

# Earnings Webcast & Conference Call

## Third Quarter Fiscal Year 2012



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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 the Pension Impairment charges and the IBM Migration costs, and free cash flow are Non-GAAP measures. These measures are adjusted to exclude costs to be incurred in connection with the Pension Impairment charges and the IBM Migration costs as Broadridge believes this information helps investors understand the effect of the Pension Impairment charges and the IBM Migration costs 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 such Non-GAAP measures provide 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.

## Pre-Spin Financial Information

Financial information presented for periods prior to the March 30, 2007 spin-off of Broadridge from Automatic Data Processing, Inc. (“ADP”) represents the operations of the brokerage services business which were operated as part of ADP. Broadridge’s financial results for periods before the spin-off from ADP may not be indicative of our future performance and do not necessarily reflect what our results would have been had Broadridge operated as a separate, stand-alone entity during the periods presented, including changes in our operations and capitalization as a result of the spin-off from ADP.

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# Today's Agenda

- Opening Remarks and Other Key Topics  
Rich Daly, CEO
- Third Quarter and YTD FY 2012 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

# Financial Highlights

- Solid revenue growth
  - Revenues were up 4% for the quarter
    - Recurring revenues were up 9%
      - Approximately 50% organic and 50% from acquisitions
    - Event-driven revenues down slightly for the quarter
  - Year-to-date revenues were up 8%
    - Recurring revenues were up 13%
- Non-GAAP diluted earnings per share (EPS) were up
  - Third quarter Non-GAAP diluted EPS of \$0.28 were up 12%
    - Primarily due to increased revenues and cost containment
  - Year-to-date Non-GAAP diluted EPS of \$0.55 were up 25%
- Penson
  - Conversion completed in January 2012, processing completely on Broadridge platform
  - Impairment charge on Penson note receivable
  - Restructuring efforts continue
- Full year guidance
  - Reaffirming Non-GAAP diluted EPS of \$1.50 to \$1.60
  - Revenue growth range now 7% to 8%

# Closed Sales Performance

- Year-to-date recurring revenue closed sales were \$79M vs \$72M in the prior year
  - ICS recurring revenue closed sales year-to-date were \$44M
  - SPS recurring revenue closed sales year-to-date were \$35M
- Pipeline remains strong across existing and new products
- Reaffirming our full year recurring revenue closed sales guidance of \$110M to \$150M

# Revenue Growth Drivers, EBIT and Free Cash Flow

<u>Historical CAGR (FY05-FY10)</u>	<u>Actual FY11</u>		<u>3Q FY12</u>	<u>3Q YTD FY12</u>	<b>Forecast FY12</b>
6%	(2)%	<b>Total Revenue Growth</b>	4%	8%	7-8%
4%	3%	<b>Closed Sales (Recurring)</b>	3%	3%	4%
(2)%	(1)%	<b>Client Losses</b>	(1)%	(1)%	(1)%
2%	2%	<b>Net New Business</b>	2%	2%	3%
3%	1%	<b>Internal Growth<sup>(a)</sup></b>	1%	2%	1%
0%	4%	<b>Acquisitions</b>	3%	4%	3%
<b>5%</b>	<b>7%</b>	<b>Total Recurring</b>	<b>6%</b>	<b>8%</b>	<b>7%</b>
1%	(6)%	<b>Event-Driven<sup>(b)</sup></b>	(1)%	(1)%	0%
0%	(4)%	<b>Distribution<sup>(c)</sup></b>	(1)%	1%	0-1%
0%	1%	<b>FX/Other</b>	0%	0%	0%
	<b>13.1%</b>	<b>EBIT Margin (Non-GAAP)</b>	<b>11.1%</b>	<b>8.0%</b>	<b>13.6-14.1%</b>

(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 Fulfillment  
 (c) Distribution includes pass-through fees from Matrix

- Free cash flow excluding IBM Migration costs of ~\$73M and Penson's conversion costs of ~\$20M are expected to increase FY12 range from \$136-188M to ~\$230-280M

# Penson – Impairment Analysis

- Note Receivable - full principal amount of ~\$21M charge in Q3 – Balance \$0M (cancellation due to Penson restructuring)
- Long-Term Investments (Penson Stock) - ~\$11M charge YTD – Balance ~\$2M (Other-than-temporary impairment/mark-to-market)
- Deferred Client Conversion and Start-up Costs - Balance ~\$47M (anticipate recoverability at this time based upon projected future cash flows)



