



**Broadridge<sup>®</sup>**

**Broadridge Financial Solutions, Inc.**

**Earnings Webcast & Conference Call**  
**Second Quarter Fiscal Year 2011**

# Forward-Looking Statements

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# Today's Agenda

- Opening Remarks and Key Topics Rich Daly, CEO
- First Half Fiscal Year 2011 Results and Full Year Guidance Dan Sheldon, CFO
- Summary and Closing Comments Rich Daly, CEO
- Q&A Rich Daly, CEO  
Dan Sheldon, CFO  
Rick Rodick, VP Investor Relations
- Closing Remarks Rich Daly, CEO

# Opening Remarks

## ➤ Key Topics:

- Year-to-Date Financial Highlights
- Business Update Highlights
- Closed Sales Performance
- Recurring Fee Revenues and Closed Sales
- Event-Driven Fee and Distribution Revenues
- Matrix acquisition

# Year-to-Date Financial Highlights

- Revenues were down significantly from last year
  - Anticipated that event-driven revenues would be down, but they were lower than expected
    - Event-driven fee revenues were down 51% for the first six months of fiscal year 2011 as compared with same period last year, the majority of which was anticipated in our guidance
    - Based on our client interactions and expertise, we do not believe there has been a secular change; however, it is unlikely event-driven revenues will rebound the remainder of this fiscal year to earlier forecasted levels
  - Recurring revenues increased because of our sales less losses (Net New Business) and acquisitions
- Diluted earnings per share from continuing operations were down 68% for the first six months of fiscal year 2011, over two-thirds of which was anticipated in our guidance due to last year's record event-driven revenues increase
  - Our year-to-date performance was \$0.10 lower than anticipated primarily due to the unprecedented cyclical decline in event-driven revenues. We are also anticipating a similar \$0.10 decline in the second half of this fiscal year
  - As a result of the event-driven revenue decline, we are lowering our Fiscal Year 2011 earnings per share from continuing operations guidance range to \$1.30 to \$1.40
  - Included in the \$0.25 earnings per share guidance reduction is \$0.05 for a one-time charge, which will result in expense benefits in Fiscal Year 2012 and beyond

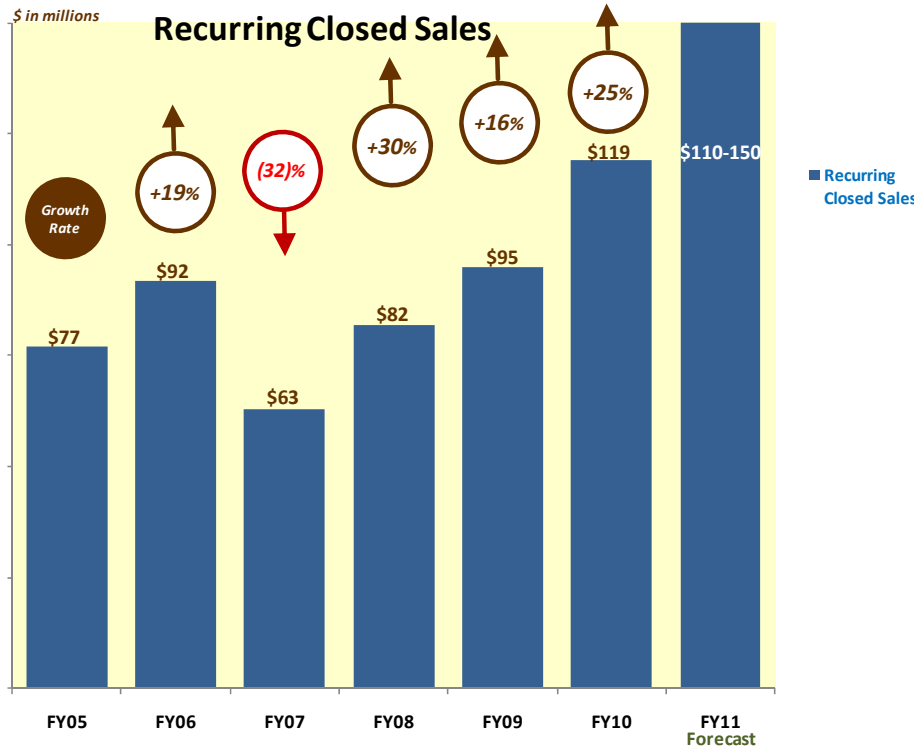
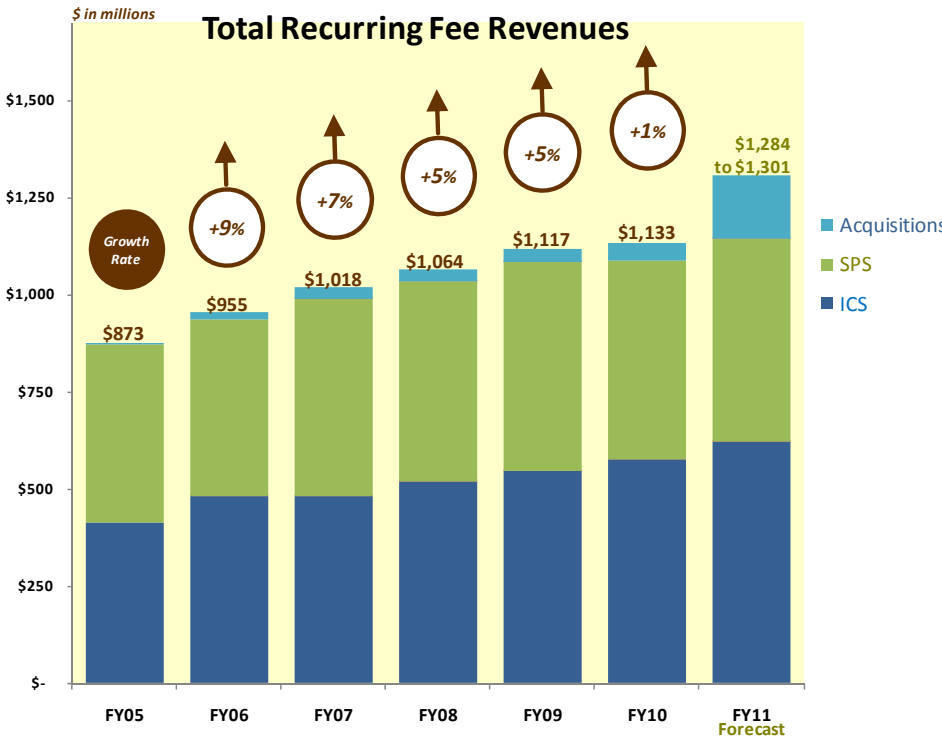
# Business Update Highlights

- Signed the largest Securities Processing Solutions (SPS) client contract in our history
- Acquired Matrix post quarter end
  - The leading independent provider of mutual fund processing solutions for the defined contribution market
- Acquired Forefield
  - A leading provider of real-time electronic sales, education, and client communications for financial institutions and their advisors
- Regulatory Update
  - SEC Concept Release
  - Shareholder approval of executive compensation
    - Say on pay
    - Say when on pay
- Pension implementation
  - Canada conversion
  - U.S. conversion
- IBM/ITO and Morgan Stanley Smith Barney (MSSB)

