Second-Quarter 2015 Earnings Presentation

Ursula Burns
Chairman & CEO

Kathy Mikells
Chief Financial Officer

July 24, 2015

Forward-Looking Statements

This presentation contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “will,” “should” and similar expressions, as they relate to us, are intended to identify forward-looking statements. These statements reflect management’s current beliefs, assumptions and expectations and are subject to a number of factors that may cause actual results to differ materially. Such factors include but are not limited to: changes in economic conditions, political conditions, trade protection measures, licensing requirements and tax matters in the United States and in the foreign countries in which we do business; changes in foreign currency exchange rates; our ability to successfully develop new products, technologies and service offerings and to protect our intellectual property rights; the risk that multi-year contracts with governmental entities could be terminated prior to the end of the contract term and that civil or criminal penalties and administrative sanctions could be imposed on us if we fail to comply with the terms of such contracts and applicable law; the risk that our bids do not accurately estimate the resources and costs required to implement and service very complex, multi-year governmental and commercial contracts, often in advance of the final determination of the full scope and design of such contracts or as a result of the scope of such contracts being changed during the life of such contracts; the risk that subcontractors, software vendors and utility and network providers will not perform in a timely, quality manner; service interruptions; actions of competitors and our ability to promptly and effectively react to changing technologies and customer expectations; our ability to obtain adequate pricing for our products and services and to maintain and improve cost efficiency of operations, including savings from restructuring actions and the relocation of our service delivery centers; the risk that individually identifiable information of customers, clients and employees could be inadvertently disclosed or disclosed as a result of a breach of our security systems; the risk in the hiring and retention of qualified personnel; the risk that unexpected costs will be incurred; our ability to recover capital investments; the risk that our Services business could be adversely affected if we are unsuccessful in managing the start-up of new contracts; the collectability of our receivables for unbilled services associated with very large, multi-year contracts; reliance on third parties, including subcontractors, for manufacturing of products and provision of services; our ability to expand equipment placements; interest rates, cost of borrowing and access to credit markets; the risk that our products may not comply with applicable worldwide regulatory requirements, particularly environmental regulations and directives; the outcome of litigation and regulatory proceedings to which we may be a party; and other factors that are set forth in the “Risk Factors” section, the “Legal Proceedings” section, the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section and other sections of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2015 and our 2014 Annual Report on Form 10-K filed with the Securities and Exchange Commission. Xerox assumes no obligation to update any forward-looking statements as a result of new information or future events or developments, except as required by law.

Xerox Direction

- Grow revenue
- Generate profits in line with industry's best
  - Optimizing new Services operating model to accelerate improvements
- Strengthen and differentiate the portfolio
  - Government Healthcare changes recently announced to improve focus and execution
- Lead in Document Technology
- Support customers and our people
- Allocate capital to enhance shareholder returns
  - Increasing Share Repurchase to $1.3 billion

Annuity 84%
of Total Revenue

Services 56%
of Total Revenue

Second-Quarter Overview

Adjusted EPS[1] of 22 cents, GAAP EPS[2] of 9 cents

- Adjusted EPS excludes previously announced 8 cent non-cash impairment of Government Healthcare software platforms

Total revenue of $4.6B, down 7% or 3% CC[1]

Services revenue down 3% or up 1% CC[1]; margin of 7.5%

- Performance consistent with guidance
- Reflects investments in advance of productivity yield and continued higher Health Enterprise costs

Document Technology revenue down 12% or 7% CC[1]; margin of 12.1%

- Modestly weaker top-line driven by developing markets; margin consistent with guidance

Operating margin[1] of 8.2%, down 160 bps YOY

Cash from operations of $349M

- Share repurchase of $395M Q2, $611M June YTD

[1]Adjusted EPS, Constant Currency (CC) and Operating Margin: see Non-GAAP Financial Measures

