

(in \$ millions, except per-share data)

	1997	1998	1999	2000	2001				
	FY	FY	FY	FY	Q1	Q2	Q3	Q4	FY
Revenues									
Sales	8,303	8,996	8,967	8,839	1,865	1,858	1,708	2,012	7,443
Outsourcing, maintenance and rentals	8,192	8,742	8,853	8,750	2,134	2,139	2,071	2,092	8,436
Financing	962	1,039	1,175	1,162	292	286	273	278	1,129
Total Revenues	17,457	18,777	18,995	18,751	4,291	4,283	4,052	4,382	17,008
Cost of Revenue									
Cost of sales			5,631	6,080	1,362	1,290	1,223	1,236	5,111
Cost of outsourcing, maintenance and rentals			4,898	5,153	1,292	1,183	1,182	1,221	4,878
Cost of financing			435	498	130	125	107	95	457
Total Cost of Revenue			10,964	11,731	2,784	2,598	2,512	2,552	10,446
Gross Profit									
Sales gross profit			3,336	2,759	503	568	485	776	2,332
Outsourcing, maintenance and rentals gross profit			3,955	3,597	842	956	889	871	3,558
Financing gross profit			740	664	162	161	166	183	672
Gross Profit			8,031	7,020	1,507	1,685	1,540	1,830	6,562
Research, development & engineering	1,080	1,045	1,020	1,064	266	268	274	250	1,058
Bad Debt Expense			386	473	84	93	151	110	438
Selling, administrative and general exp. (Excl Bad Debts)			4,818	5,045	1,065	1,127	1,024	1,074	4,290
Total Selling, administrative and general exp.	5,196	5,314	5,204	5,518	1,149	1,220	1,175	1,184	4,728
Non-financing interest expense ¹			443	571	155	141	51	115	462
Aggregate Exchange (gains) / losses			(7)	(103)	(64)	13	59	(37)	(29)
Amortization of Goodwill and intangibles			50	86	23	22	21	28	94
All other, net ²			89	34	(35)	(7)	15	9	(17)
Total Other, net			575	588	79	169	147	115	510
Restructuring and asset impairment charges			12	475	129	295	63	228	715
Gain on sale of half of interest in Fuji Xerox			-	-	(769)	-	-	(4)	(773)
Gain on sale of China operations			-	(200)	-	-	-	-	-
Gain on affiliates' sales of stock, net			-	(21)	-	-	-	(4)	(4)
Purchased in-process research and development			-	27	-	-	-	-	-
Total Costs and Expenses			17,775	19,182	3,638	4,550	4,171	4,321	16,680
Income (Loss) before Income Taxes (Benefits), Equity Income, Cumulative Effect of Change in Accounting Principle and Noncontrolling Interests									
			1,220	(431)	653	(267)	(119)	61	328
Income Taxes (benefits) ¹			424	(92)	432	(129)	(50)	220	473
Equity in Net Income of Unconsol. Affil.			48	66	3	31	-	19	53
Income(Loss) from Continuing Operations before Cumulative effect of change in accounting principle and Noncontrolling Interests									
	893	23	844	(273)	224	(107)	(69)	(140)	(92)
Cumulative effect of change in accounting principle, net of tax Discontinued Ops, net									
	-	(190)	-	-	(2)	-	-	-	(2)
Net Income (Loss)	893	(167)	844	(273)	222	(107)	(69)	(140)	(94)
Less: Net Income attributable to Noncontrolling Interests ²	<<Data not available>>								
Net Income (Loss) attributable to Xerox Corporation	893	(167)	844	(273)	222	(107)	(69)	(140)	(94)
Preferred Dividends/ Other	- Basic			(46)	(12)	-	-	-	(12)
	- Diluted			(46)	(12)	-	-	-	(12)
Weighted Average Shares	- Basic			668	680	701	718	722	704
	- Diluted			668	782	701	718	722	704
Earnings Per Share	- Basic	1.30	(0.32)	1.20	(0.48)	0.31	(0.15)	(0.10)	(0.15)
	- Diluted	1.24	(0.32)	1.17	(0.48)	0.28	(0.15)	(0.10)	(0.15)
Key Ratios:									
Gross Margins	- Sales	39.5%	40.5%	37.2%	31.2%	27.0%	30.6%	28.4%	38.6%
	- Service/Outsourcing/Rentals	48.4%	46.6%	44.7%	41.1%	39.5%	44.7%	42.9%	41.6%
	- Financing	58.6%	58.2%	63.0%	57.1%	55.5%	56.3%	60.8%	65.8%
	- Total	44.8%	44.3%	42.3%	37.4%	35.1%	39.3%	38.0%	41.8%
SAG as a % of Revenue		29.8%	28.3%	27.4%	29.4%	26.8%	28.5%	29.0%	27.0%
Tax Rate				34.6%	19.1%	65.7%	49.2%	42.9%	266.3%
Other Data:									
Restructuring and Asset Impairment Charges (after taxes)				339	81	222	47	157	507
Gain on Sale of Half of Interest in Fuji Xerox (after taxes)				-	(300)	-	-	(4)	(304)
Gain on Sale of China Operations				(119)	-	-	-	-	-
Unhedged Aggregate Exchange (Gains)/Losses (after taxes)				(69)	(44)	10	38	(25)	(21)
Early Extinguishment of Debt (after taxes)				-	-	-	-	-	-
Ending Xerox Employment		91,500	92,700	94,600	92,500	88,200	85,600	83,300	78,900

Note: Certain reclassifications of prior year amounts have been made to conform to the current year presentation.

¹ Amounts include reclassifications for the effects of adopting Fin 46R.

² Amounts include reclassifications for the effects of adopting FAS 160

(in \$ millions, except per-share data)

	2002					2003				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Revenues										
Sales	1,583	1,662	1,593	1,914	6,752	1,589	1,696	1,603	2,082	6,970
Outsourcing, maintenance and rentals	2,011	2,040	1,953	2,093	8,097	1,917	1,970	1,885	1,962	7,734
Financing	264	250	247	239	1,000	251	254	244	248	997
Total Revenues	3,858	3,952	3,793	4,246	15,849	3,757	3,920	3,732	4,292	15,701
Cost of Revenue										
Cost of sales	1,010	994	1,009	1,159	4,172	991	1,050	1,018	1,287	4,346
Cost of outsourcing, maintenance and rentals	1,161	1,154	1,073	1,104	4,492	1,088	1,094	1,059	1,066	4,307
Cost of financing	92	101	107	101	401	92	93	89	88	362
Total Cost of Revenue	2,263	2,249	2,189	2,364	9,065	2,171	2,237	2,166	2,441	9,015
Gross Profit										
Sales gross profit	573	668	584	755	2,580	598	646	585	795	2,624
Outsourcing, maintenance and rentals gross profit	850	886	880	989	3,605	829	876	826	896	3,427
Financing gross profit	172	149	140	138	599	159	161	155	160	635
Gross Profit	1,595	1,703	1,604	1,882	6,784	1,586	1,683	1,566	1,851	6,686
Research, development & engineering	243	263	239	235	980	247	246	240	229	962
Bad Debt Expense	103	68	87	74	332	56	74	53	41	224
Selling, administrative and general exp. (Excl Bad Debts)	1,066	1,042	936	1,061	4,105	964	1,015	975	1,071	4,025
Total Selling, administrative and general exp.	1,169	1,110	1,023	1,135	4,437	1,020	1,089	1,028	1,112	4,249
Non-financing interest expense ¹	126	105	127	136	494	146	148	127	103	524
Aggregate Exchange (gains) / losses	24	33	12	8	77	1	(21)	12	19	11
Amortization of Goodwill and intangibles	10	9	9	9	37	9	9	9	9	36
All other, net ²	(23)	8	(15)	15	(15)	302	66	8	(71)	305
Total Other, net	137	155	133	168	593	458	202	156	60	876
Restructuring and asset impairment charges	146	53	63	408	670	8	37	11	120	176
Gain on sale of half of interest in Fuji Xerox	-	-	-	-	-	-	-	-	-	-
Gain on sale of China operations	-	-	-	-	-	-	-	-	-	-
Gain on affiliates' sales of stock, net	-	-	-	-	-	-	(1)	(12)	-	(13)
Purchased in-process research and development	-	-	-	-	-	-	-	-	-	-
Total Costs and Expenses	3,958	3,830	3,647	4,310	15,745	3,904	3,810	3,589	3,962	15,265
Income (Loss) before Income Taxes (Benefits), Equity Income, Cumulative Effect of Change in Accounting Principle and Noncontrolling Interests	(100)	122	146	(64)	104	(147)	110	143	330	436
Income Taxes (benefits) ¹	(38)	50	64	(72)	4	(67)	40	38	123	134
Equity in Net Income of Unconsol. Affil.	11	15	17	11	54	14	16	13	15	58
Income(Loss) from Continuing Operations before Cumulative effect of change in accounting principle and Noncontrolling Interests	(51)	87	99	19	154	(66)	86	118	222	360
Cumulative effect of change in accounting principle, net of tax	(63)	-	-	-	(63)	-	-	-	-	-
Net Income (Loss)	(114)	87	99	19	91	(66)	86	118	222	360
Less: Net Income attributable to Noncontrolling Interests ²	<<Data not available>>									
Net Income (Loss) attributable to Xerox Corporation	(114)	87	99	19	91	(66)	86	118	222	360
Preferred Dividends/ Other	- Basic	-	(63)	(10)	(73)	(10)	(11)	(25)	(25)	(71)
	- Diluted	13	(63)	(10)	(73)	(10)	(11)	(25)	10	(65)
Weighted Average Shares	- Basic	726	728	734	737	731	742	747	792	769
	- Diluted	726	913	825	820	807	742	808	851	828
Earnings Per Share	- Basic	(0.16)	0.12	0.05	0.01	0.02	(0.10)	0.10	0.12	0.38
	- Diluted	(0.16)	0.11	0.04	0.01	0.02	(0.10)	0.09	0.11	0.36
Key Ratios:										
Gross Margins	- Sales	36.2%	40.2%	36.7%	39.4%	38.2%	37.6%	38.1%	36.5%	38.2%
	- Service/Outsourcing/Rentals	42.3%	43.4%	45.1%	47.3%	44.5%	43.2%	44.5%	43.8%	45.7%
	- Financing	65.2%	59.6%	56.7%	57.7%	59.9%	63.3%	63.4%	63.5%	64.5%
	- Total	41.3%	43.1%	42.3%	44.3%	42.8%	42.2%	42.9%	42.0%	43.1%
SAG as a % of Revenue		30.3%	28.1%	27.0%	26.7%	28.0%	27.1%	27.8%	27.5%	25.9%
Tax Rate		37.7%	37.7%	37.7%	37.7%	37.7%	37.7%	37.7%	37.7%	30.7%
Other Data:										
Restructuring and Asset Impairment Charges (after taxes)	101	41	49	280	471	5	23	7	76	111
Unhedged Aggregate Exchange (Gains)/Losses (after taxes)	22	24	-	-	46	-	-	-	-	-
Early Extinguishment of Debt (after taxes)	-	-	-	-	-	-	45	-	-	45
Ending Xerox Employment	74,600	72,400	69,900	67,800	67,800	64,700	63,900	62,800	61,085	61,085

