UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934

Date of Report (Date of earliest event reported): February 13, 2007

CBIZ, INC.

(Exact name of registrant as specified in its charter)

Delaware	0-25890	22-2769024
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

6050 Oak Tree Boulevard, South, Suite 500 Cleveland, Ohio	44131
(Address of principal executive offices)	(Zip Code)

216-447-9000
(Registrant’s telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On February 13, 2007, CBIZ, Inc. (the “Company”) issued a press release announcing its financial results for the fourth quarter and year ended December 31, 2006. A copy of the press release is furnished herewith as Exhibit 99.1. A transcript of CBIZ’s earnings conference call held on February 13, 2007 is furnished herewith as Exhibit 99.2. The exhibits contain, and may implicate, forward-looking statements regarding the Company and include cautionary statements identifying important factors that could cause actual results to differ materially from those anticipated.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press Release of CBIZ, Inc. dated February 13, 2007, announcing its financial results for the fourth quarter and year ended December 31, 2006.

99.2 Transcript of earnings conference call held on February 13, 2007, discussing CBIZ’s financial results for the fourth quarter and year ended December 31, 2006.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

February 16, 2007

CBIZ, INC.

By: /s/ WARE H. GROVE

Name: Ware H. Grove

Title: Chief Financial Officer

Exhibit 99.1

PRESS release

FOR IMMEDIATE RELEASE

CONTACT: **Ware Grove**
Chief Financial Officer
-or-
Lori Novickis
Director, Corporate Relations
CBIZ, Inc.
Cleveland, Ohio
(216) 447-9000

CBIZ REPORTS FOURTH-QUARTER AND FULL-YEAR 2006 OPERATING RESULTS

Full Year Revenue Grows 9.2%; EPS from Continuing Operations Grows 25%

Cleveland, Ohio (February 13, 2007) — CBIZ, Inc. (NYSE: CBZ) today announced fourth-quarter and full-year results for the year ended December 31, 2006.

CBIZ reported revenue of $144.0 million for the fourth quarter ended December 31, 2006, an increase of 10.1%, or $13.2 million, over $130.7 million reported for the fourth quarter of 2005. Same-unit revenue for the quarter increased by 6.3%, or by $8.3 million. Revenue from newly acquired businesses contributed $4.9 million to revenue growth in the fourth quarter of 2006. The Company reported income from continuing operations of $3.2 million, or $0.05 per diluted share, compared with $4.2 million reported for the fourth quarter a year ago, or $0.06 per diluted share.

For the year ended December 31, 2006, CBIZ reported revenue of $601.1 million, an increase of 9.2%, or $50.4 million, compared with $550.7 million for 2005. Same-unit revenue for the year increased by 5.9%, or $32.2 million. Newly acquired operations increased revenue by $18.2 million. Income from continuing operations for 2006 was $25.6 million, or $0.35 per diluted share, compared to $21.7 million, or $0.28 per diluted share for 2005.

In January 2006, CBIZ adopted FAS 123(R) related to accounting for stock compensation expense, and for the full year 2006, the Company recognized $1.6 million of additional expense compared with full year 2005 as a result of adopting FAS 123(R).

During 2006, CBIZ purchased a total of 9.7 million shares of its common stock at a total cost of $74.5 million. Since December 31, 2006, 1.3 million shares of the Company's common stock have been repurchased at a cost of $8.8 million under a 10(b)5-1 plan established to repurchase shares. At December 31, 2006, and as of February 12, 2007, there was no balance outstanding on the Company's $100 million unsecured credit facility. The Company held approximately $3.4 million of surplus funds invested in short-term market instruments as of December 31, 2006.

"This quarter represents the fourteenth consecutive quarter that we have reported same-unit revenue growth. Each of our business segments contributed to the growth we experienced in 2006," stated Steven Gerard, Chairman and Chief Executive Officer. "During 2006 we continued to generate positive cash flow which was deployed to make three acquisitions that contributed 3.3% to our revenue growth in 2006. We continue to utilize surplus cash flow and debt capacity to repurchase shares when it is accretive to shareholders and over the past four years, CBIZ has invested $174 million through share repurchase activity," continued Gerard. "We are pleased that we have been able to translate our 9.2% growth in revenue into a 25% growth in earnings per diluted share from continuing operations in 2006. This represents the fifth year in a row that CBIZ has been able to record growth in earnings per share of at least 20% a year," concluded Mr. Gerard.

Outlook for 2007

In 2007, CBIZ expects to achieve revenue growth in a range of 8% to 10%, and expects to continue to improve earnings per share from continuing operations by a minimum of 20% over the $0.35 per diluted share reported for 2006. Cash flow is expected to remain strong, and CBIZ expects EBITDA of approximately $70 million in 2007.

CBIZ will host a conference call later this morning to discuss its results. The call will be webcast in a listen-only mode over the Internet for the media and the public, and can be accessed at www.cbiz.com. Shareholders and analysts wishing to participate in the conference call may dial 1-800-640-9765 several minutes before 11:00 a.m. (ET). If you are dialing from outside the United States, dial 1-847-413-4837. A replay of the call will be available starting at 1:00 p.m. (ET) February 13 through midnight (ET), February 16, 2007. The dial-in number for the replay is 1-877-213-9653. If you are listening from outside the United States, dial 1-630-652-3041. The access code for the replay is 16906671. A replay of the webcast will also be available on the Company's web site at www.cbiz.com.