[2]GAAP EPS from Continuing Operations

Earnings

(in millions, except per share data)	Q2 2015	B/(W) YOY	Comments
Revenue	$ 4,590	$ (351)	Down 3% CC – Services up 1%, Document Technology down 7%
Gross Margin	31.1%	(1.0) pt	
RD&E	$ 142	$ 1	
SAG	$ 906	$ 53	
SAG % of Revenue	*19.7%*	*(0.3) pts*	
Adjusted Operating Income[1]	**$ 378**	**$ (105)**	Decline driven by lower Services and Document Technology margins
Operating Income % of Revenue	*8.2%*	*(1.6) pts*	
Adjusted Other, net[1]	$ 84	$ 26	Restructuring $28M lower YOY
Equity Income	$ 29	$ (4)	Decline driven by translation currency
Adjusted Tax Rate[1]	25.8%	1.4 pts	Within guidance range of 25 to 27%
Adjusted Net Income – Xerox[1]	**$ 246**	**$ (57)**	
Adjusted EPS[1]	**$ 0.22**	**$ (0.03)**	Guidance range $0.21 - $0.23
Software impairment	0.08	(0.08)	
Amortization of intangible assets	0.05	(0.01)	
GAAP EPS[2]	**$ 0.09**	**$ (0.12)**	

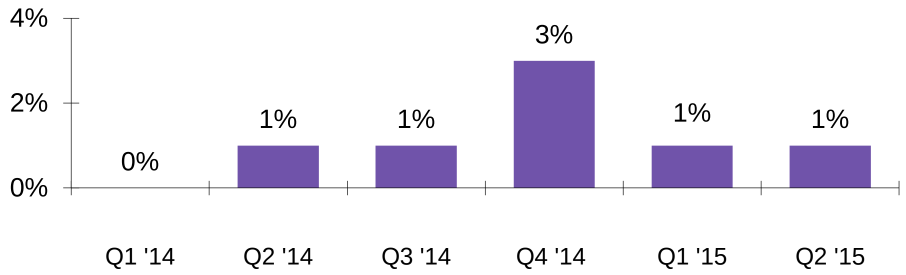
[1]Adjusted Operating Income, Adjusted Other, net, Adjusted Tax Rate, Adjusted Net Income – Xerox and Adjusted EPS: see Non-GAAP Financial Measures

[2]GAAP EPS from Continuing Operations

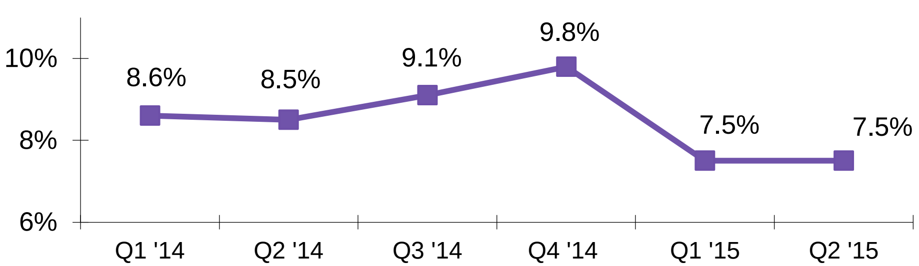
Services Segment

(in millions)	Q2 2015	% B/(W) YOY Act Cur	% B/(W) YOY CC[1]
Total Revenue	$2,569	(3)%	1%
Segment Profit	$192	(15)%	
Segment Margin	7.5%	(1.0) pt	

Revenue Growth Trend (CC[1])



Segment Margin Trend



Revenue growth of 1% at CC[1]

- Document Outsourcing up 4%, BPO down 1%

Margin of 7.5% in line with expectations

- Reflects investments in advance of productivity yield and continued higher Health Enterprise costs

Signings

- BPO/DO renewal rate of 82%
- New business signings[2] up 9% YOY and (15)% TTM
- Q2 includes New York MMIS but not pending Florida Tolling deal

Signings (TCV)	**Q2**	**H1**
Business Process Outsourcing	$2.4	$4.2
Document Outsourcing	$0.8	$1.4
Total	**$3.2B**	**$5.6B**
YOY Growth	20%	3%
TTM Growth	1%	1%