Note: Certain reclassifications of prior year amounts have been made to conform to the current year presentation.

¹ Amounts include reclassifications for the effects of adopting Fin 46R.

² Amounts include reclassifications for the effects of adopting FAS 160

Xerox Financial Model
(unaudited)



(in \$ millions, except per-share data)

						2005					
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	
Revenues											
Sales	1,681	1,759	1,652	2,167	7,259	1,694	1,827	1,721	2,158	7,400	
Outsourcing, maintenance and rentals	1,908	1,860	1,834	1,927	7,529	1,849	1,874	1,822	1,881	7,426	
Financing	238	234	230	232	934	228	220	216	211	875	
Total Revenues	3,827	3,853	3,716	4,326	15,722	3,771	3,921	3,759	4,250	15,701	
Cost of Revenue											
Cost of sales	1,083	1,082	1,003	1,377	4,545	1,047	1,170	1,108	1,370	4,695	
Cost of outsourcing, maintenance and rentals	1,102	1,052	1,049	1,092	4,295	1,062	1,083	1,017	1,045	4,207	
Cost of financing	89	86	85	85	345	86	83	81	76	326	
Total Cost of Revenue	2,274	2,220	2,137	2,554	9,185	2,195	2,336	2,206	2,491	9,228	
Gross Profit											
Sales gross profit	598	677	649	790	2,714	647	657	613	788	2,705	
Outsourcing, maintenance and rentals gross profit	806	808	785	835	3,234	787	791	805	836	3,219	
Financing gross profit	149	148	145	147	589	142	137	135	135	549	
Gross Profit	1,553	1,633	1,579	1,772	6,537	1,576	1,585	1,553	1,759	6,473	
Research, development & engineering	222	228	234	230	914	225	242	242	234	943	
Bad Debt Expense	44	35	21	10	110	19	15	20	18	72	
Selling, administrative and general exp. (Excl Bad Debts)	992	1,015	1,015	1,071	4,093	990	1,031	991	1,026	4,038	
Total Selling, administrative and general exp.	1,036	1,050	1,036	1,081	4,203	1,009	1,046	1,011	1,044	4,110	
Non-financing interest expense ¹	95	84	91	93	363	61	62	55	53	231	
Aggregate Exchange (gains) / losses	8	18	20	27	73	16	(6)	-	(5)	5	
Amortization of Goodwill and intangibles	9	9	9	10	37	9	10	10	9	38	
All other, net ²	(25)	(61)	3	(21)	(104)	(120)	(87)	140	2	(65)	
Total Other, net	87	50	123	109	369	(34)	(21)	205	59	209	
Restructuring and asset impairment charges	6	33	23	24	86	85	194	17	70	366	
Total Costs and Expenses	3,625	3,581	3,553	3,998	14,757	3,480	3,797	3,681	3,898	14,856	
Income (Loss) before Income Taxes (Benefits), Equity Income, Cumulative Effect of Change in Accounting Principle and Noncontrolling Interests	202	272	163	328	965	291	124	78	352	845	
Income Taxes (benefits) ¹	67	91	62	120	340	116	(233)	29	83	(5)	
Equity in Net Income of Unconsol. Affil.	30	27	62	32	151	37	20	23	18	98	
Income(Loss) from Continuing Operations before Cumulative effect of change in accounting principle and Noncontrolling Interests	165	208	163	240	776	212	377	72	287	948	
Cumulative effect of change in accounting principle, net of tax	-	-	-	-	-	-	-	(8)	-	(8)	
Gain on sale of ContentGuard, net of income taxes of \$26	83	-	-	-	83	-	-	-	-	-	
Discontinued Operations, net of taxes	-	-	-	-	-	-	53	-	-	53	
Net Income (Loss)	248	208	163	240	859	212	430	64	287	993	
Less: Net Income attributable to Noncontrolling Interests ²						2	7	1	5	15	
Net Income (Loss) attributable to Xerox Corporation	248	208	163	240	859	210	423	63	282	978	
Preferred Dividends/ Other	- Basic - Diluted	(24) (4)	(21) 11	(14) -	(14) 9	(73) 45	(14) 1	(15) -	(14) (14)	(15) -	(58) 1
Weighted Average Shares	- Basic - Diluted	799 968	817 1,046	841 969	879 1,048	834 1,047	959 1,050	960 1,048	962 973	951 1,039	957 1,045
Earnings Per Share	- Basic - Diluted	0.28 0.25	0.23 0.21	0.18 0.17	0.26 0.24	0.94 0.86	0.20 0.20	0.43 0.40	0.05 0.05	0.28 0.27	0.96 0.94
Key Ratios:											
Gross Margins	- Sales - Service/Outsourcing/Rentals - Financing - Total	35.6% 42.2% 62.6% 40.6%	38.5% 43.4% 63.2% 42.4%	39.3% 42.8% 63.0% 42.5%	36.5% 43.2% 63.4% 41.0%	37.4% 43.0% 63.1% 41.6%	38.2% 42.6% 62.3% 41.8%	36.0% 42.2% 62.3% 40.4%	35.6% 44.2% 62.5% 41.3%	36.5% 44.4% 64.0% 41.4%	36.6% 43.3% 62.7% 41.2%
SAG as a % of Revenue		27.1%	27.3%	27.9%	25.0%	26.7%	26.8%	26.7%	26.9%	24.6%	26.2%
Tax Rate		33.2%	33.5%	38.0%	36.6%	35.2%	39.9%	n/m	37.2%	23.6%	n/m
Other Data:											
Restructuring and Asset Impairment Charges (after taxes)		4	22	16	13	55	55	130	11	51	247
Tax benefit from finalization of 1996 - 1998 IRS Tax Audit - Continuing Operations (after taxes)		-	-	-	-	-	-	290	-	-	290
Finalization of 1996 - 1998 IRS Tax Audit Discontinued Operations Income (after taxes)		-	-	-	-	-	-	53	-	-	53
Provisions for Litigation Matters (after taxes)		-	-	-	-	-	-	-	79	-	79
Losses on Hurricane Katrina (after taxes)		-	-	-	-	-	-	-	9	-	9
Changes in Accounting Principles (WEEE/FIN 47) (after taxes)		-	-	-	-	-	-	-	26	-	26
Gain on Sale of ContentGuard (after taxes)		83	-	-	-	83	-	-	-	-	-
Gain on Sale of Scansoft (after taxes)		-	30	-	-	30	-	-	-	-	-
Gain on Sale of Integic (after taxes)		-	-	-	-	-	58	-	-	-	58
Gain on Return of Fuji Xerox Pension Obligation (after taxes)		-	-	38	-	38	-	-	-	-	-
Ending Xerox Employment		60,592	60,001	59,262	58,098	58,098	57,989	57,300	56,276	55,229	55,229

Note: Certain reclassifications of prior year amounts have been made to conform to the current year presentation.

¹ Amounts include reclassifications for the effects of adopting Fin 46R.

