

Business software maker CA to cut 1,000 jobs

April 6 2010, By DEBORAH YAO , AP Business Writer

(AP) -- Business software company CA Inc. said Tuesday that it's cutting 1,000 jobs - or about 8 percent of its work force - and consolidating offices as part of a restructuring plan to reduce costs and become more efficient.

The company also steered earnings expectations to the lower end of its previous guidance for the year. Its shares tumbled more than 5 percent.

"I recognize that the actions we're taking are difficult. But in the end, they will make CA stronger and more competitive," CEO Bill McCracken said in a memo to employees Tuesday.

The job cuts will occur mainly in North America and mostly be completed by the end of September, according to a filing with the [Securities and Exchange Commission](#).

The Islandia, N.Y., company has already shed 3,100 positions over the last three years amid office closings.

The reductions are part of CA's efforts to mold the company to better fit its new business strategy of focusing on [emerging technologies](#) and high-growth markets. A key area of interest is cloud computing, where it would handle software and [data storage](#) for corporate clients off-site.

"We are taking the necessary steps to further align our organizations and skills with CA's strategy," McCracken said. "The industry and the

market are changing, and we have to change, too."

CA will be consolidating an unspecified number of offices, which could include closings, reductions in office space and merging of locations.

The company expects to incur a \$50 million pre-tax charge in the fourth quarter, of which \$47 million would be for severance payments and the rest related to facility consolidations.

CA also said full-year earnings will come in at the lower end of the range it had previously given. It expected to earn \$1.60 per share to \$1.71 per share for the year, excluding one-time items. Analysts polled by Thomson Reuters were expecting \$1.69 per share, on average.

Shares of CA fell \$1.25, or 5.2 percent, to \$22.60 in morning trading.

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