Financial Overview

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Xerox Investment Proposition

Global Market Leader	Attractive Market Opportunities	Disciplined Operator	Strong Annuity-Driven Cash Flow	Sustainable Shareholder Returns
Strong global brand #1 share in key segments	Positioned for growth in DO, SMB, A4 and High-End color Largest ever product launch starting in 2017, supporting channel expansion	Consistent, double digit operating margins[1] $1.5B+ strategic transformation underway	Annuity >75% of revenue Capital-light business model	Strong free cash flow[1] Attractive return to shareholders

Value creation driven by strong underlying cash flow generation, margin expansion and improving longer-term revenue trajectory

[1] Operating Margin and Free Cash Flow: see Non-GAAP Financial Measures.
Note: DO = Document Outsourcing; SMB = Small & Medium Business

Global Leader with a Strong, Diverse Business Profile

Financial Profile (FY'15)

$11.5B
Revenue

12.7%
Operating Margin[1]

$1,055M
Operating Cash Flow

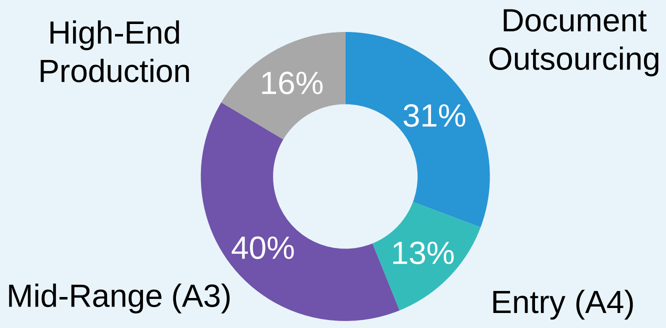
Annuity-Based Model

>75%
of revenue annuity-based

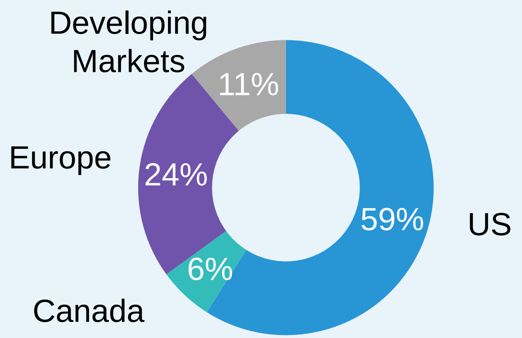
Strategic Growth Mix

37%
Strategic Growth Areas

Offering Mix[2]



Geographic Mix



2015 Fuji Xerox[3] revenue $9.9B

[1] Operating Margin: see Non-GAAP Financial Measures.
[2] Excludes Other revenue.
[3] Fuji Xerox operates in Japan, China, Australia, New Zealand, Vietnam and other areas of the Pacific Rim.

Strong Annuity Driven Business Model

Revenue

>75% annuity;
predictable, recurring revenue

- Signings and install growth drive MIF and market share
- Historic 5% equipment price declines comprehended/offset by productivity
- Page volumes – stable decline
- Increasing portion of revenues in Strategic Growth Areas will improve revenue trajectory
- Majority of supplies revenue in bundled contracts

Profitability

Operating Margin[1] 12%+
for past 3 years

- 3-year Strategic Transformation program to deliver $1.5B+ in gross productivity savings, supports:
  - Margin expansion
  - Modest growth investments
- Annuity streams drive margin; equipment margin positive (outside Entry products)
- Transaction currency driven primarily by Yen/Euro/USD

Cash Flow

High visibility to
Free Cash Flow[1]

- Strong, stable annuity revenue drives cash flow
- Strategic Transformation and modest growth investments drive improved profitability and cash flow
- Capital-light business model – CAPEX less than 2% revenue
- Restructuring and pension impacts moderate over time

[1] Operating Margin and Free Cash Flow: see Non-GAAP Financial Measures.
Note: MIF = Machines in Field; CAPEX = Capital Expenditures (including Internal Use Software)

