

Xerox to Acquire Affiliated Computer Services

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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: the unprecedented volatility in the global economy; the risk that the future business operations of ACS will not be successful; the risk that we will not realize all of the anticipated benefits from our acquisition of ACS; the risk that customer retention and revenue expansion goals for the ACS transaction will not be met and that disruptions from the ACS transaction will harm relationships with customers, employees and suppliers; the risk that unexpected costs will be incurred; the outcome of litigation and regulatory proceedings to which we may be a party; actions of competitors; changes and developments affecting our industry; quarterly or cyclical variations in financial results; development of new products and services; interest rates and cost of borrowing; our ability to protect our intellectual property rights; our ability to maintain and improve cost efficiency of operations, including savings from restructuring actions; changes in foreign currency exchange rates; changes in economic conditions, political conditions, trade protection measures, licensing requirements and tax matters in the foreign countries in which we do business; reliance on third parties for manufacturing of products and provision of services; 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 Xerox's Quarterly Report on Form 10-Q for the quarters ended March 31, 2009 and June 30, 2009, Xerox's 2008 Annual Report on Form 10-K and ACS's 2009 Annual Report on Form 10-K filed with the Securities and Exchange Commission. Neither Xerox nor ACS assume any obligation to update any forward-looking statements as a result of new information or future events or developments, except as required by law.

Xerox to Acquire ACS

- Compelling financial combination with strong strategic opportunities for growth by leveraging:
 - Xerox’s industry-leading document management, brand strength, global account management and R&D investments.
 - ACS’s industry-leading BPO capabilities, process automation competencies and services talent management.
- Significant expense and revenue synergies



Creates a new class of solutions provider with leading technology and expertise in document and business process management.

Transaction Overview

Key Transaction Terms

- Xerox acquires 100 % of ACS Class A and Class B common stock
- Consideration of approximately 70 % stock and 30 % cash
- ACS shareholders will receive 4.935 Xerox shares and \$18.60 in cash for each Class A and Class B share
- Transaction includes refinancing of \$2B of ACS debt
- Issuing \$300M of convertible preferred stock to ACS Class B shareholder

Approvals and Timing

- Regulatory and shareholder approval
- Closing expected in 1Q '10

Xerox + ACS: A New Class of Solutions Provider

Evolving market demand...

- The lines between business process and document management are blurring
- Customers need service providers with global capabilities offering a full range of solutions
- Enterprises will continue to reduce costs through outsourcing

...requires a new solutions provider

- World leader in document and business process management
- Global delivery network
- Best-in-class document technologies and services
- Leadership centered around the information needs of the business process
- Compelling customer value through innovative, differentiated offerings

ACS Today

ACS is the largest worldwide diversified business process outsourcing company

- Diversified portfolio of BPO services
- Vertical focus on education, transportation, communication, healthcare, federal/ state/ local government, financial services, manufacturing, consumer goods and retail

