as we come together. The CA and Rally teams will have the chance to truly engage in strategic and operational planning once the transaction closes.

Q. What will happen to the Rally executive management team when the deal closes?

A. It is anticipated that the existing management team will continue to lead Rally as part of the CA organization.

Q. What will happen to the Rally Employee Stock Purchase Program (ESPP)?

A. It is anticipated, providing the transaction closes according to current schedule, the Rally plan will be discontinued when the transaction closes. The current purchase period will end and a purchase will take place on June 15, 2015. A new purchase period will commence on June 16, 2015 for all employees currently participating in the ESPP, and a final ESPP purchase will take place shortly before closing. Employees not currently participating in the ESPP will not be able to enroll, including those who otherwise would've become eligible to participate in June. For any ESPP shares you have previously purchased, they will be treated similarly to any other shares of RALY and are also subject to the disqualifying disposition rules.

Q. What will happen to my Rally RSUs and options when the deal closes?

A. For RSU grants, the value of RSUs will be fixed based off the merger price per share times the number of RSU shares in the grant. Such RSUs are subject to the normal vesting period, subject to acceleration in certain circumstances as described in the documents governing such RSU grants. You should consult the paperwork for your RSU grants for the vesting terms, including applicable acceleration provisions.

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Absent acceleration of the RSUs, when you reach a vesting date, instead of receiving Rally stock, you will receive cash equal to the above-mentioned value for the RSU shares that have become vested on such date. Payments will be made at the end of every calendar quarter, subject to all applicable payroll taxes.

Each vested in-the-money stock option that is outstanding and unexercised immediately prior to closing will be canceled in exchange for a cash payment equal to the product of the number of vested option shares multiplied by an amount equal to the excess of the merger price per share over the exercise price of the vested option share.

Each unvested in-the-money stock option that is outstanding will be fixed equal to the product of the number of unvested option shares outstanding immediately prior to closing multiplied by an amount equal to the excess of the merger price per share over the exercise price of the unvested option. Such unvested options remain subject to the normal vesting period as described in the option grant paperwork and our equity plan documents. So, when you reach a vesting date you will receive cash equal to the above-mentioned value for the previously unvested options that have become vested on such date. This payment will be made at the end of every calendar quarter.

At closing non-qualified stock options will be subject to applicable tax withholdings and incentive stock options will be subject to the payroll reporting rules applicable to disqualifying dispositions.

Q. Will my immigration status change?

A. CA believes strongly in securing the best talent globally and will work with each individual to understand and assess his/her situation with the goal of continuing to support ongoing immigration efforts.

Q. Will Rally employees have to move to a CA office?

A. The headquarters of Rally will not move.

Q. Will any of Rally's remote offices be affected or shut down?

A. We currently anticipate that Rally employees will be needed in their current work locations.

Q. Does the focal increase and bonus process for FY16 change?

A. We will continue our normal process for merit-based focal adjustments and employee MBB based upon FY16 performance.

Q. Do we still need to complete FY16 goals for ourselves and for our teams?

A. Yes, you will be asked to work through our company and department steering process throughout FY16. More communication on these steps will be made soon.

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Q. How does this impact our current hiring plans?

A. Hiring activity for the majority of roles will remain the same and part of our normal business between now and close.

Q. What information and communications can I share publicly?

A. There is a public press release and an investor call. Any questions on CA's acquisition strategy from external sources (i.e., media) should be forwarded to **Jennifer Hallahan, CA**, at +1 (212) 415-6924, jennifer.hallahan@ca.com. For Rally specific media inquiries, contact **Leslie Marcotte**, Rally, at +1 (720) 446-4926, lmarcotte@rallydev.com.

Q. Will we still have the RallyON! and RallyON! Europe conferences, Sales Kick-Off and other internal events?

A. The RallyON! and RallyON! Europe conferences will continue as planned and we do not expect major changes to other internal events. We will also participate in CA World, which takes place in November. We expect to maintain our current cadence of internal events, but more information will be made available after close.

Q. What does the integration timeline look like?

A. The transaction is expected to close third quarter FY'16 subject to completion of a tender offer, receipt of regulatory approvals and satisfaction of other customary closing conditions. Until then, business at CA and Rally will operate as usual. More details on integration will be provided after that milestone.

Q. What will the integration process look like?

A. Upon completion of the transaction, Rally is expected to operate as part of the CA organization. We expect that Rally's management team will continue to run the business and report into senior executives at CA.

Q. How will Rally and CA employees be kept informed of the integration effort?

A. You will be provided with additional information from CA and Rally management.

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Rally Software Development Corp. Frequently Asked Questions For Day Zero

CA Acquisition: Rally Software Development Corp.

