



Broadridge™

Broadridge Financial Solutions, Inc.

Earnings Webcast & Conference Call

Third Quarter Fiscal 2007

May 15, 2007

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Today's Agenda

- Opening Remarks Richard Daly, CEO
- Third Quarter Fiscal 2007 Results Dan Sheldon, CFO
- Fiscal 2007 Guidance Update Dan Sheldon, CFO
- Key Topics Update Richard Daly, CEO
- Summary Richard Daly, CEO
- Q&A Richard Daly, CEO
Dan Sheldon, CFO
Marvin Sims, VP, Investor Relations
- Closing Remarks Richard Daly, CEO

Broadridge 3Q07 Results

- Revenue increased 9.4% to \$493M
 - Internal growth contributed 9 points of which 6 points were derived from non-recurring activity in Investor Communications
 - Internal Growth components
 - Recurring – highly probable that revenue will recur “annually” and represents 80% of our consolidated revenues
 - Non-recurring – at direction of clients or specific “events” that trigger activity
 - (i.e. mutual fund proxy, equity contest, mergers, corporate reorganizations)
- Pretax Margin 14.2%, up 180 basis points (bps)
 - Inherent scale in the business generated 100 bps
 - Distribution fees (primarily postage revenue) contributed 80 bps
- Diluted EPS from Continuing Operations increased 25% to \$0.30 from \$0.24 on same shares outstanding

Broadridge 3Q07 Results

- Noteworthy Q3 items:
 - The tax-free spin-off of Broadridge (formerly ADP Brokerage Services Group) from ADP was completed on March 30, 2007
 - Broadridge transferred \$690 million in proceeds received from borrowings to ADP as part of tax-free dividend
 - Transfer pricing changes between segments
 - Segment discussions are on a like-for-like basis that reflect the change in transfer pricing (see appendix for reconciliation)
 - Large client losses reported in Form 10:
 - Investor Communications client with annualized revenues of \$44M and pretax of \$11M left at end of February
 - Securities Processing & Clearing/Outsourcing client with annualized revenues of \$39M and pretax profits of \$27M did de-convert on May 12th

Segment Results 3Q07 – Investor Communications Solutions

■ Revenue increased 10% to \$338M

- Proxy and Interim revenues increased by 9% to \$188M almost all driven by non-recurring internal growth
- Transaction Reporting & Fulfillment revenues increased by 4% to \$130M driven by recurring internal growth 5 points, an acquisition 2 points and net new business -3 points.
- Other Communication revenues which are all non-recurring increased by 100% from \$10M to \$20M

■ Operating Margins of 9.2%, up 210 bps

- Favorable business mix and leverage associated with internal growth contributed 70 bps
- Margin on Pass-thru Distribution Fees contributed 140 bps

Segment Results 3Q07 – Securities Processing Solutions

- Revenue increased by 7.2% to \$131M
 - Internal growth in both equities and fixed income contributed just over 5 points to Q3 segment growth
 - “Net New business” contributed 2 points (Sales 3 points and Losses 1 point)
- Operating Margins of 32.3% up 60 bps

Segment Results 3Q07 – Clearing and Outsourcing Solutions

- Revenue increased 12.6% to \$23M
 - Net New Business contributed 12 points (Sales growth of 13 points and Losses of 1 point)
 - Clearing accounted for 6 points
 - Outsourcing accounted for 6 points
- Operating Losses improved by \$1.1M from (\$2.2M) to (\$1.1M)

Broadridge 3Q07 – YTD Nine Month Results

- Revenue increased 12.3% from \$1.21B to \$1.36B
 - Q3 YTD revenue growth building blocks:
 - Internal Growth contributed 10 points (+6 points Non-Recurring)
 - Sales contributed 4 points
 - Losses reduced growth by 2 points
 - Acquisition contributed about ½ point
- Pretax Margin 11.9%, up 90 basis points most due to scale in businesses and product mix
- Diluted EPS from Continuing Operations increased 22.4% to \$0.71 from \$0.58 on same shares outstanding
- Revenue growth: Q1 = 17%, Q2 = 11% & Q3 = 9%

Broadridge – Q4 Forecast

- Q4 revenue growth (1.5%) – 2.5%
 - Annual Proxies flat yr/yr YTD and this trend continues into Q4 (45% of Q4 revenues)
 - 2 large client losses reduce growth by 3 points
 - Non-recurring internal growth experienced in Q's 1-3 which has been shrinking continues to decline
- Pretax Margins before “new” debt interest and one-time expenses, between 23.2% - 24.3% (after interest and one-time expenses, 22.6% - 23.8%)

Broadridge FY2007 Financial Guidance

- Revenue growth of 7-9%
- Earnings before one-time expenses, interest and taxes of 15.9% - 16.4%
- Interest payments on \$690M of new debt of \$10M
- Effective Tax Rate of approximately 40%
- Shares outstanding both basic and fully diluted of approximately 139M
- Earnings Per Share growth:
 - Before one-time expenses & debt of 9.2% to 14.6%, or \$1.42 - \$1.49
 - After one-time expenses & debt of 1.5% to 6.2%, or \$1.32 - \$1.38