Strong revenue growth and margin performance through the recession

- Record business signings, revenue and earnings in fiscal 2009

Recurring revenue under long-term contracts

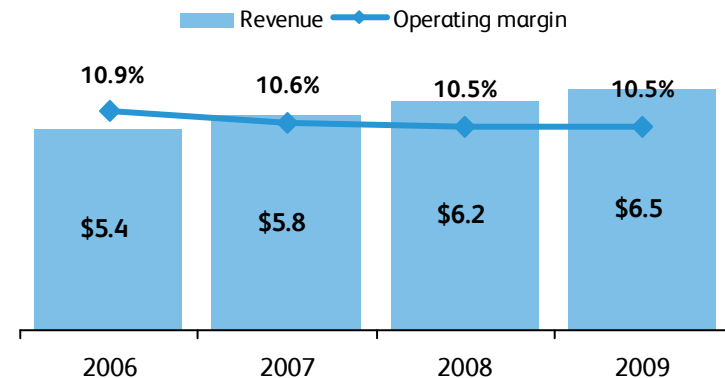
Highly-regarded management team

Leverageable technology platforms

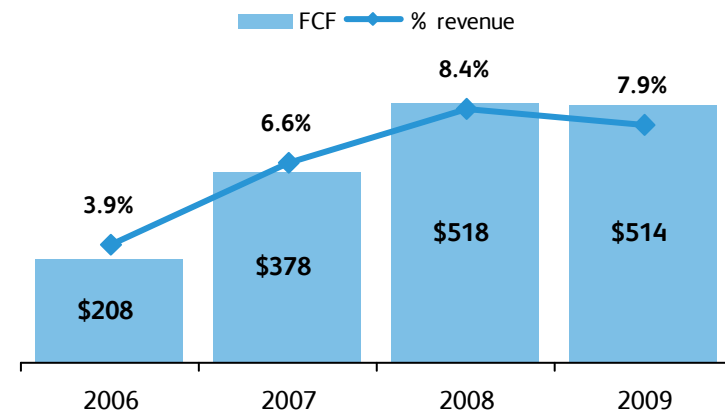
Consistent cash flow generation

Culture of flexibility, responsiveness, reliability and integrity

Revenue and operating margin¹ (\$B)



Free cash flow¹ generation (\$M)



Note: ACS has a June 30th fiscal year-end

The combination of Xerox and ACS yields a strong financial model

World leader in document and business process management

| | | |
|--------------------------------|---|--------------------------|
| Total Revenue | ↑ | \$22B LTM |
| Annuity Revenue | ↑ | ~80% total revenue |
| Services Revenue | ↑ | \$10B LTM |
| Operating Margin | ↑ | Accelerated expansion |
| Adjusted EPS CAGR ¹ | ↑ | Double digit growth |
| Free Cash Flow ¹ | ↑ | \$2B LTM, 8+% of revenue |

Note: Combined Company on a pro forma basis, LTM – Last Twelve Months

Complementary Businesses

Significant scale
 \$22B revenue
 Nearly 50% services

Significant international expansion opportunities

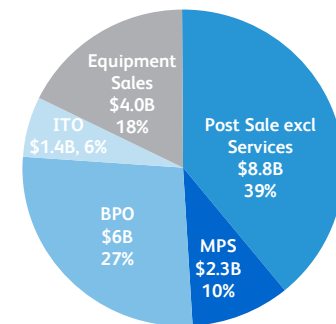
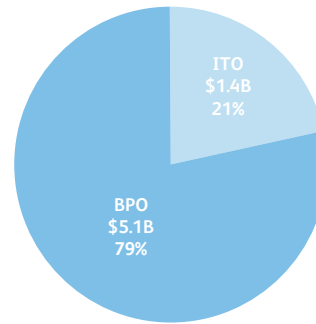
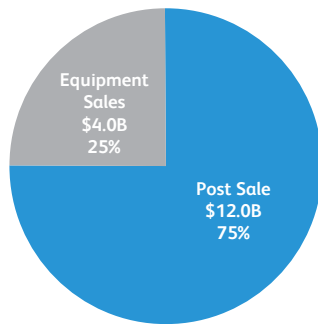
Significant cross-selling opportunities
 ~20% customer overlap

Xerox LTM 6/30 revenue

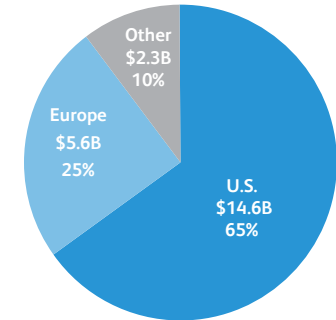
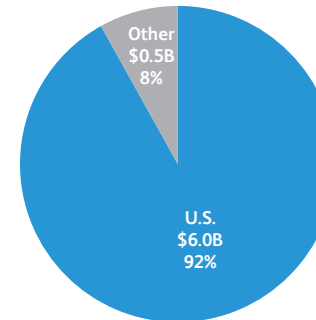
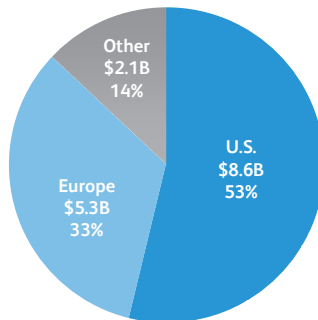
ACS FY2009 revenue

Combined

**Products/
Services
Segments**



**Geographic
Segments**



Material Synergies

Expense Synergies

- Overlapping public company costs
- Cross-deploy Xerox technology and ACS's process expertise to increase automation and efficiency

