



Broadridge™

Broadridge Financial Solutions, Inc.

Earnings Webcast & Conference Call

First Quarter Fiscal Year 2008

November 7, 2007

Forward Looking Statements

This presentation and other written or oral statements made from time to time by representatives of Broadridge may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that are not historical in nature, such as our fiscal 2008 financial guidance, 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. These risks and uncertainties include those risk factors discussed in Part I, “Item 1A. Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended June 30, 2007 (the “2007 Annual Report”). Any forward-looking statements are qualified in their entirety by reference to the factors discussed in the 2007 Annual Report. These risks include: the ability of Broadridge to develop brand recognition and its reputation with its clients and employees following its separation from Automatic Data Processing, Inc., (“ADP”) in March 2007; Broadridge’s success in obtaining, retaining and selling additional services to clients; the pricing of Broadridge’s products and services; the incurrence of additional costs attributable to Broadridge’s operations as a stand-alone public company; Broadridge’s ability to continue to obtain data center services from its former parent company, ADP, as well as to obtain transitional services from ADP for up to one year from the date of Broadridge’s March 2007 spin-off from ADP; changes in laws affecting the investor communications services provided by Broadridge; changes in laws regulating registered clearing agencies and broker-dealers; Broadridge’s debt levels and financing costs, including the impact of its credit ratings on such costs; financial market activity; changes in technology; availability of skilled technical employees; the impact of new acquisitions and divestitures; competitive conditions; and overall market and economic conditions.

Broadridge disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Today's Agenda

- Opening Remarks Rich Daly, CEO
- 1st Quarter Fiscal Year 2008 Results Dan Sheldon, CFO
- Cash Flow - 1st Quarter Fiscal Year 2008 Dan Sheldon, CFO
- Fiscal Year 2008 Guidance Update Rich Daly, CEO
- Summary Rich Daly, CEO
- Q&A Rich Daly, CEO
Dan Sheldon, CFO
Marvin Sims, VP Investor Relations
- Closing Remarks Rich Daly, CEO

Note: For a reconciliation of non-GAAP to GAAP measures used in this presentation, please see the attached Appendix

Opening Remarks – Outline

■ Key Topics:

- Financial results for the first quarter
 - Impact of internal growth driven by market activity & one-time activity
 - Margin expansion
 - Timing of investment ramp up

- Market conditions during the quarter
 - Financial performance in context with market
 - Impact on guidance increase

- Update on key initiatives
 - Retention
 - Investments and acquisitions
 - Regulatory items

Broadridge – 1Q Fiscal Year 2008 Results

- **Revenues ↑ 3% to \$451M (w/o distribution fees ↑7%)**
 - Fiscal 2008 revenue growth building blocks:
 - Internal Growth contributed 4.0%
 - Sales contributed 2.0%
 - Losses reduced growth by 4.5%
 - Other/FX contributed 1.5%
- **Diluted Earnings Per Share, excluding 1-time transition expenses and interest on new debt ↑ 48% to \$0.31 – Non-GAAP**
 - ↑ 24% to \$0.26 – GAAP
 - Slightly more shares outstanding
- **Pretax Earnings, excluding 1-time transition expenses & interest on new debt ↑ 51% to \$70M, & Pretax Margin of 15.6%, ↑ 510 bps - Non-GAAP**
 - ↑ 27% to \$59M, and Pretax Margin of 13.1%, ↑ 260 bps - GAAP
- **Net Earnings, excluding 1-time transition expenses and interest on new debt ↑ 50% to \$43M - Non-GAAP**
 - ↑ 26% to \$36M - GAAP
- **Long term debt pay down of \$85M**
- **Sales \$30M (services fees only), 30% Recurring and 70% Event-driven**

Segments – 1Q Fiscal Year 2008 Results

■ Investor Communication

- Revenues ↓ 3% to \$299M primarily due to previously announced client loss – *Non-GAAP*
 - Event-driven revenues flat
 - Internal growth flat (fee revenue growth ↑ 4%, offset by lower distribution fees)
 - Stock Record Growth – Equity Proxy ↓1% and Mutual Fund Interims ↑ 11%
- Margins of 10% ↑ 210 bps – *Non-GAAP*
 - Favorable distribution fee mix contributed 180 bps and operating leverage contributed 30 bps
- No material impact on revenues or earnings from Notice & Access

■ Securities Processing

- Revenues ↑ 10% to \$124M, primarily driven by internal growth. Loss of TDW offset by new business and increase in non-trade revenues – *Non-GAAP*
 - Equity Trades Per Day (TPD)
 - TPD ↑ 37% to 2.5M trades per day contributed approximately 6% of growth
 - The last 3 quarters have been flat at 2.5M TPD
 - Fixed Income TPD - ↑ 21% to 216K trades per day contributed approximately 3% of growth
- Margins of 31.2% ↑ 620 bps – *Non-GAAP*
 - Scale with respect to internal growth revenue contributed 500 bps
 - Data center savings contributed 120 bps