² Amounts include reclassifications for the effects of adopting FAS 160

n/m - percent not meaningful

(in \$ millions, except per-share data)

	2006					2007					
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	
Revenues											
Sales	1,666	1,882	1,736	2,180	7,464	1,707	1,976	2,030	2,479	8,192	
Outsourcing, maintenance and rentals	1,816	1,884	1,900	1,991	7,591	1,924	2,027	2,068	2,195	8,214	
Financing	213	211	208	208	840	205	205	204	208	822	
Total Revenues	3,695	3,977	3,844	4,379	15,895	3,836	4,208	4,302	4,882	17,228	
Cost of Revenue											
Cost of sales	1,075	1,200	1,142	1,386	4,803	1,084	1,286	1,316	1,568	5,254	
Cost of outsourcing, maintenance and rentals	1,060	1,068	1,083	1,117	4,328	1,118	1,148	1,183	1,258	4,707	
Cost of financing	76	76	75	78	305	78	79	79	80	316	
Total Cost of Revenue	2,211	2,344	2,300	2,581	9,436	2,280	2,513	2,578	2,906	10,277	
Gross Profit											
Sales gross profit	591	682	594	794	2,661	623	690	714	911	2,938	
Outsourcing, maintenance and rentals gross profit	756	816	817	874	3,263	806	879	885	937	3,507	
Financing gross profit	137	135	133	130	535	127	126	125	128	506	
Gross Profit	1,484	1,633	1,544	1,798	6,459	1,556	1,695	1,724	1,976	6,951	
Research, development & engineering	225	230	230	237	922	218	223	233	238	912	
Bad Debt Expense	20	21	30	16	87	27	39	27	41	134	
Selling, administrative and general exp. (Excl Bad Debts)	963	999	955	1,004	3,921	927	1,042	1,064	1,145	4,178	
Total Selling, administrative and general exp.	983	1,020	985	1,020	4,008	954	1,081	1,091	1,186	4,312	
Non-financing interest expense ¹	54	60	63	62	239	58	70	75	60	263	
Aggregate Exchange (gains) / losses	14	10	7	8	39	3	(1)	(8)	14	8	
All other, net ²	(12)	(3)	43	(33)	(5)	(16)	(8)	(8)	(16)	(48)	
Total Other, net	56	67	113	37	273	45	61	59	58	223	
Restructuring and asset impairment charges	-	36	110	239	385	(2)	(2)	(3)	1	(6)	
Amortization of intangible assets	10	10	10	11	41	6	10	13	13	42	
Total Costs and Expenses	3,485	3,707	3,748	4,125	15,065	3,501	3,886	3,971	4,402	15,760	
Income (Loss) before Income Taxes (Benefits), Equity Income, Cumulative Effect of Change in Accounting Principle and Noncontrolling Interests	210	270	96	254	830	335	322	331	480	1,468	
Income Taxes (benefits) ¹	47	22	(416)	59	(288)	102	76	97	125	400	
Equity in Net Income of Unconsol. Affil.	39	17	29	29	114	6	27	27	37	97	
Income(Loss) from Continuing Operations before Cumulative effect of change in accounting principle and Noncontrolling Interests	202	265	541	224	1,232	239	273	261	392	1,165	
Net Income (Loss)	202	265	541	224	1,232	239	273	261	392	1,165	
Less: Net Income attributable to Noncontrolling Interests ²	2	5	5	10	22	6	7	7	10	30	
Net Income (Loss) attributable to Xerox Corporation	200	260	536	214	1,210	233	266	254	382	1,135	
Preferred Dividends/ Other	- Basic - Diluted	(14) 1	(15) -	- -	- 1	(29) 1	- 1	- -	- -	- 1	
Weighted Average Shares	- Basic - Diluted	927 1,017	914 1,002	975 989	959 977	944 997	945 962	939 957	932 951	923 942	935 953
Earnings Per Share	- Basic - Diluted	0.20 0.20	0.27 0.26	0.55 0.54	0.22 0.22	1.25 1.22	0.25 0.24	0.28 0.28	0.27 0.27	0.41 0.41	1.21 1.19
Key Ratios:											
Gross Margins	- Sales - Service/Outsourcing/Rentals - Financing - Total	35.5% 41.6% 64.3% 40.2%	36.2% 43.3% 64.0% 41.1%	34.2% 43.0% 63.9% 40.2%	36.4% 43.9% 62.5% 41.1%	35.7% 43.0% 63.7% 40.6%	36.5% 41.9% 62.0% 40.6%	34.9% 43.4% 61.5% 40.3%	35.2% 42.8% 61.3% 40.1%	36.7% 42.7% 61.5% 40.5%	35.9% 42.7% 61.6% 40.3%
SAG as a % of Revenue		26.6%	25.6%	25.6%	23.3%	25.2%	24.9%	25.7%	25.4%	24.3%	25.0%
Tax Rate		22.4%	8.1%	-433.3%	23.2%	-34.7%	30.4%	23.6%	29.3%	26.0%	27.2%
Other Data:											
Restructuring and Asset Impairment Charges (after taxes)	-	25	72	160	257	(2)	(2)	(2)	1	(5)	
Amortization of purchased intangibles (after taxes)	6	6	7	7	26	4	7	8	9	28	
Provisions for Litigation Matters (after taxes)	-	-	68	-	68	-	-	-	-	-	
Losses on Hurricane Katrina (after taxes)	-	(2)	(2)	(1)	(5)	-	-	-	-	-	
Early Extinguishment of Debt (after taxes)	-	9	-	1	10	-	-	-	-	-	
UK Tax Settlement (after taxes)	-	46	(448)	-	(402)	-	-	-	-	-	
Ending Xerox Employment		55,100	55,100	54,900	53,700	53,700	53,150	58,100	57,100	57,400	57,400

Note: Certain reclassifications of prior year amounts have been made to conform to the current year presentation.

¹ Amounts include reclassifications for the effects of adopting Fin 46R.

² Amounts include reclassifications for the effects of adopting FAS 160

n/m - percent not meaningful

Xerox Financial Model
(unaudited)



RESTATED *
2009

(in \$ millions, except per-share data)

