



IN THE BUSINESS OF YOUR SUCCESSSM

Inspiring Innovation & Market Leadership

ADP Financial Analyst Conference
May 24, 2012

HR. Payroll. Benefits.

Agenda

8:30 - 8:55	Opening Remarks & Strategic Direction	Carlos Rodriguez
8:55 - 9:15	Global HCM Market Opportunity	Jan Siegmund
9:15 - 9:35	ADP Technology & Innovation	Mike Capone
9:35 - 10:00	Client Funds Interest	Chris Reidy
10:00 - 10:15	Break	
10:15 - 10:35	Dealer Services	Steve Anenen
10:35 - 10:55	Service & Process Innovation	Regina Lee
10:55 - 11:00	Closing Remarks	Carlos Rodriguez
11:00 - 11:40	Q&A	Business Leadership

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.

Use of Material Contained Herein

The information contained in this presentation is being provided for your convenience and information only. This information is accurate as of the date of its initial presentation. If you plan to use this information for any purpose, verification of its continued accuracy is your responsibility. ADP assumes no duty to update or revise the information contained in this presentation. You may reproduce information contained in this presentation provided you do not alter, edit, or delete any of the content and provided you identify the source of the information as Automatic Data Processing, Inc., which owns the copyright.

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.



IN THE BUSINESS OF YOUR SUCCESSSM

Strategic Direction

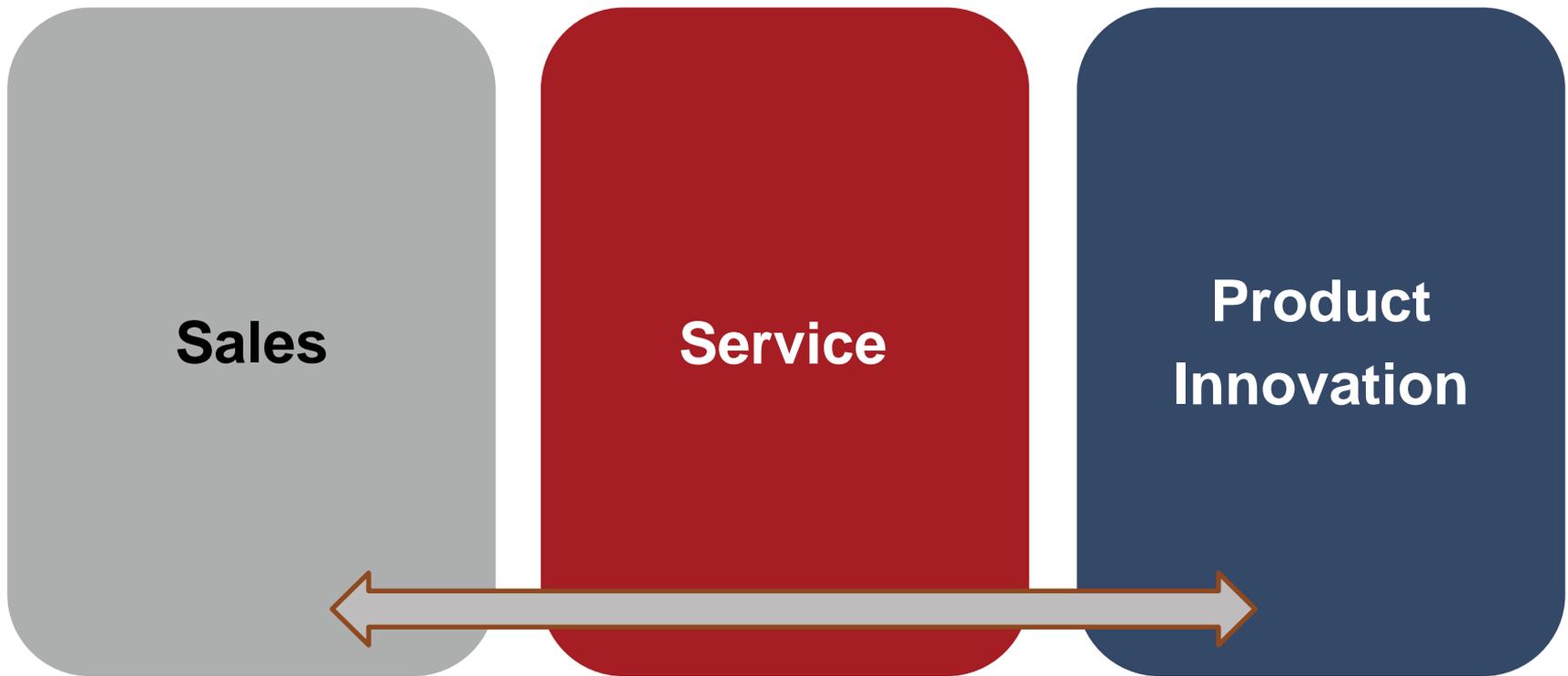
Carlos Rodriguez
President and CEO
May 24, 2012

HR. Payroll. Benefits.

Agenda

- 1 What Is, and Is Not, Going to Change**
- 2 Business Priorities**
- 3 Refining our Strategic Pillars**
- 4 Summary**

New emphasis on product innovation does not diminish focus on sales and service



Growth Bias



Innovation that drives agility & client value

Client Focus



Service that supports integration & drives efficiency

Developing Talent



Talent that drives results & positions us as thought leaders



To focus our efforts & capture the opportunities, we are refining our strategic pillars

3

CURRENT PILLARS

Strengthen our core business

Grow our differentiated HRBPO offerings

Grow share and improve margins in International markets

Enter adjacent markets which leverage our core strategic assets

Expand profit margins through increased operating efficiency

REFINED PILLARS



Grow integrated suite of cloud based HCM, benefits, and payroll solutions to serve the US market



Invest to grow and scale our market leading HRBPO solutions by leveraging our platforms and processes



Leverage our global presence to offer clients HCM, benefits, and payroll solutions where they do business



Grow and deepen our solutions offering to ensure our key adjacencies are market leaders



Integrate HRBPO Global Adjacencies



Innovate

INNOVATE

Drive Service

DRIVE SERVICE

Build Talent

BUILD TALENT

1 Position ADP as the *global HCM market leader* leveraging core competencies, market trends and breadth of offering

2 Foster an *innovative mindset* and become more agile

3 Deliver *stellar service* and create raving fans

4 Achieve *top quartile TSR* over the long term



IN THE BUSINESS OF YOUR SUCCESSSM

Global HCM Market Opportunity

Jan Siegmund
Chief Strategy Officer
President, AVS
May 24, 2012

HR. Payroll. Benefits.

Agenda

1

Market Opportunity & Trends for Global HCM

2

Client Challenges ADP helps to Solve

3

How ADP Will Capture HCM Opportunity

4

Summary

Profitable growth remains our top priority...strategy aligns and focuses organization to achieve it

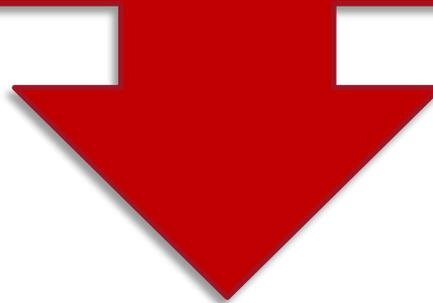
1

Grow **integrated**
suite of
cloud-based
HCM
Solutions

Grow and **scale**
HR BPO Solutions
Leveraging our
Platforms and
Processes

Leverage global
presence to
Offer clients HCM
Solutions where
they do business

Grow & deepen
Adjacencies to
ensure **market**
leading position



Innovation
Mindset

Build Expert
Talent

Service
Excellence

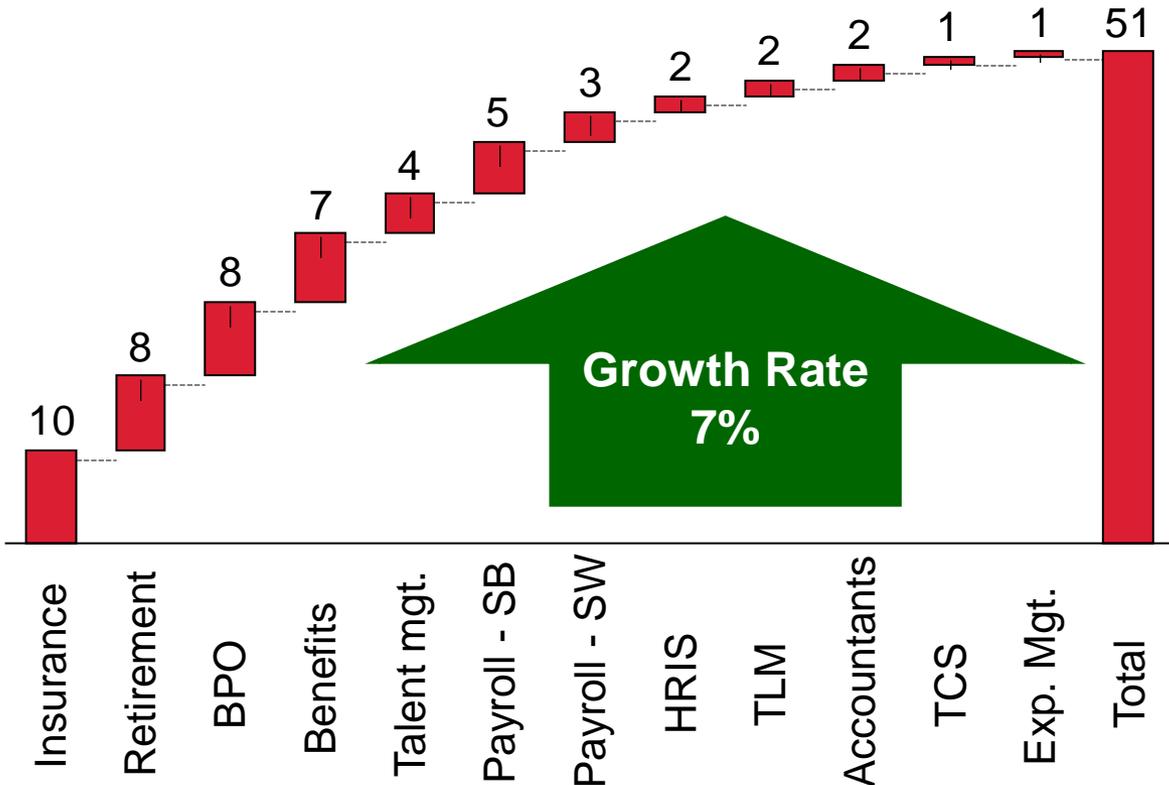
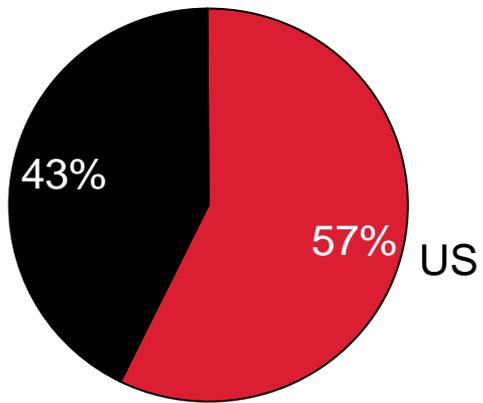
The market is large and growing -- U.S. Human Capital Management opportunity represents ~6X “payroll only”

1

Global HCM market 2012
~\$90B

2012 Market Size – US \$B

International

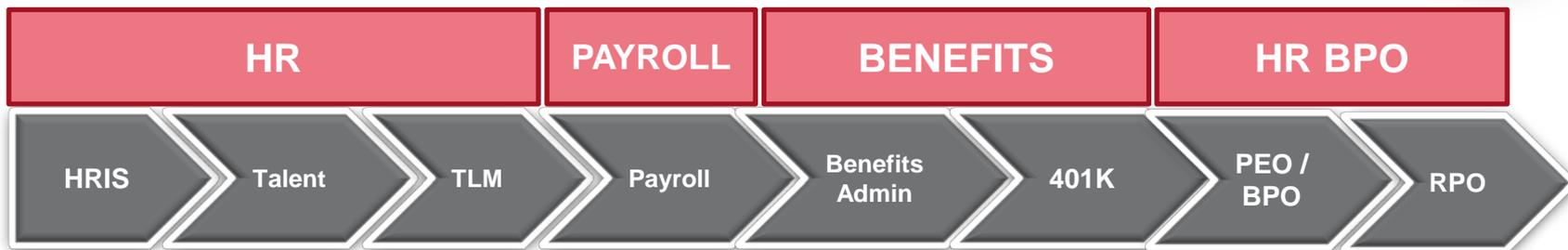


Source: IDC, Nelson-Hall, Gartner, Everest, Bersin, Census Bureau, BLS, ADP and competitor filings, ES Marketing



Among our core competitors, no one has ADP's solution breadth

1



Market Rank

1 Top 4 # 1 # 1 # 1 # 2 # 1 Top 3

	HRIS	Talent	TLM	Payroll	Benefits Admin	401K	PEO / BPO	RPO
C - 1	✓	✓	✗	✓	✗	✗	✗	✗
C - 2	✓	✗	✓	✓	✓	✗	✓	✗
C - 3	✓	✓	✗	✗	✗	✗	✗	✗
C - 4	✓	✗	✓	✓	✓	✓	✓	✗



Today's employers face some new and old challenges....