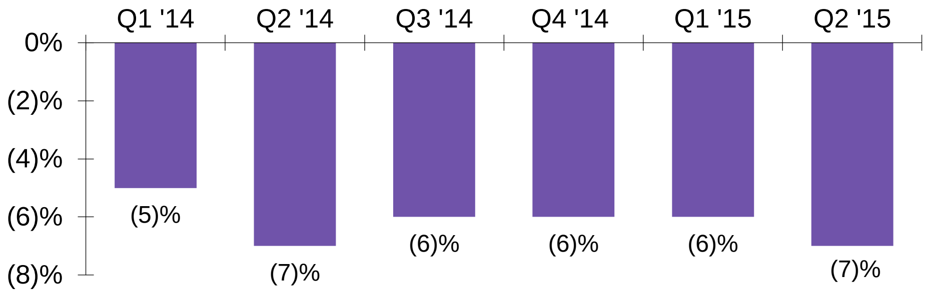
[1]Constant currency (CC): see Non-GAAP Financial Measures

[2]New Business Signings = ARR (Annual Recurring Revenue) + NRR (Non-Recurring Revenue)

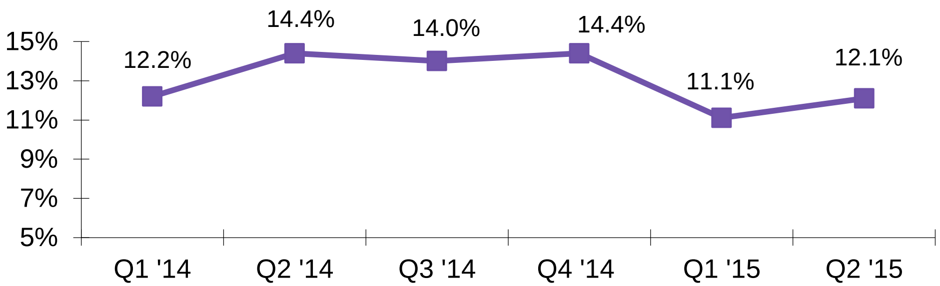
Document Technology Segment

(in millions)	Q2 2015	% B/(W) YOY Act Cur	% B/(W) YOY CC[1]
Total Revenue	$1,880	(12)%	(7)%
Segment Profit	$228	(25)%	
Segment Margin	12.1%	(2.3) pts	

Revenue Growth Trend (CC[1])



Segment Margin Trend



Revenue down 7% at CC[1]; actual results further pressured by currency
- Including Document Outsourcing, revenue decline stable, down 4% CC
- Revenue improvement in High-End offset by higher declines in Entry driven by developing markets

Margin in line with expectations, down YOY and up sequentially

YOY Install growth improved across most product segments

Entry Installs	**Q2**	**H1**
A4 Mono MFDs	(12)%	(18)%
A4 Color MFDs	9%	(12)%
Color Printers	(24)%	(12)%
Mid-Range Installs		
Mid-Range B&W MFDs	(2)%	(1)%
Mid-Range Color MFDs	4%	2%
High-End Installs		
High-End B&W	4%	-
High-End Color[2]	16%	12%

[1]Constant currency (CC): see Non-GAAP Financial Measures
[2]High-end color up 12% in Q2 and down 7% in H1 excluding DFE's

xerox®

Cash Flow

(in millions)	Q2 2015	H1 2015
Net Income	$ 17	$ 247
Depreciation and amortization	297	593
Restructuring and asset impairment charges	157	171
Restructuring payments	(30)	(61)
Contributions to defined benefit pension plans	(57)	(98)
Inventories	(67)	(193)
Accounts receivable and Billed portion of finance receivables[1]	56	(111)
Accounts payable and Accrued compensation	(21)	(38)
Equipment on operating leases	(69)	(139)
Finance receivables[1]	18	105
Other	48	(14)
Cash from Operations	**$ 349**	**$ 462**
Cash from Investing	**$ 831**	**$ 733**
Cash from Financing	**$ (423)**	**$ (908)**
Change in Cash and Cash Equivalents	769	230
Ending Cash and Cash Equivalents	**$ 1,641**	**$ 1,641**

Cash From Ops $349M

Working capital improved YOY

CAPEX $102M

Acquisitions $20M

Investing includes proceeds of $930M from ITO divestiture[2]

