First-Quarter 2013 Earnings Presentation

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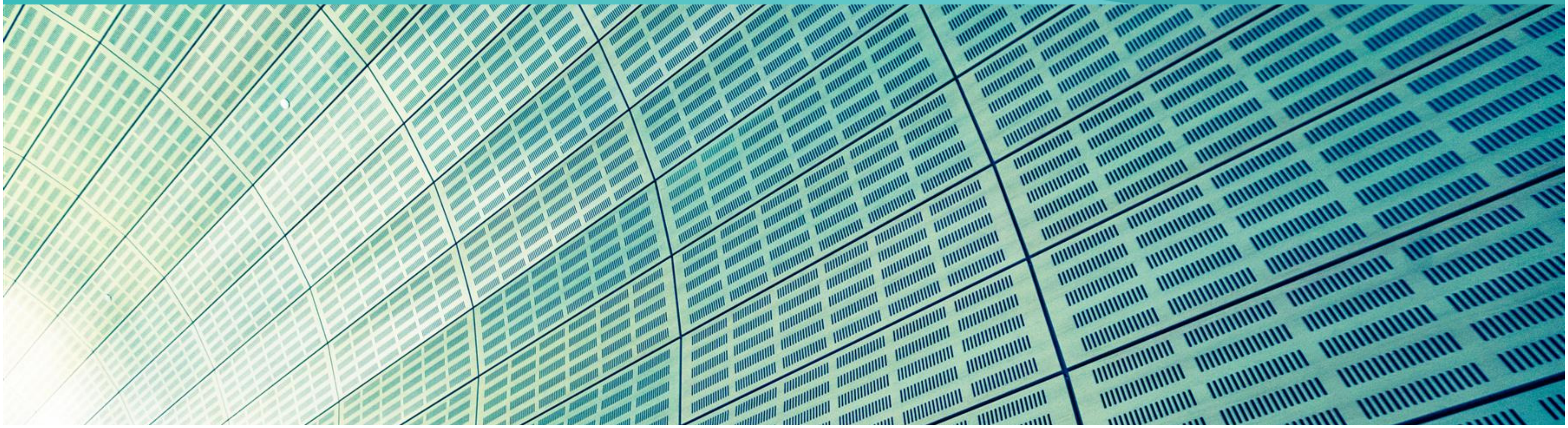
Chairman & CEO

April 23, 2013



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. These 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; actions of competitors; 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; the risk that unexpected costs will be incurred; the risk that subcontractors, software vendors and utility and network providers will not perform in a timely, quality manner; our ability to recover capital investments; the risk that multi-year contracts with governmental entities could be terminated prior to the end of the contract term; the risk that our Services business could be adversely affected if we are unsuccessful in managing the ramp-up of new contracts; development of new products and services; our ability to protect our intellectual property rights; our ability to expand equipment placements; 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; interest rates, cost of borrowing and access to credit markets; reliance on third parties for manufacturing of products and provision of services; our ability to drive the expanded use of color in printing and copying; 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 2012 Annual Report on Form 10-K filed with the Securities and Exchange Commission. The Company 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.

Strategy Overview

- Shifted to a Services-led growth portfolio
- Maintaining Document Technology leadership
- Consistent earnings expansion
- Strong cash generation
- Balanced capital allocation strategy

Annuity 86%
of Total Revenue

Services 55%
of Total Revenue

First-Quarter Summary

Adjusted EPS[1] of 27 cents, GAAP EPS of 23 cents

- Includes 2 cent benefit from reserve reduction related to recent litigation developments

Services revenue up 4%; margin of 9.3% flat YOY

- Solid growth despite challenging revenue compare and lower inorganic contribution
- Margins flat; cost savings offset mix and pricing
- Good start to the year for signings and renewal rate

Technology revenue down 9%; margin of 8.8% down 1.7pts YOY

- Impacted by transition to new products and challenging market environment
- Exited quarter with stronger YOY backlog