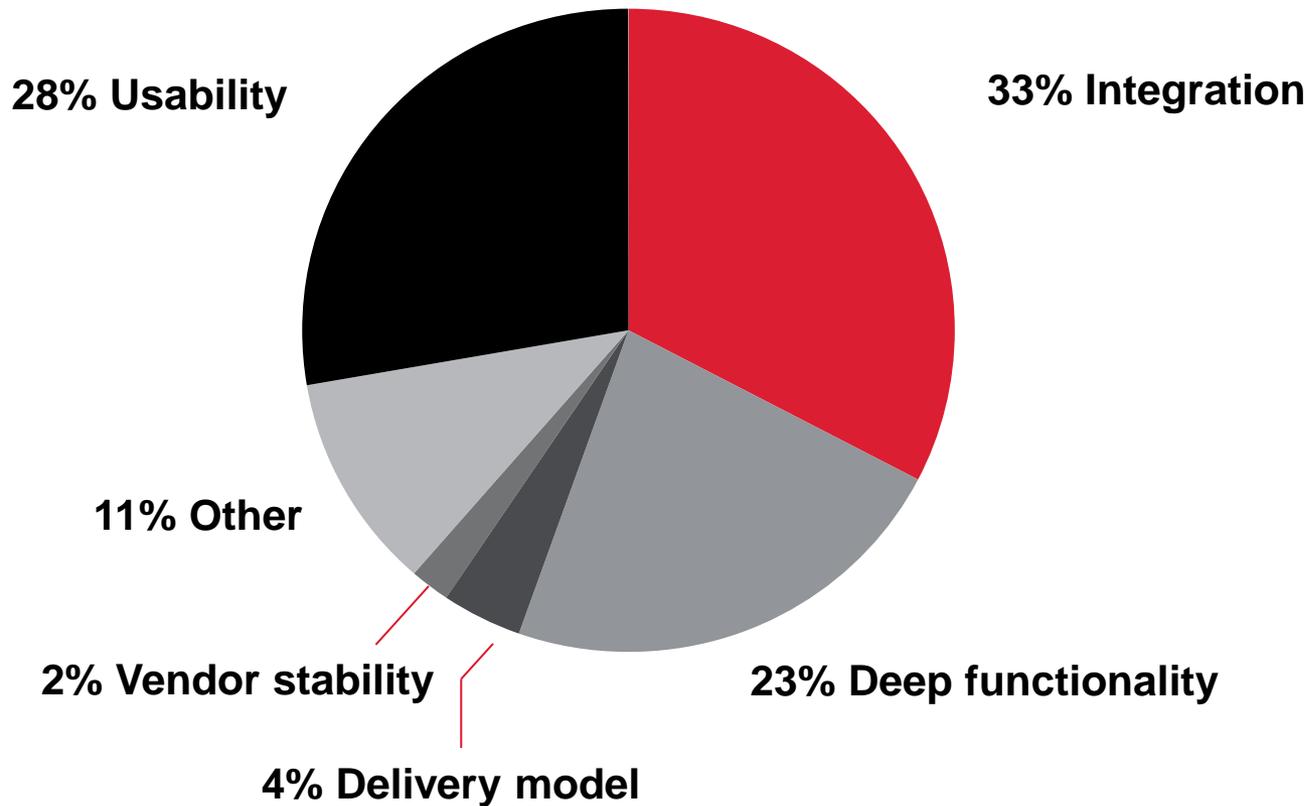
2



...and buyers are favoring integration and usability above all else

2

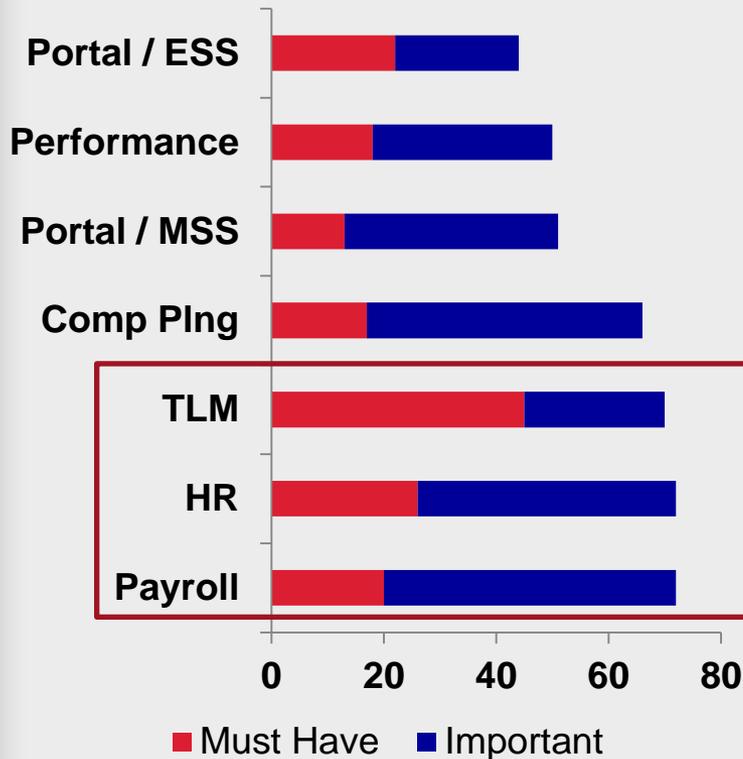
“What is the most important factor when selecting an HCM solution?”



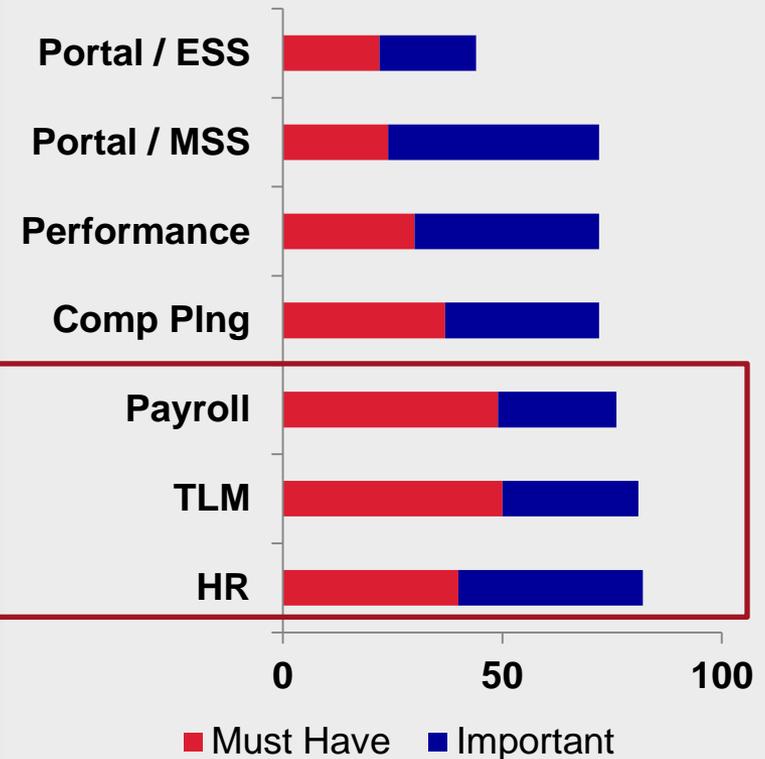
HR, Payroll & Time are considered standard in a global system of record, “core” ADP competencies

“How important is the following functionality in a Global System of Record?”

Less than 1k employees



More than 1k employees



ADP is well positioned to meet market needs with the most comprehensive offering in HCM

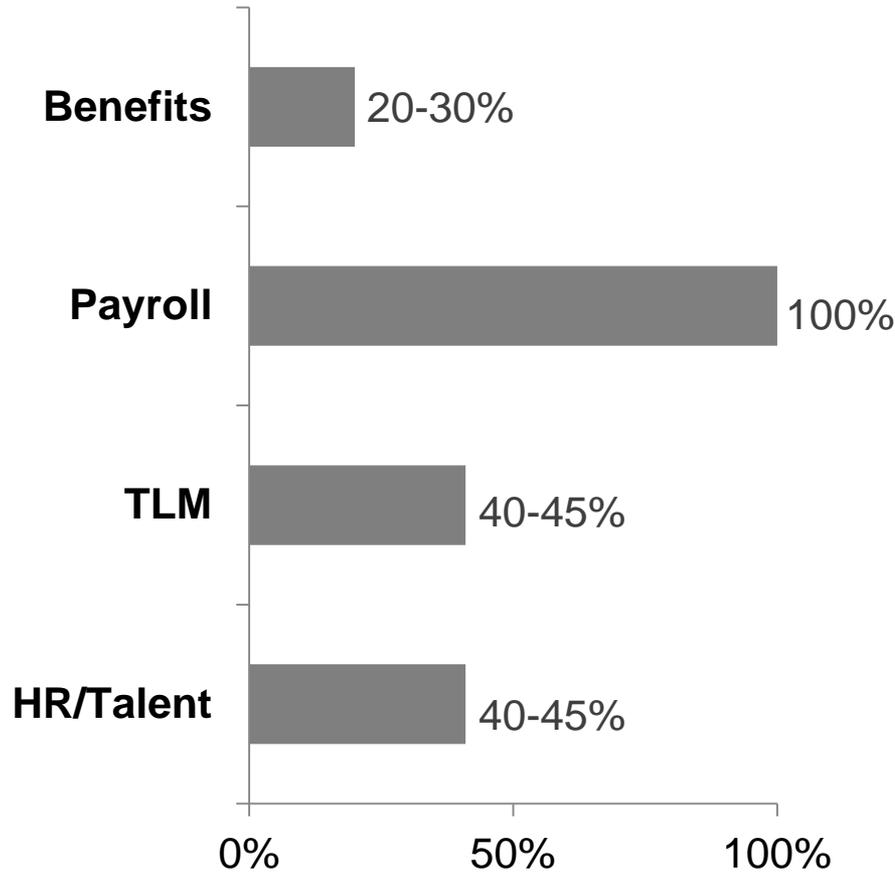
3

HCM View by Market

MARKET SEGMENT	Small Clients w/less Complex Needs	Medium Clients w/more Complex Needs	Large Clients w/complex, Global Needs
STRATEGIC PLATFORM	RUN	WorkforceNow	Vantage HCM GlobalView
HCM	HR411 Payroll Tax Compliance Workers' Comp Health Insurance	HRIS Payroll Tax Compliance Time & Attendance Benefits Talent 1.0 (Standard)	HRIS Payroll Tax Compliance Time & Attendance Benefits Talent 2.0(Configurable)
HR BPO	PEO	PEO Comprehensive HR/Ben	COS RPO
TYPICAL CLIENTS	1-100	50-3,000	1,000+

New Sales Attach Rates: *Workforce Now* Example

Attach Rates



- Clients have flexibility to choose solution that fits their needs

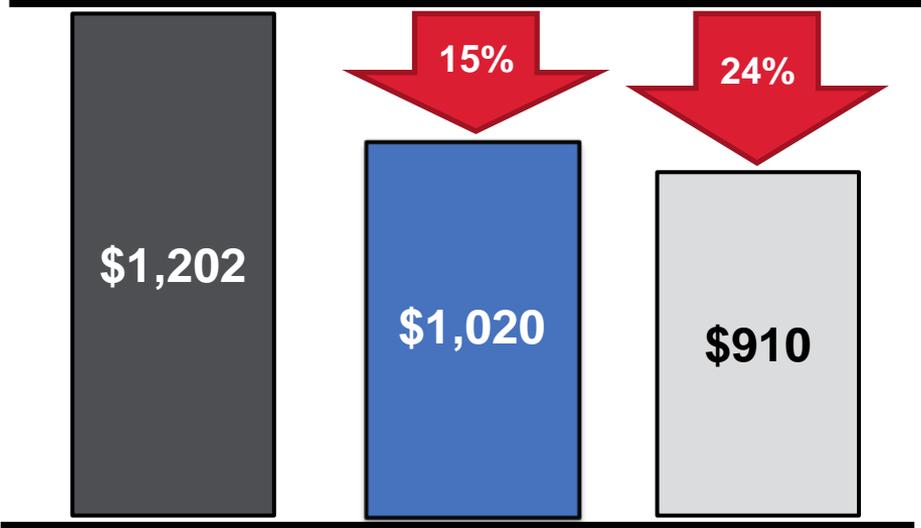
- Attach rates are up 60% since introduction of *Workforce Now*

- 24,000 clients “live”

- Early indication for *Vantage* exceeds 70% attach rates

ADP clients who outsource multiple processes experience ~25% savings vs. using software vendors

Total Cost of Ownership
(Per Employee per Year)



- Outsourcing Solution* - Common Platform
- In-House Solution* - Common Platform
- In-House Solution* - Multiple Platforms

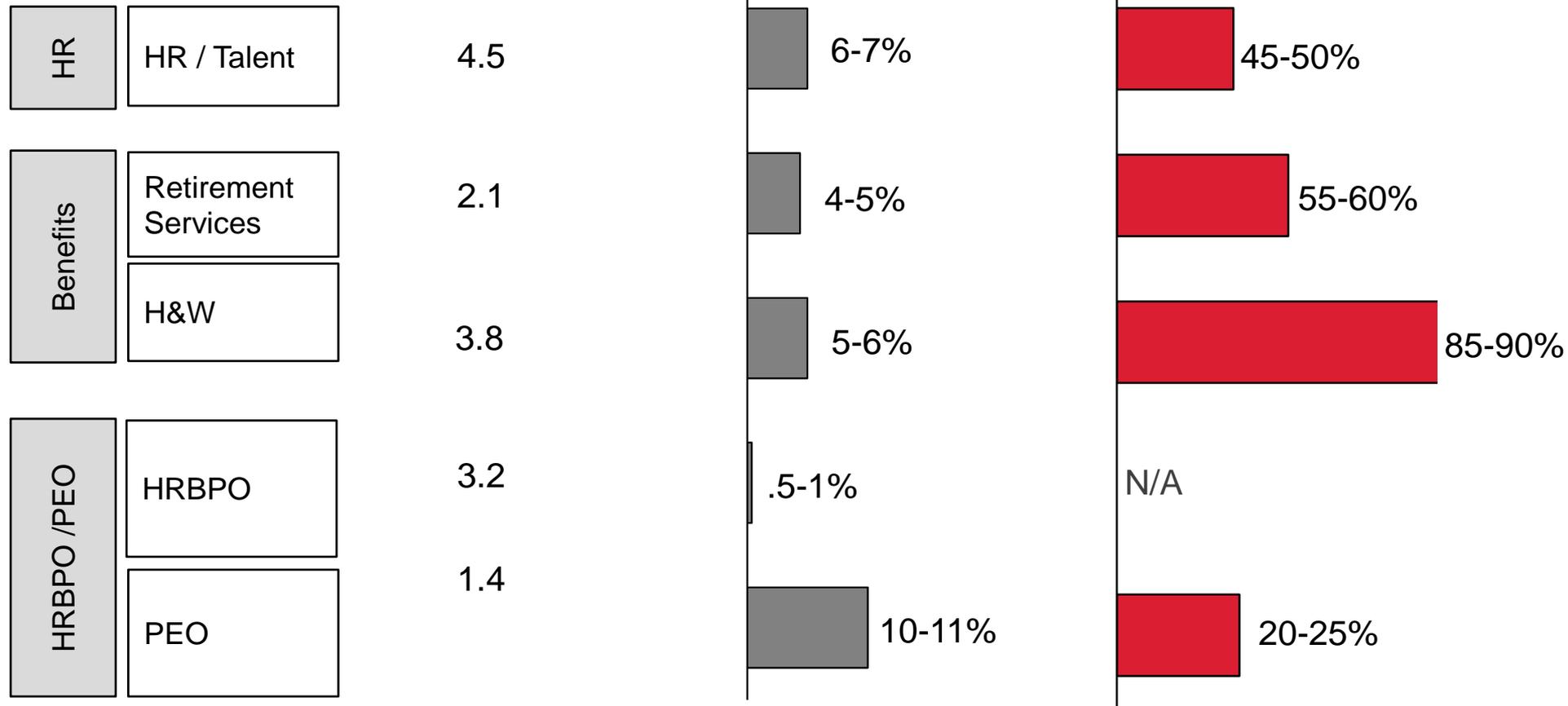
* HCM, Payroll, TLM



Increasing product competitiveness in HCM and strong execution has resulted in increased market share

3

Starts / losses (per units) **Market share FY12 %** **Market share change since 2006 %**



Note: Starts / Losses are for calendar year 2011; HR / Talent includes HRB & NAS Talent Solutions; Benefits includes NAS H&W, HRBPO includes ASO, Comp Services & COS. Client market share for Payroll, HR/Talent, Benefits, HRBPO; WSE share for PEO and EE share for ESI Source: FY13 strat plans, BU strategy leads, BU finance, Corporate Finance, Corporate Marketing

1

We have solutions for companies of all sizes, with simple to complex needs, that support the needs of a global and mobile workforce

2

ADP's portfolio helps simplify and improve our clients' productivity while ensuring global compliance

3

Our outsourcing value proposition for mid-large clients is particularly strong- providing significant cost savings over in-house software

4

Product competitiveness is improving with positive share growth in HR/Talent, BPO and Benefits



IN THE BUSINESS OF YOUR SUCCESSSM

ADP Technology & Innovation

Mike Capone

Chief Information Officer

May 24, 2012

HR. Payroll. Benefits.

