



IN THE BUSINESS OF YOUR SUCCESSSM

NASDAQ Investor Program

Chris Reidy
Chief Financial Officer

December 7, 2011

HR. Payroll. Benefits.

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, 2011, should be considered in evaluating any forward-looking statements contained herein.

Discussion Points

- **Business Overview**
- **Financial Strength and Capital Allocation**
- **ADP's Performance**
- **Growth Outlook**
- **Driving Innovation**
- **Summary**
- **Q&A**

Automatic Data Processing, Inc. (Nasdaq:ADP)

Automatic Data Processing, Inc. (ADP®) is one of the largest providers of business outsourcing solutions – including human resources, payroll, and benefits – to employers and automotive dealerships around the world.

We serve approximately 570,000 organizations in more than 125 countries, including nearly 400,000 small-business clients and about 25,000 vehicle dealerships. Over 80 percent of FORTUNE 500 companies and more than 90 percent of FORTUNE 100 companies use at least one of ADP's services.

**Nearly \$10 billion
in revenues**

~\$24 billion market cap

**Move over \$1 trillion
dollars in client funds**

**AAA/Aaa credit ratings
from
Standard & Poor's
and Moody's**

**Operate through two
primary businesses:
Employer Services
(~85% of revenues)
Dealer Services
(~15% of revenues)**

**Pay 33 million workers
in 75+ countries,
including 1-in-6 in the
United States**

Employer Services Overview

- ~545,000 clients – payroll & standalone
- 33 million employees paid/ 50+ million employees served

	Small Business	Major Accounts	National Accounts	International	PEO
Target Market	1-49 EE's	50-999 EE's	1,000+ EE's	All	5-250 EE's
FY11 Revenue	\$1.1B	\$2.3B	\$2.1B	\$1.4B	\$1.5B
Clients	395,000	60,000	10,000	75,000	6,000
EE's Paid	4M	10M	9M	10M	247K Worksite EE's
Growth Platform	RUN	Workforce Now	Vantage HCM	GlobalView/ Streamline	

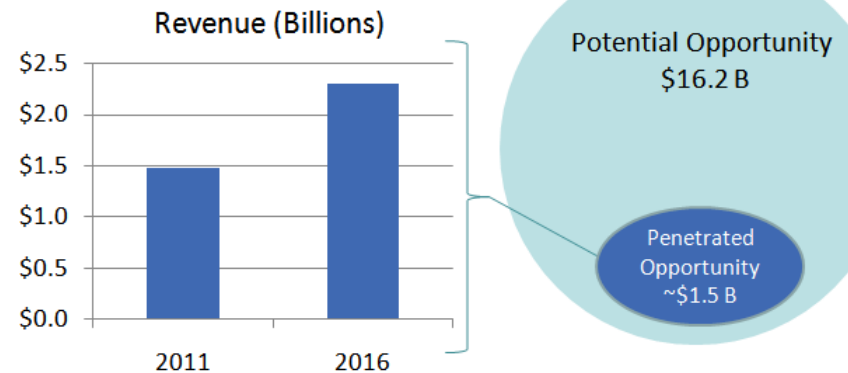
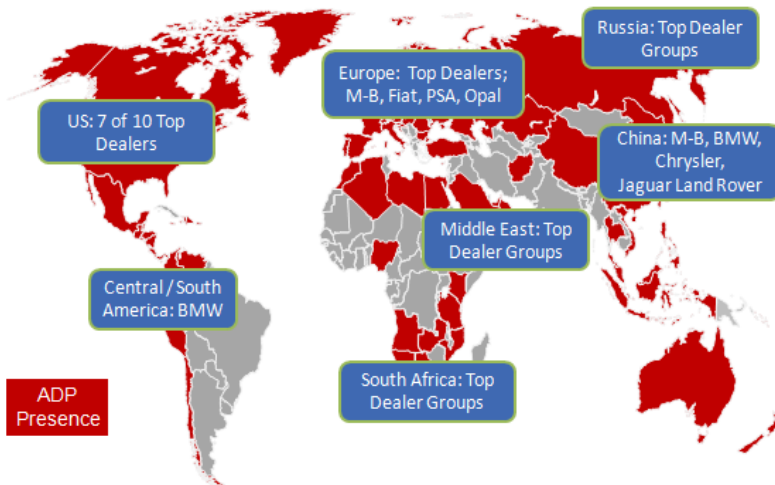
- Talent Management
- Time & Labor Management
- Pre-Employment Services
- Benefits Administration
- HR BPO
- Insurance Services

