

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

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of The
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **April 21, 2005**

AUTOMATIC DATA PROCESSING, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other
jurisdiction of
incorporation)

1-5397

(Commission
File Number)

22-1467904

(IRS Employer
Identification
No.)

One ADP Boulevard, Roseland, New Jersey

(Address of principal executive offices)

07068

(Zip Code)

Registrant's telephone number, including area code: **(973) 974-5000**

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On April 21, 2005 the Registrant issued a press release announcing the Registrant's financial results for the third fiscal quarter ended March 31, 2005. A copy of the Registrant's press release is attached hereto as Exhibit 99 and is hereby incorporated by reference.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibit 99. Press Release dated April 21, 2005, issued by Automatic Data Processing, Inc.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.
Date: April 21, 2005.

AUTOMATIC DATA PROCESSING, INC.

By: /s/ Karen E. Dykstra

Name: Karen E. Dykstra

Title: Chief Financial Officer

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Exhibit Index

<u>Exhibit Number</u>	<u>Description</u>
99	Press Release dated April 21, 2005, issued by Automatic Data Processing, Inc.

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**ADP REPORTS THIRD FISCAL QUARTER RESULTS;
REVENUES GROW 11%, EPS INCREASES 14%**

ROSELAND, NJ, April 21, 2005 – Automatic Data Processing, Inc. (NYSE:ADP) reported 11% revenue growth, with revenues of \$2.3 billion and \$0.57 earnings per share for the third fiscal quarter ended March 31, 2005, Arthur F. Weinbach, chairman and chief executive officer, announced today. Pretax and net earnings grew 12% and 13%, respectively, compared with the third quarter last year. Diluted earnings per share, on fewer shares outstanding, increased 14% from \$0.50 per share last year.

Commenting on the results, Mr. Weinbach said, “The positive momentum in each of our businesses continued in our third fiscal quarter. Employer Services’ revenues increased 9%, and key metrics continued to improve. New business sales growth accelerated to 16% in the quarter and client retention increased nearly a full percentage point year-to-date on top of last year’s record level, a testament to the quality of our products and the World Class Service we provide to our clients on a daily basis. Our client fund balances exceeded our expectations during the quarter when we have our largest average daily balances, with double-digit growth compared with the third quarter last year. We are particularly pleased with the progress in Employer Services as the results of our investments in sales and new products are now more evident across all of our market segments.

“Brokerage Services’ revenues grew 5% and pretax earnings grew 4% in the quarter compared with the third quarter last year. Our internal revenue growth rate was 9% for the quarter. Our Brokerage Services’ revenue growth was primarily driven by growth in investor communications which resulted in a slightly lower overall margin. The volume of investor communications pieces delivered increased 25% over last year largely driven by more mutual fund meetings and mutual fund special communications. Back-office average trades per day increased 5% over strong volumes last year, while the decline in average revenue per trade was 8% for the quarter. Securities Clearing and Outsourcing Services’ revenues were \$22 million in the quarter and the pretax loss of \$9 million for the quarter was in line with our expectations.

“Dealer Services’ revenues grew 9% in the quarter while our pretax earnings declined by 7%. Our sales results for our core dealer management systems (DMS) have been solid this year, and we have recently been awarded new sales contracts to be the sole DMS provider for two of the largest dealership groups in the United States. This will result in about 240 additional dealer sites over the next 18 to 30 months. As we have invested in additional implementation resources, our margins will be lower initially and should improve next year. Additionally, our margins have been impacted by integration expenses relating to last year’s acquisitions. Claims Services’ revenues grew 3% in the quarter compared with the third quarter last year. In addition, we continued to benefit from foreign exchange rates which contributed about 1% to total company revenue growth year-to-date.

“We are pleased with the results of the third quarter. Our confidence is high that we will end the year toward the high end of our total company guidance of 7% - 9% revenue growth and 12% - 15% earnings per share growth. We continue to invest in areas of the business that provide strong future growth opportunities, such as Comprehensive Outsourcing Services solutions for all segments, new distribution channels and our salesforce. We acquired over 10 million ADP shares for treasury year-to-date for approximately \$420 million,” Mr. Weinbach concluded.

An analyst conference call to review the third quarter results will be held today, Thursday, April 21 at 1:30 p.m. EDT. A live audio webcast of the call will be available to the public on a listen-only basis. To listen to the webcast go to www.adp.com and click on the webcast icon. ADP’s news releases, current financial information, SEC filings and Investor Relations presentations are accessible at the same website.

ADP, with approximately \$8 billion in revenues and 550,000 clients worldwide, is one of the largest providers of a broad range of premier, mission-critical, cost-effective transaction processing and information-based business solutions.