# Closed Sales Performance

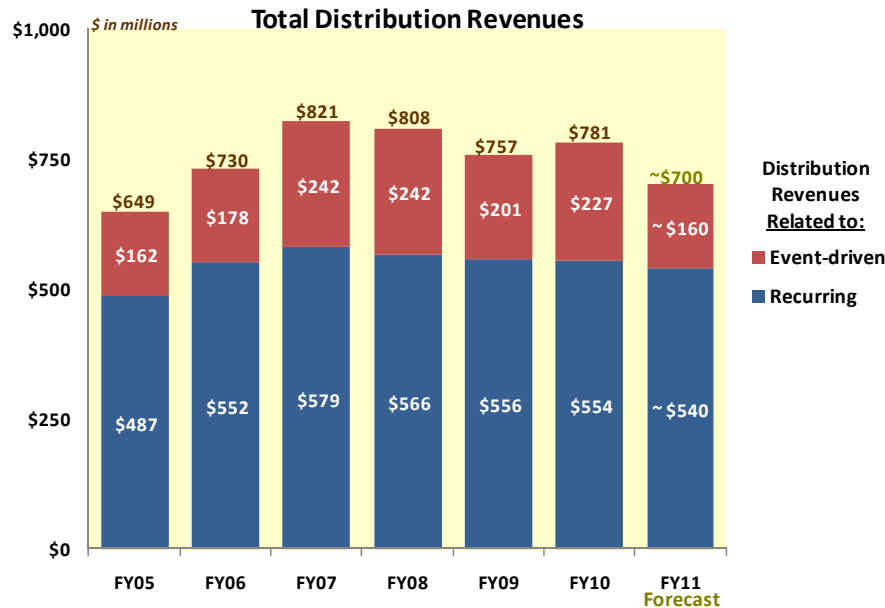
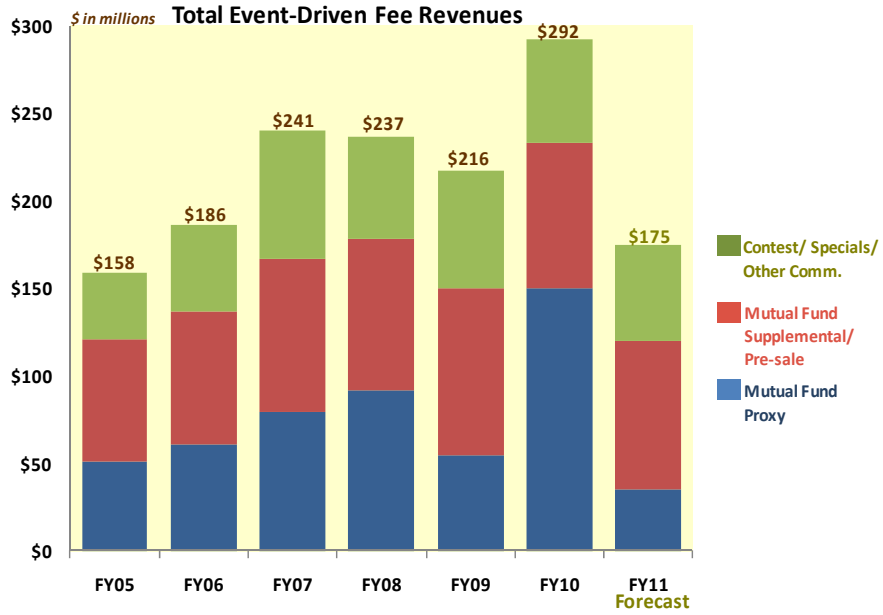
- Closed sales for the quarter were \$48M vs \$58M compared to the same period last year
  - Year-to-date closed sales of \$72M vs \$88M compared to the same period last year
- Strong recurring revenue closed sales
  - SPS sales of \$26M (includes the large \$22M deal) for the quarter vs \$3M last year
    - SPS year-to-date sales of \$37M vs \$7M last year
  - Investor Communication Solutions (ICS) sales of \$9M vs \$43M (includes \$35M MSSB contract) last year
    - ICS year-to-date sales of \$15M vs \$48M last year
- Sales pipeline continues to have very good momentum and contains large opportunities for both segments
- Full year closed sales guidance reduced to a range of \$140-190M due to event-driven with no change to recurring guidance of \$110-150M

# Recurring Fee Revenues and Closed Sales FY05-FY11



- ICS recurring fee revenue is a very high quality revenue, 7% CAGR FY05-10
- SPS recurring revenue has been more resilient than the markets it serves, 2% CAGR FY05-10
- The acquisitions will enhance the performance of both ICS and SPS recurring fee revenues
- Recurring Closed Sales grew at a 9% CAGR FY05-10
- These recurring revenues, especially in ICS, are due to the high retention rates and new closed sales

