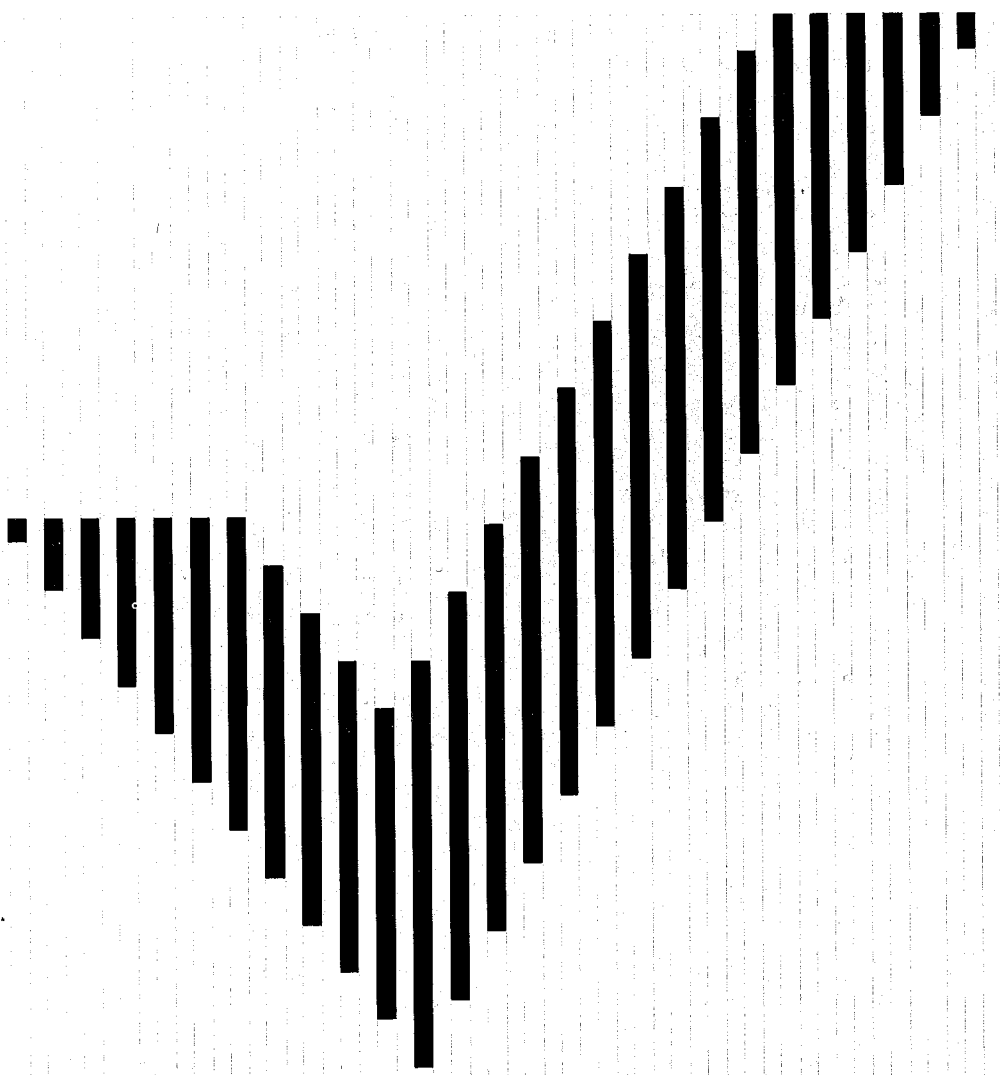
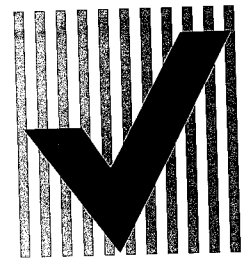


1987 Fact Book





The Business of Xerox

Xerox is a multinational company in the business products and systems and financial services markets.

Our business products and systems activities encompass the developing, manufacturing, marketing and servicing of a complete range of document processing products and systems designed to make offices more productive. Xerox copiers, duplicators, electronic printers, electronic typewriters, networks, workstations and related products, software and supplies are marketed in more than 130 countries by the Xerox direct sales force and a growing network of dealers and distributors.

