

# Earnings Webcast & Conference Call

## First Quarter 2013



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## Non-GAAP Financial Measures

In certain circumstances, results have been presented that are not generally accepted accounting principles measures (“Non-GAAP”) and should be viewed in addition to, and not as a substitute for, the Company’s reported results. Net earnings, diluted earnings per share and pre-tax earnings margins excluding Acquisition Amortization and Other Costs and Pension Charges, net are Non-GAAP measures. These measures are adjusted to exclude costs incurred by the Company in connection with amortization and other charges associated with the Company’s acquisitions, and the termination of the Pension outsourcing services agreement, as Broadridge believes this information helps investors understand the effect of these items on reported results and provides a better representation of our actual performance. Free cash flow is a Non-GAAP measure and is defined as cash flow from operating activities, less capital expenditures and purchases of intangibles. Management believes this Non-GAAP measure provides investors with 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. Accompanying this release is a reconciliation of Non-GAAP measures to the comparable GAAP measures.

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# Today's Agenda

- Opening Remarks and Other Key Topics  
Rich Daly, CEO
- First Quarter 2013 Highlights and Segment Results  
Dan Sheldon, CFO
- Summary  
Rich Daly, CEO
- Q&A  
Rich Daly, CEO  
Dan Sheldon, CFO
- Closing Remarks  
Rich Daly, CEO

# Opening Remarks

## ➤ Key Topics:

- Financial Highlights
- Closed Sales Performance
- Key Activities Update

# Financial Highlights

- Recurring revenues for the quarter were up 3%
  - Total revenue was up 4%
  - Higher than anticipated event-driven and related distribution revenues were partially offset by lower than anticipated trade volumes
- Non-GAAP diluted earnings per share (EPS) of \$0.18 were flat
  - GAAP diluted EPS of \$0.14 were slightly higher
    - Primarily due to increased revenues and cost containment
- Opportunistically repurchased ~3.2M shares for \$76M at an average cost of \$23.61 per share
  - ~7M shares available for repurchase under share repurchase plans as of end of 1<sup>st</sup> quarter
- Reaffirming fiscal year 2013 guidance
  - 4-7% recurring revenue growth
  - \$1.60-1.70 GAAP diluted EPS
  - \$1.76-1.86 Non-GAAP diluted EPS
    - Excludes Acquisition Amortization and Other Costs and Pension Charges, net, \$0.04 per share for Q1 and projected \$0.16 per share for FY13

# Closed Sales Performance

- Recurring revenue closed sales for the quarter were down ~30%
  - No large transactions >\$5M, one \$7M ICS closed sale in prior year
  - Recurring revenue closed sales from transactions less than \$5M were up ~8%
    - ICS recurring revenue closed sales were \$6M vs. \$8M in prior year
    - SPS recurring revenue closed sales were \$8M vs. \$5M in prior year
- Pipeline remains strong/very good momentum
  - Due to product expansion, acquisitions, strong brand...
- Hired new Chief Revenue Officer to further accelerate growth
- Reaffirming fiscal year 2013 recurring revenue closed sales guidance of \$110-150M

# Key Activities Update

## ➤ Penson/Apex and COR Clearing

- Substantially completed Apex conversion
- Approximately 100 Apex correspondents expected to move to COR Clearing
- Finalizing contract with COR Clearing to become Outsourcing client
- Expect net revenue win. COR Clearing also expected to become an ICS client across multiple products

## ➤ Penson Canada and Questrade

- Penson Canada expected to wind down its operations
- As a result, signed Penson Canada's largest correspondent – Questrade – as a new client on our Outsourcing platform
- Large percentage of Penson Canada clients are moving to Questrade or another clearing firm which is already on our technology platform
- No material impact anticipated to FY13 guidance

## ➤ Launched Broadridge Fluent<sup>SM</sup>

- Enables financial services firms to distribute marketing, transactional and regulatory communications into their clients' preferred channel
- Significantly enhances customer engagement, insight and interactivity
- >20 clients already using components of this service including Morgan Stanley Wealth Management and UBS Financial Services

