Document Outsourcing Analyst Briefing

November 16, 2011
We have transformed... into the world's leading enterprise for Business Process and Document Management.

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$15.2 billion</td>
<td>~$23 billion</td>
</tr>
<tr>
<td>Services Business</td>
<td>~25%</td>
<td>~50%</td>
</tr>
<tr>
<td>Services Market Opportunity</td>
<td>~$132 billion</td>
<td>~$550 billion +</td>
</tr>
<tr>
<td>Services Leadership in...</td>
<td>Document Outsourcing</td>
<td>Document Outsourcing Business Process Outsourcing IT Outsourcing</td>
</tr>
</tbody>
</table>

...into the world’s leading enterprise for Business Process and Document Management.
Xerox Strategic Vision

Core Strengths

Our Brand
Global Presence
Renowned Innovation
Services Operational Excellence

Businesses

Document Outsourcing
Technology
Business Process Outsourcing
IT Outsourcing

Growth Drivers

Services-Led
Global Expansion
Grow High Value Pages
### Printing trends: Well positioned in growth areas

<table>
<thead>
<tr>
<th>Consumer</th>
<th>Office Environment</th>
<th>Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inkjet</td>
<td>Desktop Printers</td>
<td>High-End Devices</td>
</tr>
<tr>
<td></td>
<td>Workgroup MFDs</td>
<td></td>
</tr>
</tbody>
</table>

#### Market Size & Growth

<table>
<thead>
<tr>
<th></th>
<th>Consumer</th>
<th>Office Environment</th>
<th>Production</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market Size &amp; Growth</strong></td>
<td>$25B Flat</td>
<td>$34B Flat</td>
<td>$42B 1% (color 4%)</td>
</tr>
<tr>
<td></td>
<td>$6B ($17B eligible offset) 5% (color 12%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Xerox Position

<table>
<thead>
<tr>
<th></th>
<th>Consumer</th>
<th>Office Environment</th>
<th>Production</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Do not participate</strong></td>
<td>Less than 5% share</td>
<td>Technology &amp; Services leader</td>
<td></td>
</tr>
</tbody>
</table>

#### Xerox Impact

<table>
<thead>
<tr>
<th></th>
<th>Consumer</th>
<th>Office Environment</th>
<th>Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decline in low-value pages</td>
<td>mobile workforce (smartphones/tablets)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth in high-value pages</td>
<td>content explosion / mobile workforce</td>
<td>color affordability (price per page decline)</td>
<td>mass personalization</td>
</tr>
<tr>
<td>Consolidation of devices</td>
<td>from desktops to MFDs</td>
<td>move to services</td>
<td></td>
</tr>
</tbody>
</table>

#### Industry Trends

<table>
<thead>
<tr>
<th></th>
<th>Consumer</th>
<th>Office Environment</th>
<th>Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decline in low-value pages</td>
<td>distribute &amp; view</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Overall Xerox markets expected to grow 1 to 3% CAGR

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Source: Internal Market Size Analysis

1. 2010 – 2014 CAGR
<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Presenter</th>
</tr>
</thead>
<tbody>
<tr>
<td>9:45 – 10:00 am</td>
<td>Breakfast</td>
<td></td>
</tr>
<tr>
<td>10:00 – 10:10 am</td>
<td>Xerox Direction and Introductions</td>
<td>Jim Lesko</td>
</tr>
<tr>
<td>10:10 – 10:25 am</td>
<td>Document Outsourcing Overview</td>
<td>Stephen Cronin</td>
</tr>
<tr>
<td>10:25 – 11:15 am</td>
<td>Xerox Managed Print Services Business</td>
<td>Jim Joyce</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Darren Cassidy</td>
</tr>
<tr>
<td>11:15 – 11:35 am</td>
<td>Xerox Communication &amp; Marketing Services Business</td>
<td>Andrew Morrison</td>
</tr>
<tr>
<td>11:35 – 11:40 am</td>
<td>Document Outsourcing Close</td>
<td>Stephen Cronin</td>
</tr>
<tr>
<td>11:40 – Noon</td>
<td>Break</td>
<td></td>
</tr>
<tr>
<td>Noon – 12:45 pm</td>
<td>MPS Software Demo, Lunch and Roundtable</td>
<td>Paul Birkett</td>
</tr>
</tbody>
</table>
A New View of the Enterprise

