# Lexmark Quarterly Business Roundup

# - A review of significant news over the past quarter

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# News Facts

## Corporate News

Lexmark's fourth quarter 2012 financial results were highlighted by revenue that exceeded expectation, solid cash flow generation, and ongoing growth in Perceptive Software and managed print services (MPS) revenue. The company also broadened its solutions portfolio through its sixth acquisition since 2010, this time with Acuo Technologies.

- Lexmark announced financial results for the full year and fourth quarter of 2012. To access the earnings news release, <u>click here</u>, and for the earnings presentation, <u>click here</u>.
- <u>Lexmark acquired Acuo Technologies</u>, a recognized leader in high-performance medical software and services for clinical content management, data migration and vendor neutral archives (VNA).
- Lexmark's Board of Directors declared a quarterly cash dividend of \$0.30 per share of Lexmark Class A Common Stock. The dividend is payable on March 15, 2013, to shareholders of record as of the close of business on March 4, 2013.
- Lexmark priced a registered public debt offering of \$400 million in aggregate principal amount of its 5.125 percent Senior Notes due 2020. The seven-year unsecured senior notes will have an effective yield to maturity of 5.125 percent and will mature March 15, 2020. The offering is subject to customary closing conditions and is expected to close on March 4, 2013.
- Lexmark announced that it will redeem for cash all of its outstanding 5.900 percent Senior Notes due 2013 on March 31, 2013, at a redemption price equal to the sum of 100 percent of the principal amount outstanding, a make-whole premium, which will be calculated three business days prior to the redemption date in accordance with the Indenture, and accrued and unpaid interest on the principal amount being redeemed to, but not including, the redemption date.

# **Customer News and Company Recognition**

Lexmark's Perceptive Software has expanded its healthcare sector presence and expertise, which is evident in the acquisition of Acuo Technologies, the U.S. Department of Defense's selection of Acuo's Universal Clinical Platform (UCP), and Perceptive Software's ranking as the top healthcare Document Management and Imaging (DMI) software product by a leading industry research firm.

- <u>Perceptive Software announced a local partnership with Kansas City-based Saint Luke's Health System</u>, which will expand its investment in Perceptive Software solutions to multiple departments throughout the system of hospitals and clinics. Saint Luke's Health System will integrate Perceptive Software process and content management products with the organization's Epic® Electronic Medical Record system.
- Acuo Technologies announced that the Defense Logistics Agency of the U.S. Department of Defense has selected the Acuo UCP as a new VNA solution for enterprise patient imaging logistics. UCP will consolidate imaging studies from 39 U.S. Army picture archiving and communication system sites and 23 U.S. Navy PACS sites located at military healthcare facilities throughout the world.
- <u>Perceptive Software has been ranked the top healthcare DMI software product</u>, according to the 2012 Best in KLAS Awards: Software & Services report, an independent ranking based on customer feedback on top healthcare information technology vendors.
- Lexmark signed a five-year MPS agreement with Anheuser-Busch InBev that extends its services into Europe to drive improved productivity and cost savings for the leading global brewer.
- Perceptive Software announced that <u>DDC Freight Process Outsourcing</u>, a leader in offshore business process outsourcing services, has selected Perceptive Intelligent Capture for Bills of Lading processing automation.
- Lexmark was named a winner in the 2013 Manufacturing Leadership 100 Awards, which honors the top
  manufacturing executives and organizations for their achievements. Lexmark was recognized as a leader
  in three categories this year: Innovative Enterprise, Operational Excellence and Sustainability.
- Lexmark International Philippines, Inc. (LIPI) has received a prestigious energy award from the Philippine

<u>Department of Energy</u>. LIPI was awarded the Don Emilio Abello Energy Efficiency Award, an industry-based recognition given to agencies and organizations with outstanding performance in energy conservation and efficiency in the government, business and industrial sectors.

## Products, Software, Solutions and Services News

Perceptive Software's most recent news in this category included the first release of search technology since <u>Lexmark's acquisition of ISYS in 2012</u>, making the technology more connected, more powerful and faster.

Most notably in product recognition, Lexmark earned high marks from Buyers Laboratory, LLC (BLI), receiving the Monochrome Printer/MFP Line of the Year award for 2013. This marks the fifth time Lexmark has received Line of the Year accolades from BLI, recognizing the company's products as high-performing standouts in the industry.