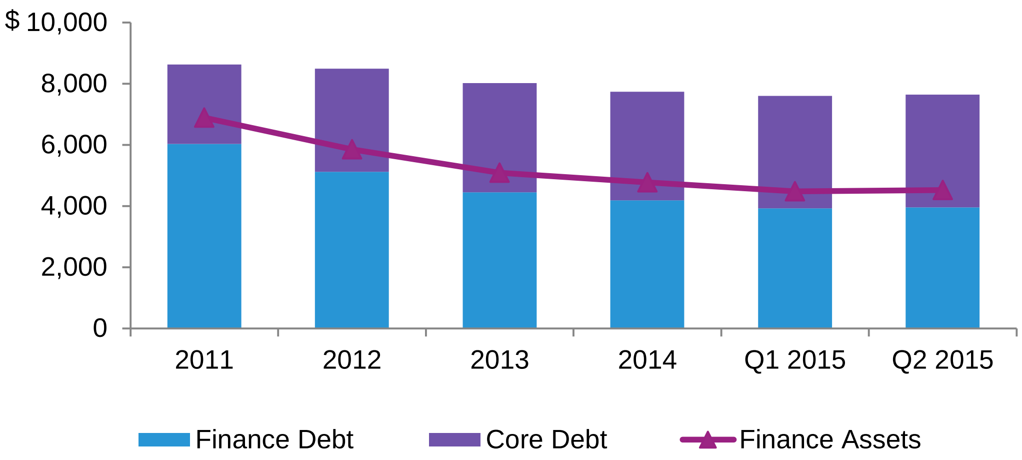
Share Repurchase of $395M and $77M of Common Stock Dividends

[1]Accounts receivable includes collections of deferred proceeds from sales of receivables and finance receivables includes collections on beneficial interest from sales of finance receivables

[2]Continue to expect net after-tax proceeds from the ITO divestiture of ~$850 million

Capital Structure

Debt and Finance Asset Trend
(in millions)



Core debt level managed to maintain investment grade

Over half of Xerox debt supports finance assets

Continue to expect ~$7.7B of debt at year-end

Financing and Leverage

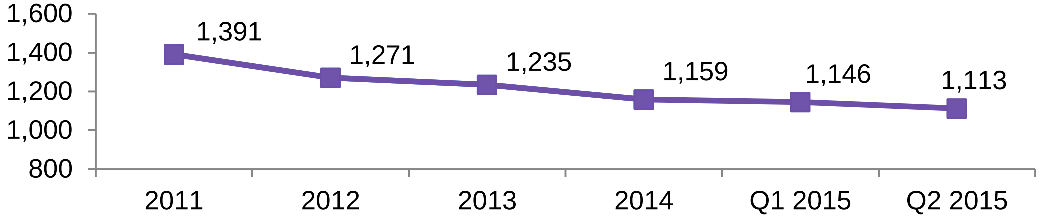
- Xerox's value proposition includes leasing of Xerox equipment
- Maintain 7:1 leverage ratio of debt to equity on these finance assets

	Q2 2015	
(in billions)	Fin. Assets	Debt
Financing	$ 4.5	$ 3.9
Core	-	3.7
Total Xerox	$ 4.5	$ 7.6

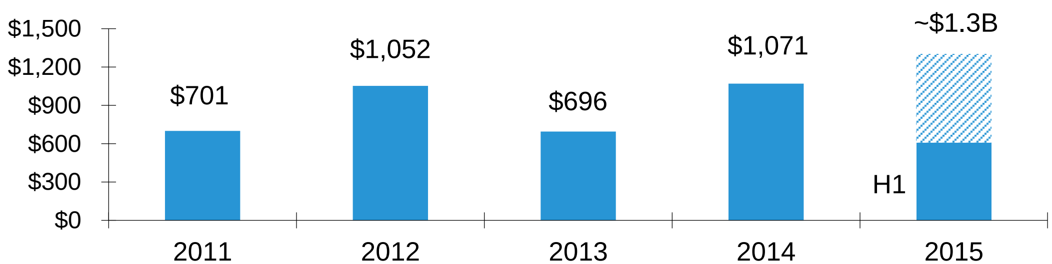
Capital Allocation Enhances Shareholder Returns

Share Repurchase Program

Shares Outstanding (ending fully diluted[1], in millions)