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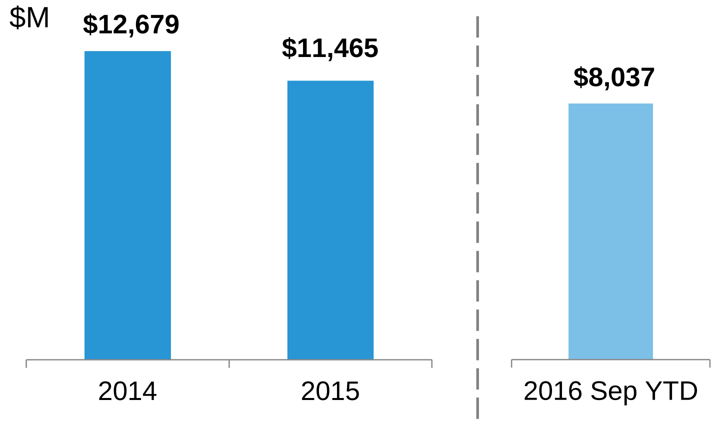
Historical Performance

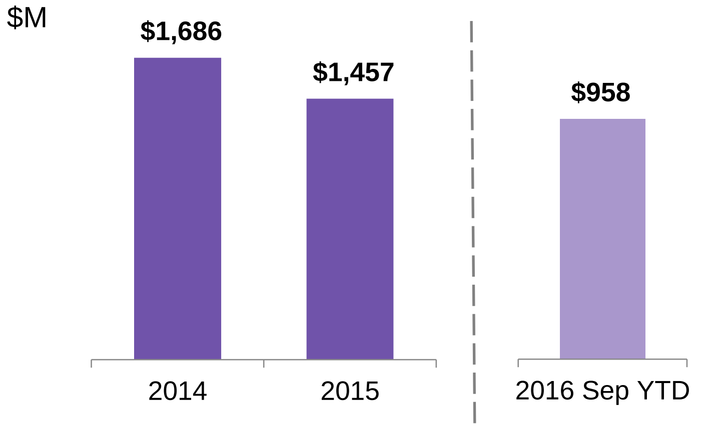
Revenue



% Y-o-Y Decline at CC[1]	2014	2015	2016 Sep YTD
	(3.9%)	(4.6%)	(3.7%)
Translation Currency	- pts	(5) pts	(2) pts

- Moderating revenue declines
- Strong dollar has pressured revenue

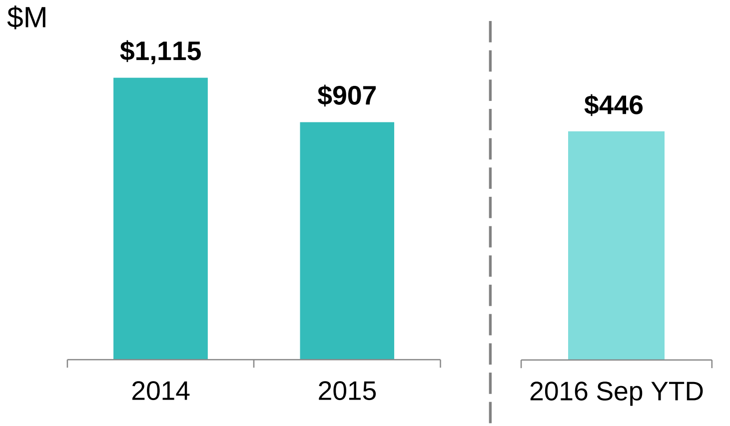
Operating Profit[1]



% Operating Margin[1]	2014	2015	2016 Sep YTD
	13.3%	12.7%	11.9%
Transaction Currency	1.1 pts	(0.1) pts	(0.5) pts

- Q4 operating margin[1] seasonally stronger
- Expect 2016 operating margin[1] to be 12% - 12.5%

Free Cash Flow[1]



Free Cash Flow[1] % Net Income	2014	2015	2016 Sep YTD
	113%	110%	116%

- Q4 cash flow seasonally stronger
- 2016 impacted by higher restructuring and separation payments

[1] Operating Profit and Margin, Constant Currency (CC) and Free Cash Flow: see Non-GAAP Financial Measures.