- <u>Perceptive Software released version 10.2 of Perceptive Search applications Enterprise Search and</u> <u>Workgroup Search</u>. Perceptive Search allows users to find answers wherever they exist—content repositories, email systems, websites, databases, social media, personal computers and more—and to access that content quickly on any platform using any device.
- In December, Perceptive Software announced the availability of Perceptive Interact for Microsoft Outlook. Interact for Microsoft Outlook allows users of Perceptive Content to capture and access content and execute workflow processes through their familiar Outlook interface.
- Lexmark has achieved prestigious recognition from BLI for having the <u>top monochrome printer and</u> <u>multifunction product (MFP) line for 2013</u>. The award recognizes the manufacturers of the best range of printers, from small workgroup to departmental, for demonstrated excellence across the entire product line in BLI lab testing.
- <u>Lexmark Distributed Intelligent Capture</u> was <u>honored by BLI with a Winter 2013 Pick award</u> as an outstanding document imaging software solution. Bestowed twice a year by the editors of BLI, the awards honor the top-performing solutions evaluated in BLI's lab during the previous six months.
- <u>BLI also bestowed Pick award recognition to the most outstanding monochrome models</u> evaluated in the past six months, which included the <u>Lexmark MX610/MX611 monochrome laser MFP Series</u> among other Lexmark products.
- Lexmark's new color laser printers and MFPs, the <u>Lexmark CS310/410/510 Series</u> and <u>Lexmark</u> <u>CX310/410/510 Series</u>, respectively, have been honored with 2012 Innovative Product of the Year Awards from Better Buys for Business.
- Lexmark's new MS812de monochrome laser printer recently received an Outstanding rating from Wirth Consulting in rigorous hands-on testing. The comprehensive test report is available <u>here</u>.
- EPEAT announced its expansion beyond PCs and displays to include printers, copiers and other imaging equipment. This EPEAT registry currently includes imaging equipment from seven manufacturers: Canon, Dell, Epson, HP, Lexmark, Ricoh and Xerox. Lexmark will continue to add more devices to the registry as they are deemed compliant with EPEAT's environmental requirements.

# Community News

Lexmark's vision and values are defined by its employees and provide a framework for how the company operates worldwide. In January, Lexmark awarded its highest employee honor to one employee who goes the extra mile by exhibiting the company's value of customer commitment, making customer satisfaction a top priority in her daily work. In addition, Perceptive Software has furthered Lexmark's corporate citizenship efforts by raising thousands of dollars for diabetes research through its annual dodge ball tournament.

Lexmark's last quarter also included a number of recognition events for science, technology, engineering and math (STEM) teachers in Kansas and Kentucky who are working to further this educational area in their classrooms.

- <u>Lexmark has selected employee Amanda Plakosh-Angeles, global sustainability analyst, to receive its</u> <u>Customer For Life Award</u>, the company's highest employee honor. Each year, Lexmark chooses one employee worldwide for this distinction who best exemplifies the company's vision and values.
- Lexmark honored two recipients of INSPIRE: Lexmark's Teaching Award. The program recognizes outstanding Central Kentucky area middle and high school STEM teachers. Lexmark presented each teacher with a \$1,000 award to be used in furthering STEM education in his or her classroom.
- Perceptive Software and the University of Kansas School of Engineering surprised a teacher at Olathe Northwest High School in Olathe, Kan., with an Educating Excellence award for \$1,500. The <u>Educating</u> <u>Excellence</u> program was launched in March 2010 to recognize outstanding high school STEM teachers throughout Kansas and the Kansas City Metro.
- Perceptive Software hosted <u>Dodge for a Cause 8</u>, its annual charity dodge ball tournament benefitting the Kansas City JDRF chapter. Since its inception, the tournament has raised more than \$120,000 to help find a

cure for type 1 diabetes.

#### Supporting Resources:

- Full Year and 4Q12 Earnings News Release
- Full Year and 4Q12 Earnings Presentation
- Lexmark Smart MFPs Video
- Lexmark Distributed Intelligent Capture Video

#### **About Lexmark**

Lexmark International, Inc. (NYSE: LXK) provides businesses of all sizes with a broad range of printing and imaging products, software, solutions and services that help customers to print less and save more. Perceptive Software, a Lexmark company, is a leading provider of process, intelligent capture and content management software that helps organizations fuel greater operational efficiency. In 2012, Lexmark sold products in more than 170 countries and reported \$3.8 billion in revenue.

To learn more about Lexmark, please visit <u>www.lexmark.com</u>. For more information on Perceptive Software, please visit <u>www.perceptivesoftware.com</u>.

For more information on Lexmark, see the Lexmark Facebook page and follow us on Twitter.

For more information about Perceptive Software, please visit the company's <u>Facebook</u> and <u>Twitter</u> profiles.

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