



# CA Q3 FY'06 Results

- January 24, 2006

# Forward-looking Statements

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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 SEC 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

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- 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

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## Revenue

- Q3'06 Revenue: \$967M
  - *Increase of 5% Y/Y*
  - *Increase of 8% Y/Y @ CC*

## EPS from Continuing Operations

- Q3'06 GAAP EPS: \$0.09
  - *Increase of 80% Y/Y*
- Q3'06 Non-GAAP EPS\*: \$0.24
  - *Increase of 33% Y/Y*

## Income from Continuing Ops

- Q3'06 Income: \$56M
  - *Increase of 81% Y/Y*

## Operating Income\*

- Q3'06 Operating Income: \$146M
  - *Increase of 23% Y/Y*

\*Note: See press release dated January 24, 2006 for a reconciliation of non-GAAP EPS to GAAP EPS from Continuing Operations and of non-GAAP Operating Income to GAAP Income from Continuing Operations. Available on [investor.ca.com](http://investor.ca.com).



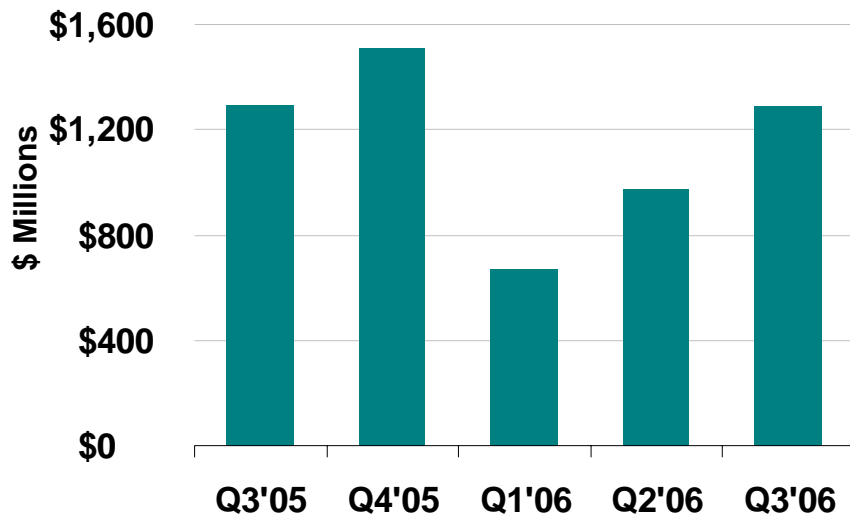
# Recent Updates

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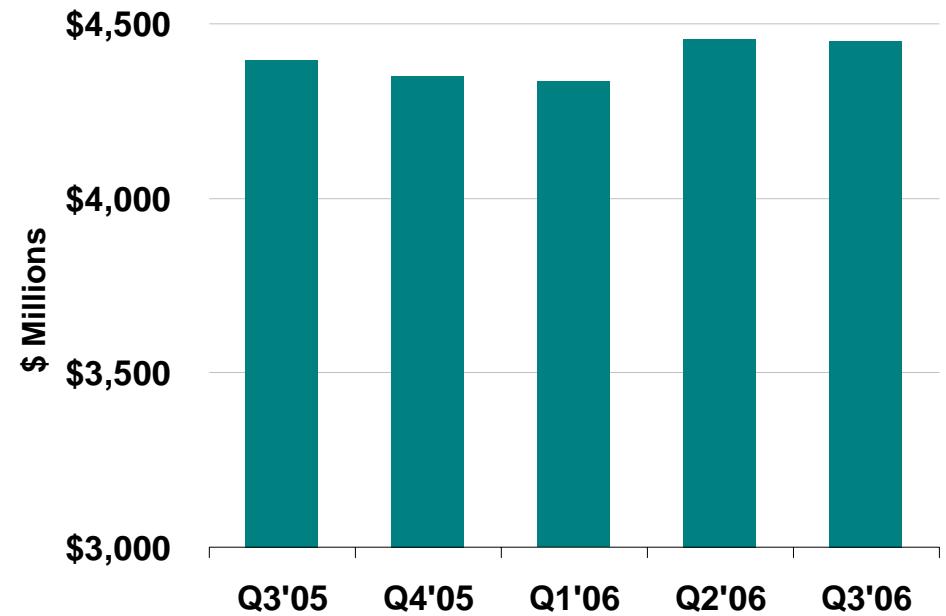
- Unveiled EITM and released Unicenter r11 at CA World
- Increased sales to existing customers
- Launched new marketing campaign and logo
- Operated full quarter with Netegrity, Concord and Niku
- Closed acquisition of iLumin
- Announced acquisition of Wily Technology