# Event-Driven Fee and Distribution Revenues FY05-FY11

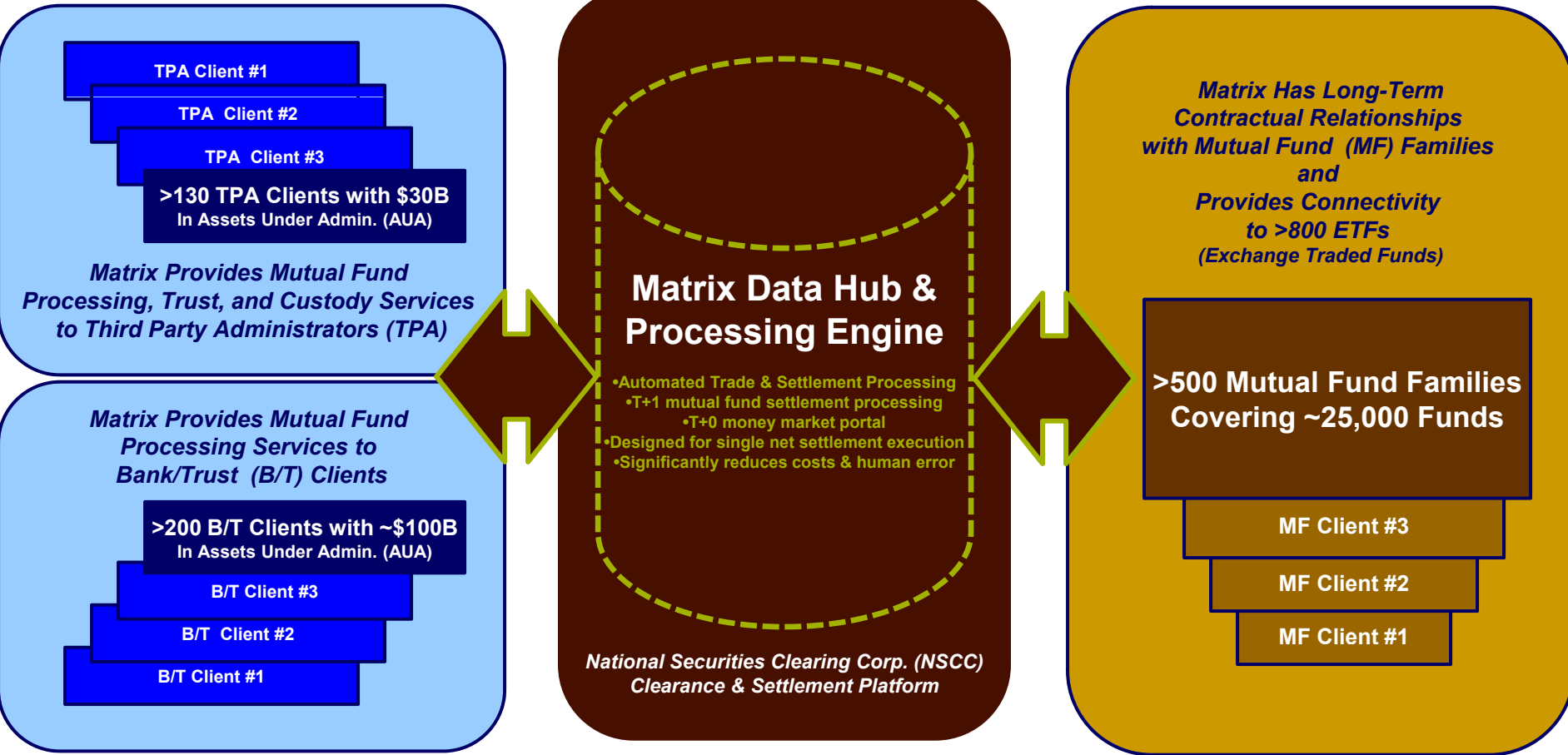


- Volatile, but consistently grows
- Position growth CAGR of 7% for FY05-11
- Good value-creation, despite volatility
- High margin, growing segment
- Position growth enables higher revenue growth
- New mutual fund solicitation product should enable market share gains

- Distribution revenue should continue to be flat or down and convert to higher margin ICS fee revenue
- Volatility in distribution revenue is tied to volatility in event-driven fee revenue

# Matrix

## Matrix Processing Model



**Matrix processing system is a leading platform solution supporting Mutual Fund and ETF trading and administration**

# Matrix Value Proposition

- Provides Broadridge with an entry into the attractive post-trade mutual fund processing market
  - Post-trade processing is a large and growing market (\$600M in 2010 and expected to grow to \$1B in 2015)
  - Matrix is competitively well positioned with attractive stand-alone economics
- Broadridge's brand halo and sales force positions it exceptionally well to provide immediate uplift to Matrix's entire product suite
  - Win additional sales in third party administrators (TPAs) and bank trust markets
  - Bring 401(k) product to current and prospective brokerage clients
- Enables Broadridge to leverage Matrix's clients and relationships to accelerate the mutual fund team's strategy focused on data- and distribution-channels
  - Mutual fund distributors (146 TPAs and 200 bank trusts) comprise Matrix's core client base
  - Matrix has 500 mutual fund families, representing 25,000 funds; it also has connectivity to 800 ETFs
  - By positioning Broadridge as a distributor of mutual funds, Matrix enhances Broadridge's ability to sell Access Data solutions, statements, fulfillment, proxy solicitation, etc.
  - Affords Broadridge immediate cross-sell opportunities to Matrix's TPA and trust client base for client communications, data storage and archiving

# 1<sup>st</sup> Half Results and 2<sup>nd</sup> Half Guidance Addressing Key Initiatives

(see next page for Revenue/EPS reconciliation year/year)

- 1<sup>st</sup> half historically represents ~40% of total year revenues and ~30% of total year EBIT due to seasonality of Issuer Equity Proxy activity
- 1<sup>st</sup> half EPS down \$0.38 primarily due to fall off in event-driven revenues (\$0.28) and other previously announced “grow-overs” (Bank of America Merrill Lynch (“BAML”) client loss, Penson and one-time FY10 foreign tax benefit)
- 2<sup>nd</sup> half EPS expected to be up \$0.06 to \$0.16 (mid-point \$0.11) year over year as positive momentum in recurring revenues, acquisitions and expense savings along with “bottoming out” of event-driven revenues, creates growth opportunities heading into FY12 and beyond
  - Recurring revenues up due to positive contributions from Net New Business and some improvement in internal growth (stock record positions/trade volumes). Positioned for positive growth into FY12 given expected recurring sales and lower losses as BAML hits its anniversary date in Q4 FY11
  - Event-driven revenues down in 2<sup>nd</sup> half at about the same as 1<sup>st</sup> half excluding 2 large Q2 jobs in FY10. Expect we are at the “bottom” here so future years should see uptick since not aware of secular changes
  - Acquisitions, including Matrix, adding \$69M in revenues and slightly accretive this year and expected to drive growth in FY12 (carryover and organic growth)
  - Key initiatives are on track and as expected, dilutive in FY11, then positive contributions from Penson and MSSB offset by IBM/ITO integration in FY12 with pick up in FY13 of \$0.27/share
  - Expense reductions in 2<sup>nd</sup> half, partially offset by one-time charge, benefit FY12 and beyond by \$0.11 to \$0.14/share

# FY11 Financial Guidance

\$ in millions, except EPS

	1st Half FY11 Actual		2nd Half FY11 Mid-Point Guidance		FY11 Mid-Point Guidance		FY12 Key Initiatives (A)		FY13 Key Initiatives (A)	
	Revenues	EPS	Revenues	EPS	Revenues	EPS	Revenues	EPS	Revenues	EPS
<b>FY10 (GAAP)</b>	\$ 968	\$ 0.56	\$ 1,241	\$ 1.06	\$ 2,209	\$ 1.62				
<b>Core Business</b>										
<b>Recurring</b>	-	-	27	0.11	27	0.11				
<i>Closed Sales (without MSSB)</i>	16	0.07	30	0.11	46	0.18				
<i>Losses</i>	(13)	(0.06)	(11)	(0.04)	(24)	(0.10)				
<i>Internal Growth</i>	(3)	(0.01)	8	0.04	5	0.03				
<b>Event-Driven Fees</b>	(84)	(0.25)	(32)	(0.09)	(116)	(0.34)				
<b>Distribution</b>	(64)	(0.03)	(19)	(0.01)	(83)	(0.04)				
<b>Acquisitions</b>	21	-	69	0.01	90	0.01				
<b>Key Initiatives</b>										
Penson	11	(0.04)	19	(0.04)	30	(0.08)	20	0.08	-	-
MSSB	12	-	7	0.02	19	0.02	5	0.03	-	0.03
IBM	-	-	-	(0.01)	-	(0.01)	-	(0.12)	-	0.24
<b>Key Initiatives</b>	<b>23</b>	<b>(0.04)</b>	<b>26</b>	<b>(0.03)</b>	<b>49</b>	<b>(0.07)</b>	<b>25</b>	<b>(0.01)</b>	<b>-</b>	<b>0.27</b>
<b>Other</b>										
One-time Charge	-	-	-	(0.05)	-	(0.05)	-	0.11	-	0.03
Expense Savings / FX / Other	-	(0.02)	7	0.08	7	0.06				
Share Repurchases	-	0.02	-	0.09	-	0.11				
Tax Rate	-	(0.06)	-	-	-	(0.06)				
<b>Total Change</b>	<b>(104)</b>	<b>(0.38)</b>	<b>78</b>	<b>0.11</b>	<b>(26)</b>	<b>(0.27)</b>				
<b>FY11 (GAAP)</b>	<b>\$ 864</b>	<b>\$ 0.18</b>	<b>\$ 1,319</b>	<b>\$ 1.17</b>	<b>\$ 2,183</b>	<b>\$ 1.35</b>				

**Note:**

(A) Shows only directional view for key initiatives discussed. Does not include forward looking guidance for core business, acquisitions, taxes or share repurchases.