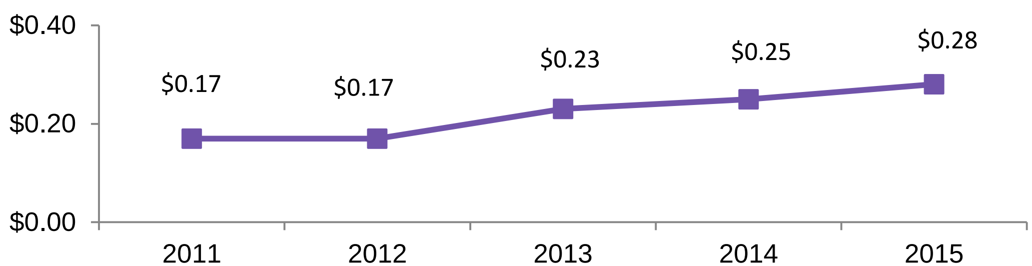


Shares Repurchased ($M)



Dividend Program

Dividend per share (annualized)



ITO divestiture closed at end of Q2

Adjusting Capital Allocation

- **Increasing FY share repurchase plan by $300M to $1.3B**
  - Repurchased $611M H1
- **Decreasing acquisitions, now expect to spend from $100 to $400M**

Quarterly common dividend at 7 cents per share[2]

Expect ~$300M in FY dividend payments

[1]Ending fully diluted: see Non-GAAP Financial Measures

[2]Dividend effective for common dividend payable on April 30, 2015

2015 Guidance

	2015
Revenue Growth @ CC[1]	Down ~2%
Services	Up 2 to 4% (low-end)
Document Technology	Down ~6%
Adjusted EPS[1] (incl restructuring)	$0.95 - $1.01
GAAP EPS[2]	$0.69 - $0.75
Cash From Ops	$1.7 - $1.9B
CAPEX	$0.4B
Free Cash Flow[1]	$1.3 - $1.5B
Share Repurchase	~$1.3B
Acquisitions	$100 - $400M
Dividend	~$300M

Expect Total Revenue to be down ~2% CC

- Doc Tech continues to be negatively impacted by developing markets
- Slower pace of acquisitions

Expect Services margin to be at low-end of 8.5 to 9.0% range

- Focusing on six states where currently operating or implementing the new HE platform
- Prioritizing investments
- Accelerating cost / restructuring actions

FY EPS range remains $0.95 - $1.01

- Expect to be at lower-end

Maintaining $1.7 - $1.9B Operating Cash Flow guidance

- Increasing share repurchase to $1.3B
- Decreasing acquisitions to $100 - $400M, completed $48M YTD

Note: Revenue growth guidance excluding potential divestitures

[1]Constant Currency (CC), Adjusted EPS and Free Cash Flow: see Non-GAAP Financial Measures

[2]GAAP EPS from Continuing Operations

xerox®

Summary

Continue to optimize our business model to drive improvement in revenue and profit

Focused on driving improvements in Services

- Accelerating cost and productivity benefits from Services transformation
- Have taken incremental actions to sharpen focus in Government Healthcare

Consistent execution in Document Technology

- Continuing to see stable rates of revenue decline
- Remain focused on leadership in attractive market segments and operational excellence

Solid Q2 Cash Flow; maintaining full year guidance

EPS guidance

- Q3 Adjusted EPS[1] $0.22 - $0.24, GAAP EPS[2] $0.17 - $0.19
  - Includes approximately 1 cent restructuring
- FY Adjusted EPS[1] $0.95 - $1.01 (lower-end), GAAP EPS[2] $0.69 - $0.75

