

COMPUTER ASSOCIATES INTERNATIONAL INC
Form DFAN14A
July 17, 2002

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

SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO. __)

Filed by the Registrant
Filed by a Party other than the Registrant
Check the appropriate box:
 Preliminary Proxy Statement
 Confidential, For Use of the Commission Only (as permitted by
Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to Rule 14a-12

COMPUTER ASSOCIATES INTERNATIONAL, INC.
(Name of Registrant as Specified in Its Charter)

RANGER GOVERNANCE, LTD.
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):
 No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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computed pursuant to Exchange Act Rule 0-11 (set forth
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Slide presentation materials used by Ranger Governance:

RANGER GOVERNANCE

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Agenda

- o Last Year's Contest
- o CA: One Year Later
- o Ranger's Interactions with CA
- o Ranger's Decision
- o Ranger's Motives
- o The Ranger Candidates
- o The Ranger Strategy & Program
- o The Ranger View: Looking Forward

Last Year's Contest

- o Placed Spotlight on Performance
- o Battled Against Insider Bloc
- o Won 24% of Vote
- o Won Promised Concessions
 - More Independent Board
 - Improved Governance
 - More Transparent Accounting
- o Press Called Concessions a "Victory" for Ranger

CA One Year Later

CA has Underperformed in Many Respects	\$80.00	

Since 8-29-01, stock down 59% to \$13.13 as of July 15, 2002	\$70.00	XXXXXXXX -----
		XXXXXXXX
S&P 500 decreased only 20% in same period	\$60.00	XXXXXXXX -----
		XXXXXXXX
S&P Systems Software Index down 19% in same period	\$50.00	XXXXXXXX -----
		XXXXXXXX
Stock declined from \$74.56 on 1-26-00 to \$13.13 on 7-15-02, a decline of 80%	\$40.00	XXXXXXXX -----
		XXXXXXXX
	\$30.00	XXXXXXXX -----
		XXXXXXXX
	\$20.00	XXXXXXXX -----
		XXXXXXXX
	\$10.00	XXXXXXXX ----- XXXXXXXX ---
		XXXXXXXX XXXXXXXX

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\$0.00-----
\$74.56 \$13.13
(1-26-00) (7-15-02)

| X | CA |
|-----|

Five-Year Total Return

o	Computer Associates	-67.7%
o	S&P 500 Index	+7.7%
o	S&P Systems Software Index	+25.2%

Total returns for the period 7/18/97 to 7/12/02, calculated from weekly prices.
Source: Bloomberg Professional. Assumes reinvestment of dividends, excepting
the Systems Software Index which assumes no dividends.

One-Year Total Return

o	Computer Associates	-61.4%
o	S&P 500 Index	-22.6%
o	S&P Systems Software Index	-33.5%

Total returns for the period 7/16/01 to 7/15/02, calculated from daily prices.
Source: Bloomberg Professional. Assumes reinvestment of dividends, excepting
the Systems Software Index which assumes no dividends.

CA's Debt

- o \$3.8 Billion as of 3/31/02
- o CA's Debt is Highest of S&P Systems Software Index (#2 has less than 16%)
- o Debt/Equity Ratio of 83% vs. Index Average (exclusive of CA) of Less Than 4%
- o Negative Outlook from S&P in February, 2002
- o Downgraded by Moody's to 2 Notches Above "Junk" in March, 2002

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Ranger Interactions With CA

- o Onsite Meetings with Sanjay Kumar
- o Attended CA Analysts' Meetings
- o Ranger Requested Action by the CA Board of Directors
- o Board Declined to Dismiss Charles Wang, Sanjay Kumar and Ira Zar

Ranger's Decision

- o Five Ranger Nominees to CA Board
- o Not Seeking Control
- o Slate Will Bring Ideas, Monitoring and Influence
- o Tremendous Effort Required to Overcome Insider Bloc (including Haefner)

Ranger's Motives

- o Economic - Ranger Has 1.5 Million Options
- o Personal - Former Employees at Companies bought by CA Should Have the Chance to Work for a Successful Company
- o Societal - Corporate Governance - the Working Union of the CEO, the Board and the Shareholders - Must be Embraced