	2008					2009 (As previously reported)					FY	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY		
Revenues												
Sales	2,013	2,119	2,047	2,146	8,325	1,494	1,602	1,555	1,995	6,646	5,843	
Outsourcing, maintenance and rentals	2,113	2,207	2,126	2,039	8,485	1,880	1,951	1,942	2,047	7,820	7,820	
Financing	209	207	197	185	798	180	178	178	177	713	713	
Total Revenues	4,335	4,533	4,370	4,370	17,608	3,554	3,731	3,675	4,219	15,179	14,376	
Cost of Revenue												
Cost of sales	1,319	1,400	1,340	1,460	5,519	1,004	1,065	1,031	1,295	4,395	3,693	
Cost of outsourcing, maintenance and rentals	1,231	1,275	1,241	1,182	4,929	1,100	1,100	1,113	1,175	4,488	4,488	
Cost of financing	80	79	75	71	305	69	68	67	67	271	271	
Total Cost of Revenue	2,630	2,754	2,656	2,713	10,753	2,173	2,233	2,211	2,537	9,154	8,452	
Gross Profit												
Sales gross profit	694	719	707	686	2,806	490	537	524	700	2,251	2,150	
Outsourcing, maintenance and rentals gross profit	882	932	885	857	3,556	780	851	829	872	3,332	3,332	
Financing gross profit	129	128	122	114	493	111	110	111	110	442	442	
Gross Profit	1,705	1,779	1,714	1,657	6,855	1,381	1,498	1,464	1,682	6,025	5,924	
Research, development & engineering	221	223	228	212	884	204	202	209	225	840	839	
Bad Debt Expense	28	34	45	80	187	69	81	59	82	291	287	
Selling, administrative and general exp. (Excl Bad Debts)	1,096	1,136	1,093	1,022	4,347	935	932	948	1,043	3,858	3,769	
Total Selling, administrative and general exp.	1,124	1,170	1,138	1,102	4,534	1,004	1,013	1,007	1,125	4,149	4,056	
Non-financing interest expense ¹	54	65	71	72	262	61	63	64	68	256	256	
Aggregate Exchange (gains) / losses	19	2	9	4	34	20	1	5	-	26	26	
All other, net ²	780	(11)	(7)	(25)	737	2	8	(1)	(6)	3	7	
Total Other, net	853	56	73	51	1,033	83	72	68	62	285	289	
Restructuring and asset impairment charges	3	63	14	349	429	(2)	(1)	(2)	(3)	(8)	(8)	
Acquisition related costs	-	-	-	-	-	-	-	9	63	72	72	
Amortization of intangible assets	13	13	14	14	54	14	15	15	16	60	60	
Total Costs and Expenses	4,844	4,279	4,123	4,441	17,687	3,476	3,534	3,517	4,025	14,552	13,760	
Income (Loss) before Income Taxes (Benefits), Equity Income, Cumulative Effect of Change in Accounting Principle and Noncontrolling Interests	(509)	254	247	(71)	(79)	78	197	158	194	627	616	
Income Taxes (Benefits) ¹	(246)	59	15	(59)	(231)	19	59	44	30	152	148	
Equity in Net Income (Loss) of Unconsol. Affil.	28	29	35	21	113	(10)	9	15	27	41	41	
Income (Loss) from Continuing Operations before Cumulative effect of change in accounting principle and Noncontrolling Interests	(235)	224	267	9	265	49	147	129	191	516	509	
Net Income (Loss)	(235)	224	267	9	265	49	147	129	191	516	509	
Less: Net Income attributable to Noncontrolling Interests ²	9	9	9	8	35	7	7	6	11	31	31	
Net Income (Loss) attributable to Xerox Corporation, Continuing Operations	(244)	215	258	1	230	42	140	123	180	485	478	
(Loss) income from Disc Op	N/A	N/A	N/A	N/A	N/A						7	
Net Income (Loss) attributable to Xerox Corporation	(244)	215	258	1	230	42	140	123	180	485	7	
Preferred Dividends/ Other	- Basic - Diluted	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	
Weighted Average Shares	- Basic - Diluted	911 903	890 887	871 875	885 896	867 878	870 879	871 883	871 887	870 880	870 880	
Earnings (Loss) Per Share	- Basic Continuing Operations Discontinued Operations Total Basic Earnings per Share - Diluted Continuing Operations Discontinued Operations Total Diluted Earnings per Share	(0.27) 0.24 - 0.24 - 0.24 - 0.26	0.24 0.24 0.30 0.30 0.24 0.24 0.29 0.29	0.30 0.30 - 0.30 0.29 - - 0.26	- - - - - - - - 0.26	0.26 0.26 0.26 0.26 0.26 0.26 0.26 0.26	0.05 0.16 0.14 0.21 0.56 0.05 0.16 0.14 0.21 0.56	0.16 0.16 0.14 0.21 0.56 0.16 0.16 0.14 0.20 0.55	0.21 0.21 0.21 0.21 0.56 0.20 0.20 0.20 0.20 0.55	0.56 0.56 0.56 0.56 0.56 0.55 0.55 0.55	0.55 0.55 0.55 0.55 0.55 0.54 0.54 0.55	
Key Ratios:												
Gross Margins	- Sales - Service/Outsourcing/Rentals - Financing - Total	34.5% 41.7% 61.7% 39.3%	33.9% 42.2% 61.8% 39.2%	34.5% 41.6% 61.9% 39.2%	32.0% 42.0% 61.6% 37.9%	33.7% 41.9% 61.8% 38.9%	32.8% 41.5% 61.7% 38.9%	33.5% 43.6% 61.8% 40.2%	33.7% 42.7% 62.4% 39.8%	35.1% 42.6% 62.1% 39.9%	33.9% 42.6% 62.0% 39.7%	36.8% 42.6% 62.0% 41.2%
SAG as a % of Revenue		25.9%	25.8%	26.0%	25.2%	25.7%	28.2%	27.2%	27.4%	26.7%	27.3%	28.2%
Tax Rate		48.3%	23.2%	6.1%	83.1%	292.4%	24.4%	29.9%	27.8%	15.5%	24.2%	24.0%
Other Data:												
Restructuring and Asset Impairment Charges (after taxes)	-	43	9	240	292	(1)	(1)	-	(2)	(4)	(4)	
Provisions for Litigation Matters (after taxes)	491	-	-	-	491	-	-	-	-	-	-	
Acquisition related costs (after taxes)	-	-	-	-	-	-	-	8	41	49	49	
Amortization of purchased intangibles (after taxes)	8	9	9	9	35	9	9	10	10	38	38	
Equipment write-off (after taxes)	-	-	-	24	24	-	-	-	-	-	-	
Fuji Xerox Restructuring (after taxes) (2009 onwards)	-	-	-	-	-	22	9	9	6	46	46	
Ending Xerox Employment	57,500	58,000	57,400	57,100	57,100	55,600	54,700	54,100	53,600	53,600	53,600	

Note: Certain reclassifications of prior year amounts have been made to conform to the current year presentation.

¹ Amounts include reclassifications for the effects of adopting Fin 46R.

² Amounts include reclassifications for the effects of adopting FAS 160

* Restated for discontinued operations (Paper business only).

n/m - percent not meaningful

(in \$ millions, except per-share data)

	2010 (As previously reported)					RESTATED *** 2010	2011 (Restated *)					RESTATED *** 2011	
	Q1	Q2	Q3	Q4	FY	FY	Q1	Q2	Q3	Q4	FY	FY	
Revenues													
Sales	1,678	1,791	1,700	2,065	7,234	6,297	1,482	1,530	1,561	1,827	6,400	6,265	
Outsourcing, maintenance and rentals	2,870	3,553	3,567	3,749	13,739	12,693	3,632	3,731	3,689	3,816	14,868	13,741	
Financing	173	164	161	162	660	660	162	163	156	151	632	632	
Total Revenues	4,721	5,508	5,428	5,976	21,633	19,650	5,276	5,424	5,406	5,794	21,900	20,638	
Cost of Revenue													
Cost of sales	1,082	1,172	1,127	1,360	4,741	3,920	930	977	1,001	1,168	4,076	3,960	
Cost of outsourcing, maintenance and rentals	1,871	2,359	2,417	2,548	9,195	8,327	2,514	2,538	2,545	2,672	10,269	9,319	
Cost of financing	64	61	61	60	246	246	60	60	56	55	231	231	
Total Cost of Revenue	3,017	3,592	3,605	3,968	14,182	12,493	3,504	3,575	3,602	3,895	14,576	13,510	
Gross Profit													
Sales gross profit	596	619	573	705	2,493	2,377	552	553	560	659	2,324	2,305	
Outsourcing, maintenance and rentals gross profit	999	1,194	1,150	1,201	4,544	4,366	1,118	1,193	1,144	1,144	4,599	4,422	
Financing gross profit	109	103	100	102	414	414	102	103	100	96	401	401	
Gross Profit	1,704	1,916	1,823	2,008	7,451	7,157	1,772	1,849	1,804	1,899	7,324	7,128	
Research, development & engineering	205	194	189	193	781	780	184	175	182	178	719	719	
Bad Debt Expense	56	46	46	40	188	187	31	29	44	53	157	155	
Selling, administrative and general exp. (Excl Bad Debts)	1,043	1,117	1,090	1,156	4,406	4,247	1,068	1,071	1,046	1,079	4,264	4,189	
Total Selling, administrative and general exp.	1,099	1,163	1,136	1,196	4,594	4,434	1,099	1,100	1,090	1,132	4,421	4,344	
Non-financing interest expense ¹	89	92	87	78	346	342	67	64	60	56	247	243	
Aggregate Exchange (gains) / losses	22	(2)	-	(9)	11	11	1	-	10	1	12	12	
All other, net ²	(1)	38	(11)	6	32	32	11	40	18	(2)	67	65	
Total Other, net	110	128	76	75	389	385	79	104	88	55	326	320	
Restructuring and asset impairment charges	195	11	4	273	483	476	(16)	(9)	(4)	61	32	31	
Acquisition related costs	48	15	5	9	77	77	-	-	-	-	-	-	
Amortization of intangible assets	57	85	85	85	312	287	85	87	87	139	398	371	
Curtailment gain	-	-	-	-	-	-	-	-	-	(107)	(107)	(107)	
Total Costs and Expenses	4,731	5,188	5,100	5,799	20,818	18,932	4,935	5,032	5,045	5,353	20,365	19,188	
Income (Loss) before Income Taxes (Benefits), Equity Income, Cumulative Effect of Change in Accounting Principle and Noncontrolling Interests	(10)	320	328	177	815	718	341	392	361	441	1,535	1,450	
Income Taxes (Benefits) ¹	22	112	98	24	256	221	93	105	79	100	377	347	
Equity in Net Income (Loss) of Unconsol. Affil.	(2)	28	26	26	78	78	34	34	43	38	149	149	
Income (Loss) from Continuing Operations before Cumulative effect of change in accounting principle and Noncontrolling Interests	(34)	236	256	179	637	575	282	321	325	379	1,307	1,252	
Net Income (Loss)	(34)	236	256	179	637	575	282	321	325	379	1,307	1,252	
Less: Net Income attributable to Noncontrolling Interests ²	8	9	6	8	31	31	8	8	9	8	33	33	
Net Income attributable to Xerox Corporation, Continuing Operations	(42)	227	250	171	606	544	274	313	316	371	1,274	1,219	
(Loss) income from Discontinued Operations						62	7	6	4	4	21	76	
Net Income attributable to Xerox Corporation	(42)	227	250	171	606	606	281	319	320	375	1,295	1,295	
Preferred Dividends/ Other	- Basic - Diluted	3 3	6 6	6 6	6 6	21 21	6 6	6 6	6 6	6 6	24 24	24 24	
Weighted Average Shares	- Basic - Diluted	1,176 1,176	1,383 1,419	1,387 1,417	1,393 1,429	1,323 1,351	1,400 1,436	1,402 1,438	1,396 1,426	1,361 1,415	1,388 1,444	1,388 1,417	
(Loss) Earnings Per Share	- Basic: Continuing Operations Discontinued Operations Total Basic Earnings per Share	(0.04) 0.16 0.16 (0.04)	0.16 0.16 0.16 0.16	0.18 0.18 0.18 0.18	0.12 0.12 0.12 0.12	0.44 0.39 0.05 0.44	0.19 0.01 0.20 0.20	0.22 0.01 0.22 0.22	0.22 0.01 0.23 0.23	0.27 0.01 0.27 0.27	0.90 0.02 0.92 0.92	0.86 0.06 0.92 0.92	
- Diluted: Continuing Operations Discontinued Operations Total Diluted Earnings per Share	(0.04) 0.16 0.16 (0.04)	0.16 0.16 0.16 0.16	0.17 0.17 0.17 0.17	0.12 0.12 0.12 0.12	0.43 0.39 0.04 0.43	0.19 0.04 0.19 0.19	0.22 0.02 0.22 0.22	0.22 0.02 0.22 0.22	0.26 0.02 0.26 0.26	0.88 0.02 0.90 0.90	0.84 0.06 0.90 0.90		
Key Ratios:													
Gross Margins	- Sales - Service/Outsourcing/Rentals - Financing - Total	35.5% 34.8% 63.0% 36.1%	34.6% 33.6% 62.8% 34.8%	33.7% 32.2% 62.1% 33.6%	34.1% 32.0% 63.0% 33.6%	34.5% 33.1% 62.7% 34.4%	37.7% 34.4% 62.7% 36.4%	37.2% 30.8% 63.0% 33.6%	36.1% 32.0% 63.2% 34.1%	35.9% 31.0% 64.1% 33.4%	36.1% 30.0% 63.6% 32.8%	36.3% 30.9% 63.4% 33.4%	36.8% 32.2% 63.4% 34.5%
SAG as a % of Revenue		23.3%	21.1%	20.9%	20.0%	21.2%	22.6%	20.8%	20.3%	20.2%	19.5%	20.2%	21.0%
Tax Rate		-220.0%	35.0%	29.9%	13.6%	31.4%	30.8%	27.3%	26.8%	21.9%	22.7%	24.6%	23.9%
Other Data:													
Restructuring and Asset Impairment Charges (after taxes)	135	7	2	173	317	312	(9)	(8)	(3)	39	19	18	
Amortization of purchased intangibles (after taxes)	36	52	53	53	194	178	53	54	54	87	248	231	
Venezuelan Devaluation (after taxes)	21	-	-	-	21	21	-	-	-	-	-	-	
Medicare Subsidy Change (after taxes)	16	-	-	-	16	16	-	-	-	-	-	-	
Acquisition related costs (after taxes)	36	14	3	5	58	58	-	-	-	-	-	-	
ACS shareholders litigation settlement	-	36	-	-	36	36	-	-	-	-	-	-	
Loss on early extinguishment of debt / liability (after taxes)	-	-	-	10	10	10	-	20	-	-	20	20	
Fuji Xerox Restructuring (after taxes) (2009 onwards)	22	5	6	5	38	38	11	4	1	3	19	19	
Ending Xerox Employment	130,100	130,800	133,200	136,500	136,500	136,500	134,100	133,500	134,200	139,700	139,700	139,700	