Dealer Services Overview



**\$1.5B FY11 Revenue; 7,500 Associates;
25,000* Client Sites in Nearly 100 Countries**

**Continue to Execute Strategy to reach
\$2.2 - \$2.4B in 2016**



* DMS only; excludes service shop only dealers and independent dealers

Financial Strength & Capital Allocation

Financial Strength and Capital Allocation

- **ADP is one of four non-financial companies rated AAA by both leading U.S. rating agencies**
- **Large recurring revenue base resulting in strong, consistent cash flow generation**
- **Low capital requirements**
- **Capital allocation and shareholder friendly actions**
 - Strategic acquisitions – international expansion and entering adjacent markets that complement our core solutions
 - Consistent share repurchase program via open market
 - Dividend payout ratio of 55-60%
- **ROE of over 20% last three years**

ADP's Performance

First, A Look Back

FY'03 – FY'10 history, on a comparable basis		
	FY'03 – FY'10	FY'05 – FY'10
As restated ⁽¹⁾ & adjusted ⁽²⁾ :		
Revenue CAGR	8%	8%
Pretax margin expansion		~65 bps
EPS CAGR	11%	16%
As restated ⁽¹⁾ & adjusted ⁽²⁾ , excluding interest rate impact from client funds investment strategy		
Pretax margin expansion		~45 bps
EPS CAGR	11%	15%

(1) Restated for large divestitures including

- Spin of Brokerage Services (completed March 30, 2007)
- Sale of Claims Services (fourth quarter fiscal 2006)

(2) Adjustments

- Adds stock comp expense to FY2003 – 2005 (FAS123R adopted FY06)
- Gain on sale of building excluded from FY2008
- Favorable 1X tax items excluded from FY2009 & 2010

ADP Results/Forecast

	FY09	Original FY10 Guidance	FY10	FY11 Actual	FY12 Guidance (as of Oct 26, 2011)
Revenues	↑ 1% all organic	↓ 1% - 4%	↑ 1% all organic	↑ 11% ↑ 6% organic	↑ 7% - 9%
EPS	↑ 10% to \$2.39	\$2.29-\$2.39 (flat to ↓ 4%)	↓ 0.4%	↑ 6%	↑ 8% - 10%
ES/PEO Sales	↓ 15%	~flat	↑ 4%	↑ 9%	↑ 8% - 10%
ES Retention	↓ 1.2 pts	flat to ↓ 1 pt	↑ 0.4 pts	↑ 1.2 pts	
Pays-per-control	↓ 2.5%	↓ 5% to 6%	↓ 3.4%	↑ 2.4%	↑ ~2%
Avg. Client Balances	↓ 3%	↓ 4% to 6%	flat	↑ 11%	↑ 7% - 8%

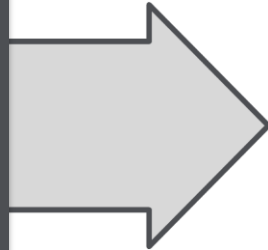
- FY09 respectable results given the economy
- Employer Services key metrics deteriorated
- Original FY10 guidance assumed severe economic conditions would continue
- Took actions to right-size organization
- Economy began to stabilize and recover
- Increased investments in sales and service
- Trends in most key metrics improved exiting FY10
- Continued to invest in the business during the downturn (RUN, Workforce Now, service solutions and associates)

