Third-Quarter 2015 Earnings Presentation

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October 26, 2015

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Forward-Looking Statements

This presentation contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “will,” “should” and similar expressions, as they relate to us, are intended to identify forward-looking statements. These statements reflect management’s current beliefs, assumptions and expectations and are subject to a number of factors that may cause actual results to differ materially. Such factors include but are not limited to: changes in economic conditions, political conditions, trade protection measures, licensing requirements and tax matters in the United States and in the foreign countries in which we do business; changes in foreign currency exchange rates; our ability to successfully develop new products, technologies and service offerings and to protect our intellectual property rights; the risk that multi-year contracts with governmental entities could be terminated prior to the end of the contract term and that civil or criminal penalties and administrative sanctions could be imposed on us if we fail to comply with the terms of such contracts and applicable law; the risk that our bids do not accurately estimate the resources and costs required to implement and service very complex, multi-year governmental and commercial contracts, often in advance of the final determination of the full scope and design of such contracts or as a result of the scope of such contracts being changed during the life of such contracts; the risk that subcontractors, software vendors and utility and network providers will not perform in a timely, quality manner; service interruptions; actions of competitors and our ability to promptly and effectively react to changing technologies and customer expectations; our ability to obtain adequate pricing for our products and services and to maintain and improve cost efficiency of operations, including savings from restructuring actions and the relocation of our service delivery centers; the risk that individually identifiable information of customers, clients and employees could be inadvertently disclosed or disclosed as a result of a breach of our security systems; the risk in the hiring and retention of qualified personnel; the risk that unexpected costs will be incurred; our ability to recover capital investments; the risk that our Services business could be adversely affected if we are unsuccessful in managing the start-up of new contracts; the collectability of our receivables for unbilled services associated with very large, multi-year contracts; reliance on third parties, including subcontractors, for manufacturing of products and provision of services; our ability to expand equipment placements; interest rates, cost of borrowing and access to credit markets; the risk that our products may not comply with applicable worldwide regulatory requirements, particularly environmental regulations and directives; the outcome of litigation and regulatory proceedings to which we may be a party; and other factors that are set forth in the “Risk Factors” section, the “Legal Proceedings” section, the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section and other sections of our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2015 and June 30, 2015 and our 2014 Annual Report on Form 10-K filed with the Securities and Exchange Commission. Xerox assumes no obligation to update any forward-looking statements as a result of new information or future events or developments, except as required by law.

On October 26, 2015, Xerox announced that its Board of Directors had authorized a review of the Company’s business portfolio and capital allocation options, with the goal of enhancing shareholder value. No assurance can be given as to the outcome or timing of completion of the review. Xerox does not intend to make any further public comment regarding the review prior to its completion. The forward looking statements in this presentation are subject to the risk that the Company’s business portfolio and/or capital allocation could change as a result of the review.

Xerox Priorities

Lead in attractive business services segments

- Strengthen and differentiate our portfolio
- Focus on operational excellence with world-class capabilities
- Improve revenue and profitability

Lead in Document Technology

- Invest in attractive market segments
- Maintain strong profitability and cash flow

Support our customers and our people

Enhance shareholder value

- Repurchased $1.3B of shares through September
- Divested ITO business
- Reviewing structural options for the portfolio

Third-Quarter Overview

Reported revenue of $4.3B, down 10% or 6% CC[1], EPS[2] of (4) cents

- Services revenue down 8% or 4% CC[1], Services margin of (7.6)%

Adjusted revenue of $4.4B, down 7% or 4% CC[1]; Adjusted EPS[1] of 24 cents

- Adjusted results exclude previously announced Health Enterprise related charge

Adjusted Services revenue down 3% or flat CC[1]; margin of 8.1%

- Doc Outsourcing revenue up 3%, BPO revenue down 1% CC[1]
- Margin improved sequentially consistent with guidance

Document Technology revenue down 12% or 9% CC[1]; margin of 12.8%

- Developing markets pressures increased; revenue down 6% CC[1] excluding these markets
- Margin remains strong

Adjusted operating margin[1] of 8.7%, down 90 bps YOY

Cash from operations of $271M

- Share repurchase of $691M Q3, $1.3B Sept YTD

[1]Adjusted EPS, Adjusted revenue, Adjusted Services revenue, Adjusted Services margin, Constant Currency (CC) and Adjusted operating margin: see Non-GAAP Financial Measures