Operating margin down 1.1pts YOY; continued focus on cost infrastructure

- Planning for higher levels of restructuring in Q2

Cash flow from operations of $(87)M

- Reflects normal seasonality and new product inventory investments

[1]Adjusted EPS and Operating Margin: see slide 18 for explanation of non-GAAP measures

Earnings

(in millions, except per share data)

	Q1 2013	Q1 2012	Comments
Revenue	$ 5,356	$ 5,503	Services growth more than offset by Document Technology declines
Gross Margin	30%	31%	
RD&E	$ 154	$ 173	
SAG	$ 1,057	$ 1,068	
SAG % of Revenue	*19.7%*	*19.4%*	
Adjusted Operating Income[1]	**$ 396**	**$ 467**	
Operating Income % of Revenue	*7.4%*	*8.5%*	Impacted by lower than expected revenue in Document Technology
Adjusted Other, net[1]	$ 12	$ 79	Includes $37M litigation benefit and lower restructuring
Equity Income	$ 47	$ 40	
Adjusted Tax Rate[1]	22%	28%	Reflects benefits from the American Taxpayer Relief Act of 2012
Adjusted Net Income – Xerox[1]	**$ 347**	**$ 319**	
Adjusted EPS[1]	**$ 0.27**	**$ 0.23**	
Amortization of intangible assets	0.04	0.04	
GAAP EPS	**$ 0.23**	**$ 0.19**	

[1]Adjusted Operating Income, Adjusted Other, net, Adjusted Tax Rate, Adjusted Net Income – Xerox and Adjusted EPS: see slide 18 for explanation of non-GAAP measures

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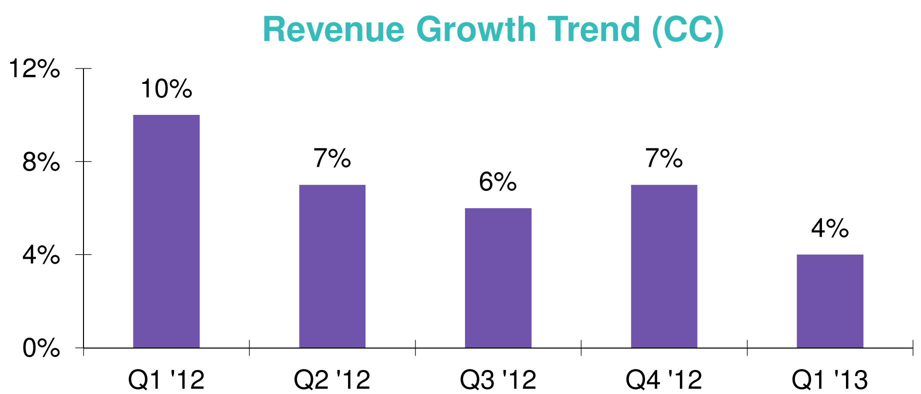
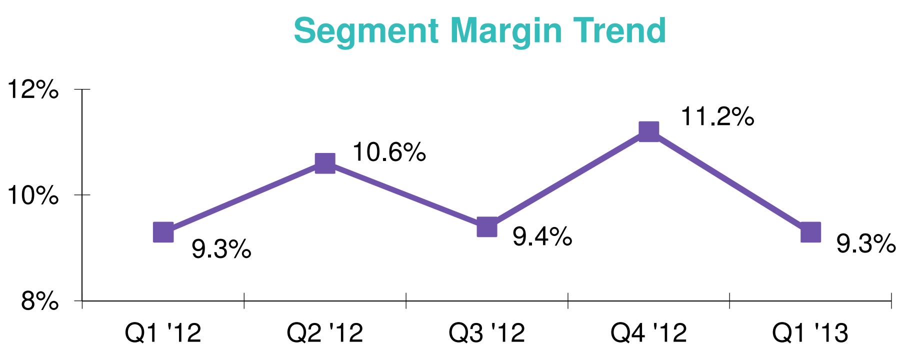
Services Segment