# Operational Metrics

Quarterly Billings



Billings – Trailing 12 Month Basis



# Key Metrics

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	Q3'06	Q3'05
<b>Revenue</b>	<b>\$967M</b>	<b>\$917M</b>
<b>Subscription Revenue</b>	<b>\$713M</b>	<b>\$650M</b>
<i>Subscription Revenue %</i>	<i>74%</i>	<i>71%</i>
<b>Expenses before Interest and Taxes</b>	<b>\$887M</b>	<b>\$841M</b>

# GAAP and Non-GAAP Operating Tax Rate

## *GAAP Tax Rate Reconciliation*

	Q3'06	Q3'05
<b>GAAP Income from Cont Ops before Taxes</b>	<b>\$68M</b>	<b>\$47M</b>
<b>GAAP Income Tax Expense</b>	<b>\$12M</b>	<b>\$16M</b>
<b>GAAP Tax Rate</b>	<b>18%</b>	<b>34%</b>

## *Non-GAAP Operating Tax Rate Reconciliation*

	Q3'06	Q3'05
<b>Non-GAAP Op Income from Cont Ops before Taxes</b>	<b>\$205M</b>	<b>\$188M</b>
<b>Non-GAAP Operating Income Tax Provision</b>	<b>\$59M</b>	<b>\$69M</b>
<b>Non-GAAP Operating Income Tax Rate</b>	<b>29%</b>	<b>37%</b>



# GAAP to Adjusted CFFO Reconciliation

<i>Q3 Bridge</i>	Q3'06	Q3'05
<b>GAAP Cash Flow from Continuing Operations</b>	<b>\$422M</b>	<b>\$365M</b>
<i>Restitution payment</i>		<i>\$75M</i>
<i>Restructuring payments</i>	<i>\$11M</i>	<i>\$20M</i>
<b>Non-GAAP Adjusted Cash Flow from Cont Ops</b>	<b>\$433M</b>	<b>\$460M</b>

<i>LTM Q3 Bridge</i>	LTM Q3'06	LTM Q3'05
<b>GAAP Cash Flow from Continuing Operations</b>	<b>\$1,552M</b>	<b>\$1,377M</b>
<i>Tax benefit</i>	<i>(\$191M)</i>	<i>(\$109M)</i>
<i>Restitution payment</i>	<i>\$75M</i>	<i>\$75M</i>
<i>Restructuring payments</i>	<i>\$20M</i>	<i>\$20M</i>
<b>Non-GAAP Adjusted Cash Flow from Cont Ops</b>	<b>\$1,456M</b>	<b>\$1,363M</b>