Segments – 1Q Fiscal Year 2008 Results

■ Clearing and Outsourcing

- Revenues ↑ 13% to \$25M
 - Sales contributed 14% to growth
 - Previously announced client loss reduced growth by 10%
 - Internal growth contributed 9% to growth
 - Trades Per Day ↑ over 15% to 21K
 - Average Margin Debit Balances ↑ 37% to \$870M
- Operating losses at (\$2M) an improvement of \$1M over prior year – *Non-GAAP*

■ Other

- Revenues of \$2M generated from one-time contract termination fees
- Net expense made up of:
 - Interest Expense (\$9M)
 - One-time transition expenses of (\$2M)
 - Contribution from one-time revenues \$2M
 - Corp Expenses & New Investments still ramping up

■ FX

- Revenues increased \$3M and margins by \$1M due to weakening of US dollar

Broadridge Cash Flow – 1Q Fiscal Year 2008

Broadridge Financial Solutions, Inc.
Calculation of Free Cash Flows - Non-GAAP
Unaudited
(In millions)

	Three Months Ended	
	September 30,	
Calculation of Free Cash Flows (Non-GAAP):	2007	2006
Net earnings, as reported	\$ 36	\$ 29
Depreciation and amortization	12	16
Stock-based compensation expense	6	6
Deferred taxes	(8)	(2)
Other	(1)	1
Subtotal	<u>45</u>	<u>50</u>
Working capital changes	41	7
Clearing and Outsourcing financing assets & liabilities	38	(12)
Long-term assets & liabilities changes	<u>(4)</u>	<u>(7)</u>
Net cash flows provided by operating activities	120	38
Net cash flows provided by (used in) securities clearing activities	<u>38</u>	<u>(12)</u>
Net cash flows provided by operating activities, excluding securities clearing activities	82	50
Less: Capital expenditures & Intangibles	<u>6</u>	<u>4</u>
Free cash flows, excluding securities clearing activities	<u>\$ 76</u>	<u>\$ 46</u>
Additional Information:		
Depreciation & amortization	\$ 10	\$ 10
Other amortization	\$ 2	\$ 6
Dividend	\$ 8	\$ -
Acquisitions	\$ 6	\$ -

Note:

For a reconciliation of non-GAAP to GAAP measures please see the attached Appendix

Fiscal Year 2008 Guidance & Summary

- Very solid start to fiscal year driven by Internal growth and Event-driven activities
- Increased our full year guidance:
 - EPS before one-time transition expenses from a range of \$1.17 - \$1.25, to a new range of \$1.30 - \$1.40
 - EPS after one-times transition expenses from a range of \$1.14 - \$1.20, to a new range of \$1.25 - \$1.35
- Broadridge is in control of its business and not in control of the markets
- Strong cash flow used to pay down debt
- Executing our growth strategy to provide the ultimate client-centric experience
- Investing in our business for future growth

Q&A

There are no slides during this portion of the presentation

Closing Comments

There are no slides during this portion of the presentation

Appendix

Appendix

Broadridge - Fiscal Year 2008 Financial Guidance

- Revenue growth of 1% - 4%
- Diluted Earnings Per Share
 - Before one-time transition expenses of \$1.30 - \$1.40
 - After one-time transition expenses of \$1.25 - \$1.35
- Earnings before interest and taxes margins (excluding one-time transition expenses) of 15.5% - 16.2%
- Interest expense of \$34M - \$36M
- Effective Tax Rate of approximately 39%
- One-time transition expenses between \$8M - \$12M (after tax \$5M - \$7M)
- Strong cash flows with intent to pay down debt, pay dividends, acquisitions and no contemplated share buybacks in fiscal year 2008
- Diluted Weighted Average Shares of 141 million

Segments – Fiscal Year 2008 Financial Guidance

- **Investor Communications:**
 - Revenues 1% to 4%
 - Margins 15.1% to 15.4%

- **Securities Processing:**
 - Revenues (3%) to Flat
 - Margins 24.3% to 26.0%

- **Clearing and Outsourcing:**
 - Revenues 10% to 13%
 - Operating profits near breakeven with \$7M improvement over prior year

GAAP to Non-GAAP Earnings Reconciliation

Broadridge Financial Solutions, Inc.
Reconciliation of GAAP to Non-GAAP Measures
Earnings, Margin and Per Share Reconciliation
(In millions, except per share and margin data)
(Unaudited)