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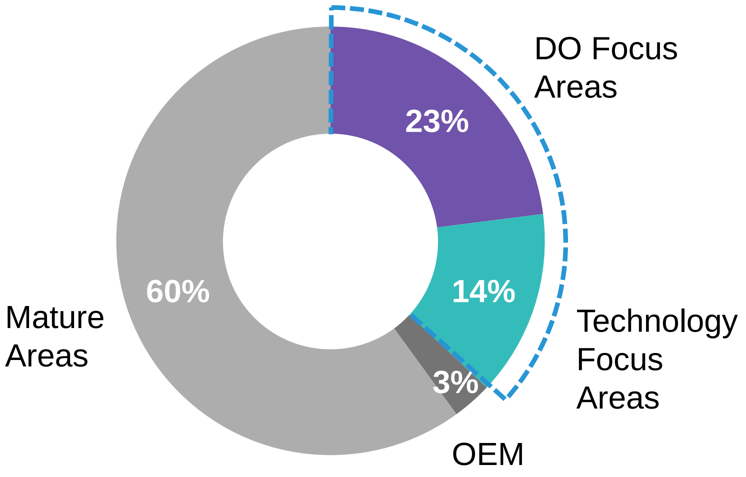
Growing Portion of Revenues in Strategic Growth Areas Will Improve Revenue Trajectory

Strategic Growth Areas: ~$4.2B, ~37% of revenue[1]



Growing Markets

Document Outsourcing focus areas	
Large Enterprise MPS	+2%
SMB MPS	+7%
Workflow Automation	+13%

Technology focus areas	
Production Color (includes Inkjet growing at +10%)	+5%
A4 MFPs	+3%

Positive Mix Shift Over Time

2016 Performance - Sep YTD

↑2%	+2 pts
YOY growth at CC[2]	Shifted YOY

Expect ~3 pts of annual revenue shift to Strategic Growth Areas

[1] FY 2015 strategic growth areas revenue.
[2] Constant Currency (CC): see Non-GAAP Financial Measures.
Note: CAGR reflects 2016E – 2019E growth. DO = Document Outsourcing; OEM = Original Equipment Manufacturer; MPS = Managed Print Services; SMB = Small & Medium Business; MFP = Multifunction Printer

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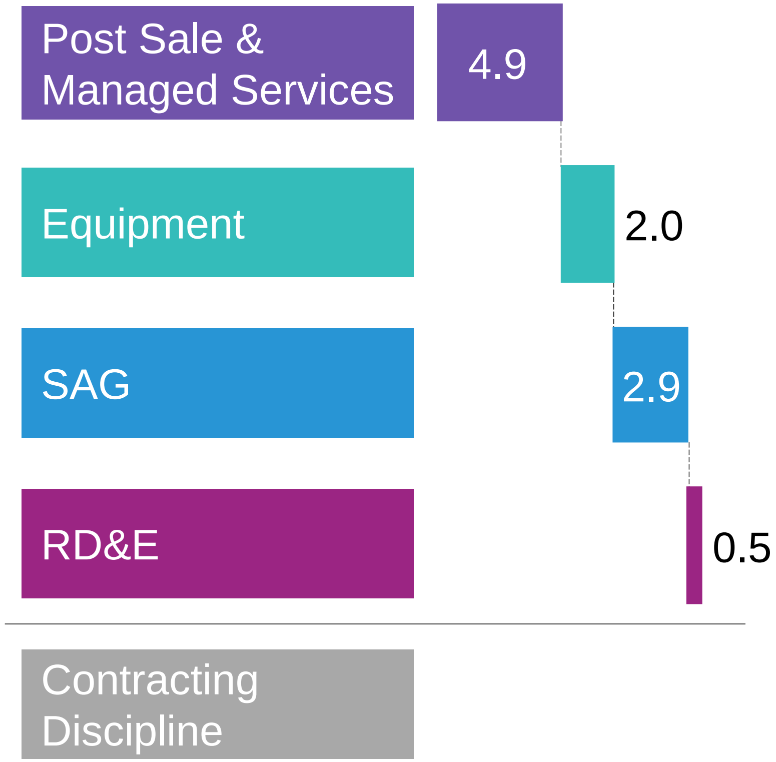
Strategic Transformation Will Drive Profit Growth

~$10B Addressable Cost Base



Key Productivity Levers	Examples of Initiatives
Delivery (~$450M)	Consolidating MPS delivery and Technical Service under one organizational structure
Cost of Production (~$250M)	Capturing supplier productivity and reducing manufacturing footprint
G&A (~$300M)	Reducing complexity / 30% reduction in management layers
Supply Chain & Procurement (~$200M)	Integrating supply chain under one global function
Sales & Contracting (~$300M)	Introducing new pricing optimization tools

