



Computer Associates®

Computer Associates Q2 FY'06 Results

October 25, 2005

Forward-looking Statements

Certain statements in this communication (such as statements containing the words "believes," "plans," "anticipates," "expects," "estimates" and similar expressions) constitute "forward-looking statements." A number of important factors could cause actual results or events to differ materially from those indicated by such forward-looking statements, including: the risks and uncertainties associated with the CA deferred prosecution agreement with the United States Attorney's Office of the Eastern District, including that CA could be subject to criminal prosecution or civil penalties if it violates this agreement; the risks and uncertainties associated with the agreement that CA entered into with the Securities and Exchange Commission ("SEC"), including that CA may be subject to criminal prosecution or substantial civil penalties and fines if it violates this agreement; civil litigation arising out of the matters that are the subject of the Department of Justice and the Securities and Exchange Commission investigations, including shareholder derivative litigation; changes to the compensation plan of CA's sales organization may encourage behavior not anticipated or intended as it is implemented; CA may encounter difficulty in successfully integrating acquired companies and products into its existing businesses; CA is subject to intense competition in product and service offerings and pricing and increased competition is expected in the future; certain software that CA uses in daily operations is licensed from third parties and thus may not be available to CA in the future, which has the potential to delay product development and production; if CA's products do not remain compatible with ever-changing operating environments, CA could lose customers and the demand for CA's products and services could decrease; CA's credit ratings have been downgraded and could be downgraded further which would require CA to pay additional interest under its credit agreement and could adversely affect CA's ability to borrow; CA has a significant amount of debt; the failure to protect CA's intellectual property rights would weaken its competitive position; CA may become dependent upon large transactions; general economic conditions may lead CA's customers to delay or forgo technology upgrades; the market for some or all of CA's key product areas may not grow; third parties could claim that CA's products infringe their intellectual property rights; fluctuations in foreign currencies could result in transaction losses; and the other factors described in CA's Annual Report on Form 10-K for the year ended March 31, 2005, and any amendment thereto, and its most recent quarterly report filed with the SEC. 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 that speak only as of the date hereof.

Agenda

- Highlights and Priorities
 - John Swainson, CEO
- Operational Results
 - Jeff Clarke, COO
- Financial Summary and Guidance
 - Bob Davis, CFO
- Q&A and Closing
 - John Swainson, CEO

Highlights

Revenue

- Q2'06 Revenue: \$942M
 - *Increase of 9% Y/Y*

Operating EPS*

- Q2'06 Non-GAAP EPS: \$0.24
 - *Increase of 14% Y/Y*

GAAP EPS

- Q2'06 GAAP EPS: \$0.07
 - *Versus (\$0.17) in Q2'05*

Net Income

- Q2'06 Net Income: \$41M
 - *Versus (\$96M) in Q2'05*

*Note: See press release dated October 25, 2005 for a reconciliation of Non-GAAP Operating EPS to GAAP results.
Available on www.ca.com.