$550B
Global Market Opportunity

Helps customers focus on core business

- Reduce costs
- Increase productivity
- Optimize workflow
- Improve efficiency
- Simplify back-office

Business Processes
$225B  CAGR: 7%

Document Outsourcing
$45B  CAGR: 6%

Information Technology
$280B  CAGR: 4%

Source: Xerox Market Size Analysis
Document Outsourcing
Market Opportunity and Client Trends

Document Outsourcing Market Opportunity
$45B  CAGR: 6%

$26B  Managed Print Services
$19B  Communication & Marketing Services

- Content explosion
- Operational efficiency
- Cloud services
- Mobile workforce
- Information security
- Environmental sustainability
- Growth in emerging markets

Source: Xerox Market Size Analysis
# Market Trends and Links to Xerox Document Outsourcing

## MPS Enterprise
- Enterprises are outsourcing their print to proven MPS suppliers
- Second and third generation MPS clients
- Strong focus on productivity, security, industry, and innovation

## MPS SMB
- Rapid expansion of MPS to Small and Medium-Sized Businesses
- Leveraging Xerox Channel and Alliance Partners to reach SMB
- Support SMB with MPS workflow, software solutions, and cloud

## CMS
- Shift from paper to digital media and e-Presentment
- Increase in personalization and multi-channel distribution
- Client awareness and desire to control communication costs
Our Vision: Be the leading global provider for document outsourcing solutions in the areas of Managed Print Services and Communication & Marketing Services.

- Free up clients to focus on their core business
- Capitalize on our global coverage infrastructure
- Lead with document innovation and industry expertise
- Provide cost effective global delivery
- Capitalize on selling and delivery skills
- R & D
  - Provide document software solutions

Xerox Global Document Outsourcing
Revenue Growth Strategy
Xerox Global Document Outsourcing
MPS and CMS Offerings

Xerox Managed Print Services

Enterprise
- Manage all office and production output devices
- Reduce cost
- Improve environmental and security services

SMB
- Go-to-Market through Channel Partners
- Control print infrastructure and consolidate vendors
- Improve device management

Xerox Communication & Marketing Services
- Improve client communications and cost
- Provide efficiency and communications savings
- Assist client’s to attract new customers and effectively communicate with existing customers

• Margins continuing to improve
• Continue to enhance depth and breadth of Xerox Document Outsourcing portfolio
Revenue and Signings – A Positive Trend

- Strong signings and high renewal rate drive improving revenue growth
- September YTD: Revenue up 9%, 6% CC and Signings up ~40%
Xerox Managed Print Services Business

Jim Joyce
Senior Vice President
Business Development Organization, Eastern Operations

Darren Cassidy
Senior Vice President
Global Xerox Print Services and Xerox Partner Print Services

November 16, 2011
Agenda

• The Managed Print Services Market
• Xerox Managed Print Services Continuum
  • Delivering Client Value
  • Serving the Enterprise and SMB Markets
• Leading the Way
The Managed Print Services Market

$26B
Total MPS Continuum Market Opportunity
(MPS + Basic Print Services + Centralized Print Services)

$10.5B
Large Enterprise
(1,000+ employees)

$15.5B
SMB
(<1,000 employees)

Source: Xerox Market Size Analysis

Key Market Trends

• Expanding growth with MPS value and price offerings
  – Market growth expanding as more organizations look for lower cost remote fleet management options
  – Growing number of client / prospects endorsing a more robust MPS approach – which goes beyond fleet management
  – Clients are expanding their business objectives to support the growth of the mobile workforce and the increased need for document security

• Integration of Business Process Outsourcing
  – Clients are extending their service provider needs to assist in optimizing their business workflows while optimizing print

• SMB market shows highest growth opportunity
  – SMB clients are driving the need for managed print to reduce costs and increase productivity
  – This growth is resulting in an increased number of vendors developing direct and indirect programs
What Created the MPS Opportunity?