# Segment Results & Forecast – Investor Communication Solutions

	Revenue/Growth	EBIT/Growth (Non-GAAP)	Margin/Growth (Non-GAAP)
Q3:	\$374M / 1%	\$37M / 23%	9.9% / 170 bps
YTD:	\$1,004M / 7%	\$56M / 43%	5.6% / 150 bps
FY12:	\$1,648 to 1,655M / 6%	\$241 to 251M / 13 to 18%	14.6 to 15.0% / 90 to 150 bps

- Recurring business activities continue to provide momentum and drive the quarter, YTD, and the expected full year results
  - Net new business (closed sales less client losses), acquisitions, and internal growth on track to contribute 12% recurring fee growth and 6 points to total revenue on a full year basis
  - Client revenue retention levels at 99% which we expect to maintain
  - YTD internal growth factors trending in line with full year expectations (equity position growth +1%, interim position growth +9%)
- Event-driven fee revenue outlook slightly behind prior guidance
- Change in revenue guidance primarily driven by distribution mix
- Higher recurring fee revenue and cost containment initiatives expected to lead to 90 to 150 bps margin improvement

# Segment Results & Forecast – Securities Processing Solutions

	Revenue/Growth	EBIT/Growth (Non-GAAP)	Margin/Growth (Non-GAAP)
Q3:	\$169M / +10%	\$25M / (8)%	14.6% / (300) bps
YTD:	\$489M / +11%	\$73M / +8%	14.9% / (30) bps
FY12:	\$654 to 660M / +10 to +11%	\$91 to 97M / +5 to +11%	13.9 to 14.7% / (80) to +0 bps

- Q3 and YTD revenues up ~10%, split 50/50 between new business and a combination of acquisitions and the Person outsourcing agreement which is expected to continue for the rest of the year
  - Closed sales in Q3 of \$6M. YTD closed sales are \$35M with a full year forecast of \$45-65M. Upper end of range dependent on closing larger deals
  - Client revenue retention rate of 99%
  - Non-trade growth driven by acquisitions
  - Lower trade volumes
  
- Margins negatively impacted for quarter and YTD by reduction of trade volumes and integration of Paladyne acquisition

# Summary

- Solid operating results for the quarter and year-to-date
  - Recurring fee revenue and closed sales results continue to be strong
  - Event-driven revenues have not returned to historical normal levels
- Non-GAAP earnings were up for the quarter and year-to-date
- Strong closed sales pipeline, strong brand and expanding product breadth
- Anticipate IBM data center migration will be substantially completed by fiscal year-end
- Acquisitions have been successfully integrated
- Earnings Guidance
  - 7% to 8% revenue growth
  - \$1.50 to \$1.60 Non-GAAP diluted EPS
- Expect to provide EPS guidance of \$1.80 in FY13 contingent on:
  - 99% client revenue retention
  - Continuing strong closed sales
- Return of event-driven revenues to historical normal levels should generate an incremental \$0.20 EPS in 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)

	3Q12	YTD 3Q12	FY12 Range	
			Low	High
Corporate Expenses	\$(5)M	\$(18)M	\$(28)M	\$(32)M
IBM Migration costs	\$(6)M	\$(13)M	\$(33)M	\$(33)M
Penson Impairment charges	\$(22)M	\$(32)M	\$(32)M	\$(32)M
Interest Expense, net	\$(3)M	\$(10)M	\$(14)M	\$(14)M
FX - P&L - Revenue	\$3M	\$10M	\$9M	\$15M
- EBIT	\$4M	\$9M	\$10M	\$12M
- Transaction Activity	\$(1)M	\$(1)M	\$(1)M	\$(1)M

- **Corporate Expenses:** Q3 results as expected
- **Penson Impairment charges:** Non-cash YTD charges consist of common stock (\$11M) and note receivable (\$21M)
- **Interest, net:** FY12 reflects higher average debt balance and refinancing of our credit facilities

# Broadridge 3Q and YTD from Continuing Operations

Revenue			
FY11 Q3	FY12 Q3	FY11 YTD Q3	FY12 YTD Q3
\$369	\$374	\$942	\$1,004
3%	1%	-11%	7%
\$154	\$169	\$442	\$489
15%	10%	11%	11%
<b>\$523</b>	<b>\$543</b>	<b>\$1,384</b>	<b>\$1,493</b>
7%	4%	-5%	8%
\$0	\$0	\$0	\$0
\$4	\$3	\$7	\$10
<b>\$527</b>	<b>\$547</b>	<b>\$1,391</b>	<b>\$1,503</b>
7%	4%	-5%	8%