[1]Guidance - Adjusted EPS: see Non-GAAP Financial Measures

[2]GAAP EPS from Continuing Operations

Appendix

Revenue Trend

(in millions)	2013 FY	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2014 FY	2015 Q1	2015 Q2	2015 YTD
Total Revenue	**$20,006**	**$4,771**	**$4,941**	**$4,795**	**$5,033**	**$19,540**	**$4,469**	**$4,590**	**$9,059**
Growth	*(2)%*	*(2)%*	*(2)%*	*(2)%*	*(3)%*	*(2)%*	*(6)%*	*(7)%*	*(7)%*
CC[1] Growth	*(3)%*	*(2)%*	*(3)%*	*(2)%*	*(1)%*	*(2)%*	*(2)%*	*(3)%*	*(3)%*
Annuity	**$16,648**	**$4,056**	**$4,160**	**$4,047**	**$4,173**	**$16,436**	**$3,845**	**$3,871**	**$7,716**
Growth	*(2)%*	*(2)%*	*(1)%*	*(1)%*	*(2)%*	*(1)%*	*(5)%*	*(7)%*	*(6)%*
CC[1] Growth	*(2)%*	*(2)%*	*(2)%*	*(1)%*	*Flat*	*(1)%*	*(1)%*	*(3)%*	*(2)%*
Annuity % Revenue	**83%**	**85%**	**84%**	**84%**	**83%**	**84%**	**86%**	**84%**	**85%**
Equipment	**$3,358**	**$715**	**$781**	**$748**	**$860**	**$3,104**	**$624**	**$719**	**$1,343**
Growth	*(3)%*	*(1)%*	*(9)%*	*(8)%*	*(11)%*	*(8)%*	*(13)%*	*(8)%*	*(10)%*
CC[1] Growth	*(4)%*	*(2)%*	*(9)%*	*(8)%*	*(9)%*	*(7)%*	*(8)%*	*(3)%*	*(6)%*

[1]Constant currency: see Non-GAAP Financial Measures

Segment Revenue Trend

(in millions)	2013 FY	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2014 FY	2015 Q1	2015 Q2	2015 YTD
Services	**$10,479**	**$2,585**	**$2,651**	**$2,623**	**$2,725**	**$10,584**	**$2,514**	**$2,569**	**$5,083**
Growth	*2%*	*Flat*	*1%*	*1%*	*1%*	*1%*	*(3)%*	*(3)%*	*(3)%*
CC[1] Growth	*2%*	*Flat*	*1%*	*1%*	*3%*	*1%*	*1%*	*1%*	*1%*
Document Technology	**$8,908**	**$2,044**	**$2,126**	**$2,029**	**$2,159**	**$8,358**	**$1,830**	**$1,880**	**$3,710**
Growth	*(6)%*	*(4)%*	*(6)%*	*(6)%*	*(8)%*	*(6)%*	*(10)%*	*(12)%*	*(11)%*
CC[1] Growth	*(6)%*	*(5)%*	*(7)%*	*(6)%*	*(6)%*	*(6)%*	*(6)%*	*(7)%*	*(7)%*
Other	**$619**	**$142**	**$164**	**$143**	**$149**	**$598**	**$125**	**$141**	**$266**
Growth	*(10)%*	*3%*	*(1)%*	*(1)%*	*(12)%*	*(3)%*	*(12)%*	*(14)%*	*(13)%*
CC[1] Growth	*(10)%*	*3%*	*(2)%*	*(2)%*	*(11)%*	*(3)%*	*(11)%*	*(14)%*	*(13)%*

[1]Constant currency: see Non-GAAP Financial Measures

Discontinued Operations Summary

(in millions)	Three Months Ended June 30, 2015 ITO	2015 Other	2015 Total	2014 ITO	2014 Other	2014 Total
Revenues	$ 308	$ —	$ 308	$ 341	$ 17	$ 358
Income from operations (1) (2)	$ 43	$ —	$ 43	$ 23	$ —	$ 23
Loss on disposal	(68)	—	(68)	—	(2)	(2)
Net (loss) income before income taxes	(25)	—	(25)	23	(2)	21
Income tax expense	(70)	—	(70)	(9)	(1)	(10)
(Loss) income from discontinued operations, net of tax	$ (95)	$ —	$ (95)	$ 14	$ (3)	$ 11

(in millions)	Six Months Ended June 30, 2015 ITO	2015 Other	2015 Total	2014 ITO	2014 Other	2014 Total
Revenues	$ 619	$ —	$ 619	$ 669	$ 38	$ 707
Income (loss) from operations (1) (2)	$ 104	$ —	$ 104	$ 44	$ (1)	$ 43
Loss on disposal	(72)	—	(72)	—	—	—
Net income (loss) before income taxes	32	—	32	44	(1)	43
Income tax expense	(93)	—	(93)	(16)	(1)	(17)
(Loss) income from discontinued operations, net of tax	$ (61)	$ —	$ (61)	$ 28	$ (2)	$ 26

(1) ITO Income from operations for second quarter 2015 and six months ended June 30, 2015 excludes approximately $41 million and $80 million, respectively, of depreciation and amortization expenses (including $7 million and $14 million, respectively, for intangible amortization) since the business was held for sale.