	<u>Three months ended September 30, 2007</u>				<u>Three months ended September 30, 2006</u>			
	Earnings before income taxes	Pretax margin	Net earnings	Net earnings per share	Earnings before income taxes	Pretax margin	Net earnings	Net earnings per share
GAAP basis measures	\$ 59.1	13.1%	\$ 36.0	\$ 0.26	\$ 46.4	10.5%	\$ 28.5	\$ 0.21
Non-GAAP adjustments:								
One-time transition expenses	2.1	0.5%	1.3	0.01	-	-	-	-
Interest on new debt	9.0	2.0%	5.5	0.04	-	-	-	-
Total Non-GAAP adjustments	11.1	2.5%	6.8	0.05	-	-	-	-
Non-GAAP measures	\$ 70.2	15.6%	\$ 42.8	\$ 0.31	\$ 46.4	10.5%	\$ 28.5	\$ 0.21

Note:

Management believes that certain non-GAAP (generally accepted accounting principles) measures, when presented in conjunction with comparable GAAP measures provide investors a more complete understanding of Broadridge's underlying operational results. These non-GAAP measures are indicators that management uses to provide additional meaningful comparisons between current results and prior reported results, and as a basis for planning and forecasting for future periods. These measures should be considered in addition to, and not a substitute for the measures of financial performance prepared in accordance with GAAP.

GAAP to Non-GAAP Free Cash Flow Reconciliation

Broadridge Financial Solutions, Inc.
Reconciliation of GAAP to Non-GAAP Measures
Free Cash Flows Reconciliation
(In millions)
(Unaudited)

	<u>Net Cash Flows Provided by Operating Activities</u>	<u>Excluding Securities Clearing Activities</u>	<u>Less: Capital Expenditures and Intangibles</u>	<u>Free Cash Flows</u>
July - September '07	\$120	(\$38)	(\$6)	\$76
July - September '06	\$38	\$12	(\$4)	\$46

Free cash flows is defined as net cash flows provided by operating activities, excluding net cash provided by (used in) securities clearing activities, less capital expenditures and intangibles.

Note:

Management believes that certain non-GAAP (generally accepted accounting principles) measures, when presented in conjunction with comparable GAAP measures provide investors a more complete understanding of Broadridge's underlying operational results. These non-GAAP measures are indicators that management uses to provide additional meaningful comparisons between current results and prior reported results, and as a basis for planning and forecasting for future periods. These measures should be considered in addition to, and not a substitute for the measures of financial performance prepared in accordance with GAAP.

Intersegment Transfer Pricing Reconciliation

Broadridge Financial Solutions, Inc.
Intersegment Transfer Price Reconciliation
(In millions, except margin data)
(Unaudited)

	Three months ended September 30,	
	2007	2006
<u>Investor Communication Solutions</u>		
Net revenue as reported	\$ 299.1	\$ 308.0
Transfer pricing adjustment	-	(1.0)
Net revenue as adjusted - Non-GAAP	<u>\$ 299.1</u>	<u>\$ 307.0</u>
EBT as reported	\$ 29.8	\$ 24.6
Transfer pricing adjustment	-	(0.4)
EBT as adjusted - Non-GAAP	<u>\$ 29.8</u>	<u>\$ 24.2</u>
<i>Margin % as reported</i>	<i>10.0%</i>	<i>8.0%</i>
<i>Margin % as adjusted - Non-GAAP</i>	<i>10.0%</i>	<i>7.9%</i>
<u>Securities Processing Solutions</u>		
Net revenue as reported	\$ 124.4	\$ 116.5
Transfer pricing adjustment	-	(2.9)
Net revenue as adjusted - Non-GAAP	<u>\$ 124.4</u>	<u>\$ 113.6</u>
EBT as reported	\$ 38.8	\$ 30.5
Transfer pricing adjustment	-	(2.1)
EBT as adjusted - Non GAAP	<u>\$ 38.8</u>	<u>\$ 28.4</u>
<i>Margin % as reported</i>	<i>31.2%</i>	<i>26.2%</i>
<i>Margin % as adjusted - Non-GAAP</i>	<i>31.2%</i>	<i>25.0%</i>
<u>Clearing and Outsourcing Solutions</u>		
Net revenue as reported	\$ 24.7	\$ 21.8
Transfer pricing adjustment	-	-
Net revenue as adjusted - Non-GAAP	<u>\$ 24.7</u>	<u>\$ 21.8</u>
EBT as reported	\$ (2.0)	\$ (5.6)
Transfer pricing adjustment	-	2.5
EBT as adjusted - Non-GAAP	<u>\$ (2.0)</u>	<u>\$ (3.1)</u>
<i>Margin % as reported</i>	<i>-8.1%</i>	<i>-25.7%</i>
<i>Margin % as adjusted - Non-GAAP</i>	<i>-8.1%</i>	<i>-14.2%</i>

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