



Xerox Wins More Than \$23 Million in Document Services Contracts At HSBC; Services-led approach leads to \$11 million printing deal in Brazil; more than \$12 million in contracts signed in U.K.

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NEW YORK--(BUSINESS WIRE)--Sept. 14, 2004--Based on a record of delivering high performance at competitive cost, Xerox Corporation (NYSE: XRX) has signed more than \$23 million in new, long-term contracts to provide document equipment, services and support at the Brazilian and United Kingdom banking offices of HSBC, one of the world's largest international banks.

In Brazil, using Xerox office-assessment tools, Xerox do Brasil re-designed work processes at HSBC's primary administrative locations, projecting more than 20 percent savings in printing costs per year. To achieve the savings, Xerox removed 3,000 competitive, mostly inkjet printers at offices in Curitiba, Rio de Janeiro and Sao Paulo and replaced them with 200 Xerox WorkCentre(R) Pro multifunction systems and about 70 Xerox Phaser(R) color printers. The contract is valued at \$11 million over five years.

In the United Kingdom, HSBC signed contracts totaling more than \$12 million to provide Xerox equipment and services for branches as well as high-volume printing services for a key customer operation. The agreements cover five-year and four-year periods respectively.

"These wins demonstrate how global reach, innovative technology, and Lean Six Sigma analytical skills can uncover solid, verifiable savings opportunities for large enterprises like HSBC and generate long-term revenue streams for Xerox," said Thomas J. Dolan, president, Xerox Global Services.

Brazilian offices studied for efficiency

HSBC selected Xerox over competitors including HP, IBM and Lexmark to analyze its printing environment and provide a plan to improve HSBC's enterprise-wide document efficiency and productivity.

"We had very little quantifiable information about how much we had been spending to print millions of documents per month," said Guy Millar, chief operating officer, HSBC Brasil. "We asked Xerox to analyze this situation and supply a more effective print environment so we could improve the productivity of our workgroups. After a convincing analysis, we agreed that Xerox should supply new, more cost-efficient solutions and services that meet the high standards we hold at HSBC."

Xerox do Brasil, the Xerox Brazilian affiliate, is aligned with the corporation's dedicated focus to perform office analyses and help customers lower the high costs of operating their printer networks.

"We have worked with more than 200 customers who have had difficulty determining the costs of their printing operations," said Pedro Fabrega, president, Xerox do Brasil. "As much as two-thirds of this cost is not perceptible unless you have the tools and knowledge to find it. Xerox's Global Services team has that knowledge, and that's how we were able to help lower costs and improve efficiency at HSBC."

To analyze the actual cost of HSBC's printing, Xerox performed an Office Document Assessment, known in Brazil as "SMARTi." The 45-day study analyzed the bank's print assets and work processes, comparing them to benchmarks in the local financial industry.

In administrative areas, the assessment identified thousands of different kinds of decentralized printers and fax machines, some specified for just one worker. Many were inkjet printers, among the most expensive printers to operate because they consume costly ink cartridges at a rapid rate.

After compiling the data, Xerox designed a lower-cost, multifunction device-centered print environment for the bank's administrative workers.

Partnership the key in U.K.

In the United Kingdom, Xerox and HSBC have signed a series of contracts that provide for a range of services and equipment offerings. Among the largest contracts signed this year are:

- A five-year office fleet management deal that provides for HSBC retail banking establishments to select and install the latest Xerox equipment that meets the needs of that facility. The equipment is consistent with other technology within both the branch and headquarters office environments and compatible with the Xerox infrastructure in HSBC global operations. The contract includes DocuCare on-site specialists to provide equipment maintenance and support activities.

- A four-year contract to provide networked high-volume printing equipment for First Direct, HSBC's telephone banking subsidiary. The equipment, which includes Xerox DocuPrint 180 variable-data printing systems, software and support, is used in part to create customer documentation for immediate dispatch from the operation's critical call centers.

HSBC Brasil is part of HSBC, Hong Kong Shanghai Banking Corporation (LSE: HSBC Holdings plc), which has international headquarters in London,

operations in 80 countries, and an international network of 8,000 offices and agencies. The bank has 138 years of experience and more than 37 million customers worldwide. With assets in excess of US \$746 billion, the HSBC group is one of the most established financiers in the world.

Customer Contact:

For more information about Xerox, visit www.xerox.com or call 800-ASK-XEROX.

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