

Document Technology and Outsourcing

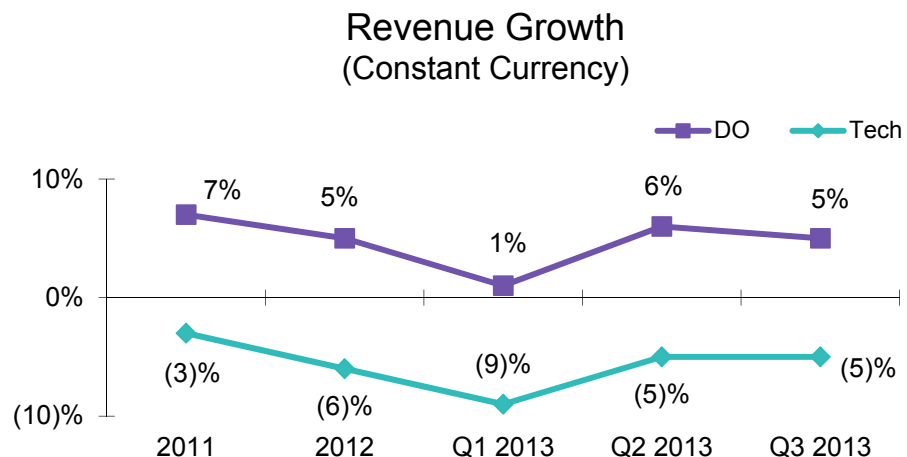
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November 12, 2013

Overview

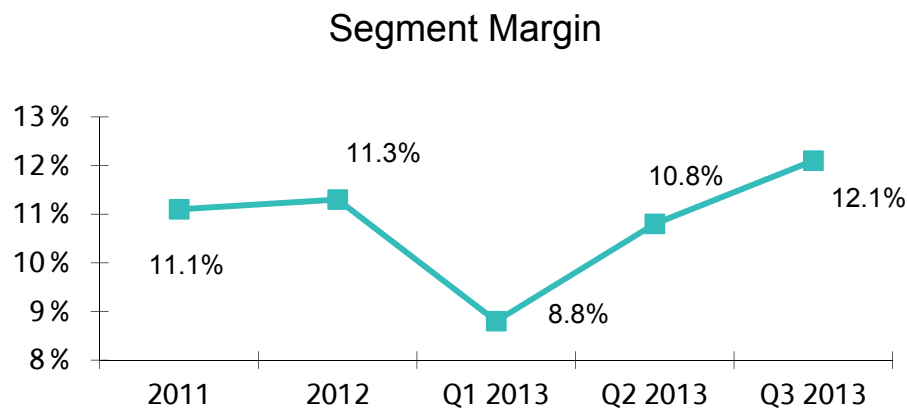
- We will continue our market leadership in Document Technology and Outsourcing
- The print industry retains attractive profitability and cash generation
 - focused on continued profitability and cash flow through ongoing productivity and benchmark operating efficiency
- We expect market contraction to be predictable and manageable

Performance Metrics

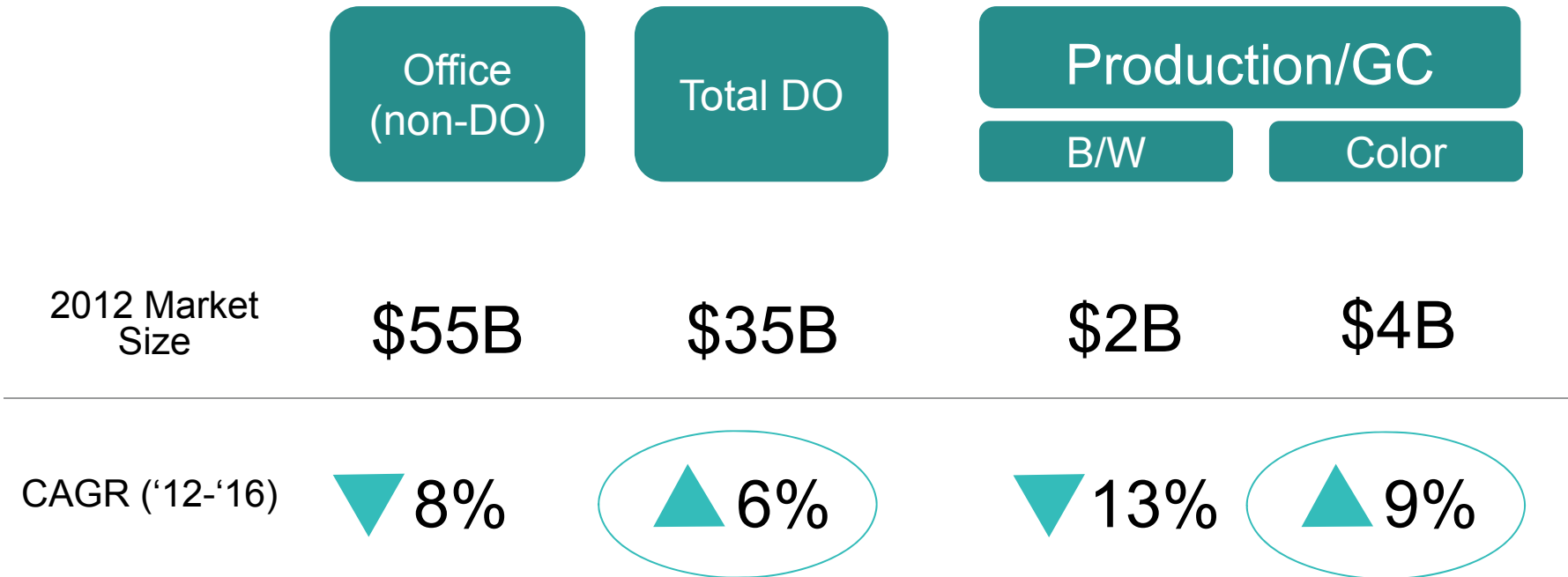
Xerox trends in-line with market. Maintaining overall share leadership in Document Outsourcing and Technology



