

Xerox Corporation – Financial Information

	2008	2007	2006	2005
	(\$ in millions except per share data)			
Consolidated Statements of Income				
Total Revenue	\$ 17,608	17,228	15,895	15,701
Total Costs ¹	\$ 10,753	10,277	9,436	9,228
Gross Profit	\$ 6,855	6,951	6,459	6,473
Total Expenses and Other Income ²	\$ 6,969	5,513	5,651	5,643
Income from Continuing Operations	\$ 230	1,135	1,210	933
Diluted Earnings per Share	\$ 0.26	1.19	1.22	0.94

Consolidated Balance Sheets				
Total Assets	\$ 22,447	23,543	21,709	21,953
Total Liabilities	\$ 16,209	14,955	14,629	14,745
Shareholders' Equity	\$ 6,238	8,588	7,080	7,208

Debt Position and Financing Leverage				
Total Reported Debt	\$ 8,384	7,464	7,145	7,278
Total Finance Assets ³	\$ 7,872	8,635	8,325	8,280
Financing Leverage	7:1	7:1	7:1	7:1
Financing Debt [Total Finance Assets x 7/8]	\$ 6,888	7,556	7,284	7,245

Consolidated Statements of Cash Flows				
Cash from Operating Activities	\$ 939	1,871	1,617	1,420
Cash Used in Investing Activities	\$ (441)	(1,612)	(143)	(295)
Cash Used in Financing Activities	\$ (311)	(619)	(1,428)	(2,962)
Net change in cash and cash equivalents	\$ 130	(300)	77	(1,896)
Cash and cash equivalents at January 1	\$ 1,099	1,399	1,322	3,218
Cash and cash equivalents at December 31	\$ 1,229	1,099	1,399	1,322

¹ Costs = Cost of sales + Cost of service, outsourcing and rentals + Equipment financing interest

² Expenses and Other Income = Research, development and engineering expenses + Selling, administrative and general expenses + Restructuring and asset impairment charges + Other expenses, net

³ Finance Assets = Finance receivables + Equipment on operating leases