ADP is the largest global SaaS provider of cloud-based Enterprise software

- >250,000 SaaS clients
- >13 Million users
- 81 countries & expanding
- Widest breadth of HCM solutions
- Best-of-breed depth of features
- BPO/Service offerings extend reach beyond traditional SaaS

InformationWeek 500

2011 - Rank #7

Forbes 2011
THE WORLD'S
MOST
INNOVATIVE
COMPANIES

2011 - ADP
#87

2010 & 2011
COMPUTERWORLD
100
BEST PLACES
TO WORK IN IT

COMPUTERWORLD
100
PREMIER
IT LEADERS
HONOREE 2012

SAP PINNACLE AWARDS 2011

Global Outsourcing Services Provider of the Year

Chief
Executive
BEST COMPANIES
FOR LEADERS
2012

ADP
#6

Aberdeen Group
Most Influential Technology Vendors
Top 25 - 2009

pwcGlobal
Software Leaders
2010

FORTUNE
WORLD'S MOST
ADMIRABLE
COMPANIES 2011
Financial
Data
Services
Rank #2

InfoWorld
InfoWorld 100
Top 10
2008, 2009

Our integrated HCM product suite delivers a unique breadth of solutions across all market segments



Small Market

Mid Market

Complex

Global



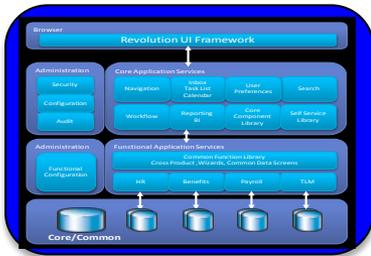
- Do-it-Yourself Payroll
- Easy to Use
- Rich User Interface
- B2C Type SaaS Model
- Speed of Implementation
- Broad functionality
- Ease of use
- Attractive Price
- Broad & Deep functionality
- Extensible
- Highly configurable
- Advanced Service options
- Deeper talent components
- Extensive geographic footprint
- Templated approach
- Leading “in-country” compliance expertise

An exciting new user experience is delivered as part of our cloud-based, integrated HCM solutions



Rich Web 2.0 User Experience

- Rich Interactive Graphical Design
- Personalization
- Easy to Use Object/Task/Process Oriented Activities



Open Integration Architecture

- Common Core Database
- Core Data Integration
- Client and Partner Integration
- Plug and Play Modules



New Innovations to Enhance Service Experience

- Contextual Self Service
- New Channels- Live Chat, Web Collaboration, Communities
- Knowledge Management



Innovations Driving Market Leadership

- Mobile
- Analytics
- Search
- Social

We continue to see robust growth in our RUN solution for small business



Key Highlights:

- 160,000 clients using RUN
- Over 11,000 mobile users

New Enhancements:

- Do-It-Yourself eFile/ePay capabilities for enhanced integration with more channels (Accountants, Banks, etc)
- Enhanced HR capabilities to include additional HR functions
- Increased industry-leading mobile capabilities, including both Employee and Owner roles

Payroll “on the RUN”



Employees

- View/Edit Profiles
- Contact - Email/Dial
- Map
- Change Payroll Profile
- Gross & Net Reports
- Pay Statements

Payroll

- Patent Pending
- Payroll Input
- Create & Submit
- Payment Approval
- Review
- Reports

HR411

- “Tip of the Week”
- HR Check Ups
- HR Dictionary
- State & Federal Resources
- Forms

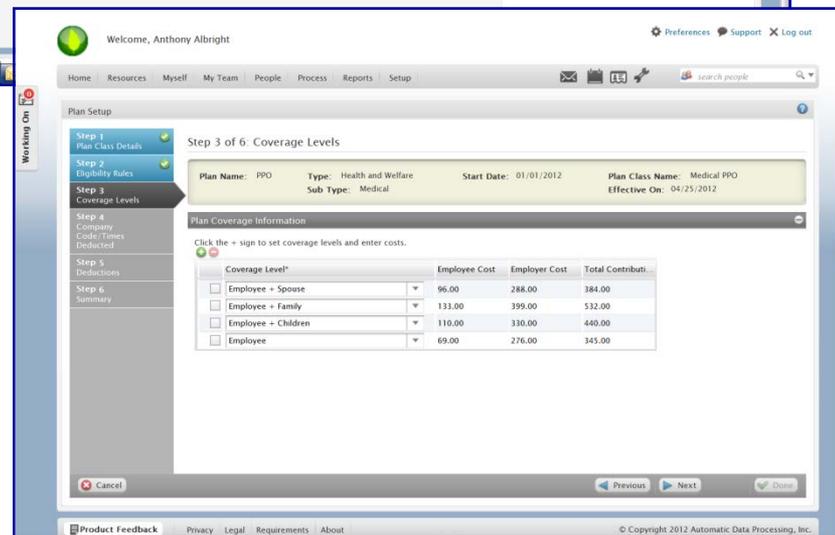
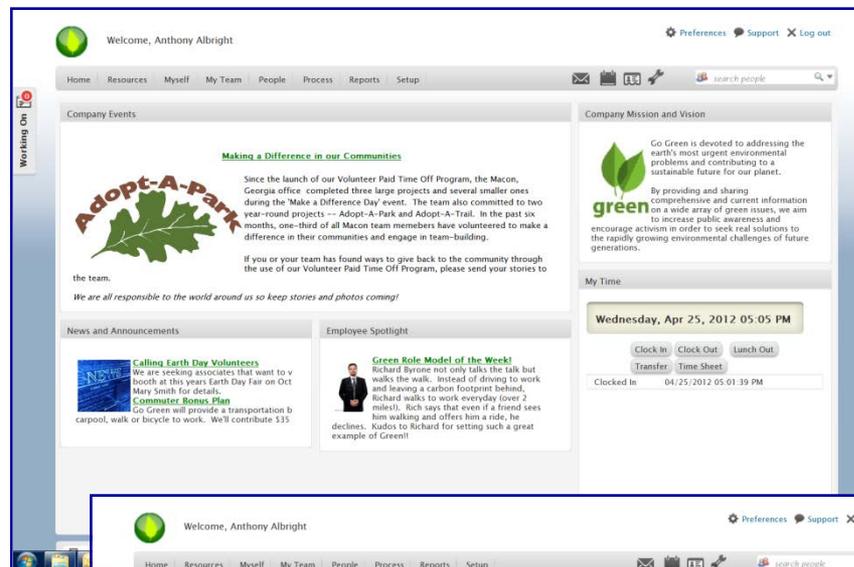
“WorkforceNow” offers the broadest integrated HCM solution set to serve the less complex mid-market buyer

Key Highlights:

- 24,000 clients
- Unique, differentiated cloud-based solution set with fully integrated HR, Benefits, real time Payroll, Talent, and imbedded TLM
- Plug & Play application modules

New Enhancements:

- V4.0 coming in July will support both US and Canada
- New User Experience—wizard driven processes and visualizations
- Significant enhancements to Integrated Talent Management and Benefits Administration
- Robust growth of talent management adoption
- High attach rates on TLM



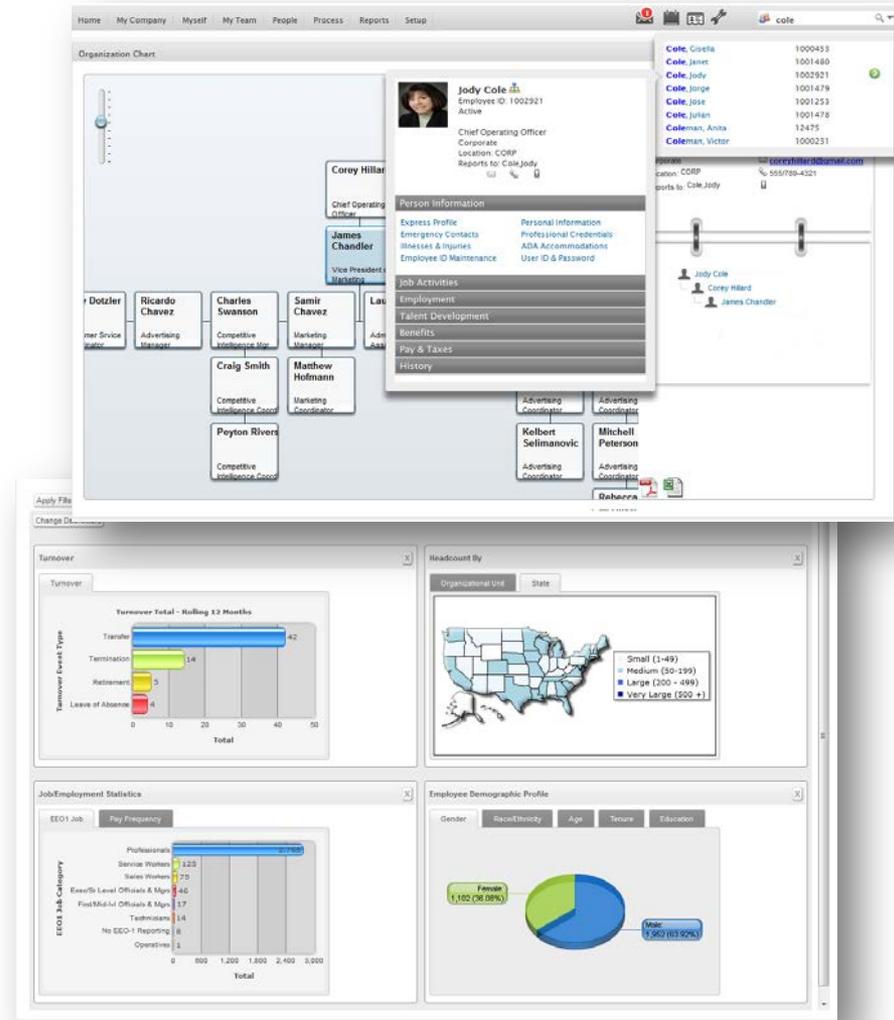
ADP Vantage HCM serves the complex Enterprise

Key Highlights:

- Plug and Play application modules include core HCM functionality, extensible to complete HCM suite
- Building migration capability for existing large Enterprise clients

New Enhancements:

- Significantly higher multi-module attach rate:
 - *80% attach rate for Benefits*
 - *80% attach rate for Time and Labor*
 - *60% attach rate for Talent*
- Majority of new Vantage clients buying the new ADP Talent Management Suite
- Higher attach rates yield a 45% higher PEPM level
- Time to Implement reduced by 30%



GlobalView extends our HCM leadership globally

Key Highlights:

- Single, consolidated reporting across 81 countries – ability to serve 98% of the worlds multinational employees
- 110 clients with >1 million ee's live
- Client growth across integrated HCM suite up to 40% attachment rate

New Enhancements:

- Country expansion to Turkey, Vietnam, and Argentina underway
- Delivering simpler end to end client experience
 - 3 delivery centers in key locations
 - 2000+ associates with support for 26 languages
- Expanding ADP Talent Management to global clients



The screenshot displays the ADP Innovation Labs website with the following content:

- Header:** ADP Innovation Labs logo and navigation links: Home, Blog, Projects, Ideation, Resources, About.
- Big Data Section:**
 - Big Data from hype to value:** Accompanied by a graphic of colorful arrows pointing upwards.
 - Behavioral Intelligence:** Text describing capturing user impressions on mobile apps and mapping behavioral patterns to actionable tasks.
- Quote:** "Creativity is thinking up new things... Innovation is doing new things."
- Social Media:** A Twitter icon and a "Follow Us..." button.
- Personal Cloud:** Text describing providing users with more convenience and channels to interact with ADP.
- Social Platform:** Text discussing social requirements and uses for different disciplines like communities and micro-blogging.
- Big Data & Analytics:** Text mentioning engines like Hadoop and MongoDB and their role in search, analytics, and behavioral intelligence.
- ADP Tablet is coming...:** Includes a small image of a tablet displaying a "Benefits" table and a "Learn More" link.
- Innovation Loft:** Text describing access to the envisioning, investigation, prototyping, testing, risk & reward process of the Lab, with a "Learn More" link.
- Learn more about HTML5...:** Includes a graphic with the HTML5 logo and various icons.

ADP Labs

*Thought leadership
and innovation that
drive market
leadership*

Innovation: ADP Mobile

Just 6 months into launch...

- More than 270,000 users
- Over 25,000 clients
- 50 Customer Reviews – 4.5 rating

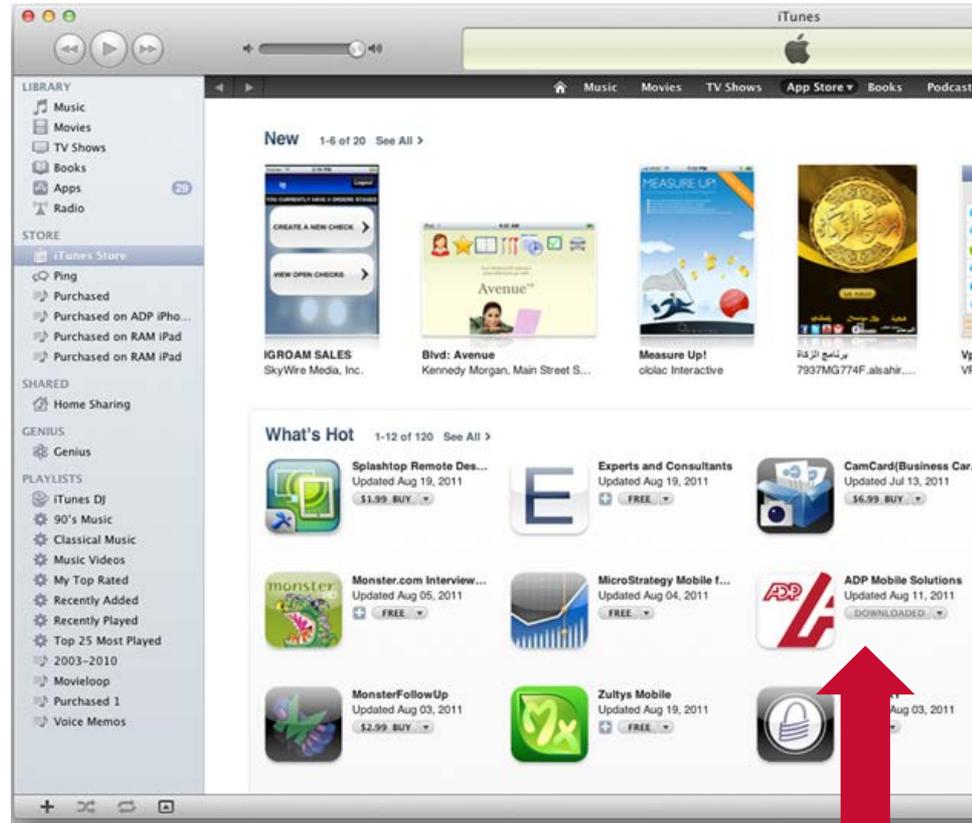
“Awesome!!! Best app on my phone!!!
Thanks, ADP.”

“This really fills the gap
between access and
freedom....”



“Love it!!!
I'm a payroll
administrator and I
am very happy we
can share this with
our employees.”

“My employees rave
about this access.”



7 on “What’s Hot” for Business
Category apps on iTunes

Summary

ADP continues to be a global leader in cloud-based HCM solutions

Investments in technology innovations are driving excitement and success across all markets

Accelerated migration to strategic platforms and the leveraging of products across BUs & Countries has simplified and strengthened our product portfolio...allowing for significant focus of R&D dollars towards innovation

We remain committed to accelerating new Innovations that...