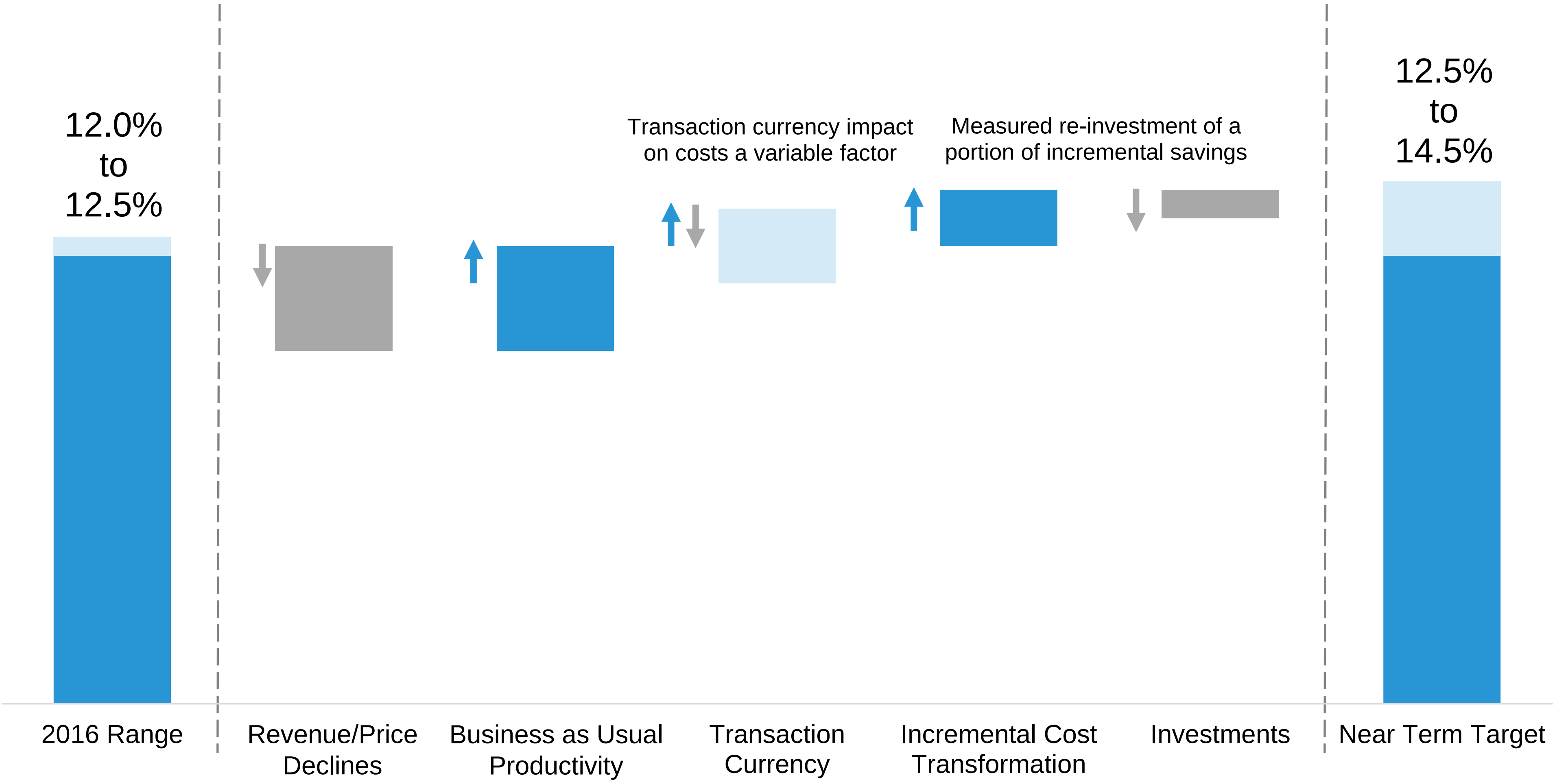
$1.5B+ cumulative gross productivity by 2018

Note: There is approximately $300 to $350M in traditional ongoing productivity included in gross productivity. MPS = Managed Print Services