Revenue Synergies

- Penetrate Xerox global accounts with ACS's BPO solutions
- Penetrate ACS ITO accounts with Managed Print Services offering
- Use Xerox technology to create new automated and differentiated BPO services



- Year 1 pre-tax cost synergies > \$95M
- \$300M to \$400M in annualized pre-tax cost synergies in three years
- Synergy assumption includes cumulative \$50M to \$75M of restructuring costs over three years
- Additional cash benefits
 - \$250M+ over 3 years
- Upside revenue synergy potential significantly higher than cost synergies

Tangible and Achievable Synergies

A Compelling Financial Profile

Attractive Financial Model

- Enhanced profitability and growth profile
- Recurring, annuity business model
- Accelerated margin expansion
- Strong and consistent revenue and cash flow

Opportunity for Value Creation

- Significant synergy potential arising from new revenue opportunities and operating efficiencies
- Enhancing revenue growth, operating margins, free cash flow and adjusted earnings in Year 1

Strong Balance Sheet

- Committed to maintaining investment grade rating
 - Significant liquidity profile pro forma
 - Approximately \$1.0 billion to be financed through combined company cash and existing revolving credit agreement
 - Approximately \$3.0 billion to be financed in capital markets

A Powerful Value Proposition

- Transformational transaction that creates a new class of solutions provider
- Leverages the strengths of two best-in-class companies to create a global, diversified leader in providing document management and services
- Enhances Xerox's strategic posture and positions the company for long-term growth, accelerated margin expansion and earnings appreciation
- Strong combined management team with commitment to equity appreciation to drive shareholder value

Supplemental Slides

Xerox Today

Delivering on commitments

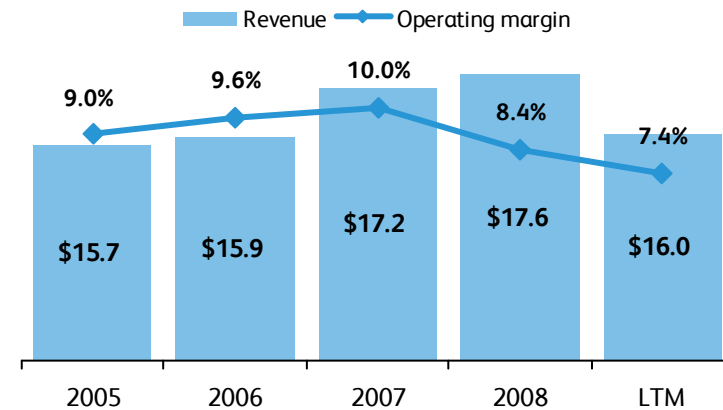
Generating strong and consistent cash flow through a challenging environment

Investing in growth and winning in the marketplace

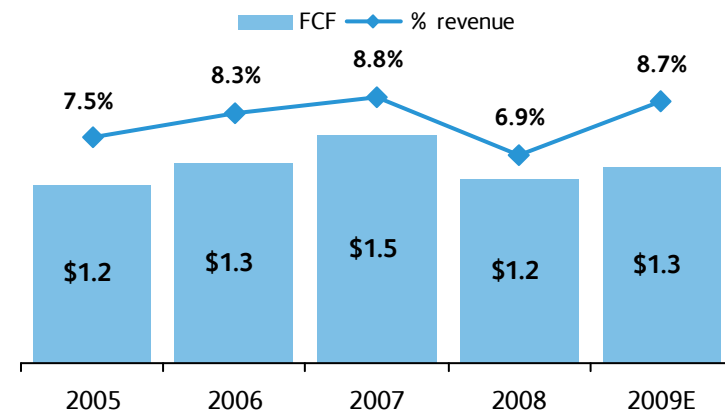
Maintaining operating margins in tough environment through disciplined cost management

Delivering and maintaining strong balance sheet

Revenue and operating margin¹ (\$B)



Free cash flow¹ generation (\$B)



ACS Diverse Service Offerings

Commercial Solutions (~60% Revenue)

Commercial ITO — 21%

Information Technology Outsourcing

- Data center outsourcing
- Network management services
- Desktop management & help desk
- Remote Infrastructure Management