(2) ITO Income from operations for the second quarter 2014 and six months ended June 30, 2014 includes intangible amortization and other expenses of approximately $8 million and $16 million, respectively.

Non-GAAP Measures

Non-GAAP Financial Measures

"Adjusted Earnings Measures": To better understand the trends in our business, we believe it is necessary to adjust the following amounts determined in accordance with GAAP to exclude the effects of certain items as well as their related income tax effects.

- Net income and Earnings per share (EPS)
- Effective tax rate

In 2015 and 2014, we adjusted for the amortization of intangible assets. The amortization of intangible assets is driven by our acquisition activity which can vary in size, nature and timing as compared to other companies within our industry and from period to period. Accordingly, due to the incomparability of acquisition activity among companies and from period to period, we believe exclusion of the amortization associated with intangible assets acquired through our acquisitions allows investors to better compare and understand our results. The use of intangible assets contributed to our revenues earned during the periods presented and will contribute to our future period revenues as well. Amortization of intangible assets will recur in future periods.

The following items represent the current adjustments to our reported earnings measures:

Amortization of intangible assets - The amortization of intangible assets is driven by our acquisition activity which can vary in size, nature and timing as compared to other companies within our industry and from period to period. The use of intangible assets contributed to our revenues earned during the periods presented and will contribute to our future period revenues as well. Amortization of intangible assets will recur in future periods.

Software impairment charge - The software impairment charge is excluded due to its non-cash impact and the unique nature of the item both in terms of the amount and the fact that it was the result of a specific management action involving a change in strategy in our Government Healthcare Solutions business.

Deferred tax liability adjustment - The deferred tax liability adjustment was excluded due to its non-cash impact and the unusual nature of the item both in terms of amount and the fact that it was the result of an infrequent change in a tax treaty impacting future distributions from Fuji Xerox.

We also calculate and utilize an Operating income and margin earnings measure by adjusting our pre-tax income and margin amounts to exclude certain items. In addition to the amortization of intangible assets, operating income and margin also exclude Other expenses, net as well as Restructuring and asset impairment charges. Other expenses, net is primarily comprised of non-financing interest expense and also includes certain other non-operating costs and expenses. Restructuring and asset impairment charges consist of costs primarily related to severance and benefits for employees pursuant to formal restructuring and workforce reduction plans. Such charges are expected to yield future benefits and savings with respect to our operational performance. We exclude these amounts in order to evaluate our current and past operating performance and to better understand the expected future trends in our business.

Non-GAAP Financial Measures

"Constant Currency": To better understand trends in our business, we believe that it is helpful to adjust revenue to exclude the impact of changes in the translation of foreign currencies into U.S. dollars. We refer to this adjusted revenue as "constant currency." Currencies for developing market countries (Latin America, Brazil, Middle East, India, Eurasia and Central-Eastern Europe) that we operate in are reported at actual exchange rates for both actual and constant revenue growth rates because (1) these countries historically have had volatile currency and inflationary environments and (2) our subsidiaries in these countries have historically taken pricing actions to mitigate the impact of inflation and devaluation. Management believes the constant currency measure provides investors an additional perspective on revenue trends. Currency impact can be determined as the difference between actual growth rates and constant currency growth rates.

"Free Cash Flow": To better understand the trends in our business, we believe that it is helpful to adjust cash flows from operations to exclude amounts for capital expenditures including internal use software. Management believes this measure gives investors an additional perspective on cash flow from operating activities in excess of amounts required for reinvestment. It provides a measure of our ability to fund acquisitions, dividends and share repurchase. It also is used to measure our yield on market capitalization. A reconciliation of this non-GAAP financial measure and the most directly comparable measure calculated and presented in accordance with GAAP is set forth in the slide entitled "2015 Guidance".

Management believes that these non-GAAP financial measures provide an additional means of analyzing the current periods' results against the corresponding prior periods' results. However, these non-GAAP financial measures should be viewed in addition to, and not as a substitute for, the Company's reported results prepared in accordance with GAAP. Our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. Our management regularly uses our supplemental non-GAAP financial measures internally to understand, manage and evaluate our business and make operating decisions. These non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. Compensation of our executives is based in part on the performance of our business based on these non-GAAP measures.