Growth Outlook

Committed to our Strategic Growth Program

Maintain Market Leadership

- Talented Associates
- Service Excellence
- Product Leadership



Strengthen our core business

Grow our differentiated HR BPO offerings

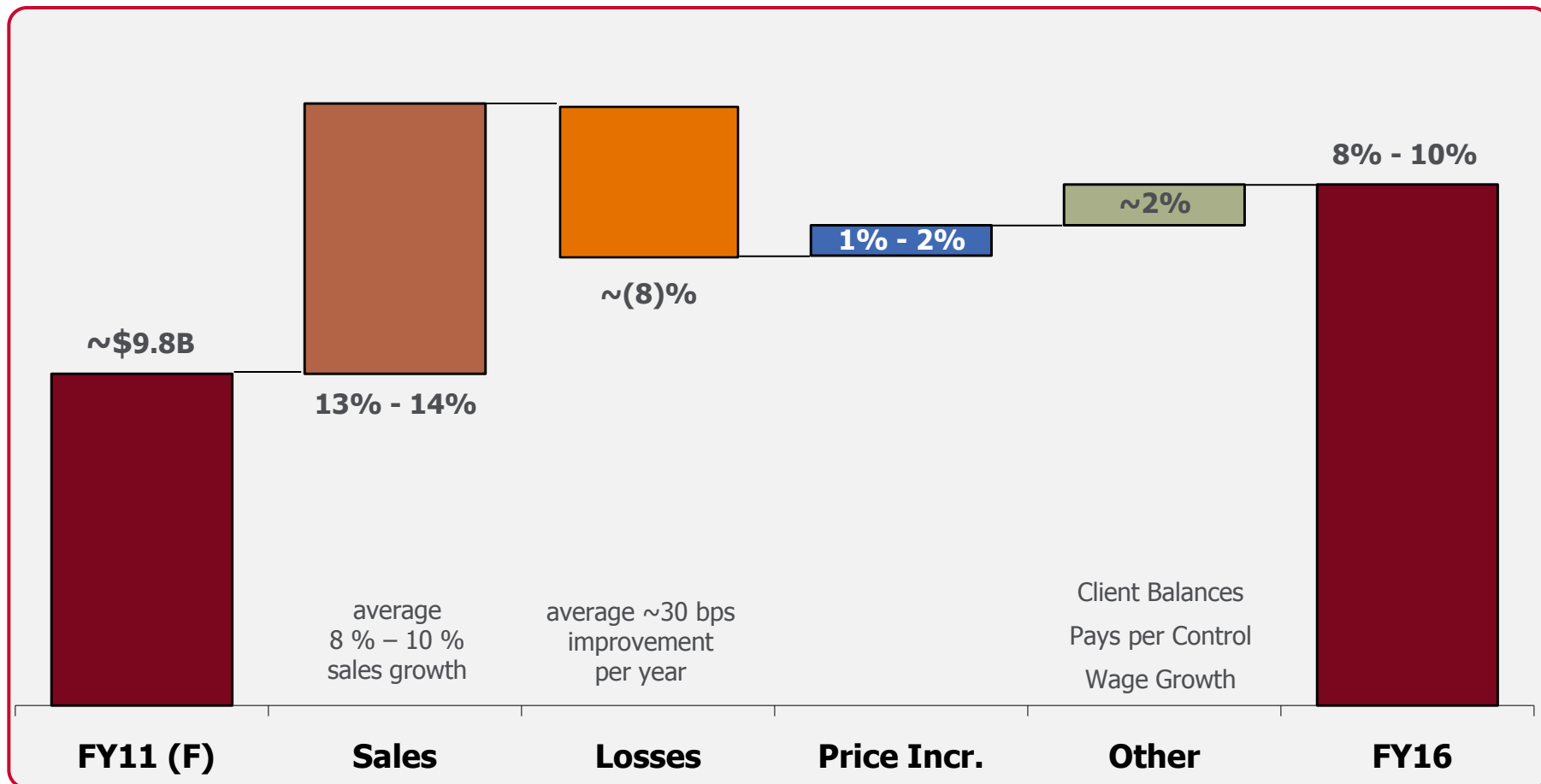