Note: Certain reclassifications of prior year amounts have been made to conform to the current year presentation.

¹ Amounts include reclassifications for the effects of adopting Fin 46R.

² Amounts include reclassifications for the effects of adopting FAS 160

* Restated for discontinued operations (Paper business only).

*** Restated for discontinued operations, including restatement for the agreement to sell the ITO business as announced in December 2014.

n/m - percent not meaningful

Xerox Financial Model
(unaudited)



(in \$ millions, except per-share data)

	2012 (Restated **)					RESTATED *** 2012	2013 (Restated ***)					
	Q1	Q2	Q3	Q4	FY		Q1	Q2	Q3	Q4	FY	
Revenues												
Sales	1,404	1,447	1,373	1,644	5,868	5,827	1,279	1,432	1,352	1,519	5,582	
Outsourcing, maintenance and rentals	3,755	3,752	3,715	3,947	15,169	13,997	3,460	3,497	3,415	3,569	13,941	
Financing	148	143	160	146	597	597	118	113	133	119	483	
Total Revenues	5,307	5,342	5,248	5,737	21,634	20,421	4,857	5,042	4,900	5,207	20,006	
Cost of Revenue												
Cost of sales	891	927	884	1,039	3,741	3,701	804	915	851	980	3,550	
Cost of outsourcing, maintenance and rentals	2,680	2,616	2,658	2,810	10,764	9,735	2,461	2,429	2,395	2,523	9,808	
Cost of financing	53	51	49	45	198	198	43	42	40	38	163	
Total Cost of Revenue	3,624	3,594	3,591	3,894	14,703	13,634	3,308	3,386	3,286	3,541	13,521	
Gross Profit												
Sales gross profit	513	520	489	605	2,127	2,126	475	517	501	539	2,032	
Outsourcing, maintenance and rentals gross profit	1,075	1,136	1,057	1,137	4,405	4,262	999	1,068	1,020	1,046	4,133	
Financing gross profit	95	92	111	101	399	399	75	71	93	81	320	
Gross Profit	1,683	1,748	1,657	1,843	6,931	6,787	1,549	1,656	1,614	1,666	6,485	
Research, development & engineering	173	161	161	160	655	655	155	149	146	153	603	
Bad Debt Expense	24	30	22	43	119	119	24	33	27	36	120	
Selling, administrative and general exp. (Excl Bad Debts)	1,022	1,024	1,007	1,031	4,084	4,022	1,000	992	974	987	3,953	
Total Selling, administrative and general exp.	1,046	1,054	1,029	1,074	4,203	4,141	1,024	1,025	1,001	1,023	4,073	
Non-financing interest expense ¹	57	59	56	60	232	229	61	61	59	59	240	
Aggregate Exchange (gains) / losses	(1)	1	-	3	3	3	(4)	(3)	1	(1)	(7)	
All other, net ²	1	15	1	8	25	25	(41)	1	(22)	(25)	(87)	
Total Other, net	57	75	57	71	260	257	16	59	38	33	146	
Restructuring and asset impairment charges	20	29	14	91	154	149	(8)	33	35	55	115	
Amortization of intangible assets	82	82	82	82	328	301	76	76	77	76	305	
Total Costs and Expenses	5,002	4,995	4,934	5,372	20,303	19,137	4,571	4,728	4,583	4,881	18,763	
Income before Income Taxes & Equity Income⁽¹⁾	305	347	314	365	1,331	1,284	286	314	317	326	1,243	
Income Taxes ¹	75	64	62	70	271	256	46	61	79	67	253	
Equity in Net Income (Loss) of Unconsol. Affil.	40	31	34	47	152	152	47	36	43	43	169	
Income from Continuing Operations	270	314	286	342	1,212	1,180	287	289	281	302	1,159	
Income (loss) from Discontinued Operations, net of tax	6	2	2	1	11	43	13	(12)	10	9	20	
Net Income (Loss)	276	316	288	343	1,223	1,223	300	277	291	311	1,179	
Less: Net Income attributable to Noncontrolling Interests ²	7	7	6	8	28	28	4	6	5	5	20	
Net Income attributable to Xerox Corporation	269	309	282	335	1,195	1,195	296	271	286	306	1,159	
Preferred Dividends/	- Basic	6	6	6	6	24	24	6	6	6	6	24
Other	- Diluted	6	6	6	-	24	24	6	6	6	-	-
Weighted Average Shares	- Basic	1,337	1,334	1,294	1,249	1,302	1,302	1,225	1,230	1,236	1,214	1,225
	- Diluted	1,369	1,366	1,319	1,296	1,329	1,329	1,253	1,260	1,259	1,261	1,274
Earnings Per Share	- Basic:											
	Continuing Operations	0.19	0.23	0.21	0.26	0.89	0.87	0.23	0.23	0.22	0.24	0.91
	Discontinued Operations	0.01	-	-	-	0.01	0.03	0.01	(0.01)	0.01	0.01	0.02
	Total Basic Earnings per Share	0.20	0.23	0.21	0.26	0.90	0.90	0.24	0.22	0.23	0.25	0.93
	- Diluted:											
	Continuing Operations	0.19	0.22	0.21	0.26	0.87	0.85	0.22	0.22	0.21	0.23	0.89
	Discontinued Operations	-	-	-	-	0.01	0.03	0.01	(0.01)	0.01	0.01	0.02
	Total Diluted Earnings per Share	0.19	0.22	0.21	0.26	0.88	0.88	0.23	0.21	0.22	0.24	0.91
	- Adjusted (2012 onwards):											
	Adjusted Net Income	313	358	331	385	1,387	1,338	330	330	324	344	1,328
	Adjusted Earnings per Share	0.22	0.26	0.25	0.30	1.02	0.99	0.26	0.26	0.25	0.27	1.04
	Adjusted Weighted Average Shares	1,396	1,393	1,346	1,296	1,356	1,356	1,280	1,287	1,286	1,261	1,274
Key Ratios:												
Gross Margins	- Sales	36.5%	35.9%	35.6%	36.8%	36.2%	36.5%	37.1%	36.1%	37.1%	35.5%	36.4%
	- Outsourcing/Maintenance/Rentals	28.6%	30.3%	28.5%	28.8%	29.0%	30.4%	28.9%	30.5%	29.9%	29.3%	29.6%
	- Financing	64.2%	64.3%	69.4%	69.2%	66.8%	66.8%	63.6%	62.8%	69.9%	68.1%	66.3%
	- Total	31.7%	32.7%	31.6%	32.1%	32.0%	33.2%	31.9%	32.8%	32.9%	32.0%	32.4%
SAG as a % of Revenue		19.7%	19.7%	19.6%	18.7%	19.4%	20.3%	21.1%	20.3%	20.4%	19.6%	20.4%
Tax Rate		24.6%	18.4%	19.7%	19.2%	20.4%	19.9%	16.1%	19.4%	24.9%	20.6%	20.4%
Other Data:												
	Amortization of purchased intangibles (after taxes)	50	51	51	51	203	186	47	47	48	47	189
	Restructuring and Asset Impairment Charges (after taxes)	13	22	5	58	98	95	(6)	23	26	39	82
	Fuji Xerox Restructuring (after taxes) (2009 onwards)	4	6	5	1	16	16	4	1	3	1	9
Ending Xerox Employment		138,300	139,100	146,000	147,600	147,600	147,600	143,200	142,300	141,900	143,100	143,100

Note: Certain reclassifications of prior year amounts have been made to conform to the current year presentation.