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General

Q. What's the rationale for the acquisition?

A. With the acquisition of Rally, a leading global provider of cloud-based solutions for managing Agile software development, CA strengthens their position at the forefront of the Application Economy. This is a significant milestone in CA's strategy to supplement organic innovation with strategic acquisitions. CA's expansion of its DevOps and Management Cloud portfolios will accelerate top line growth and deliver unprecedented service to its customers.

Q. Why is CA acquiring Rally?

A. Rally's award-winning enterprise-class SaaS platform, combined with the most experienced transformation consultants and Agile coaches in the industry, will enable CA to help businesses disrupt their industries even faster. Rally's agile development capabilities complements CA's Project Portfolio Management solutions and expands CA's existing DevOps leadership position.

Q. Will Rally solutions be renamed or rebranded? How will they be offered to the market?

A. While Rally's solutions are descriptively named and therefore inline with the CA naming approach, we have not yet completed a full assessment as to how they will fit in the CA Portfolio and as such, cannot say if these names will be changed or not. We will conduct equity studies on the Rally brand to determine the path of its identity and name after the acquisition.

Q. What are Rally's key differentiators?

A.

- Rally is a leader in Agile ALM.
- Rally has scale, offers top-tier technology, and has a GTM model that aligns well with CA.
- CA currently uses Rally in parts of our development organization because CA has a need, like many of its customers, to run Agile at scale, across many scrum teams and at the portfolio level. As a customer/prospect, CA evaluated many tools that simply didn't meet their enterprise requirements.
- Being able to link CA's DevOps and Ops portfolio to Rally's enterprise Agile development platform will create a link to DevOps and offers a long-term way to differentiate against leading competitors. Rally's Agile solution complements and completes CA Project Portfolio Management solution so that from Idea to Delivery an organization can use one tool to be able run its Portfolio of projects.

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Q. How is the pending acquisition being communicated externally?

A. CA issued a press release and held a conference call with press, industry and financial analysts. Additionally, Rally has started communicating with Rally customers and partners about the pending acquisition – a process that will continue.

Q. When is the acquisition set to close?

A. The transaction is expected to close in the third quarter of calendar year 2015, subject to completion of a tender offer, receipt of regulatory approvals and satisfaction of other customary closing conditions.

Q. What happens during the time between the announcement and the close of this transaction?

A. The day-to-day does not change between now and close.

Products and Technology

Q. Will CA and Rally continue to offer their current suites of products?

A. We expect to bring the combined strengths of CA and Rally to bear for all of our combined customers to deliver an unparalleled end-to-end application development experience. As we are still in the early days and the transaction is not expected to close until the third quarter of calendar year 2015, it will be business as usual for all CA and Rally customers in the near term. More information about the solution portfolio will be available after the close of the transaction.

Q. Will you bundle offerings of CA and Rally solutions?

A. We will evaluate all solutions and potential joint offerings through a more comprehensive process after the transaction closes.

Q. As a result of this news today, are there any changes to how we sell Rally products? Are there new rules that must be aligned to CA?

A. Until the successful completion of the transaction, sales to customers continue on their regular course. After the close, CA and Rally's product and go-to-market teams will determine the best approach with respect to the rules of engagement for the field. We will provide an update on these plans following the close date.

Q. When will a joint product offering be available? Will this be included in CA's standard pricing or will there be an additional fee?

A. Until the successful completion of the transaction, Rally will maintain its current product offerings. We will have details in this area following the successful completion of the transaction.

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Go-to-Market

Q. What will CA customers gain from this acquisition?

A. CA's Management cloud, application development, Project Portfolio Management and DevOps offerings will get a significant boost with the addition of Rally's solution portfolio. Rally's leadership in Agile solutions gives CA an opportunity to offer its customers a world-class solution that will help them become agile and develop better applications faster.

Q. What will Rally customers gain from this acquisition after it closes?

A. Rally's customers will gain access to CA's vast portfolio of world-class solutions and the world's largest global sales network, and support from a leading, global enterprise software company. We expect these benefits will be magnified as we achieve greater integration between Rally and CA solutions.

Q. What will this acquisition mean for partners of both companies?

A. This acquisition is expected to provide new opportunities for each company's partners to strengthen and extend their relationships with both companies. Note that in general, in the short- to mid-term after closing, it will still be business as usual for Rally partners.

Q. Can CA account executives sell Rally solutions? If so, when?

A. The combined strength of our individual distribution forces and client bases is something we are looking forward to exploring. Until the deal closes, both companies remain separate and must conduct their business accordingly. Post-closing, field guidelines will be made available detailing the rules of engagement between CA and Rally sales teams.

Q. Can Rally solutions be sold on CA paper?

A. Until the acquisition closes, both companies must operate independently. Once the acquisition is closed, a joint Rally-CA team will determine the path forward for making Rally solutions available via CA contract paper.