# Non-GAAP EPS Guidance

Reconciliation of EPS Guidance	1Q12	1Q13	FY12	FY13 Range	
	Actual	Actual	Actual	Low	High
<b>Guidance Provided in August 2012 - Diluted EPS (Non-GAAP)</b>	<b>\$0.15</b>	<b>\$0.15</b>	<b>\$1.55</b>	<b>\$1.65</b>	<b>\$1.75</b>
Acquisition Amortization and Other Costs	\$0.03	0.03	\$0.12	0.11	0.11
<b>Current Guidance - Diluted EPS (Non-GAAP)</b>	<b>\$0.18</b>	<b>\$0.18</b>	<b>\$1.67</b>	<b>\$1.76</b>	<b>\$1.86</b>
Acquisition Amortization and Other Costs	(\$0.03)	(\$0.03)	(\$0.12)	(0.11)	(0.11)
Person Charges, net	\$0.00	(0.01)	(\$0.42)	(0.05)	(0.05)
IBM Migration costs	(\$0.02)	0.00	(\$0.12)	0.00	0.00
Restructuring charges	\$0.00	0.00	(\$0.03)	0.00	0.00
<b>Current Guidance - Diluted EPS (GAAP)</b>	<b>\$0.13</b>	<b>\$0.14</b>	<b>\$0.98</b>	<b>\$1.60</b>	<b>\$1.70</b>



# Segment Results & Forecast – Investor Communication Solutions

	Revenue/Growth	EBIT/Growth (Non-GAAP)	Margin/Growth (Non-GAAP)
Q1:	\$339M / 8%	\$27M / 224%	8.0% / 530 bps
FY13:	\$1,695 to 1,707M / 4%	\$291 to 299M / 20 to 23%	17.2 to 17.5% / 230 to 260 bps

- FY13 guidance on revenue and margins remains intact
- Q1 recurring fee revenue growth of 9% was driven by net new business (closed sales less client losses) and internal growth
- Recurring revenue closed sales range for FY13 remains \$50-70M
- Client revenue retention levels expected to be at 99% for FY13
- Q1 event-driven fee revenues up \$5M driven by Mutual Fund Communications. Mutual Fund Proxy was in line with expectations. Full year event-driven fee revenue expectation remains at ~\$130M

# Segment Results & Forecast – Securities Processing Solutions

	Revenue/Growth	EBIT/Growth (Non-GAAP)	Margin/Growth (Non-GAAP)
Q1:	\$154M / (3)%	\$9M / (66)%	6.1% / (1150) bps
FY13:	\$658 to 683M / 0 to +4%	\$79 to 102M / (13) to +12%	12 to 15% / (190) to +110 bps

- Total revenue was lower in Q1:
  - Net new business and acquisitions contributed 5%
  - Internal Growth was negatively impacted by lower trade volumes and the Penson/Apex agreements
- Historically, trade volumes in Q1 are not indicative of the full year
- High end of FY13 guidance range dependent on trade volumes returning
- Margin decline was the result of revenue mix and anticipated increase in systems investments (i.e. TARP development)
- IBM data center savings on track to provide estimated savings of \$15M for FY13. However, impact offset by Penson/Apex agreements
- Recurring revenue closed sales range for FY13 remains \$60-80M

# Summary

- Solid start for fiscal year 2013
  - Recurring revenue closed sales pipeline continues to be strong
  - Event-driven slightly higher and equity trading volumes down
  - No surprises, difficult environment
- Strong products and outsourcing momentum
  - Multiple paths to create value
  - Good strategic direction in both product and regulatory activities
  - Positioned to be less dependent on the return of market activity
  - Named “Best-in-Class” in CEB TowerGroup’s 2012 Outsourcing Vendor Rankings
- Strong client revenue retention rate of 99%
- Highly engaged associates aligned to service profit chain and shareholder value creation
- Fiscal year 2013 guidance
  - 4-7% recurring revenue growth
  - \$1.60-1.70 GAAP diluted EPS
  - \$1.76-1.86 Non-GAAP diluted EPS
    - Excludes Acquisition Amortization and Other Costs and Pension Charges, net, \$0.04 per share for Q1 and projected \$0.16 per share for FY13

# 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

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

	1 Q13	FY13 Range	
		Low	High
Corporate Expenses	\$(7)M	\$(30)M	\$(37)M
Interest Expense, net	\$(3)M	\$(17)M	\$(21)M
FX - P&L - Revenue	\$2M	\$13M	\$13M
- EBIT	\$4M	\$14M	\$14M
- Transaction Activity	\$(1)M	\$(1)M	\$(1)M
Penson Charges, net	\$(1)M	\$(10)M	\$(10)M
IBM Migration costs	\$0M	\$0M	\$0M