(\$ in millions)

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 <sup>(c)</sup>

**Total EBT (Non-GAAP) <sup>(a),(c)</sup>**

**Margin %**

Income taxes <sup>(a),(c)</sup>

Tax Rate

**Total Net Earnings (Non-GAAP) <sup>(a),(c)</sup>**

**Margin %**

IBM Migration costs

Penson Impairment charges <sup>(d)</sup>

**Non-GAAP Items (Net of Taxes)**

**Total Net Earnings (GAAP)**

**Margin %**

**Diluted Shares**

**Diluted EPS (Non-GAAP) <sup>(a),(c)</sup>**

**Diluted EPS (GAAP)**

Earnings			
FY11 Q3	FY12 Q3	FY11 YTD Q3	FY12 YTD Q3
\$30	\$37	\$39	\$56
8.2%	9.9%	4.1%	5.6%
\$27	\$25	\$67	\$73
17.6%	14.6%	15.2%	14.9%
<b>\$57</b>	<b>\$62</b>	<b>\$106</b>	<b>\$129</b>
10.9%	11.4%	7.7%	8.6%
(\$7)	(\$4)	(\$17)	(\$17)
\$3	\$3	\$6	\$8
<b>\$53</b>	<b>\$60</b>	<b>\$95</b>	<b>\$120</b>
10.1%	11.1%	6.8%	8.0%
(\$2)	(\$3)	(\$6)	(\$10)
<b>\$51</b>	<b>\$57</b>	<b>\$89</b>	<b>\$110</b>
9.7%	10.4%	6.4%	7.3%
(\$18)	(\$21)	(\$32)	(\$40)
36.2%	37.2%	36.2%	36.6%
<b>\$33</b>	<b>\$36</b>	<b>\$57</b>	<b>\$70</b>
6.2%	6.6%	4.1%	4.7%
\$0	(\$4)	\$0	(\$8)
\$0	(\$14)	\$0	(\$20)
<b>\$0</b>	<b>(\$18)</b>	<b>\$0</b>	<b>(\$28)</b>
<b>\$33</b>	<b>\$18</b>	<b>\$57</b>	<b>\$42</b>
6.2%	3.3%	4.1%	2.8%
128	128	129	127
\$0.25	\$0.28	\$0.44	\$0.55
\$0.25	\$0.14	\$0.44	\$0.33

(a) FY12 Q3 excludes the IBM Migration costs of \$6M (after tax \$4M, or \$0.03 EPS impact). FY12 YTD Q3 excludes the IBM Migration costs of \$13M (after tax \$8M, or \$0.06 EPS impact).

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

(c) FY12 Q3 excludes Penson Impairment charges of \$23M (after tax \$14M, or \$0.11 EPS impact). FY12 YTD Q3 excludes Penson Impairment charges of \$32M (after tax \$21M, or \$0.16 EPS impact).

(d) Represents impairment charges on the Penson common stock and Penson note receivable.

\* Guidance does not take into consideration the effect of any future acquisitions, additional debt and/or share repurchases in excess of the repurchases needed to achieve our 128 million diluted weighted-average outstanding shares guidance.



# Broadridge FY12 Guidance from Continuing Operations

Revenue		
FY11 Actual	FY12 Range	
	Low	High
\$1,559	\$1,648	\$1,655
-7%	6%	6%
\$594	\$654	\$660
11%	10%	11%
<b>\$2,153</b>	<b>\$2,302</b>	<b>\$2,315</b>
-2%	7%	8%
\$0	\$0	\$0
\$14	\$9	\$15
<b>\$2,167</b>	<b>\$2,311</b>	<b>\$2,330</b>
-2%	7%	8%

Recurring Closed Sales		
	FY12 Range	
Segments	Low	High
ICS	\$65	\$85
SPS	\$45	\$65
<b>Total</b>	<b>\$110</b>	<b>\$150</b>

(\$ in millions)