Update on Post-Spin Key Topics

■ Notice & Access

- Finalized and effective July 1, 2007 – voluntary participation by corporate issuers
- NYSE Proxy Working Group continues
- Potential financial impact not expected to be material impact up or down on profits

■ Consolidation

- Recent industry activity

■ Activities under review with Board

- Dividend Policy & Options Plan

■ Sales

- Year-to-date \$80M

Summary

■ FY07

- Solid Q3 and Nine Month Year-to-Date Results
- No surprises expected in Q407 relative to prior guidance
- Tracking to FY2007 revenue and earnings guidance communicated at time of spin-off

■ FY08

- Working through FY08 Operating Plan
- No change in our directional view for revenue growth of 0-3% and a decrease of 5% - 10% for operating income
(operating income excluding one-time spin expenses, interest expense on new debt and additional public company expenses - see appendix for reconciliation)

Q&A

There are no slides during this portion of the presentation

Appendix

Appendix

Intersegment Transfer Pricing Reconciliation

Broadridge Financial Solution, Inc. Intersegment Transfer Price Reconciliation

(\$ in millions)	Three months ended March 31	
	FY '07	FY '06
Investor Communication Solutions		
Net revenue as reported - GAAP	337.5	308.0
Transfer pricing adjustment	-	(1.3)
Net revenue as Adjusted - Non-GAAP	337.5	306.7
EBIT as reported - GAAP	31.1	22.4
Transfer pricing adjustment	-	(0.7)
EBIT as Adjusted - Non-GAAP	31.1	21.7
Margin % as reported - GAAP	9.2%	7.3%
Margin % as adjusted - Non-GAAP	9.2%	7.1%
Securities Processing Solutions		
Net revenue as reported - GAAP	131.2	125.4
Transfer pricing adjustment	-	(3.0)
Net revenue as Adjusted - Non-GAAP	131.2	122.4
EBIT as reported - GAAP	42.4	40.9
Transfer pricing adjustment	-	(2.1)
EBIT as Adjusted - Non-GAAP	42.4	38.8
Margin % as reported - GAAP	32.3%	32.6%
Margin % as adjusted - Non-GAAP	32.3%	31.7%
Clearing and Outsourcing Solutions		
Net revenue as reported - GAAP	23.2	20.6
Transfer pricing adjustment	-	-
Net revenue as Adjusted - Non-GAAP	23.2	20.6
EBIT as reported - GAAP	(1.1)	(5.0)
Transfer pricing adjustment	-	2.8
EBIT as Adjusted - Non-GAAP	(1.1)	(2.2)
Margin % as reported - GAAP	-4.7%	-24.3%
Margin % as adjusted - Non-GAAP	-4.7%	-10.7%

BR - Earnings Reconciliation & Guidance

Broadridge Financial Solutions, Inc.

Earnings from Continuing Operations Excluding Transition Costs (Unaudited)

	MAY 15th EARNINGS CALL GUIDANCE		
	Actual FY06	Forecast FY07E	Forecast FY08
\$ in millions, reflects continuing operations			
Broadridge Net Revenues	1,933	2,070 - 2,100	
Growth %	12.6%	7% - 9%	0.0 - 3.0%
ADP Segments Earnings before Taxes	309	346 - 361	
Margin %	16.0%	16.7% - 17.2%	
Adjustments:			
Stock Compensation	(24)	(24)	
ADP Royalties/Corporate	(35)	(35) ⁽⁴⁾	
ADP Corporate Charges	40	40	
Foreign Exchange	7	4	
Other	6	(1)	
Total Adjustments	(6)	(16)	-
Broadridge PF Earnings Before Royalties Add Back, Public Company Costs, Interest and Taxes (1)	303	330 - 345	-
Margin %	15.7%	15.9% - 16.4%	14.5 - 15.0%
Growth %	10.5%	9.0% - 14.0%	(10.0) - (5.0)%
ADP Royalties	-	-	35
Broadridge PF Earnings Before Public Company Costs, Interest and Taxes	303	330 - 345	
Total Public Company Costs (2)			(30)
Broadridge PF Earnings Before Interest and Taxes	303	330 - 345	
Margin %	15.7%	15.9% - 16.4%	14.7% - 15.3%
Interest on New Debt		(10)	(38)
Broadridge PF Earnings Before Taxes	303	320 - 335	
Income Taxes at 40%	(122)	(128) - (134)	40%
Broadridge PF Net Income (before transition costs)	181	192 - 201	
After-Tax Margin %	9.4%	9.3% - 9.6%	
Note: One-time transition costs excluded in the above	-	9	5 - 10
Earnings Per Share before One-time transition Costs & Interest ⁽³⁾	\$1.30	\$1.42 - \$1.49	
Growth %		9.2% - 14.6%	
Earnings Per Share after One-time transition Costs & Interest	\$1.30	\$1.32 - \$1.38	
Growth %		1.5% - 6.2%	

Notes:

- (1) Combination of ADP reporting segments: Brokerage Services and Securities Clearing and Outsourcing Services. FY07 forecast prepared in accordance with the same accounting policies as described in the Form 10.
- (2) FY08 normalized to reflect full year effect of corporate departments and increased benefits and insurance costs.
- (3) Total shares outstanding equals 139 million
- (4) Estimated \$8m in corporate expense for Q407, and \$27m in Royalty Charges

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