



Print Providers Say Establishing New Services and Differentiating Their Business are Among Biggest Challenges

October 27, 2008

- Survey of Xerox Graphic Arts Premier Partners provides insight on digital printing opportunities and predictions for the industry
- Xerox customer, MagnetStreet, shares first-hand perspective on iGen4(TM) Press and diversifying the company's business model
- At Graph Expo, Xerox will demonstrate more than 100 applications that show every aspect of the printing process from creation to fulfillment

CHICAGO--(BUSINESS WIRE)--Oct. 27, 2008--What do production printing providers need to do to sustain and grow their business today and into the future? Xerox Corporation (NYSE: XRX) recently posed that question, among others, to its North American Graphic Arts Premier Partners, an elite group of customers. Company executives presented the survey results today at Graph Expo 2008, the nation's largest annual printing tradeshow.

Designed to gauge the key challenges and opportunities facing graphic communication providers, Xerox's survey collected customer views on the economic climate, environment and expectations for the industry during the next five to ten years. The effort underscores Xerox's approach to listening to its customers and equipping them for success, even in times of economic uncertainty, said Xerox President Ursula Burns, who shared the survey results during a press and industry analyst event this morning in Xerox's Graph Expo booth (No. 1219).

"Our customers want partners that help them navigate the competitive graphic communications market. We've responded by providing them with the right technology, the right workflow, and the right business development tools right now. These solutions make them more responsive to their customers and more productive," Burns said.

Among the survey findings, a three-way tie among Xerox's Premier Partners for the largest business challenges: establishing new services while keeping current business on track; the current economic climate and differentiating their business in the market.

Xerox Premier Partners weigh in

Xerox's survey of its Premier Partners revealed a number of other candid, yet upbeat, reactions. Almost all agree that digital printing has helped their businesses expand into new areas and the majority recognize that color and digital printing offer the most opportunity to generate new revenue. Highlights include:

- Expectation that business will increase or remain flat. Full-color variable-data printing and online ordering/Web-to-print were identified as areas of popular demand and interest from customers;
- The use of color and variable printing were identified as key techniques used by print providers to help customers improve the effectiveness of information, a key initiative for Xerox in managing Information Overload;
- The top application areas associated with new revenue growth were found to be direct mail, photo specialty products and transpromotional pieces.

MagnetStreet shares outlook

Neville Baird, founder and chairman of MagnetStreet, and one of the first U.S. commercial businesses to install a Xerox iGen4, shared his take on the industry as a whole during the event. Baird stated that his company's previous use of an iGen3(R) Press and now an iGen4 enabled his business to make a seamless transition to digital. This was in addition to enabling expansion into new consumer markets such as wedding invitations and birth announcements. By diversifying from a purely commercial business into new higher-margin markets, MagnetStreet's consumer business has grown by more than 30 percent each of the last several years.

"By diversifying our business, we believe we're pretty recession-proof. We've made some significant strategic adjustments and our investment in digital technology like the iGen4 was timely and huge. Along with the service and support provided by Xerox, MagnetStreet can expand the applications we offer, tap into new markets, provide our customers with a variety of new substrates and most importantly, offer cost-effective short runs," said Baird.

Broadest portfolio of solutions

In the lead up to Graph Expo, Xerox added to the industry's most expansive line up of digital printing solutions by introducing the following:

Right Technology

- New productivity features for the Xerox Nuvera(R) EA line of digital black-and-white production systems, including new in-line finishing options and integration with FreeFlow(R) Print Server version 7;
- New finishing options for Xerox's popular light production 4112(TM)/4127(TM) Enterprise Printing System and 4112/4127 Copier/Printer;
- The Xerox 6279(TM) Wide Format Printer, a black-and-white digital printer, copier and scanner that features sharp image quality, speed, a compact footprint and low running costs for architectural, engineering and design companies;
- Xerox's Automated Color Quality Suite Press Matching System has been extended to its DocuColor(R) 7000AP/8000AP Presses. The suite enables

faster press set up, quicker time to production and greater color stability;

-- Shown for the first time in the U.S. are the Xerox iGen4 Press, Xerox 700 Digital Color Press, Xerox 650(TM) Continuous Feed Printer, Xerox 8254E(TM) Color Wide Format Printer and Xerox DocuColor(R) 5000AP Press.

Right Workflow

-- Several additions to the company's FreeFlow suite of workflow solutions, such as FreeFlow Express to Print and FreeFlow Print Server version 7, take steps out of the current prepress process, streamlining production. Each FreeFlow product has been enhanced with new features and capabilities to enable automation and lights out production.

Right Business Development

-- New business development offerings include Digital Mail Shop in a Box, which helps print providers move into mailing services, a training program to help a sales team sell personalized documents and a "Why Print?" kit that helps print providers communicate and share the value and effectiveness of print to their clients.

Note: See the full range of Xerox digital production technology and services in booth No. 1219, Oct. 26-29, at Graph Expo 2008, McCormick Place South, Chicago. For more information about Xerox and the show visit <http://www.xerox.com/news> or <http://www.xerox.com/graphexpo2008>. For open commentary and industry perspectives, visit <http://www.xerox.com/blogs> or <http://www.xerox.com/podcasts>.

Xerox(R), Nuvera(R), FreeFlow(R), iGen3(R), iGen4(TM), 650(TM), 4112(TM), 4127(TM), 6279(TM), the Xerox wordmark and the spherical connection symbol are trademarks of Xerox Corporation in the United States and/or other countries. DocuColor is used under license.

CONTACT: Media:

Xerox Corporation

Linda Seelman, +1-585-422-4048

mobile: +1-585-905-1396

linda.seelman@xerox.com

or

Text 100 for Xerox

Fiona Doherty, +1-212-871-3927

fionad@text100.com

SOURCE: Xerox Corporation