[2]GAAP EPS from Continuing Operations

Earnings

(in millions, except per share data)	Q3 2015	B/(W) YOY	Comments
Revenue	$ 4,333	$ (462)	
Adjusted Revenue	$ 4,449	$ (346)	Decline driven by Document Technology and currency
Gross Margin	22.8%	(9.4) pts	
Adjusted Gross Margin	30.9%	(1.3) pts	
RD&E	$ 135	$ 4	
SAG	$ 855	$ 87	
Adjusted Operating Income[1]	**$ 386**	**$ (75)**	Operating margin improved sequentially in Services and Document Technology
Operating Income % of Revenue	*8.7%*	*(0.9) pts*	
Adjusted Other, net[1]	$ 96	$ 8	
Equity Income	$ 40	$ (4)	Driven by translation currency
Adjusted Tax Rate[1]	24.6%	1.6 pts	Guidance range 25 to 27%
Adjusted Net Income – Xerox[1]	**$ 258**	**$ (48)**	
Adjusted EPS[1]	**$ 0.24**	**$ (0.02)**	Guidance range $0.22 - $0.24
Health Enterprise Charge	(0.23)	(0.23)	
Amortization of intangible assets	(0.05)	(0.00)	
GAAP EPS[2]	**$ (0.04)**	**$ (0.25)**	

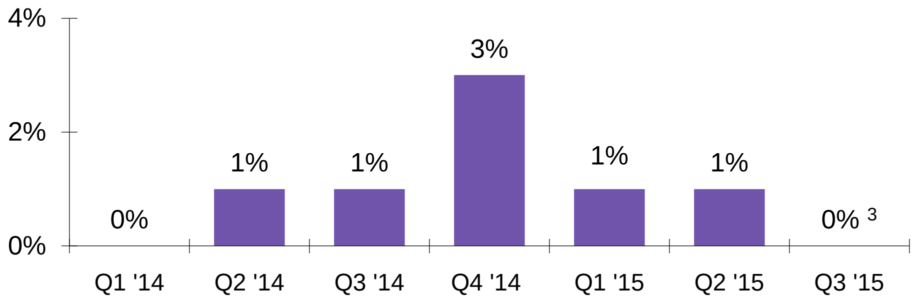
[1]Adjusted Operating Income, Adjusted Other, net, Adjusted Tax Rate, Adjusted Net Income – Xerox and Adjusted EPS: see Non-GAAP Financial Measures

[2]GAAP EPS from Continuing Operations

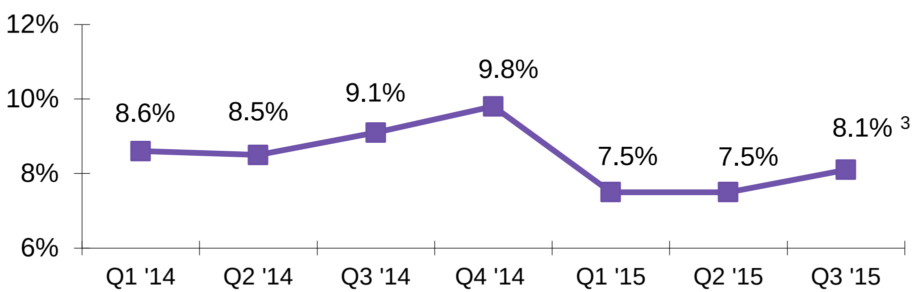
Services Segment

(in millions)	Q3 2015	Adj Q3 2015	Adj % B/(W) YOY Act Cur	CC[1]
Total Revenue	$ 2,416	$ 2,532	(3)%	Flat
Segment Profit	$ (184)	$ 205	(15)%	
Segment Margin	(7.6)%	8.1%	(1.0) pt	

Revenue Growth Trend (CC[1])



Segment Margin Trend



Adjusted[3] Revenue Flat at CC[1]

- Document Outsourcing up 3%, BPO down 1%

Adjusted[3] Margin of 8.1% up sequentially and in line with guidance

Work continues to accelerate growth and efficiencies from new operating model

Signings

- BPO/DO renewal rate of 89%
- New business signings[2] down 9% YOY, down 14% TTM
- Q3 does not include pending Florida Tolling deal

Signings (TCV)	Q3	Sept YTD
Business Process Outsourcing	$1.3	$5.5
Document Outsourcing	$0.6	$2.0
Total	**$1.9B**	**$7.5B**
YOY Growth	(7)%	-
TTM Growth	5%	5%