(in millions)	Q1 2013	% B/(W) YOY Act Cur	CC
Total Revenue	$2,920	4%	4%
Segment Profit	$273	4%	
Segment Margin	9.3%	flat	





Solid revenue growth
- BPO up 3%, DO up 1%, ITO up 13%

Over half of revenue from BPO
- 61% BPO, 27% DO and 12% ITO

Margin flat YOY - cost savings offset mix and pricing

BPO/ITO renewal rate of 89%, ARR new business signings up 8% YOY

Signings (TCV)

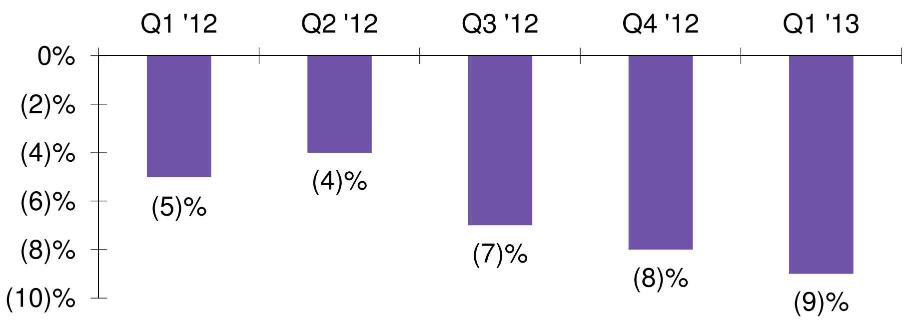
Business Process Outsourcing	$2.8
Information Technology Outsourcing	$0.1
Document Outsourcing	$0.8
Total	**$3.7B**
YOY Growth	64%
TTM Growth	(11)%

Constant currency (CC): see slide 18 for explanation of non-GAAP measures

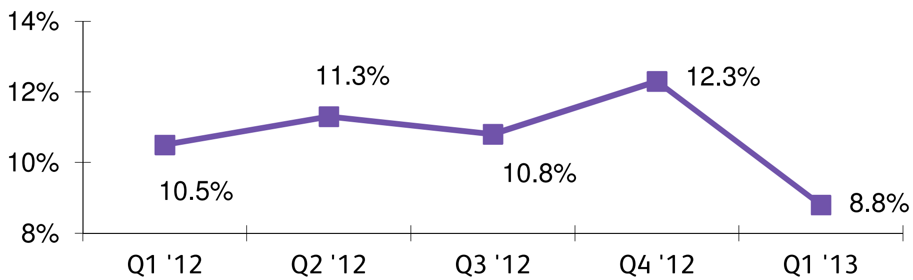
Document Technology Segment

(in millions)	Q1 2013	% B/(W) YOY Act Cur	% B/(W) YOY CC
Total Revenue	$2,135	(9)%	(9)%
Segment Profit	$187	(24)%	
Segment Margin	8.8%	(1.7) pts	

Revenue Growth Trend (CC)



Segment Margin Trend



Revenue decline reflects market weakness and new product transition within Mid-Range

- Including document outsourcing, revenue declined 6% CC
- Strong backlog will result in improvement in Q2

Over half of revenue from Mid-Range

- 58% Mid-Range, 22% Entry and 20% High-End

Lower revenue impacting margin

Entry Installs	
A4 Mono MFDs	(22)%
A4 Color MFDs	16%
Color Printers	6%
Mid-Range Installs	
Mid-Range B&W MFDs	(7)%
Mid-Range Color MFDs	(4)%
High-End Installs	
High-End B&W	(20)%
High-End Color	44%