We Are Off To a Fast Start

	Objective	Actions to Transform Our Business
Supply Chain & Procurement	Improve supply chain efficiency and reduce procurement spend	• Outsourcing consumables distribution to third party • Combining equipment and parts warehouses • Benchmarking supplier capabilities, competitiveness and re-bidding/re-contracting major spend categories
Sales & Back Office	De-layer organization and streamline back-office support	• Shifting primary organizational axis to geography (North America, International) – Maintaining local customer focus while reducing matrix management • Optimizing sales incentives and performance management • Consolidating back-office support functions • Rationalizing real estate portfolio
Delivery	Improve Field Service and Managed Print Services delivery and productivity	• Workflow automation to increase remote solve rates • Optimizing field resource footprint and tools to ensure more productive on-site dispatches • Leveraging existing near/right-shoring initiatives

Strategic Transformation Enables Operating Margin[1] Expansion



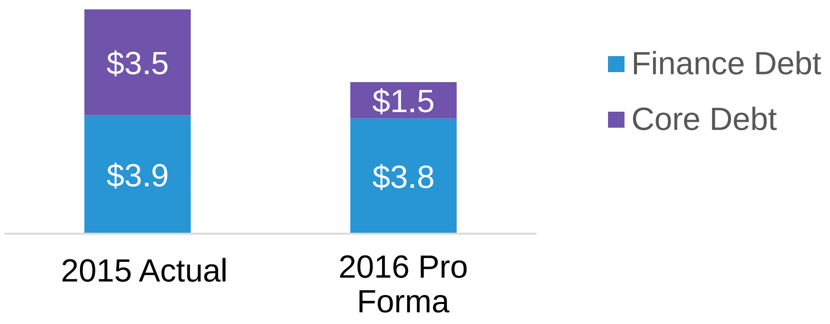
[1] Operating Margin: see Non-GAAP Financial Measures.

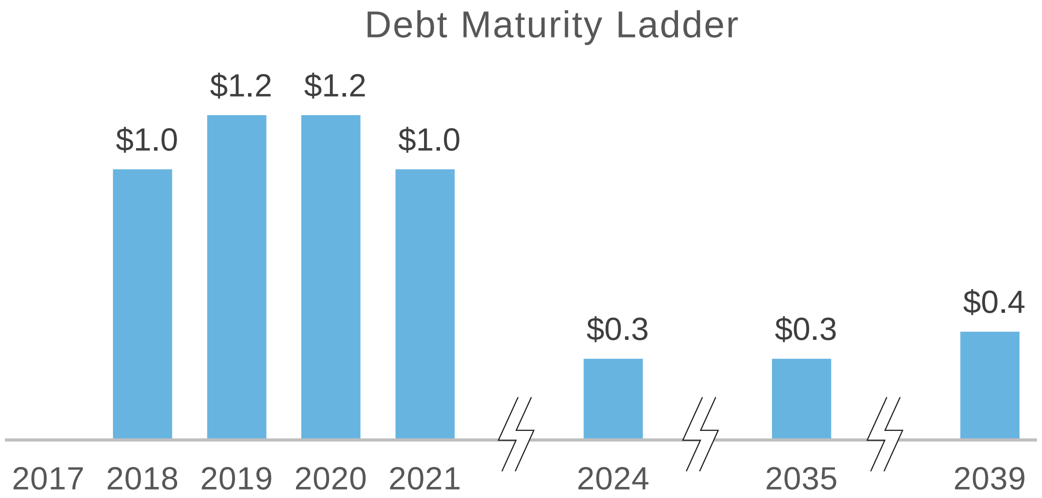
Investment Grade Capital Structure

Investment Grade Profile

- Manage balance sheet to maintain an investment grade profile; optimal for business model which includes customer financing
  - 5 Majority of pro forma debt supports customer finance assets (at 7:1 leverage)
  - 5 Manageable schedule of debt maturities well matched to financing contract lengths
  - 5 Core leverage managed to maintain investment grade rating; incremental debt repayment planned
- Maintain a substantial liquidity position
- Generate significant free cash flow[1] in support of capital deployment objectives

Illustrative Debt[2] ($B)





[1] Free Cash Flow: see Non-GAAP Financial Measures.

[2] Reflects use of proceeds from Conduent distribution and some cash on hand to repay $2B of debt ($1B term loan and $1B public bonds due Q1 2017).