Through Xerox Financial Services, Inc., the company offers financial products and services primarily on a wholesale basis. Through its three major subsidiaries and various joint ventures, Xerox Financial Services finances business and capital equipment; writes property, casualty and life insurance; underwrites and trades securities; and offers mutual funds and financial evaluation and advisory services.

The Xerox Name

Xerography, the technology that started the office copying revolution, was the inspiration of patent attorney Chester Carlson. He called his dry-copying process "electrophotography." However, Carlson, the Battelle Memorial Institute, which did early development work on the process, and The Haloid Company, which was licensed to develop and market a copying machine, thought the name too cumbersome. So, a Battelle employee went to his neighbor, an Ohio State University classical language professor, who suggested "xerography" — from the Greek words for "dry" and "writing."

Haloid coined the word "Xerox" as the name to identify its copying equipment. Thus, the words — "xerography" to describe the process and "Xerox" to identify the products — were introduced simultaneously to the marketplace in 1948.

Inspired by the early modest success of its copying machines, Haloid changed its name in 1958 to Haloid Xerox, Inc. The company changed its name to Xerox Corporation in 1961 after wide acceptance of the Xerox 914, the first automatic office copier to make copies on ordinary paper.

Xerox Trademark

Xerox is a world-famous trademark and a trade name.

Xerox as a trademark is properly used only as a brand name to identify the company's products and services. The Xerox trademark should be used as a proper adjective followed by the generic name of the

product, such as Xerox copier or Xerox printer. The Xerox trademark should not be used in the plural, in the possessive or as a verb.

The trade name Xerox stands for the full corporate name Xerox Corporation.

Xerox Social Responsibility

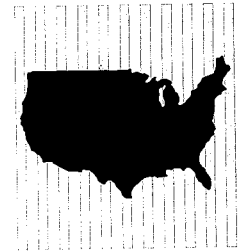
The Xerox tradition of social responsibility and involvement is basic to our business philosophy. The key components of our program are money and people.

Xerox contributed \$11.5 million in 1986 to support five broad philanthropic areas: higher education, community affairs, cultural activities, national affairs and international affairs.

Programs involving people include:

—Social Service Leave: individual Xerox employees take fully-paid leaves of absence to work on service projects of their choice. Since 1971, 341 people have taken such leaves.

—Xerox Community Involvement Program: corporate seed money allows groups of employees to work on problems they identify in their communities.



Missouri

Jefferson City (314) 635-0279
 St. Louis (314) 872-1600

Montana

Helena (406) 442-9590

Nebraska

Lincoln (402) 475-0587
 Omaha (402) 393-6161

Nevada

Las Vegas (702) 733-8960
 Reno (702) 786-0126

New Hampshire

Bedford (603) 624-3860

New Jersey

Cherry Hill (609) 778-1900
 Morris Plains (201) 540-7500
 Oradell (201) 599-3506
 Princeton (609) 987-5500

New Mexico

Albuquerque (505) 888-9200
 Santa Fe (505) 982-3517

New York

Albany (518) 452-3200
 Binghamton (607) 772-6164
 Buffalo (716) 842-2600
 New York City
 (Downtown) (212) 815-7300
 (Midtown) (212) 916-2020
 (Penn Plaza) (212) 560-6510
 (Uptown) (212) 916-2020
 Rochester (716) 442-9470
 (716) 427-5400
 Syracuse (315) 422-9231
 Tarrytown (914) 332-6800
 Webster (716) 427-5400
 Woodbury (516) 349-4500

North Carolina

Charlotte (704) 554-1290
 Greensboro (919) 294-1560
 Raleigh (919) 782-4820

North Dakota

Omaha, Nebraska (402) 393-6161

Ohio

Akron (216) 836-9931
 Cincinnati (513) 621-2200
 Cleveland (216) 694-4200
 Columbus (614) 460-9010
 Dayton (513) 223-7317
 Toledo (419) 866-1800
 Youngstown (216) 793-5581

Oklahoma

Oklahoma City (405) 848-8931
 Tulsa (918) 481-2600

Oregon

Eugene (503) 686-9300
 Medford (503) 779-4339
 Portland (503) 221-1850
 Salem (503) 581-8170