That is Ranger's Mission

The Ranger Candidates

- o A Wealth of Experience in Business, Technology and Finance
- o Independent Shareholder Representation

Richard J. Agnich

Governance Authority and Formerly Senior Vice
President, Secretary and General Counsel for

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Texas Instruments

Max D. Hopper

President of Max D. Hopper Associates, Inc.,
a Company Focusing on Strategic Uses of
Advanced Information Systems; Formerly Senior
Vice President of Information Systems for
American Airlines; Led the Development of the
SABRE Reservations System

Cece Smith

General Partner of Phillips-Smith-Machens
Venture Partners and the Former Chairman of
the Federal Reserve Bank of Dallas

Ronald J. Robinson

Formerly President of Texaco's Technology
Division, and a Professor and Department Head
at Texas A&M University

Stephen Perkins

In the Software Industry for More Than 30
Years, Worked in Sales, Marketing, Product
Development and Corporate Strategies; Served
as President of the Communications Software
Group for Sterling Commerce

The Ranger Strategy

- o Long-term Commitment to Growth and Value

The Ranger Strategy (con't)

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- o Different from Last Year:
 - Initially ran full slate of 10 nominees
 - Proposed restructuring company
 - Focused on strategy

The Ranger Strategy (con't)

- o Minority Slate This Year:
 - Assembling a strong board
 - Present ideas and persuade on merits
 - Install controls and mechanisms to monitor performance and assure accountability
 - Make the right things happen for long-term shareholder value (no Band-Aids)

The Ranger Program

- o We Would Propose:
 - Replacing Wang, Kumar and Zar
 - Making accounting transparent and credible
 - Reviewing the financial reporting systems and having the CFO accountable to the Audit Committee

The Ranger Program (con't)

- o We Would Propose:
 - Reducing the \$3.8 Billion of debt
 - Redeeming the "poison pill"

The Ranger Program (con't)

- o We Would Propose:
 - A long-term market strategy supported by a

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strategic technical committee to ensure coordinated development, acquisition, interoperability, consolidation and delivery of products

The Ranger Program (con't)

- o We Would Propose:
 - Overhauling and improving customer support activities through a program of broader customer input, increased management contact and director participation in customer interactions

The Ranger Program (con't)

- o We Would Propose:
 - Restructured sales:
 - o More product specialization
 - o More responsive "cross-sell" contacts
 - o Establish single point of contact for customer needs
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THE RANGER VIEW

Looking Forward

- o What Ranger Sees at CA:
 - Loss of financial flexibility
 - Lack of strategic vision
 - Lack of credibility
 - Value will suffer

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The Choice Is Yours. . .

o After Looking at the Facts:

- If you believe that the CA management has done a good job of running your company, then vote for them

 - If, on the other hand, you think that change is due, vote for Ranger's nominees
-

Together, we can make this company great

Ranger Governance, Ltd. ("Ranger") and certain other persons may be deemed participants in the solicitation of proxies from the stockholders of Computer Associates International, Inc. ("Computer Associates") in connection with Computer Associates' 2002 Annual Meeting of Stockholders. Information concerning such participants is available in Ranger's revised preliminary proxy statement on Schedule 14A (the "Revised Preliminary Proxy Statement") filed by Ranger with the Securities and Exchange Commission (the "SEC") on July 9, 2002.

STOCKHOLDERS OF COMPUTER ASSOCIATES ARE ADVISED TO READ RANGER'S DEFINITIVE PROXY STATEMENT (THE "DEFINITIVE PROXY STATEMENT") IN CONNECTION WITH RANGER'S SOLICITATION OF PROXIES FROM COMPUTER ASSOCIATES STOCKHOLDERS WHEN IT BECOMES AVAILABLE, BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION. Stockholders of Computer Associates and other interested parties may obtain, free of charge, copies of the Revised Preliminary Proxy Statement and the Definitive Proxy Statement (when available), and any other documents filed by Ranger with the SEC, at the SEC's Internet website at www.sec.gov. The Revised Preliminary Proxy Statement and the Definitive Proxy Statement (when available) and these other documents may also be obtained free of charge by contacting Morrow & Co., Inc., the firm assisting Ranger in the solicitation of proxies, toll-free at 1-800-607-0088.

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