[1]Constant currency (CC): see Non-GAAP Financial Measures

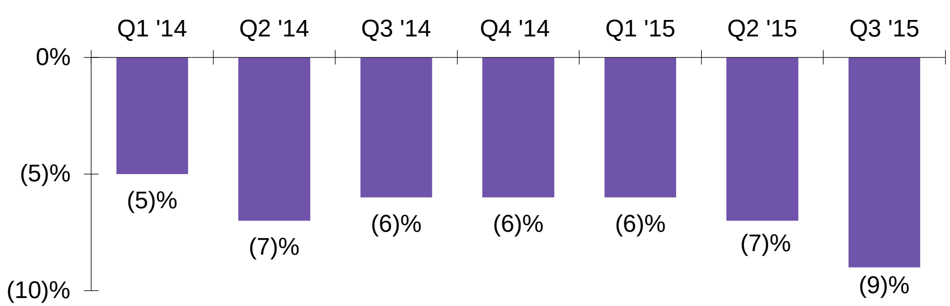
[2]New Business Signings = ARR (Annual Recurring Revenue) + NRR (Non-Recurring Revenue)

[3]Adjusted for the HE charge: see Non-GAAP Financial Measures

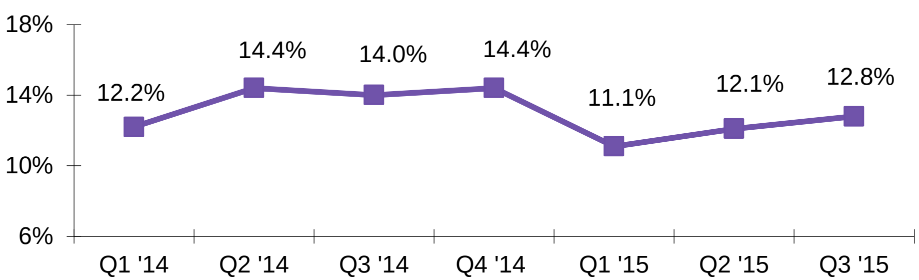
Document Technology Segment

(in millions)	Q3 2015	% B/(W) YOY Act Cur	% B/(W) YOY CC[1]
Total Revenue	$1,778	(12)%	(9)%
Segment Profit	$227	(20)%	
Segment Margin	12.8%	(1.2) pts	

Revenue Growth Trend (CC[1])



Segment Margin Trend



Revenue down 9% at CC[1]

- Revenue pressures from developing markets increased significantly

Including Document Outsourcing, printing revenue decline stable, down 5% CC[1]

Margin strong at 12.8%

- Within FY guidance range of 11 to 13%
- Managing cost base to ensure ongoing strong profitability

	Q3	Sept YTD
Entry Installs		
A4 Mono MFDs	(13)%	(16)%
A4 Color MFDs	94%	17%
Color Printers	(36)%	(20)%
Mid-Range Installs		
Mid-Range B&W MFDs	(8)%	(4)%
Mid-Range Color MFDs	1%	1%
High-End Installs		
High-End B&W	(28)%	(10)%
High-End Color[2]	(2)%	7%

[1]Constant currency (CC): see Non-GAAP Financial Measures
[2]High-end color Flat in Q3 and down 4% Sep YTD excluding DFE's

Cash Flow

(in millions)	Q3 2015	Sept YTD 2015
Net Income	$ (31)	$ 216
HE Charge add back (after-tax)	241	241
Depreciation and amortization[2]	282	875
Restructuring and asset impairment charges	20	191
Restructuring payments	(20)	(81)
Contributions to defined benefit pension plans	(50)	(148)
Inventories	(61)	(254)
Accounts receivable and Billed portion of finance receivables[1,2]	57	(54)
Accounts payable and Accrued compensation	(67)	(105)
Equipment on operating leases	(71)	(210)
Finance receivables[1]	(20)	85
Other	(9)	(23)
Cash from Operations	**$ 271**	**$ 733**
Cash from Investing	**$ (206)**	**$ 527**
Cash from Financing	**$ (888)**	**$ (1,796)**
Change in Cash and Cash Equivalents	(837)	(607)
Ending Cash and Cash Equivalents	**$ 804**	**$ 804**

Cash From Ops $271M in Q3, $733M Sept YTD

HE charge, negligible cash impact in Q3

- **Expect cash outflows of ~$225M in future quarters**

CAPEX $65M

Acquisitions $153M

Share Repurchase of $691M and $84M of Common Stock Dividends

[1]Accounts receivable includes collections of deferred proceeds from sales of receivables and finance receivables includes collections on beneficial interest from sales of finance receivables