Pennsylvania

Allentown (215) 439-1471
 Erie (814) 868-9691
 Fort Washington (215) 643-7100
 Harrisburg (717) 763-7301
 Philadelphia (215) 988-2200
 Pittsburgh (412) 937-2400
 Wilkes-Barre (717) 825-9513

Puerto Rico

Hato Rey (809) 754-7600

Rhode Island

Providence (401) 521-2173

South Carolina

Charleston (803) 554-5500
 Columbia (803) 256-6213
 Greenville (803) 242-4702

South Dakota

Sioux Falls (605) 335-3100

Tennessee

Chattanooga (615) 894-2842
 Kingsport (615) 239-9431
 Knoxville (615) 690-4071
 Memphis (901) 348-5200
 Nashville (615) 742-5200

Texas

Austin (512) 343-5600
 Beaumont (409) 898-1100
 Corpus Christi (512) 855-3346
 Dallas (Irving) (214) 830-4000
 El Paso (915) 778-9451
 Fort Worth (817) 877-9500
 Houston (713) 961-5755
 Lubbock (806) 747-4176
 Midland (915) 563-2082
 San Antonio (512) 731-3100
 Tyler (214) 597-1366

Utah

Salt Lake City (801) 535-8500

Vermont

Lexington, Massachusetts (617) 861-1670

Virginia

Arlington (703) 527-6400
 Charlottesville (804) 971-1683
 Leesburg (703) 729-8000
 McLean (703) 734-2000
 Norfolk (804) 461-4360
 Richmond (804) 289-5400
 Roanoke (703) 989-3391

Washington

Olympia (206) 241-1399
 Richland (509) 375-3077
 Seattle (206) 241-1200
 Spokane (509) 455-9292
 Tacoma (206) 383-6000

West Virginia

Charleston (304) 345-0110

Wisconsin

Appleton (414) 739-7311
 Madison (608) 273-6700
 Milwaukee (414) 784-8726

Wyoming

Denver, Colorado (303) 796-6200



Palo Alto Research Center

3333 Coyote Hill Road
Palo Alto, CA 94304
(415) 494-4000

The center for Xerox research in systems technology. Unit of Corporate Research Group.

Real Estate and General Services Division

Xerox Corporation
P.O. Box 1600
Stamford, CT 06904
(203) 968-3000

Embraces Xerox International Center for Training and Management Development and Xerox Realty Corporation. Also provides telecommunications, data processing, travel, payroll and personnel services to Xerox and its units. Division of Diversified Business Group.

Special Businesses Group

Xerox Corporation
Xerox Square
Rochester, NY 14644
(716) 427-5400

Combines Cheshire, Xerox Medical Systems and Xerox Reproduction Centers. Division of Special Markets Group.

Special Markets Group

Xerox Corporation
101 Continental Boulevard
El Segundo, CA 90245
(213) 536-7000

Develops, manufactures and markets entry-level and specialized products. Consists of Information Products Division, National Marketing Division, Special Businesses Division, Versatec and Technigraphic Products Division.

Technigraphic Products Division

317 Main Street
East Rochester, NY 14445
(716) 385-4392

Develops, manufactures and markets devices for large-format reproduction and accessories for engineering reprographics. Division of Special Markets Group.

U.S. Marketing Group

Xerox Corporation
Xerox Square
Rochester, NY 14644
(716) 427-5400

Handles direct sales and service of most Xerox products and systems to major accounts and commercial customers.

Van Kampen Merritt Inc.

1001 Warrenville Road
Lisle, IL 60532
(312) 719-6000

An investment banking organization offering unit investment trusts, mutual funds, securities trading and underwriting, financial advisory and evaluation services and life insurance. Subsidiary of Xerox Financial Services, Inc.

Versatec, Inc.

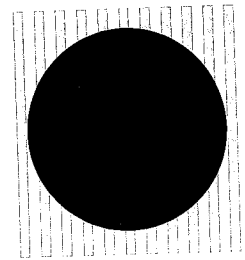
2710 Walsh Avenue
Santa Clara, CA 95051
(408) 988-2800

Manufactures and markets electrostatic printers and plotters producing high resolution, large-format prints through the use of high-speed processors and integrated software packages. Also offers a full line of related supplies. Subsidiary of Xerox Corporation, part of Special Markets Group.