**The drive toward services**
- Emergence of low cost distributed printers
- IT relinquishes control of distributed print
- Shift to Distributed Networks

**MPS becomes “legitimate”**
- Gartner publishes 1st MPS Magic Quadrant
- IDC launches first “MarketScape”
- New business TCV exceeds $1B per annum

**Leading the Way**
- Xerox develops Xerox Office Services Technology Suite, Lean Six Sigma Assessment Process, and Business Case Standards
- Xerox Wins First Major MPS deals - Baxter, Lloyds, and Dow
- Xerox announced click charge low end offerings

**Maintaining MPS Leadership**
- Recognized as a leader in Gartner MPS Magic Quadrant for fourth consecutive year
- Full continuum of MPS offerings serving all markets
- Expanding our reach with Partners
- Continuous innovation with ACS
Xerox Managed Print Services Continuum

- Holistic approach to document and print management, including a client’s entire print infrastructure and environment
- Scalable for virtually any size business
- Enables us and partners to match our client’s specific needs and economics with the right solution
Xerox Enterprise Print Services

- Office, Production, Mailroom, Remote and Mobile Worker
- Xerox and Non-Xerox Devices
- Contracted Savings
- Advisory Services
- On-going Optimization
- Help Desk Integration
- Customized Reporting
- Change Management
- Enterprise Print Governance
- Workflow Integration with ACS
- Continuous Innovation

Mobile-Remote-Home Worker

Document Quality Control

Office Environment

Central Print Environment
Delivering Client Value

- On-going Optimization
- Reduce Costs
- Improve Productivity
- Enhance Document Security
- Enhance End User Experience
- Streamline Business Processes
- Improve Environmental Sustainability
- Global Service Delivery
- Positive Client Experience

Xerox Managed Print Services

- Proactive Multi-Vendor Support
Examples of Client-Defined Business Objectives Beyond the Office

- Generate $10M operating savings
- Reduce document security (SSI) incidents by 50% — comply w/SEC standards 100%
- Give back 100 minutes of technology-based productivity to every employee
- Eliminate 30% of all printed documents in staff areas
- Improve retiree satisfaction 30% re: timeliness / accuracy of statements
- Reduce environmental footprint by 18%
Global Customer Service and Delivery Excellence

Over 12,000 service professionals operating within industry aligned Service Delivery standards across 170 countries

Resources
- Technology architecture and system integration services
  - >250 solution architects globally
- Continuous, integrated solution and portfolio innovation

Technology
- Common technology platform and service architecture
- Testing, assessment, certification & security services

Service Centers
- Over 50 multi-lingual global delivery centers worldwide
- 24/7 global infrastructure support & hosting services
Turn to Xerox for Future Innovation

We understand how evolving social/technical trends affect the way people work.
We offer significant business value creation.
Serving the SMB Market
Xerox Managed Print Services Continuum

- Holistic approach to document and print management, including a client’s entire print infrastructure and environment
- Scalable for virtually any size business
- Enables us and partners to match our client’s specific needs and economics with the right solution
Cloud-based MPS Platform

- Platform exists today and serves all of our MPS offerings, direct as well as partners
- Level of sophistication and scale will drive platform elements
- Most sophisticated offerings help clients control all their print and provide for ongoing optimization
NewField IT

Professional Services – partner support
- Print Assessments
- Total Cost of Ownership Analysis
- Proposal Generation
- Software Solution Support

Asset DB
- Asset Mapping
- Data Management
- Cost of Ownership Modelling
- Fleet Optimization
- Solution Design
- Green Calculator/Carbon Savings