...“Power organizations with insightful solutions that drive business success”

ADP Mission Statement



IN THE BUSINESS OF YOUR SUCCESSSM

Client Funds Interest: A Thought Process for FY13 and Beyond

Chris Reidy

Chief Financial Officer

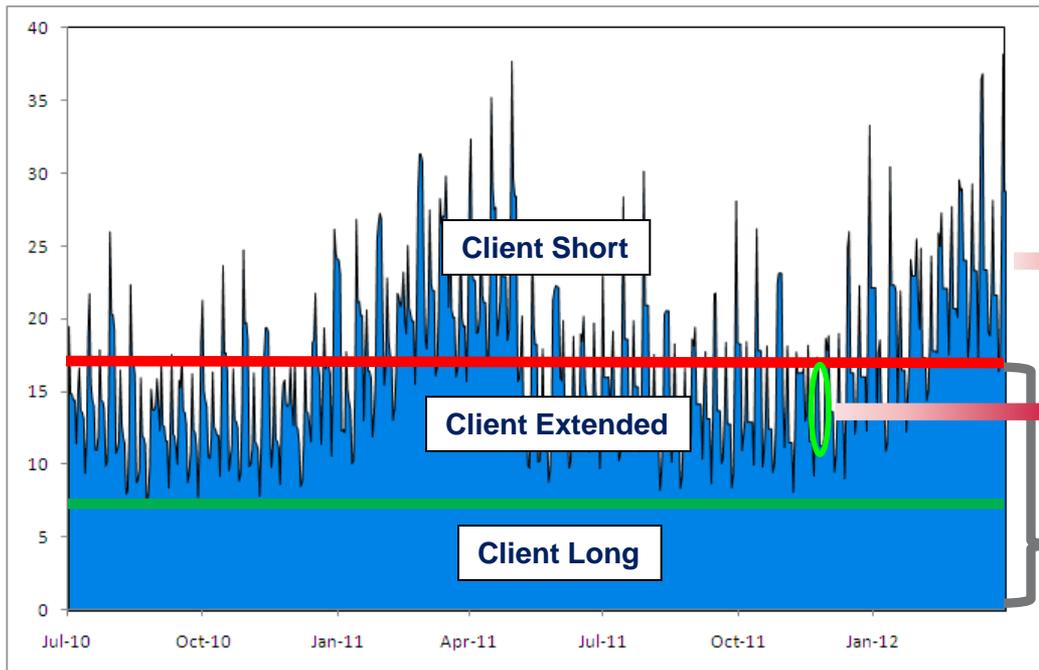
May 24, 2012

HR. Payroll. Benefits.

Client Funds Investment Strategy

Ladder/extend the maturities, and employ short-term financing arrangements to satisfy short-term funding requirements relating to Client Funds Obligations, allowing us to average our way through an interest rate cycle

\$B Client Funds Balances FY11 – YTD FY12



FY13

At risk to interest rate changes

- 100% of Client Short; however, natural hedge with short-term financing

Natural hedge

100% of Short-term Borrowings; rate paid moves with Fed Funds rate

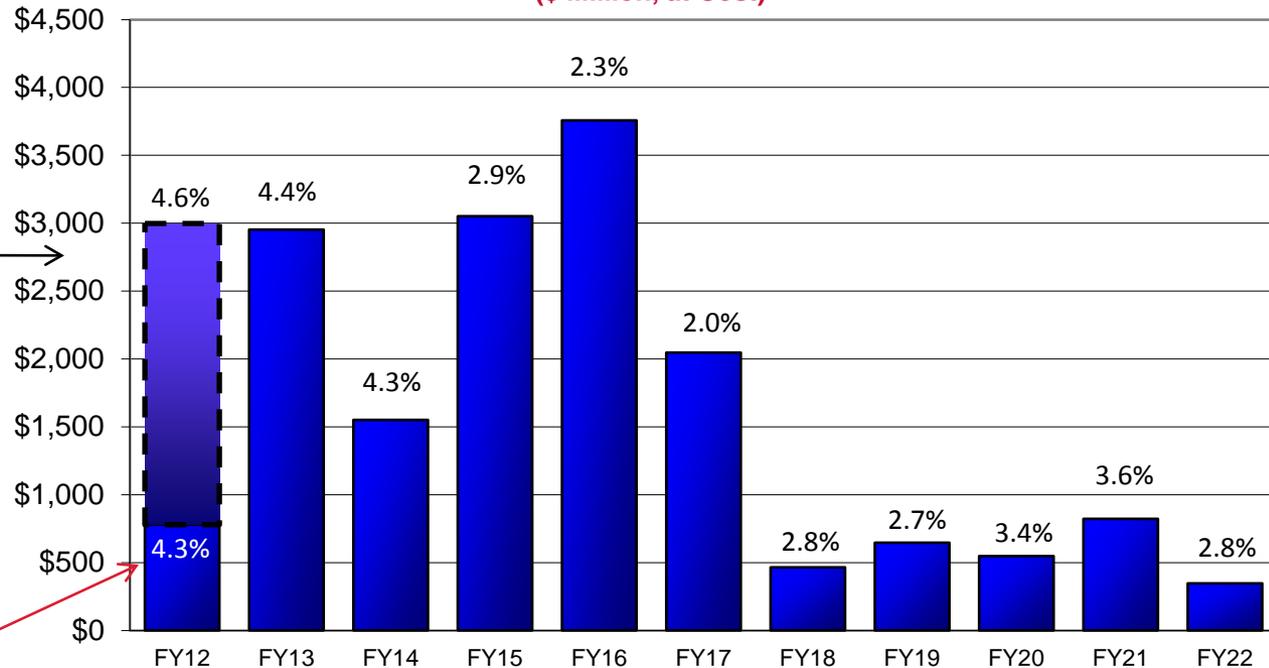
~20% of Client Extended & Client Long will mature in FY13

Not at risk to interest rate changes

- ~80% of Client Extended & Client Long
- ~\$13B of investments currently yielding 2.8%

Client Funds – Distribution by Maturity

Distribution By Maturity at 3/31/12 = \$17.0B
Client Long and Extended
(\$ Million, at Cost)



July 2011 – \$3.0B Full-year FY12 reinvestment amount @ 4.6%

March 31, 2012 – \$800M remaining reinvestment @ 4.3%

Where we were this time last year

May 2, 2011 Earnings Call – FY11 Guidance		vs. FY10
Net Benefit from Client Funds Strategy =	\$605 – 610 M	(\$15 - 20M)

FY12 Thought Process - Different Client Balance Growth and Interest Rate Scenarios

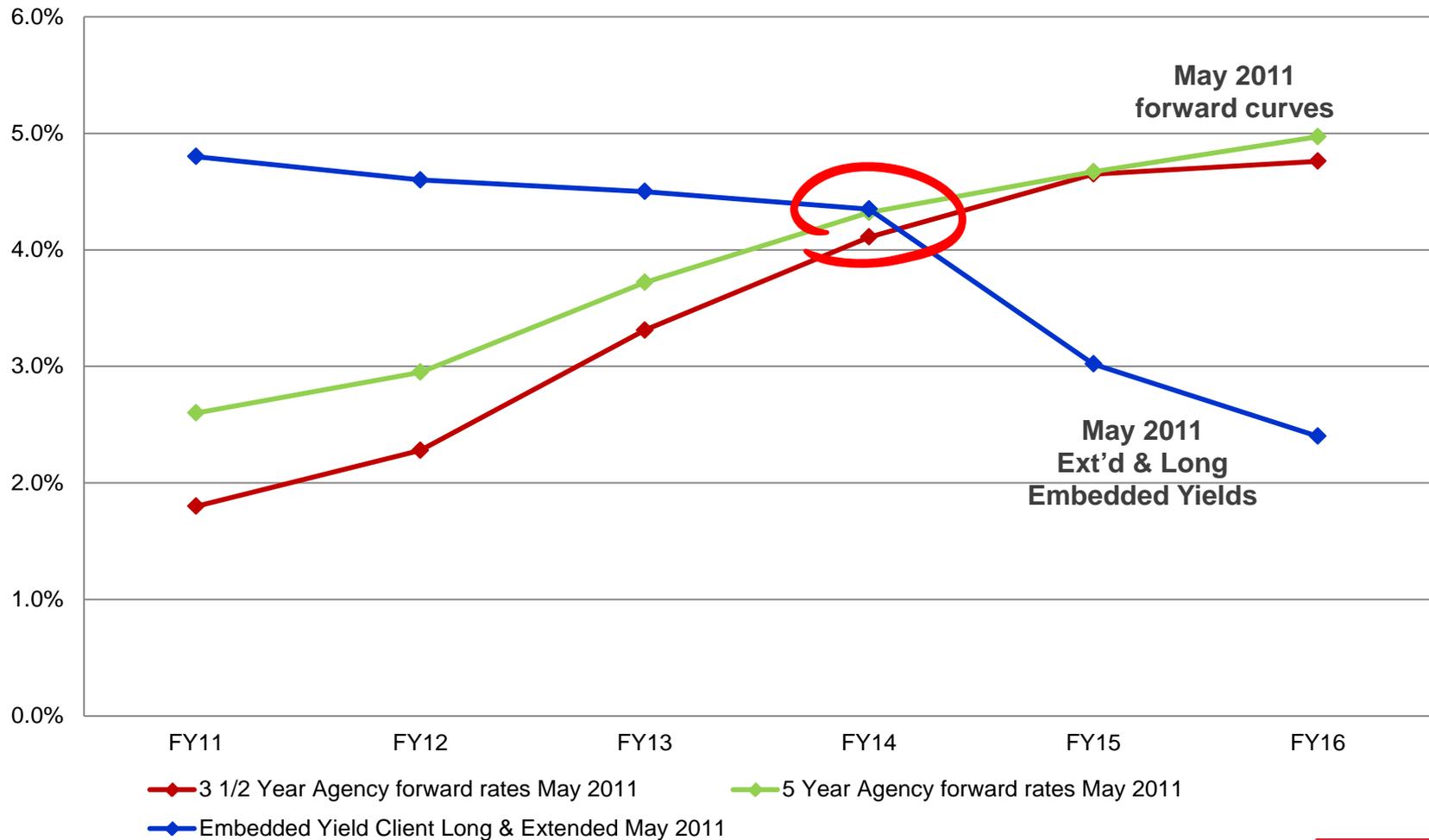
	<u>0% Balance Growth</u>		<u>5% Balance Growth</u>		<u>10% Balance Growth</u>	
	FY11 Exit Rates	Futures and Forwards	FY11 Exit Rates	Futures and Forwards	FY11 Exit Rates	Futures and Forwards
FY12 Net Benefit vs. FY11 =	(\$45 - 55M)	(\$35 - 45M)	(\$30 - 40M)	(\$20 - 30M)	(\$15 - 25M)	(\$10 - 20M)

FY13 – FY16 Thought Process – Net Benefit from Client Funds Strategy vs. Previous Year

Assumes FY11 Exit Rates				Assumes Futures and Forwards			
	<u>Annualized Client Balance Growth</u>				<u>Annualized Client Balance Growth</u>		
	0%	5%	10%		0%	5%	10%
FY13	Negative	Negative	Negative	FY13	Negative	Positive	Positive
FY14	Negative	Flat	Flat	FY14	Flat	Positive	Positive
FY15	Positive	Positive	Positive	FY15	Positive	Positive	Positive
FY16	Positive	Positive	Positive	FY16	Positive	Positive	Positive

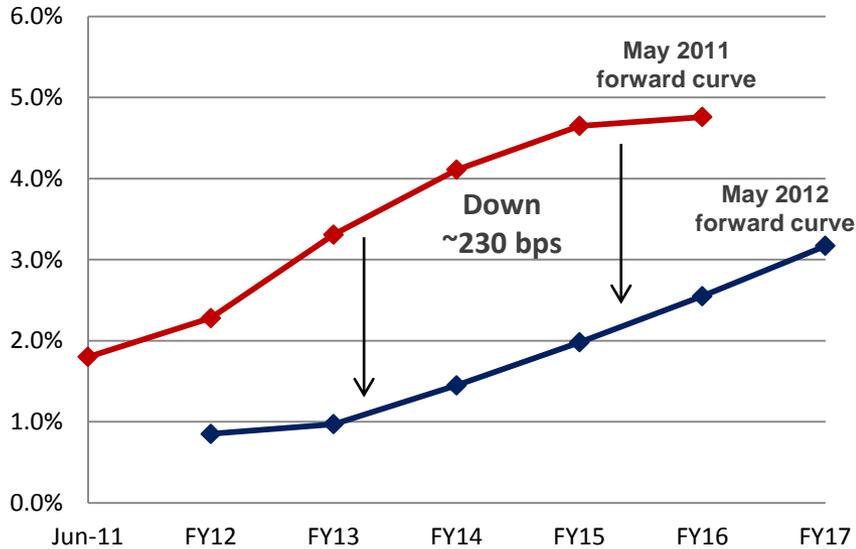
Last year, expected cross-over point was FY14

May 2011 embedded maturity yields and new purchase rate projections

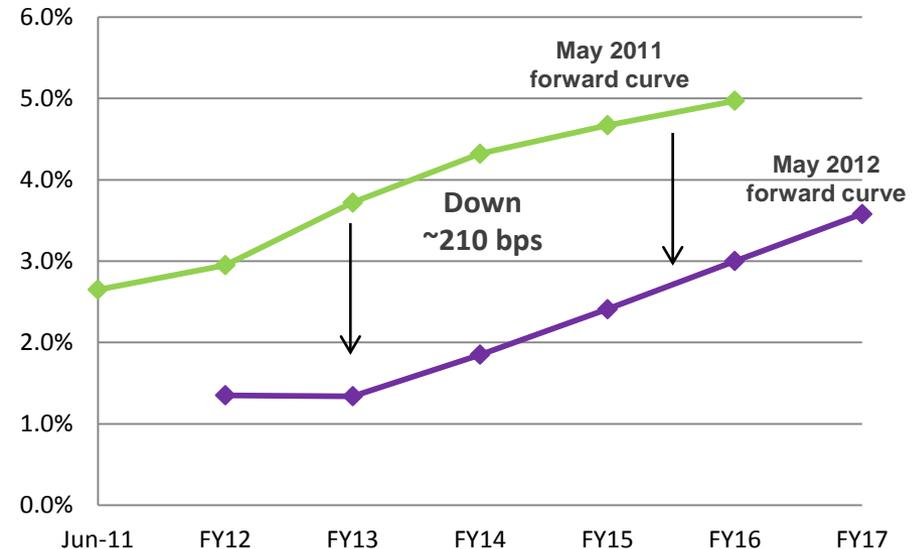


Current forward rates are down significantly vs. a year ago

3 ½ Year Agency Forward Rates



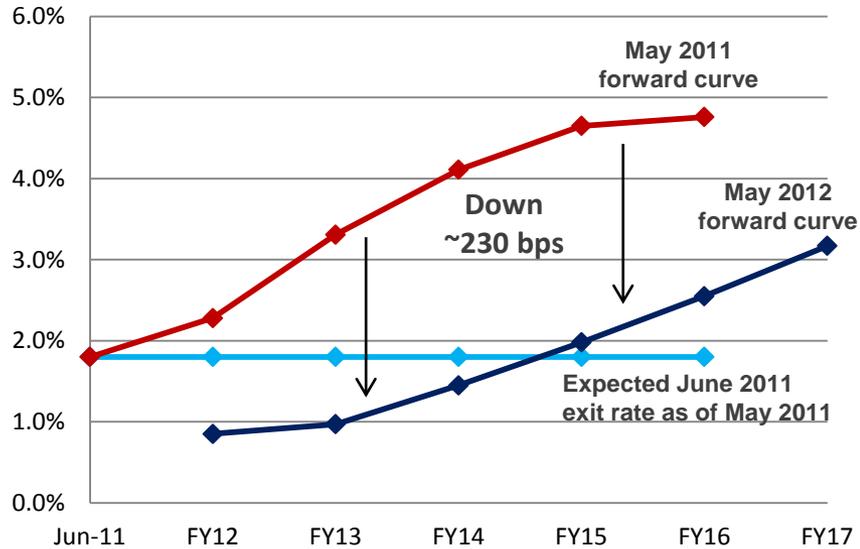
5 Year Agency Forward Rates



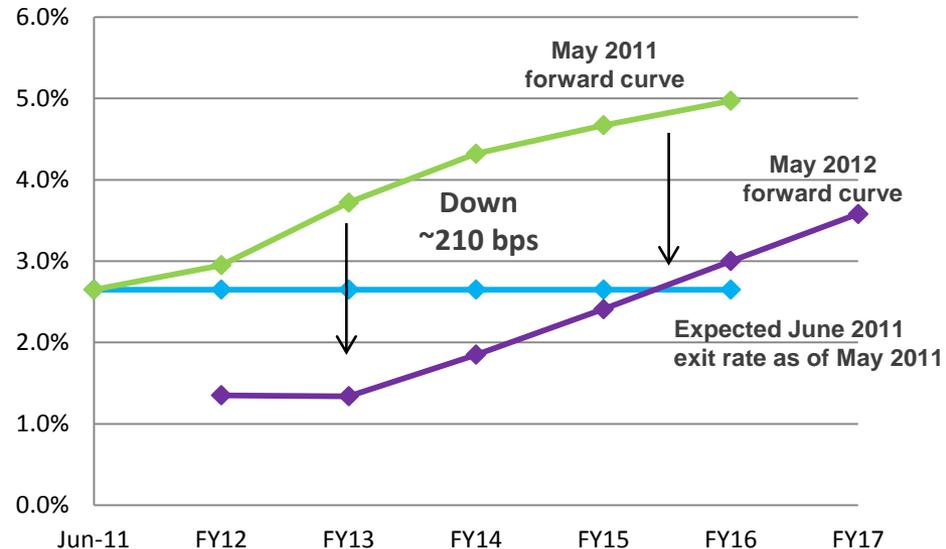
Current forward rates down over 200 basis points vs. a year ago