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 <sup>(c)</sup>

**Total EBT (Non-GAAP) <sup>(a),(c)</sup>**

**Margin %**

Income taxes <sup>(a),(c)</sup>

Tax Rate

**Total Net Earnings (Non-GAAP) <sup>(a),(c)</sup>**

**Margin %**

IBM Migration costs

Person Impairment charges <sup>(d)</sup>

**Non-GAAP Items (Net of Taxes)**

**Total Net Earnings (GAAP)**

**Margin %**

**Diluted Shares**

**Diluted EPS (Non-GAAP) <sup>(a),(c)</sup>**

**Diluted EPS (GAAP)**

Earnings		
FY11 Actual	FY12 Range	
	Low	High
\$213	\$241	\$251
13.7%	14.6%	15.2%
\$87	\$91	\$97
14.7%	13.9%	14.7%
<b>\$301</b>	<b>\$332</b>	<b>\$348</b>
14.0%	14.4%	15.0%
(\$25)	(\$28)	(\$32)
\$9	\$9	\$11
<b>\$285</b>	<b>\$314</b>	<b>\$328</b>
13.1%	13.6%	14.1%
(\$8)	(\$14)	(\$14)
<b>\$276</b>	<b>\$300</b>	<b>\$314</b>
12.7%	13.0%	13.5%
(\$100)	(\$108)	(\$110)
36.3%	36.0%	35.0%
<b>\$176</b>	<b>\$192</b>	<b>\$204</b>
8.1%	8.3%	8.8%
(\$4)	(\$21)	(\$21)
-	(\$21)	(\$21)
<b>(\$4)</b>	<b>(\$42)</b>	<b>(\$42)</b>
<b>\$172</b>	<b>\$150</b>	<b>\$162</b>
7.9%	6.5%	7.0%
128	128	128
\$1.37	\$1.50	\$1.60
\$1.34	\$1.18	\$1.28

(a) FY11 excludes the IBM Migration costs of \$6M, after-tax \$4M, or \$0.03 EPS impact. FY12 excludes the IBM Migration costs of \$13M (after tax \$8M, or \$0.06 EPS impact).

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

(c) FY12 excludes Person Impairment charges of \$32M (after tax \$21M, or \$0.16 EPS impact).

(d) Represents impairment charges on the Person common stock and Person note receivable.

\* Guidance does not take into consideration the effect of any future acquisitions, additional debt and/or share repurchases in excess of the repurchases needed to achieve our 128 million diluted weighted-average outstanding shares guidance.

# Cash Flow – YTD FY12 Results and FY12 Forecast

	Nine Months Ended March 2012	Free Cash Flow (Non-GAAP) Unaudited (In millions)	
		FY12 Range (a) Low High	
<b>Free Cash Flow (Non-GAAP) :</b>			
<b>Net earnings from continuing operations (GAAP)</b>	\$ 42	\$ 150	\$ 162
Depreciation and amortization (includes other LT assets)	68	95	100
Stock-based compensation expense	22	31	31
Other	11	17	27
Subtotal	143	293	320
Working capital changes	27	(15)	(15)
Long-term assets and liabilities changes (b)	(59)	(55)	(45)
<b>Net cash flow provided by continuing operating activities</b>	<b>111</b>	<b>223</b>	<b>260</b>
<b>Cash Flows From Investing Activities</b>			
IBM / ITO data center investment	(7)	(15)	(10)
Penson	(7)	(7)	(7)
Capital expenditures and software purchases	(25)	(65)	(55)
<b>Free cash flow (Non-GAAP) (c)</b>	<b>\$ 72</b>	<b>\$ 136</b>	<b>\$ 188</b>
<b><u>Cash Flows From Other Investing and Financing Activities</u></b>			
Acquisitions	(72)	(73)	(73)
Stock repurchases net of options proceeds	1	1	1
Proceeds from borrowing net of debt repayments	40	-	-
Dividends paid	(58)	(78)	(78)
Other	(5)	(5)	5
Net change in cash and cash equivalents	(23)	(19)	43
Cash and cash equivalents, at the beginning of year	242	242	242
<b>Cash and cash equivalents, at the end of period</b>	<b>\$ 219</b>	<b>\$ 223</b>	<b>\$ 285</b>

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

(b) Includes IBM Migration costs of \$(21)M and ~\$(33)M for YTD Q3FY12 actual and FY12 guidance, respectively.

(c) FY12 range presented in this table includes the impact of ~\$(73)M due to IBM Migration costs. When the IBM Migration costs are excluded from the FY12 range, free cash flow would be ~\$210M to ~\$260M, with the mid-point of ~\$235M.