Commercial Services — 20%

Human Capital Management Services

- HR consulting: retirement, health & welfare, strategy, compensation, talent management
- HR outsourcing: employee service center, employee data management, payroll
- Total Benefit Outsourcing: record keeping, self-service portal, customer care
- Learning: technology services, content development, administration

Commercial Ed & Financial Svcs

- Commercial Education: student loan servicing, student financial aid, enrollment management
- Financial Services: processing services to auto financing & leasing companies

Finance & Accounting

- A/P, AR, general accounting, close process, procurement, treasury & cash management, expense reimbursement

Transactional BPO — 19%

Communications & Consumer Goods

- Wireless customer care: customer acquisitions, device support, loyalty plans & collections
- Retail: supply chain efficiency, inventory management, data collection

Healthcare Payer & Insurance

- Claim processing, billing, payment, reconciliation
- Customer care, web-based self service
- Cost recovery, audit, cost avoidance

Healthcare Provider

- Consulting solutions
- Revenue cycle management
- Analytical care management & workflow solutions

Travel, Transportation & Logistics

- Travel: back office processing, customer care, on-line check-in support
- Transportation & Logistics: administration, customer care, marketing, consulting, advertising

Mortgage & Financial Services

- Mortgage: imaging, processing, administration
- Financial: credit card applications & customer care, lease administration

Government Solutions (~40% Revenue)

Government Solutions — 28%

State & Local

- Child support payment processing services
- IT services
- Eligibility determination & case management
- Electronic benefit transfer services
- Government records management services
- Unclaimed property services
- Public safety and justice systems
- Tax and revenue systems

Government Healthcare

- Medicaid administrative & fiscal agent solutions
- Pharmacy benefits management services
- Children's health administration
- Electronic health records

Federal Solutions

- Student loan servicing
- Healthcare claims processing
- Electronic payment cards
- Administrative services
- Customer care

Transportation Solutions — 12%

Transportation Solutions

- Electronic toll collection
- Fare payment & collection
- Commercial carrier solutions
- Port management solutions
- Automated motor carrier tax & regulatory processing
- Public safety photo enforcement
- Traffic & parking management
- DMV customer care

% Total 2009 Revenues by reportable segment

A Powerful Combination

| | Xerox | ACS | Combined |
|------------------------------|--|--|---|
| Market | <p>\$132B Document Technology Market</p> <ul style="list-style-type: none"> • Leader: Hardware Revenue and MPS | <p>\$150B BPO Market and \$250B ITO Market</p> <ul style="list-style-type: none"> • BPO Leader, ITO significant competence | <p>\$500B+ Addressable Market</p> <ul style="list-style-type: none"> • Leader in key segments • Enhanced capabilities |
| Go To Market | <p>50% of Revenues generated from customers outside U.S.</p> <p>Xerox brand in top percentile globally</p> <p>Over 7,500 direct sales professionals</p> | <p>8% of Revenues from international clients</p> <p>43% of employees internationally based</p> | <p>Significant global presence</p> <ul style="list-style-type: none"> • Respected brand, sales coverage and expert delivery |
| Technology Innovation | <p>Significant R&D resources, \$1.5B combined with Fuji Xerox and technology innovation heritage</p> | <p>Significant acquired proprietary technology</p> | <p>Leverage Xerox IP to enable BPO efficiencies and create new value</p> |
| Business Model | <p>\$16B LTM Revenue</p> <p>\$3.2B Services Revenue: majority MPS</p> <p>70%+ Recurring Revenue</p> <p>Solid expense reduction</p> <p>Strong and consistent free cash flow</p> | <p>\$6.5B Services Revenue</p> <p>Recurring Revenue: resilient to economy</p> <p>Solid top-line growth: 17% CAGR from '98</p> <p>10%+ Operating Margin</p> <p>Consistent cash flow</p> | <p>\$10B Services Revenue: >50% BPO</p> <p>Stable recurring revenue</p> <p>Accelerated growth opportunities</p> <p>Improved operating margin</p> <p>Strong annuity-driven cash flow</p> <p>Significant incremental opportunity</p> |
| Acquisitions | <p>Disciplined approach centered on low integration risk</p> <p>Focused on distribution and BPO verticals</p> | <p>Core competency: 90-plus since 1988</p> <p>Disciplined: 10%+ Operating Margin</p> <p>Services expansion by verticals</p> | <p>Continued disciplined approach</p> <p>Expanding BPO capabilities and distribution</p> |

