



## Xerox to Build Toner Plant in Webster, New York

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WEBSTER, N.Y.--(BUSINESS WIRE)--June 23, 2005--Xerox Corporation (NYSE: XRX) announced today plans to build a toner plant on the company's 1,100-acre campus in Webster, N.Y., a suburb of Rochester.

Scheduled for completion in 2007, the facility will create more than 40 jobs and retain 50 jobs. The plant will produce emulsion aggregation toner, a chemically grown toner that uses less toner per page and produces sharper images than traditional toner.

Xerox introduced EA toner three years ago. It is now used in more than 15 Xerox products like the company's WorkCentre(R) multifunction devices that print, copy and fax, and the Xerox DocuColor(R) series of color printers. EA toner is currently manufactured at the company's plant in Mississauga, Ontario. The additional plant in Webster will increase EA toner production by 175 percent per year.

The six-story, 120,000-square-foot facility will result in a \$59 million investment, including about \$10 million for the actual construction of the new plant, which is scheduled to begin later this year.

"Xerox's invention of EA toner has created another differentiator for us in the marketplace," said Wim Appelo, Xerox corporate vice president of Paper, Supplies & Supply Chain Operations. "As more Xerox color systems are designed to use EA toner, we need to increase production, ensuring that Xerox is well positioned to support future growth in color printing."

Color is playing a critical role in creating new business opportunities for Xerox and its customers. Only 3 percent of the total pages produced in businesses today are produced on color devices. Xerox expects new color technologies and services to drive that number to 10 percent of pages by 2008, fueling a \$22 billion market opportunity. The company continues to deliver double-digit revenue increases from the sale of its industry-leading color systems.

Developed jointly at the Xerox Research Centre of Canada and the company's Supplies Delivery Unit in Webster, EA toner is chemically grown from the molecular level to precise shapes and sizes, eliminating the grinding and size selection process required to make traditional toner.

"EA toner, which is protected by more than 100 patents, requires less energy to manufacture and generates less waste, making it a key plank in our pledge to cut greenhouse gas emissions," said Dr. John R. Laing, senior vice president of the Supplies Delivery Unit. Xerox has committed to reduce its greenhouse gas emissions - gaseous compounds in the atmosphere that trigger global climate change - by 10 percent from the baseline year 2002 to the end of 2012.

More than 6,000 employees currently work at the Xerox Joseph C. Wilson Center for Technology in Webster, which consists of 47 major buildings totaling 5.5 million square feet. The campus is home to some of the company's global research, engineering, manufacturing and distribution operations.

"We chose to build this facility in Webster to take advantage of the strong manufacturing and engineering competencies that exist here today. It's an investment in the community, in our people and in Xerox innovation," added Appelo.

Xerox worked in close cooperation with officials from Empire State Development and the State of New York, Monroe County, New York State Senator Michael F. Nozzolio, Rochester Gas & Electric and UNITE-HERE! to help bring this facility to Webster.

NOTE TO EDITORS: This release contains forward-looking statements and information relating to Xerox that are based on our beliefs as well as assumptions made by and information currently available to us. The words "anticipate," "believe," "estimate," "expect," "intend," "will" and similar expressions, as they relate to us, are intended to identify forward-looking statements. Actual results could differ materially from those projected in such forward-looking statements. Information concerning certain factors that could cause actual results to differ materially is included in the company's first-quarter 2005 Form 10-Q filed with the SEC.

For more information about Xerox and to receive its RSS news feed, visit [www.xerox.com/news](http://www.xerox.com/news). XEROX(R) and WorkCentre(R)(SM) are trademarks of XEROX CORPORATION. DocuColor is a registered trademark licensed to Xerox Corporation.

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