# Closed Sales to Revenue Contribution

## Recurring Closed Sales to Revenue

(\$ in millions)

	Closed Sales Forecast FY12	Revenue Contribution <sup>(a)</sup> Forecast FY12	Backlog <sup>(b)</sup>
<b>ICS</b> <i>~Contribution to revenue growth</i>	\$65-85	~\$45-65 ~4%	~\$40-50
<b>SPS</b> <i>~Contribution to revenue growth</i>	\$45-65	~\$30-35 ~5%	~\$80-100
<b>Total Recurring Closed Sales</b> <i>~Contribution to revenue growth</i>	<b>\$110-150</b>	<b>~\$75-100</b> ~4%	<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 FY05-FY12

(\$ in millions)	FY05	FY06	FY07	FY08	FY09	FY10	FY05-10 CAGR	FY11	Forecast FY12	FY11-12 Growth Rates
<b>Recurring Fee Revenues</b>										
<b>ICS</b>	\$ 444	\$ 513	\$ 519	\$ 558	\$ 583	\$ 610	<b>7%</b>	\$ 650	\$702-705	8%
<i>Growth</i>		16%	1%	8%	4%	5%		7%		
<b>SPS</b>	\$ 459	\$ 458	\$ 509	\$ 515	\$ 537	\$ 513	<b>2%</b>	\$ 522	\$545-552	4-6%
<i>Growth</i>		0%	11%	1%	4%	-4%		2%		
<b>Segment Recurring Fee Revenues</b>	\$ 903	\$ 971	\$ 1,028	\$ 1,073	\$ 1,120	\$ 1,123	<b>4%</b>	\$ 1,172	\$1,247-1,257	6-7%
<i>Growth</i>		7%	6%	4%	4%	0%		4%		
<b>Acquisitions (cumulative)</b>	\$ 0	\$ 18	\$ 28	\$ 28	\$ 33	\$ 45	<b>NM*</b>	\$ 141	~\$210	~50%
<b>Total Recurring Fee Revenues</b>	\$ 903	\$ 988	\$ 1,056	\$ 1,101	\$ 1,153	\$ 1,168	<b>5%</b>	\$ 1,313	\$1,455-1,465	11-12%
<i>Growth</i>		9%	7%	4%	5%	1%		12%		
<b>Event-Driven</b>	\$ 128	\$ 153	\$ 203	\$ 200	\$ 180	\$ 257	<b>15%</b>	\$ 135	\$124	(8)%
<i>Growth</i>		20%	33%	-1%	-10%	43%		-47%		
<b>Distribution</b>	\$ 649	\$ 730	\$ 821	\$ 808	\$ 757	\$ 781	<b>4%</b>	\$ 704	~\$725	~3%
<i>Growth</i>		12%	12%	-2%	-6%	3%		-10%		
<b>Other/FX</b>	\$ (25)	\$ (19)	\$ (12)	\$ 22	\$ (17)	\$ 4	<b>NM*</b>	\$ 14	~\$12	NM*
<b>Total BR Revenues</b>	\$ 1,656	\$ 1,853	\$ 2,068	\$ 2,131	\$ 2,072	\$ 2,209	<b>6%</b>	\$ 2,167	\$2,311-2,330	7-8%
<i>Growth</i>		12%	12%	3%	-3%	7%		-2%		
<b>Recurring Closed Sales</b>	\$ 77	\$ 92	\$ 63	\$ 82	\$ 95	\$ 119	<b>9%</b>	\$ 113	\$110-150	
<i>Growth</i>		19%	-32%	30%	16%	25%		-5%		

\*NM= Not Meaningful

(\$ in millions)

Event-Driven Fee Revenues <sup>(a)</sup>	FY05	FY06	FY07	FY08	FY09	FY10	FY05-10 CAGR	FY11	Forecast FY12
Mutual Fund Proxy	\$ 51	\$ 61	\$ 79	\$ 92	\$ 55	\$ 150	<b>24%</b>	\$ 39	\$ 27
Mutual Fund Supplemental	\$ 39	\$ 43	\$ 51	\$ 49	\$ 58	\$ 48	<b>4%</b>	\$ 44	\$ 45
Contest/ Specials/ Other Communications	\$ 38	\$ 49	\$ 73	\$ 59	\$ 67	\$ 59	<b>9%</b>	\$ 52	\$ 52
<b>Total Event-Driven Fee Revenues</b>	\$ 128	\$ 153	\$ 203	\$ 200	\$ 180	\$ 257	<b>15%</b>	\$ 135	\$ 124
<i>Growth</i>		20%	33%	-1%	-10%	43%		-47%	
<b>Recurring Distribution Revenues <sup>(b)</sup></b>	\$ 496	\$ 562	\$ 593	\$ 580	\$ 567	\$ 564	<b>3%</b>	\$ 573	~\$615
<i>Growth</i>		13%	6%	-2%	-2%	-1%		2%	
<b>ED Distribution Revenues <sup>(b)</sup></b>	\$ 153	\$ 169	\$ 228	\$ 228	\$ 190	\$ 217	<b>7%</b>	\$ 131	~\$110
<i>Growth</i>		10%	35%	0%	-17%	14%		-39%	
<b>Total Distribution Revenues</b>	\$ 649	\$ 730	\$ 821	\$ 808	\$ 757	\$ 781	<b>4%</b>	\$ 704	~\$725
<i>Growth</i>		12%	12%	-2%	-6%	3%		-10%	