¹ Amounts include reclassifications for the effects of adopting Fin 46R.

² Amounts include reclassifications for the effects of adopting FAS 160.

** Restated for discontinued operations, excluding restatement for the agreement to sell the ITO business as announced in December 2014.

*** Restated for discontinued operations, including restatement for the agreement to sell the ITO business as announced in December 2014.

n/m - percent not meaningful

Xerox Financial Model
(unaudited)



(in \$ millions, except per-share data)

		2014				
		Q1 ***	Q2 ***	Q3 ***	Q4 ***	FY ***
Revenues						
Sales		1,257	1,342	1,275	1,414	5,288
Outsourcing, maintenance and rentals		3,414	3,501	3,424	3,526	13,865
Financing		100	98	96	93	387
Total Revenues		4,771	4,941	4,795	5,033	19,540
Cost of Revenue						
Cost of sales		778	832	774	885	3,269
Cost of outsourcing, maintenance and rentals		2,454	2,488	2,444	2,499	9,885
Cost of financing		36	36	35	33	140
Total Cost of Revenue		3,268	3,356	3,253	3,417	13,294
Gross Profit						
Sales gross profit		479	510	501	529	2,019
Outsourcing, maintenance and rentals gross profit		960	1,013	980	1,027	3,980
Financing gross profit		64	62	61	60	247
Gross Profit		1,503	1,585	1,542	1,616	6,246
Research, development & engineering		145	143	139	150	577
Bad Debt Expense		14	22	18	(1)	53
Selling, administrative and general exp. (Excl Bad Debts)		931	937	924	943	3,735
Total Selling, administrative and general exp.		945	959	942	942	3,788
Non-financing interest expense		63	60	56	58	237
Aggregate Exchange losses / (gains)		1	(1)	-	5	5
All other, net		(25)	6	15	(6)	(10)
Total Other, net		39	65	71	57	232
Restructuring and asset impairment charges		26	39	27	36	128
Amortization of intangible assets		77	78	77	83	315
Total Costs and Expenses		4,500	4,640	4,509	4,685	18,334
Income (Loss) before Income Taxes & Equity Income		271	301	286	348	1,206
Income Taxes		42	73	66	34	215
Equity in Net Income of Unconsol. Affil.		42	33	44	41	160
Income (Loss) from Continuing Operations		271	261	264	355	1,151
Income (loss) from discontinued operations, net of tax		15	11	8	(149)	(115)
Net Income (Loss)		286	272	272	206	1,036
Less: Net Income attributable to Noncontrolling Interests		5	6	6	6	23
Net Income (Loss) Attributable to Xerox Corporation		281	266	266	200	1,013
Preferred Dividends/ Other						
- Basic		6	6	6	6	24
- Diluted		6	6	6	-	-
Weighted Average Shares						
- Basic		1,179	1,161	1,149	1,129	1,154
- Diluted		1,198	1,181	1,165	1,171	1,199
Earnings Per Share						
- Basic:						
Continuing operations		0.22	0.21	0.22	0.30	0.96
Discontinued operations		0.01	0.01	0.01	(0.13)	(0.10)
Total Basic Earnings (Loss) per Share		0.23	0.22	0.23	0.17	0.86
- Diluted:						
Continuing operations		0.22	0.21	0.21	0.30	0.94
Discontinued operations		0.01	0.01	0.01	(0.13)	(0.09)
Total Diluted Earnings (Loss) per Share		0.23	0.22	0.22	0.17	0.85
- Adjusted (2012 onwards):						
Adjusted Net Income		314	303	306	357	1,280
Adjusted Earnings per Share		0.26	0.25	0.26	0.31	1.07
Adjusted Weighted Average Shares		1,225	1,208	1,192	1,171	1,199
Key Ratios:						
Gross Margins						
- Sales		38.1%	38.0%	39.3%	37.4%	38.2%
- Outsourcing/Maintenance/Rentals		28.1%	28.9%	28.6%	29.1%	28.7%
- Financing		64.0%	63.3%	63.5%	64.5%	63.8%
- Total		31.5%	32.1%	32.2%	32.1%	32.0%
SAG as a % of Revenue		19.8%	19.4%	19.6%	18.7%	19.4%
Tax Rate		15.5%	24.3%	23.1%	9.8%	17.8%
Adjusted Effective Tax Rate		20.4%	27.2%	26.2%	25.3%	24.9%
Other Data:						
Amortization of purchased intangibles (after taxes)		48	48	48	52	196
Restructuring and Asset Impairment Charges (after taxes)		21	25	19	26	91
Fuji Xerox Restructuring (after taxes)		3	(1)	1	-	3
Ending Xerox Employment		141,400	142,400	144,500	147,500	147,500

Note: Certain reclassifications of prior year amounts have been made to conform to the current year presentation.

*** Restated for discontinued operations, including restatement for the agreement to sell the ITO business as announced in December 2014.

*** Restated for change in accounting guidance for taxes on Equity Investments in December 2014.

Xerox Financial Model
(unaudited)



(in \$ millions, except per-share data)