Grow share in International Markets

Enter adjacent markets which leverage our core

Expand profit margins through increased operation efficiency

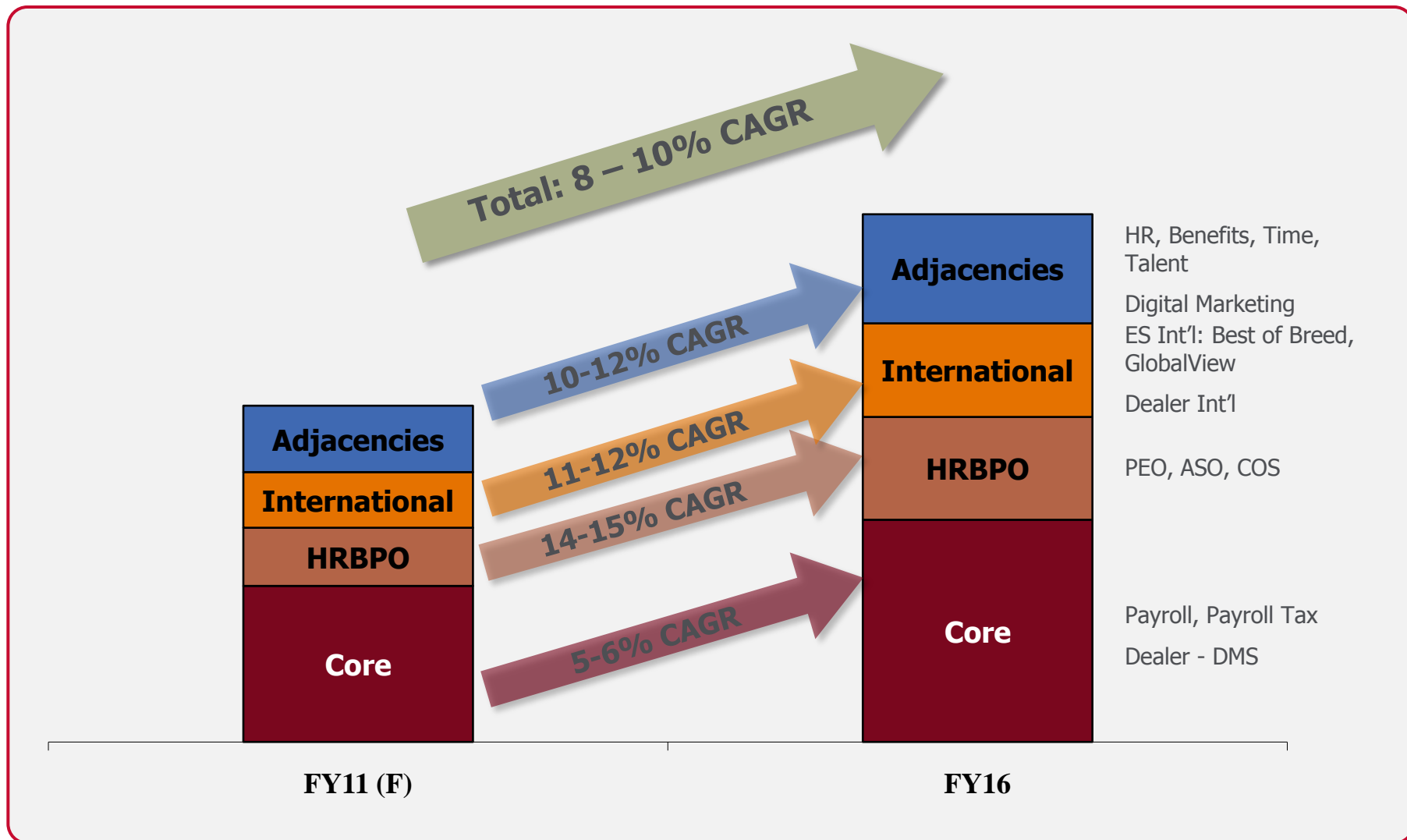
ADP 5-Year Organic Revenue Growth Outlook