- **Corporate Expenses:** Q1 results as expected and in line with full year guidance range
- **Interest Expense, net:** FY13 reflects higher average debt balance and refinancing of our credit facilities
- **Penson Charges, net:** Transition costs related to the termination of the Penson agreement including shutdown costs

# Revenue Growth Drivers and EBIT Margin

<u>Historical CAGR (FY07-FY12)</u>		<u>1Q FY13</u>	<b>Forecast FY13</b>
2%	<b>Total Revenue Growth</b>	4%	3-4%
3%	<b>Closed Sales (Recurring)</b>	3%	4-5%
<u>(2%)</u>	<b><u>Client Losses</u></b>	<u>(1%)</u>	<u>(1%)</u>
1%	<b>Net New Business</b>	2%	3-4%
1%	<b>Internal Growth<sup>(a)</sup></b>	(1%)	0%
2%	<b>Acquisitions</b>	1%	0%
<b>4%</b>	<b>Total Recurring</b>	<b>2%</b>	<b>3-4%</b>
(1%)	<b>Event-Driven<sup>(b)</sup></b>	1%	0%
(1%)	<b>Distribution<sup>(c)</sup></b>	2%	0%
0%	<b>FX/Other</b>	(1%)	0%
	<b>EBIT Margin (Non-GAAP)</b>	6.6%	14.9 - 15.7%

(a) Internal Growth includes SPS Equity & Fixed Income Trades, ICS Equity & Mutual Fund Stock Record Growth, Transaction Reporting and Time & Materials

(b) Event-Driven includes ICS Proxy Contest/Specials, Mutual Fund Proxy and Marketing Communications

(c) Distribution includes pass-through fees from Matrix



# Broadridge FY13 Q1 from Continuing Operations

Revenue	
FY12 Q1	FY13 Q1
\$313	\$339
12%	8%
\$158	\$154
12%	-3%
<b>\$471</b>	<b>\$493</b>
12%	5%
\$0	\$0
\$5	\$2
<b>\$476</b>	<b>\$496</b>
13%	4%

ICS  
◀ Growth % / Margin % ▶  
SPS  
◀ Growth % / Margin % ▶  
**Total Segments**  
**Margin %**

Other <sup>(a)</sup>  
FX <sup>(b)</sup>

**Total Broadridge (Non-GAAP) <sup>(a)</sup>**  
◀ Growth % / Margin % ▶

Interest & Other  
Acquisition Amortization and Other Costs <sup>(c)</sup>  
**Total EBT (Non-GAAP) <sup>(d)</sup>**  
**Margin %**

Income taxes <sup>(a)</sup>  
Tax Rate  
**Total Net Earnings (Non-GAAP) <sup>(d)</sup>**  
**Margin %**

Acquisition Amortization and Other Costs <sup>(c)</sup>  
Penson Charges, net <sup>(e)</sup>  
IBM Migration costs  
Restructuring charges  
**Non-GAAP Items (Net of Taxes)**

**Total Net Earnings (GAAP)**  
**Margin %**

**Diluted Shares**  
**Diluted EPS (Non-GAAP) <sup>(d)</sup>**  
**Diluted EPS (GAAP)**

Earnings	
FY12 Q1	FY13 Q1
\$8	\$27
2.7%	8.0%
\$28	\$9
17.6%	6.1%
<b>\$36</b>	<b>\$37</b>
7.7%	7.4%
(\$7)	(\$7)
\$2	\$3
<b>\$32</b>	<b>\$33</b>
6.6%	6.6%
(\$2)	(\$3)
\$6	\$6
<b>\$36</b>	<b>\$35</b>
7.5%	7.0%
(\$13)	(\$13)
36.3%	36.0%
<b>\$23</b>	<b>\$22</b>
4.8%	4.5%
(\$4)	(\$4)
\$0	(\$1)
(\$2)	\$0
\$0	\$0
<b>(\$6)</b>	<b>(\$4)</b>
<b>\$17</b>	<b>\$18</b>
3.5%	3.7%
126.7	127.1
\$0.18	\$0.18
\$0.13	\$0.14

(a) FY12 Q1 excludes IBM Migration costs of \$3M (after tax \$2M, or \$0.02 EPS impact).  
FY13 Q1 excludes Penson Charges, net of \$1M (after tax \$1M, or \$0.01 EPS impact).

(b) Includes impacts of FX P&L and FX transaction activity.

(c) Represents amortization charges associated with intangible asset values as well as other deal costs associated with the Company's acquisitions.