Constant currency (CC): see slide 18 for explanation of non-GAAP measures

Cash Flow and Capital Structure

(in millions)	Q1 2013	Q1 2012
Net Income	$ 300	$ 276
Depreciation and amortization	329	313
Restructuring and asset impairment charges	(7)	17
Restructuring payments	(38)	(39)
Contributions to defined benefit pension plans	(45)	(79)
Inventories	(107)	(34)
Accounts receivable and Billed portion of finance receivables*	(248)	(356)
Accounts payable and Accrued compensation	(94)	(144)
Equipment on operating leases	(59)	(67)
Finance receivables	96	164
Other	(214)	(66)
Cash from Operations	**$ (87)**	**$ (15)**
Cash from Investing	**$ (153)**	**$ (214)**
Cash from Financing	**$ (1)**	**$ 835**
Change in Cash and Cash Equivalents	(253)	612
Ending Cash and Cash Equivalents	**$ 993**	**$ 1,514**

- Cash From Ops $87M use of cash, reflects seasonality and new product inventory build
- CAPEX of $107M
- Ending Debt of $8.5B, includes $4.9B of Financing Debt
  - $400M senior note coming due in May, plan to retire
- Announced dividend increase of 35%[1]

*Accounts receivable includes collections of deferred proceeds from sales of receivables

[1]In effect for dividend payable on April 30, 2013

Summary

Executing on strategy and well positioned in Services

- Remain focused on improving cost infrastructure
- Good signings and renewal rate

Challenging quarter in Document Technology

- Impacted by transition to new products and continued market weakness
- Initial feedback on ConnectKey™ positive; seeing momentum in Graphic Communications

Continuing to enhance our business model

- Planning larger level of restructuring in Q2
- Managing portfolio of businesses i.e. divested N. America paper business

Maintaining full year Cash Flow guidance

EPS guidance*

- Q2 Adjusted EPS $0.23 - $0.25, GAAP EPS $0.19 - $0.21
  - Includes approximately 2 cents restructuring
- Maintaining FY Adjusted EPS of $1.09 - $1.15, GAAP EPS $0.94 - $1.00

*Guidance - Adjusted EPS: see slide 18 for explanation of non-GAAP measures

Q & A

Strategy Overview

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- Consistent earnings expansion
- Strong cash generation
- Balanced capital allocation strategy

Annuity 86%

of Total Revenue

Services 55%

of Total Revenue

Appendix

Revenue Trend

(in millions)	2011 FY	2011 Pro - forma	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2012 FY	2013 Q1
Total Revenue	**$ 22,626**		**$5,503**	**$5,541**	**$5,423**	**$5,923**	**$22,390**	**$5,356**
Growth	*5%*	*2%*	*1%*	*(1)%*	*(3)%*	*(1)%*	*(1)%*	*(3)%*
CC Growth	*3%*	*Flat*	*2%*	*1%*	*(1)%*	*Flat*	*Flat*	*(3)%*
Annuity	**$ 18,770**		**$ 4,692**	**$ 4,695**	**$ 4,618**	**$4,909**	**$18,914**	**$ 4,632**
Growth	*6%*	*2%*	*1%*	*Flat*	*(1)%*	*2%*	*1%*	*(1)%*
CC Growth	*4%*	*1%*	*2%*	*2%*	*2%*	*3%*	*2%*	*(1)%*
Annuity % Revenue	**83%**		**85%**	**85%**	**85%**	**83%**	**84%**	**86%**
Equipment	**$ 3,856**		**$ 811**	**$ 846**	**$ 805**	**$1,014**	**$3,476**	**$724**
Growth	*Flat*	*Flat*	*(2)%*	*(9)%*	*(14)%*	*(13)%*	*(10)%*	*(11)%*
CC Growth	*(1)%*	*(1)%*	*(1)%*	*(6)%*	*(12)%*	*(13)%*	*(8)%*	*(11)%*

Note: Pro-forma revenue growth adjusts 2010 results to include ACS historical results for the comparable periods.