ADP Revenue CAGR 8% - 10%



Note: data is as it was presented at May 2011 Financial Analyst Conference

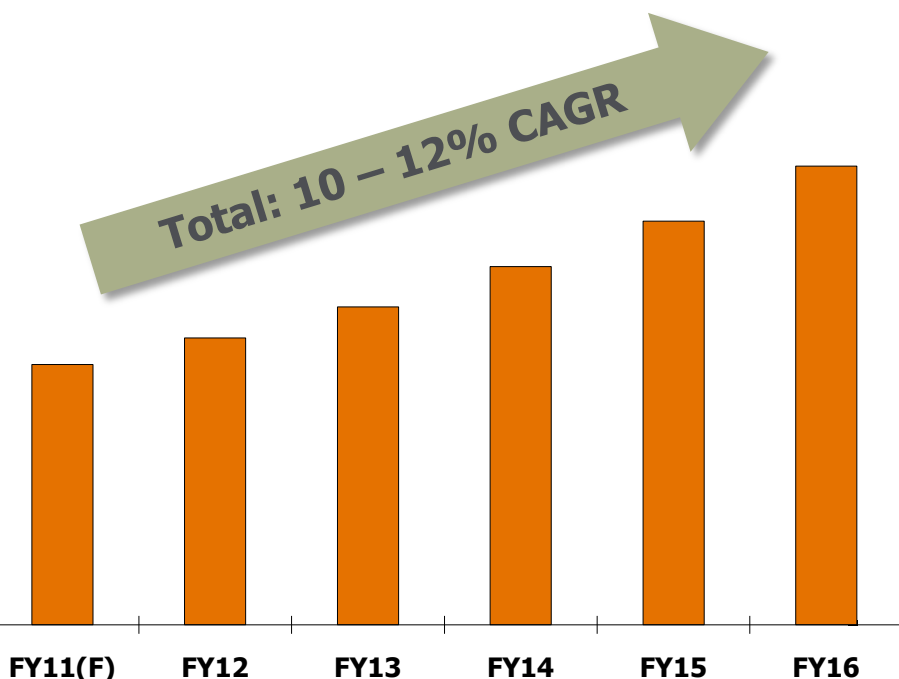
ADP 5-Year Organic Revenue Growth Outlook



Note: data is as it was presented at May 2011 Financial Analyst Conference

ADP 5-Year Pretax Earnings Growth Outlook

Pretax Earnings (\$M)



Pretax margin goal = 50 bp on average per year

- Growth of new solutions will change mix of contribution to pretax margin
- Margin expansion initiatives
 - Leverage growth in smart-shore locations
 - Hosting data processing efficiencies
 - Facilities optimization