(d) FY12 Q1 excludes Acquisition Amortization and Other Costs of \$6M (after tax \$4M or \$0.03 EPS impact) and IBM Migration costs of \$3M (after tax \$2M, or \$0.02 EPS impact).  
FY13 Q1 excludes Acquisition Amortization and Other Costs of \$6M (after tax \$4M or \$0.03 EPS impact) and Penson Charges, net of \$1M (after tax \$1M, or \$0.01 EPS impact).

(e) FY13 Q1 represents transition costs related to termination of the Penson agreement including shutdown costs.

# Broadridge FY13 Guidance from Continuing Operations

Revenue		
FY12 Actual	FY13 Range	
	Low	High
\$1,634	\$1,695	\$1,707
5%	4%	4%
\$655	\$658	\$683
10%	0%	4%
<b>\$2,290</b>	<b>\$2,353</b>	<b>\$2,390</b>
6%	3%	4%
\$0	\$0	\$0
\$13	\$13	\$13
<b>\$2,304</b>	<b>\$2,366</b>	<b>\$2,403</b>
6%	3%	4%

Recurring Closed Sales		
Segments	FY13 Range	
	Low	High
ICS	\$50	\$70
SPS	\$60	\$80
<b>Total</b>	<b>\$110</b>	<b>\$150</b>

(\$ in millions)

ICS	◀ Growth % / Margin % ▶
SPS	◀ Growth % / Margin % ▶
<b>Total Segments</b>	<b>Margin %</b>
Other <sup>(a)</sup>	
FX <sup>(b)</sup>	
<b>Total Broadridge (Non-GAAP) <sup>(a)</sup></b>	<b>◀ Growth % / Margin % ▶</b>
Interest & Other	
Acquisition Amortization and Other Costs <sup>(c)</sup>	
<b>Total EBT (Non-GAAP) <sup>(d)</sup></b>	<b>Margin %</b>
Income taxes <sup>(d)</sup>	
Tax Rate	
<b>Total Net Earnings (Non-GAAP) <sup>(d)</sup></b>	<b>Margin %</b>
Acquisition Amortization and Other Costs <sup>(c)</sup>	
Penson Charges, net <sup>(e)</sup>	
IBM Migration costs	
Restructuring charges	
<b>Non-GAAP Items (Net of Taxes)</b>	
<b>Total Net Earnings (GAAP)</b>	<b>Margin %</b>
<b>Diluted Shares</b>	
<b>Diluted EPS (Non-GAAP) <sup>(d)</sup></b>	
<b>Diluted EPS (GAAP)</b>	

Earnings		
FY12 Actual	FY13 Range	
	Low	High
\$243	\$291	\$299
14.9%	17.2%	17.5%
\$91	\$79	\$102
13.9%	12.0%	15.0%
<b>\$334</b>	<b>\$370</b>	<b>\$401</b>
14.6%	15.7%	16.8%
(\$28)	(\$30)	(\$37)
\$14	\$13	\$13
<b>\$319</b>	<b>\$353</b>	<b>\$377</b>
13.9%	14.9%	15.7%
(\$13)	(\$17)	(\$21)
\$25	\$22	\$22
<b>\$331</b>	<b>\$358</b>	<b>\$378</b>
14.4%	15.1%	15.7%
(\$118)	(\$133)	(\$140)
35.6%	37.0%	37.0%
<b>\$213</b>	<b>\$226</b>	<b>\$238</b>
9.3%	9.5%	9.9%
(\$15)	(\$14)	(\$14)
(\$54)	(\$6)	(\$6)
(\$15)	\$0	\$0
(\$4)	\$0	\$0
<b>(\$88)</b>	<b>(\$20)</b>	<b>(\$20)</b>
<b>\$125</b>	<b>\$205</b>	<b>\$218</b>
5.4%	8.7%	9.1%
128	128	128
\$1.67	\$1.76	\$1.86
\$0.98	\$1.60	\$1.70

(a) FY12 excludes IBM Migration costs of \$25M (after tax \$15M, or \$0.12 EPS impact), Penson Charges, net, of \$74M (after tax \$54M, or \$0.42 EPS impact) and Restructuring charges of \$7M (after tax \$4M, or \$0.03 EPS impact). FY13 excludes Penson Charges, net.

(b) Includes impacts of FX P&L and FX Transaction Activity.

(c) Represents amortization charges associated with intangible asset values as well as other deal costs associated with the Company's acquisitions.