CBIZ, Inc. provides professional business services that help clients better manage their finances, employees and technology. As the largest benefits specialist, one of the largest accounting, valuation and medical practice management companies in the United States, CBIZ provides its clients with integrated financial services which include accounting and tax, internal audit, Sarbanes-Oxley 404 compliance, merger and acquisition, and valuation. Employee services include group benefits, property and casualty insurance, payroll, HR consulting and wealth management. CBIZ also provides information technology, hardware and software solutions, government relations, healthcare consulting and medical practice management. These services are provided throughout a network of more than 140 Company offices in 34 states and the District of Columbia.

Forward-looking statements in this release are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, but are not limited to, the Company's ability to adequately manage its growth; the Company's dependence on the current trend of outsourcing business services; the Company's dependence on the services of its CEO and other key employees; competitive pricing pressures; general business and economic conditions; and changes in governmental regulation and tax laws affecting its insurance business or its business services operations. A more detailed description of such risks and uncertainties may be found in the Company's filings with the Securities and Exchange Commission.

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CBIZ, INC.
FINANCIAL HIGHLIGHTS (UNAUDITED)
THREE MONTHS ENDED DECEMBER 31, 2006 AND 2005
(In thousands, except percentages and per share data)

	THREE MONTHS ENDED DECEMBER 31,			
	2006	%	2005 (1)	%
Revenue	$143,950	100.0%	$130,738	100.0%
Operating expenses	131,259	91.2%	116,947	89.5%
Gross margin	12,691	8.8%	13,791	10.5%
Corporate general and administrative expense	5,042	3.5%	4,677	3.6%
Depreciation and amortization expense	4,152	2.9%	3,600	2.7%
Operating income	3,497	2.4%	5,514	4.2%
Other income (expense):				
Interest expense	(862)	-0.6%	(696)	-0.5%
Gain on sale of operations, net	7	0.0%	285	0.2%
Other income, net	2,298	1.6%	1,881	1.4%
Total other income, net	1,443	1.0%	1,470	1.1%
Income from continuing operations before income tax expense	4,940	3.4%	6,984	5.3%
Income tax expense	1,761		2,763	
Income from continuing operations	3,179	2.2%	4,221	3.2%
Loss from operations of discontinued businesses, net of tax	(550)		(1,903)	
Gain on disposal of discontinued businesses, net of tax	405		2,857	
Net income	$ 3,034	2.1%	$ 5,175	4.0%
Diluted earnings (loss) per share:				
Continuing operations	$ 0.05		$ 0.06	
Discontinued operations	(0.01)		0.01	
Net income	$ 0.04		$ 0.07	
Diluted weighted average common shares outstanding	69,556		75,947	
Other data from continuing operations:				
EBIT (2)	$ 5,795		$ 7,395	
EBITDA (2)	$ 9,947		$ 10,995	

(1) Certain amounts in the 2005 financial data have been reclassified to conform to the current year presentation, including reflecting the impact of discontinued businesses.

(2) EBIT represents income from continuing operations before income taxes, interest expense, and gain on the sale of operations. EBITDA represents EBIT as defined above before depreciation and amortization expense. The Company has included EBIT and EBITDA data because such data is commonly used as a performance measure by analysts and investors and as a measure of the Company's ability to service debt. EBIT and EBITDA should not be regarded as an alternative or replacement to any measurement of performance under generally accepted accounting principles (GAAP).

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CBIZ, INC.
FINANCIAL HIGHLIGHTS (UNAUDITED)
TWELVE MONTHS ENDED DECEMBER 31, 2006 AND 2005
(In thousands, except percentages and per share data)

	TWELVE MONTHS ENDED DECEMBER 31,			
	2006	**%**	**2005 (1)**	**%**
Revenue	$601,125	100.0%	$550,731	100.0%
Operating expenses	519,230	86.4%	476,046	86.4%
Gross margin	81,895	13.6%	74,685	13.6%
Corporate general and administrative expense	24,675	4.1%	24,911	4.5%
Depreciation and amortization expense	16,425	2.7%	14,617	2.7%
Operating income	40,795	6.8%	35,157	6.4%
Other income (expense):				
Interest expense	(3,365)	-0.5%	(3,109)	-0.6%
Gain on sale of operations, net	21	0.0%	314	0.1%
Other income, net	4,965	0.8%	4,004	0.7%
Total other income, net	1,621	0.3%	1,209	0.2%
Income from continuing operations before income tax expense	42,416	7.1%	36,366	6.6%
Income tax expense	16,789		14,660	
Income from continuing operations	25,627	4.3%	21,706	3.9%
Loss from operations of discontinued businesses, net of tax	(2,137)		(6,583)	
Gain on disposal of discontinued businesses, net of tax	911		3,550	
Net income	$ 24,401	4.1%	$ 18,673	3.4%
Diluted earnings (loss) per share:				
Continuing operations	$ 0.35		$ 0.28	
Discontinued operations	(0.02)		(0.04)	
Net income	$ 0.33		$ 0.24	
Diluted weighted average common shares outstanding	73,052		76,827	
Other data from continuing operations:				
EBIT (2)	$ 45,760		$ 39,161	
EBITDA (2)	$ 62,185		$ 53,778	

(1) Certain amounts in the 2005 financial data have been reclassified to conform to the current year presentation, including reflecting the impact of discontinued businesses.

