



Xerox Fuels Profits, Fires up World's Premier Printing Show with Seven New High-End Systems, Expanded Services

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DUSSELDORF, Germany--(BUSINESS WIRE)--May 5, 2004--Xerox Corporation (NYSE: XRX)

At drupa, Xerox demos business-building tools to help customers print everything from customized books to ID cards to engineering drawings in color and black-and-white

- Company targets \$18 billion digital opportunity in offset market
- Powerful printing systems run at speeds topping 1,000 images per minute
- Workflow offerings, services designed to boost profit, productivity
- Exhibit showcases unparalleled digital portfolio

At drupa 2004, the once-every-four-years Olympics of the print world, Xerox Corporation (NYSE: XRX) is rolling out seven new digital systems with an expanded suite of services and workflow tools that reinvent traditional ways of printing, fuel revenue and drive profit for customers as well as Xerox.

Reinforcing its No. 1 position in digital production printing, Xerox is using drupa to demonstrate how print providers can capture new business and expand into high-growth markets. Xerox sees an \$18 billion opportunity to leverage the complementary power of its digital technologies in a market currently served by offset printing.

The company is showing the industry's broadest digital portfolio - up to speeds of more than 1,000 images per minute - designed to print everything from paperback and hardcover books to personalized travel brochures, colorful real-estate fliers, wallet-sized photo ID cards and large-scale architectural drawings.

Xerox's digital strategy is gaining momentum in the printing industry, which is morphing from a manufacturing industry driven by the economy into a service business driven by customers, according to Xerox Chairman and Chief Executive Officer Anne M. Mulcahy.

"The world of graphic communications is not just about ink on paper anymore. It's about making documents smarter and more valuable to the end user," Mulcahy noted in remarks prepared for a press conference here tomorrow. "The quality and speed of digital technology is fast approaching traditional offset processes. The industry is moving toward a future where digital and offset technologies are working in tandem - supported by integrated workflow solutions and value-added services."

What Xerox characterizes as "the new business of printing," first articulated at drupa 2000, delivers smarter documents and work processes based on short print runs, fast turnaround and personalization. At drupa 2004, Xerox is applying its mantra to commercial printing, book publishing, service bureaus, quick printing and creative design services.

In Xerox's mammoth, two-story 37,000-square-foot drupa exhibit, color and black-and-white production printers and presses are running real customer applications. The hardware is supported by software, solutions and services that have earned the company the No. 1 market share position in production color and black-and-white production printing and publishing in Europe and the United States.

Expanding Digital Leadership

At drupa 2000, Xerox launched its DocuColor 2000 Series line of production color presses, now with more than 10,000 installations, making it the most successful press of its kind. Also at drupa 2000, Xerox previewed its groundbreaking DocuColor iGen3(R) Digital Production Press - now widely available in North America and Europe, with installations ramping up in developing markets such as Brazil, Mexico and Russia. Producing a total of 400 million pages to date, the iGen3 has exceeded expectations for volume and reliability. Fuji Xerox, a joint venture with Xerox and Fuji Photo Film Co. Ltd. and the hub of Xerox operations in Japan and the Pacific Rim, today announced that it is expanding distribution of the DocuColor iGen3 to Japan and Australia.

At drupa 2004, Xerox is debuting:

- Two black-and-white digital production systems that incorporate many of the technologies in the DocuColor iGen3. As part of the drupa debut, Xerox is launching a new name - "Nuvera" - reinforcing the expanded capabilities and the new realities of digital printing. Based on a breakthrough technology platform announced in January, the Xerox Nuvera 100 and 120 Digital Production Systems come closer to offset

quality than any other black-and-white digital system and handle jobs previously reserved for offset. "Introducing a high-level production version of this platform is an excellent move," said analyst Andy Tribute of Attributes Associates. "The systems open up new applications and the Nuvera name differentiates them from Xerox's long-established DocuTech line."

- Two super-high-speed, roll-fed continuous-feed systems. The Xerox DocuPrint 525 and 1050 are Xerox's most productive and economical continuous-feed products, printing at 532 and 1,064 images per minute. These new systems are 25 percent faster than Xerox's previous continuous-feed offerings and target a strategic growth area. Unlike most traditional continuous-feed printers, the Xerox systems print on paper rolls wide enough to fit three 6" x 9" images across - a popular format for paperback books and credit-card statements.
- Two wide-format printing systems - the Xerox 6030 and 6050 - which print, copy and scan poster-sized plans, renderings and GIS (Global Information Systems) maps used in engineering, government and manufacturing. The systems have the smallest footprint in their class and reproduce fine lines with precision.
- The Xerox FreeFlow Scanner 665, which operates at 65 pages per minute and automatically produces professional-quality images previously achievable only through manual editing.

In addition, Xerox announced enhancements to the DocuColor iGen3, including the ability to apply a protective ultraviolet coating for more durable color documents. A bevy of iGen3 finishing options make it possible to bind, tape, fold and trim documents. New papers and specialty media are intended to further boost print volumes. Many iGen3 customers are currently averaging more than 500,000 pages per month.

Based on the value of its offerings, Xerox is earning more customers worldwide:

- Toppan Printing Company America, a wholly owned subsidiary of Toppan Printing Co. Ltd., the second largest printing company in the world, has installed a Xerox DocuColor iGen3 as part of a first-time effort focusing on variable information documents, as well as short-run, print-on-demand projects.
- Rapid Solutions Group(TM), a leading U.S.-based digital communications company, has purchased six DocuColor iGen3s to produce full-color, digitally printed books and other documents at three production facilities nationwide.
- RWA Artes Graficas, a Brazilian commercial printer, has purchased the first iGen3 in Latin America to expand its business and increase services involving high-quality, short-run, full-color documents.
- Multiple installations of DocuPrint systems at Asterion, a subsidiary of the Belgian Post Group, which prints 700 million pages a year on Xerox technology.
- Xerox continuous-feed printers recently have been purchased by major printing operations such as Flagship Press, a U.S.-based commercial printer using Xerox technology for on-demand web print applications.

Workflow Improvements Deliver Value

In addition to new technology, customers are looking for new ways to streamline and cut costs associated with printing workflow - the path that print jobs follow from creation to billing. Based on open architecture, the Xerox FreeFlow(TM) Digital Workflow Collection uses a common set of electronic instructions to put digital jobs on a fast track through the print shop, even integrating them with traditional offset workflows.

At drupa, Xerox is demonstrating a standards-based workflow system that allows printers to use technology from multiple vendors to manage a job

from creation to completion. The solution combines software from Xerox, Creo Inc. and Adobe Systems Inc. It employs two industry standards - PDF for print files and JDF (job definition format) for electronic jobs - making production faster and less error-prone.

New Ways to Succeed

Xerox's drupa theme - The New Business of Printing: More Ways to Profit - reflects the company's focus on customer success. Xerox Global Services, for example, helps businesses assess printing operations, deploy the right technology and processes, and deliver significant savings on print and fulfillment costs.

At the show, Xerox unveiled more tools in its Profit Accelerator(TM) portfolio, resources that speed up a customer's return on investment in digital technology. The Xerox exhibit is in Hall 13 at drupa 2004, May 6-19 at the Dusseldorf Fairgrounds.

NOTE TO EDITORS: For more information about Xerox, additional product details and product photography, visit www.xerox.com/news. XEROX(R), The Document Company(R), the digital X(R), FreeFlow(TM), Profit Accelerator(TM) and iGen3(R) are trademarks of XEROX CORPORATION.

Xerox show B-roll will be available on Friday, May 7, for unrestricted use at www.thenewsmarket.com/xerox.

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