And worse than last year's expected exit rates

3 ½ Year Agency Forward Rates

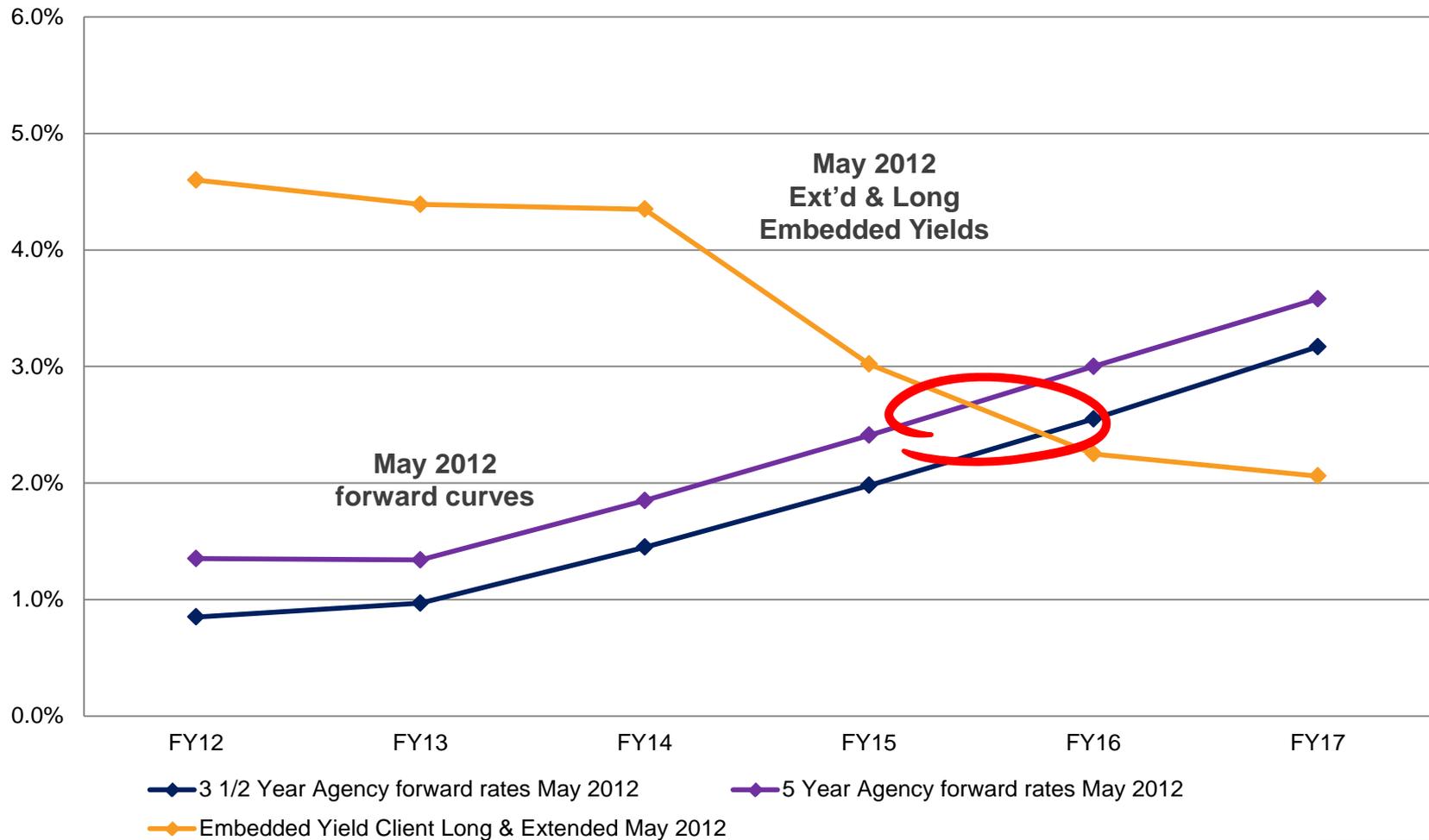


5 Year Agency Forward Rates



And, the cross-over point has shifted out nearly 2 years

May 2012 embedded maturity yields and new purchase rate projections



Updated thought process for FY13 and beyond – FY13 drag worsens

FY12 Guidance		vs. FY11
Net Benefit from Client Funds Strategy =	\$555 – 560M	(\$50 - \$55M)

FY13 – FY14 Thought Process - Different Client Balance Growth and Interest Rate Scenarios

	0% Balance Growth		5% Balance Growth		10% Balance Growth	
	FY12 Exit Rates	Futures and Forwards	FY12 Exit Rates	Futures and Forwards	FY12 Exit Rates	Futures and Forwards
FY13 Net Benefit vs. FY12 =	(\$80 - \$90M)	(\$80 - \$90M)	(\$75 - \$85M)	(\$70 - \$80M)	(\$65 - \$75M)	(\$60 - \$70M)
FY14 Net Benefit vs. FY13 =	(\$80 - \$90M)	(\$60 - \$70M)	(\$65 - \$75M)	(\$35 - \$45M)	(\$50 - \$60M)	(\$20 - \$30M)

FY14 – FY17 Thought Process – Net Benefit from Client Funds Strategy vs. Previous Year

Assumes FY12 Exit Rates				Assumes Futures and Forwards			
	Annualized Client Balance Growth				Annualized Client Balance Growth		
	0%	5%	10%		0%	5%	10%
FY14				FY14			
FY15				FY15			
FY16				FY16			
FY17				FY17			

Scale

Negative

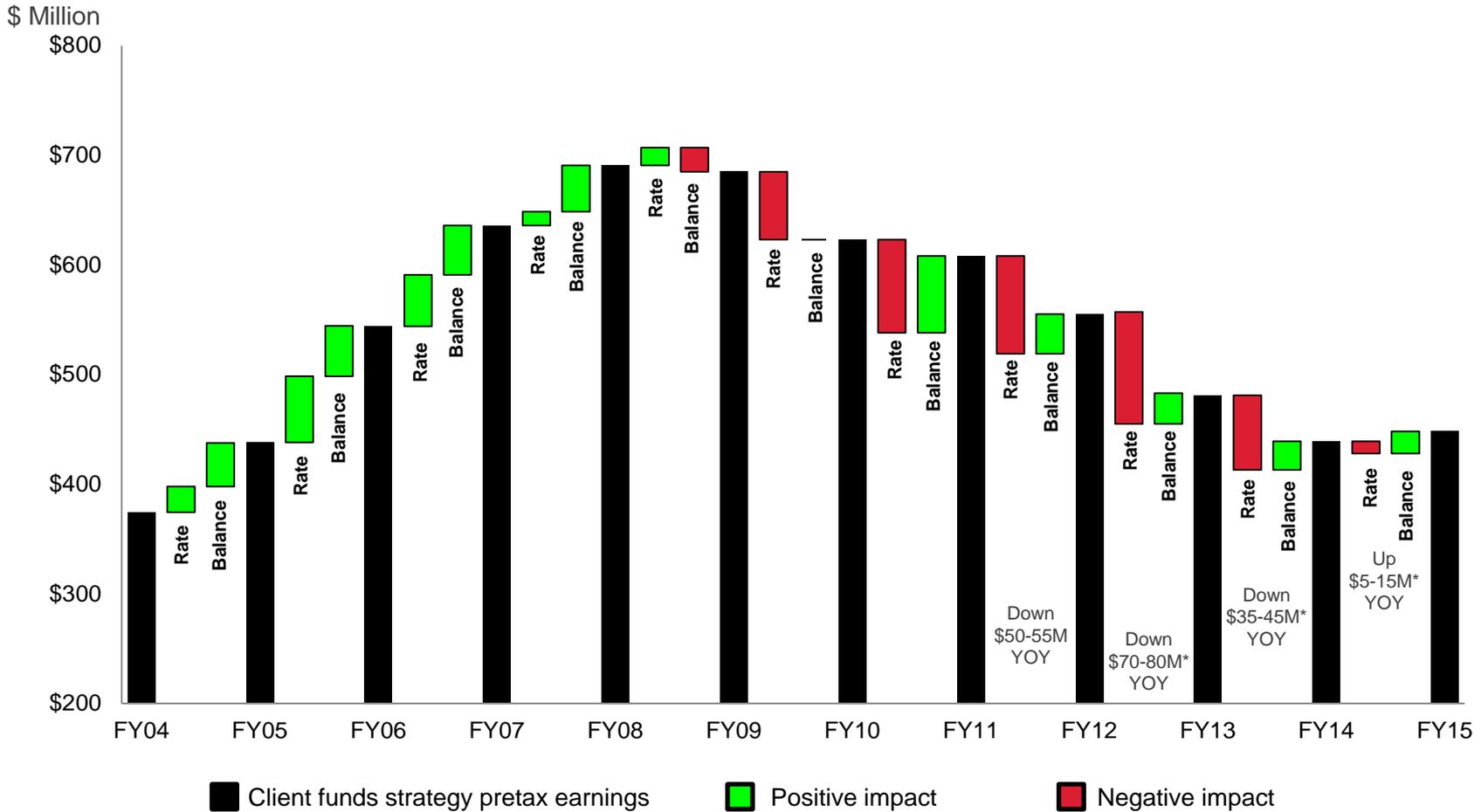
Less Negative

~Flat

Slightly Positive

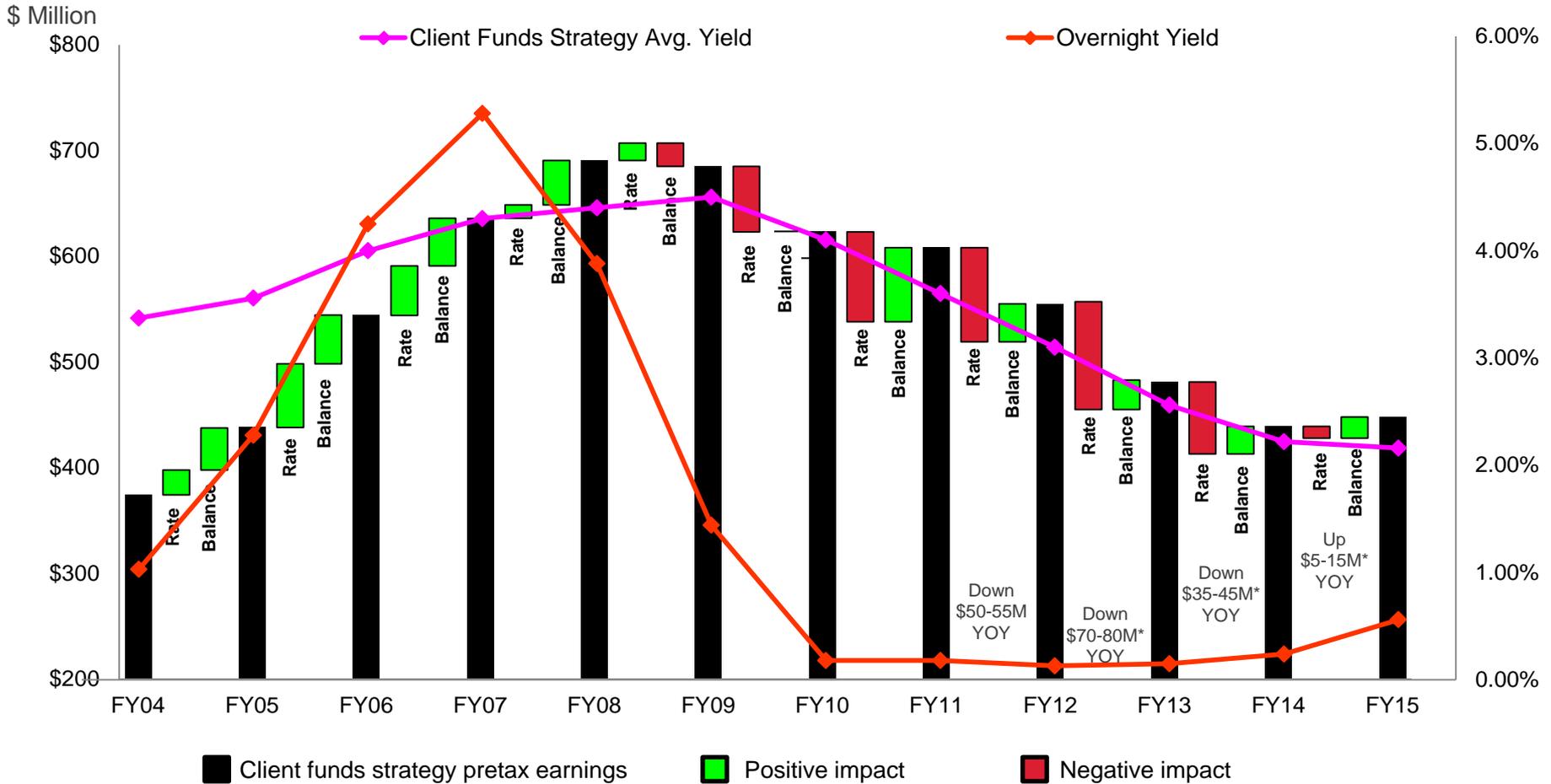
Positive

FY13 expected to be the “bottom”



* FY13 – FY15 assume 5% growth in client funds balances for purposes of illustration, and should not be construed as a forecast

Return from laddered strategy clearly evident over cycle



FY13 – FY15 assume 5% growth in client funds balances for purposes of illustration, and should not be construed as a forecast

Significant deterioration in market interest rates vs. a year ago

- Average rates for 3 ½ and 5-year agency forward yield curves ↓ 210 - 230 bps
- Crossover of embedded yield and new purchase rates pushed out nearly 2 years from FY14 a year ago toward FY16 under current view
- Year-over-year decline in net benefit from client funds strategy expected to worsen in FY13, and be less negative in FY14, before flattening out in FY15
- Importantly, current view is that FY13 will be the “bottom” year of the cycle meaning FY13 expected to be the worst period of pretax earnings drag
- Pretax margin drag in FY13 from lower market interest rates expected to offset targeted improvement from the businesses

Return from of laddered strategy clearly evident over interest rate cycle

APPENDIX



Client Funds Investment Philosophy

Objectives

▪ Safety of principal

- Prudent Investment Guidelines reviewed by ADP Board of Directors
- Strict credit quality, maturity, and exposure limits to ensure an overall portfolio quality of AAA/AA
- Strict credit guidelines by asset class
- Significant holdings of U.S. government agencies
- Online compliance system

▪ Liquidity

- Portfolio includes over \$6 billion of highly liquid U.S. government agencies

▪ Diversification

- Highly diversified with exposure limits on rating categories and individual issuers

▪ Secondary objectives

- Maximize book yield
- Higher absolute levels of interest income while minimizing interest income volatility by averaging through interest rate cycles
 - Investment maturity extension strategy designed to achieve this objective

Highly experienced investment team

Client Funds - What Does ADP Not Own?