(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.

**Organic**

~6%

Growth Contribution

**Acquisitions**

~5%

Growth Contribution

# Reconciliation of Non-GAAP to GAAP Measures

EBIT Reconciliation		3Q11	3Q12	YTD11	YTD12	FY11	FY12 Range	
(\$ in millions)		Actual	Actual	Actual	Actual	Actual	Low	High
EBIT from continuing operations (Non-GAAP / excluding IBM Migration costs)		\$53	\$60	\$94	\$120	\$285	\$314	\$328
Margin %		10.1%	11.1%	6.8%	8.0%	13.1%	13.6%	14.1%
Interest & Other		(\$2)	(\$3)	(\$6)	(\$10)	(\$8)	(\$14)	(\$14)
Total EBT from continuing operations (Non-GAAP / excluding IBM Migration costs and Pension Impairment charges)		\$51	\$57	\$88	\$110	\$276	\$300	\$314
Margin %		9.7%	10.4%	6.4%	7.3%	12.7%	13.0%	13.5%
IBM Migration costs		\$0	(\$6)	\$0	(\$13)	(\$6)	(\$33)	(\$33)
Pension Impairment charges		\$0	(\$22)	\$0	(\$32)	\$0	(\$32)	(\$32)
Total EBT (GAAP)		\$51	\$29	\$88	\$66	\$270	\$235	\$249
Margin %		9.7%	5.3%	6.4%	4.4%	12.5%	10.2%	10.7%

  

EPS Reconciliation		3Q11	3Q12	YTD11	YTD12	FY11	FY12 Range	
Diluted EPS from continuing operations (Non-GAAP)		\$0.25	\$0.28	\$0.44	\$0.55	\$1.37	\$1.50	\$1.60
IBM Migration costs		0.00	(0.03)	0.00	(0.06)	(0.03)	(0.16)	(0.16)
Pension Impairment charges		0.00	(0.11)	0.00	(0.16)	0.00	(0.16)	(0.16)
Diluted EPS from continuing operations (GAAP)		\$0.25	\$0.14	\$0.44	\$0.33	\$1.34	\$1.18	\$1.28

## Free Cash Flow (Non-GAAP) Unaudited (In millions)

### Free Cash Flow (Non-GAAP) :

#### Net earnings from continuing operations (GAAP)

Depreciation and amortization (includes other LT assets)	68	95	100
Stock-based compensation expense	22	31	31
Other	11	17	27
Subtotal	143	293	320

Working capital changes	27	(15)	(15)
Long-term assets and liabilities changes (b)	(59)	(55)	(45)

#### Net cash flow provided by continuing operating activities

#### Cash Flows From Investing Activities

IBM / ITO data center investment	(7)	(15)	(10)
Pension	(7)	(7)	(7)
Capital expenditures and software purchases	(25)	(65)	(55)

#### Free cash flow (Non-GAAP) (c)

Nine Months Ended March 2012	FY12 Range (a)	
	Low	High
\$ 42	\$ 150	\$ 162
68	95	100
22	31	31
11	17	27
143	293	320
27	(15)	(15)
(59)	(55)	(45)
111	223	260
(7)	(15)	(10)
(7)	(7)	(7)
(25)	(65)	(55)
\$ 72	\$ 136	\$ 188

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

(b) Includes IBM Migration costs of \$(21)M and ~\$(33)M for YTD Q3FY12 actual and FY12 guidance, respectively.

(c) FY12 range presented in this table includes the impact of ~\$(73)M due to IBM Migration costs. When the IBM Migration costs are excluded from the FY12 range, free cash flow would be ~\$210M to ~\$260M, with the mid-point of ~\$235M.