Less Investment, Faster Returns, Global Opportunity

xerox®
Unparalleled End-to-End MPS Partner Support

<table>
<thead>
<tr>
<th>Sales Engagement</th>
<th>Pre-contract Support</th>
<th>Technology Support</th>
<th>Post Contract Support</th>
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</thead>
<tbody>
<tr>
<td>Xerox MPS Operations</td>
<td>NewField IT Xerox Financial Services</td>
<td>Xerox Technology and Solutions</td>
<td>Xerox Global Delivery Centers</td>
</tr>
<tr>
<td>• Business Planning</td>
<td>• Assessment and Design</td>
<td>• Cloud Services Platform</td>
<td>• Help desk and Monitoring</td>
</tr>
<tr>
<td>• Training and Certification</td>
<td>• Solutions Consulting</td>
<td>• MPS API</td>
<td>• Meters and Billing</td>
</tr>
<tr>
<td>• Marketing and Events</td>
<td>• Pricing and Leasing</td>
<td>• Software Solutions</td>
<td>• Break Fix</td>
</tr>
<tr>
<td>• Internal and Client Pilots</td>
<td></td>
<td></td>
<td>• Supplies and Consumables</td>
</tr>
</tbody>
</table>

Xerox MPS Operations

NewField IT Xerox Financial Services

Xerox Technology and Solutions

Xerox Global Delivery Centers
Leading the Way
Xerox: A Recognized Leader in Managed Print Services

Gartner Magic Quadrant for MPS, Worldwide
Xerox is proud to be positioned as a leader in the 2011 Gartner Magic Quadrant for Managed Print Services.

“Xerox is proud to be positioned as a leader in the 2011 Gartner Magic Quadrant for Managed Print Services. 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 this axis, Gartner rates an MPS provider’s capability to deliver MPS based on direct feedback from extensive interviews with its clients and other provided customer references.”

IDC MarketScape: Worldwide Managed Print Services Vendor Assessment
Xerox is proud to be positioned as a leader in the IDC MarketScape: Worldwide Managed Print Service Vendor Assessment.

“Xerox’s continuous internal investments in its operations, the people resources to manage contracts, and a management delivery framework (the monitoring and control infrastructure) have yielded what IDC considers the current deployment delivery in the market today.”

Quocirca Enterprise MPS Vendor Positioning
“Xerox’s mature service portfolio helps reinforce its market lead.” – Quocirca LTD

“Xerox has maintained its leading position in Quocirca’s analysis due to its strong market presence and mature service portfolio which has been continually developed for the past decade.”

“Xerox has invested in streamlining elements of its service delivery infrastructure, EPS toolkit and technology platform to enable lower costs, but robust offerings for SMBs and the midmarket.”

IDC Outsourced Print and Document Services Forecast and Analysis
Xerox is proud to be the 2009 worldwide vendor market share leader in managed print services.

Xerox’s sizeable market share lead can be attributed to its efforts in extending traditional managed print services across the enterprise to include not only the office, but in-house production print and mobile worker support.”
Xerox a Leader in Managed Print Services

**Powerful Brand and Trusted Partner**
- Established and respected Leader
- Over 10 years in Managed Print Services
- Thousands of MPS deployments globally across all industries showcasing measurable client results

**World class Portfolio**
- Unparalleled continuum of services
- Supporting all clients and partners from SMB to Enterprise
- Unique training and accreditation programs for all channels

**Technology & Innovation**
- Integrated proven technology platform and tool suite
- Over 9,400 active patents
- On-going business process integration with ACS

**Global Delivery**
- Over 50 Global Delivery Centers worldwide supporting all channels
- Consistent, reliable and predictable service, supporting all geographies
- Industry standard aligned processes

**MPS Leadership**
- Recognized as a market leader in the Gartner MPS Magic Quadrant for the 4th consecutive year
- Recognized as a market leader by IDC MarketScape
Communication & Marketing Services
Market Size and Key Market Trends

Market Size = $19B
Total CMS Market Opportunity
(Document Supply Chain Management, Cross-Media Communications, and Enterprise Marketing Services)

Key Market Trends

• Significant market pull

• Customer trend toward full document outsourcing

• Customer transition to digital communications

• Customer focus on data driven marketing that delivers real business insight

Source: Xerox Market Size Analysis
Marketing needs to generate more revenue for the business, has less money to do it with, and needs to adapt to technology and social change at the same time.