(2) EBIT represents income from continuing operations before income taxes, interest expense, and gain on the sale of operations. EBITDA represents EBIT as defined above before depreciation and amortization expense. The Company has included EBIT and EBITDA data because such data is commonly used as a performance measure by analysts and investors and as a measure of the Company's ability to service debt. EBIT and EBITDA should not be regarded as an alternative or replacement to any measurement of performance under generally accepted accounting principles (GAAP).

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CBIZ, INC.
FINANCIAL HIGHLIGHTS (UNAUDITED)
THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2006 AND 2005
(In thousands, except percentages and per share data)

	THREE MONTHS ENDED DECEMBER 31,		TWELVE MONTHS ENDED DECEMBER 31,	
	2006	2005 (3)	2006	2005 (3)
Revenue				
Financial Services	$ 61,495	$ 56,825	$277,557	$262,119
Employee Services	40,572	36,181	155,663	141,815
Medical Management Professionals	29,355	25,084	117,369	98,175
National Practices	12,528	12,648	50,536	48,622
Total	**$143,950**	**$130,738**	**$601,125**	**$550,731**
Gross margin				
Financial Services	$ 2,564	$ 3,051	$ 41,769	$ 41,002
Employee Services	9,505	9,073	33,609	31,088
Medical Management Professionals	4,924	4,276	19,862	17,550
National Practices	1,221	1,979	6,035	4,873
Total(1)	**$ 12,691**	**$ 13,791**	**$ 81,895**	**$ 74,685**

SELECT BALANCE SHEET DATA AND RATIOS

	DECEMBER 31, 2006	DECEMBER 31, 2005 (3)
Cash and cash equivalents	$ 12,971	$ 8,909
Restricted cash	$ 17,507	$ 9,873
Accounts receivable, net	$ 106,299	$ 96,465
Current assets before funds held for clients	$ 160,652	$ 152,064
Funds held for clients	$ 84,441	$ 65,669
Goodwill and other intangible assets, net	$ 211,929	$ 181,347
Total assets	**$ 518,282**	**$ 454,515**
Current liabilities before client fund obligations	$ 91,341	$ 87,716
Client fund obligations	$ 84,441	$ 65,669
Convertible notes	$ 100,000	$ —
Bank debt	$ —	$ 32,200
Total liabilities	**$ 301,704**	**$ 199,854**
Treasury stock	$(176,773)	$(102,317)
Total stockholders' equity	**$ 216,578**	**$ 254,661**
Debt to equity (4)	46.2%	12.6%
Days sales outstanding from continuing operations (2)	67	66
Shares outstanding	67,416	73,822
Basic weighted average common shares outstanding	71,004	74,448
Diluted weighted average common shares outstanding	73,052	76,827

(1) Includes operating expenses recorded by corporate and not directly allocated to the business units of $5,523 and $4,588 for the three months ended December 31, 2006 and 2005, and $19,380 and $19,828 for the twelve months ended December 31, 2006 and 2005, respectively.

(2) Days sales outstanding (DSO) is provided for continuing operations and represent accounts receivable (before the allowance for doubtful accounts) and unbilled revenue (net of realization adjustments) at the end of the period, divided by daily revenue. The Company has included DSO data because such data is commonly used as a performance measure by analysts and investors and as a measure of the Company's ability to collect on receivables in a timely manner. DSO should not be regarded as an alternative or replacement to any measurement of performance under generally accepted accounting principles (GAAP).

(3) Certain amounts in the 2005 financial data have been reclassified to conform to the current year presentation, including reflecting the impact of discontinued businesses.

(4) Ratio is convertible note and bank debt divided by total equity.

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Exhibit 99.2

CBIZ, Inc.
Fourth Quarter and Year End 2006 Conference Call
February 13, 2007
11:00 am Eastern Time

CORPORATE PARTICIPANTS

Steven Gerard
CBIZ, Inc — Chairman, CEO

Ware Grove
CBIZ, Inc — CFO, SVP

Jerry Grisko
CBIZ, Inc — President, COO

CONFERENCE CALL PARTICIPANTS

Jim Macdonald
First Analysis — Analyst

Jim Lane
Tripoint — Analyst

Amy Minella
Cardinal Capital Management — Analyst

Lenny Indovina
UBS — Analyst

Ross Nelson
CD Capital — Analyst

PRESENTATION

Operator

Good morning, ladies and gentlemen. And welcome to the CBIZ fourth quarter and year end 2006 conference call. [OPERATOR INSTRUCTIONS] Please note that this conference is being recorded.

I will now turn the call over to Mr. Steven Gerard, Chairman and CEO of CBIZ. Mr. Gerard you may begin.

Steven Gerard — *CBIZ, Inc — Chairman, CEO*

Thank you, and good morning everyone. Thank you for calling in to CBIZ's fourth quarter and year end 2006 conference call. Before I begin with my comments, I would like to remind you of a few things. As with all our conference calls, this call is intended to answer the questions of our shareholders and analysts. If there are media representatives on the call, you are welcome to listen in; however, I ask that if you do have questions, you hold them for after the call. We will be happy to address your questions at that time. The call is also being webcast and you can access the call over our website, www.CBIZ.com.