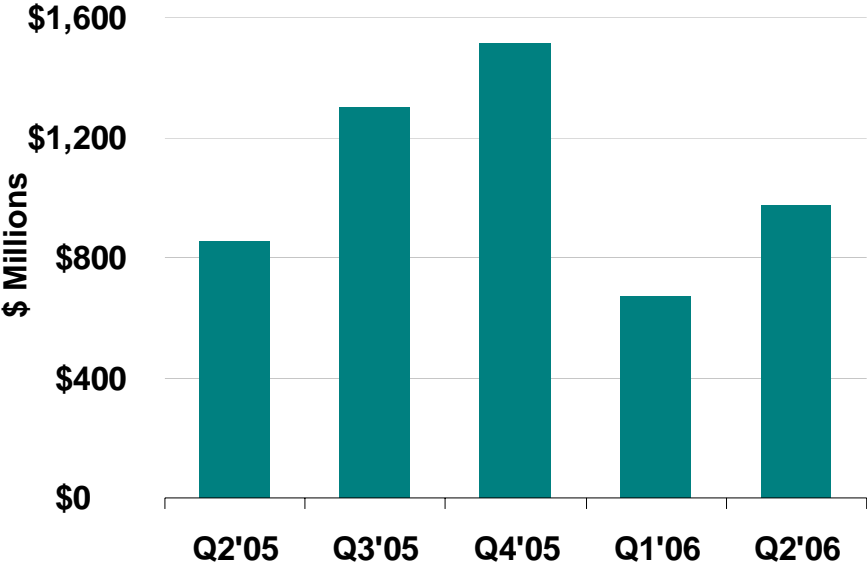


Recent Updates

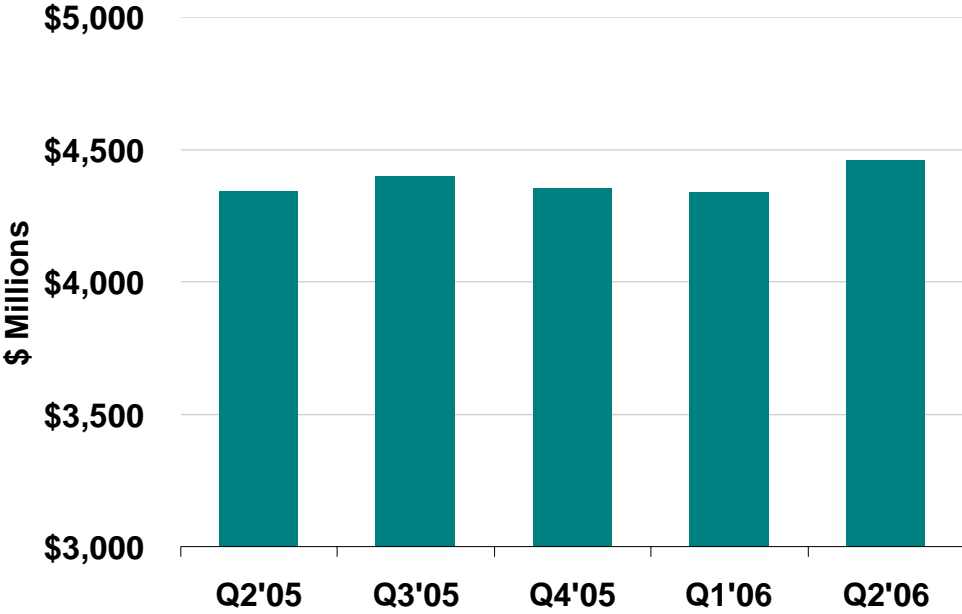
- Refreshed BrightStor and eTrust product lines
- Conducting final testing stages for Unicenter
- Announced acquisition of iLumin
- Closed acquisition of Niku
- Created telecom industry vertical
- Improved customer relationships