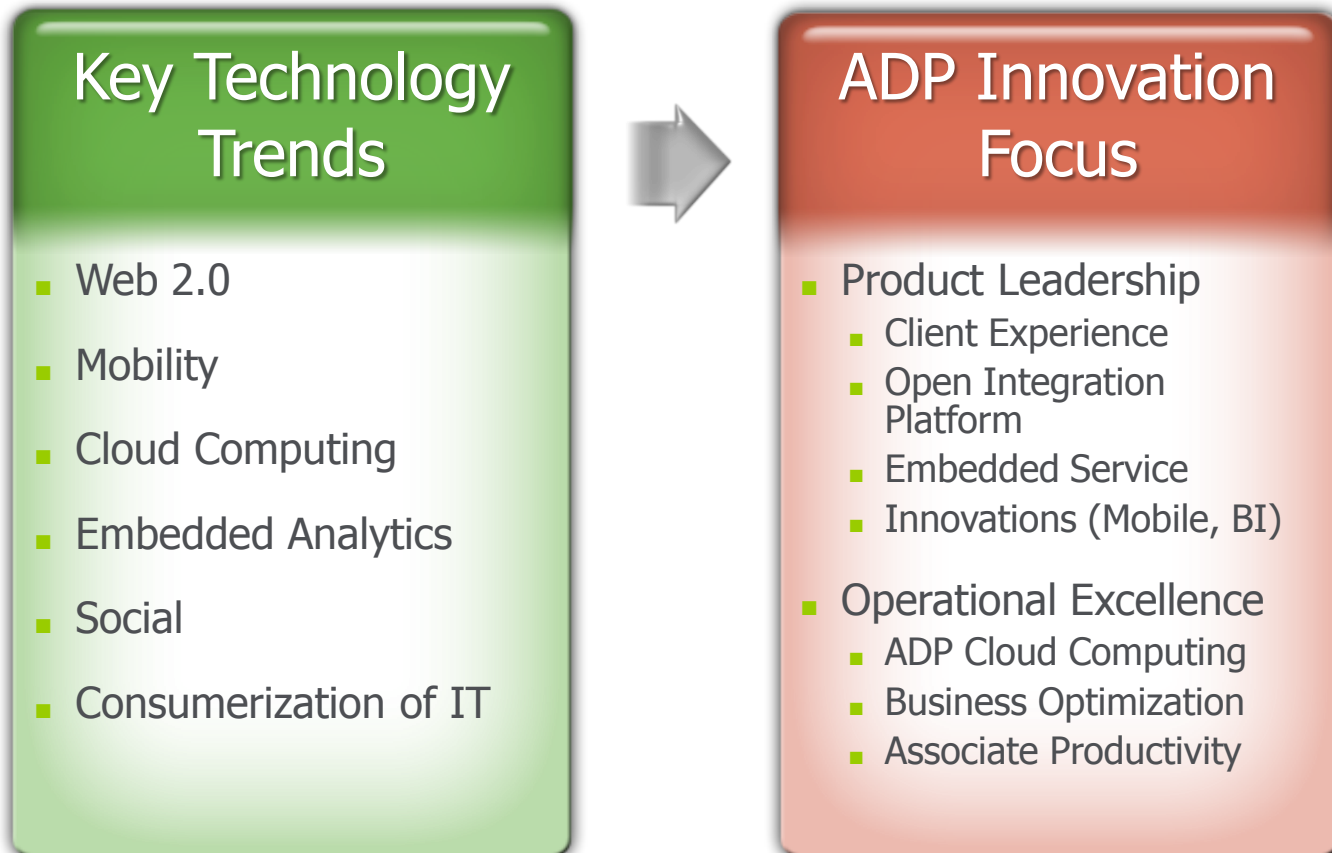
Drives 11 – 13% EPS CAGR

Note: data is as it was presented at May 2011 Financial Analyst Conference

Driving Innovation

Innovation @ ADP

Key technology trends are reshaping our go-to-market solutions as well as our front & back office systems to deliver competitive advantage.

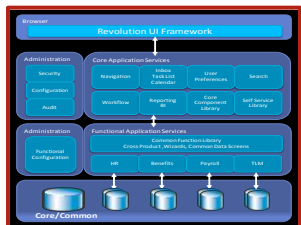


Delivering a New Client Experience



Rich Web 2.0 User Experience

New Modern UI with a Rich Interactive Graphical Design, Web 2.0 Usability, Personalization, Easy to Use Object/Task/Process Oriented Activities



Open Integration Architecture

Common Core Database, Core Data Integration, Open Architecture Platform for Client and Partner Integration, Cloud Computing Architecture, Plug and Play Modules



New Innovations to Enhance Service Experience

Integrated Service Center with Contextual Self Service, New Channels such as Live-Chat, Web Collaboration, Communities, Knowledge Management and Multi-media to Deliver Personalized Service



Key Innovations Driving Market Leadership

Leading Innovations such as Mobile, Analytics, Search, Social and Business Process Management technologies to Deliver Superior Products and Services that our clients expect

Summary

- **Worst of the recession is behind us**
 - ADP results bottomed out at “about flat” in fiscal 2010
 - Reached positive inflection points exiting fiscal 2010
- **Strength of business model evident in 8-year history**
 - Business model remains solidly intact to support longer-term growth objectives
- **AAA credit rating reflects ADP’s financial stability**
- **Shows demonstrated ability to grow over next 5 years**
 - Revenues 8% to 10% organic
 - Pretax margin expansion ~50 basis points each year on average
 - EPS 11% to 13% before share repurchase accretion
- **37 consecutive years of dividend increases**
 - Expect to maintain payout ratio at current level



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Use of Material Contained Herein

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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.