Non-GAAP Measures

Non-GAAP Financial Measures

“Adjusted EPS”: To better understand the trends in our business and the impact of this transaction post-acquisition, we believe it will be necessary to adjust diluted earnings per share to exclude the effects of the following items: (1) the amortization of purchased intangible assets; (2) restructuring and asset impairment charges; and (3) acquisition related costs. Management believes that excluding the effects of these items will enable investors to better understand and analyze the impact of this transaction as well as results for a particular period as compared to prior periods. Management also expects to use this non-GAAP financial measure in its own evaluation of Xerox's performance, particularly when comparing performance to prior periods.

“Free Cash Flow” “Adjusted 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 and certain additions to intangible assets. Management believes this measure provides investors an additional perspective on cash flows from operations in excess of amounts required for reinvestments. Free Cash Flow provides a measure of our ability to fund acquisitions, repay debt, pay dividends and repurchase shares. Additionally, we believe that it is helpful to adjust Free Cash Flow to exclude the net payments made for the securities-related litigation matter. Management believes that excluding the effects of these payments helps investors better understand and analyze the current periods' results given the nature and size of the payments and their relation to prior period events. 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 slides 18, 19 and 20.

“Adjusted Operating Margin”: To better understand the trends in Xerox's business, we believe that it is helpful to adjust Operating Margins to exclude restructuring and asset impairment charges, other expenses and a 2008 equipment write off. For ACS, we excluded the 2006 gain recognized on the sale of a business and the 2007 software impairment charge. Management believes that excluding the effects of these items helps investors better understand and analyze the results and provides a better measure of comparability given the discrete nature of these items to their respective periods. 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 slides 21 and 22.

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, Xerox's reported results prepared in accordance with GAAP.

Pro Forma Adjusted Free Cash Flow Reconciliation

| | Year Ended June 30, 2009 | | |
|---|--------------------------|------------|---------------------------|
| Free Cash Flow and Adjusted Free Cash Flow | Xerox | ACS | Pro-Forma Combined |
| (in millions) | | | |
| Operating Cash Flow | \$ 1,076 | \$ 877 | \$ 1,953 |
| Capital expenditures | (155) | (320) | (475) |
| Internal use software | (125) | - | (125) |
| Additions to other intangible assets | - | (43) | (43) |
| Free Cash Flow | \$ 796 | \$ 514 | \$ 1,310 |
| Payments for securities litigation, net | 643 | - | 643 |
| Adjusted Free Cash Flow | \$ 1,439 | \$ 514 | \$ 1,953 |

Xerox Adjusted Free Cash Flow Reconciliation

| Xerox Adjusted Free Cash Flow (in millions) | Year Ended December 31, | | | |
|--|-------------------------|-----------|-----------|-----------|
| | 2005 | 2006 | 2007 | 2008 |
| Operating Cash Flow - As Reported | \$ 1,420 | \$ 1,617 | \$ 1,871 | \$ 939 |
| Payments for securities litigation, net | - | - | - | 615 |
| Operating Cash Flow - As Adjusted | 1,420 | 1,617 | 1,871 | 1,554 |
| Capital expenditures | (181) | (215) | (236) | (206) |
| Internal use software | (56) | (79) | (123) | (129) |
| Adjusted Free Cash Flow | \$ 1,183 | \$ 1,323 | \$ 1,512 | \$ 1,219 |
| Total Revenues | \$ 15,701 | \$ 15,895 | \$ 17,228 | \$ 17,608 |
| Operating Cash Flow % of Revenue | 9.0 % | 10.2 % | 10.9 % | 5.3 % |
| Adjusted Free Cash Flow % of Revenue | 7.5 % | 8.3 % | 8.8 % | 6.9 % |