	2015					2015 Adjusted *		2016		
	Q1	Q2	Q3	Q4	FY	Q3	FY	Q1	Q2	YTD
Revenues										
Sales	1,126	1,224	1,150	1,248	4,748	1,150	4,748	1,021	1,145	2,166
Outsourcing, maintenance and rentals	3,253	3,279	3,098	3,321	12,951	3,214	13,067	3,177	3,158	6,335
Financing	90	87	85	84	346	85	346	83	82	165
Total Revenues	4,469	4,590	4,333	4,653	18,045	4,449	18,161	4,281	4,385	8,666
Cost of Revenue										
Cost of sales	674	776	721	790	2,961	721	2,961	624	707	1,331
Cost of outsourcing, maintenance and rentals	2,368	2,356	2,592	2,375	9,691	2,319	9,418	2,344	2,279	4,623
Cost of financing	33	32	33	32	130	33	130	33	32	65
Total Cost of Revenue	3,075	3,164	3,346	3,197	12,782	3,073	12,509	3,001	3,018	6,019
Gross Profit										
Sales gross profit	452	448	429	458	1,787	429	1,787	397	438	835
Outsourcing, maintenance and rentals gross profit	885	923	506	946	3,260	895	3,649	833	879	1,712
Financing gross profit	57	55	52	52	216	52	216	50	50	100
Gross Profit	1,394	1,426	987	1,456	5,263	1,376	5,652	1,280	1,367	2,647
Research, development & engineering	141	142	135	145	563	135	563	134	128	262
Bad Debt Expense	20	15	12	6	53	12	53	14	11	25
Selling, administrative and general exp. (Excl Bad Debts)	895	891	843	877	3,506	843	3,506	868	851	1,719
Total Selling, administrative and general exp.	915	906	855	883	3,559	855	3,559	882	862	1,744
Non-financing interest expense	56	56	55	56	223	55	223	55	49	104
Aggregate Exchange losses / (gains)	6	(5)	3	2	6	3	6	4	(3)	1
All other, net	(16)	17	15	(12)	4	15	4	(2)	9	7
Total Other, net	46	68	73	46	233	73	233	57	55	112
Separation costs	-	-	-	-	-	-	-	8	28	36
Restructuring and related costs	14	157	20	(5)	186	20	186	126	71	197
Amortization of intangible assets	77	79	77	77	310	77	310	89	78	167
Total Costs and Expenses	4,268	4,516	4,506	4,343	17,633	4,233	17,360	4,297	4,240	8,537
Income (Loss) before Income Taxes & Equity Income	201	74	(173)	310	412	216	801	(16)	145	129
Income Taxes	39	(9)	(105)	52	(23)	43	125	(15)	9	(6)
Equity in Net Income of Unconsol. Affil.	34	29	40	32	135	40	135	37	22	59
Income (Loss) from Continuing Operations	196	112	(28)	290	570	213	811	36	158	194
Income (loss) from discontinued operations, net of tax	34	(95)	(3)	(14)	(78)	(3)	(78)	-	-	-
Net Income (Loss)	230	17	(31)	276	492	210	733	36	158	194
Less: Net Income attributable to Noncontrolling Interests	5	5	3	5	18	3	18	2	3	5
Net Income (Loss) Attributable to Xerox Corporation	225	12	(34)	271	474	207	715	34	155	189
Preferred Dividends/ Other	- Basic - Diluted	6 6	6 6	6 -	24 24	6 6	6 6	6 6	6 6	12 12
Weighted Average Shares	- Basic - Diluted	1,110 1,127	1,088 1,105	1,045 1,045	1,013 1,046	1,065 1,076	1,013 1,022	1,013 1,021	1,013 1,021	1,013 1,021
Earnings Per Share	- Basic: Continuing operations Discontinued operations Total Basic Earnings (Loss) per Share - Diluted: Continuing operations Discontinued operations Total Diluted Earnings (Loss) per Share - Adjusted (2012 onwards): Adjusted Net Income** Adjusted Earnings per Share** Adjusted Weighted Average Shares**	0.17 0.03 0.20 0.01 0.16 0.03 0.19 0.01 278 0.24 1,154	0.09 (0.08) 0.01 0.01 0.09 (0.08) 0.01 0.01 264 0.23 1,132	(0.04) - (0.04) - (0.04) - (0.04) - 289 0.27 1,078	0.28 (0.02) 0.26 0.26 0.27 (0.01) 0.26 0.26 346 0.33 1,046	0.50 (0.08) 0.42 0.42 0.49 (0.07) 0.42 0.42 1,177 1.07 1,103	0.03 - 0.03 0.03 0.03 - 0.03 0.03 231 0.22 1,021	0.15 - 0.15 0.15 0.15 - 0.15 0.15 311 0.30 1,049	0.17 - 0.17 0.17 0.17 - 0.17 0.17 542 0.52 1,048	
Key Ratios:										
Gross Margins	- Sales - Outsourcing/Maintenance/Rentals - Financing - Total	40.1% 27.2% 63.3% 31.2%	36.6% 28.1% 63.2% 31.1%	37.3% 16.3% 61.2% 22.8%	36.7% 28.5% 61.9% 31.3%	37.6% 25.2% 62.4% 29.2%	38.9% 26.2% 60.2% 29.9%	38.3% 27.8% 61.0% 31.2%	38.6% 27.0% 60.6% 30.5%	
SAG as a % of Revenue		20.5%	19.7%	19.7%	19.0%	19.7%	20.6%	19.7%	20.1%	
Tax Rate		19.4%	-12.2%	60.7%	16.8%	-5.6%	93.8%	6.2%	-4.7%	
Adjusted Effective Tax Rate		25.7%	25.3%	27.2%	23.2%	25.2%	22.5%	17.8%	19.8%	
Non-GAAP Adjustments:										
Restructuring and related costs		14	157	20	(5)	186	126	71	197	
HE Charge		-	-	389	-	389	-	-	-	
Amortization of purchased intangibles		77	79	77	77	310	89	78	167	
Non-service retirement-related costs		42	10	30	34	116	46	32	78	
Separation costs		-	-	-	-	-	8	28	36	
Fuji Xerox Restructuring		1	1	2	-	4	-	1	1	
Tax on adjusted items		(47)	(90)	(198)	(45)	(380)	(72)	(54)	(126)	
Ending Xerox Employment		145,600	135,800	140,800	143,600	143,600	135,300	131,800	131,800	

* Adjusted for the Health Enterprise charge.

** Revised to conform to change in reporting methodology to exclude non-service retirement-related costs and the impairment related to the Q3 2015 Health Enterprise business write-off.

**Xerox Financial Model - Non-GAAP basis
(unaudited)**



(in \$ millions, except per-share data)

	2015 ¹					2016			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	YTD	
Revenues									
Sales	1,126	1,224	1,150	1,248	4,748	1,021	1,145	2,166	
Outsourcing, maintenance and rentals	3,253	3,279	3,214	3,321	13,067	3,177	3,158	6,335	
Financing	90	87	85	84	346	83	82	165	
Total Revenues	4,469	4,590	4,449	4,653	18,161	4,281	4,385	8,666	
Cost of Revenue									
Cost of sales	671	775	720	788	2,954	621	706	1,327	
Cost of outsourcing, maintenance and rentals	2,355	2,353	2,310	2,364	9,382	2,330	2,268	4,598	
Cost of financing	33	32	33	32	130	33	32	65	
Total Cost of Revenue	3,059	3,160	3,063	3,184	12,466	2,984	3,006	5,990	
Gross Profit									
Sales gross profit	455	449	430	460	1,794	400	439	839	
Outsourcing, maintenance and rentals gross profit	898	926	904	957	3,685	847	890	1,737	
Financing gross profit	57	55	52	52	216	50	50	100	
Gross Profit	1,410	1,430	1,386	1,469	5,695	1,297	1,379	2,676	
Research, development & engineering	134	141	129	140	544	126	122	248	
Bad Debt Expense	20	15	12	6	53	14	11	25	
Selling, administrative and general exp. (Excl Bad Debts)	876	886	829	861	3,452	847	837	1,684	
Total Selling, administrative and general exp.	896	901	841	867	3,505	861	848	1,709	
Non-financing interest expense	56	56	55	56	223	55	49	104	
Aggregate Exchange losses / (gains)	6	(5)	3	2	6	4	(3)	1	
All other, net	(16)	17	15	(12)	4	(2)	9	7	
Total Other, net	46	68	73	46	233	57	55	112	
Total Costs and Expenses	4,135	4,270	4,106	4,237	16,748	4,028	4,031	8,059	
Income before Income Taxes & Equity Income	334	320	343	416	1,413	253	354	607	
Income Taxes	86	81	93	97	357	57	63	120	
Equity in Net Income of Unconsol. Affil.	35	30	42	32	139	37	23	60	
Income from Continuing Operations	283	269	292	351	1,195	233	314	547	
Income (loss) from discontinued operations, net of tax	34	(95)	(3)	(14)	(78)	-	-	-	
Net Income	317	174	289	337	1,117	233	314	547	
Less: Net Income attributable to Noncontrolling Interests	5	5	3	5	18	2	3	5	
Net Income Attributable to Xerox Corporation	312	169	286	332	1,099	231	311	542	
Key Ratios:									
Gross Margins	- Sales	40.4%	36.7%	37.4%	36.9%	37.8%	39.2%	38.3%	38.7%
	- Outsourcing/Maintenance/Rentals	27.6%	28.2%	28.1%	28.8%	28.2%	26.7%	28.2%	27.4%
	- Financing	63.3%	63.2%	61.2%	61.9%	62.4%	60.2%	61.0%	60.6%
	- Total	31.6%	31.2%	31.2%	31.6%	31.4%	30.3%	31.4%	30.9%
SAG as a % of Revenue		20.0%	19.6%	18.9%	18.6%	19.3%	20.1%	19.3%	19.7%
Adjusted Effective Tax Rate		25.7%	25.3%	27.1%	23.3%	25.3%	22.5%	17.8%	19.8%

¹ Revised to conform to change in reporting methodology to exclude non-service retirement-related costs and the impairment related to the Q3 2015

**Xerox Corporation Business Segment Performance
(unaudited)**



(in \$ millions)

	2007					2008					2009				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Revenues															
Production	1,194	1,281	1,286	1,554	5,315	1,271	1,337	1,272	1,357	5,237	833	850	865	928	3,476
Office	2,105	2,327	2,384	2,657	9,473	2,447	2,526	2,446	2,409	9,828	2,335	2,476	2,399	2,857	10,067
Other	537	600	632	671	2,440	617	670	652	604	2,543	386	405	411	434	1,636
Total Revenues	3,836	4,208	4,302	4,882	17,228	4,335	4,533	4,370	4,370	17,608	3,554	3,731	3,675	4,219	15,179
Segment Profit (Loss)															
Production	119	111	126	206	562	101	87	83	123	394	31	61	58	81	231
Office	259	267	259	330	1,115	265	279	260	258	1,062	166	248	234	301	949
Other	(10)	(21)	(12)	(4)	(47)	(27)	(3)	(32)	(49)	(111)	(95)	(80)	(88)	(79)	(342)
Segment Profit (Loss)	368	357	373	532	1,630	339	363	311	332	1,345	102	229	204	303	838
Segment Margin															
Production	10.0%	8.7%	9.8%	13.3%	10.6%	7.9%	6.5%	6.5%	9.1%	7.5%	3.7%	7.2%	6.7%	8.7%	6.6%
Office	12.3%	11.5%	10.9%	12.4%	11.8%	10.8%	11.0%	10.6%	10.7%	10.8%	7.1%	10.0%	9.8%	10.5%	9.4%
Other	(1.9%)	(3.5%)	(1.9%)	(0.6%)	(1.9%)	(4.4%)	(0.4%)	(4.9%)	(8.1%)	(4.4%)	(24.6%)	(19.8%)	(21.4%)	(18.2%)	(20.9%)
Segment Margin	9.6%	8.5%	8.7%	10.9%	9.5%	7.8%	8.0%	7.1%	7.6%	7.6%	2.9%	6.1%	5.6%	7.2%	5.5%

