

**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): **July 26, 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 July 26, 2005 the Registrant issued a press release announcing the Registrant's financial results for the fourth fiscal quarter ended June 30, 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 July 26, 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: July 26, 2005

AUTOMATIC DATA PROCESSING, INC.

By: /s/ Karen E. Dykstra
Name: Karen E. Dykstra
Title: Chief Financial Officer

Exhibit Index

<u>Exhibit Number</u>	<u>Description</u>
99	Press Release dated July 26, 2005, issued by Automatic Data Processing, Inc.

ADP REPORTS FISCAL 2005 RESULTS AND PROVIDES FISCAL 2006

REVENUE AND EPS GUIDANCE;

FISCAL 2005 REVENUES RISE 10%; EPS INCREASES 15%;

**HIGH SINGLE-DIGIT REVENUE GROWTH AND 15% - 20% EPS GROWTH PROJECTED FOR
FISCAL 2006**

ROSELAND, NJ, July 26, 2005 – Automatic Data Processing, Inc. (NYSE:ADP) reported 10% revenue growth, to \$8.5 billion, and 15% earnings per share growth for the fiscal year ended June 30, 2005, Arthur F. Weinbach, chairman and chief executive officer, announced today. Pretax earnings grew 12% and net earnings grew 13% compared with last year. Diluted earnings per share of \$1.79 increased 15% from \$1.56 per share a year ago on fewer shares outstanding. In fiscal 2005, ADP acquired over 14 million shares of its stock for treasury for approximately \$600 million. Cash and marketable securities balances were \$2.1 billion at June 30, 2005. Operating cash flows reflect continued strength at \$1.4 billion for the year.

Revenues for the fourth quarter of fiscal 2005 were \$2.3 billion, an increase of 10% compared with \$2.1 billion in the fourth quarter of fiscal 2004. Pretax and net earnings both increased 22%. Diluted earnings per share of \$0.44, on fewer shares outstanding, increased 22% compared with last year's fourth quarter. Earnings per share growth in the fourth quarter of fiscal 2005 was impacted by lower severance and facility exit charges.

Commenting on the results, Mr. Weinbach said, "Overall, ADP had an excellent year surpassing our expectations. The key metrics in Employer Services were the strongest they have been in five years. Employer Services' revenues increased 10% for the quarter and 8% for the year. New business sales growth was 16% in the quarter on top of a strong fourth quarter a year ago. For the year, new business sales growth was 13% and all market segments achieved double-digit growth. We are particularly pleased that our stronger sales performance spans all segments and reflects the investment in our sales organization and new products. The number of employees on our clients' payrolls increased in all market segments in the United States, with nearly 2% overall growth compared with last year, and client retention improved 0.5% over last year's record level. Growth in average client balances during the year was strong at about 11%. We continue to build momentum in Employer Services with acceleration in Comprehensive Outsourcing Services, continued improvements in our beyond payroll category, such as Time and Labor Management, and with features like the employee portal.

"Brokerage Services' revenues grew 5% for both the quarter and the year compared with last year. Pretax earnings improved 9% for the quarter and 20% for the year compared with last year. Revenue growth for the year was primarily from our investor communications business as the volume of pieces delivered increased 15%, driven by an increase in mutual fund meetings and special communications, as well as 6% stock record growth. Back-office average trades per day decreased 1% for the quarter compared with last year and increased 7% for the year. The decline in the quarter was primarily in institutional volume. Securities Clearing and Outsourcing Services' revenues were \$61 million since its acquisition in November 2004 through June 30, 2005 and the pretax loss for the same period of \$24 million was in line with our expectations.

"Dealer Services' revenues grew 7% for the quarter and 10% for the year, and Claims Services' revenues were flat for the quarter and grew 4% for the year.