You should have all received a copy of the release which we issued this morning. If you did not, you can access it on our website or you can call our corporate office for a copy. Finally, please remember that during the course of the call, we may make forward-looking statements. These statements represent management's intentions, hopes, beliefs, expectations, and predictions of the future. Actual results can and sometimes do differ materially from those projected in forward-looking statements. Additional information concerning the factors that would cause actual results to differ materially from those in the forward-looking statements is contained in our SEC filings, Form 10-K, and press releases. Joining me on the call this morning are Jerry Grisko, our President and Chief Operating Officer; and Ware Grove, our Chief Financial Officer.

Beginning of last year, we forecasted an aggressive plan for 2006, one which included a targeted revenue growth in the range of 8% to 10%, and an increase in earnings per share of 20% to 25%. This morning prior to the opening, we were pleased to announce our 2006 results and that we had successfully hit our targets, including an earnings per share number of $0.35 per share from continuing operations, which was a 25% increase over the 2005 results. This represents the fifth consecutive year that CBIZ reported earnings per share in excess of 20%. Notable in our 2006 results was the fact that each of our four business segments contributed to both our revenue and our earnings growth. The press release also recounted that in 2006 we continued our aggressive stock buyback program, and we successfully completed three acquisitions. At this point, I would like to turn this over to Ware to give you the details of the fourth quarter and the full-year results.

Ware Grove — *CBIZ, Inc — CFO, SVP*

Thanks, Steve. I want to take a few minutes to highlight some of the numbers we released earlier this morning, with our fourth quarter and full-year results for 2006. As you look at results for 2006, please be aware that in the fourth quarter we classified a small accounting business unit and one of our non-core national insurance business units, as discontinued operations. Results from these units are segregated and are reported in discontinued operations for 2006; and 2005 results have been restated to reflect this classification. The impact to revenue is approximately $13 million for the full year; however the impact on earnings is negligible.

For the fourth quarter ended December 31, 2006, total revenue was $144 million, an increase of 10.1% or $13.2 million, over revenue reported in the fourth quarter a year ago. Every business segment grew in the fourth quarter compared with a year ago. Same-unit revenue increased by $8.3 million or by 6.3%, in the fourth quarter compared with a year ago. Revenue from newly acquired businesses served to increase revenue by $4.9 million or by 3.8%, compared with the fourth quarter a year ago.

As you look at the fourth quarter results, you should be aware that CBIZ recorded an increase in expense of approximately $500,000 for stock compensation related to the adoption of FAS 123R. Of this expense, approximately $300,000 is reflected in operating expense, and approximately $200,000 is reflected in corporate, general and administrative expense. You should also take note that revenue in our mergers and acquisition business, which is included in our National Practices segment, declined by approximately $500,000 in the fourth quarter compared with the fourth quarter a year ago. Revenue in this operation is based on closing client merger transactions, which are unpredictable; so results in this unit tend to cause some variability in our revenue and margins from quarter to quarter. As we indicated earlier this year, we also have experienced a decline in our revenue associated with our Sarbanes-Oxley consulting business, which is included in our Financial Services segment. While this does not represent a significant portion of our total revenue, in the past this has been a higher margin business for us, so the operating margins in the fourth quarter compared with a year ago was impacted by the decline in this area. Earnings per share from continuing operations in the fourth quarter were $0.05 per fully diluted share.

For the full year total revenue was $601.1 million, which was an increase of 9.2% or $50.4 million over the full-year a year ago. Same-unit revenue grew by 5.9% or by $32.2 million. Revenue growth attributed to newly acquired businesses was $18.2 million, which contributed 3.3% to revenue growth compared with a year ago. Each business segment grew for the full year, and with same-unit revenue. Financial Services growing by 5.8%, Employee Services grew by 6.2%, Medical Management Professionals grew by 6.5%, and our National and Technology businesses grew by 3.9% for same-unit revenue growth. For the full year, expense related to stock compensation increased by approximately $1.6 million in connection with the adoption of FAS 123R. Approximately $1.1 million of this expense is reflected in operating expenses, with approximately $500,000 reflected in general and administrative expenses.

For the full year we were able to leverage the 9.2% growth in revenue, into a 25% growth in earnings per share. Earnings per share from continuing operations were $0.35 per fully diluted share, compared with $0.28 per share in 2005. You will note that margins on pre-tax income from continuing operations improved by 50 basis points in 2006 compared with 2005. This performance in 2006 is consistent with the financial performance goals we have consistently outlined, which are to grow revenue by approximately 10% a year and achieve a minimum of a 20% to 25% annual growth in earnings per share.

As we mentioned in the release this morning, CBIZ has continued to repurchase shares of common stock. For the full year 2006, we repurchased 9.7 million shares. I want to remind you that 6.6 million shares were repurchased in connection with closing the $100 million convertible note on May 30, and since that time we have repurchased an additional 3.1 million shares in open market activity through December 31, 2006. However, let me also emphasize that our priority for using capital continues to be in making strategic acquisitions, and we are continually working on a pipeline of potential acquisitions. At the same time, we also continue to evaluate share repurchases, and if repurchases are expected to be accretive to shareholders, we will repurchase shares if our cash flow and our balance sheet supports this activity. Since December of 2006, CBIZ has had in place a 10(b)5-1 program and we have repurchased an additional 1.3 million shares in 2007, at a cost of $8.8 million since December

31, 2006. At the close of business yesterday, February 12, CBIZ had no borrowings outstanding on our $100 million unsecured bank line of credit, so this borrowing facility remains available to fund operating needs and to fund potential future acquisitions.