ACS Adjusted Free Cash Flow Reconciliation

| ACS Free Cash Flow (in millions) | Year Ended June 30, | | | |
|---|---------------------|----------|----------|----------|
| | 2006 | 2007 | 2008 | 2009 |
| Operating Cash Flow | \$ 639 | \$ 738 | \$ 827 | \$ 877 |
| Capital expenditures | (395) | (317) | (268) | (320) |
| Additions to other intangible assets | (36) | (43) | (41) | (43) |
| Free Cash Flow | \$ 208 | \$ 378 | \$ 518 | \$ 514 |
| Total Revenues | \$ 5,354 | \$ 5,772 | \$ 6,161 | \$ 6,523 |
| Operating Cash Flow % of Revenue | 11.9% | 12.8% | 13.4% | 13.4% |
| Free Cash Flow % of Revenue | 3.9% | 6.6% | 8.4% | 7.9% |

Xerox Adjusted Operating Margin Reconciliation

| Xerox Adjusted Operating Margin (in millions) | Year Ended December 31, | | | | Year Ended |
|--|--------------------------------|------------------|------------------|------------------|----------------------|
| | 2005 | 2006 | 2007 | 2008 | June 30, 2009 |
| Income before Income Taxes and Equity Income (Pre-Tax Income) | \$ 830 | \$ 808 | \$ 1,438 | \$ (114) | \$ 416 |
| Restructuring and asset impairment charges | 366 | 385 | (6) | 429 | 360 |
| Other expenses, net | 224 | 336 | 295 | 1,122 | 371 |
| Equipment write-off | - | - | - | 39 | 39 |
| Pre-Tax Income - As Adjusted | \$ 1,420 | \$ 1,529 | \$ 1,727 | \$ 1,476 | \$ 1,186 |
| Total Revenues | \$ 15,701 | \$ 15,895 | \$ 17,228 | \$ 17,608 | \$ 16,025 |
| Pre-Tax Income Margin - As Reported | 5.3 % | 5.1 % | 8.3 % | (0.6 %) | 2.6 % |
| Pre-Tax Income Margin - As Adjusted | 9.0 % | 9.6 % | 10.0 % | 8.4 % | 7.4 % |

ACS Adjusted Operating Margin Reconciliation

| ACS Adjusted Operating Margin (in millions) | Year Ended June 30, | |
|---|----------------------------|-----------------|
| | 2006 | 2007 |
| Operating Income - As Reported | \$ 617 | \$ 537 |
| Gain on sale of business | (33) | - |
| Software impairment charge | - | 76 |
| Operating Income - As Adjusted | \$ 584 | \$ 613 |
| Total Revenues | \$ 5,354 | \$ 5,772 |
| Operating Margin - As Reported | 11.5% | 9.3% |
| Operating Margin - As Adjusted | 10.9% | 10.6% |

Rule 425 Statement

The proposed merger transaction involving Xerox and ACS will be submitted to the respective stockholders of Xerox and ACS for their consideration. In connection with the proposed merger, Xerox will file with the SEC a registration statement on Form S-4 that will include a joint proxy statement of Xerox and ACS that also constitutes a prospectus of Xerox. Xerox will mail the joint proxy statement/prospectus to its stockholders. Xerox and ACS urge investors and security holders to read the joint proxy statement/prospectus regarding the proposed transaction when it becomes available because it will contain important information. You may obtain a free copy of the joint proxy statement/prospectus, as well as other filings containing information about Xerox and ACS, without charge, at the SEC's Internet site (<http://www.sec.gov>). Copies of the joint proxy statement/prospectus and the filings with the SEC that will be incorporated by reference in the joint proxy statement/prospectus can also be obtained, when available, without charge, from Xerox's website, www.xerox.com, under the heading "Investor Relations" and then under the heading "SEC Filings". You may also obtain these documents, without charge, from ACS's website, www.acs-inc.com, under the tab "Investor Relations" and then under the heading "SEC Filings".

Xerox, ACS and their respective directors, executive officers and certain other members of management and employees may be deemed to be participants in the solicitation of proxies from the respective stockholders of Xerox and ACS in favor of the merger. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the respective stockholders of Xerox and ACS in connection with the proposed merger will be set forth in the joint proxy statement/prospectus when it is filed with the SEC. You can find information about the Xerox's executive officers and directors in its definitive proxy statement filed with the SEC on April 6, 2009. You can find information about ACS's executive officers and directors in its definitive proxy statement filed with the SEC on April 14, 2009. You can obtain free copies of these documents from Xerox and ACS websites using the contact information above.

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