



Ursula Burns, Xerox President
Remarks at IPEX South Asia
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Thank you for joining us today. It is such an honor for me to visit Xerox India and participate in IPEX South Asia. I'm told this is the first trade exhibit for the printing market in the South Asia region. It's certainly appropriate for this "first" to be in India, where change is happening rapidly and where technology advancements are taking significant leaps to keep up with your booming marketplace.

At Xerox, we have been investing in the print market in India for some time now – helping print providers build their businesses through digital technology.

That investment is paying off for our business and for our customers. This region has reached a tipping point in the adoption of digital. And, now print providers are embracing digital faster than ever before.

According to a report by Pira International, the worldwide print market was estimated to be worth \$601 billion in 2006, and the fastest growing segments of the market are digital printing. Pira says digital is increasing at double-digit rates versus a market average of 2.5 percent. Pira also says the

Indian printing market alone is expected to climb from \$12.6 billion in 2006 to \$25.1 billion by 2012.

Digital printing in India is expanding even more rapidly. Xerox India calculates that the Indian digital printing market will grow from US\$504 million in 2006 to as much as US\$2.5 billion by 2012.

The digital print opportunity is huge, and it's coming at us fast. From our view, this growth is fueled by what we call "mega trends" in our industry. There are three:

1. **Personalization** – that's the ME generation
2. **Collaboration** – that's all about US working with each other

and
3. **Digitization** – that's what happens when WE put it all together.

Let me take a few minutes to explain these in more detail. Then, I'd enjoy hearing from you with your questions and insights on the industry.

With each of these trends, the industry is evolving to where the customer is now at the center of the conversation.

Digital technology has made this possible. Xerox pioneered digital printing and the value digital services can bring. Along with our customers, we created what we call The New Business of Printing – the right business model, the right workflow and the right technology. When it all comes together, we're creating significant profit opportunities for print providers.

Let's take a step back for a moment and see how these trends play in the greater economy.

First, Personalization...

How big is it? Let me put it in perspective. Personalized ads are what made Google a verb. Type "personalization" into a search engine and you'll find a selection of Web sites that

are ready to personalize anything from your coffee mug to a box of tissues to chocolate candy and everything in between.

Seshasai (say-sha-sigh), a leading commercial printer based in Mumbai, Delhi and Chennai (shen-nigh) and a Xerox Premier Partner, creates personalized calendars, folders, greeting cards, playing cards and photo albums for its many customers. (Say-sha-sigh) was the first printer in India to install a Xerox iGen3 digital press. Since pioneering their digital services, they have grown their business in ways never before possible with offset printing. And, they're now one of the first commercial printers to handle segmented direct marketing communications and transpromotional and transactional statements.

With personalization, print providers are able to make documents relevant, compelling and meaningful.

Another big influence is Collaboration. Mega trend number two.

Collaboration has taken on new meaning. In the digital world, most companies thrive when they step out of their

proverbial boxes. To win they need to embrace industry standards and partner with others for success.

Here's a great example of collaboration. Indian Premier Partner Dynamic Softlink, a software solutions provider, based in Surat (sir-RAHT), develops modeling photo cards using an innovative proprietary software called DrapeShop™ for textile houses across India. The modeling photo cards are used to visualize the appearance of fabric on images of real life models. These are developed according to the design and colors of fabrics supplied by the textile manufacturers. By teaming its software professionals along with graphic artists, the company was able to enter and profit from an area not traditionally associated with its core business.

Xerox also recognizes the value of collaboration. We have more than 100 industry partners so we can offer a total package of solutions. Last year, we acquired one of them, one-to-one marketing software company XMPie. It's a Xerox company, but XMPie also continues to sell to our competitors. We're okay with that; we think our competitors

are too. Collaboration is all about identifying strengths and bringing them together to create better outcomes.

The third mega trend that shapes our business is Digitization.

Once you go digital, you've really just started the process of digitization. In the world of systems, you must constantly upgrade and build new applications that help capture lucrative opportunities.

Take Premier Partner Perfact Colour Digital Prints, a commercial print operation based in New Delhi and Gurgaon (gur-gah-own). This short-run and variable-data printer produces personalized communication such as invoices, insurance policies, books, posters, signage and other applications. What sets Perfact Color Digital Prints apart is that it hosts online ordering and a Web-based inventory system to provide 24/7 access, regardless of location.

Here's another example: Bhavish (baa-veesh) Graphics, based in Chennai (shen-nigh), is a Xerox Premier Partner and honorable mention winner of our PIXI awards this year.

This printer developed software to dramatically reduce the number and complexity of invoices for customers of BSNL, a major telecom service provider. Bhavish (baa-veesh) Graphics helped BSNL print and distribute invoices in one day instead of more than a week. The solution generated additional revenue by prompting quicker payment from BSNL's customers.

Digitization is all about more lucrative applications that are Web-based, that connect directly with digital presses, with digital systems and with a customer's digital environment – all in one voice ...in a seamless process.

Personalization, Collaboration and Digitization. They will continue to be driving forces in our business. And, they are the motivation for Xerox to continue delivering powerful systems, software and services. In fact, we answered year another example of our technological strength today.

Earlier this morning in Japan, our partner Fuji Xerox set an industry benchmark by launching the Xerox 490/980 Color Continuous Feed Printing System.

This is the fastest xerographic toner-based full-color continuous feed printer of its kind.

Now, I am an engineer and I've been in the printing business for 28 years, so breakthroughs like this get me very excited!

It's not just about its robust speeds and feeds... it's what this device can do for our customers' businesses. By the way, it prints at an amazing 986 full-color pages per minute duplex at 600 dpi.

Companies are always looking for new and better ways to reach their customers. Savvy marketers and smart print providers are turning to digital technology to create personalized communications that combine targeted marketing messages – to get the attention of their customer.

With the new Xerox 490/980 Color Continuous Feed Printing System, Xerox will propel transpromotional marketing opportunities for service bureaus and data centers, enabling them to quickly and easily produce statements and invoices with targeted and personalized marketing messages to up-sell or cross-sell to the recipient.

Additionally, print providers can produce jobs such as promotional direct mail pieces that include personalized coupons. Loyalty campaigns that incorporate custom membership cards. And, newsletters and newspapers that have tailored content by region.

The innovative new color continuous feed printer delivers the perfect blend of color, speed, and image quality for a multitude of applications.

The Xerox 490/980 printer is immediately available in geographies covered by Fuji Xerox, and is available for order taking in a phased-approach beginning in Europe during the first half of 2008 followed by North America. In India and other countries we'll bring this exciting product to market as customer requirements dictate.

The digital world of today and tomorrow will continue to drive these mega trends and Xerox will continue to build on our legacy of innovation. When we do all that, these mega trends turn into MEGA WINS for our customers, our partners and our stakeholders.

Thank you for joining me. And, for welcoming me to your beautiful country. Now, I'd enjoy hearing from you.
Any questions?

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