Document Technology segment margin remains at high end of target range



Printing Market: Focus on Attractive Segments



Total Xerox print markets in slow contraction, down low single digits; current economic environment amplifies contraction

An Advantaged Strategy

Continue to Lead in Managed Print Services

Market leader with new technology such as ConnectKey and our Next Generation MPS offering

Drive innovation with new Workflow Automation software solutions that generate higher value and margins

Leverage BPO and ITO synergies and increase industry vertical capabilities

Lead Graphic Communications Transformation

Market leader with world class capabilities in productivity, digital workflow and automation

Deliver new growth via inkjet and next generation technologies

Realize digital transition with expanded workflow and services for GC customers

Capture the SMB Opportunity

Industry leading offerings such as Xerox Partner Print Services

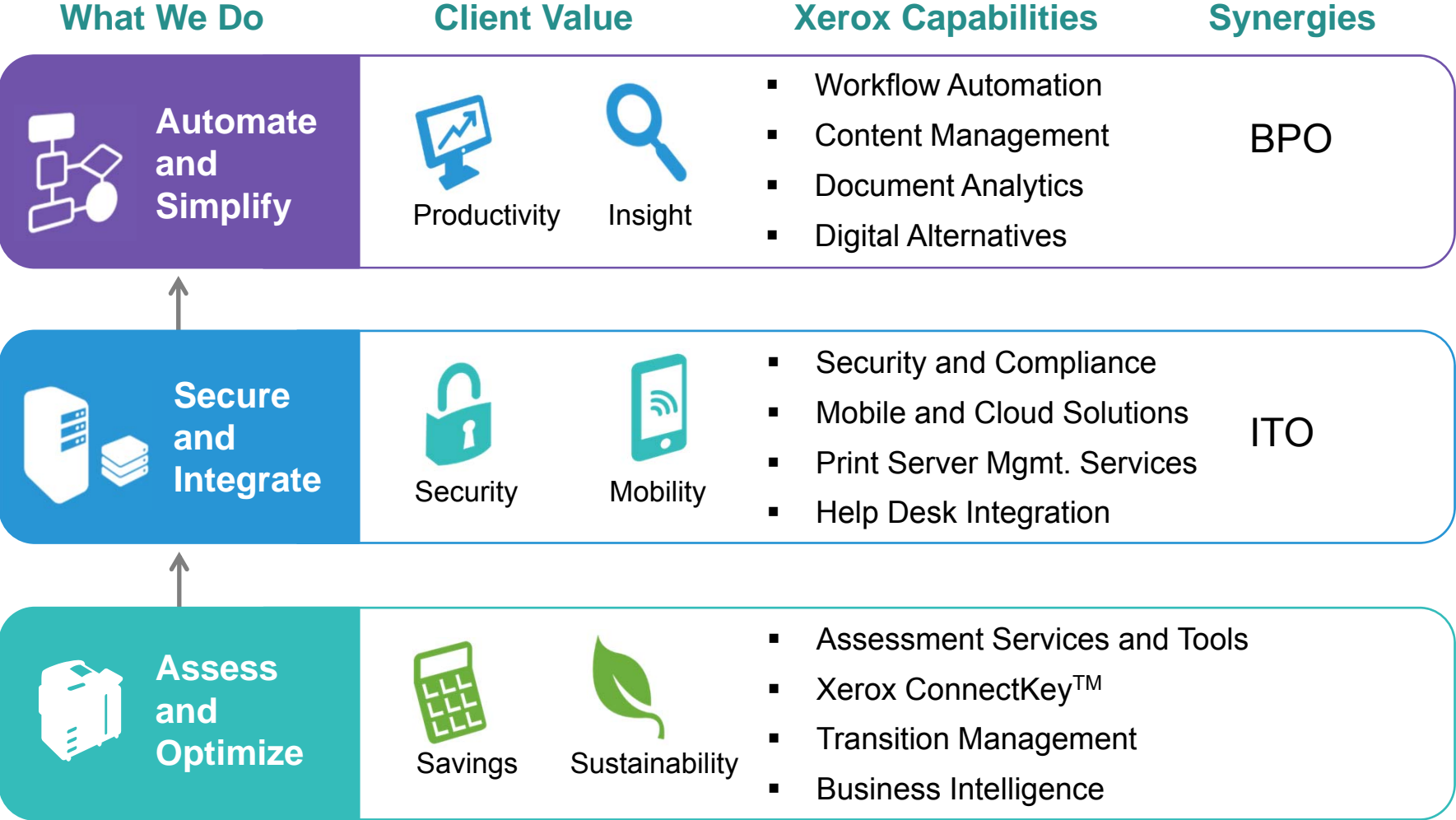
Continue to invest in indirect channels

Provide greater value for partners

Align coverage and offerings to developing markets

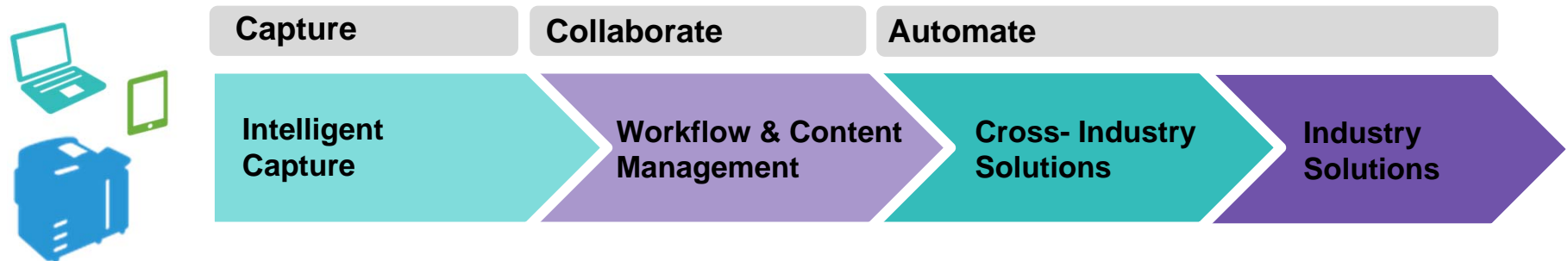
Focus on Profitability and Cash Flow

Xerox Next Generation MPS



Workflow Automation: Comprehensive Offering Suite

Using software, services and analytics to enable MPS customers to digitize & automate their key document centric processes



Customer value proposition

- Increased business velocity
- Reduced back office overhead/cost
- Improved security & compliance
- Improved customer experience
- Reduce environmental footprint

Market Opportunity