## Broadridge - FY11 Continuing Operations Financial Guidance Summary

- Revenue growth in the range of (2)-(1)%
- Closed sales forecast for the year at \$140-190M (Recurring \$110-150M)
- Non-GAAP Earnings before interest and taxes margin of 12.7-13.4%
- Diluted Earnings Per Share:
  - GAAP EPS (continuing operations) in the range of \$1.30-1.40
  - Diluted weighted-average outstanding shares of ~128M
- Free cash flow (Non-GAAP) in the range of approximately \$130-190M, includes:
  - Increase in investment implementation cost of ~\$45M (Penson and IBM)
  - Reversal of FY10 \$30M additional contribution to working capital in FY11
- Guidance does not include the effect of any future acquisitions beyond the Matrix acquisition which closed in January 2011, additional debt and/or share repurchases in excess of the repurchases needed to achieve our 128M weighted-average outstanding shares guidance

# Summary

- Disappointing results for the quarter and year-to-date
  - Primarily due to the unprecedented low level of event-driven revenues
- Our confidence to create shareholder value going forward remains in place because of:
  - 1) Improved growth in recurring fee revenues
  - 2) Our excellent client revenue retention rate
  - 3) Our strong closed sales results
  - 4) The benefits of our previously disclosed key strategic transactions
    - MSSB, Penson and the IBM/ITO are all on plan
  - 5) The accretive benefits from our acquisitions
    - Most notably Matrix and NewRiver
    - All acquisitions are progressing on plan
  - 6) Our continued commitment to drive cost efficiencies through the organization
    - Resulting in a \$0.05 earnings per share one-time charge
- FY12-13 only requires to get back to the historical event-driven mean during the next two years
- Commitment to the service profit chain

*There are no slides during this portion of the presentation*

# Closing Comments

*There are no slides during this portion of the presentation*

# Appendix

## Appendix

# Segment Results & Forecast – Investor Communication Solutions

	Revenue/Growth	EBIT/Growth (Non-GAAP)	Margin/Growth (Non-GAAP)
Q2:	\$294M/ (25)%	\$3M/ (95)%	0.9%/ (1,200) bps
YTD:	\$574M/ (18)%	\$9M/ (88)%	1.6%/ (900) bps
FY11:	\$1,567 to 1,578M / (6)%	\$216 to 226M / (21) to (17)%	13.8 to 14.3% / (250) to (200) bps

- 1<sup>st</sup> half revenue and margin driven by lower event-driven activity, primarily mutual fund proxy. Event-driven fee revenue at \$80M YTD and while expecting improvement in 2<sup>nd</sup> half, full year reduced to \$175M (no upside/downside in guidance)
- Including acquisitions, recurring fee revenue for the quarter and 1<sup>st</sup> half are up ~10% and 2<sup>nd</sup> half forecasted to be up 21% with full year growth of 17%
  - Revenue from new closed sales contributed over \$15M in the 1<sup>st</sup> half and expect to generate >\$40M full year (seasonality)
  - Client revenue retention rate continues to be greater than 99%. No notification of any large client losses
  - Internal growth YTD is flat with interim (Mutual Fund) position growth of 10% offset by slightly negative equity position growth and lower volumes in Transaction Reporting. Expecting interim growth to continue for rest of year and some lift in equity stock record positions in the 2<sup>nd</sup> half
  - Current year acquisitions expected to contribute 4 points to total revenue in FY11 and carryover in FY12 adds additional 3 points to revenue growth
- Full-year margin adversely impacted by lower event-driven activity, and to a lesser extent, acquisitions and strategic initiatives

# Segment Results & Forecast – Securities Processing Solutions

	Revenue/Growth	EBIT/Growth (Non-GAAP)	Margin/Growth (Non-GAAP)
Q2 :	\$146M / +9%	\$19M / (18)%	13.2% / (430) bps
YTD:	\$288M / +9%	\$40M / (18)%	14.0% / (460) bps
FY11:	\$589 to 599M / +10 to 12%	\$80 to 88M / (19) to (11)%	13.5 to 14.6% / (500) to (390) bps

- Q2 and YTD growth driven by contributions from new closed sales and acquisitions (Penson and City Networks) offset by carryover BAML client loss. Q2 revenues came in at low end of range
  - Acquisitions add 9 points of growth in quarter and YTD. Exiting Q4 at 13 points of growth given completion of Penson implementation expected by end of Q4
  - Q2 closed sales of \$26M with a large global institutional bank accounting for >\$20M across both Equities and Fixed Income. Conversion will be in multiple phases with no significant revenue contribution until Q4 of FY12. YTD closed sales of \$37M vs. \$7M last year. Fixed Income closed sales continue strong performance from last year
- Internal revenue growth flat in the quarter as higher Fixed Income trade revenues offset by lower non-trade revenues and carryover impact of prior year concessions. Retail volumes 4 points better than Q1 while Fixed Income volumes 7 points higher than Q1
- Q2 and YTD margin decline driven by the expected impact of the lower Outsourcing margin as Penson is converted and the slight dilutive impact of City Networks in the first year. Outsourcing business still on target to exit FY11 at break-even
- Excluding the Penson transaction and the City Networks acquisition, Q2 revenues, EBIT and margins essentially unchanged. Remainder of year begins to show improvement in revenue, EBIT, and margin growth
- Low and high end revenues and EBIT ranges dependent on equity trade volumes and implementation of new closed sales. Expecting slow continued improvement in volumes second half of the year

# Segment Results & Forecast – Other & Foreign Exchange (FX)

	2Q11	2Q11 YTD	FY11 Range	
			Low	High
Other Fees Revenue	\$(0)M	\$(0)M	\$1M	\$1M
Other Fees Margin	\$(0)M	\$(0)M	\$1M	\$1M
Interest Expense	\$(2)M	\$(4)M	\$(10)M	\$(10)M
Corp. Expenses & Investments	\$(5)M	\$(11)M	\$(29)M	\$(31)M
FX - P&L - Revenue	\$2M	\$2M	\$8M	\$14M
- EBIT	\$2M	\$3M	\$6M	\$9M
- Transaction Activity	\$0M	\$0M	\$0M	\$0M

## FY11:

- **Corporate Expenses and Investments:** Full year run rate in the low \$20M range, consisting of corporate expenses, excluding M&A activity and IBM ITO/ one-time charge
- **FX:** Full year low and high ranges assume current rates and forward rates, respectively