Operational Metrics

Quarterly Billings



Billings – Trailing 12 Month Basis



Key Metrics

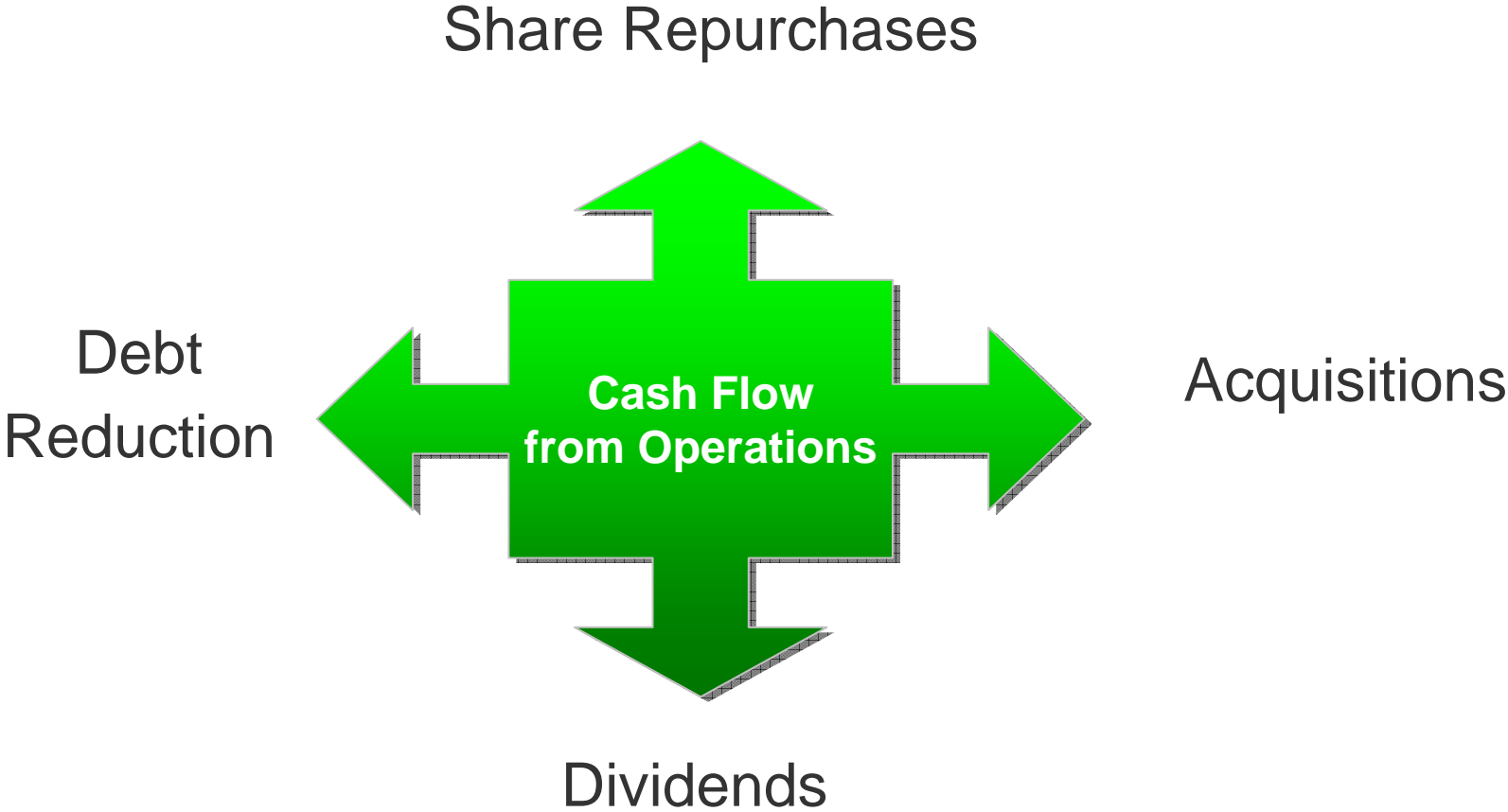
	Q2'06	Q2'05
Revenue	\$942M	\$865M
Subscription Revenue	\$696M	\$621M
<i>Subscription Revenue %</i>	<i>74%</i>	<i>72%</i>
Total Expenses	\$902M	\$1,049M

GAAP to Adjusted CFFO Reconciliation

<i>Q2 Bridge</i>	Q2'06	Q2'05
GAAP Cash Flow from Operations	\$299M	\$152M
<i>Restitution payment</i>	<i>\$75M</i>	
<i>Restructuring and other payments</i>	<i>\$4M</i>	
Non-GAAP Adjusted Cash Flow from Operations	\$378	\$152M

<i>LTM Q2 Bridge</i>	LTM Q2'06	LTM Q2'05
GAAP Cash Flow from Operations	\$1,495M	\$1,351M
<i>Tax benefit</i>	<i>(\$191M)</i>	<i>(\$109M)</i>
<i>Restitution payment</i>	<i>\$150M</i>	
<i>Restructuring and other payments</i>	<i>\$29M</i>	
Non-GAAP Adjusted Cash Flow from Operations	\$1,483M	\$1,242M