# One-time Items (For Informational Purposes Only)

One-Time Restructuring and Acquisition Related Costs (a)	3Q11	3Q12	YTD11	YTD12	FY11	FY12 Range	
	Actual	Actual	Actual	Actual	Actual	Low	High
Deal Costs (b)	(\$2)	\$0	(\$3)	(\$2)	(\$2)	(\$2)	(\$2)
Amortization of Intangibles	(\$5)	(\$7)	(\$9)	(\$18)	(\$15)	(\$24)	(\$24)
Integration Costs	(\$1)	-	(\$1)	-	(\$2)	(\$3)	(\$3)
<b>Total One-Time Acquisition Related Costs</b>	<b>(\$8)</b>	<b>(\$7)</b>	<b>(\$13)</b>	<b>(\$20)</b>	<b>(\$19)</b>	<b>(\$29)</b>	<b>(\$29)</b>
<b>Diluted EPS impact</b>	<b>(\$0.04)</b>	<b>(\$0.03)</b>	<b>(\$0.07)</b>	<b>(\$0.10)</b>	<b>(\$0.09)</b>	<b>(\$0.14)</b>	<b>(\$0.14)</b>

(a) Although not excluded from our GAAP financial information, management believes these items could be excluded from the GAAP financials when assessing the overall business performance.

(b) Deal Costs include only costs related to closed transactions.

# ICS Key Segment Revenue Stats

RC= Recurring  
ED= Event-Driven  
In millions

	3Q11	3Q12	YTD FY11	YTD FY12	Type	
<b>Fee Revenues</b>						
<b>Proxy</b>	<b>Equities</b>	\$ 31.1	\$ 31.7	\$ 81.2	\$ 80.1	RC
	Stock Record Position Growth	0%	4%	-1%	1%	
	Pieces	25.6	24.5	69.6	66.1	
<b>Mutual Funds</b>		\$ 12.8	\$ 5.5	\$ 30.1	\$ 19.3	ED
	Pieces	16.9	6.6	41.0	29.6	
<b>Contests/Specials</b>		\$ 2.1	\$ 3.0	\$ 10.3	\$ 9.7	ED
	Pieces	2.1	3.0	10.9	10.7	
<b>Total Proxy</b>		\$ 46.0	\$ 40.2	\$ 121.6	\$ 109.1	
	Total Pieces	44.6	34.2	121.5	106.5	
	Notice and Access Opt-in %	61%	69%	57%	66%	
	Suppression %	52%	58%	50%	56%	
<b>Interims</b>	<b>Mutual Funds (Annual/Semi-Annual Reports/Annual Prospectuses)</b>	\$ 30.0	\$ 33.5	\$ 76.5	\$ 84.7	RC
	Position Growth	8%	7%	9%	9%	
	Pieces	146.4	168.8	386.1	438.1	
<b>Mutual Funds (Supplemental Prospectuses) &amp; Other</b>		\$ 14.3	\$ 15.9	\$ 34.1	\$ 34.9	ED
	Pieces	86.4	86.8	193.1	191.2	
<b>Total Interims</b>		\$ 44.3	\$ 49.4	\$ 110.6	\$ 119.6	
	Total Pieces	232.8	255.7	584.2	629.3	
<b>Transaction Reporting</b>	<b>Transaction Reporting/Customer Communications</b>	\$ 45.4	\$ 47.7	\$ 118.0	\$ 123.9	RC
<b>Fulfillment</b>	<b>Fulfillment (a)</b>	\$ 28.5	\$ 31.6	\$ 85.4	\$ 94.7	RC
<b>Other Communications</b>	<b>Other - Recurring (b)</b>	\$ 22.1	\$ 25.8	\$ 37.5	\$ 76.8	RC
	<b>Other - Event-Driven (c)</b>	\$ 11.3	\$ 12.1	\$ 25.6	\$ 27.7	ED
	<b>Total Other</b>	\$ 33.4	\$ 37.9	\$ 63.3	\$ 104.5	
	<b>Total Fee Revenues</b>	\$ 197.6	\$ 206.8	\$ 499.0	\$ 551.6	
	<b>Total Distribution Revenues (d)</b>	\$ 171.3	\$ 167.2	\$ 443.5	\$ 452.2	
	<b>Total Revenues as reported - GAAP</b>	\$ 368.9	\$ 374.0	\$ 942.5	\$ 1,003.8	
	<b>Total RC Fees</b>	\$ 157.1	\$ 170.3	\$ 398.9	\$ 460.1	
	<b>Total ED Fees</b>	\$ 40.5	\$ 36.5	\$ 100.1	\$ 91.5	
<b>Key Revenue Drivers</b>	Sales	2%	2%	2%	3%	
	Losses	0%	-1%	0%	-1%	
	<b>Net New Business</b>	<b>2%</b>	<b>1%</b>	<b>2%</b>	<b>2%</b>	
	Internal growth	1%	2%	0%	2%	
	<b>Recurring (Excluding Acquisitions)</b>	<b>3%</b>	<b>3%</b>	<b>2%</b>	<b>4%</b>	
	Acquisitions	4%	0%	4%	3%	
	<b>Total Recurring</b>	<b>7%</b>	<b>3%</b>	<b>6%</b>	<b>7%</b>	
	Event-Driven	-3%	-1%	-9%	-1%	
	Distribution	-1%	-1%	-8%	1%	
	<b>TOTAL</b>	<b>3%</b>	<b>1%</b>	<b>-11%</b>	<b>7%</b>	

