



Automatic Data Processing, Inc.

Chris Reidy, Chief Financial Officer

**Robert W. Baird & Co.
2008 Growth Stock Conference
May 14, 2008**

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

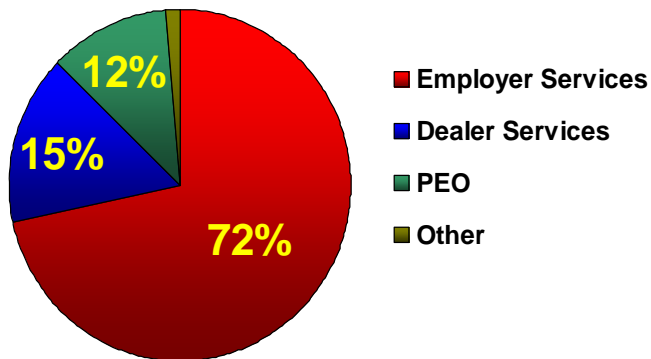
- ❑ **ADP is a Different Company Than Six Years Ago**
- ❑ **ADP Overview**
- ❑ **Employer Services Overview and Market Opportunity**
- ❑ **Dealer Services Overview and Market Opportunity**
- ❑ **5-Point Strategic Growth Program**
- ❑ **ADP Fiscal 2008 – YTD March Results and Full-Year Forecast**
- ❑ **Summary**

ADP is a Different Company than 6 Years Ago

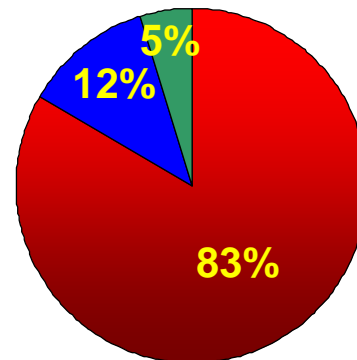
- ❑ Exited slower growing businesses**
- ❑ Keenly focused on Employer Services and Dealer Services**
 - Strong underlying growth attributes
 - Operate in large, under-penetrated markets
- ❑ Product set and global breadth, depth and reach in the marketplace have never been stronger**
 - A much smaller PEO was the only HR BPO solution offered at that time
 - GlobalView and Autoline are newer high-growth solutions
 - Additional opportunities through close-to-the-core acquisitions and entering adjacent markets
- ❑ Our value proposition to our clients and prospects holds up in any economic environment**
- ❑ Duration of client funds portfolio of 2.6 years is more than 2X duration 6 years ago due to change in investment strategy**