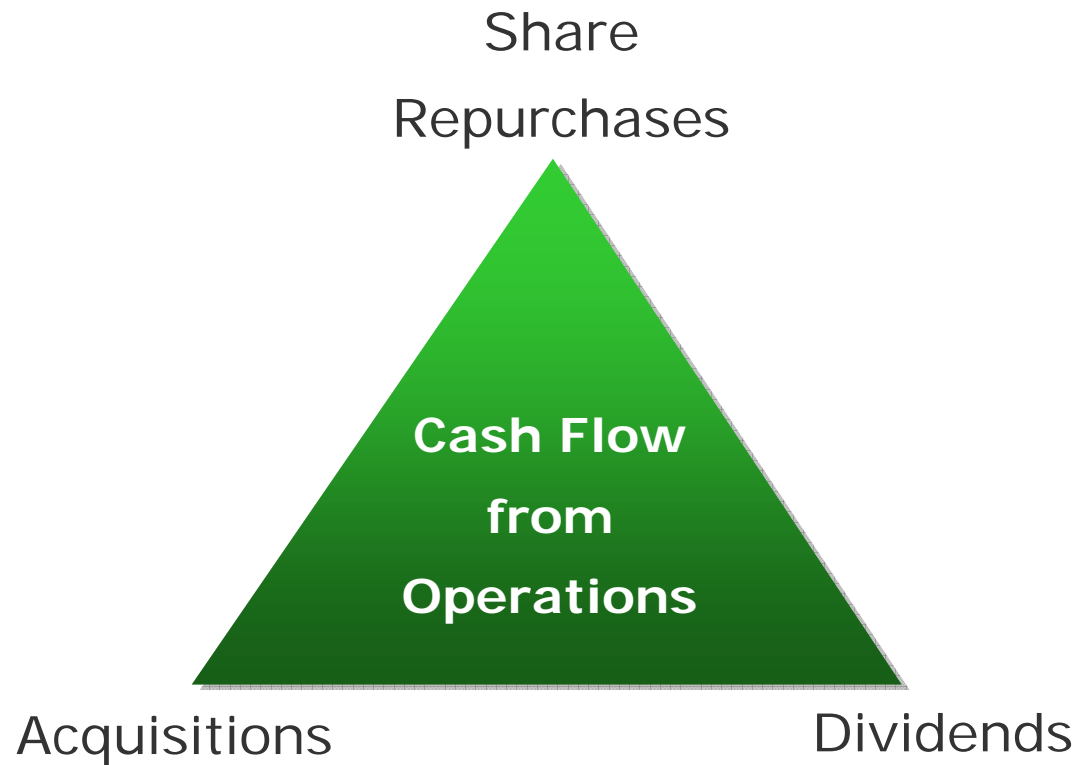
# Restructuring Update

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- Restructuring plan update:
  - Headcount reductions of approximately 5% (~800) in R&D, sales and back office functions as well as facilities rationalization
  - Through today, we have exited roughly 60% of the affected employees
- Recorded a \$17M pre-tax restructuring charge in fiscal Q3'06
- On track for targeted annualized savings of \$75M