[2]Adjusted to exclude impact of HE charge

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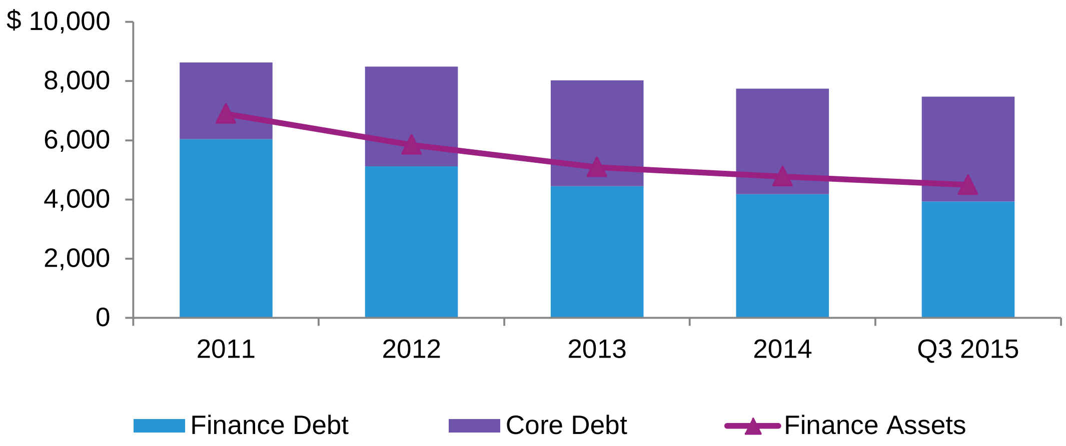
Capital Structure

Debt and Finance Asset Trend
(in millions)



Core debt level managed to maintain investment grade rating

Over half of Xerox debt supports finance assets

Now expect ~$7.4B of debt at year-end

Financing and Leverage

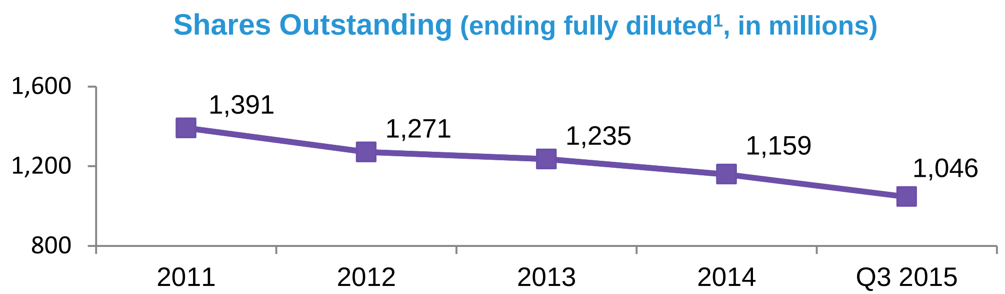
- Xerox's value proposition includes leasing of Xerox equipment
- Maintain 7:1 leverage ratio of debt to equity on these finance assets

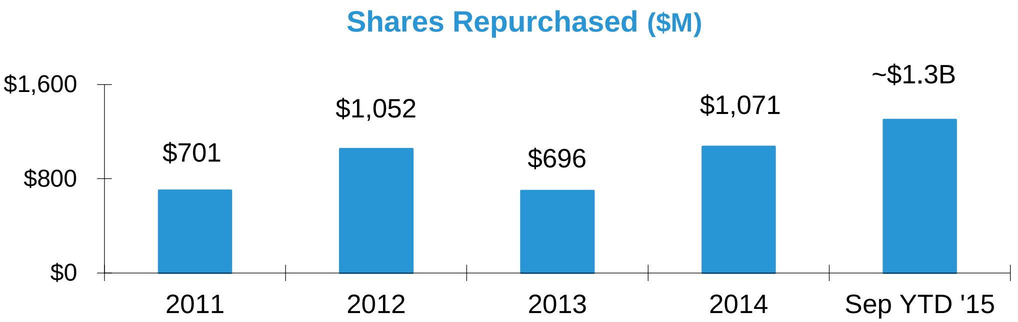
Q3 2015

(in billions)	Fin. Assets	Debt
Financing	$ 4.5	$ 3.9
Core	-	3.7
Total Xerox	$ 4.5	$ 7.6

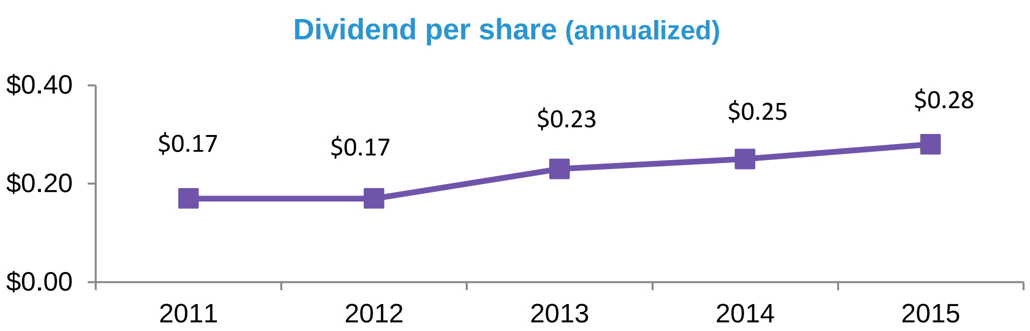
Capital Allocation Enhances Shareholder Returns