Webster Research Center

800 Phillips Rd., Bldg. 230
Webster, NY 14580
(716) 422-3032

The center for research in marking technology. Unit of Corporate Research Group.



China Development and South Pacific Region

China Development and South Pacific Region, with headquarters in Webster, New York, was formed in 1985.

The group oversees activities in Australia, China, Hong Kong, Malaysia, New Zealand and Singapore.

Fuji Xerox Company, Limited

Fuji Xerox Company, Limited, a joint venture of Rank Xerox Limited and Fuji Photo Film Company, Limited, researches, develops, manufactures and markets a full range of business equipment, including copiers and duplicators, facsimile transceivers, workstations and electronic printing systems.

Fuji Xerox was incorporated in Japan in 1962. It has headquarters in Tokyo and operates in Japan, Indonesia, South Korea, the Philippines, Taiwan and Thailand.

The company has manufacturing facilities in Japan at Ebina, Iwatsuki, Takematsu and Suzuka, and in South Korea and Taiwan.

Rank Xerox Limited

Rank Xerox Limited is a joint venture of Xerox Corporation (then The Haloid Company) and The Rank Organisation Limited that manufactures and markets in the Eastern Hemisphere xerographic machines and ancillary products developed by Xerox.

The company was formed in 1956, when Xerox was known as the Haloid Company. Xerox acquired majority interest in Rank Xerox in 1969.

Rank Xerox has headquarters in Marlow, England, about 30 miles west of London.

The main Rank Xerox machine manufacturing plants are in Mitcheldean and Gloucestershire, England, and Venray in the Netherlands. Consumables used in the xerographic process are produced in Venray, Coslada, Spain and Welwyn Garden City, England, which is the engineering center for Rank Xerox. Electronics are produced at Welwyn and Venray.

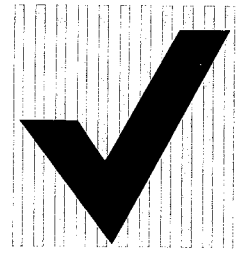
Rank Xerox electronic typewriters and related products are manufactured in Lille, France.

Rank Xerox also operates Rank Xerox EuroPARC, a research center in Cambridge specializing in human-computer interaction. Rank Xerox markets almost all Xerox business products and systems in more than 75 countries.

In 1983, Rank Xerox, with Modi, an Indian company, formed Modi Xerox Limited to manufacture and market reprographic products in India.

Rank Xerox has major marketing operations in Austria, Belgium, Denmark, Eastern Europe and the Soviet Union, Finland, France, Germany, Greece, Ireland, Italy, Ivory Coast, Kenya, The Netherlands, Nigeria, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

