

Company Guidance for Third Quarter and Full Year 2008

Administaff provided the following guidance on its quarterly investor conference call on August 1, 2008.

| | <u>Third Quarter</u> | <u>Full Year</u> |
|--|----------------------|------------------------------|
| Average worksite employees paid per month | 119,750 – 120,250 | 117,500 – 118,500 |
| Gross profit per worksite employee per month | \$233 – \$235 | \$242 – \$244 |
| Operating expenses (in millions) | \$68.0 – \$68.5 | \$277 – \$279 ⁽¹⁾ |
| Interest income (in millions) | \$1.9 – \$2.2 | \$8.0 – \$8.5 |
| Effective income tax rate | 36.3% | 36.3% |
| Average outstanding shares (in millions) | 25.8 | 25.8 |

⁽¹⁾ The high end of the full year operating expense range assumes a higher accrual for incentive compensation based upon achieving higher unit growth and gross profit goals.

Definition of Key Metrics

Average worksite employees paid per month – Determined by calculating the company's cumulative worksite employees paid during the period divided by the number of months in the period.

Gross profit per worksite employee per month – Net revenues (gross billings less the worksite employees' payroll costs) less direct costs (payroll taxes, healthcare costs and workers' compensation); divided by the average number worksite employees paid.

Operating expenses (in millions) – The company's operating expenses include (i) salaries and wages for corporate employees; (ii) stock-based compensation; (iii) general and administrative expenses, such as rent, professional service fees, administrative costs, travel and repairs and maintenance; (iv) commissions for sales personnel; (v) advertising expenses; and (v) depreciation and amortization.

Interest income (in millions) – Interest earned on the company's cash balances, including funds held in the company's workers' compensation and medical programs.

Effective income tax rate – The company's effective tax rate is estimated based on the U.S. statutory rate of 35%, state income tax rates, the level of non-deductible expenses and tax-exempt interest income.

Average outstanding shares (in millions) – Shares outstanding for the quarter represents the weighted average of current shares outstanding as of the end of the period, and the impact of any dilutive securities, such as options and restricted shares.

The information set forth above is forward-looking information within the meaning of the federal securities laws (Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934). Forward-looking information involves a number of risks and uncertainties. We base the forward-looking information on our current expectations, estimates and projections. This information is not a guarantee of future performance and involves risks and uncertainties that we cannot predict. In addition, we have based this information on assumptions about future events that may prove to be inaccurate. Therefore, the actual results of the future events described in such forward-looking information could differ materially from those stated in such forward-looking information. Among the factors that could cause actual results to differ materially are: (i) changes in general economic conditions; (ii) regulatory and tax developments and possible adverse application of various federal, state and local regulations; (iii) increases in health insurance premiums and workers' compensation rates and underlying claims trends, financial solvency of workers' compensation carriers and other insurers, state unemployment tax rates, liabilities for employee and client actions or payroll-related claims, changes in the costs of expanding into new markets, and failure to manage growth of our operations; (iv) the effectiveness of our sales and marketing efforts; (v) changes in the competitive environment in the PEO industry, including the entrance of new competitors and our ability to renew or replace client companies; (vi) our liability for worksite employee payroll and benefits costs; and (vii) an adverse final judgment or settlement of claims against Administaff. These factors are discussed in further detail in Administaff's filings with the U.S. Securities and Exchange Commission. Any of these factors, or a combination of such factors, could materially affect the results of our operations and whether forward-looking information we provide ultimately proves to be accurate.