- **Sub-prime Mortgages**
- **Alt-A Mortgages**
- **Sub-prime Auto Loan Bonds**
- **Collateralized Debt Obligations**
- **Collateralized Loan Obligations**
- **Credit Default Swaps**
- **Asset-backed Commercial Paper**
- **Derivatives (options, futures, etc.)**
- **Auction Rate Securities**
- **Structured Investment Vehicles**
- **Equities**
- **Preferred Stock**
- **Non-Investment Grade Fixed Income Securities**
- **Sovereign Debt issued by Greece, Ireland, Italy, Portugal, or Spain**

Client Funds – What Does ADP Own?

Fair Value of Available-for-Sale Securities as of March 31, 2012 (US\$ Millions)						
Asset Class	AAA	AA	A	BBB	Total	Yield @ 03/31
Corporate bonds	\$1,648	\$2,819	\$2,644	\$1	\$7,113	3.4%
U.S. Treasury and direct obligations of U.S. government agencies		6,639			6,639	2.7%
- Federal Home Loan Banks		3,974			3,974	
- Federal Farm Credit Bank		1,146			1,146	
- Federal National Mortgage Association		532			532	
- Federal Home Loan Mortgage Corp.		388			388	
- Treasuries and other gvt agencies		599			599	
Canadian government obligations and Canadian government agency obligations	1,043				1,043	2.9%
Municipal bonds	184	349	6		539	3.0%
Asset-backed securities	414				414	4.3%
Commercial mortgage-backed securities	331	6			337	5.4%
Other debt securities	818	662	29		1,508	3.2%
TOTAL	\$4,438	\$10,475	\$2,680	\$1	\$17,594	3.2%

Corporate bonds

- Diversify credit risk with limits by company and limits by credit rating
- Own 150+ individual issuers

U.S. Treasury & direct obligations of U.S. government agencies

Canadian government obligations & Canadian government agency obligations

- All fully guaranteed by the Canadian government

Asset-backed securities (ABS)

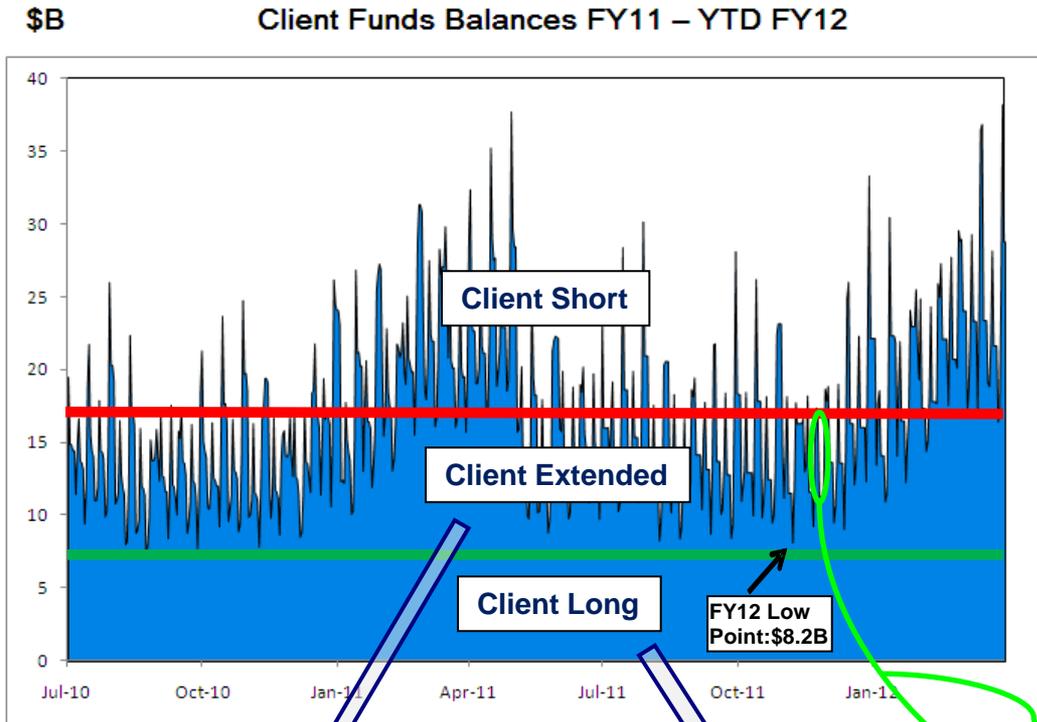
- Primarily credit card, rate reduction and auto loan – all AAA-rated, performing as expected

Other debt securities

- Canadian provincial bonds; supranational bonds; sovereign bonds; mortgage-backed securities; and corporate-FDIC-backed

Client Funds – Investment Strategy

Client balances vary daily



FY12(F)

Avg. x Balance	Avg. Yield	= Client Fund Revenue
----------------	------------	-----------------------

$\sim \$3.4B \times \sim 0.3\% = \sim \$10M$

$\$7.6 - 7.7B \times 2.8 - 2.9\% = \$215-220M$

$\$6.9 - 7.0B \times 3.8 - 3.9\% = \sim \$265M$

= Client Funds Total
 $\$17.9 - 18.1B \times 2.7 - 2.8\% = \$490-495M$

+ Corporate Extended
 $\$2.4 - 2.5B \times 2.7 - 2.8\% = \sim \$70M$

+ Borrowing Days
 $\$2.4 - 2.5B \times \sim 0.2\% = \sim (\$5)M$

= Net Client Fund Impact
 $= \$555-\$560M$

NATURAL HEDGE

Client Extended Portfolio

- Guidelines allow maturities out to 5 yrs
 - Laddered from 1-5 yrs
- = Average Client Funds less Client Long Portfolio

Client Long Portfolio = expected FY lowest client balance day

- Guidelines allow maturities out to 10 yrs
 - Primarily 1-6 yrs
- "Permanent float" – funds never leave ADP

Client Funds Investment Strategy (cont.)

Multiple Layers of Liquidity

- **\$6.75B Commercial Paper Program**
- **Strong & consistent operating cash flow**
- **Corporate cash on hand**
- **\$7B Reverse Repurchase capability with highly liquid U.S. Government Agencies & Canadian Government fixed-income investments**
 - Includes \$3B committed U.S. Reverse Repurchase Facilities
- **\$6.75B committed bank Credit Facility with staggered maturities**
 - Have never drawn on the credit facilities



IN THE BUSINESS OF YOUR SUCCESSSM

Dealer Services

Steve Anenen

President, Dealer Services Division

May 24, 2012

HR. Payroll. Benefits.

A Refresher: About ADP Dealer Services

Technology provider to Vehicle Manufacturers and Dealers in nearly 100 countries

\$1.7 B (F) Revenue
8,000 Associates
Core Segment is N.A. Automotive

Total Market Opportunity = \$17.5 Billion

Segments



Auto



Heavy Truck



PowerSports



RV



Marine



Heavy Equip



Agriculture

Industry Outlook

N.A. – \$1.3B (81% of DS Revenue)

- **U.S. strong new vehicle sales, better than expected**
 - Up 13% in Q1
 - Revised analyst consensus mid-14M, up 13% y/y
- **Consumer metrics healthy, improving**
 - Credit availability high
 - Leasing coming back
 - Capacity meets demand
 - 10+ yrs average age of vehicles
 - Rising gas prices → fuel efficient vehicles
- **Fewer but more profitable dealers → likely to invest in technology solutions**

Asia Pacific – \$40M (2% of DS Revenue)

- **China**
 - Market softening → up 1.3% in Q1
 - Overall automobile market growth slowed in 2011
 - Luxury far outpacing passenger segment

Europe – \$270M (17% of DS Revenue)

- **Europe vehicles sales fell 7.7% in Q1**
- **Sovereign debt, bailout and double-dip recession causing uncertainty in the market**

Enable Automotive Retail Transformation Innovations at Each Step of the Consumer Journey

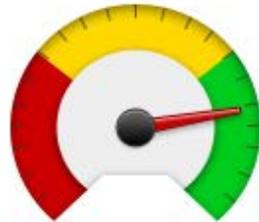


Social Media and Reputation Management

Attract & Engage



Average
Star Rating: 4.11



Number of
Reviews: 227



Presence on
Review Sites: 6/6

*Benchmark data based on ADP Digital Marketing sampling of over 1,500 dealers across brands and 6 of the most popular review sites.



Launched automotive's first network directory listing service

Reputation management launching with two major manufacturers: new growth strip

Flex Digital Advertising Spend: Making the Complex Simple for Dealers

Attract & Engage

Key source of competitive advantage to secure manufacturer spend

Dynamically adjusts ad spend at Dealer level

Long-term opportunity: ADP part of all major manufacturer marketing campaigns

FLEX DIGITAL ADVERTISING PACKAGE



No Other Online Advertising Program Offers this Much Control & Coverage

Change your coverage options and budget as many times as you want and as often as you want. Select the campaigns that help you reach your advertising goals.

Online advertising coverage for:

- Sales
- Used/CPD
- Service & Parts Department



Used Vehicle Flex Coverage

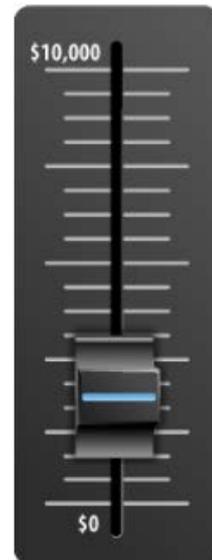
Flex Coverage for your used vehicles allows your inventory great exposure with the flexi...

- Ads
- Geo
- Web
- Invest
- Retail
- Mobil
- Camp

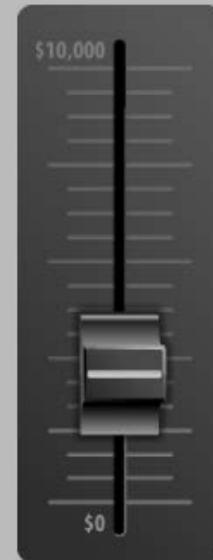
ON **New Vehicles**
TOTAL SPEND = \$6,500



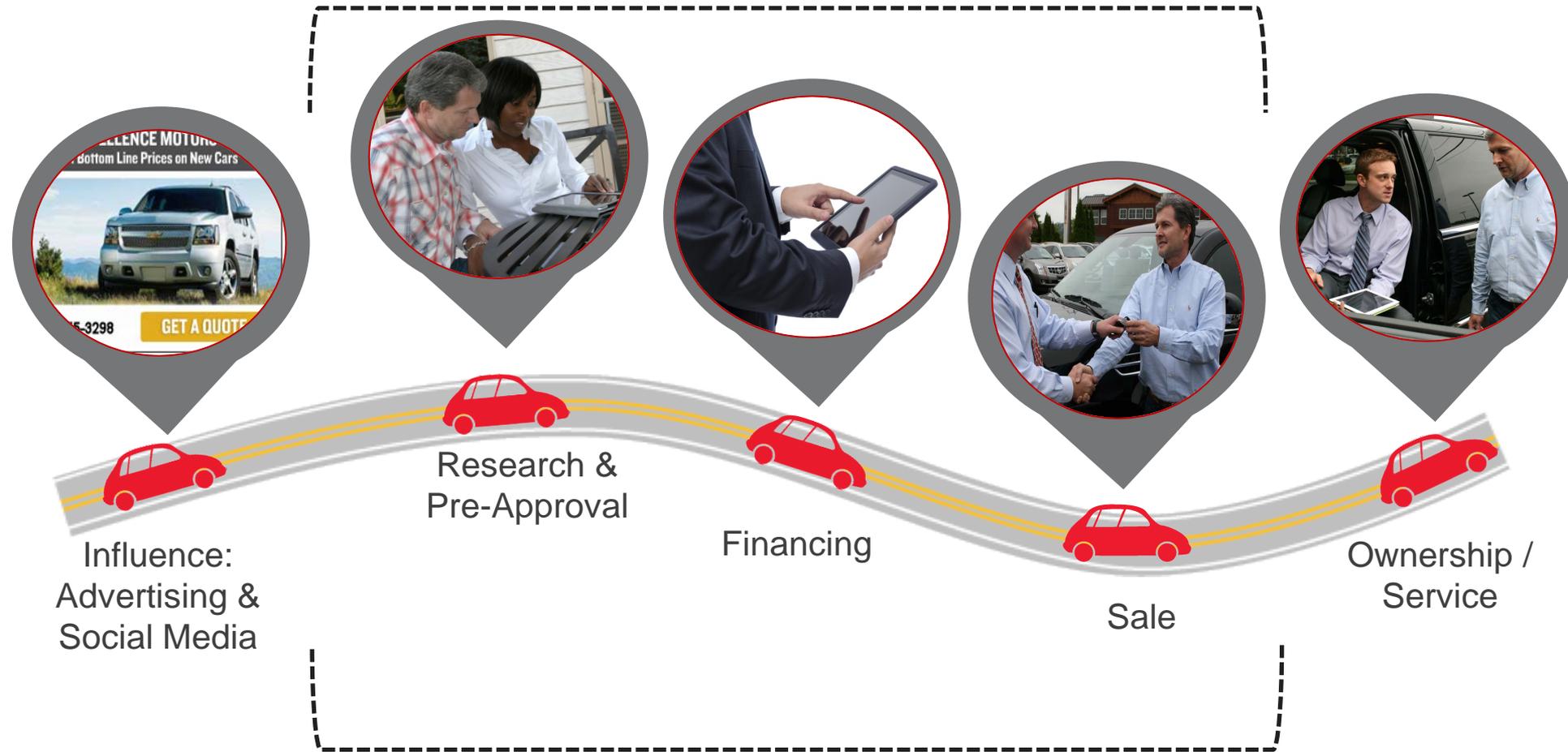
ON **Used Vehicles**
TOTAL SPEND = \$2,500



ON **Service & Parts**
TOTAL SPEND = \$3,000



Enable Automotive Retail Transformation Innovations at Each Step of the Consumer Journey