Major Historical Highlights

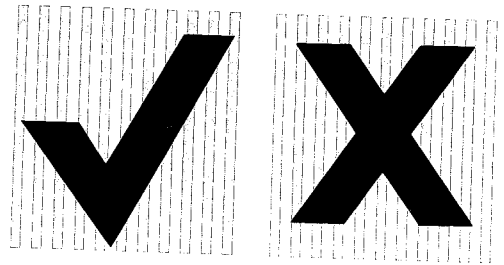


- 1906 Founded as The Haloid Company, Rochester, New York, to manufacture and sell photographic paper.
Chester F. Carlson, inventor of xerography, born in Seattle, Washington, on February 8.
- 1923 3 for 1 common stock split.
- 1928 5 for 1 stock dividend.
- 1935 Purchased Rectigraph Company, manufacturer of photocopying machines and paper.
- 1936 3 for 1 common stock split.
- 1938 Chester Carlson made first xerographic image on October 22 in Astoria, New York.
- 1947 Acquired license to Chester Carlson's basic xerographic patents.
- 1948 Haloid and the Battelle Memorial Institute of Columbus, Ohio, announced development of xerography.
Began paying consecutive quarterly dividends.
- 1953 Established Canadian sales subsidiary, The Haloid Company of Canada Limited.
- 1955 3 for 1 common stock split.
- 1956 Executed agreement with the Battelle Development Corporation, wholly-owned subsidiary of the Battelle Memorial Institute, to purchase its worldwide patents on xerography, including those of Chester Carlson, to eliminate the payment of royalties.
Formed Rank Xerox Limited as joint venture of The Haloid Company and The Rank Organisation Limited.
- 1958 Changed name from The Haloid Company to Haloid Xerox, Inc.
- 1959 4 for 1 common stock split.
- 1960 Established Webster Research Center.
- 1961 Changed name from Haloid Xerox, Inc. to Xerox Corporation.
Listed on New York Stock Exchange under ticker symbol "XRX."
- 1962 Acquired University Microfilms, Inc.
Launched Fuji Xerox Company, Limited, as joint venture of Rank Xerox and Fuji Photo Film Company, Limited.
- 1963 Acquired Micro-Systems, Inc.
Acquired Electro-Optical Systems, Inc.
5 for 1 common stock split.
Agreed to acquire all Rank Xerox property, rights and assets in Central and South America.
- 1964 Acquired patent license rights to Central and South America from The Rank Organisation.
- 1965 Acquired Basic Systems, Inc., later renamed Xerox Learning Systems.
Acquired American Education Publications, Inc., later renamed Xerox Education Publications.
- 1966 Acquired Professional Library Service.
Acquired Learning Materials, Inc.
- 1967 Acquired Cheshire Incorporated.
Acquired R.R. Bowker Company.
- 1968 Acquired Ginn and Company.
Chester F. Carlson died on September 19.

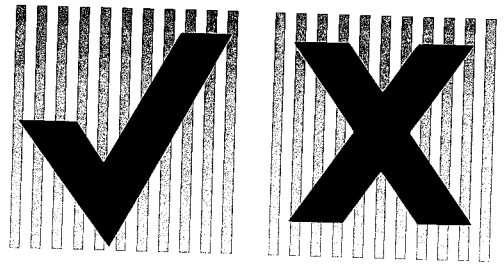


- 1983 Acquired Crum and Forster, Inc.
Sold defense and aerospace operations of Xerox Electro-Optical Systems to Loral Corporation; renamed remaining operations Xerox Special Information Systems.
Xerox Credit Corporation acquired Circle Leasing Corporation and LMV Leasing, Inc.
Sold 43 of the 54 Xerox retail stores in the United States to The Genra Group.
- 1984 Acquired Van Kampen Merritt Inc.
Crum and Forster purchased NAVCO Corporation.
Formed Financial Services.
- 1985 Announced fourth quarter 1984 phase-out of Shugart operations.
Signed pre-joint venture contract with the Shanghai Movie and Photo Industrial Corporation and China National Machinery and Equipment Import and Export Corporation, both of Shanghai, China.
- 1985 Sold six publishing companies: AutEx Systems to International Thomson Organisation; Ginn and Company to Gulf + Western Industries, Inc.; Xerox Education Publications to Field Corporation; University Microfilms to Bell & Howell Company; R. R. Bowker Company to Reed Holdings, Inc.; and Xerox Learning Systems to The Times Mirror Company.
Established computer science research facility in Portland, Oregon.
Signed five-year contract to produce a Xerox Telecopier facsimile machine in China.
Established South Pacific Operations including Australia, Malaysia, New Zealand and Singapore.
Entered the investment-oriented life insurance business by creating Xerox Financial Services Life Insurance Company as a subsidiary of Crum and Forster.
- 1986 Sold assets of Shugart Corporation to the Narlinger Group.
Sold 90 percent of Optimem to Cipher Data Products, Inc.
- 1986 Formed ParcPlace Systems.
Sold Century Data Systems to Cybernex Corporation.
Xerox Credit Corporation acquired The Dowdell Corporation.
Consolidated International Operations and Group Affiliate Operations staffs; GAO renamed Regional Operations.
Established Rank Xerox EuroPARC, research laboratory in Cambridge, England.
Founded non-profit Institute for Research on Learning in Palo Alto, California, to explore the use of artificial intelligence in education.
Reorganized development, manufacturing and marketing activities to create Business Products and Systems Group, Special Markets Group, U.S. Marketing Group and Custom Systems Division.
- 1987 Opened electronic printing center in Beijing, China, in joint venture with China Computer Systems Engineering Corporation.
Announced agreement to sell Rank Xerox South Africa Pty. Ltd, to Fintech.