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Attractive Captive Financing Business

Finance Assets and Debt

Maintain 7:1 debt to equity leverage ratio on our finance assets

(in billions)	2016 Pro forma Finance Assets	2016 Pro forma Debt
Financing	$ 4.3	$ 3.8
Core	-	1.5
Total Xerox	$ 4.3	~$ 5.3

Pro forma assumes:

- Finance assets/debt as of Q3 2016 with financing debt calculated as 7/8ths of finance assets
- $2.0B core debt reduction coming from ~$1.8B Conduent distribution and $0.2B cash on hand

Customer Financing is a Business Strength

- Differentiates and enhances Xerox's value proposition
- Facilitates customer acquisition of Xerox technology
- Generates profitable revenue
- Enables control of assets
- Focuses on disciplined credit processes to ensure low bad debt (<2% of finance receivables)
- Creates diverse customer, industry and geographic mix through global reach and broad product portfolio

Note: Pro forma debt reflects the transfer of Conduent capital lease obligations of $50M.

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Strong and Sustainable Cash Flow Generation

Illustrative Cash Flow ($M)

(based on 2015)

Pre-tax Income	**$924**
Non-Cash Add-backs[1]	540
Restructuring Payments	(79)
Pension Payments	(301)
Working Capital, net[2]	(95)
Change in Finance Assets[3]	33
Other[4]	33
Operating Cash Flow (OCF)	**$1,055**
(−) CAPEX[5]	148
Free Cash Flow (FCF)[6]	**$907**

Cash Flow Drivers

- Profit expansion over time from margin expansion and improving revenue trajectory
- Transformation efficiencies provide modest benefit to working capital
- Near-term restructuring payments higher to facilitate strategic transformation / normalize after 2018
- Pension contributions moderate after 2018
- Separation payments substantially complete in 2017
- Finance assets a modest source of cash
- CAPEX[5] less than 2% of revenue

Track record of strong cash generation driven by annuity business model

[1] Non-Cash Add-backs include depreciation & amortization excluding equipment on operating lease, provisions, stock-based compensation, pension expense, restructuring charges and gain on sales of businesses and assets.
[2] Working Capital, net includes accounts receivable, collections of deferred proceeds from sales of receivables, accrued compensation and accounts payable and inventory.
[3] Includes equipment on operating leases and its related depreciation, finance receivables and collections on beneficial interest from sales of finance receivables.
[4] Includes other current and long-term assets and liabilities, derivative assets and liabilities, other operating, net and taxes.
[5] Capital Expenditures including Internal Use Software.
[6] Free Cash Flow: see Non-GAAP Financial Measures.

Capital Allocation Priorities

We will apply a disciplined return on investment approach when deploying our cash flow

Leverage	Committed to maintaining investment grade credit rating
Targeted Investments	Continue capital-light business model with targeted CAPEX[1] (less than 2% of revenue) Selectively pursue M&A in targeted growth areas to improve portfolio mix and drive profit expansion
Return of Capital	Initial dividend of $0.25 per share on an annualized basis Modest share repurchase (after 2017) based on relative returns evaluation

Target >50% of Free Cash Flow[2] returned through dividends and share repurchases over time

[1] Capital Expenditures including Internal Use Software.
[2] Free Cash Flow: see Non-GAAP Financial Measures.

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Xerox Dividend Policy

Xerox has a track record of attractive and increasing dividends

– 16% CAGR over last 4 years

- Post-split dividend of 6.25 cents per share ($0.25 annualized) is anticipated beginning with the dividend payable April 2017
- Expect future dividend increases driven by EPS and free cash flow[1] growth
- Committed to a strong dividend policy supported by our annuity driven cash flow

[1] Free Cash Flow: see Non-GAAP Financial Measures

Future Performance Expectations

	2017	2018	2019+
Revenue Trajectory (at CC[1])	In-line with 2016, equipment revenue begins to improve in 2H from product launches	Improves driven by new products & Strategic Growth Areas acceleration	Sustained improvement driven by new products and Strategic Growth Areas
Operating Margin[1]	Modest expansion from 2016	Continued strong and expanding	
Operating Cash Flow	Return to normalized operating cash flow of $900M+ by 2019		

[1] Constant Currency (CC) and Operating Margin: see Non-GAAP Financial Measures.
Note: Operating margin assumes neutral transaction currency in 2018 and 2019. Normalized operating cash flow assumes ~$100M restructuring payments and ~$250M pension contributions.

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