Earlier this morning, CBIZ announced that our Board of Directors has extended their authorization to repurchase an additional 5 million shares through March 31, of 2008. You can conclude from this activity that the cash flow generated by our operations continues to be very strong. We made three acquisitions in 2006 that contributed $18.2 million to revenue growth. With these transactions, plus earn-out payments made for prior acquisitions, we've spent approximately $24.3 million for acquisition-related spending, plus the $74.4 million we spent on share repurchase activity during 2006. Capital spending for the full year in 2006 was $6.9 million.

Looking at the balance sheet, days sales outstanding on receivables was 67 days at December 31, 2006, and the ratio of debt to equity on the balance sheet was 46.2% at December 31, 2006. To sum up, we are pleased with our revenue growth of 9.2% in 2006 and we are extremely pleased to achieve a 25% growth in diluted earnings per share from continuing operations in 2006. Again, this performance is in line with our long-term goal which we had consistently expressed, to achieve an annual growth of at least 20% to 25% in earnings per share.

Now, as we look forward to 2007, we again expect to achieve revenue growth in a range of 8% to 10% over 2006, and we expect to achieve growth in earnings per share from continuing operations of at least 20% over the $0.35 per share recorded for 2006. EBITDA is expected to be approximately $70 million for 2007, compared with a $62.1 million reported for 2006. Considering the recent share repurchase activity to date, the diluted share count for 2007 is expected to be in a range of 68 to 70 million shares depending on the dilutive impact of outstanding stock options. So with these comments, I will conclude and I will turn it back over to Steve.

Steven Gerard — *CBIZ, Inc — Chairman, CEO*

Thank you, Ware. Just a few general comments. We were successful in 2006 in exceeding our cross serving target where we generated in excess of $15 million of first year revenue from our internal referral sources, up for the sixth consecutive year and up from the $13.5 million that we reported last year. In general, the business climate looks good for us. The economies are relatively strong, business activity is relatively good. Our acquisition pipeline continues to be strong in each of our major product areas.

Ware commented on the 2007 outlook. We will continue our focus on margin improvement and I will repeat what Ware said which is we are committed to our long-term goals of 10% top line growth and at least 20% bottom line growth. With that, I would like to stop and I would be happy to take questions from any of our shareholders or analysts.

QUESTION AND ANSWER

Operator

Thank you. [OPERATOR INSTRUCTIONS] The first question comes from Jim Macdonald from First Analysis. Please go ahead.

Jim Macdonald — *First Analysis — Analyst*

Good quarter and year, guys.

Steven Gerard — *CBIZ, Inc — Chairman, CEO*

Thanks, Jim.

Jim Macdonald — *First Analysis — Analyst*

Could you talk a little bit about what led to the rebound in same store sales and were any particular segments stronger than the others?

Ware Grove — *CBIZ, Inc — CFO, SVP*

Jim, the — I think when you talk about rebound, you're talking about the slowdown we experienced in the third quarter versus full-year results and the fourth quarter results?

Jim Macdonald — *First Analysis — Analyst*

That's correct.

Ware Grove — *CBIZ, Inc — CFO, SVP*

We're happy with the full-year results approaching 6%, and that's what we would expect longer term. You will remember when we talked about the third quarter, we talked about the third quarter typically being seasonally our most challenging quarter. It is after the first half tax and accounting push, and it is really before some of the year-end work kicks in, so we weren't particularly concerned; remind you of our comments earlier, in that the third quarter call, it was a bit of an anomaly and we have — basically, we're back on track, and I don't think that the third quarter results were indicative of any long-term trend.

Steven Gerard — *CBIZ, Inc — Chairman, CEO*

Right. Well, we also had a little bit of an adjustment in the third quarter. I think you will recall that our medical practice business witnessed a little bit of a slowdown from the Medicare reimbursements when they were slowed up, and a lot of that was recaptured. It is very difficult in any one quarter, Jim. Just to look at a trend, and I think Ware correctly hit on it, there was nothing specific in the fourth quarter. It was just general business.

Jim Macdonald — *First Analysis — Analyst*

Financial Services seemed a bit — seemed strong versus what I would have expected. Any reason for that to really bounce back?

Ware Grove — *CBIZ, Inc — CFO, SVP*

No, again, I would just make the same comment. I think the second half, you've seen the second half in Financial Services, it is not as strong as the first half. In the first half of the year, we have a lot of recurring revenue associated with our tax work, and in the second half of the year, the business mix is more towards project work, consulting, and nonrecurring revenue. So it is harder to predict second half revenue. But the fourth quarter performance in Financial Services you've noted, was very good, and we're happy with that.

Jim Macdonald — *First Analysis — Analyst*

Okay. And could you estimate, I know you hired [Audio Difficulties] for Financial Services to I think beef up for 2007. What kind of impact might be of that increase?

Ware Grove — *CBIZ, Inc — CFO, SVP*

Jim, we're breaking up just a little bit. If I understand your question, we commented earlier in the year about the number of new hires in Financial Services.

Jim Macdonald — *First Analysis — Analyst*

Right. That's what I'm asking about.

Ware Grove — *CBIZ, Inc — CFO, SVP*

Well that clearly, as we commented earlier, had some impact on our compensation costs and our margins in the second half of the year. But as we go into 2007, we're looking to improve those margins over 2006 levels, and continue to grow Financial Services at a good rate.

Jim Macdonald — *First Analysis — Analyst*

Then let me just ask a guidance question and I will get off for a second. Could you kind of give some of the assumptions that are in your guidance for 2007 to get to — what level of acquisition, if any, is in your guidance, and kind of how do you get to the 8% to 10% revenue growth?