"As of July 1, 2005, using the modified prospective method, we adopted Statement of Financial Accounting Standards (SFAS) No. 123R, which requires the expensing of our stock compensation programs. The impact of adopting SFAS No. 123R is expected to lower earnings per share by \$0.18 - \$0.19 in fiscal 2006 and would have lowered earnings per share in fiscal 2005 by \$0.22. This additional expense will be reflected in our "Other" Segment and not within the business segment results in our quarterly and annual SEC filings. The lower dilution anticipated in fiscal 2006 is primarily driven by the reduction in the number of options granted to associates beginning in fiscal 2005.

"Our fiscal 2006 guidance is high single-digit revenue growth and earnings per share growth of 15% - 20%, assuming stock compensation was expensed in fiscal 2005. Excluding stock compensation expense in both periods, we anticipate growth in earnings per share would have been 12% - 15%. Our plans reflect strong momentum in Employer Services, with about 10% revenue growth in the United States and 9% worldwide, double-digit new business sales growth and continued improvement in client retention. Interest income on client funds is anticipated to grow over 20% based on expected growth of 9% in client fund balances and an improvement of over 30 basis points in the overall yield in the client funds portfolio.

“Our revenue growth forecast is strongest in Employer Services, and ranges from mid- to high-single digit growth in our other segments. In fiscal 2005 we had over 1% of revenue growth from the impact of foreign currency exchange, which we are not anticipating will repeat in fiscal 2006. We are anticipating at least 1% margin improvement in each of our businesses. Our earnings growth is expected to be slightly lower in the first half of the fiscal year and improve steadily throughout the year.

“We are very pleased with the results for the year and our forecast for fiscal 2006 and look with confidence to the future,” Mr. Weinbach concluded.

An analyst conference call to review the fourth quarter results will be held today, Tuesday, July 26 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 \$8.5 billion in revenues and approximately 590,000 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.

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

	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2005	2004	2005	2004
Revenues, other than interest on funds held for Employer Services clients and PEO revenues	\$ 2,026,787	\$ 1,869,164	\$ 7,500,715	\$ 6,932,558
Interest on funds held for Employer Services clients	121,178	93,743	421,395	355,410
PEO revenues (A)	153,882	122,923	576,966	466,974
	<u>2,301,847</u>	<u>2,085,830</u>	<u>8,499,076</u>	<u>7,754,942</u>
Operating expenses	1,118,751	976,499	3,969,563	3,525,413
Selling, general and administrative expenses	532,699	529,775	1,957,106	1,903,356
Systems development and programming costs	170,915	171,462	624,071	581,165
Depreciation and amortization	76,029	81,252	304,368	306,772
Other income, net	(7,927)	(11,638)	(33,922)	(56,294)
Total expenses	<u>1,890,467</u>	<u>1,747,350</u>	<u>6,821,186</u>	<u>6,260,412</u>
Earnings before income taxes	411,380	338,480	1,677,890	1,494,530
Provision for income taxes	152,622	126,590	622,497	558,960
Net earnings	<u>\$ 258,758</u>	<u>\$ 211,890</u>	<u>\$ 1,055,393</u>	<u>\$ 935,570</u>
Basic earnings per share	<u>\$ 0.44</u>	<u>\$ 0.36</u>	<u>\$ 1.81</u>	<u>\$ 1.58</u>
Diluted earnings per share	<u>\$ 0.44</u>	<u>\$ 0.36</u>	<u>\$ 1.79</u>	<u>\$ 1.56</u>
Dividends per common share	<u>\$ 0.1550</u>	<u>\$ 0.1400</u>	<u>\$ 0.6050</u>	<u>\$ 0.5400</u>

(A) Net of pass-through costs of \$1,465,787 and \$1,150,752 for the three months ended June 30, 2005 and 2004, respectively, and \$5,499,161 and \$4,237,017 for the twelve months ended June 30, 2005 and 2004, respectively.