Attract & Engage

Transact

Retain

Flex Websites: Unique Balance of Ease-of-Use, Flexibility and Control

Transact



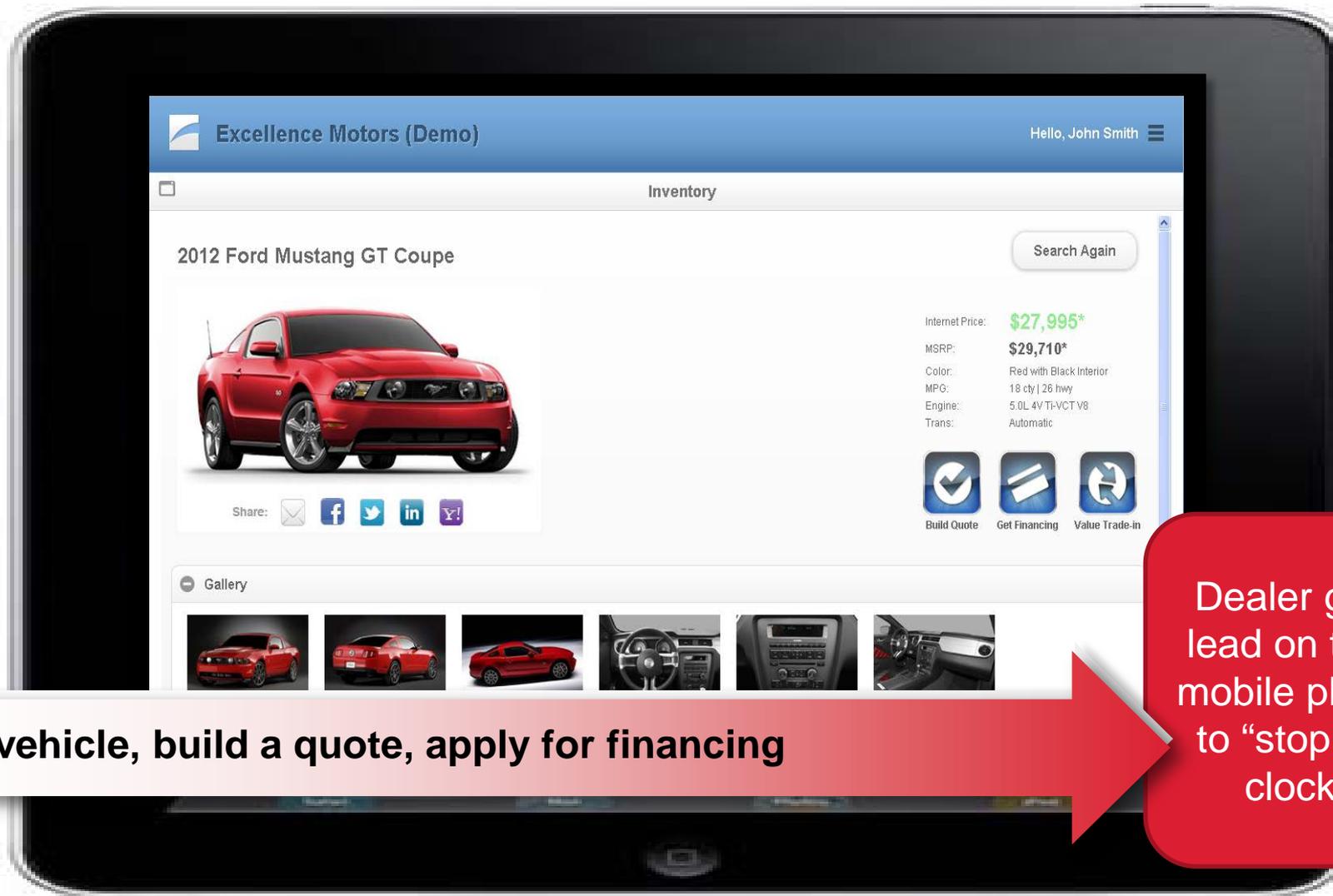
- Modern drag & drop design
- Patented content distribution
- Strikes the balance between Mnfr / Dealer Brand



- Largest automotive retail mobile platform

How it Changes Websites: Our Unique Advantage: Same Experience Throughout, In-store and out

Transact



Find vehicle, build a quote, apply for financing

Dealer gets lead on their mobile phone to “stop the clock”

How it Changes the Phone: Integrated Phone is Key

Transact

Bundled as extension of DMS and CRM Systems to manage leads → log leads, click to call, phone pops, etc.

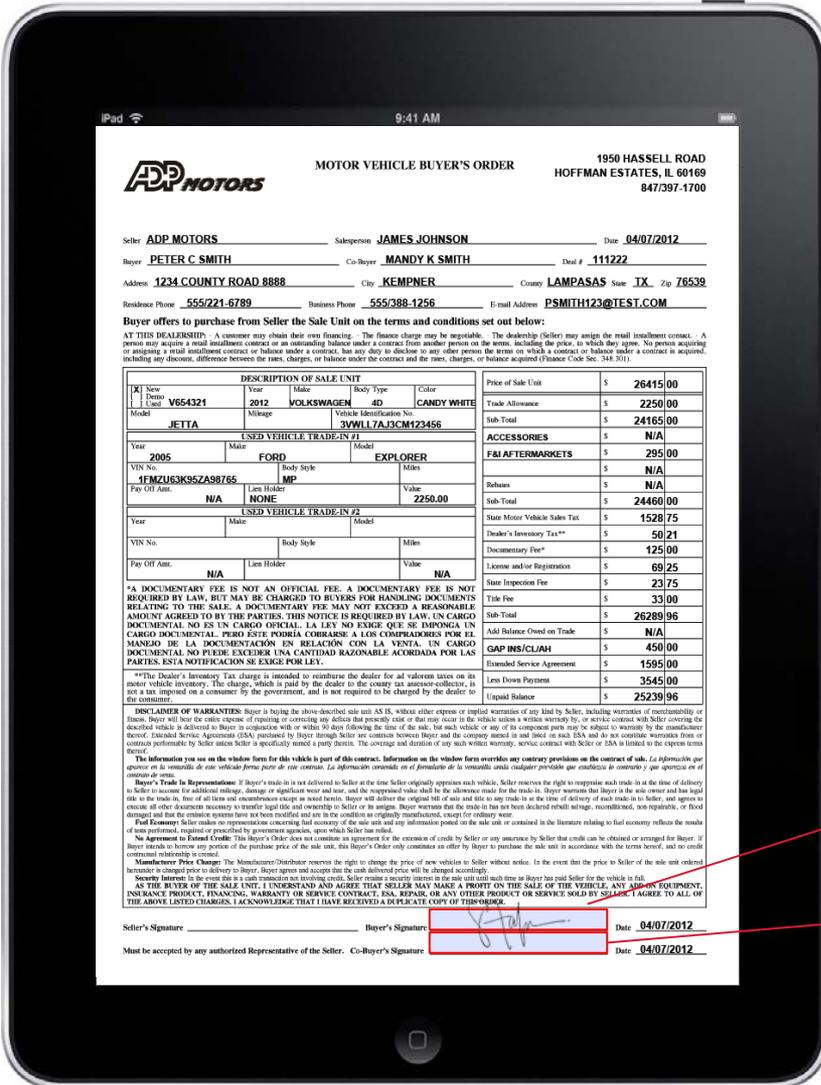
Not tethered to the desk – Freedom to Interact

Largest integrated phone provider to automotive dealerships – over 120K connections

**Next step: Video/Voice Convergence
→ Remote PC**



How it Changes the In-Store Deal: Finance & Sales Going Completely Paperless



Instantaneous electronic
"handshake" →
More cashable contracts

Approve contracts, sign and
store forms, all within the
DMS workflow

Significantly faster process

Consistent, transparent

Near future: forms signed
right on tablet



Enable Automotive Retail Transformation Innovations at Each Step of the Consumer Journey



Attract & Engage

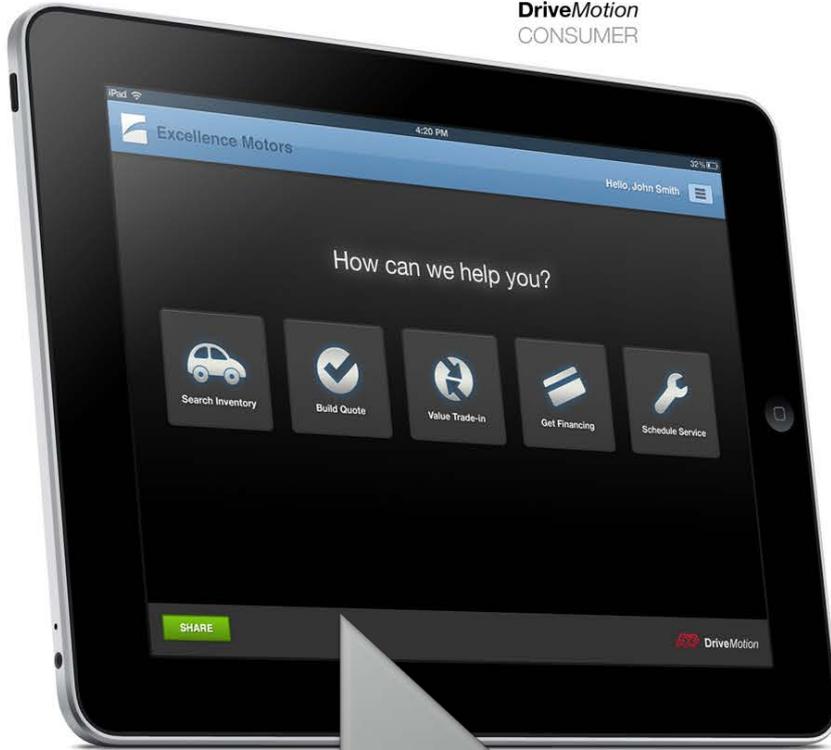
Transact

Retain

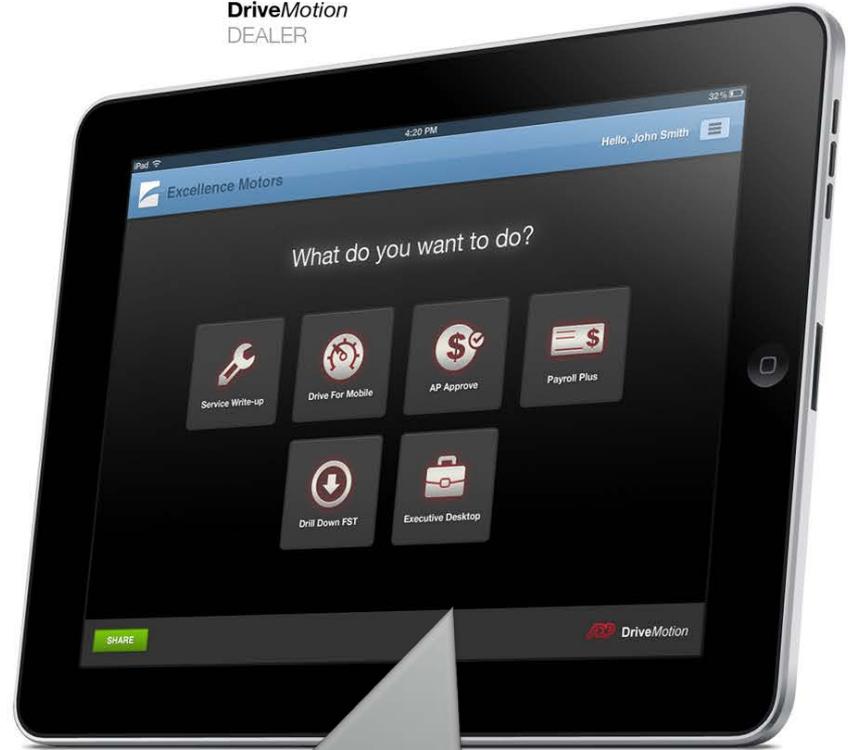
How it Changes Service Online Scheduling and Write-up

Retain

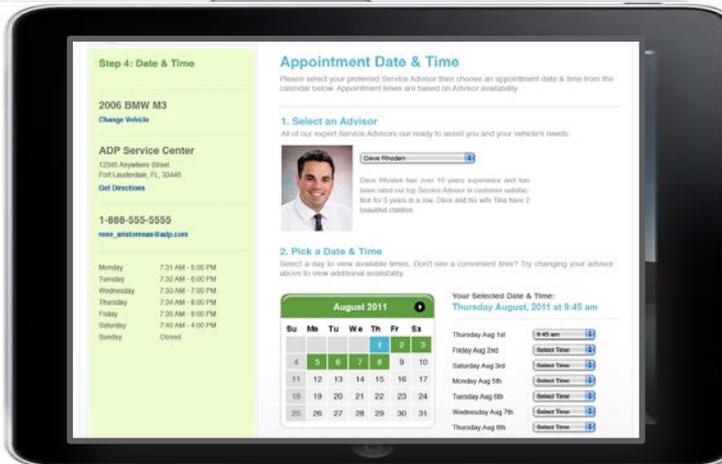
DriveMotion
CONSUMER



DriveMotion
DEALER

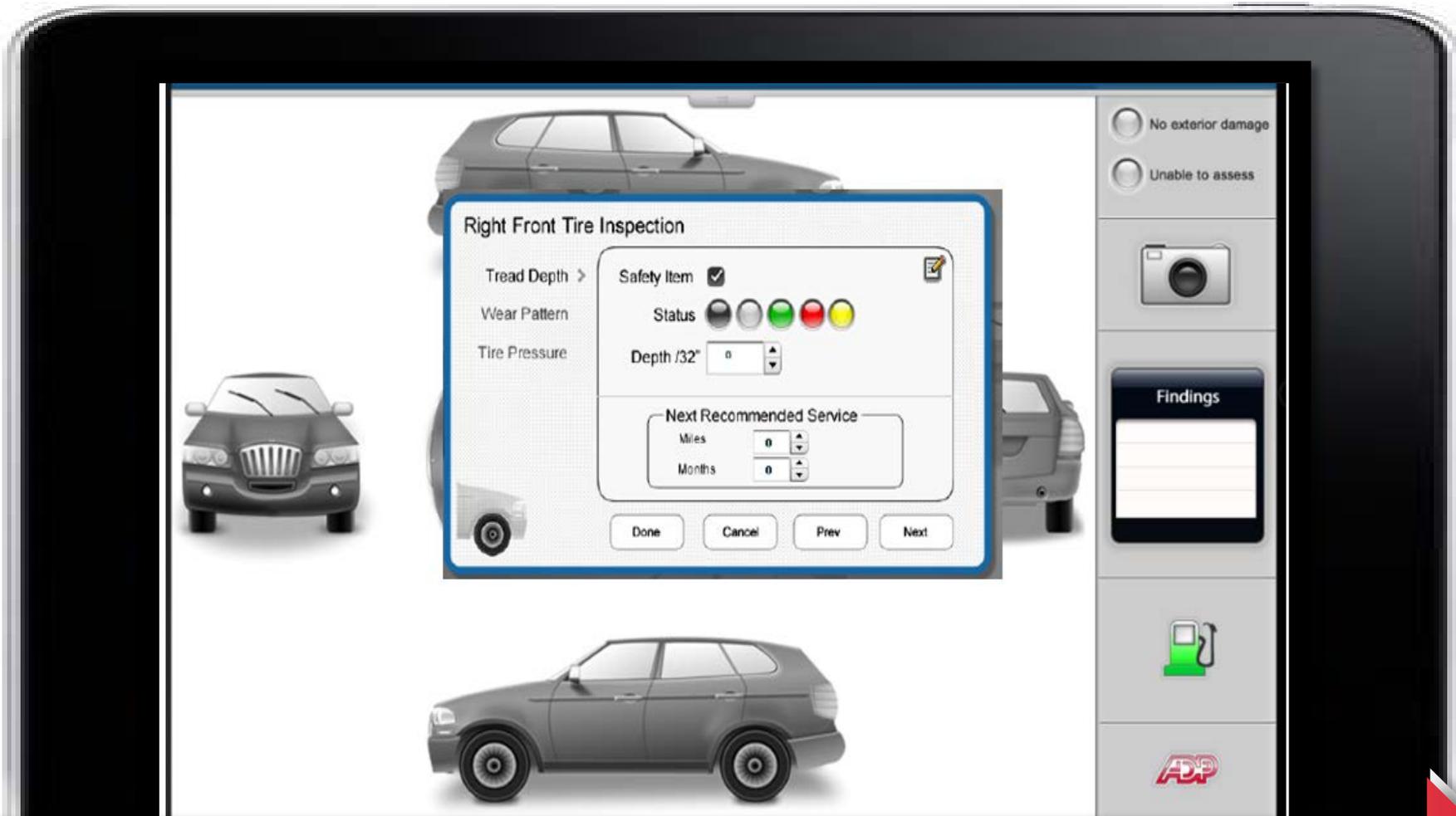


Schedule
Service



Service
Write-up





Complete Walk-Around

Mobile Service Write-Up -- Signature Capture

Retain

The screenshot shows the 'Excellence Motors' mobile app interface. At the top, there is a blue header with the company logo and name. Below the header, the page title is 'Service Write-Up'. The main content area is titled 'Estimate & Accept' and contains a 'Repair Order Summary' section. Under this section, the text reads '15,000 Mile Service - Normal Driving'. Below this, there is a list of three items, each with a checked checkbox: '15,000 Mile Service - Normal Driving', 'Courtesy Wash', and 'Safety Inspection'. Below the list, it says '3 of 3 total items selected'. At the bottom of the form, there is a signature capture area with the handwritten signature 'Becky Link'.