(in \$ millions)

	2004					2005					2006				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Revenues															
Production	1,094	1,122	1,067	1,307	4,590	1,072	1,125	1,058	1,285	4,540	1,035	1,134	1,088	1,322	4,579
Office	1,857	1,869	1,819	2,082	7,627	1,829	1,914	1,848	2,027	7,618	1,804	1,927	1,849	2,045	7,625
Developing Markets	420	417	406	464	1,707	412	440	446	514	1,812	436	469	478	555	1,938
Other	456	445	424	473	1,798	458	442	407	424	1,731	420	447	429	457	1,753
Total Revenues	3,827	3,853	3,716	4,326	15,722	3,771	3,921	3,759	4,250	15,701	3,695	3,977	3,844	4,379	15,895
Memo: Color Revenues	957	1,025	975	1,231	4,188	1,097	1,200	1,189	1,443	4,929	1,214	1,364	1,379	1,621	5,578
Segment Profit (Loss)															
Production	82	122	105	202	511	101	79	73	174	427	67	88	73	175	403
Office	169	187	182	241	779	192	173	189	265	819	160	213	183	276	832
Developing Markets	19	6	4	6	35	10	19	18	17	64	17	34	28	45	124
Other	(32)	17	(43)	(67)	(125)	109	66	(14)	(10)	151	13	(3)	25	37	72
Segment Profit (Loss)	238	332	248	382	1,200	412	337	266	446	1,461	257	332	309	533	1,431
Segment Margin															
Production	7.5%	10.9%	9.8%	15.5%	11.1%	9.4%	7.0%	6.9%	13.5%	9.4%	6.5%	7.8%	6.7%	13.2%	8.8%
Office	9.1%	10.0%	10.0%	11.6%	10.2%	10.5%	9.0%	10.2%	13.1%	10.8%	8.9%	11.1%	9.9%	13.5%	10.9%
Developing Markets	4.5%	1.4%	1.0%	1.3%	2.1%	2.4%	4.3%	4.0%	3.3%	3.5%	3.9%	7.2%	5.9%	8.1%	6.4%
Other	(7.0%)	3.8%	(10.1%)	(14.2%)	(7.0%)	23.8%	14.9%	(3.4%)	(2.4%)	8.7%	3.1%	(0.7%)	5.8%	8.1%	4.1%
Segment Margin	6.2%	8.6%	6.7%	8.8%	7.6%	10.9%	8.6%	7.1%	10.5%	9.3%	7.0%	8.3%	8.0%	12.2%	9.0%

Note: Certain reclassifications of prior year amounts have been made to conform to the current year presentation.

Xerox Corporation Business Segment Performance
(unaudited)



(in \$ millions)	2012					2012 Adjusted	2013 ³				
	Q1 ²	Q2 ²	Q3 ²	Q4 ²	FY ²	FY ³	Q1	Q2	Q3	Q4	FY
Revenues											
Services	2,810	2,795	2,836	3,043	11,484	10,271	2,584	2,613	2,596	2,686	10,479
Document Technology	2,338	2,370	2,259	2,495	9,462	9,462	2,135	2,263	2,159	2,351	8,908
Other	159	177	153	199	688	688	138	166	145	170	619
Total Revenues	5,307	5,342	5,248	5,737	21,634	20,421	4,857	5,042	4,900	5,207	20,006
Segment Profit (Loss)											
Services	263	298	269	343	1,173	1,091	250	276	268	261	1,055
Document Technology	245	268	245	307	1,065	1,065	186	245	260	273	964
Other	(57)	(71)	(65)	(64)	(257)	(254)	(68)	(61)	(54)	(34)	(217)
Segment Profit (Loss)	451	495	449	586	1,981	1,902	368	460	474	500	1,802
Segment Margin											
Services	9.4%	10.7%	9.5%	11.3%	10.2%	10.6%	9.7%	10.6%	10.3%	9.7%	10.1%
Document Technology	10.5%	11.3%	10.8%	12.3%	11.3%	11.3%	8.7%	10.8%	12.0%	11.6%	10.8%
Other	(35.8%)	(40.1%)	(42.5%)	(32.2%)	(37.4%)	(36.9%)	(49.3%)	(36.7%)	(37.2%)	(20.0%)	(35.1%)
Segment Margin	8.5%	9.3%	8.6%	10.2%	9.2%	9.3%	7.6%	9.1%	9.7%	9.6%	9.0%
(in \$ millions)											
Revenues											
Services	1,843	2,529	2,554	2,711	9,637		2,584	2,672	2,717	2,864	10,837
Document Technology	2,483	2,555	2,466	2,845	10,349		2,495	2,552	2,500	2,712	10,259
Other	395	424	408	420	1,647		197	200	189	218	804
Total Revenues	4,721	5,508	5,428	5,976	21,633		5,276	5,424	5,406	5,794	21,900
Segment Profit (Loss)											
Services	203	319	286	324	1,132		266	322	323	296	1,207
Document Technology	233	273	247	332	1,085		266	300	258	316	1,140
Other	(104)	(93)	(79)	(66)	(342)		(74)	(82)	(93)	(36)	(285)
Segment Profit (Loss)	332	499	454	590	1,875		458	540	488	576	2,062
Segment Margin											
Services	11.0%	12.6%	11.2%	12.0%	11.7%		10.3%	12.1%	11.9%	10.3%	11.1%
Document Technology	9.4%	10.7%	10.0%	11.7%	10.5%		10.7%	11.8%	10.3%	11.7%	11.1%
Other	(26.3%)	(21.9%)	(19.4%)	(15.7%)	(20.8%)		(37.6%)	(41.0%)	(49.2%)	(16.5%)	(35.4%)
Segment Margin	7.0%	9.1%	8.4%	9.9%	8.7%		8.7%	10.0%	9.0%	9.9%	9.4%

Note: Certain reclassifications of prior year amounts have been made to conform to the current year presentation.

¹ Restated for discontinued operations (Paper business only).

² Restated for discontinued operations, excluding restatement for the agreement to sell the ITO business as announced in December 2014.

³ Restated for discontinued operations, including restatement for the agreement to sell the ITO business as announced in December 2014.

**Xerox Corporation Business Segment Performance
(unaudited)**

(in \$ millions)	2014						2015 ²					2015 Adjusted ³		2016		
	Q1 ¹	Q2 ¹	Q3 ¹	Q4	FY	FY ²	Q1	Q2	Q3	Q4	Dec YTD	Q3	Dec YTD	Q1	Q2	YTD
Revenues																
Services	2,585	2,651	2,623	2,725	10,584	10,338	2,467	2,526	2,367	2,602	9,962	2,483	10,078	2,482	2,470	4,952
Document Technology	2,044	2,126	2,029	2,159	8,358	8,358	1,830	1,880	1,778	1,877	7,365	1,778	7,365	1,639	1,752	3,391
Other	142	164	143	149	598	844	172	184	188	174	718	188	718	160	163	323
Total Revenues	4,771	4,941	4,795	5,033	19,540	19,540	4,469	4,590	4,333	4,653	18,045	4,449	18,161	4,281	4,385	8,666
Segment Profit (Loss)																
Services	222	226	240	268	956	893	187	181	(196)	252	424	193	813	190	236	426
Document Technology	249	306	284	310	1,149	1,204	232	235	248	245	960	248	960	167	221	388
Other	(50)	(75)	(82)	(65)	(272)	(185)	(47)	(62)	(55)	(46)	(210)	(55)	(210)	(66)	(80)	(146)
Segment Profit (Loss)	421	457	442	513	1,833	1,912	372	354	(3)	451	1,174	386	1,563	291	377	668
Segment Margin																
Services	8.6%	8.5%	9.1%	9.8%	9.0%	8.6%	7.6%	7.2%	(8.3%)	9.7%	4.3%	7.8%	8.1%	7.7%	9.6%	8.6%
Document Technology	12.2%	14.4%	14.0%	14.4%	13.7%	14.4%	12.7%	12.5%	13.9%	13.1%	13.0%	13.9%	13.0%	10.2%	12.6%	11.4%
Other	(35.2%)	(45.7%)	(57.3%)	(43.6%)	(45.5%)	(21.9%)	(27.3%)	(33.7%)	(29.3%)	(26.4%)	(29.2%)	(29.3%)	(29.2%)	(41.3%)	(49.1%)	(45.2%)
Segment Margin	8.8%	9.2%	9.2%	10.2%	9.4%	9.8%	8.3%	7.7%	(0.1%)	9.7%	6.5%	8.7%	8.6%	6.8%	8.6%	7.7%

Note: Certain reclassifications of prior year amounts have been made to conform to the current year presentation.

¹ Restated for discontinued operations, including restatement for the agreement to sell the ITO business as announced in December 2014.

² Revised to exclude non-service retirement-related costs and to transfer the Educations/Student Loan business from the Services segment to the Other segment.

³ Adjusted for the Health Enterprise charge.