# Broadridge 2Q and YTD from Continuing Operations

Revenue		(\$ in millions)	Earnings		Revenue		(\$ in millions)	Earnings	
FY10 Q2	FY11 Q2		FY10 Q2	FY11 Q2	FY10 Q2 YTD	FY11 Q2 YTD		FY10 Q2 YTD	FY11 Q2 YTD
\$393	\$294		\$51	\$3	\$703	\$574		\$74	\$9
33%	-25%	ICS	12.9%	0.9%	15%	-18%	◀ Growth % / Margin % ▶	10.6%	1.6%
\$134	\$146	SPS	17.5%	13.2%	\$264	\$288	◀ Growth % / Margin % ▶	\$49	\$40
-9%	9%	◀ Growth % / Margin % ▶	◀ Growth % / Margin % ▶	-8%	9%	◀ Growth % / Margin % ▶	18.6%	14.0%	
\$527	\$440	<b>Total Segments</b>	\$74	\$22	\$967	\$861	<b>Total Segments</b>	\$123	\$49
19%	-16%	◀ Growth % / Margin % ▶	14.1%	5.0%	8%	-11%	◀ Growth % / Margin % ▶	12.7%	5.7%
\$2	\$0	Other	(\$4)	(\$5)	\$2	\$0	Other	(\$6)	(\$10)
\$0	\$2	FX *	\$0	\$2	(\$1)	\$2	FX *	(\$0)	\$3
\$530	\$442	<b>Total Broadridge (EBIT: Non-GAAP) ▶</b>	\$71	\$19	\$968	\$864	<b>Total Broadridge (EBIT: Non-GAAP) ▶</b>	\$116	\$42
21%	-16%	◀ Growth % / Margin % ▶	13.4%	4.2%	8%	-11%	◀ Growth % / Margin % ▶	12.0%	4.8%
		Interest & Other	(\$3)	(\$2)			Interest & Other	(\$5)	(\$4)
		<b>Total EBT (GAAP)</b>	\$68	\$17			<b>Total EBT (GAAP)</b>	\$111	\$37
		Margin %	12.9%	3.7%			Margin %	11.5%	4.3%
		Income Taxes	(\$17)	(\$6)			Income Taxes	(\$33)	(\$14)
		Tax Rate (a)	24.8%	35.8%			Tax Rate (a)	29.6%	36.1%
		<b>Total Net Earnings</b>	\$51	\$11			<b>Total Net Earnings</b>	\$78	\$24
		Margin %	9.7%	2.4%			Margin %	8.1%	2.8%
		<b>Diluted Shares</b>	140	128			<b>Diluted Shares</b>	140	129
		<b>Diluted EPS (GAAP)</b>	\$0.37	\$0.08			<b>Diluted EPS (GAAP)</b>	\$0.56	\$0.18
		<b>Diluted EPS Before 1-Times (Non-GAAP) (b)</b>	\$0.31	\$0.08			<b>Diluted EPS Before 1-Times (Non-GAAP) (b)</b>	\$0.50	\$0.18

\* Includes impacts of FX P&L Margin and FX Transaction Activity

(a) FY10 Q2 Tax Rate of 24.8% is attributable to the release of a valuation allowance on a deferred tax asset relating to tax loss carryforwards of approximately \$8M.

Excluding the year-to-date benefit the FY10 Q2 tax rate would be 36.3%

(b) FY10 Q2 Diluted EPS Before 1-Times (Non-GAAP) excludes the release of a valuation allowance on a deferred tax asset relating to tax loss carryforwards of approximately \$8M (gain reflected in Income Taxes). \$0.06 impact to EPS.

\* Includes impacts of FX P&L Margin and FX Transaction Activity

(a) FY10 Q2YTD Tax Rate of 29.6% is attributable to the release of a valuation allowance on a deferred tax asset relating to tax loss carryforwards of approximately \$8M.

Excluding the year-to-date benefit the FY10 Q2 tax rate would be 36.8%

(b) FY10 Q2 Diluted EPS Before 1-Times (Non-GAAP) excludes the release of a valuation allowance on a deferred tax asset relating to tax loss carryforwards of approximately \$8M (gain reflected in Income Taxes). \$0.06 impact to EPS.

# Broadridge FY11 Guidance from Continuing Operations

Revenue		
FY10 Actual	FY11 Range	
	Low	High
\$1,670	\$1,567	\$1,578
9%	-6%	-6%
\$536	\$589	\$599
-4%	10%	12%
<b>\$2,205</b>	<b>\$2,156</b>	<b>\$2,177</b>
6%	-2%	-1%
\$2	\$1	\$1
\$1	\$8	\$14
<b>\$2,209</b>	<b>\$2,164</b>	<b>\$2,191</b>
7%	-2%	-1%

Closed Sales		
Segments	FY11 Range	
	Low	High
ICS	\$65	\$90
SPS	\$75	\$100
<b>Total</b>	<b>\$140</b>	<b>\$190</b>

(\$ in millions)

ICS	◀ Growth % / Margin % ▶
SPS	◀ Growth % / Margin % ▶
<b>Total Segments</b>	◀ Growth % / Margin % ▶
Other	
FX *	
<b>Total Broadridge (EBIT: Non-GAAP) ▶</b>	◀ Growth % / Margin % ▶
Interest & Other	
<b>Total EBT (GAAP)</b>	<b>Margin %</b>
Income Taxes	
Tax Rate (a)	
<b>Total Net Earnings</b>	<b>Margin %</b>
<b>Diluted Shares</b>	
<b>Diluted EPS (GAAP)</b>	
<b>Diluted EPS Before 1-Times (Non-GAAP) (b)</b>	

Earnings		
FY10 Actual	FY11 Range	
	Low	High
\$273	\$216	\$226
16.3%	13.8%	14.3%
\$99	\$80	\$88
18.5%	13.5%	14.6%
<b>\$372</b>	<b>\$296</b>	<b>\$314</b>
16.9%	13.7%	14.4%
(\$25)	(\$28)	(\$30)
\$5	\$6	\$9
<b>\$352</b>	<b>\$274</b>	<b>\$293</b>
15.9%	12.7%	13.4%
(\$10)	(\$10)	(\$10)
<b>\$342</b>	<b>\$264</b>	<b>\$283</b>
15.5%	12.2%	12.9%
(\$117)	(\$98)	(\$103)
34.2%	37.0%	36.5%
<b>\$225</b>	<b>\$166</b>	<b>\$179</b>
10.2%	7.7%	8.2%
139	128	128
\$1.62	\$1.30	\$1.40
\$1.56	\$1.30	\$1.40

\* Includes impact of FX P&L Margin and FX Transaction Activity

(a) FY10 Full Year Tax Rate of 34.2% is attributable to the release of a valuation allowance on a deferred tax asset relating to tax loss carryforwards of approximately \$8M.

Excluding the year-to-date benefit the FY10 Full Year tax rate would be 36.5%

(b) FY10 Full Year Diluted EPS Before 1-Times (Non-GAAP) excludes the release of a valuation allowance on a deferred tax asset relating to tax loss carryforwards of approximately \$8M (gain reflected in Income Taxes). \$0.06 impact to EPS.

Guidance does not take into consideration the effect of any future acquisitions beyond the Matrix acquisition which closed in January 2011, additional debt and/or share repurchases in excess of the repurchases needed to achieve our 128 million weighted-average outstanding shares guidance.