Cross Media & Enterprise Marketing
- Digital Transition, increasing access and multimedia channels
- Communications Strategy, planning, Data Modeling, Analytics, command and control, preference management and e-Presentment
- Innovation, quality and cost SLA’s & KPI’s

Document Supply Chain Management
- Integrated, end-to-end document design, sourcing and fulfillment
- CRM, Creative Services, authoring, translation, catalogue management, sourcing, demand / supply planning, inventory and distribution
- Cost and Quality SLA’s

Communication & Marketing Services (Enterprise)
- Integrated Marketing, Cross Media and Supply Chain Management
- Data analytics, SOA based architecture, inbound, response management
- Performance and Business Outcome SLA’s and KPI’s
Eliminating Communication Complexities

**From**

- Multiple functions and messages
- Multiple media
- Multiple audiences

- Marketing
- Product Mgmt
- Operations
- HR/IT/Legal

**To**

- Multiple functions and messages
- Multiple media
- Multiple Touch Points

- Marketing
- Product Mgmt
- Operations
- HR/IT/Legal

- **Message and campaign coordination, preferences, targeted, consistency, intelligent use of data, brand integrity across media**

- **Multiple channels, limited collaboration, complexity, slower time-to-market, mixed messages, loss of impact and effectiveness**
**Xerox Communication & Marketing Services**

- **Marketing**
  - Targeted, effective communications
    - Personal, preferences, predictive, closed loop to ensure right message, right time, right results

- **Cross Media**
  - Multi Channel Communication
    - High quality print communications, migration to electronic, automation & aligned to key business processes

- **Supply Chain and Downstream Management**
  - Supply Chain Management
    - Process efficiency, end user experience, ease of order management & workflow, consolidation, end-to-end control over all physical costs & information

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**Proportion of Spend**

- **Lower Spend**
- **Higher Spend**

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**Differentiated High Value Add**

**Commoditized Low Value Add**

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**Strategy and Planning**

**Data Management and Analytics**

**Content Creation and Management**

**Multi-Channel Delivery**

**Response Management**

**Production, Fulfillment, Project Execution**

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**Xerox**
Global Delivery
CMS Global Delivery Management

Delivering strategic communication and marketing services through a combination of a pre-sales, on-site, near-site and offshore Global Delivery Center network operating on a common technology architecture and infrastructure support service.

- Global Delivery Center network
- Integrated service and supplier management
- Central brand & campaign execution
- End-to-end collaboration
- Integrated supply and demand
- Simple approval cycles
- Time-to-market
- Structure purchasing
- Sourcing, demand and category management
- Real time analytics and MI
**Xerox Communication & Marketing Services**

**Client Benefits**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Benefit</th>
<th>Metric</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Bank</td>
<td>Make Budgets Go Further</td>
<td>30%</td>
<td>Do more for less</td>
</tr>
<tr>
<td>Telecoms</td>
<td>Customer Centricity</td>
<td>42%</td>
<td>Faster payments and cash flow</td>
</tr>
<tr>
<td>Catalogue Retailer</td>
<td>Speed and Flexibility</td>
<td>6 months</td>
<td>Bottom-line growth</td>
</tr>
<tr>
<td>Insurance</td>
<td>Brand Consistency</td>
<td>20%</td>
<td>Customer satisfaction</td>
</tr>
<tr>
<td>Retail and Consumer</td>
<td>Visibility and Control</td>
<td>100%</td>
<td>Ability to meet SLAs and lower business risk</td>
</tr>
<tr>
<td>Automotive</td>
<td>Higher Response Rates</td>
<td>6%</td>
<td>Revenue growth</td>
</tr>
</tbody>
</table>

**Retail Bank**
Lower document production costs

**Telecoms**
Reduction call centre queries

**Catalogue Retailer**
Extra time for pricing decisions

**Insurance**
Increase in customers satisfied with insurance policies

**Retail and Consumer**
On-time delivery of point-of-sale campaigns

**Automotive**
Sales conversion rate on direct marketing campaign
Summary

An integrated, comprehensive platform-driven approach that delivers end-to-end value to the top and bottom line of our clients through continued significant RDE investment in the Document Outsourcing space

- Rapidly evolving and growing need for multi-media marketing and communications integrated solutions

- Unique opportunity to create an integrated, platform driven approach to deliver end-to-end value to top and bottom line

- Leverages our global footprint, unique intellectual property, breadth and experience in leading strategic Document Outsourcing