Provides access to a \$7B, 10% CAGR market to expand our customer relationship and counteract page declines

Gartner Magic Quadrant for MPS, Worldwide

Xerox has been positioned the furthest for **Completeness of Vision** and **Ability to Execute** within the 2013 **Leaders** quadrant for Managed Print Services.

Figure 1. Magic Quadrant for Managed Print Services, Worldwide



Source: Gartner (October 2013)

The **Ability to Execute** axis position for each MPS provider is based on its success in delivering results today as well as its preparation to deliver results in the future.

On the **Completeness of Vision** axis, Gartner verifies an MPS provider's ability to understand buyers' wants and needs and to translate those into future products and services.

Source: Gartner, Inc. "Magic Quadrant for Managed Print Services, Worldwide" By Ken Weilerstein, Sharon McNee and Elizabeth Kim, October 21, 2013

The Magic Quadrant graphic was published by Gartner, Inc. as part of a larger research note and should be evaluated in the context of the entire report. The Gartner report is available upon request from Xerox.

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Workflow Automation – Customer Success Story

Customer:
Leader in the Wealth
Management Industry



Client need: to transform and optimize time consuming, manual account opening process

Success Story:

- Cycle time reduced from three days to two hours
- Error rate decrease from double digits to one percent
- Client's operating costs reduced in excess of \$500K/ yr.

Digitizing Graphic Communications

We are and will continue to be the preeminent leader in the graphic communications industry.