Steven Gerard — *CBIZ, Inc — Chairman, CEO*

We get to the 8% to 10% revenue growth by looking at the markets that we're in, looking at the pricing opportunities we have, and how far our staff can push themselves; and quite frankly how far we can push the Company. We look at it by business segment, because each segment has different growth metrics assigned to it, and we set a target of what we think is do-able based on the resources we have and the resources we've acquired.

We do have a mechanism of breaking it down individually by business segment, but I don't think we generally make that available. That is more for internal use. With respect to the minimum of 20% growth for '07, the last two years we've actually had acquisitions close at year-end or effective the first of the year, that we factored into the program so we had a good idea of what they are likely to be for the full year. This year, we didn't close anything at year-end or January 1, so we've got an assumption in there of an acquisition or two based on the pipeline that we have. But quite frankly, we're focused on that 20% minimum target whether we complete an acquisition or not. We think there is enough opportunity in the system to do that.

Jim Macdonald — *First Analysis — Analyst*

So specifically, I mean is there a particular group, I mean, do you expect MMP to get back to high double digit growth?

Steven Gerard — *CBIZ, Inc — Chairman, CEO*

We expect growth from all of our business segments. I think we're expecting good growth out of the Financial Services group and out of the business, the Employee Services group. MMP, which has grown dramatically over the last seven years, may not grow quite as fast this year, but we sort of put it all together and look at it as a portfolio of companies, which is what gives us the comfort that we can hit that number.

Jim Macdonald — *First Analysis — Analyst*

Thanks. I will get back in queue.

Operator

The next question comes from Jim Lane from Tripoint. Please go ahead.

Jim Lane — *Tripoint — Analyst*

Hi, good morning. Can you hear me okay?

Steven Gerard — *CBIZ, Inc — Chairman, CEO*

Jim, we can. Thank you.

Jim Lane — *Tripoint — Analyst*

Thanks. I had three questions. First, on same-unit growth: There seemed to be a little bit of misunderstanding in the first — in the third quarter about just the year-over-year trends. I was just curious if you could comment a little bit about the upcoming comparisons for the first half of ‘07. Are there any particular — were there any particular large project work in the first half of ‘06 that would potentially make for difficult comparisons in the first half of ‘07 relative to your longer term goals for same-unit growth?

Steven Gerard — *CBIZ, Inc — Chairman, CEO*

There were no significant projects of the magnitude that would cause the meter to move in the first half of last year, to impact ‘07, the comparison with ‘07.

Jim Lane — *Tripoint — Analyst*

Okay, great. Secondly, I was just wondering if you can talk a little bit about the drivers of your expectations for positive operating leverage in ‘07. Obviously, with EBITDA growth expectation higher than revenue growth, is it that we put some fixed costs in place in the second half of ‘07 in the form of hiring additional professionals and you’re positive about revenue growth for ‘07? Is that where the bulk of the leverage comes from, operating leverage that is?

Ware Grove — *CBIZ, Inc — CFO, SVP*

Well, yes, we think we have considerable operating leverage built into the business at CBIZ. And when you think about our revenue growth, traditionally about half of that has come from price increases, and rates, and commission rates, and rates per hour that we bill clients; and the other half comes from an increase in volume of business that we do whether it be new clients or the hours billed per client. So that is basically where the revenue growth comes from.

And then when you turn to the cost structure, you think 30% of our cost is relatively fixed and that is in the office-related infrastructure. That’s the facilities costs, and all those related costs are essentially fixed or growing no faster than say inflation. Then it boils down to leveraging the compensation expense. And when you think about compensation in the Employee Services area, it is a variable compensation structure in that the producer earns a share of the incremental revenue, and the balance of the incremental revenue is left to pay the fixed costs and then contribute to margin improvement. The same thing is essentially true on the Financial Services side, so while we’ve been able to achieve a 50 basis points improvement this year, you’ve also noted that further margin improvement is possible in 2007, and that’s where it comes from.

Steven Gerard — *CBIZ, Inc — Chairman, CEO*

I think if you looked on our website, we post our investor presentation. One of the slides in the investor presentation, our targeted margin improvements that we think is do-able over time by business segment. And those targets really come from industry numbers that we take a look at and say, “Who is the best in the business, and how close can we get to them?” So we think from an external standpoint we have some improvement. From an internal standpoint, as Ware points out, it really is going to depend on our ability to better utilize our existing work force than we have before. But we’re making progress each year.

Jim Lane — *Tripoint — Analyst*

Okay. Great. Thank you. And then just my last question is: I’m wondering if you could speak to if any parts of your business are sensitive to the insurance rate environment right now, because certain insurance areas have been experiencing either a deceleration in premium rate growth, or actually some are actually experiencing declines. Is your revenue and operating margin sensitive to that at all?

Steven Gerard — *CBIZ, Inc — Chairman, CEO*

Our Employee Services group, which is primarily our health benefit insurance as well as our property and casualty insurance, is impacted by changes in commissions, changes in rates by the carriers. The property and casualty market which is the market that is being impacted the most today, is really a smaller part of our business, and we're not seeing nor are we forecasting, significant declines on the benefit side.

Jim Lane — *Tripoint — Analyst*

Okay. Great. Thank you very much.

Operator

Next question comes from Amy Minella from Cardinal Capital Management.