Share Repurchase Program





Dividend Program



- Share Repurchase of $691M in Q3, $1.3B YTD
- Acquisitions of $153M in Q3, $201M YTD
- Quarterly common dividend at 7 cents per share[2]
- Expect ~$300M in FY dividend payments
- Unallocated capital to be deployed primarily toward debt reduction

[1]Ending fully diluted: see Non-GAAP Financial Measures

[2]Dividend effective for common dividend payable on April 30, 2015

2015 Guidance

Adjusted Revenue Growth @ CC[1]	Down ~3%
Adjusted EPS[1] (incl restructuring)	$0.95 - $1.01 (low-end)
GAAP EPS[2]	$0.46 - $0.52
Q4 Adjusted EPS[1] (incl restructuring)	$0.28 - $0.30
Q4 GAAP EPS[2]	$0.23 - $0.25
Cash From Ops	$1.6 - $1.7B
CAPEX	~$0.3B
Free Cash Flow[1]	$1.3 - $1.4B
Share Repurchase	$1.3B
Acquisitions	~$200M
Dividend	~$300M

Services[1]

FY Revenue: Flat to up 1% CC[1]

FY Margin: ~8% (Q4: ~9%)

Document Technology

FY Revenue: Down 6 to 7% CC[1]

FY Margin: Middle of 11 to 13% range

Note: Revenue growth guidance excluding potential divestitures
[1]Constant Currency (CC), Adjusted Revenue, Adjusted margin Adjusted EPS and Free Cash Flow: see Non-GAAP Financial Measures
[2]GAAP EPS from Continuing Operations

Summary

Implemented significant actions during past year to improve Services performance

- Recent Health Enterprise announcement reduces financial pressure and volatility

Continued strong execution in Document Technology despite revenue pressures

- Remain focused on leadership in attractive market segments and operational excellence

Annuity-based cash flow drives strong return of capital

Evaluating business portfolio and capital allocation options; focused on driving long-term shareholder value

Appendix

Revenue Trend

(in millions)	2013 FY	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2014 FY	2015 Q1	2015 Q2	2015 Q3*	2015 YTD**
Total Revenue	**$20,006**	**$4,771**	**$4,941**	**$4,795**	**$5,033**	**$19,540**	**$4,469**	**$4,590**	**$4,449**	**$13,508**
Growth	*(2)%*	*(2)%*	*(2)%*	*(2)%*	*(3)%*	*(2)%*	*(6)%*	*(7)%*	*(7)%*	*(7)%*
CC[1] Growth	*(3)%*	*(2)%*	*(3)%*	*(2)%*	*(1)%*	*(2)%*	*(2)%*	*(3)%*	*(4)%*	*(3)%*
Annuity	**$16,648**	**$4,056**	**$4,160**	**$4,047**	**$4,173**	**$16,436**	**$3,845**	**$3,871**	**$3,781**	**$11,497**
Growth	*(2)%*	*(2)%*	*(1)%*	*(1)%*	*(2)%*	*(1)%*	*(5)%*	*(7)%*	*(7)%*	*(6)%*
CC[1] Growth	*(2)%*	*(2)%*	*(2)%*	*(1)%*	*Flat*	*(1)%*	*(1)%*	*(3)%*	*(3)%*	*(2)%*
Annuity % Revenue	**83%**	**85%**	**84%**	**84%**	**83%**	**84%**	**86%**	**84%**	**85%**	**85%**
Equipment	**$3,358**	**$715**	**$781**	**$748**	**$860**	**$3,104**	**$624**	**$719**	**$668**	**$2,011**
Growth	*(3)%*	*(1)%*	*(9)%*	*(8)%*	*(11)%*	*(8)%*	*(13)%*	*(8)%*	*(11)%*	*(10)%*
CC[1] Growth	*(4)%*	*(2)%*	*(9)%*	*(8)%*	*(9)%*	*(7)%*	*(8)%*	*(3)%*	*(7)%*	*(6)%*

*Q3 reported total revenue of $4,333 down 10% or 6% CC; reported annuity revenue of $3,665 down 9% or 6% CC
** YTD reported total revenue of $13,392 down 8% or 4% CC; reported annuity revenue $11,381 down 7% or 3% CC

