

Operational Leadership

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President

Operational Execution of Strategies

Technology leadership

Distribution leadership

Optimize productivity and infrastructure

Leverage Color Technology Investments

Xerox is the color leader

- #1 in Revenue Share
- 37 % of Total Revenue
- 16 % of Total Pages

New products drive growth

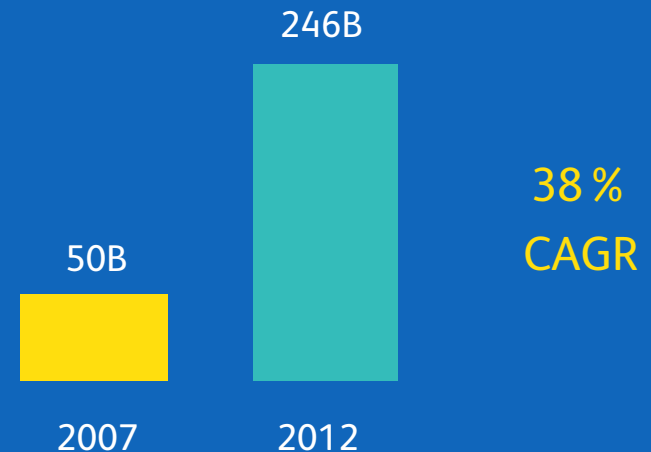
- Production
 - iGen4
 - Xerox 700
 - Xerox 490/980
- Office
 - SMB offerings
 - Solid Ink