(d) FY12 excludes Acquisition Amortization and Other Costs of \$25M (after tax \$15M or \$0.12 EPS impact), IBM Migration costs of \$25M (after tax \$15M, or \$0.12 EPS impact), Penson Charges, net, of \$74M (after tax \$54M, or \$0.42 EPS impact) and Restructuring charges of \$7M (after tax \$4M, or \$0.03 EPS impact). FY13 excludes Acquisition Amortization and Other Costs of \$22M (after tax \$14M or \$0.11 EPS impact) and Penson Charges, net, of \$10M (after tax \$6M, or \$0.05 EPS impact).

(e) FY12 represents Penson deferred client conversion and startup costs, other than temporary impairment charges, shutdown costs, cancellation of the note receivable, less the elimination of the obligation to pay or credit Penson fees. FY13 represents transition costs related to termination of the Penson agreement including shutdown costs.

\* Guidance does not take into consideration the effect of any future acquisitions, additional debt and/or share repurchases.

# Cash Flow –Q1 FY13 Results and FY13 Forecast

	Three Months Ended September 2012	Free Cash Flow - Non-GAAP Unaudited (\$ millions)	
		FY13 Range <sup>(a)</sup>	
		Low	High
<b>Free Cash Flow (Non-GAAP) :</b>			
<b>Net earnings from continuing operations (GAAP)</b>	\$ 18	\$ 205	\$ 218
Depreciation and amortization (includes other LT assets)	25	95	105
Stock-based compensation expense	5	31	31
Other	(1)	(5)	5
Subtotal	47	326	359
Working capital changes	(49)	(15)	(15)
Long-term assets & liabilities changes	(14)	(60)	(50)
<b>Net cash flow (used in) provided by continuing operating activities</b>	<b>(16)</b>	<b>251</b>	<b>294</b>
Cash Flows From Investing Activities			
Capital expenditures & software purchases	(8)	(55)	(45)
<b>Free cash flow (Non-GAAP)</b>	<b>\$ (24)</b>	<b>\$ 196</b>	<b>\$ 249</b>
<b><u>Cash Flows From Other Investing and Financing Activities</u></b>			
Acquisitions	-	-	-
Stock repurchases net of options proceeds	(66)	(66)	(66)
Proceeds from borrowing net of debt repayments	-	-	-
Dividends paid	(20)	(86)	(86)
Other	1	(5)	5
Net change in cash and cash equivalents	(109)	39	102
Cash and cash equivalents, at the beginning of year	321	321	321
<b>Cash and cash equivalents, at the end of period</b>	<b>\$ 212</b>	<b>\$ 360</b>	<b>\$ 423</b>

(a) Guidance does not take into consideration the effect of any future acquisitions, additional debt and/or share repurchases.

# Recurring Closed Sales to Revenue Contribution

## Recurring Closed Sales to Revenue

(\$ in millions)

	Closed Sales Forecast FY13	Revenue Contribution <sup>(a)</sup> Forecast FY13	Backlog <sup>(b)</sup> Forecast FY13
<b>ICS</b> <i>~Contribution to revenue growth</i>	\$50-70	~\$50-60 ~3%	~\$35-45
<b>SPS</b> <i>~Contribution to revenue growth</i>	\$60-80	~\$40-50 6-8%	~\$85-105
<b>Total Recurring Closed Sales</b> <i>~Contribution to revenue growth</i>	<b>\$110-150</b>	<b>~\$90-110</b> 4-5%	<b>~\$120-150</b>

<sup>(a)</sup> Revenue from current year and prior year Closed Sales.

<sup>(b)</sup> Closed Sales that will convert to revenue in future years.