ADP Overview

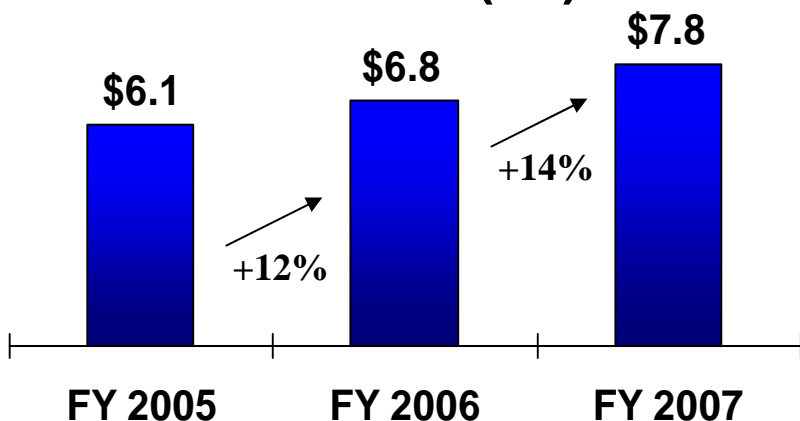
FY'07 Revenue
\$7.8 Billion



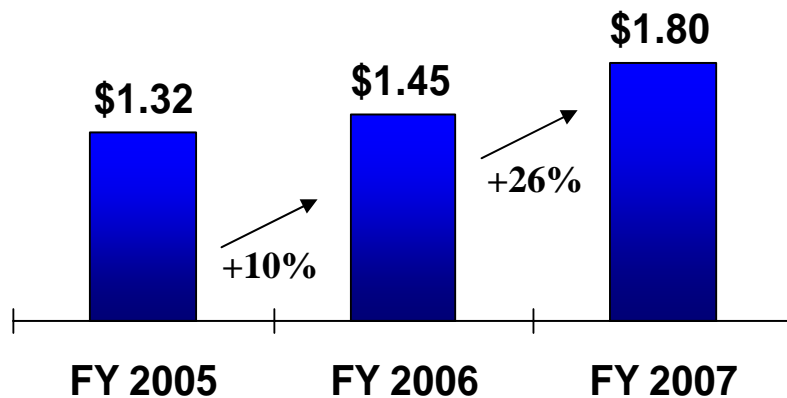
FY'07 Pretax Earnings
\$1.6 Billion



Revenue (\$B)



Diluted EPS*



* FY2005 excludes stock-based compensation expense; FY2007 excludes \$0.03 from one-time gain

Employer Services Overview

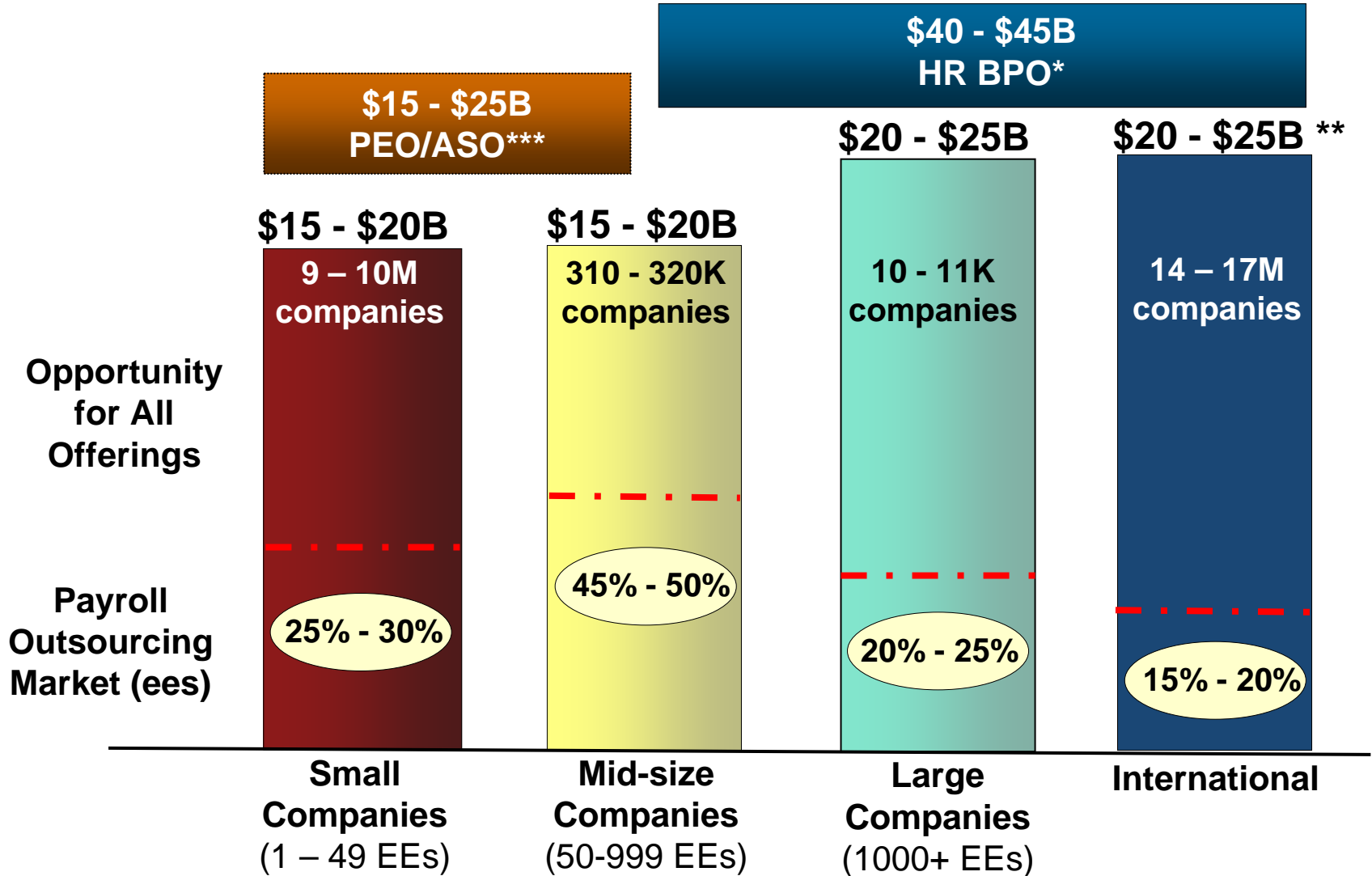
- 579,000 clients
- 32 million employees paid
- 50+ million employees served
- 36,000 associates