Higher Productivity
More Money per Repair Order
Better Customer Experience

Estimate & Sign Authorized Repair Order

All Part of Comprehensive Mobile Innovation Roadmap

Employee-Facing

Streamline Your Service Drive



Customer Reception

Vehicle Inspection

RO Creation / Authorization

Manage Your Business Remotely w/DMS Dashboards



Sales

Fixed Ops

Accounting

Access Key Vehicle Data Remotely



Scan VIN barcodes

Histories

Appraisals

Locate



Integrate Your IP Phone & Mobile Phones



Lead Capture & Forward Into CRM

Look Up Customer & Vehicle Info.

Call Control



Customer-Facing

Reach and be Reached by Customer, Wherever They Are...



Book Service Appointments

Send Texts for Appointment Reminders, Vehicle/Parts Ready Notifications



Reach and be Reached by Prospects, Wherever They Are...



Dealer Websites



Search for a Vehicle



Get a Quote



Do a Prelim Credit Check



IN THE BUSINESS OF YOUR SUCCESSSM

Service & Process Innovation

Regina Lee

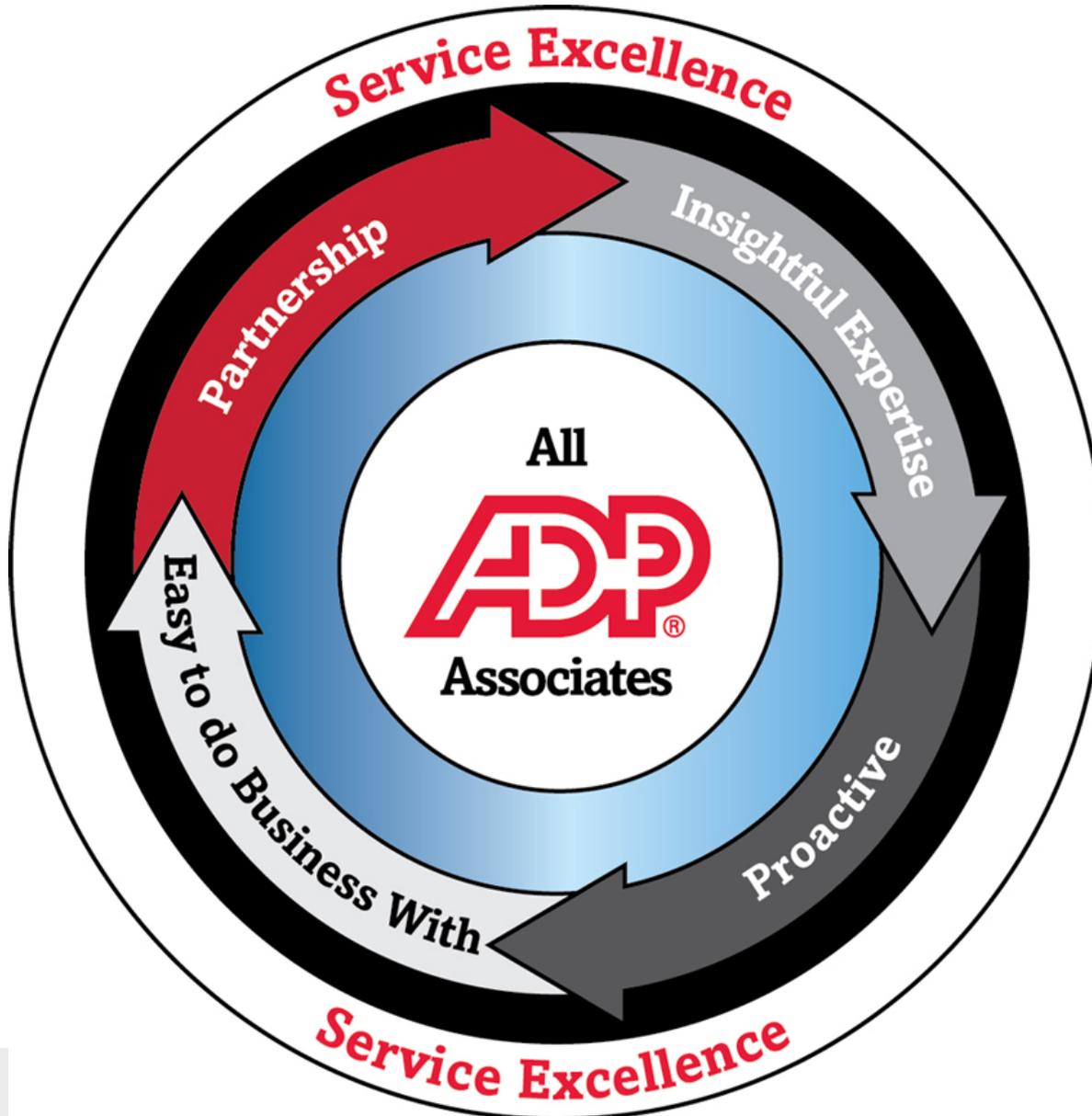
**President of Major Accounts,
National Account Services, Canada
and GlobalView**

May 24, 2012

HR. Payroll. Benefits.

ADP's Vision for Service Excellence

Addressing Clients' Evolving Priorities



ADP's Service and Process Innovation Focus

Centered around all aspects of the client experience



Product: Seamless experience and access to data

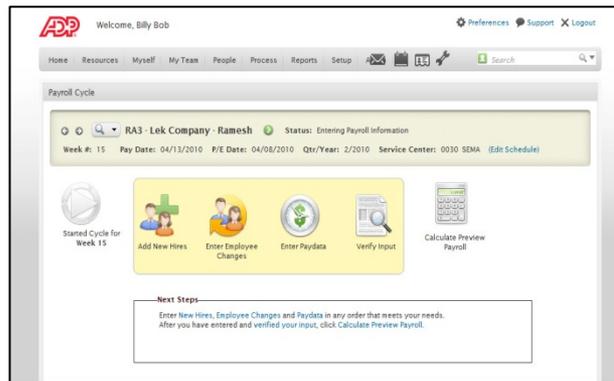
**National Account Services
(1000EE+)**

**ADP Vantage HCMSM
A single solution for HCM**



**Major Account Services
(50-999EE)**

**ADP Workforce NowTM
24K clients, 67% multi-solution**



**Small Business Services
(1-49EE)**

**RUN Powered by ADP[®]
Online and mobile solutions**



- More online usage (75% in RUN), reduced error rates
- Intuitive user interface reduces client “how to” calls
- Unified offerings driving increased multi-product sales

On-Boarding: *Reduce resources/time required, apply best practices*

Faster Start-Up

- RUN Payroll starts in 2 business days
- Workforce Now Express Payroll – 10 day start-up
- Leverage 24 workday via offshore staff to deliver customization more cost-effectively`

Streamlined Contacts

- Unified products such as WFN and Vantage require fewer specialists involved in implementation process
- Integrated workflow tools (iHUB, eTools) provide analysis and set up within application and real-time project plans
- Context-specific on-demand training within application

Apply Best Practices

- Professional guidance and leadership via certified PMP project managers, who apply best practices to new client implementations for mid market and larger clients.
- Improve quality of start and client satisfaction

Service: *Take into account the full client relationship*

Product/ Transaction Orientation

- Different service experience and organizations based on product (payroll, HR, Time)
- Limited shared approaches or tools across Employer Services
- Call center approach in SBS and mid-market
- Disparate CRM systems
- Transaction-oriented



Relationship Focus – OneADP view of client

- Unified client experience with a knowledgeable generalist and access to specialists where needed
- Dedicated service associates for Workforce Now and Vantage; intelligent call routing for personalized experience with smaller clients
- Common CRM
- Consistent ADP-wide training and tools

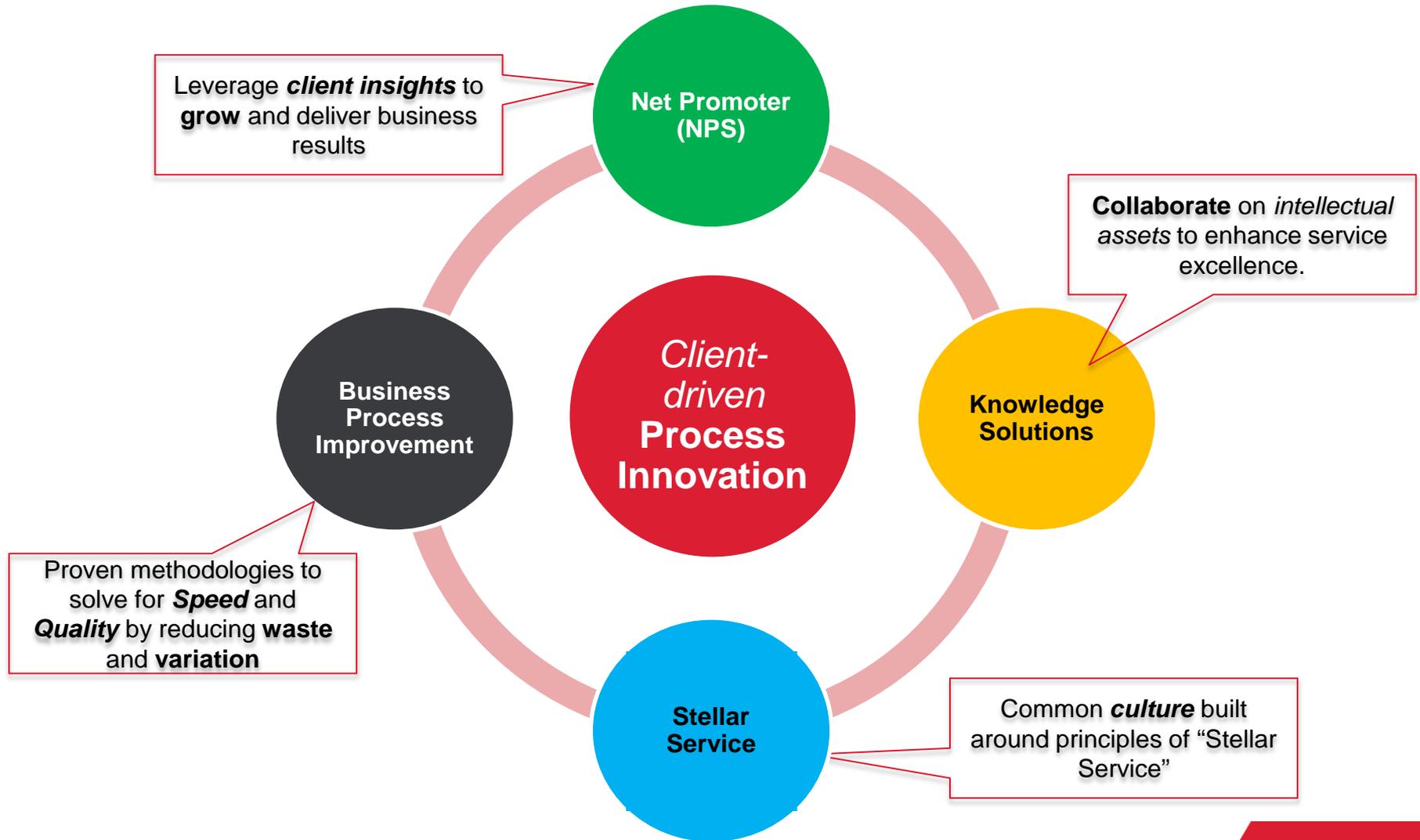
Communication: *Interact with clients via the methods that they prefer*



Live	Online Interaction	Online Access	Social
<ul style="list-style-type: none">• Continue to provide live support based on client needs (time sensitive issues, complex questions)	<ul style="list-style-type: none">• Digital options to service day-to-day simpler needs such as application support and communications	<ul style="list-style-type: none">• Online for expected needs such as training, and access to broader knowledge bases	<ul style="list-style-type: none">• Social/online communities to connect and learn from others who have similar needs

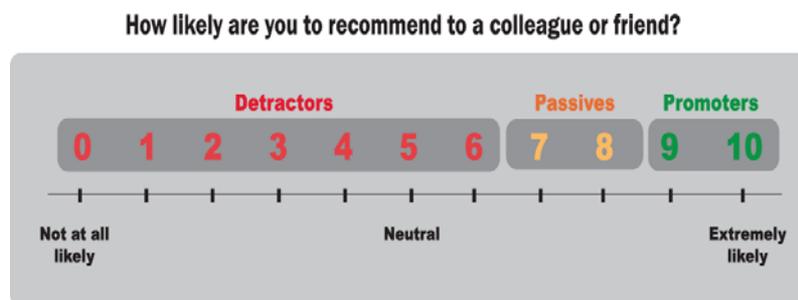
Provide choices to clients to align with their changing needs

Client-driven process innovation is *how* we will drive enhanced delivery of Service Excellence for our clients



Net Promoter Score – Closed Loop System – *Measuring our success as defined by our clients*

Net Promoter Score



$$\text{NPS} = \% \text{ of PROMOTERS (9s and 10s)} - \% \text{ of DETRACTORS (0 through 6)}$$

Closed Loop Process:

- Listening to customers
- Acting on the data
- Communicating back intended actions
- Validating the results through improved NPS and business outcomes

IMPACT

- *Improved Client Retention & Loyalty*
- *Reduced cost to service clients, proactive approach*
- *Increased sales effectiveness by leveraging promoters*

Service and Process Innovation Impact

Balance Service Excellence & Process Improvement



- Eliminate manual processes
- Streamline the client experience
- Reduce operating costs to drive enhanced margins



- Improve client satisfaction
- Increase client loyalty / retention
- Grow ADP “promoters”