Constant currency: see slide 18 for explanation of non-GAAP measures

Segment Revenue Trend

(in millions)	2011 FY	2011 Pro - forma	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2012 FY	2013 Q1
Services	**$10,837**		**$2,821**	**$2,806**	**$2,847**	**$3,054**	**$11,528**	**$2,920**
Growth	*12%*	*6%*	*9%*	*5%*	*5%*	*7%*	*6%*	*4%*
CC Growth	*11%*	*5%*	*10%*	*7%*	*6%*	*7%*	*7%*	*4%*
Document Technology	**$ 10,259**		**$ 2,338**	**$2,370**	**$2,259**	**$2,495**	**$9,462**	**$2,135**
Growth	*(1)%*	*(1)%*	*(6)%*	*(7)%*	*(10)%*	*(8)%*	*(8)%*	*(9)%*
CC Growth	*(3)%*	*(3)%*	*(5)%*	*(4)%*	*(7)%*	*(8)%*	*(6)%*	*(9)%*
Other	**$ 1,530**		**$ 344**	**$365**	**$317**	**$374**	**$1,400**	**$301**
Growth	*(7)%*	*(7)%*	*(11)%*	*(6)%*	*(13)%*	*(4)%*	*(8)%*	*(13)%*
CC Growth	*(9)%*	*(9)%*	*(10)%*	*(4)%*	*(11)%*	*(3)%*	*(7)%*	*(13)%*

Note: Pro-forma revenue growth adjusts 2010 results to include ACS historical results for the comparable periods.

Constant currency: see slide 18 for explanation of non-GAAP measures

Metrics Reference

Signings and Renewal Rate

	Q1
Business Process Outsourcing	$2.8
Information Technology Outsourcing	$0.1
Document Outsourcing	$0.8
Total	**$3.7B**
Signings Growth YOY	64%
Signings Growth TTM	(11)%

	Q1
Renewal Rate (BPO and ITO)	89%

Install, MIF and Page Growth

	Q1
Entry Installs	
A4 Mono MFDs	(22)%
A4 Color MFDs	16%
Color Printers	6%
Mid-Range Installs	
Mid-Range B&W MFDs	(7)%
Mid-Range Color MFDs	(4)%
High-End Installs	
High-End B&W	(20)%
High-End Color	44%

	Q1
Digital MIF	5%
Color MIF	13%
Digital Pages	(3)%
Color Pages	6%
Color Revenue (CC)	(8)%

Installs, color revenue, pages and MIF include both the Document Technology and Services segments. Color revenue and color pages reflect revenue and pages from color capable devices.

2013 Full Year Guidance

Income Statement

Revenue Growth @ CC*	Flat to up 2%**
Services	Up mid-to-high single digits**
Document Technology	Down mid-single digits**
Adjusted EPS[1]	$1.09 - $1.15
GAAP EPS	$0.94 - $1.00

Q2 2013 Guidance

Adjusted EPS[1]	$0.23 - $0.25
GAAP EPS	$0.19 - $0.21

Cash Flow and Capital Allocation

(in billions)

Operating Cash Flow	$2.1 - $2.4
CAPEX	$(0.5)
Free Cash Flow	$1.6 - $1.9
Share Repurchase	>$0.4
Acquisitions	<$0.5
Dividends	$0.3
Debt Reduction	>$0.4

*Revenue growth guidance excluding potential divestitures

**Expect to be at the low-end of revenue growth ranges

[1]Adjusted for amortization of intangible assets

Constant Currency (CC) and Free Cash Flow: see slide 18 for explanation of non-GAAP measures

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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 the certain items as well as their related income tax effects.

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

In 2013 and 2012 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.

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.

"Pro-forma Basis": To better understand the trends in our business, we discuss our 2011 revenue growth by comparing revenue in that year against an adjusted prior period revenue amount which includes ACS historical revenue for the comparable periods. We acquired ACS on February 5, 2010 and ACS's results subsequent that date are included in our reported results. Accordingly, for comparison of our 2011 revenues to 2010, we added ACS's 2010 estimated revenues for the period January 1 through February 5, 2010 to our reported 2010 results (pro-forma 2010). We refer to the comparison against this adjusted 2010 revenue amount as "pro-forma' based comparisons. We believe the pro-forma comparisons provide investors with a better understanding and additional perspective of the expected post-acquisition revenue trends as well as the impact of the ACS acquisition.

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.

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.

A reconciliation 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.