	Small Business	Major Accounts	National Accounts	International	PEO
Target Market	1-49 ee's	50-999 ee's	1,000+ ee's	All	5-250ee's
FY08F Revenue	\$1.1B	\$2.1B	\$2.0B	\$1.1B	\$1.1B
Clients	425,000	65,000	5,000	79,000	174K Work Site Employees
	ASO	COS/GlobalView®			HR BPO

- Tax and Financial Services
- Pre-Employment Services
 - Insurance Services
- Workforce Management
- Retirement Services

- FY '08 Outlook**
- ES – Revenues ↑ nearly 10%
Pretax margin ↑ 80 – 100 bps
 - PEO-Revenues ↑ 19% - 20%
Pretax margin ↑ 50 – 90 bps

Employer Services Market Opportunity



* Includes U.S. Mid-size, U.S. Large and International companies; not fully additive

** Excludes China and India

*** Represents addressable market; PEO excludes passthrough revenue; not fully additive

Dealer Services Overview and Market Opportunity

□ Scope:

- **Solutions:** Dealer Management Systems, Digital Marketing, IP Telephony, Business Process Outsourcing, etc.
- **Clients:** New/used auto, truck and power sports retailers; manufacturers; channel members
- **Markets:** Worldwide

□ FY'08 Outlook

- **Revenues** ↑ nearly 9%
- **Pretax margin** ↑ about 70 bps

□ Market Opportunity:

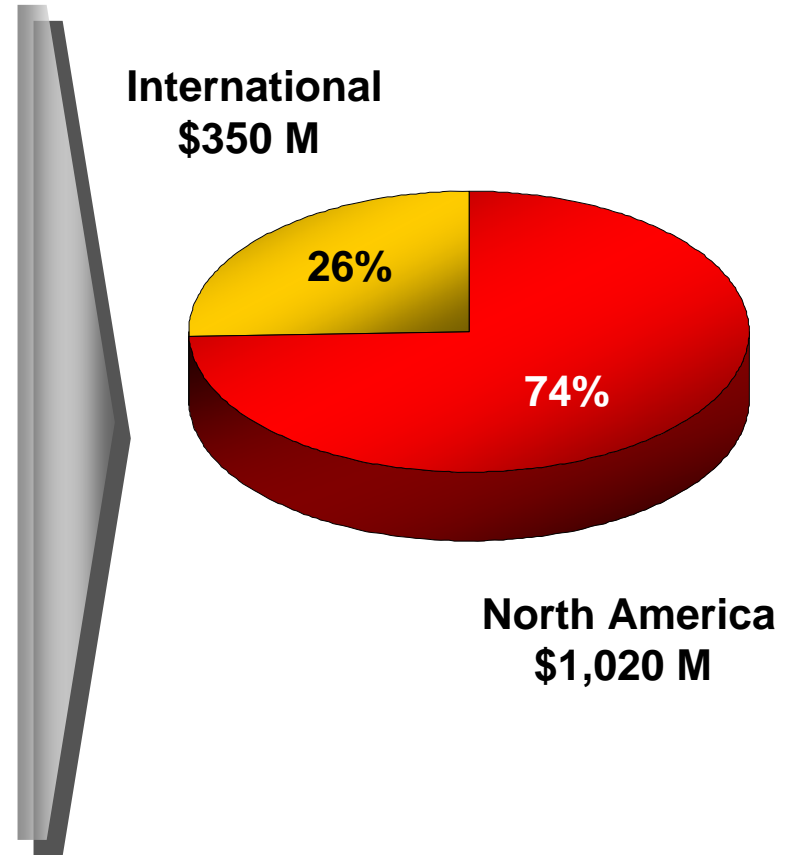
- Expanding to \$10 B w/13% current share

□ **High client satisfaction** → 96% site retention rate

□ **Over 25,500 dealerships** in over **60 countries**

□ **7,300+ ADP associates**

FY'08 Revenue (F)



5-Point Strategic Growth Program

Strengthen the Core

- ❑ Large, growing and under-penetrated markets
- ❑ Highly recurring revenue model with excellent margins yielding highly predictable and growing cash flows
- ❑ Excellent client retention
- ❑ Low capex requirements
- ❑ Significant opportunity to grow beyond payroll solutions

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
- ❑ Workers’ comp, healthcare
- ❑ Digital Marketing for dealerships
- ❑ IP Telephony for dealerships

Expand profit margins through increased operating efficiency

- ❑ Data center consolidation
- ❑ Leverage smart-shore and off-shore facilities
- ❑ Enhanced Telesales capabilities
- ❑ Efficiency programs to centralize shared back-office functions
- ❑ Smaller corporate infrastructure

ADP Fiscal 2008 – YTD March Results; Full-Year Forecast

- ❑ **Strong Results during first nine months of FY08**
 - **Revenue growth 13%**
 - **Interest on client funds up 8.4%**
 - ❑ Average client funds balances up 7.5%
 - ❑ Average interest yield held from same period a year ago at 4.4%
 - **Diluted EPS from continuing operations up 23%***, excluding FY07 gain from sale of an investment in a Dealer-related business, driven by:
 - ❑ Revenue growth and pretax margin expansion across all business segments
 - ❑ Accretive share repurchases - **acquired nearly 24 million ADP shares** for ≈\$1.1 billion
- ❑ **Solid Full-year Forecast (as of May 1, 2008)**
 - **Revenue – 12% to 13% growth**
 - **Confident in attaining high-end of diluted EPS from continuing operations forecast of 18% – 21%**, compared with \$1.80 in FY07 (excludes gain from sale of an investment in a Dealer-related business)

* GAAP results including FY07 net one-time gain: EPS up nearly 20%

Summary

- ❑ ADP performing very well against objectives laid out over last year and a half for **double-digit revenue growth and pretax margin expansion**
- ❑ Consistently **executing on commitment to return excess cash** to shareholders
- ❑ **Continuing investment** in new products, salesforce expansion, and implementation and client service resources
- ❑ Remain confident in our ability to deliver **10%+ organic revenue growth and pretax margin expansion in Employer Services and Dealer Services on average over the 3 – 5 year horizon**
- ❑ Clear path to **increasing shareholder value** by executing on strategic initiatives
- ❑ Our **unique product set and large customer base** well positions ADP to capitalize on the opportunities in the large and growing markets we serve



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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.