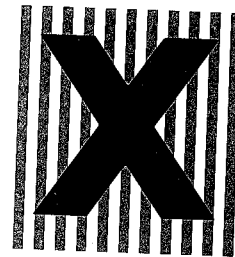
**Major U.S. Products by Category
with Year of Announcement**



Networks		Printers and Printing Systems		Software	
Ethernet (XC80)	1979	Xerox Graphics System	1982	Alphabets	1986
Xerox Communications (22)	1986	Diablo Advantage D25	1984	Decision Maker I and II	1985
Xerox Communications (24)	1985	Diablo Advantage D80	1985	Legal Guardian	1985
		Diablo Advantage D80IF	1984	Notecards-D	1985
		Diablo 630ECS	1982	PC TypeRight	1986
		Diablo 635	1985	Personal Computer Software	1986
Office Systems		Diablo Companion 34LQ	1985	TypeRight	1986
Expert Designer Solutions System	1985	1200 Computer Printing System	1973	ViewPoint Series	1985
Integrated Financial Management Business Solution	1986	2700 Distributed Electronic Printer	1982	Writer I and II	1985
Integrated Purchasing Management Business Solution	1986	2700II Distributed Electronic Printer	1984	Writer III	1986
Kurzweil 4000 Intelligent Scanning System	1984	3700 Laser Printing System	1985	Xerox Loops	1983
Xerox 8000 Network System	1980	4020 Color Ink Jet Printer	1986	Xerox Network Systems Software	1983
Xerox Database Management Services	1985	4045 Laser CP	1985	Xerox Quintus Prologue	1985
Xerox Voice Message Exchange (XVMX)	1985	4045 Models 20 and 50	1986	Xerox Ventura Publisher	1986
Xerox Voice Message Exchange System V	1987	4050 Laser Printing System	1986	Xerox Ventura Publisher 1.1	1987
		4060 Computer Printing System	1985		
		5700 Laser Printing System	1980	Word Processors/ Personal Computers/ Professional Workstations	
		8700 Electronic Printing System	1982	800	1974
		8790 Electronic Printing System	1986	820	1981
		9700 Electronic Printing System	1977	820-II	1982
		9790 Electronic Printing System	1986	850	1977
				860	1979
				16/8	1983
				1108 AI Workstation	1982
				1185 AI Workstation	1985
				1186 AI Workstation	1985
				6064	1985
				6065	1985
				6067	1985
				6068	1985
				6085	1985
				8010 Information System	1981

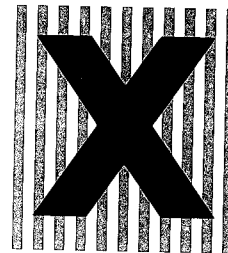


- July 1977 Xerox 5400 copier-duplicator: first Xerox copier to use built-in micro-computer to track its own performance and automatically pinpoint malfunctions that may be corrected quickly.
- Sept. 1977 Xerox 3400 copier: document handler positions originals on copying glass and automatically sorts copies into complete sets; makes 26 copies a minute.
- Xerox 9400 duplicator: automatically copies on both sides of paper and features automatic document handler accepting all kinds of originals; produces two pages a second.
- Oct. 1977 Xerox 850 display typing system: modular system features display typewriter and full-page screen with electronic cursor.
- Xerox 2600 and 3109 copiers: for the low volume copying market.
- May 1979 Xerox 2300 and 3450 copiers: for small businesses requiring a single copier to handle all copying needs and for larger businesses needing fully-featured copiers in decentralized locations.
- Oct. 1979 Xerox 3300 copier: compact copier featuring semi-automatic document handler and micro-computer diagnostics.
- Oct. 1979 Xerox 5600 copier-duplicator: medium-volume unit features automatic feeding of originals, sorterless collating, optional on-line stapling and an industry-first ability to automatically produce two-sided copies from one or two-sided originals.
- Xerox 9500 duplicator: high-volume xerographic unit produces matte-finish solids, halftones and line copy comparable to high-quality offset reproduction.
- Xerox 8200 copier-duplicator: medium-to-high volume unit with the same copy quality as the Xerox 9500; automatically feeds originals and produces collated copies without a sorter.
- Dec. 1979 Xerox 860 information processing system: multi-functional office information system combines processing of text, business records and data.
- Ethernet Local Area Network.
- Sept. 1980 Xerox 5700 electronic printing system: combines word processor printing, electronic mail, remote computer printing and direct copying in a single unit.
- Nov. 1980 Xerox 8000 network system: allows assembly of an integrated office network in which users can electronically create, process, file, print and distribute information.
- April 1981 Xerox 8010 information system: allows users to create documents at their desks by combining computing, text editing and graphics.
- May 1981 Xerox Telecopier 495: digital facsimile transceiver can process documents at 30 seconds a page.
- June 1981 Xerox 820 information processor: low-cost personal computer can be used as a word processor and a business computer.
- Sept. 1981 Xerox 2350 copier: first Xerox desktop, platen-style reduction copier; makes 10 copies a minute.
- Nov. 1981 Xerox 610, 615, 620, 625 Memorywriters: electronic typewriters with internal memory.
- Jan. 1982 Xerox 2830 desktop copier: makes more than one oversize copy at a time from a single original.
- Mar. 1982 Xerox 8700 electronic printing system: simultaneously produces and prints computer-generated text, business forms and other images at up to 70 pages a minute.