# Revenues and Closed Sales FY07-FY13

(\$ in millions)								Forecast
Recurring Fee Revenues	FY07	FY08	FY09	FY10	FY11	FY12	FY13	
<b>ICS</b>	\$ 529	\$ 567	\$ 594	\$ 632	\$ 720	\$ 798	\$862-874	
<i>Growth</i>	3%	7%	5%	6%	14%	11%	8-10%	
<b>SPS</b>	\$ 527	\$ 534	\$ 559	\$ 536	\$ 594	\$ 655	\$658-683	
<i>Growth</i>	11%	1%	5%	-4%	11%	10%	0-4%	
<b>Total Recurring Fee Revenues</b>	<b>\$ 1,056</b>	<b>\$ 1,101</b>	<b>\$ 1,153</b>	<b>\$ 1,168</b>	<b>\$ 1,313</b>	<b>\$ 1,453</b>	<b>\$1,520-1,557</b>	
<i>Growth</i>	7%	4%	5%	1%	12%	11%	4-7%	
<b>Event-Driven</b>	\$ 203	\$ 200	\$ 180	\$ 257	\$ 135	\$ 132	~\$129	
<i>Growth</i>	33%	-1%	-10%	43%	-47%	-2%	-2%	
<b>Distribution</b>	\$ 821	\$ 808	\$ 757	\$ 781	\$ 704	\$ 704	~\$704	
<i>Growth</i>	12%	-2%	-6%	3%	-10%	0%	0%	
<b>Other/FX</b>	\$ (12)	\$ 22	\$ (17)	\$ 4	\$ 14	\$ 14	~\$13	
<b>Total Revenues</b>	<b>\$ 2,068</b>	<b>\$ 2,131</b>	<b>\$ 2,072</b>	<b>\$ 2,209</b>	<b>\$ 2,167</b>	<b>\$ 2,304</b>	<b>\$2,366-2,403</b>	
<i>Growth</i>	12%	3%	-3%	7%	-2%	6%		
<b>Recurring Closed Sales</b>	\$ 63	\$ 82	\$ 95	\$ 119	\$ 113	\$ 120	<b>\$110-150</b>	
<i>Growth</i>	-32%	30%	16%	25%	-5%	6%		

(\$ in millions)								Forecast
Event-Driven Fee Revenues <sup>(a)</sup>	FY07	FY08	FY09	FY10	FY11	FY12	FY13	
Mutual Fund Proxy	\$ 79	\$ 92	\$ 55	\$ 150	\$ 39	\$ 28	\$ 27	
Mutual Fund Supplemental	\$ 51	\$ 49	\$ 58	\$ 48	\$ 44	\$ 47	\$ 46	
Contest/ Specials/ Other Communications	\$ 73	\$ 59	\$ 67	\$ 59	\$ 52	\$ 57	\$ 56	
<b>Total Event-Driven Fee Revenues</b>	<b>\$ 203</b>	<b>\$ 200</b>	<b>\$ 180</b>	<b>\$ 257</b>	<b>\$ 135</b>	<b>\$ 132</b>	<b>\$ 129</b>	
<i>Growth</i>	33%	-1%	-10%	43%	-47%	-2%		
<b>Recurring Distribution Revenues <sup>(b)</sup></b>	\$ 593	\$ 580	\$ 567	\$ 564	\$ 573	\$ 597	~\$597	
<i>Growth</i>	6%	-2%	-2%	-1%	2%	4%		
<b>ED Distribution Revenues <sup>(b)</sup></b>	\$ 228	\$ 228	\$ 190	\$ 217	\$ 131	\$ 107	~\$107	
<i>Growth</i>	35%	0%	-17%	14%	-39%	-18%		
<b>Total Distribution Revenues</b>	<b>\$ 821</b>	<b>\$ 808</b>	<b>\$ 757</b>	<b>\$ 781</b>	<b>\$ 704</b>	<b>\$ 704</b>	<b>~\$704</b>	
<i>Growth</i>	12%	-2%	-6%	3%	-10%	0%		

(a) Includes reclassification of Pre-sale Fulfillment from event-driven revenues to recurring revenues.

(b) Includes reclassification of Pre-sale Fulfillment related distribution revenues and Matrix pass-through administrative services from event-driven revenues to recurring revenues.

# Reconciliation of Non-GAAP to GAAP Measures

Reconciliation of EPS Guidance	1Q12 Actual	1Q13 Actual	FY12 Actual	FY13 Range	
				Low	High
<b>Guidance Provided in August 2012 - Diluted EPS (Non-GAAP)</b>	<b>\$0.15</b>	<b>\$0.15</b>	<b>\$1.55</b>	<b>\$1.65</b>	<b>\$1.75</b>
Acquisition Amortization and Other Costs	\$0.03	0.03	\$0.12	0.11	0.11
<b>Current Guidance - Diluted EPS (Non-GAAP)</b>	<b>\$0.18</b>	<b>\$0.18</b>	<b>\$1.67</b>	<b>\$1.76</b>	<b>\$1.86</b>
Acquisition Amortization and Other Costs	(\$0.03)	(\$0.03)	(\$0.12)	(0.11)	(0.11)
Penson Charges, net	\$0.00	(0.01)	(\$0.42)	(0.05)	(0.05)
IBM Migration costs	(\$0.02)	0.00	(\$0.12)	0.00	0.00
Restructuring charges	\$0.00	0.00	(\$0.03)	0.00	0.00
<b>Current Guidance - Diluted EPS (GAAP)</b>	<b>\$0.13</b>	<b>\$0.14</b>	<b>\$0.98</b>	<b>\$1.60</b>	<b>\$1.70</b>