# Capital Allocation Discipline

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# LTM Operating Metrics

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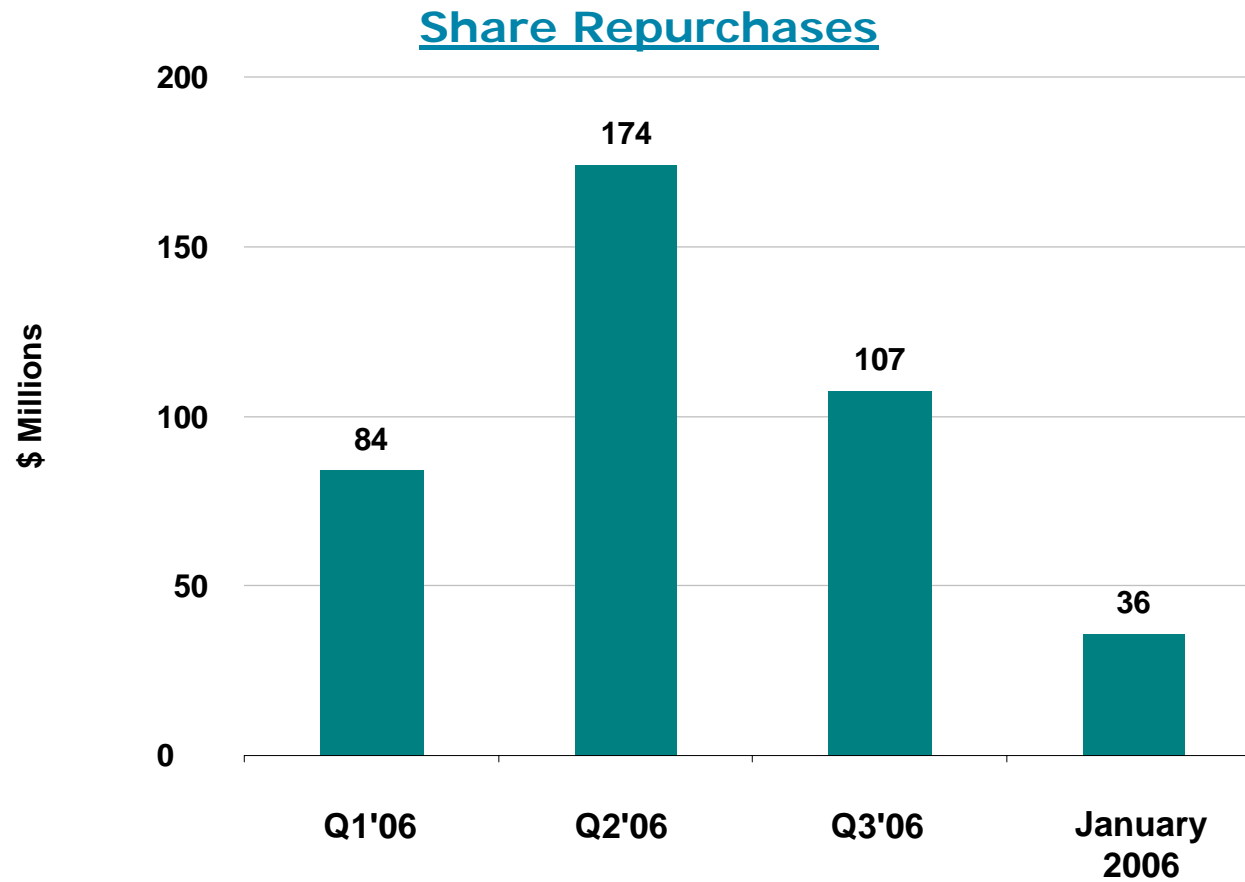
	LTM Q3'06	LTM Q3'05
<b>Billings</b>	<b>\$4,450M</b>	<b>\$4,397M</b>
<b>Non-GAAP Adjusted CFFO*</b>	<b>\$1,456M</b>	<b>\$1,363M</b>
<b>Non-GAAP Adjusted CFFO Margin*</b>	<b>33%</b>	<b>31%</b>
<b>ROIC</b>	<b>21%</b>	<b>20%</b>

\*Note: For a reconciliation of Non-GAAP Adjusted Cash Flow from Continuing Operations to GAAP Cash Flow from Continuing Operations, see slide 9 of this presentation.

# Share Repurchases

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- Through today, settled approximately \$400M in share repurchases
- On track to fulfill remaining share repurchase authorization of \$600M in FY2006



# Guidance

	Q4'06	Y/Y %	FY06	Y/Y %
Revenue	\$975M - \$1B	6% - 9%	\$3.805B - \$3.830B	7% - 8%
Subscription Revenue	\$710M - \$720M	6% - 8%	\$2.815B - \$2.825B	11%
GAAP EPS From Cont Ops	\$0.09 - \$0.10	200% - 233%	\$0.40 - \$0.41	NM
Non-GAAP Operating EPS*	\$0.23 - \$0.24	15% - 20%	\$0.93 - \$0.94	16% - 18%
Billings Growth	Mid-to-high single digits			
Non-GAAP Adjusted CFFO**			\$1.49B - \$1.53B	12% - 15%

\*Note: See press release dated January 24, 2006 for a reconciliation of Non-GAAP Operating EPS to GAAP EPS from Continuing Operations. Available on [investor.ca.com](http://investor.ca.com).

\*\*Note: See press release dated January 24, 2006 for a reconciliation of Non-GAAP Adjusted Cash Flow from Continuing Operations to GAAP results. Available on [investor.ca.com](http://investor.ca.com).

# Q & A