Q1 GAAP EPS to Adjusted EPS Track

	Three Months Ended March 31, 2013		Three Months Ended March 31, 2012	
(in millions; except per share amounts)	**Net Income**	**EPS**	**Net Income**	**EPS**
Reported	**$ 296**	**$ 0.23**	**$ 269**	**$ 0.19**
Adjustments:				
Amortization of intangible assets	51	0.04	50	0.04
Adjusted	**$ 347**	**$ 0.27**	**$ 319**	**$ 0.23**
Weighted average shares for adjusted EPS[1]		1,280		1,396
Fully diluted shares at end of period[2]		1,283		1,406

(1) Average shares for the calculation of adjusted EPS include 27 million of shares associated with the Series A convertible preferred stock and therefore the related quarterly dividend was excluded.

(2) Represents common shares outstanding at March 31 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 the first quarter 2013 and 2012.

GAAP EPS to Adjusted EPS Guidance Track

	Earnings Per Share Guidance	
	Q2 2013	FY 2013
GAAP EPS	**$0.19 - $0.21**	**$0.94 - $1.00**
Adjustments:		
Amortization of intangible assets	0.04	0.15
Adjusted EPS	**$0.23 - $0.25**	**$1.09 - $1.15**

Q1 Adjusted Operating Income/Margin

(in millions)	Three Months Ended March 31, 2013			Three Months Ended March 31, 2012		
	Profit	Revenue	Margin	Profit	Revenue	Margin
Reported pre-tax income	**$ 305**	**$ 5,356**	**5.7%**	**$ 313**	**$ 5,503**	**5.7%**
Adjustments:						
Amortization of intangible assets	83			82		
Xerox restructuring (credit) charge	(7)			17		
Other expenses, net	15			55		
Adjusted Operating	**$ 396**	**$ 5,356**	**7.4%**	**$ 467**	**$ 5,503**	**8.5%**
Equity in net income of unconsolidated affiliates	47			40		
Litigation matters	(37)			-		
Fuji Xerox restructuring charge	4			4		
Other expenses, net	(15)			(55)		
Segment Profit/Revenue	**$ 395**	**$ 5,356**	**7.4%**	**$ 456**	**$ 5,503**	**8.3%**

Q1 Adjusted Other, net

(in millions)	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Other expenses, net - Reported	**$ 15**	**$ 55**
Adjustments:		
Xerox restructuring credit	(7)	17
Net income attributable to noncontrolling interests	4	7
Other expenses, net - Adjusted	**$ 12**	**$ 79**

Q1 Adjusted Effective Tax Rate

(in millions)	Three Months Ended March 31, 2013			Three Months Ended March 31, 2012		
	Pre-Tax Income	Income Tax Expense	Effective Tax Rate	Pre-Tax Income	Income Tax Expense	Effective Tax Rate
Reported	**$ 305**	**$ 52**	**17.0%**	**$ 313**	**$ 77**	**24.6%**
Adjustments:						
Amortization of intangible assets	83	32		82	32	
Adjusted	**$ 388**	**$ 84**	**21.6%**	**$ 395**	**$ 109**	**27.6%**

Q1 Services Revenue Breakdown

Services Segment:	**Three Months Ended March 31,**		
(in millions)	**2013**	**2012**	**Change**
Business Processing Outsourcing	$ 1,805	$ 1,745	3%
Document Outsourcing	788	780	1%
Information Technology Outsourcing	376	332	13%
Less: Intra-Segment Eliminations	(49)	(36)	36%
Total Revenue - Services	**$ 2,920**	**$ 2,821**	**4%**

Note:

- Q1 2012 Business Processing Outsourcing (BPO) and Document Outsourcing (DO) revenues have been restated by $108M to reflect the transfer of the Communication & Marketing Services (CMS) business from DO to BPO in 2013. The revenue transfer for the remaining periods of 2012 were $114M for Q2, $109M for Q3 and $119M for Q4.
- ITO growth includes 1 pt of growth from intercompany services which is eliminated in total services.

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