# Cash Flow – 2Q11 Results and FY11 Forecast

	Six Months Ended December 2010	Unaudited (In millions)	
		FY11 Range (a)	
		Low	High
<b>Free Cash Flow (Non-GAAP):</b>			
<b>Net earnings from continuing operations (GAAP)</b>	\$ 24	\$ 166	\$ 179
Depreciation and amortization (includes other LT assets)	32	65	75
Stock-based compensation expense	15	30	30
Other	(1)	(5)	5
Subtotal	70	256	289
Working capital changes	(33)	(30)	(25)
Long-term assets and liabilities changes	(10)	(30)	(20)
<b>Net cash flow (used in) provided by continuing operating activities</b>	<b>27</b>	<b>196</b>	<b>244</b>
<b>Cash Flows From Investing Activities</b>			
IBM / ITO data center investment	-	(20)	(15)
Capital expenditures and software purchases	(16)	(45)	(40)
<b>Free cash flow (Non-GAAP)</b>	<b>\$ 11</b>	<b>\$ 131</b>	<b>\$ 189</b>
<b><u>Cash Flows From Other Investing and Financing Activities</u></b>			
Acquisitions	(96)	(297)	(297)
Stock repurchases net of options proceeds	(112)	(176)	(176)
Long-term debt proceeds	-	200	200
Dividends paid	(38)	(76)	(76)
Other (includes Disc Ops)	10	10	12
Net change in cash and cash equivalents	(225)	(208)	(148)
Cash and cash equivalents, at the beginning of year	413	413	413
<b>Cash and cash equivalents, at the end of period</b>	<b>\$ 188</b>	<b>\$ 205</b>	<b>\$ 265</b>

(a) Guidance does not take into consideration the effect of any future acquisitions beyond the Matrix acquisition which closed in January 2011, additional debt and/or share repurchases in excess of the repurchases needed to achieve our 128 million weighted-average outstanding shares guidance.

# Closed Sales to Revenue Contribution

(\$ in millions)

	FY09			FY10			Forecast FY11		
<b>Recurring</b>									
<u>ICS</u>	<b>\$55</b>			<b>\$80</b>			<b>\$35-50</b>		
~ Revenue Contribution Year 1-3	55%	35%	10%	50%	40%	10%	35%	35%	35%
<u>SPS</u>	<b>\$40</b>			<b>\$40</b>			<b>\$75-100</b>		
~ Revenue Contribution Year 1-3	25%	50%	25%	10%	50%	40%	10%	30%	60%
<b>Event-Driven</b>	<b>\$45</b>			<b>\$55</b>			<b>\$30-40</b>		
~ Revenue Contribution Year 1-3	70%	10%	20%	80%	10%	10%	80%	20%	0%
<b>Total Closed Sales</b>	<b>\$140</b>			<b>\$175</b>			<b>\$140-190</b>		
~ Revenue Contribution Year 1-3	50%	30%	20%	50%	30%	20%	30%	30%	40%

## ➤ Closed Sales Stats:

- Recurring
  - Both ICS and SPS trending toward longer revenue recognition cycle
  - Larger strategic deals could take 12-24 months to convert
- Event-Driven
  - Majority usually recognized during the year the deal closed
  - Sales are less predictable depending on size of the client
- Revenue contribution could be +/-5% each year depending on the complexity of the conversion

# Revenues and Closed Sales Charts FY05-FY11

(\$ in millions)		FY05-10							Forecast
	FY05	FY06	FY07	FY08	FY09	FY10	CAGR	FY11	
<b>Recurring Fee Revenues</b>									
ICS	\$ 414	\$ 480	\$ 481	\$ 521	\$ 547	\$ 575	7%	\$608-615	
Growth		16%	0%	8%	5%	5%			
SPS	\$ 459	\$ 458	\$ 509	\$ 515	\$ 537	\$ 513	2%	\$512-522	
Growth		0%	11%	1%	4%	-4%			
<b>Segment Recurring Fee Revenues</b>	\$ 873	\$ 937	\$ 990	\$ 1,036	\$ 1,084	\$ 1,088	5%	\$1,120-1,137	
Growth		7%	6%	5%	5%	0%			
<b>Acquisitions</b>	\$ 0	\$ 18	\$ 28	\$ 28	\$ 33	\$ 45	NM*	\$164	
<b>Total Recurring Fee Revenues</b>	\$ 873	\$ 955	\$ 1,018	\$ 1,064	\$ 1,117	\$ 1,133	5%	\$1,284-1,301	
Growth		9%	7%	5%	5%	1%			
<b>Event-Driven</b>	\$ 158	\$ 186	\$ 241	\$ 237	\$ 216	\$ 292	13%	\$175	
Growth		18%	30%	-2%	-9%	35%			
<b>Distribution</b>	\$ 649	\$ 730	\$ 821	\$ 808	\$ 757	\$ 781	4%	\$698-701	
Growth		12%	12%	-2%	-6%	3%			
<b>Other/FX</b>	\$ (25)	\$ (19)	\$ (12)	\$ 22	\$ (17)	\$ 4	NM*	\$8-14	
<b>Total BR Revenues</b>	\$ 1,656	\$ 1,853	\$ 2,067	\$ 2,131	\$ 2,073	\$ 2,209	6%	\$2,164-2,191	
Growth		12%	12%	3%	-3%	7%			
<b>Recurring Closed Sales</b>	\$ 77	\$ 92	\$ 63	\$ 82	\$ 95	\$ 119	9%	\$110-150	
Growth		19%	-32%	30%	16%	25%			
<b>ED Closed Sales</b>	\$ 24	\$ 33	\$ 49	\$ 63	\$ 44	\$ 56	18%	\$30-40	
Growth		38%	48%	29%	-30%	27%			
<b>Total Closed Sales</b>	\$ 101	\$ 125	\$ 112	\$ 145	\$ 139	\$ 175	12%	\$140-190	
Growth		24%	-10%	29%	-4%	26%			

\*NM= Not Meaningful

(\$ in millions)		FY05-10							Forecast
	FY05	FY06	FY07	FY08	FY09	FY10	CAGR	FY11	
<b>Event-Driven Fee Revenues</b>									
Mutual Fund Proxy	\$ 51	\$ 61	\$ 79	\$ 92	\$ 55	\$ 150	24%	\$ 35	
Mutual Fund Supplemental/ Pre-sale	\$ 70	\$ 76	\$ 88	\$ 86	\$ 95	\$ 83	3%	\$ 85	
Contest/ Specials/ Other Communications	\$ 38	\$ 49	\$ 73	\$ 59	\$ 67	\$ 59	9%	\$ 55	
<b>Total Event-Driven Fee Revenues</b>	\$ 158	\$ 186	\$ 241	\$ 237	\$ 216	\$ 292	13%	\$ 175	
Growth		18%	30%	-2%	-9%	35%			
<b>Recurring Distribution Revenues</b>	\$ 487	\$ 552	\$ 579	\$ 566	\$ 556	\$ 554	3%	~\$540	
Growth		13%	5%	-2%	-2%	0%			
<b>ED Distribution Revenues</b>	\$ 162	\$ 178	\$ 242	\$ 242	\$ 201	\$ 227	7%	~\$160	
Growth		10%	36%	0%	-17%	13%			
<b>Total Distribution Revenues</b>	\$ 649	\$ 730	\$ 821	\$ 808	\$ 757	\$ 781	4%	~\$700	
Growth		12%	12%	-2%	-6%	3%			