Q. What will happen to commitments Rally has made to customers/partners?

A. CA intends to honor Rally's contractual commitments.

Q. What can I say to my client and contacts if they are asking questions about the acquisition?

A. Here are a few points you can reinforce if you are asked a question and you're not sure how to answer:

- CA and Rally will continue to operate as two separate companies until the deal closes.
- Until the transaction closes, there is little more we can communicate beyond what has already been shared in the press release and in the companies' public filings about the transaction.

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- It's too early to speculate on things like product plans, strategy or roadmaps since those decisions will only be made after the deal closes.
- For now, it's very much business as usual for us and we are continuing to focus on taking care of our customers and partners.

Q. How will customers be impacted? What value does this bring to CA Customers?

A. CA and Rally will combine to unleash great value for customers – enabling even the most demanding enterprises to be truly agile. The combination is synergistic both on a product and a go-to-market basis; it will further CA's position as leader Project Portfolio Management and DevOps and broadens Rally's pool of potential customers.

Q. What competitive edge will this acquisition give to CA customers?

A. By combining Rally with CA, a trusted partner for the Fortune 2000, the most demanding enterprises will become truly agile: to make impactful portfolio decisions and to empower their developers to deliver high quality software to customers faster — by breaking down functional silos, increasing employee productivity, and slashing cycle times. In a world driven by software, this powerful combination will help businesses accelerate their unique pace of disruption and develop a competitive advantage through technology.

Q. Will the CA sales organization replace the Rally sales team?

A. No. The CA Technologies sales organization will work closely with the Rally sales team after the close of the transaction. A Rules of Engagement document will be published at or near the time of the close describing the interactions between groups.

Q. How will Rally be sold by CA immediately, and in the long term?

A. Until the transaction closes, it will be sold immediately the same as it is already being sold. We are identifying other synergies after closure.

Q. What training will be offered and when?

A. Training programs will be introduced to train Rally on CA Technologies solutions and for CA Technologies to be trained on the Rally products after the deal is closed.

Q. What sales support materials are available (demo, product brochures, etc.), and where?

A. The Rally Acquisition Central site will be is your primary resource post acquisition close during the integration, where sales tools, pricing and other materials will be made available. There are many other resources that will be made available to you shortly after the deal is closed.

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Q. Will CA support Rally customers with its technical support staff or will I need to go to Rally?

A. The Rally support team will continue to provide technical support for the Rally products for the near future. After the transaction closes, CA Technologies and Rally support organizations will work together to consolidate the support experience according to a well-coordinated integration plan developed by a CA/Rally integration Team, ensuring customers and all customer-facing organizations are aware of any changes before they occur.

Q. Will customers need to update their contracts? Will contracts under negotiation need amendment?

A. CA Technologies legal will be reviewing all Rally contractual obligations upon deal close.

Q. Will customer support and product delivery change?

A. Not right away. All current customer support and product delivery contacts and processes will remain the same until the integration is completed, which will proceed according to an integration plan that will be finalized shortly following the close of the transaction. We will look at ways in which we can leverage Rally infrastructure, if it leads to efficiencies in the business.

Q. What do I do if a customer wants to speak with CA about the acquisition and future plans?

A. Customers who have questions about Rally and their products need to contact their Rally sales executive. Customers who have questions about CA Technologies products need to contact CA Technologies sales executives. If your customers have any questions or concerns that cannot be addressed by their usual contacts, please let your supervisor know.

Q. How will customers and partners be notified?

A. All active Rally customers and partners received notification from Rally upon the public announcement of the signing of the definitive agreement on May 27, 2015. After the close, in accordance with the efforts outlined in the Rules of Engagement (ROE) you can expect that key customers will be addressed from the appropriate Rally and/or CA Technologies executive; as should be requested. We will also use the Rally and CA Technologies web sites and the customer support portal as key vehicles for communicating the news as we have it.

Q. Rally has external partnerships. Will any of those be impacted by the acquisition?

A. CA Technologies will work closely with the Rally team to review each partnership to determine the appropriate direction for the integrated company going forward. CA Technologies and Rally team will keep the partners informed of the acquisition and associated integration efforts.

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Q. How will a Rally deal be processed? What special approvals or processes are associated with Rally sales?

A. Until further notice, Rally will maintain existing sales and approval processes.

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Notice to Investors of Rally Software Development Corp.

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CA Technologies Agrees to Acquire Rally Software

In the document below, CA's Chief Executive Officer Mike Gregoire and CA's Chief Financial Officer Rich Beckert will share the strategic rationale, transaction details and financial expectations from today's announced definitive agreement to acquire Rally Software Development Corporation.

These prepared comments were made as of Wednesday, May 27th and is effective as of today's date and will not be updated. All content is the property of CA Technologies and is protected by US and international copyright law and may not be reproduced without the express written consent of CA Technologies.