- April 1985 Xerox 4045 Laser CP: entry-level laser printer.
- Xerox 3700 Laser Printing System: intended for data centers; makes 24 pages a minute.
- Xerox 6085 Professional Computer System: can run PC programs.
- ViewPoint Series software; advanced document processing capabilities for Xerox 6085.
- Expert Designer Solutions: computer-aided engineering system handles technical design projects from concept through final printing.
- Xerox XPS 700 Publishing System: editing and design pagination terminals, composition software, powerful minicomputer and connections to electronic printers.
- Xerox/Diablo Companion 34LQ: letter-quality dot-matrix printer operates at up to 60 characters a second.
- Aug. 1985 Xerox/Diablo Advantage D80: high-speed daisywheel printer.
- Xerox 1040 Marathon Copier: compact unit whose options include automatic document feed, reduction-enlargement and sorter; makes up to 35 copies a minute.
- Xerox 1185 and 1186 artificial intelligence (AI) workstations: intended for the design, use and delivery of AI software and expert systems.
- Oct. 1985 Xerox 1038 Marathon copier: desktop copier with a fixed platen, automatic document feed, automatic size-sensing, and reduction-enlargement.
- Xerox 6010 and 6015 Memory-writers: with formal-storage memory.
- Xerox/Diablo 635: letter-quality daisywheel printer; prints up to 55 characters a second.
- Xerox Professional Mechanical System and PRO-CAD: computer-aided hardware and software systems for mechanical design and drafting.
- Nov. 1985 Xerox Communications 24 (XC 24): low-cost, easily installed local area network provides basic printing, filing and message services among microcomputer workstations.
- Xerox 4060 computer printing system: ion-deposition printer connects to mainframe computers in centralized data centers; offers many electronic printing capabilities at lower cost than laser printers in the range of 500,000 pages a month.
- Jan. 1986 Xerox Communications 22 (XC 22) network: links MS-DOS-based micro-computers over telephone wire.
- Xerox Documenter: desktop publishing system combines Xerox 6085 workstation and Xerox 4045 Laser CP.
- Xerox 4050 laser printer: produces typeset-quality text and graphics; can be linked to host computers or clusters of workstations; prints up to 50 pages a minute.
- Xerox 4020 Color Ink Jet Printer: allows personal computer users to create documents integrating text and high resolution graphics in seven colors.