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Automatic Data Processing, Inc. and Subsidiaries
Consolidated Statements of Earnings
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2005	2004	2005	2004
Revenues, other than interest on funds held for Employer Services clients and PEO revenues	\$ 2,060,301	\$ 1,894,672	\$ 5,473,928	\$ 5,063,394
Interest on funds held for Employer Services clients	124,425	96,531	300,217	261,667
PEO revenues (A)	164,237	130,232	423,084	344,051
	<u>2,348,963</u>	<u>2,121,435</u>	<u>6,197,229</u>	<u>5,669,112</u>
Operating expenses	1,068,073	944,373	2,850,812	2,548,914
Selling, general and administrative expenses	512,886	487,410	1,424,407	1,373,581
Systems development and programming costs	154,362	144,824	453,156	409,703
Depreciation and amortization	77,757	77,185	228,339	225,520
Other income, net	(2,065)	(11,997)	(25,995)	(44,656)
Total expenses	<u>1,811,013</u>	<u>1,641,795</u>	<u>4,930,719</u>	<u>4,513,062</u>
Earnings before income taxes	537,950	479,640	1,266,510	1,156,050
Provision for income taxes	199,579	179,390	469,875	432,370
Net earnings	<u>\$ 338,371</u>	<u>\$ 300,250</u>	<u>\$ 796,635</u>	<u>\$ 723,680</u>
Basic earnings per share	<u>\$ 0.58</u>	<u>\$ 0.51</u>	<u>\$ 1.37</u>	<u>\$ 1.22</u>
Diluted earnings per share	<u>\$ 0.57</u>	<u>\$ 0.50</u>	<u>\$ 1.35</u>	<u>\$ 1.21</u>
Dividends per common share	<u>\$ 0.1550</u>	<u>\$ 0.1400</u>	<u>\$ 0.4500</u>	<u>\$ 0.4000</u>

(A) Net of pass-through costs of \$1,531,884 and \$1,136,832 for the three months ended March 31, 2005 and 2004, respectively, and \$4,033,375 and \$3,086,265 for the nine months ended March 31, 2005 and 2004, respectively.

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Automatic Data Processing, Inc. and Subsidiaries
Other Selected Financial Data
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2005	2004	2005	2004
Revenues for select business units (B)				
Employer Services	\$ 1,494,000	\$ 1,367,000	\$ 3,906,000	\$ 3,638,000
Brokerage Services	475,000	452,000	1,161,000	1,107,000
Dealer Services	246,000	226,000	727,000	655,000
Securities Clearing and Outsourcing Services	22,000	-	37,000	-
Pre-tax earnings for select business units (B)				
Employer Services	\$ 449,000	\$ 386,000	\$ 954,000	\$ 856,000
Brokerage Services	70,000	68,000	158,000	121,000
Dealer Services	36,000	39,000	108,000	108,000
Securities Clearing and Outsourcing Services	(9,000)	-	(14,000)	-

(B) Prior year's segment results were adjusted to reflect fiscal year 2005 budgeted foreign exchange rates.

Components of Other Income, net:

Interest income on corporate funds	\$ (15,976)	\$ (13,521)	\$ (67,960)	\$ (59,263)
Interest expense	3,569	1,965	22,476	11,966
Realized (gains) losses on available-for-sale securities, net	10,342	(441)	19,489	2,641
Total other income, net	<u>\$ (2,065)</u>	<u>\$ (11,997)</u>	<u>\$ (25,995)</u>	<u>\$ (44,656)</u>

Earnings per share information:

Net earnings	\$ 338,371	\$ 300,250	\$ 796,635	\$ 723,680
Average shares outstanding	583,991	591,210	583,578	592,575
Basic earnings per share	\$ 0.58	\$ 0.51	\$ 1.37	\$ 1.22
Diluted net earnings	\$ 338,633	\$ 300,572	\$ 797,426	\$ 724,820
Diluted shares outstanding	590,512	599,479	590,503	599,127
Diluted earnings per share	\$ 0.57	\$ 0.50	\$ 1.35	\$ 1.21

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Automatic Data Processing, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands)

	<u>March 31,</u> <u>2005</u>	<u>June 30,</u> <u>2004</u>
	(Unaudited)	
<u>Assets</u>		
Cash and cash equivalents/Short-term marketable securities	\$ 1,562,016	\$ 1,129,075
Securities clearing and outsourcing services receivables	1,109,088	-
Other current assets	<u>1,818,236</u>	<u>1,632,514</u>
Total current assets	4,489,340	2,761,589
Long-term marketable securities	422,950	963,501
Property, plant and equipment, net	658,203	642,353
Other non-current assets	4,177,907	3,849,584
Funds held for clients	<u>23,024,327</u>	<u>12,903,532</u>
Total assets	<u>\$ 32,772,727</u>	<u>\$ 21,120,559</u>
<u>Liabilities and Stockholders' Equity</u>		
Securities clearing and outsourcing services payables	\$ 818,585	\$ -
Other current liabilities	<u>1,935,692</u>	<u>1,768,424</u>
Total current liabilities	2,754,277	1,768,424
Long-term debt	75,937	76,200
Other non-current liabilities	1,077,358	1,018,040
Client funds obligations	<u>23,095,513</u>	<u>12,840,225</u>
Total liabilities	27,003,085	15,702,889
Total stockholders' equity	<u>5,769,642</u>	<u>5,417,670</u>
Total liabilities and stockholders' equity	<u>\$ 32,772,727</u>	<u>\$ 21,120,559</u>

This release and other written or oral statements made from time to time by ADP may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that are not historical in nature and which may be identified by the use of words like "expects," "assumes," "projects," "anticipates," "estimates," "we believe," "could be" and other words of similar meaning, are forward-looking statements. These statements are based on management's expectations and assumptions and are subject to risks and uncertainties that may cause actual results to differ materially from those expressed. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include: ADP's success in obtaining, retaining and selling additional services to clients; the pricing of products and services; changes in laws regulating payroll taxes, professional employer organizations, employee benefits and registered clearing agencies and broker-dealers; overall market and economic conditions, including interest rate and foreign currency trends; competitive conditions; stock market activity; auto sales and related industry changes; employment and wage levels; changes in technology; availability of skilled technical associates and the impact of new acquisitions and divestitures. ADP disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Source: Automatic Data Processing, Inc.

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