Reconciliation of EBT Guidance (a)	1Q12 Actual	1Q13 Actual	FY12 Actual	FY13 Range	
(\$ in millions)				Low	High
<b>Guidance Provided in August 2012 - Total EBT (Non-GAAP)</b>	<b>\$29</b>	<b>\$29</b>	<b>\$306</b>	<b>\$336</b>	<b>\$356</b>
Margin %	6.2%	5.9%	13.3%	14.2%	14.8%
Acquisition Amortization and Other Costs	\$6	\$6	\$25	\$22	\$22
<b>Current Guidance - Total EBT (Non-GAAP)</b>	<b>\$36</b>	<b>\$35</b>	<b>\$331</b>	<b>\$358</b>	<b>\$378</b>
Margin %	7.5%	7.0%	14.4%	15.1%	15.7%
Acquisition Amortization and Other Costs	(\$6)	(\$6)	(\$25)	(\$22)	(\$22)
Penson Charges, net	\$0	(\$1)	(\$74)	(\$10)	(\$10)
IBM Migration costs	(\$3)	\$0	(\$25)	\$0	\$0
Restructuring charges	\$0	\$0	(\$7)	\$0	\$0
<b>Total EBT (GAAP)</b>	<b>\$26</b>	<b>\$29</b>	<b>\$201</b>	<b>\$326</b>	<b>\$346</b>
Margin %	5.5%	5.8%	8.7%	13.8%	14.4%

(a) Amounts in this table may not sum to totals due to rounding.

	Three Months Ended September 2012	Free Cash Flow - Non-GAAP Unaudited (\$ millions)	
		FY13 Range (a) Low	High
<b>Free Cash Flow (Non-GAAP) :</b>			
<b>Net earnings from continuing operations (GAAP)</b>	\$ 18	\$ 205	\$ 218
Depreciation and amortization (includes other LT assets)	25	95	105
Stock-based compensation expense	5	31	31
Other	(1)	(5)	5
Subtotal	47	326	359
Working capital changes	(49)	(15)	(15)
Long-term assets & liabilities changes	(14)	(60)	(50)
<b>Net cash flow (used in) provided by continuing operating activities</b>	<b>(16)</b>	<b>251</b>	<b>294</b>
Cash Flows From Investing Activities			
Capital expenditures & software purchases	(8)	(55)	(45)
<b>Free cash flow (Non-GAAP)</b>	<b>\$ (24)</b>	<b>\$ 196</b>	<b>\$ 249</b>

(a) Guidance does not take into consideration the effect of any future acquisitions, additional debt and/or share repurchases.