Amy Minella — *Cardinal Capital Management — Analyst*

Good morning. Just a question on the numbers that you gave for the same-unit sales growth, the 5.8%, 6.2%, 6.5%, and 3.9%, was that for the fourth quarter or for the year?

Ware Grove — *CBIZ, Inc — CFO, SVP*

I'm sorry, that is for the full year.

Amy Minella — *Cardinal Capital Management — Analyst*

Okay. Do you have the Q4 numbers for those?

Ware Grove — *CBIZ, Inc — CFO, SVP*

The Q4 numbers were a bit stronger in each area. For Financial Services we were up same-unit 8.2%; Employee Services were up 8%; MMP was slightly lower at 3.4%; and National Practices was flat. And remember, that's where I commented on the merger and acquisition business.

Amy Minella — *Cardinal Capital Management — Analyst*

Right. Thank you. And then just one more question. Could you expand a bit on what you think the acquisition environment looks like in the medical practice segment?

Steven Gerard — *CBIZ, Inc — Chairman, CEO*

In the medical practice segment, we completed one very large transaction the beginning of last year called TriMed, which has been very successful. We have a pipeline that is — that has more names on it now than we've had in the past, but I caution you that the mortality rate from pipelines are very, very high. We think there will continue to be opportunity in each of the medical practice areas: radiology, pathology, anesthesiology, and ER areas, so we think there will continue to be opportunity over the next year.

Amy Minella — *Cardinal Capital Management — Analyst*

Okay. Thank you very much.

Operator

The next question comes from Lenny Indovina from UBS. Please go ahead.

Lenny Indovina — *UBS — Analyst*

Hello, guys. Could you answer me a question? I've been listening to these conference calls for quite some time now and all the apparent great numbers that are expressed here, why doesn't it translate into the price of the stock?

Steven Gerard — *CBIZ, Inc — Chairman, CEO*

Len, our job is to run the Company as effectively as we can and produce the kind of results we have. We can't...we don't know what drives it. We think that the — we know that we're a little bit of a confusing story for some people because we're in different businesses. We also understand that we're hard to compare because there are not a lot of companies that are in the business — public companies that are in the business we're in. We continue to be focused on improving the earnings per share and growing the revenue, and making this a bigger and stronger company. And we're reasonably comfortable that as we continue our aggressive Investor Relations program, which we have, and as we continue to get the word out, more and more people will find the Company. There are a lot of small cap companies out there for somebody to look at, so we're going to focus on running the business the best we can and kind of keep our fingers crossed that the market will take care of us appropriately.

Lenny Indovina — *UBS — Analyst*

Can I ask a second question here?

Steven Gerard — *CBIZ, Inc — Chairman, CEO*

Sure.

Lenny Indovina — *UBS — Analyst*

Very obviously my interest has always been in Employee Services and I look at the growth, the same-unit growth throughout the year, and I see that it went up dramatically from '05 to '06 and that was because Payroll was shifted out of National Practice into Employee Services. So is that growth that I see in Employee Services a reflection of Payroll being added to that sector?

Steven Gerard — *CBIZ, Inc — Chairman, CEO*

No Len, the — we make that adjustment when we do same store growth. We adjust both years, so we are always talking about apples to apples. The growth you saw in Employee Services came from a lot of hard work from the people in the Employee Services area.

Lenny Indovina — *UBS — Analyst*

Thank you.

Operator

The next question comes from Jim Macdonald from First Analysis with a follow-up. Please go ahead.

Jim Macdonald — *First Analysis — Analyst*

Taking one more look at MMP, any impact of the McKesson merger?

Steven Gerard — *CBIZ, Inc — Chairman, CEO*

I think it is fair to say we have not seen to date any impact of the McKesson merger of Per-Sé . Our best guess is that people are taking a wait and see attitude with respect to what influence McKesson may have on Per-Sé . The hospital based physician piece of Per-Sé was significant to Per-Sé before the acquisition. It is now a $250 million piece of a $90 billion company, so people — I think the market is waiting to see how important it will be, what kind of investment they will make, whether they will make any changes. It is too soon to tell whether it will have any significant impact in the market, and we continue to grow our business regardless of what Per-Sé does.

Jim Macdonald — *First Analysis — Analyst*

Also, you announced a couple of contract wins, I believe in November that, I think, amounted to $3 million annually or something like that. When can we expect to see the impact of those? I don't know that we saw that in the fourth quarter.

Steven Gerard — *CBIZ, Inc — Chairman, CEO*

You would not see them in the fourth quarter. I think you start to see them in the beginning of — I think one is in the beginning of '07, and one is three months later. There is usually a time delay before you actually see any real impact.

Jim Macdonald — *First Analysis — Analyst*

Okay. And just a number of technical points. Could you give a little more detail on other income in the quarter?

Ware Grove — *CBIZ, Inc — CFO, SVP*

Yes, Jim. The other income is where we recognize interest income on our short-term investments. So given the financing we did throughout the year and the pay down we had on the bank line of credit, we did temporarily have some short-term investments we held from time to time. So that was a little greater this year than typically it has been in prior years when we're a net borrower on the credit facility. The other major component in other income represents what I will call contingent income or contingent revenue, based on operations that have been sold in prior years. We don't necessarily plan on that income because it is contingent, but those are the two pieces that primarily run through other income.

Jim Macdonald — *First Analysis — Analyst*

Can we expect other income to continue going forward?