Unless otherwise noted, reconciliations of these non-GAAP financial measures and the most directly comparable measures calculated and presented in accordance with GAAP are set forth on the following slides.

Q2 GAAP EPS to Adjusted EPS Track

(in millions; except per share amounts)	Three Months Ended June 30, 2015				Three Months Ended June 30, 2014			
	Net Income		EPS		Net Income		EPS	
Reported[1]	**$**	**107**	**$**	**0.09**	**$**	**255**	**$**	**0.21**
Adjustments:								
Amortization of intangible assets		49		0.05		48		0.04
Software impairment		90		0.08		—		—
Adjusted	**$**	**246**	**$**	**0.22**	**$**	**303**	**$**	**0.25**
Weighted average shares for adjusted EPS[2]				1,105				1,208
Fully diluted shares at end of period[3]				1,113				

(1) Net Income and EPS from continuing operations attributable to Xerox.

(2) Average shares for the calculation of adjusted EPS for second quarter 2015 exclude 27 million of shares associated with the Series A convertible preferred stock as to include these shares would be anti-dilutive and therefore the related quarterly dividend was included. For second quarter 2014, these shares were included in the adjusted EPS calculation and therefore the related quarterly dividend was excluded.

(3) Represents common shares outstanding at June 30, 2015 as well as shares associated with our Series A convertible preferred stock plus dilutive potential common shares as used for the calculation of diluted earnings per share in second quarter 2015.

xerox®

GAAP EPS to Adjusted EPS Guidance Track

	Earnings Per Share	
	Q3 2015	**FY 2015**
GAAP EPS from Continuing Operations	**\$0.17 - \$0.19**	**\$0.69 - \$0.75**
Adjustments:		
Amortization of intangible assets	0.05	0.18
Software impairment	-	0.08
Adjusted EPS	**\$0.22 - \$0.24**	**\$0.95 - \$1.01**

Note: GAAP and Adjusted EPS guidance includes anticipated restructuring

Q2 Adjusted Operating Income/Margin

(in millions)	Three Months Ended June 30, 2015			Three Months Ended June 30, 2014		
	Profit	Revenue	Margin	Profit	Revenue	Margin
Reported pre-tax income[(1)]	**$ 74**	**$ 4,590**	**1.6%**	**$ 301**	**$ 4,941**	**6.1%**
Adjustments:						
Amortization of intangible assets	79			78		
Restructuring and asset impairment charges	157			39		
Other expenses, net	68			65		
Adjusted Operating	**$ 378**	**$ 4,590**	**8.2%**	**$ 483**	**$ 4,941**	**9.8%**

(1) Profit and Revenue from continuing operations attributable to Xerox.

Q2 Adjusted Other, net

(in millions)	Three Months Ended June 30, 2015		Three Months Ended June 30, 2014	
Other expenses, net - Reported	**$**	**68**	**$**	**65**
Adjustments:				
Xerox restructuring charge[(1)]		11		39
Net income attributable to noncontrolling interests		5		6
Other expenses, net - Adjusted	**$**	**84**	**$**	**110**

(1) Excludes $146 million software impairment charge in 2015.

Q2 Adjusted Effective Tax Rate

(in millions)	Three Months Ended June 30, 2015			Three Months Ended June 30, 2014		
	Pre-Tax Income	Income Tax Expense	Effective Tax Rate	Pre-Tax Income	Income Tax Expense	Effective Tax Rate
Reported[(1)]	**$ 74**	**$ (9)**	**(12.2)%**	**$ 301**	**$ 73**	**24.3%**
Adjustments:						
Amortization of intangible assets	79	30		78	30	
Software impairment	146	56		—	—	
Adjusted	**$ 299**	**$ 77**	**25.8 %**	**$ 379**	**$ 103**	**27.2%**

(1) Pre-Tax Income and Income Tax Expense from continuing operations attributable to Xerox.

Q2 Services Revenue Breakdown

(in millions)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	% Change	CC % Change
Business Processing Outsourcing	$ 1,736	$ 1,796	(3)%	(1)%
Document Outsourcing	833	855	(3)%	4%
Total Revenue - Services	**$ 2,569**	**$ 2,651**	(3)%	1%

Note: The above table has been revised to reflect the reclassification of the ITO business to Discontinued Operations and excludes intercompany revenue.

xerox®