[1]Constant currency: see Non-GAAP Financial Measures

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Segment Revenue Trend

(in millions)	2013 FY	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2014 FY	2015 Q1	2015 Q2	2015 Q3*	2015 YTD**
Services	**$10,479**	**$2,585**	**$2,651**	**$2,623**	**$2,725**	**$10,584**	**$2,514**	**$2,569**	**$2,532**	**$7,615**
Growth	*2%*	*Flat*	*1%*	*1%*	*1%*	*1%*	*(3)%*	*(3)%*	*(3)%*	*(3)%*
CC[1] Growth	*2%*	*Flat*	*1%*	*1%*	*3%*	*1%*	*1%*	*1%*	*Flat*	*1%*
Document Technology	**$8,908**	**$2,044**	**$2,126**	**$2,029**	**$2,159**	**$8,358**	**$1,830**	**$1,880**	**$1,778**	**$5,488**
Growth	*(6)%*	*(4)%*	*(6)%*	*(6)%*	*(8)%*	*(6)%*	*(10)%*	*(12)%*	*(12)%*	*(11)%*
CC[1] Growth	*(6)%*	*(5)%*	*(7)%*	*(6)%*	*(6)%*	*(6)%*	*(6)%*	*(7)%*	*(9)%*	*(7)%*
Other	**$619**	**$142**	**$164**	**$143**	**$149**	**$598**	**$125**	**$141**	**$139**	**$405**
Growth	*(10)%*	*3%*	*(1)%*	*(1)%*	*(12)%*	*(3)%*	*(12)%*	*(14)%*	*(3)%*	*(10)%*
CC[1] Growth	*(10)%*	*3%*	*(2)%*	*(2)%*	*(11)%*	*(3)%*	*(11)%*	*(14)%*	*(2)%*	*(9)%*

*Q3 reported Services revenue of $2,416 down 8% or 4% CC
**YTD reported Services revenue of $7,499 down 5% or 1% CC
[1]Constant currency: see Non-GAAP Financial Measures

Discontinued Operations Summary

(in millions)	Three Months Ended September 30, 2015 ITO	Other	Total	2014 ITO	Other	Total
Revenues	$ -	$ -	$ -	$ 325	$ 6	$ 331
Income (loss) from operations (1)	$ -	$ -	$ -	$ 15	$ (1)	$ 14
(Loss) on disposal	(5)	-	(5)	-	(1)	(1)
Net (loss) income before income taxes	(5)	-	(5)	15	(2)	13
Income tax benefit (expense)	2	-	2	(6)	1	(5)
(Loss) income from discontinued operations, net of tax	$ (3)	$ -	$ (3)	$ 9	$ (1)	$ 8

(in millions)	Nine Months Ended September 30, 2015 ITO	Other	Total	2014 ITO	Other	Total
Revenues	$ 619	$ -	$ 619	$ 993	$ 45	$ 1,038
Income (loss) from operations (1) (2)	$ 104	$ -	$ 104	$ 58	$ (1)	$ 57
(Loss) on disposal	(77)	-	(77)	-	(1)	(1)
Net income (loss) before income taxes	27	-	27	58	(2)	56
Income tax expense	(91)	-	(91)	(21)	(1)	(22)
(Loss) income from discontinued operations, net of tax	$ (64)	$ -	$ (64)	$ 37	$ (3)	$ 34

(1) ITO Income from operations for the third quarter 2014 and nine months ended September 30, 2014 includes approximately $41 million and $121 million, respectively of depreciation and amortization expense (including intangible amortization of approximately $7 million and $21 million, respectively).

(2) ITO Income from operations for nine months ended September 30, 2015 excludes approximately $80 million of depreciation and amortization expenses (including $14 million for intangible amortization) since the business was held for sale.

Non-GAAP Measures

Non-GAAP Financial Measures

"Adjusted Revenue, Costs and Expenses, and Margin":
During third quarter 2015, we recorded a pre-tax charge (HE charge) of $389 million ($241 million after-tax or 23 cents per share), which included a $116 million reduction to revenues. As a result of the significant impact of the HE charge on our reported revenues, costs and expenses as well as key metrics for the period, we also discussed our results using non-GAAP measures which excluded the impact of the HE charge. In addition to the magnitude of the charge and its impact on our reported results, we excluded the HE charge due to the fact that it was primarily a unique charge associated with the conclusion, after a series of discussions, that fully completing our HE platform implementations in California and Montana was no longer considered probable.