# Reconciliation of Non-GAAP to GAAP Measures

EBIT Reconciliation (\$ in millions)	2Q10	2Q11	YTD10	YTD11	FY10	FY11 Range (a)	
	Actual	Actual	Actual	Actual	Actual	Low	High
<b>EBIT (Non-GAAP)*</b>	<b>\$71</b>	<b>\$19</b>	<b>\$116</b>	<b>\$42</b>	<b>\$352</b>	<b>\$274</b>	<b>\$293</b>
Margin %	13.4%	4.2%	12.0%	4.8%	15.9%	12.7%	13.4%
Interest & Other	(\$3)	(\$2)	(\$5)	(\$4)	(\$10)	(\$10)	(\$10)
<b>Total EBT (GAAP)</b>	<b>\$68</b>	<b>\$17</b>	<b>\$111</b>	<b>\$37</b>	<b>\$342</b>	<b>\$264</b>	<b>\$283</b>
Margin %	12.9%	3.7%	11.5%	4.3%	15.5%	12.2%	12.9%

EPS Reconciliation						Low	High
	<b>Diluted EPS from continuing operations (GAAP)</b>	<b>\$0.37</b>	<b>\$0.08</b>	<b>\$0.56</b>	<b>\$0.18</b>	<b>\$1.62</b>	<b>\$1.30</b>
One-time recognition of a deferred tax asset	(\$0.06)	-	(\$0.06)	-	(\$0.06)	-	-
<b>Diluted EPS before One-Times (Non-GAAP) (a)</b>	<b>\$0.31</b>	<b>\$0.08</b>	<b>\$0.50</b>	<b>\$0.18</b>	<b>\$1.56</b>	<b>\$1.30</b>	<b>\$1.40</b>

\* Includes impact of FX Transaction Activity

(a) FY10 Full Year Diluted EPS Before 1-Times (Non-GAAP) excludes the release of a valuation allowance on a deferred tax asset relating to tax loss carryforwards of approximately \$8M (gain reflected in Income Taxes). \$0.06 impact to EPS.

Free Cash Flow Reconciliation (\$ in millions)	Six Months Ended	FY11 Range (a)	
	December 2010	Low	High
<b>Net earnings from continuing operations (GAAP)</b>	\$ 24	\$ 166	\$ 179
Depreciation and amortization (includes other LT assets)	32	65	75
Stock-based compensation expense	15	30	30
Other	(1)	(5)	5
Subtotal	70	256	289
Working capital changes	(33)	(30)	(25)
Long-term assets and liabilities changes	(10)	(30)	(20)
<b>Net cash flow (used in) provided by continuing operating activities</b>	<b>27</b>	<b>196</b>	<b>244</b>
Cash Flows From Investing Activities			
IBM / ITO data center investment	-	(20)	(15)
Capital expenditures and purchases of intangibles	(16)	(45)	(40)
<b>Free cash flow (Non-GAAP)</b>	<b>\$ 11</b>	<b>\$ 131</b>	<b>\$ 189</b>

(a) Guidance does not take into consideration the effect of any future acquisitions beyond the Matrix acquisition which closed in January 2011, additional debt and/or share repurchases in excess of the repurchases needed to achieve our 128 million weighted-average outstanding shares guidance.

# ICS Key Segment Revenue Stats

\$ in millions  
RC= Recurring  
ED= Event-Driven

		2Q10	2Q11	FY10 YTD	FY11 YTD	Type
<b>Proxy</b>	<b>Fee Revenues</b>					
	<b>Equities</b>	\$ 25.5	\$ 24.6	\$ 53.1	\$ 50.1	RC
	<i>Stock Record Position Growth</i>	-5%	-2%	-5%	-1%	
	<i>Pieces</i>	26.2	21.0	55.0	44.0	
	<b>Mutual Funds</b>	\$ 78.0	\$ 11.1	\$ 98.8	\$ 17.3	ED
	<i>Pieces</i>	105.7	16.1	139.7	24.1	
	<b>Contests/Specials</b>	\$ 3.6	\$ 3.9	\$ 11.6	\$ 8.2	ED
	<i>Pieces</i>	4.3	4.2	15.0	8.8	
	<b>Total Proxy</b>	\$ 107.1	\$ 39.6	\$ 163.5	\$ 75.6	
	<i>Total Pieces</i>	136.2	41.3	209.7	76.9	
	<i>Notice and Access Opt-in %</i>	66%	69%	55%	55%	
	<i>Suppression %</i>	56%	47%	54%	49%	
<b>Interims</b>	<b>Mutual Funds (Annual/Semi-Annual Reports/Annual P</b>	\$ 19.7	\$ 22.9	\$ 41.3	\$ 46.5	RC
	<i>Position Growth</i>	6%	10%	3%	10%	
	<i>Pieces</i>	111.9	117.2	222.7	239.7	
	<b>Mutual Funds (Supplemental Prospectuses) &amp; Other</b>	\$ 10.5	\$ 9.1	\$ 20.0	\$ 19.8	ED
	<i>Pieces</i>	54.5	49.1	108.8	111.6	
<b>Total Interims</b>	\$ 30.2	\$ 32.0	\$ 61.3	\$ 66.3		
	<i>Total Pieces</i>	166.4	166.3	331.5	351.3	
<b>Transaction Reporting</b>	<b>Transaction Reporting/Customer Communication</b>	\$ 34.3	\$ 37.4	\$ 63.3	\$ 72.6	RC
<b>Fulfillment</b>	<b>Post-Sale Fulfillment</b>	\$ 18.2	\$ 16.8	\$ 38.0	\$ 36.1	RC
	<b>Pre-Sale Fulfillment</b>	\$ 8.6	\$ 11.6	\$ 16.8	\$ 20.8	ED
	<b>Total Fulfillment</b>	\$ 26.8	\$ 28.4	\$ 54.8	\$ 56.9	
<b>Other Communications</b>	<b>Other - Recurring (1)</b>	\$ 3.4	\$ 9.2	\$ 6.3	\$ 15.7	RC
	<b>Other - Event-Driven (2)</b>	\$ 7.2	\$ 7.6	\$ 17.4	\$ 14.2	ED
	<b>Total Other</b>	\$ 10.6	\$ 16.8	\$ 23.7	\$ 29.9	
	<b>Total Fee Revenues</b>	\$ 209.0	\$ 154.2	\$ 366.6	\$ 301.3	
	<b>Total Distribution Revenues</b>	\$ 184.3	\$ 139.9	\$ 336.6	\$ 272.3	
	<b>Total Revenues as reported - GAAP</b>	\$ 393.3	\$ 294.1	\$ 703.2	\$ 573.6	
	<b>Total RC Fees</b>	\$ 101.1	\$ 110.9	\$ 202.0	\$ 221.0	
	<b>Total ED Fees</b>	\$ 107.9	\$ 43.3	\$ 164.6	\$ 80.3	
<b>Key Revenue Drivers</b>	<b>Sales</b>	4%	2%	3%	2%	
	<b>Losses</b>	-2%	-1%	-2%	0%	
	<b>Net New Business</b>	2%	1%	1%	2%	
	<b>Internal growth</b>	-1%	0%	0%	0%	
	<b>Recurring (Excluding Acquisitions)</b>	1%	1%	1%	2%	
	<b>Acquisitions</b>	1%	1%	1%	1%	
	<b>Total Recurring</b>	2%	2%	2%	3%	
	<b>Event-Driven</b>	20%	-16%	10%	-12%	
	<b>Distribution</b>	11%	-11%	3%	-9%	
	<b>TOTAL</b>	33%	-25%	15%	-18%	

FY11
-\$700
\$175

FY11 Ranges	
Low	High
2%	2%
0%	0%
2%	2%
0%	0%
2%	2%
4%	4%
6%	6%
-7%	-7%
-5%	-5%
-6%	-6%

(1) Other Recurring Fee Revenue includes NewRiver, StockTrans, Access Data, Forefield and Tax Reporting. FY11 Forecast includes Matrix.

