Xerox International Partners and Fuji Xerox Align with Dell to Expand Imaging and Printing Marketplace

January 8, 2004

LAS VEGAS--(BUSINESS WIRE)--Jan. 8, 2004--

Partnership Highlights Fuji Xerox Leadership in Imaging and Printing Technology

Xerox International Partners, a majority-owned subsidiary of Xerox Corporation (NYSE: XRX), Fuji Xerox Co. Ltd., and Dell Inc. have entered into an agreement that will leverage Fuji Xerox's imaging technology and expertise and accelerate the growth of Dell's printing and imaging business. Through Xerox Corporation's ownership stakes in both XIP and Fuji Xerox, this agreement with Dell creates additional revenue-generating opportunities for Xerox and broadens its market reach by providing new choices to more customers worldwide.

Under the agreement, Fuji Xerox will build on its strong patent portfolio, which is shared with Xerox Corporation, and manufacturing capabilities to provide world-class technology based on Dell's strategy and specifications. Dell will acquire the products through Xerox International Partners, a U.S.-based joint venture between Fuji Xerox Co. Ltd. and Xerox Corporation. XIP offers digital marking engines, including printers and other document imaging systems, for resale under other companies' brand names.

Dell Chairman and Chief Executive Officer Michael Dell announced the technology agreement today during a presentation at the 2004 International Consumer Electronics Show.

"Dell's new relationship with Fuji Xerox and XIP provides access to a heritage of world-class technology that will fuel the continued expansion of our printing and imaging business," said Tim Peters, vice president and general manager, Dell Imaging and Printing. "Fuji Xerox is known for innovation and leadership and will contribute significantly to Dell's goal of providing a superior customer experience."

Sunil Gupta, XIP president and chief executive officer, said the agreement will help deliver alternatives to customers and provide new revenue and market opportunities.

"This agreement will change the competitive landscape. Xerox and Fuji Xerox together hold one of the strongest and most enviable intellectual property and patent portfolios in the imaging industry," said Gupta. "Combining our expertise with Dell's complements Xerox's growth strategy to expand market coverage and broaden access to industry-leading imaging technology."

Xerox operates research and technology centers in the United States, Canada and Europe. Its work is strategically coordinated with that of Fuji Xerox, which has research labs in Japan and the United States. Xerox and Fuji Xerox have consistently rated among the world's top technology innovators, together earning nearly 800 U.S. patents in 2003.

Details of the partnership agreement with Dell were not released nor were the descriptions of products that will come from this relationship.

Established in 1991, Xerox International Partners is owned jointly by Xerox Corporation, a 51 percent partner, and Fuji Xerox, a 49 percent partner.

Fuji Xerox, incorporated in 1962, is a joint venture with Xerox Corporation and Fuji Photo Film Co. Ltd., and it is the hub of Xerox operations in the Japan and Pacific Rim markets. Xerox owns 25 percent of Fuji Xerox while Fuji Photo Film owns 75 percent.

Dell Inc. is a premier provider of products and services required for customers worldwide to build their information-technology and Internet infrastructures.

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 third-quarter 2003 Form 10-Q filed with the SEC. For more information on Xerox, visit www.xerox.com/news. For more information on Dell, visit www.dell.com.

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