Superior Customer Intimacy and Value Creation

Lead In Core Market

Winning Cut-Sheet

Capture New Growth

Inkjet-driven Applications

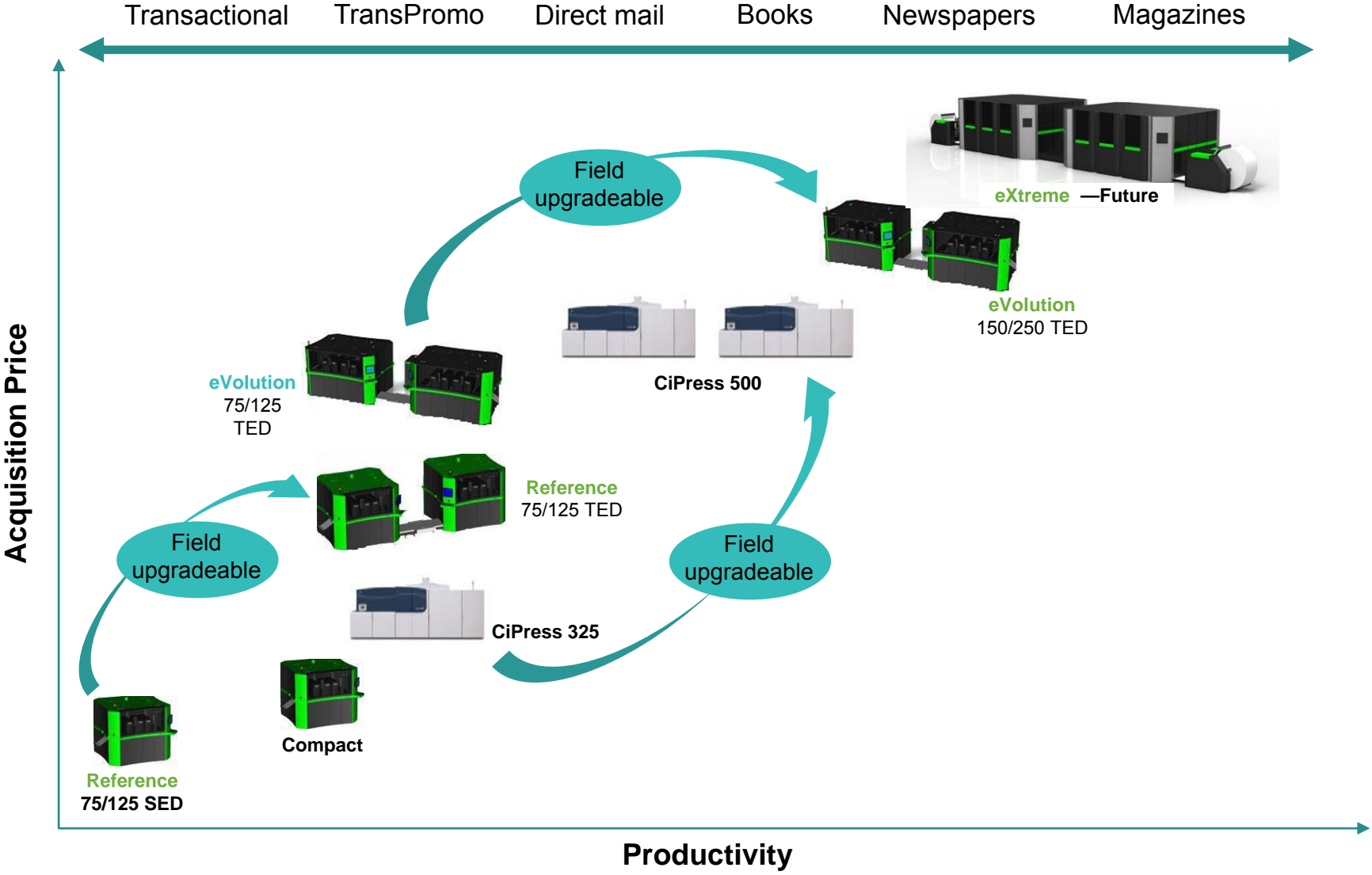
Enable Digital Transition

Workflow & Services

Effective Operations to Serve Our Customers

- Of 50 trillion worldwide Production Print pages, only 2% are digital
- Investment in Inkjet provides access, over time, to 10 trillion or more of additional eligible pages (eg collaterals, direct mail, signage)

Our Inkjet Portfolio



Capturing SMB Opportunities

SMB Market

Xerox Response

Channel Expansion

Represents 70% of total printing-related revenue

- Growth within Global Imaging Systems
- 12% increase in multi-brand partners
- Developing Markets focus

Value Proposition

Margin expansion through differentiated offerings and support

- ConnectKey platform launch
- Back office support and tools

Managed Print Services Leadership

Capability to offer MPS with minimum investment and good reliability

- Leading MPS SMB offering continues strong double digit growth
- Remote management and provisioning



Profitability and Cash Flow

- Customer Aligned Organization Models
- Focus on Simplification and Cost Reduction
- Leveraging Shared Services

Streamlining our infrastructure to align with market trends by proactively managing our cost base