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

	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2005	2004	2005	2004
Revenues for select business units (B)				
Employer Services	\$ 1,294,000	\$ 1,175,000	\$ 5,200,000	\$ 4,813,000
Brokerage Services	589,000	560,000	1,750,000	1,667,000
Dealer Services	253,000	235,000	980,000	890,000
Securities Clearing and Outsourcing Services	24,000	-	61,000	-
Pre-tax earnings for select business units (B)				
Employer Services	\$ 190,000	\$ 139,000	\$ 1,144,000	\$ 995,000
Brokerage Services	136,000	124,000	294,000	245,000
Dealer Services	35,000	36,000	143,000	144,000
Securities Clearing and Outsourcing Services	(10,000)	-	(24,000)	-

(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	\$ (26,775)	\$ (20,678)	\$ (94,735)	\$ (79,941)
Interest expense	9,827	4,027	32,303	15,993
Realized losses (gains) on available-for-sale securities, net	9,021	5,013	28,510	7,654
Total other income, net	<u>\$ (7,927)</u>	<u>\$ (11,638)</u>	<u>\$ (33,922)</u>	<u>\$ (56,294)</u>

Earnings per share information:

Net earnings	\$ 258,758	\$ 211,890	\$ 1,055,393	\$ 935,570
Average shares outstanding	582,032	589,075	583,191	591,697
Basic earnings per share	\$ 0.44	\$ 0.36	\$ 1.81	\$ 1.58
Diluted net earnings	\$ 259,020	\$ 212,171	\$ 1,056,446	\$ 936,991
Diluted shares outstanding	588,580	597,653	590,014	598,749
Diluted earnings per share	\$ 0.44	\$ 0.36	\$ 1.79	\$ 1.56

Key Statistics:

Internal revenue growth:

Employer Services	10%	5%	8%	5%
Brokerage Services	7%	7%	9%	4%
Dealer Services	5%	9%	5%	8%

Average investment balances at cost (in billions):

Corporate investments	\$ 3.2	\$ 3.4	\$ 3.2	\$ 3.2
Funds held for clients	13.4	12.1	12.3	11.1
Total	<u>\$ 16.6</u>	<u>\$ 15.5</u>	<u>\$ 15.5</u>	<u>\$ 14.3</u>

Average interest rates earned exclusive of realized losses (gains) on:

Corporate investments	3.2%	2.4%	2.9%	2.4%
Funds held for clients	3.7%	3.1%	3.5%	3.2%
Total	3.6%	3.0%	3.4%	3.1%

Stock Compensation Impact on Diluted EPS:

	Fiscal 2005	Fiscal 2006 (F)	Year-Over-Year Growth (F)
Diluted EPS, as reported	\$ 1.79		
Less: Proforma stock compensation expense	0.22		
Diluted EPS, assuming stock compensation expensing in both periods	<u>\$ 1.57 (P)</u>	<u>\$1.81 - \$1.88</u>	<u>15% - 20%</u>
Diluted EPS, assuming stock compensation not expensed in either period	<u>\$ 1.79</u>	<u>\$2.00 - \$2.06 (P)</u>	<u>12% - 15%</u>

(F) Forecast

(P) Proforma

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

	June 30, 2005	June 30, 2004
<u>Assets</u>		
Cash and cash equivalents/Short-term marketable securities	\$ 1,671,188	\$ 1,129,075
Securities clearing and outsourcing receivables	965,205	-
Other current assets	1,804,698	1,632,514
Total current assets	<u>4,441,091</u>	<u>2,761,589</u>
Long-term marketable securities	447,940	963,501
Property, plant and equipment, net	684,756	642,353
Other non-current assets	4,144,136	3,849,584
Funds held for clients	17,897,471	12,903,532
Total assets	<u>\$ 27,615,394</u>	<u>\$ 21,120,559</u>
<u>Liabilities and Stockholders' Equity</u>		
Securities clearing and outsourcing payables	\$ 745,228	\$ -
Other current liabilities	2,055,459	1,768,424
Total current liabilities	<u>2,800,687</u>	<u>1,768,424</u>
Long-term debt	75,826	76,200
Other non-current liabilities	1,095,921	1,018,040
Client funds obligations	17,859,150	12,840,225
Total liabilities	<u>21,831,584</u>	<u>15,702,889</u>
Total stockholders' equity	5,783,810	5,417,670
Total liabilities and stockholders' equity	<u>\$ 27,615,394</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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