Embedded in this document are non-GAAP financial measures. Reconciliation to the most directly comparable GAAP financial measures are included in form 8K. Details regarding today's announcement will be available on CA's Investor Relations website at ca.com/invest. In addition, this document contains forward-looking statements subject to risks and uncertainties and actual results could differ materially from these forward-looking statements. Please refer to our SEC filings for a detailed discussion of potential risks.

Mike Gregoire:

Today, CA Technologies signed a definitive agreement to acquire Rally Software Development Corporation for approximately \$480 million in cash. We are very excited to welcome Rally's employees to CA Technologies. The transaction has been unanimously approved by both Board of Directors, and is expected to close in the fiscal Q2 timeframe.

We view today's announcement as a strategically compelling combination that strengthens CA's ability to take advantage of the disruption software is creating to traditional business models in today's "application economy". With applications driving every facet of business, the need to quickly develop high quality code that provides immediate return on investment is driving the adoption of agile development. The sentiment in corporate boardrooms is that (1) every business is in the software business, and (2) all companies must become adept at developing applications or perish. At CA we fundamentally believe the fastest businesses to convert ideas to software to loyal users will own the future.

This conviction is shared by Rally, whose award-winning cloud-based agile development software is fundamentally changing development techniques, from older methodologies. Companies have been using Rally's software to improve time-to-market, reduce development costs and produce higher quality code that better meets customers' expectations. As a Rally customer, we know first-hand the power and scalability of the company's cloud based platform. Leveraging Rally's tools, first within our infrastructure management business unit and now expanding the use of those tools across our enterprise, CA has been able to successfully adopt the scaled agile framework and meaningfully improved our development organization. Together we will provide greater value to our customers and make the most demanding enterprises to be truly agile.

Rally is the industry leader and its cloud based platform was built from the ground up. It can scale from the team level to enterprise wide. This differentiates and positions Rally extremely well in the emerging Agile ALM industry. It also offers CA enormous opportunities to cross-sell Rally's technology to our large platinum accounts.

Taking a closer look at the market opportunity, we approximate the Agile ALM market, a sub-segment of the larger Application Life-Cycle Management Market, to be approximately \$6 billion, growing in the mid to high single digits. Market intelligence firm IDC anticipates the Agile ALM market to benefit from industry tailwinds and grow at a 39% CAGR to an estimated \$1.1 billion opportunity in 2017.¹ We strongly believe that the need to quickly develop high quality code is only accelerating, and there is room for impressive growth in this nascent industry.

Rally is natural fit for CA. On product, Rally's SaaS-based technology aligns strategically to CA's DevOps and Management Cloud portfolios. Rally's technology is highly complementary to CA's PPM solutions and the company's developer focused tools can be a significant anchor point that strengthens CA's existing DevOps leadership. With less than five percent customer overlap in our platinum accounts, Rally's best of breed technology and unmatched scalability provides ample opportunity to cross-sell into these strategically important accounts, as well as cross-sell our solutions into their install base. Rally also provides CA with a seasoned sales force, experienced transformational consultants, agile coaches and freemium go-to-market model that is laser focused on developers.

To briefly summarize, we believe there are incredible synergies between the two companies. Together, our portfolio of solutions will improve the ability of an enterprise to sense and respond to changes quickly and confidently. I am very excited about the enormous opportunity in front of us.

Rich Beckert:

The comments below will focus on a brief summary of the transaction details and financial expectations.

First, the transaction summary. Both companies' Board of Directors have unanimously approved this transaction and we anticipate the all-cash transaction to close in the fiscal Q2 timeframe pending shareholder and regulatory approvals. We anticipate the enterprise value at close to be approximately \$480 million, which equates to \$19.50 per share and is a 43% premium to yesterday's closing price. We will be funding the transaction from our very healthy operating cash flow and flexibility offered by our strong balance sheet. Recall at the conclusion of Q4 we ended with \$2.8 billion of cash and \$1.3 billion of total debt.

Turning to guidance. While we will provide official guidance upon closing, assuming a fiscal Q2 close we are providing headlights on the financial impact from the transaction. Versus our prior Fiscal 2016 guidance, we anticipate Rally to add between one to two percentage points of revenue. We expect the transaction to be modestly dilutive to both operating margins and diluted earnings per share. We anticipate GAAP operating margin to be negatively impacted by two percentage points and Non-GAAP operating margin to be negatively impacted by one percentage point versus prior guidance. We do not anticipate a material impact to our cash flow from operations.

In closing, we are very excited about this transaction and look forward to officially bringing the Rally team on-board later this year. As Mike previously highlighted, the combination of Rally's technological leadership position and the numerous synergies between the two companies positions CA for success.

¹ IDC's [Worldwide Agile Application Life-Cycle Management Software 2014–2017 Forecast and 2012 Vendor Shares: Quick Access Drives Adoption and Business Agility](#), May 2014

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