



Automatic Data Processing, Inc.

UBS Best of Americas Conference

September 21, 2007

Forward Looking Statements

This document 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 and employee benefits; overall market and economic conditions, including interest rate and foreign currency trends; competitive conditions; 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. These risks and uncertainties, along with the risk factors discussed under "Item 1A. - Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended June 30, 2007, should be considered in evaluating any forward-looking statements contained herein.

Today's Discussion

- Automatic Data Processing, Inc.
- ADP Fiscal 2007 Recap
- Employer Services Overview
- Dealer Services Overview
- Strategic Initiatives
- Summary

Automatic Data Processing, Inc. (NYSE:ADP)

- Leading global provider of business outsourcing solutions for employers and vehicle dealers of all sizes
- June 30 fiscal year end
- ~\$8 billion in revenues
- Over \$25 billion market cap
- Pay nearly 33 million workers in over 30 countries, including 1-in-6 in the United States
- Move over one trillion dollars in client funds
- AAA/Aaa credit ratings from Standard & Poor's and Moody's
- Operate through two primary businesses
 - Employer Services, over 83% of fiscal 2007 revenues
 - Dealer Services, 16% of fiscal 2007 revenues

ADP Fiscal 2007 Recap

- **Excellent year for the “new ADP”**
 - Pruned non-strategic, slower growing businesses
 - Spun-off Brokerage Services Group
 - Renewed focus on Employer Services and Dealer Services
- **Terrific financial results with strong business momentum**
 - **Revenues** up 14% to \$7.8 billion, 12% organic
 - Employer Services revenues grew over 12%, 11% organic
 - Dealer Services revenues grew over 14%, 6% organic
 - **Pretax earnings** grew 17%; **pretax margin** expanded nearly 50 basis points, excluding net one-time gain
 - **Diluted earnings per share from continuing operations** up 24% to \$1.80, on fewer shares outstanding, excluding net one-time gain

ADP Fiscal 2007 Recap (cont.)

- Achieved 24% **return on equity**
- Returned a higher level of excess cash to shareholders
 - **Share Repurchases** - acquired over 40 million ADP shares for over \$1.9 billion
 - **Dividend** – increased dividend 24% resulting in a yield of about 2% and payout ratio of nearly 50%
- Continue to execute well on strategic initiatives

ADP Fiscal 2007 Recap (cont.)

- Completed 5 Strategic Acquisitions in Employer Services
 - \$160+M annual revenues, contributing ~\$80M in FY07
 - Employease
 - Mintax
 - Virtual Edge
 - Taxware
 - Intuit's fully outsourced payroll business
 - Strategic Direction
 - Smaller, close to the core acquisitions
 - Leverage our salesforce
 - Not pursuing large acquisitions dilutive to EPS beyond one year
 - No new legs; only pursuing acquisitions which leverage existing capabilities

Employer Services Overview

Market – facing business units

<u>Small Business Segment</u>	<u>Major Account Segment</u>	<u>National Account Segment</u>	<u>TotalSource</u>	<u>International</u>
<ul style="list-style-type: none"> • 1-49 EE Cos. • \$1.0B Revenue • 410K Clients • EE Market Share = 8% 	<ul style="list-style-type: none"> • 50-999 EE Companies • \$1.9B Revenue • 65K Clients • EE Market Share = 25% 	<ul style="list-style-type: none"> • 1,000+ EE Companies • \$1.8B Revenue • 5K Clients • EE Market Share = 15% 	<ul style="list-style-type: none"> • PEO • \$0.9B Revenue • 10 -250 EE Cos. • 6K Clients • 159K WSE 	<ul style="list-style-type: none"> • N. America, Europe, Latin Amer. & Asia-Pac • \$0.9B Revenue • 77K Clients • EE Market Share = 3%

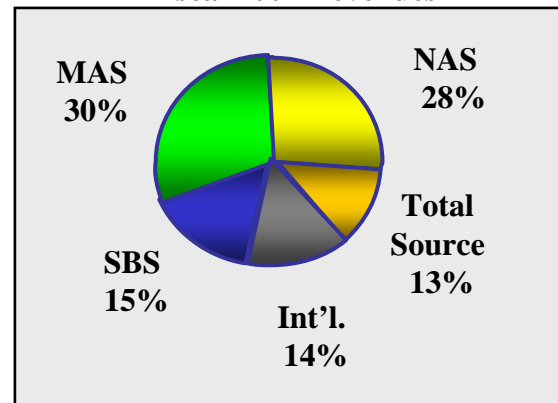
Product – facing business units

Tax & Financial Services
Retirement Services
Pre-Employment Services
Insurance Services