"Adjusted Earnings Measures": To better understand the trends in our business, we believe it is necessary to adjust the following amounts determined in accordance with GAAP to exclude the effects of certain items as well as their related income tax effects.

- Net income and Earnings per share (EPS)
- Effective tax rate

In addition to the HE charge, the above items were also adjusted for the amortization of intangible assets. The amortization of intangible assets is driven by our acquisition activity which can vary in size, nature and timing as compared to other companies within our industry and from period to period. The use of intangible assets contributed to our revenues earned during the periods presented and will contribute to our future period revenues as well. Amortization of intangible assets will recur in future periods.

"Operating Income/Margin": We also calculate and utilize operating income and margin earnings measures by adjusting our pre-tax income and margin amounts to exclude certain items. In addition to the HE charge and the amortization of intangible assets, operating income and margin also excludes Other expenses, net as well as Restructuring and asset impairment charges. Other expenses, net is primarily comprised of non-financing interest expense and also includes certain other non-operating costs and expenses. Restructuring charges consist of costs primarily related to severance and benefits paid to employees pursuant to formal restructuring and workforce reduction plans. Asset impairment charges include costs incurred for those assets sold, abandoned or made obsolete as a result of our restructuring actions, exiting from a business or other strategic business changes. Such charges are expected to yield future benefits and savings with respect to our operational performance. We exclude these amounts in order to evaluate our current and past operating performance and to better understand the expected future trends in our business.

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Non-GAAP Financial Measures

"Constant Currency": To better understand trends in our business, we believe that it is helpful to adjust revenue to exclude the impact of changes in the translation of foreign currencies into U.S. dollars. We refer to this adjusted revenue as "constant currency." Currencies for developing market countries (Latin America, Brazil, Middle East, India, Eurasia and Central-Eastern Europe) that we operate in are reported at actual exchange rates for both actual and constant revenue growth rates because (1) these countries historically have had volatile currency and inflationary environments and (2) our subsidiaries in these countries have historically taken pricing actions to mitigate the impact of inflation and devaluation. Management believes the constant currency measure provides investors an additional perspective on revenue trends. Currency impact can be determined as the difference between actual growth rates and constant currency growth rates.

"Free Cash Flow": To better understand trends in our business, we believe that it is helpful to adjust cash flows from operations to exclude amounts for capital expenditures including internal use software. Management believes this measure gives investors an additional perspective on cash flow from operating activities in excess of amounts required for reinvestment. It provides a measure of our ability to fund acquisitions, dividends and share repurchase. It is also used to measure our yield on market capitalization. A reconciliation of this non-GAAP financial measure and the most directly comparable measure calculated and presented in accordance with GAAP is set forth in the slide entitled "2015 Guidance".

Management believes that all of these non-GAAP financial measures provide an additional means of analyzing the current period's results against the corresponding prior period's results. However, these non-GAAP financial measures should be viewed in addition to, and not as a substitute for, the Company's reported results prepared in accordance with GAAP. Our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. Our management regularly uses our supplemental non-GAAP financial measures internally to understand, manage and evaluate our business and make operating decisions. These non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. Compensation of our executives is based in part on the performance of our business based on these non-GAAP measures.

Unless otherwise noted, reconciliations of these non-GAAP financial measures and the most directly comparable measures calculated and presented in accordance with GAAP are set forth on the following slides.

Q3 GAAP EPS to Adjusted EPS Track

	Three Months Ended September 30, 2015		Three Months Ended September 30, 2014	
(in millions; except per share amounts)	**Net (Loss) Income**	**EPS**	**Net Income**	**EPS**
Reported[1]	**$ (31)**	**$ (0.04)**	**$ 258**	**$ 0.21**
Adjustments:				
Amortization of Intangibles	48	0.05	48	0.05
HE Charge	241	0.23	-	-
Adjusted	**$ 258**	**$ 0.24**	**$ 306**	**$ 0.26**
Weighted average shares for adjusted EPS[2]		1,078		1,192
Fully diluted shares at end of period[3]		1,046		1,185

(1) Net (loss) income and EPS from continuing operations attributable to Xerox.

(2) Average shares for the calculation of adjusted EPS include 27 million of shares associated with the Series A convertible preferred stock and therefore the related quarterly dividend was excluded.

(3) Represents common shares outstanding at September 30, 2015 as well as shares associated with our Series A convertible preferred stock plus dilutive potential common shares as used for the calculation of diluted earnings per share in third quarter 2015.