New applications expand markets

- Direct Mail
- TransPromo
- Photo Books
- Books on Demand

Significant Color Page Opportunity

Color production digital page growth*



Securing Technological Leadership

Maintaining leadership in Innovation

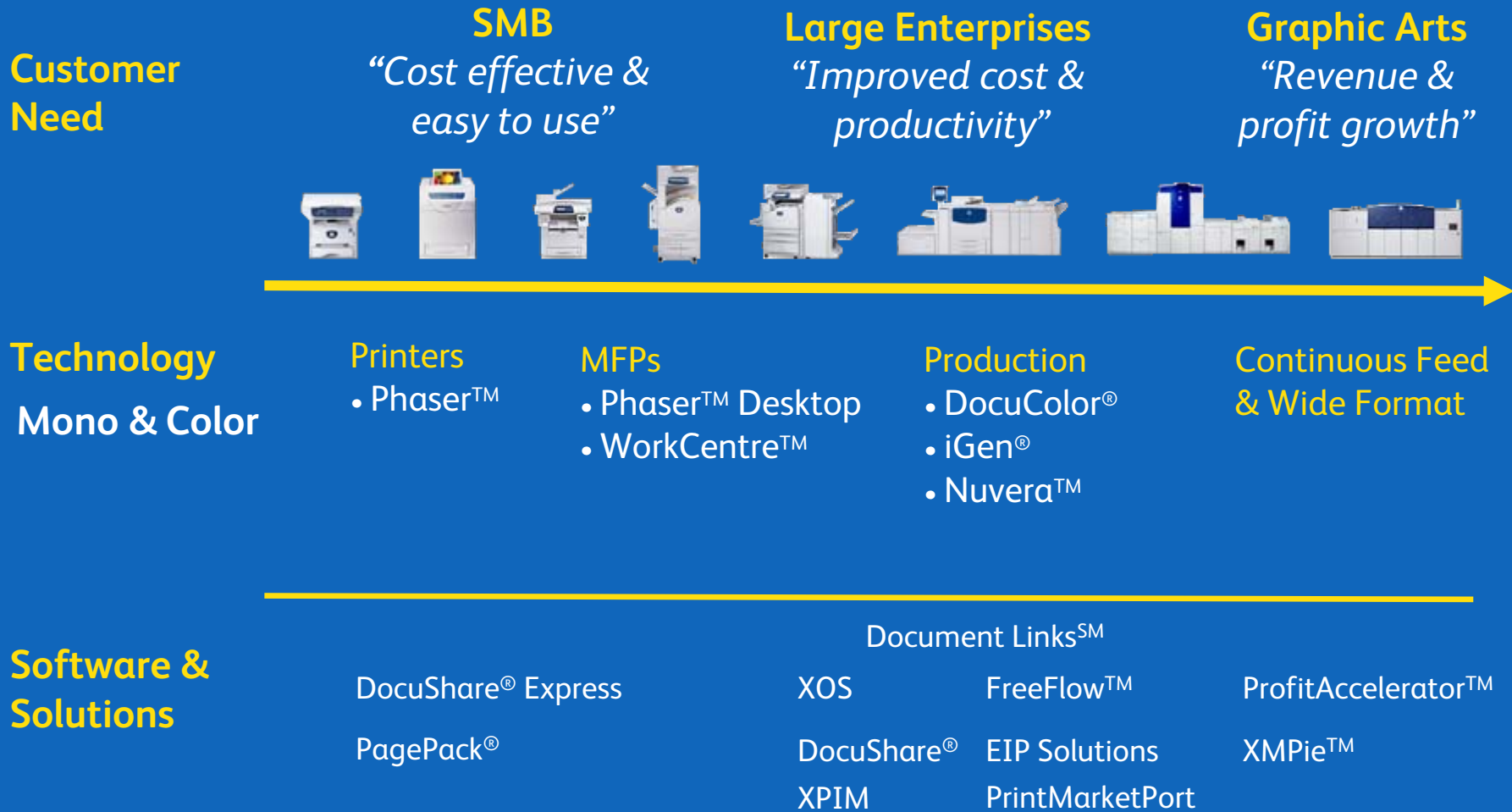
- Launched 100 products in last 3 years

Developing new technologies for the future

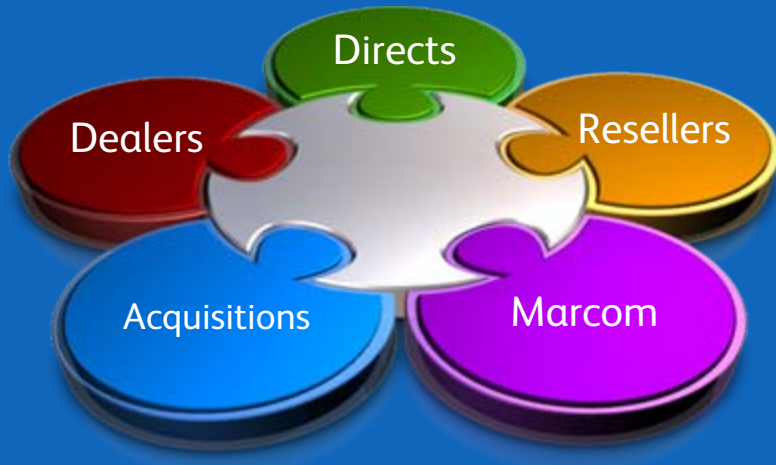
- Color Inkjet Technology
 - 1,500+ inkjet patents; 800+ issued in last 5 years
 - Award winning Solid Ink Printers/MFPs: Scaling in 2009!
 - Future Pipeline: Xerox Cured Gel Ink
- Document Management Technologies
 - Broadest set of integrated software
 - Extensible Interface Platform
 - Smarter document technologies

Building on our heritage of innovation thru continued investment in the future

Broadest Technology to Meet Customer Needs



Enhance Distribution



Increased direct coverage

- Sales territories
- Graphic Arts & Professional Services

Channel acquisitions

- 9 acquisitions in the last 2 years
- North America and Europe

Marcom and product investments

- Yielding significant desktop* activity growth
 - DMO and XE +38 % YTD
- 18 SMB products launched in 2008

Build on Services Leadership

Xerox leads the industry with the broadest end to end Document Services and Solutions

Business
Process
Outsourcing

Delivering more business value

- Accountability for business results
- Vertical Services: litigation services
- Horizontal Services: customer acquisition and communications

Application
Outsourcing

Streamlining business processes with software and tools

- Improved processing through automation
 - XPIM, Docushare[®], PrintMarketPort
- Deploy applications to support business operations
 - XMPie[™]

Infrastructure
Outsourcing

Controlling enterprise output spend

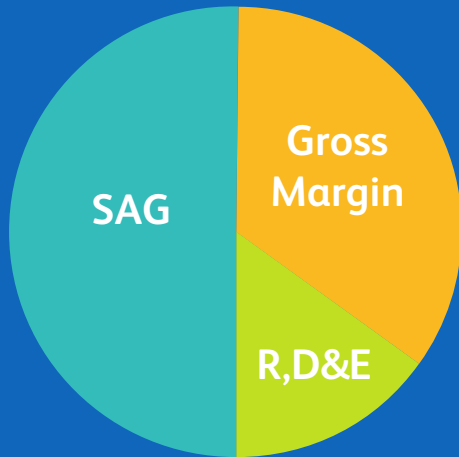
- Reducing costs – delivering up to 30 % savings
- Enable pro-active management of the infrastructure
 - Document LinksSM
- Global leader in office & production services

Gaining Momentum in Services

Strategic Focus	Dashboard Metric	Q3 08 YTD
Drive mega deals & enable total signings	% YOY Signings Growth*	14 %
	# Mega Deals ¹	27
Build profitable portfolio of annuity services	Annuity Revenue	\$2.6B
	YOY Growth	6 %
Enhance alliances	Signings thru Alliances	44 %

Optimize Productivity & Infrastructure

Moving to the next stage of efficiency



Targeted Focus
Areas

**\$200M 2009
Savings**

**5% Workforce
Reduction**

Capture efficiencies in gross margin

- Manufacturing utilization and supply chain
- Technology efficiencies in technical and managed services

Reduce SAG infrastructure costs

Marketing, Finance, HR & Training

- Create competency areas
- Build flexible processes and structures

Optimize development & engineering

- Expand architecture convergence & modularity
- Leverage partnerships & best shoring

Xerox Strategy to Win

Execute on
Growth Initiatives

Capitalize on market opportunities

Expand
Distribution

Leverage distribution investments

Secure Future
Technology Leadership

Build on Xerox heritage of innovation

Optimize Productivity
and Infrastructure

Drive cost reductions and
margin improvement