Fiscal 2007 Revenue
\$6.5B up from \$5.8B Fiscal 2006

- **\$85B global market opportunity**
- **over 560,000 clients**
- **nearly 33 million employees paid**
- **50+ million employees served**
- **34,000 ADP associates**

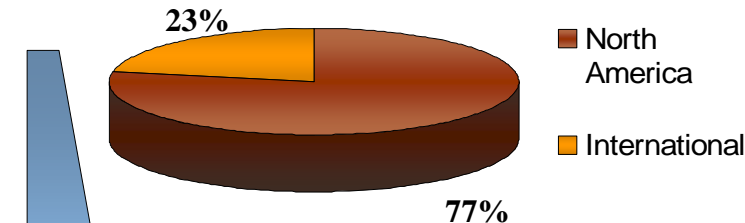
Fiscal 2007 Revenues



Dealer Services Overview

- **Products:** Dealer Management Systems and layered applications
- **Clients:** New and used franchised retailers (auto, truck, power sports), manufacturers, and channel members (DMV, financial service institutions, etc.)
- **Global market opportunity**, \$9.6B with 14% current share
- **FY07 revenues**, over \$1.2B
 - 14% growth, 6% organic growth
 - Double-digit growth in 4 out of last 5 years with acquisitions
- **7,000+ associates**
- **Primary focus, path to double-digit organic revenue growth**
 - Strengthening N.A. market position with large dealership groups
 - 7 of the top 10 dealership groups use our DMS exclusively
 - 42% penetration with next 50 accounts - upside opportunity
 - Accelerating sales of CRM/Digital marketing, BZ Results
 - Leading global provider
 - Strong OEM relationships through Kerridge acquisition
 - China has become the world's second largest auto market after the U.S.
 - DMS provider of choice in 5 of the top 10, and over half of the top 25 European dealer groups
 - Pursuing complementary acquisitions that supplement our ability to gain market share

Fiscal 2007 Revenues



North America

- \$950M revenues
- 13,000 dealer locations

International

- \$280M revenues
- 12,500 dealer locations

Strategic Initiatives

Great business model

- Highly recurring revenue model
 - Continue to do what we do well even better, bigger, faster
 - Commitment to the Service Profit Chain
 - Happy engaged associates provide higher levels of service to clients who stay longer with ADP, buy more services, and refer others to use ADP services
-

Grow our differentiated HR BPO offerings “in-the-box”

- Comprehensive solutions for every market segment
 - PEO/ASO for small and mid-sized employers
 - COS for medium and large employers
 - GlobalView for multinational companies
-

Focus on international expansion

- Accelerating our GlobalView roll out
 - Dealer Services International platform – “Autoline”
-

Enter adjacent markets which leverage our core strategic assets

- Acquire Best of Breed Products – Employease, Virtual Edge
 - Healthcare, workers’ comp
 - Sales tax/money movement
 - Digital Marketing for dealerships
-

Expand profit margins through increased operating efficiency

- Data center consolidation
- Leverage smart-shore and off-shore facilities
- Smaller new ADP corporate infrastructure
- Enhanced Telesales capabilities

Summary

- Clear path to increasing shareholder value by executing on strategic initiatives
 - “New” ADP focused on Employer Services and Dealer Services
 - Large, unpenetrated markets
 - Highest growth with greatest predictability
 - Improving business metrics
 - Accelerating organic revenue growth – 10% to 12%
 - Margin expansion – minimum 50bp each year
 - Third year of return to double-digit revenue, pretax earnings and EPS growth in fiscal 2007
 - Commitment to World Class Service
 - Returning more excess cash to shareholders
- Our unique product set and large customer base well positions ADP to capitalize on the opportunities in the large and growing markets we serve



Automatic Data Processing, Inc.

UBS Best of Americas Conference

September 21, 2007

Use of Material Contained Herein

The information contained in this presentation is being provided for your convenience and information only. This information is accurate as of the date of its initial presentation. If you plan to use this information for any purpose, verification of its continued accuracy is your responsibility. ADP assumes no duty to update or revise the information contained in this presentation. You may reproduce information contained in this presentation provided you do not alter, edit, or delete any of the content and provided you identify the source of the information as Automatic Data Processing, Inc., which owns the copyright.

Market Data and ADP Segments

Market and ADP segment data is compiled based on our internal definition of a client and its size. The number of clients and revenues within each segment are estimates. We periodically reclassify clients and revenues among segments based on the most current information available.