GAAP EPS to Adjusted EPS Guidance Track

	Earnings Per Share	
	Q4 2015	**FY 2015**
GAAP EPS from Continuing Operations	**$0.23 - $0.25**	**$0.46 - $0.52**
<u>Adjustments:</u>		
Amortization of intangible assets	0.05	0.18
Software impairment	-	0.08
HE Charge	-	0.23
Adjusted EPS	**$0.28 - $0.30**	**$0.95 - $1.01**

Note: GAAP and Adjusted EPS guidance includes anticipated restructuring

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Q3 Adjusted Operating Income/Margin

(in millions)	Three Months Ended September 30, 2015			Three Months Ended September 30, 2014		
	Profit (Loss)	Revenue	Margin	Profit	Revenue	Margin
Reported Pre-Tax (Loss) Income[1]	**$ (173)**	**$ 4,333**	**(4.0)%**	**$ 286**	**$ 4,795**	**6.0%**
Adjustments:						
Amortization of intangible assets	77			77		
Restructuring and asset impairment charges	20			27		
HE charge	389	116		-		
Other expenses, net	73			71		
Adjusted Operating	**$ 386**	**$ 4,449**	**8.7%**	**$ 461**	**$ 4,795**	**9.6%**

(1) Profit (Loss) and Revenue from continuing operations

Q3 Adjusted Other, Net

(in millions)	Three Months Ended September 30, 2015		Three Months Ended September 30, 2014	
Other Expenses, Net - Reported	**$**	**73**	**$**	**71**
Adjustments:				
Restructuring and asset impairment charges		20		27
Net income attributable to noncontrolling interests		3		6
Other Expenses, Net - Adjusted	**$**	**96**	**$**	**104**

Q3 Adjusted Effective Tax Rate

(in millions)	Three Months Ended September 30, 2015						Three Months Ended September 30, 2014					
	Pre-Tax (Loss) Income		Income Tax (Benefit) Expense		Effective Tax Rate		Pre-Tax Income		Income Tax Expense		Effective Tax Rate
Reported[1]	**$**	**(173)**	**$**	**(105)**	**60.7%**	**$**	**286**	**$**	**66**	**23.1%**
<u>Adjustments:</u>										
Amortization of intangible assets		77		29			77		29	
HE charge		389		148			-		-	
Adjusted	**$**	**293**	**$**	**72**	**24.6%**	**$**	**363**	**$**	**95**	**26.2%**

(1) Pre-Tax (Loss) Income and Income Tax (Benefit) Expense from continuing operations

Q3 Services Revenue Breakdown

(in millions)	Three Months Ended September 30, 2015	2014	% Change	CC % Change
Business Processing Outsourcing	$ 1,616	$ 1,797	(10%)	(8%)
Document Outsourcing	800	826	(3%)	3%
Total Revenue - Services	**$ 2,416**	**$ 2,623**	(8%)	(4%)
As Adjusted:				
Business Processing Outsourcing	$ 1,732	$ 1,797	(4%)	(1%)
Total Revenue - Services	$ 2,532	$ 2,623	(3%)	- %

Note: The above table has been revised to reflect the reclassification of the ITO business to Discontinued Operations and excludes intercompany revenue.

Q3 Adjusted Total Revenue/Margin

	Three Months Ended September 30, 2015				
(in millions)	Total Revenue	Annuity Revenue	Outsourcing, Maintenance and Rentals Revenue	Total Segment Profit (Loss)	Total Segment Margin
Reported[1]	**$ 4,333**	**$ 3,665**	**$ 3,098**	**$ (33)**	**(0.8%)**
Adjustment:					
HE charge	116	116	116	389	
Adjusted	**$ 4,449**	**$ 3,781**	**$ 3,214**	**$ 356**	**8.0%**

(1) Revenue from continuing operations.

Q3 Adjusted Services Segment

	Three Months Ended September 30, 2015					
(in millions)	Annuity Revenue	BPO Revenue	Segment Revenue	% of Total Revenue	Segment Profit (Loss)	Segment Margin
Reported[1]	**$ 2,299**	**$ 1,616**	**$ 2,416**	**56%**	**$ (184)**	**(7.6)%**
Adjustment:						
HE charge	116	116	116		389	
Adjusted	**$ 2,415**	**$ 1,732**	**$ 2,532**	**57%**	**$ 205**	**8.1%**

(1) Revenue from continuing operations.

Q3 Adjusted Key Financial Ratios

(in millions)	Gross Margin	RD&E as % of Revenue	SAG as % of Revenue
	Three Months Ended September 30, 2015		
Reported[1]	**22.8%**	**3.1%**	**19.7%**
Adjustment:			
HE charge	8.1%	(0.1%)	(0.5%)
Adjusted	**30.9%**	**3.0%**	**19.2%**

(1) Revenue from continuing operations.

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