# ICS Key Segment Revenue Stats

RC= Recurring  
ED= Event-Driven  
In millions

Proxy	Fee Revenues		1Q12	1Q13	Type
		<b>Equities</b>		\$ 23.6	\$ 25.6
	Stock Record Position Growth		1%	-4%	
	Pieces		20.4	20.3	
	<b>Mutual Funds</b>		\$ 5.2	\$ 6.5	ED
	Pieces		6.4	8.2	
	<b>Contests/Specials</b>		\$ 3.3	\$ 3.0	ED
	Pieces		3.7	2.7	
	<b>Total Proxy</b>		\$ 32.1	\$ 35.1	
	Total Pieces		30.5	31.2	
	Notice and Access Opt-in %		54%	48%	
	Suppression %		54%	56%	
Interims	<b>Mutual Funds (Annual/Semi-Annual Reports/Annual Prospectuses)</b>		\$ 25.5	\$ 31.8	RC
	Position Growth		9%	9%	
	Pieces		131.9	150.7	
	<b>Mutual Funds (Supplemental Prospectuses) &amp; Other</b>		\$ 10.6	\$ 14.7	ED
Pieces		59.3	75.4		
	<b>Total Interims</b>		\$ 36.1	\$ 46.5	
	Total Pieces		191.2	226.1	
Transaction Reporting	Transaction Reporting/Customer Communications		\$ 37.4	\$ 40.6	RC
Fulfillment	Fulfillment (a)		\$ 31.4	\$ 33.2	RC
Other Communications	Other - Recurring (b)		\$ 25.5	\$ 25.8	RC
	Other - Event-Driven (c)		\$ 8.3	\$ 8.1	ED
	<b>Total Other</b>		\$ 33.8	\$ 33.9	
	<b>Total Fee Revenues</b>		\$ 170.8	\$ 189.3	
	<b>Total Distribution Revenues (d)</b>		\$ 142.2	\$ 150.2	
	<b>Total Revenues as reported - GAAP</b>		\$ 313.0	\$ 339.5	
	<b>Total RC Fees</b>		\$ 143.4	\$ 157.0	
	% RC Growth		20%	9%	
	<b>Total ED Fees</b>		\$ 27.4	\$ 32.3	
Key Revenue Drivers	Sales (FY13 RC closed sales range \$50-70M, FY12 RC close sales \$72M)	2%	3%		
	Losses	-1%	-1%		
	<b>Net New Business</b>	<b>1%</b>	<b>2%</b>		
	Internal growth	2%	2%		
	<b>Recurring (Excluding Acquisitions)</b>	<b>3%</b>	<b>4%</b>		
	Acquisitions	6%	0%		
	<b>Total Recurring</b>	<b>9%</b>	<b>4%</b>		
	Event-Driven	0%	2%		
	Distribution	3%	2%		
	<b>TOTAL</b>	<b>12%</b>	<b>8%</b>		

FY13 Ranges	
Low	High
\$ 862	\$ 874
8%	10%
\$ 129	\$ 129

Low	High
3%	3%
-1%	-1%
2%	2%
2%	2%
4%	4%
0%	0%
0%	0%
0%	0%
4%	4%

(a) Consolidated Pre-sale and Post-sale Fulfillment and reclassified Pre-sale from event-driven to recurring revenues.

(b) Other Recurring Fee Revenue includes Matrix, New River, StockTrans, Access Data, Forefield and Tax Reporting.

(c) Other Event-Driven includes 1.6M pieces for 1Q12, 1.8M for 1Q13, primarily related to corporate actions.

(d) Total Distribution revenues primarily include pass-through revenues related to the physical mailing of Proxy and Interims, as well as Matrix administrative services.

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

# SPS and Outsourcing Key Segment Revenue Stats

RC= Recurring  
ED= Event-Driven  
In millions

		1Q12	1Q13	Type
<b><u>Equity</u></b>				
Transaction-Based	<b>Equity Trades (a)</b>	\$ 36.4	\$ 30.0	RC
	Internal Trade Volume	1,013	821	
	Internal Trade Growth	20%	-19%	
	Trade Volume (Average Trades per Day in '000)	1,020	828	
Non-Transaction	<b>Other Equity Services</b>	80.4	82.1	RC
<b>Total Equity</b>		<b>\$ 116.8</b>	<b>\$ 112.1</b>	
<b><u>Fixed Income</u></b>				
Transaction-Based	<b>Fixed Income Trades (a)</b>	\$ 13.5	\$ 13.9	RC
	Internal Trade Volume	292	293	
	Internal Trade Growth	11%	0%	
	Trade Volume (Average Trades per Day in '000)	292	295	
Non-Transaction	<b>Other Fixed Income Services</b>	\$ 10.7	\$ 11.5	RC
<b>Total Fixed Income</b>		<b>\$ 24.2</b>	<b>\$ 25.4</b>	
<b><u>Outsourcing</u></b>				
	<b>Outsourcing</b>	\$ 17.4	\$ 16.5	RC
	# of Clients	12	16	
<b>Total Net Revenue as reported - GAAP</b>		<b>\$ 158.4</b>	<b>\$ 153.9</b>	
<b>Key Revenue Drivers</b>	Sales (FY13 RC closed sales range \$60-\$80M. FY12 RC closed sales \$48M)	5%	3%	
	Losses	-1%	-1%	
	<b>Net New Business</b>	<b>4%</b>	<b>2%</b>	
	Transaction & Non-transaction	6%	-5%	
	Concessions	-1%	-3%	
	<b>Internal growth</b>	<b>5%</b>	<b>-8%</b>	
	Acquisitions	3%	3%	
	<b>TOTAL</b>	<b>12%</b>	<b>-3%</b>	

FY13 Ranges	
Low	High
6%	8%
-2%	-2%
4%	6%
-1%	1%
-4%	-4%
-5%	-3%
1%	1%
0%	4%



# 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.