Capital Allocation Discipline



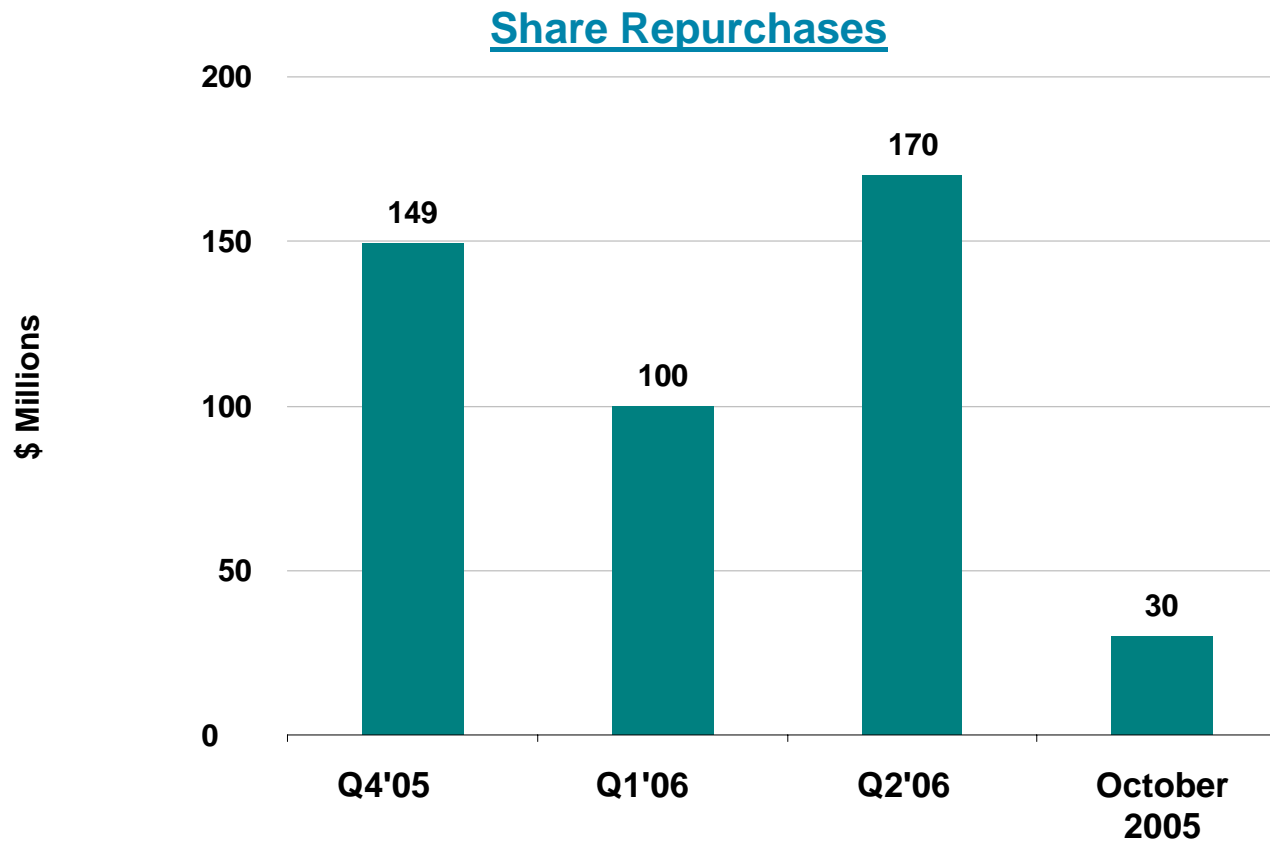
LTM Operating Metrics

	LTM Q2'06	LTM Q2'05
Billings	\$4,458M	\$4,342M
Non-GAAP Adjusted CFFO*	\$1,483M	\$1,242M
Non-GAAP Adjusted CFFO Margin*	33%	29%
ROIC	21%	19%

*Note: For a reconciliation of Non-GAAP Adjusted CFFO to GAAP CFFO, see slide 8 of this presentation.

Share Repurchases

- Executed the repurchase of roughly \$300M in share repurchases YTD
- Received board authorization of 50% increase in buyback to \$600M



Restructuring Initiative

- Total FY'06 charge expected to come in at \$75M, at the high end of our previously announced range
- Restructuring plan update:
 - Headcount reductions of approximately 5% (~800) in R&D, sales and back office functions as well as facilities rationalization
 - Today, we have exited roughly half of the affected employees
- Recorded \$37M pre-tax charge in fiscal Q2'06 and expect similar charge in fiscal Q3'06
- On track for targeted annualized savings of \$75M beginning in Q4'06

Guidance

	Q3'06	Y/Y %	FY06	Y/Y %
Revenue	\$950M - \$980M	4% - 7%	\$3.80B - \$3.85B	7% - 8%
Subscription Revenue			\$2.83B - \$2.86B	11% - 12%
GAAP EPS	\$0.10	100%	\$0.41 - \$0.43	NM
Non-GAAP Operating EPS*	\$0.24	33%	\$0.94 - \$0.96	18% - 20%
Billings Growth			Mid-to-high single digits	
Non-GAAP Adjusted CFFO**			\$1.46B	10%

*Note: See press release dated October 25, 2005 for a reconciliation of Non-GAAP Operating EPS to GAAP results. Available on www.ca.com.

**Note: See press release dated October 25, 2005 for a reconciliation of Non-GAAP Adjusted Cash Flow from Operations to GAAP results.

Available on www.ca.com.

Q & A



Computer Associates®

Past Six Months

- Reorganized into BU structure
- Changed sales force compensation program
- Strengthened senior leadership
- Rebuilt financial and legal teams
- Commenced deployment of ERP system