(2) Other event-driven includes 3.1M pieces for 2Q10 and 2.5M for 2Q11, primarily related to corporate actions.

Note: Certain prior period amounts have been reclassified to conform with current period presentation

# SPS and Outsourcing Key Segment Revenue Stats

\$ in millions  
RC= Recurring  
ED= Event-Driven

		2Q10	2Q11	YTD10	YTD11	Type
<b>Equity</b>						
<b>Transaction-Based</b>	<b>Equity Trades</b>	\$ 60.0	\$ 59.1	\$ 118.9	\$ 114.2	RC
	Internal Trade Volume <sup>(1)</sup>	1,491	1,481	1,480	1,452	
	Internal Trade Growth	-9%	-1%	-5%	-2%	
	Trade Volume (Average Trades per Day in '000) <sup>(2) (3)</sup>	1,509	1,497	1,497	1,467	
<b>Non-Transaction</b>	<b>Other Equity Services</b>	\$ 47.8	\$ 53.0	\$ 94.0	\$ 104.9	RC
	<b>Total Equity</b>	\$ 107.7	\$ 112.1	\$ 212.8	\$ 219.1	
<b>Fixed Income</b>						
<b>Transaction-Based</b>	<b>Fixed Income Trades <sup>(4)</sup></b>	\$ 11.5	\$ 13.8	\$ 23.8	\$ 27.3	RC
	Internal Trade Volume <sup>(1)</sup>	276	326	281	316	
	Internal Trade Growth	-12%	18%	-9%	12%	
	Trade Volume (Average Trades per Day in '000) <sup>(3)</sup>	276	327	281	316	
<b>Non-Transaction</b>	<b>Other Fixed Income Services <sup>(4)</sup></b>	\$ 8.3	\$ 7.5	\$ 15.1	\$ 14.6	RC
	<b>Total Fixed Income</b>	\$ 19.8	\$ 21.3	\$ 38.9	\$ 41.9	
<b>Outsourcing</b>		\$ 6.3	\$ 12.7	\$ 12.2	\$ 26.7	
	# of Clients	7	11	7	11	
<b>Total Net Revenue as reported - GAAP</b>		\$ 133.8	\$ 146.1	\$ 263.9	\$ 287.8	
<b>Key Revenue Drivers</b>	Sales	5%	4%	5%	4%	
	Losses	-4%	-4%	-4%	-4%	
	<b>Net New Business</b>	<b>1%</b>	<b>0%</b>	<b>1%</b>	<b>0%</b>	
	Transaction & Non-transaction	-5%	1%	-3%	2%	
	Concessions	-5%	-1%	-6%	-2%	
	<b>Internal growth</b>	<b>-10%</b>	<b>0%</b>	<b>-9%</b>	<b>0%</b>	
	Acquisitions	0%	9%	0%	9%	
	<b>TOTAL</b>	<b>-9%</b>	<b>9%</b>	<b>-8%</b>	<b>9%</b>	

FY11 Ranges	
Low	High
3%	4%
-3%	-3%
0%	1%
2%	3%
-2%	-2%
0%	1%
10%	10%
10%	12%

(1) 2Q10 Internal Trade Volume previously was reported as 1,474 and 264 for Equities and Fixed Income, respectively. YTD10 Internal Trade Volume previously was reported as 1,465 and 256 for Equities and Fixed Income, respectively. These numbers were adjusted to reflect Losses and Sales in order to present consistent business for the purpose of calculating internal trade growth.

(2) Equity Trade volume adjusted to excludes trades processed under fixed priced contracts. Management believes excluding this trade volume presents a

(3) Prior Year's trade volume re-stated for comparability.

(4) Fixed Income FY10 Trade revenue re-stated to reclassify \$0.4M mortgage product revenue to other fixed income services, \$0.7M YTD.

# Broadridge ICS Definitions

## Proxy

**Equities** - Refers to the proxy services we provide in connection with annual stockholder meetings for publicly traded corporate issuers. Annual meetings of public companies include shares held in "street name" (meaning that they are held of record by brokers or banks, which in turn hold the shares on behalf of their clients, the ultimate beneficial owners) and shares held in "registered name" (shares registered directly in the names of their owners).

**Mutual Funds** - Refers to the proxy services we provide for funds, classes or trusts of an investment company. Open-ended mutual funds are not required to have annual meetings. As a result, mutual fund proxy services provided to open-ended mutual funds are driven by a "triggering event." These triggering events can be a change in directors, fee structures, investment restrictions, or mergers of funds.

**Contests** - Refers to the proxy services we provide when a separate agenda is put forth by one or more stockholders that is in opposition to the proposals presented by management of the company which is separately distributed and tabulated from the company's proxy materials.

**Specials** - Refers to the proxy services we provide in connection with stockholder meetings held outside of the normal annual meeting cycle and are primarily driven by special events (e.g., mergers and acquisitions in which the company being acquired is a public company and needs to solicit the approval of its stockholders).

## Interims

**Mutual Funds (Annual/Semi-Annual Reports/Annual Prospectuses)** – Refers to the services we provide investment companies in connection with information they are required by regulation to distribute periodically to their investors. These reports contain pertinent information such as holdings, fund performance, and other required disclosure.

**Mutual Funds (Supplemental Prospectuses)** – Refers primarily to information required to be provided by mutual funds to supplement information previously provided in an annual mutual fund prospectus (e.g., change in portfolio managers, closing funds or class of shares to investors, or restating or clarifying items in the original prospectus). The events could occur at any time throughout the year.

**Other** – Refers to communications provided by corporate issuers and investment companies to investors including newsletters, notices, tax information, marketing materials and other information not required to be distributed by regulation.

## Transaction Reporting

**Transaction Reporting**– Refers primarily to the printing and distribution of account statements, trade confirmations and tax reporting documents to account holders, including electronic delivery and archival services.

## Fulfillment

**Post-Sale Fulfillment** – Refers primarily to the distribution of prospectuses, offering documents, and required regulatory disclosure information to investors in connection with purchases of securities.

**Pre-Sale Fulfillment** – Refers to the distribution of marketing literature, welcome kits, enrollment kits, and investor information to prospective investors, existing stockholders and other targeted recipients on behalf of broker-dealers, mutual fund companies and 401(k) administrators.

## Other Communications

**Other** – Refers to the services we provide in connection with the distribution of communications material not included in the above definitions such as non-objecting beneficial owner (NOBO) lists, and corporate actions such as mergers, acquisitions, and tender offer transactions.

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