Officers



-
- David T. Kearns**
Chairman and
Chief Executive Officer
- Paul A. Allaire**
President
- William F. Glavin**
Vice Chairman
- Melvin Howard**
Vice Chairman
- C. Peter McColough**
Chairman of the Executive
Committee
- Robert V. Adams**
Executive Vice President
- Wayland R. Hicks**
Executive Vice President
- Frank J. Pipp**
Group Vice President
- A. Barry Rand**
Group Vice President
- Douglas M. Reid**
Senior Vice President
- Robert F. Reiser**
Group Vice President
- Dwight F. Ryan**
Group Vice President
- Robert S. Banks**
Vice President and General Counsel
- William T. Blair**
Vice President
- Ronald B. Campbell, Jr.**
Vice President
- Eunice M. Filter**
Vice President and Secretary
- L. Lyndon Haddon**
Vice President
- Elliott Horton**
Vice President
- Elliott D. James**
Vice President
- Robert J. Kammerer**
Vice President
- Norbett H. Kaupp**
Vice President
- Roger E. Levien**
Vice President
- John J. McGinty**
Vice President
- Charles E. Otto**
Vice President
- Norman E. Rickard**
Vice President
- M. Norton Rosner**
Vice President
- Stuart B. Ross**
Vice President and Controller
- Joseph C. Sanchez**
Vice President
- James E. Shapiro**
Vice President
- John C. Shoemaker**
Vice President
- Michael Smith**
Vice President
- William J. Spencer**
Vice President
- Eric L. Steenburgh**
Vice President
- Renn Zaphiropoulos**
Vice President
- Alan Z. Senter**
Treasurer
- Donald R. Altieri**
Assistant Controller

Financial Highlights

Five Years in Review	1986	1985	1984	1983	1982
Total Revenues (millions)*	\$13,046	\$11,761	\$11,242	\$10,340	\$10,117
Income/Continuing Operations (millions)	\$ 488	\$ 381	\$ 362	\$ 474	\$ 344
Income Per Common Share	\$ 4.52	\$ 3.47	\$ 3.28	\$ 4.50	\$ 4.06
Net Income (millions)	\$ 465	\$ 475	\$ 291	\$ 466	\$ 424
Net Income Per Common Share	\$ 4.28	\$ 4.44	\$ 2.53	\$ 4.42	\$ 5.00
Average Common Shares Outstanding (000's)	97,260	96,159	95,691	94,897	84,697
Common Shareholders At Year End	90,437	92,179	104,045	107,180	109,136
Worldwide Employees At Year End (continuing operations)	100,367	101,636	100,146	97,778	103,275
United States Employees At Year End (continuing operations, consolidated subsidiaries)	68,711	69,206	68,143	69,800	67,911

*Total Revenue includes revenues of Business Products and Systems, Xerox Financial Services, Inc. and other unconsolidated subsidiaries.
Certain data restated for discontinued operations.

Fortune 500 Listings

Year	Rank	Year	Rank	Year	Rank	Year	Rank	Year	Rank
1962	423	1967	126	1972	40	1977	39	1982	38
1963	294	1968	109	1973	41	1978	36	1983	38
1964	227	1969	71	1974	41	1979	40	1984	38
1965	171	1970	60	1975	39	1980	38	1985	38
1966	145	1971	52	1976	40	1981	42	1986	40

Common Stock Prices by Year

Year	High	Low	Close
1977	58 $\frac{3}{4}$	43 $\frac{3}{8}$	46 $\frac{3}{4}$
1978	64	40 $\frac{1}{2}$	53 $\frac{1}{4}$
1979	69 $\frac{1}{8}$	52 $\frac{3}{8}$	62 $\frac{3}{8}$
1980	71 $\frac{3}{4}$	48 $\frac{3}{8}$	59 $\frac{3}{8}$
1981	64	37 $\frac{3}{8}$	40 $\frac{1}{2}$
1982	41 $\frac{3}{4}$	27 $\frac{3}{8}$	37 $\frac{3}{8}$
1983	52 $\frac{1}{8}$	35	49 $\frac{1}{2}$
1984	51 $\frac{1}{8}$	33 $\frac{1}{4}$	37 $\frac{3}{8}$
1985	60 $\frac{1}{2}$	37 $\frac{1}{4}$	59 $\frac{3}{4}$
1986	72 $\frac{1}{4}$	48 $\frac{3}{8}$	60

Dividends Paid

Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
1977	.30	.30	.40	.40	1.40
1978	.40	.50	.50	.50	1.90
1979	.50	.60	.60	.60	2.30
1980	.60	.70	.70	.70	2.70
1981	.70	.75	.75	.75	2.95
1982	.75	.75	.75	.75	3.00
1983	.75	.75	.75	.75	3.00
1984	.75	.75	.75	.75	3.00
1985	.75	.75	.75	.75	3.00
1986	.75	.75	.75	.75	3.00