Ware Grove — *CBIZ, Inc — CFO, SVP*

We don't really — I will say we should expect it to continue going forward, but what we do is we don't count on it from a planning perspective because so much of it is contingent. So we look at other income, maybe at a level of perhaps roughly 50% of what you see in 2006.

Jim Macdonald — *First Analysis — Analyst*

Okay. And just quickly, Cap-Ex in the quarter? I think you gave the annual number.

Ware Grove — *CBIZ, Inc — CFO, SVP*

In the quarter it was, I think $1.9 million, Jim.

Jim Macdonald — *First Analysis — Analyst*

Okay. And then could you describe a little more the discontinued operations, what the issues were, and—?

Steven Gerard — *CBIZ, Inc — Chairman, CEO*

Well, we continue to look at the portfolio of companies. There are almost 70 different business units and we try to assess whether we think they have long-term growth possibilities and whether they fit the overall plan, either from a product standpoint or a geographic standpoint. From time to time we're going to make a decision that a particular unit just doesn't fit the plan, and when we make that decision and have reason to think that we will be able to dispose of it in the one-year time frame that the accounting rules require, we count it as a discontinued operation. I think Ware pointed out to you that the $10 million plus revenue impact had virtually no impact on the bottom line. That could give you another indication of why we decided it was — it should be a discontinued operation.

Jim Macdonald — *First Analysis — Analyst*

Okay. Thanks very much.

Operator

The question comes from Ross Nelson from CD Capital. Please go ahead.

Ross Nelson — *CD Capital — Analyst*

Hi, guys. Great quarter. Can you update us on the reauthorization of the — or the upping of the stock buyback program? Was that 5 million on top of a certain number that is left remaining or is that kind of the new total number? And then how much of that, all things held equal assuming the stock price doesn't dramatically go up or down, how much of that would you assume for our modeling purposes would be accomplished by kind of year end '07?

Steven Gerard — *CBIZ, Inc — Chairman, CEO*

The Board authorization quite frankly was just a technical transaction. The current Board authorization expired in March of '07; so if you want to continue to have a plan, you need to have a reauthorization. It is not an incremental 5 million shares, it is just 5 million shares expiring in 2008. I would say publicly, that hypothetically if the Company had bought 5 million shares before March '08, then typically what a company does is it goes back to the Board if it wishes to and gets another authorization. So I would view that announcement this morning as one we had to make because the Board authorized it, but there is no — it is not signaling anything that was inconsistent with what you've seen over the last three or four years.

With respect to how many shares we might repurchase, we really don't have a plan. As Ware pointed out, we're going to continue to be opportunistic. We are going to continue to use our cash first for acquisitions; to the extent that we don't have enough in any period of time, enough acquisitions, we will look to buy our shares back as long as they're accretive. And in terms of modeling—.

Ware Grove — *CBIZ, Inc — CFO, SVP*

Ross, basically, as we look ahead and setting our 2007 guidance, we're not assuming any level of further share repurchase because it is truly opportunistic. If market conditions warrant and we can accomplish share repurchases that are accretive to the shareholder, and the future pipeline of acquisition opportunities is not going to use our debt or borrowing capacity, then we would look at that as an opportunity to make additional share repurchases. But because acquisitions are clearly our first priority and really drive our behavior, and share repurchases are secondary to that, we really don't assume a level of additional share repurchases.

Steven Gerard — *CBIZ, Inc — Chairman, CEO*

I think the important point there is that when you look at the projection for 2007 of 20% EPS growth, we have not assumed, as Ware said, any significant amount of shares in that forecast.

Ross Nelson — *CD Capital — Analyst*

Am I still on?

Steven Gerard — *CBIZ, Inc — Chairman, CEO*

Yes.

Ross Nelson — *CD Capital — Analyst*

Okay. So at current valuation, assuming you hit your $70 million number of EBITDA, I mean we look to be still around 7.5 times EBITDA which is frankly ridiculous relative to the comps, if one were to build a blended comp set. So one would assume that purchasing at this price would be considered opportunistic given the current valuation.

Ware Grove — *CBIZ, Inc — CFO, SVP*

Okay. Well, yes, Ross, and you've seen us, we just announced that through January, and through yesterday, we've been fairly active in the market.

Steven Gerard — *CBIZ, Inc — Chairman, CEO*

But the calculation of accretion isn't driven off of EBITDA, as you know. It is a calculation of our borrowing costs versus the cost of the stock, opposite the stock price — and then that's the way we tend to look at our decision, as opposed to current market multiple or EBITDA multiple.

Ross Nelson — *CD Capital — Analyst*

Okay. Fair enough. Thanks.

Operator

Mr. Gerard, at this time we have no additional questions.

Steven Gerard — *CBIZ, Inc — Chairman, CEO*

Okay. Well, thank you. Anyone who is listening who has additional questions you know you can always call Ware or me for — preferably Ware for the answers. I would like to take this opportunity to thank our shareholders for their continued support. You should know, as we tell you each year, the CBIZ company is committed to continue the kind of growth we've shown and the kind of performance you've been able to see over the last five years. And most importantly, to our staff, who is listening to this call, the congratulations and the thanks go to you, you do the work, you generate the revenue, you produce the earnings, you contributed to a very strong year, and we're very appreciative. And with that, we will sign off and thank everyone.

Operator

Thank you for participating in the CBIZ fourth quarter and year-end 2006 conference call. This concludes the conference for today. You may all disconnect at this time.