

**XEROX ANNOUNCES FIRST FULL-COLOR CONTINUOUS FEED PRINTER;
PROPELS OPPORTUNITIES IN TRANSPROMOTIONAL MARKETING
WITH UNPRECEDENTED COMBO OF
QUALITY, SPEED, FLEXIBILITY AND LOW COST**

Delivers unparalleled 986 images per minute for high-volume full-color printing at higher quality and competitive total cost of ownership to inkjet

ROCHESTER, N.Y., Oct. 25, 2007 – Xerox Corporation (NYSE: XRX) today entered the full-color, continuous feed printing market. The company announced a high-speed printer that allows service bureaus and data centers to more easily and affordably produce high-quality, full-color transactional statements and invoices with promotional marketing messages such as discount offers and advertisements.

In addition, print providers can produce [direct-mail pieces](#) that contain personalized coupons, loyalty campaigns that incorporate membership cards, and newsletters and newspapers with customized content by region.

In an address today in New Delhi at IPEX South Asia 2007, an exhibition for the print industry, Xerox President Ursula Burns said that Xerox's 490/980 Color Continuous Feed Printing System will set an industry benchmark as the fastest full-color continuous feed device of its kind.

The device uses **dry toner, xerographic imaging and flash-fusing technology** – a process that does not use heat or pressure or make contact with the paper, allowing the device to print on a wider array of substrates than competitive systems.

The Xerox 490/980 prints at 600 dpi resolution and **maintains top speed when printing full color or black and white, regardless of the number of colors used or the weight of the paper.** It prints 226 feet per minute (69 meters) or 493 images per minute two-up, simplex on 8.5" x 11" paper, and 986 images per minute when in the **duplex configuration.**

The system was launched today in Japan and is immediately available in Japan, China and the Pacific Rim. The new continuous feed device is available for order taking in a phased approach beginning in Europe during the first half of 2008, followed by North America and developing markets, based on customer demand. The Xerox 490/980 is anticipated to have a U.S. price of approximately **\$1.8 million per engine.**

"Businesses are always looking for better ways to reach their customers. [Digital technology](#) lets marketers insert personalized messages in bills and direct mail for high impact and high return. When those messages are in color, their effectiveness is magnified," said Burns. "Xerox responded to the market's needs

and makes marketing more personal. This full-color continuous feed printer arms print providers with the perfect blend of color, speed and image quality they need to transform costly, routine communications into high-impact promotional documents and profitable opportunities.”

According to the 2006 Direct Marketing Association Statistical Fact Book, of those 27 pieces of mail U.S. consumers receive weekly, the ones that are almost guaranteed to be opened are transactional documents. Transpromotional marketing blends promotional messages with transactional information to influence behavior and drive business volume.

“The new Xerox continuous feed system has quality, speed and a broad range of substrates that exceed today’s continuous feed inkjet machines. Advertisers and brand managers who have been previously unimpressed with existing high-speed technologies will be satisfied and take a new look at transpromo applications,” said Andy Tribute, managing partner, Attributes Associates. “At almost half the price and twice the quality of established inkjet solutions, this is going to make some real waves in the marketplace. It’s the perfect solution for transpromo and will change the discussion from cost per page to revenue per page.”

According to a study by InfoTrends, a leading independent research firm, on the future of direct mail, transaction and transpromotional documents, North American respondents said they expect the share of their transaction volume printed in full digital color to grow from 22.9 percent in 2006 to 33 percent by 2010. The firm also predicts 91 percent growth in full digital color transpromotional output in North America between 2006 and 2009, from 1.62 billion images to 21.72 billion images.

“Xerox is focused on solving customer problems and providing the right solution for their needs. Our entire portfolio of workflow, technology and services is designed to do just that – and is why Xerox continues to be at the forefront of change in the printing industry,” said Quincy Allen, president, Xerox Production Systems Group. “When high business- quality printing, volume, cost and speed are the key driving factors, print providers will appreciate the innovation and value of the Xerox 490/980 Color Continuous Feed Printing System. When customers need the highest graphic communications’ quality imaging, the [Xerox iGen3® Digital Production Press](#) continues to be the right choice of technology. We will continue to build on our legacy of innovation and provide print providers with more ways to expand their digital printing businesses, from continuous feed to cut sheet, black and white to full color, to help their customers grow and prosper.”

Continuous [innovation](#)

The Xerox 490/980 Color Continuous Feed Printing System uses “non-contact flash fusing” technology, a key differentiator from competitive products. This technology fuses the image using high-intensity xenon lamps instead of the

conventional method that uses heat and pressure rollers to adhere an image to the paper. Flash fusing only heats the toner; there is no direct heat or pressure contact with the substrate. This process maintains more moisture in the paper and minimizes or eliminates paper shrinkage, paper curl and static electricity. The result is excellent registration, productivity and reliability in both the printer and the finishing devices. Another benefit of flash fusing is the ability to feed unique stocks that use adhesives or are pressure sensitive such as cards, labels, self-sealing materials, foil coatings and even RFID inlays.

Another key innovation is the use of a new color toner unique to the flash-fusing environment, which delivers consistent, precise image quality for continuous feed applications that require highly-detailed graphics, high-density bar codes, photos and halftones.

Xerox's continuous feed product line boasts a dozen products that range in speed from 250 simplex to more than 1,064 duplex images per minute – in black and white and now in full color. Earlier this year, the company introduced the [Xerox 495 Continuous Feed System](#), which prints 500 black-and-white duplex images per minute with roughly half the footprint of traditional twin-duplex systems, saving significant space in a print operation.

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