Q3 FY12 Ranges	
Low	High
\$ 801	\$ 805
\$ 124	\$ 124

Q3 FY12 Ranges	
Low	High
4%	4%
-1%	-1%
3%	3%
1%	1%
4%	4%
2%	2%
6%	6%
-1%	-1%
1%	1%
6%	6%

(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, NewRiver, Stock Trans, Access Data, Forefield and Tax Reporting.

(c) Other event-driven includes 2.4M pieces for 3Q11, 2.0M for 3Q12, 6.9M for FY11 YTD and 5.8M for FY12 YTD, 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

		3Q11	3Q12	YTD FY11	YTD FY12	Type
<b>Equity</b>						
Transaction-Based	<b>Equity Trades (a)</b>	\$ 40.7	\$ 36.4	\$ 109.3	\$ 108.1	RC
	Internal Trade Volume	1,120	996	964	975	
	Internal Trade Growth	14%	-11%	0%	1%	
	Trade Volume (Average Trades per Day in '000)	1,142	1,005	986	982	
Non-Transaction	<b>Other Equity Services</b>	\$ 77.0	\$ 86.3	\$ 227.5	\$ 248.7	RC
<b>Total Equity</b>		<u>\$ 117.7</u>	<u>\$ 122.8</u>	<u>\$ 336.8</u>	<u>\$ 356.8</u>	
<b>Fixed Income</b>						
Transaction-Based	<b>Fixed Income Trades (a)</b>	\$ 12.3	\$ 13.6	\$ 35.4	\$ 40.1	RC
	Internal Trade Volume	267	276	256	270	
	Internal Trade Growth	20%	3%	20%	6%	
	Trade Volume (Average Trades per Day in '000)	270	299	257	294	
Non-Transaction	<b>Other Fixed Income Services</b>	\$ 9.3	\$ 10.8	\$ 28.1	\$ 33.5	RC
<b>Total Fixed Income</b>		<u>\$ 21.6</u>	<u>\$ 24.4</u>	<u>\$ 63.5</u>	<u>\$ 73.7</u>	
<b>Outsourcing</b>						
	<b>Outsourcing</b>	\$ 14.6	\$ 22.1	\$ 41.3	\$ 58.4	RC
	# of Clients	11	13	11	13	

**Total Net Revenue as reported - GAAP**

\$ 153.9	\$ 169.3	\$ 441.7	\$ 488.8
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FY12 Ranges	
Low	High
5%	5%
-1%	-1%
4%	4%
1%	2%
-1%	-1%
0%	1%
6%	6%
10%	11%

Key Revenue Drivers	Sales	3%	5%	4%	5%
	Losses	-2%	-1%	-4%	-1%
	<b>Net New Business</b>	<b>1%</b>	<b>4%</b>	<b>0%</b>	<b>4%</b>
	Transaction & Non-transaction	6%	0%	4%	2%
	Concessions	-1%	-2%	-2%	-1%
	<b>Internal growth</b>	<b>5%</b>	<b>-2%</b>	<b>2%</b>	<b>1%</b>
	Acquisitions	9%	8%	9%	6%
	<b>TOTAL</b>	<b>15%</b>	<b>10%</b>	<b>11%</b>	<b>11%</b>

(a) Equities and Fixed Income trade volumes have been adjusted to exclude additional trades processed under fixed-price contracts and semi-variable step contracts. The revenue related to these contracts was re-classified from 'Transaction-Based'.



# 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.