Lexmark Quarterly Business Roundup

- A review of Lexmark and Perceptive Software's significant news, which includes contract wins, product introductions, industry recognition and organizational announcements, over the past quarter

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News Facts

Corporate News

2010 was a very good year for Lexmark, highlighted by revenue, earnings and cash generation growth, record laser performance, product line expansions, managed print services growth and the acquisition of Perceptive Software, which has strengthened Lexmark's expanding software business. <u>Ninety percent of the top global retailers(1)</u>, 70 percent of the top global banks(1), and 36 percent of the Fortune 50 are Lexmark customers.

Reflecting on last year's successful performance and other key junctures in the company's history, Lexmark employees will soon observe the company's 20-year anniversary on March 27, 2011.

- Lexmark announced financial results for the full year and fourth quarter of 2010. Highlights from 2010 included high single-digit revenue growth, significant operating income margin expansion, strong growth in EPS and cash generation of more than \$500 million. Both 4Q10 and FY2010 were further highlighted by record laser revenue. To access the full year and fourth quarter 2010 earnings news release, <u>click here</u>, and earnings presentation information, <u>click here</u>.
- Lexmark announced that its <u>Board of Directors elected Paul Rooke as chairman of the Board and Sandra L.</u> <u>Helton as a new director</u>. Rooke will succeed Dr. Paul J. Curlander as chairman at the 2011 annual meeting of stockholders.
- Perceptive Software announced the <u>appointment of Anthony Giagnacovo as its EMEA general manager</u>. Giagnacovo, responsible for leading the company's international expansion efforts, with an initial focus on European expansion, is based in Perceptive Software's new international headquarters in Geneva, Switzerland.
- Lexmark's 2011 Securities Analyst Meeting will take place on the morning of May 11, 2011, at the Crowne Plaza Times Square in New York City. More details will be provided as the date approaches.

Industry Recognition

Following many years of widespread recognition, Lexmark continues to earn accolades from third-party reviewers, industry analysts and other esteemed organizations for its innovative products and solutions. Lexmark maintained its leadership position in 2010 among top competitors with combined laser and inkjet awards in the U.S.(2).

- Lexmark is the leader in on-site outsourced page volume in Brazil in 2010, according to the Latin America Printing Outsourcing 2010 study(3) published by IDC Brazil in October 2010. IDC projected Lexmark as having the greatest number of pages under its management in the office environment, with 5.2 billion pages printed out of a total estimated 15.1 billion pages in the Brazilian market in 2010.
- The Lexmark C792de color laser printer and X792de color laser MFP each received a 5-Star, "Exceptional" rating in January from independent product reviewer BERTL, following several weeks of exhaustive lab testing.
- Lexmark's C792de earned an "Outstanding" rating in hands-on performance testing from Wirth Consulting, in addition to a "Best-in-Class" distinction among devices from several top competitors.
- Lexmark's newest A4 color lasers, <u>the C792 and X792 Series</u>, in addition to <u>Markvision Enterprise</u>, Lexmark's newly enhanced fleet management software, were awarded prestigious Pick of the Year awards

from Buyers Laboratory Inc.

- Buyers Laboratory Inc. also recognized <u>Perceptive Software's ImageNow 6.5</u> with a Pick of the Year award for being the Outstanding Enterprise Content Management Solution.
- Each of Lexmark's <u>new workgroup color devices</u> announced in October 2010 has been recognized as 2010 Innovative Product of the Year recipients from Better Buys for Business.
- The Lexmark Genesis AIO was named to PCMag.com's list of <u>Top 10 Best Wireless Printers</u> in February 2011.
- Trust Across America named Lexmark as one of the <u>Most Trustworthy Companies</u> and <u>Top 100 Thought</u> <u>Leaders</u> in America out of nearly 3,000 companies, according to the organization's 2010 audit.
- The American Foundation for the Blind awarded Lexmark a 2011 Access Award for the Lexmark Accessibility Solution, which offers unparalleled access to the features of a wide range of Lexmark multifunction products (MFPs). The accessibility solution is Web-based software that enables users with vision impairments to operate their MFPs independently by providing an alternative method of navigating the device from their browser.
- According to KLAS' "2010 Top 20 Best in KLAS Awards: Software & Professional Services" report, <u>Perceptive</u> <u>Software is ranked the No. 2 vendor</u> in document management and imaging in the healthcare industry.

Products, Solutions and Services News

Following successful product, software and solutions launches in 2010, both Lexmark and Perceptive Software enhanced their offerings in the past month with announcements that bring greater productivity and performance to businesses.

- Lexmark announced the <u>AccuWeather SmartSolution</u>, ideal for companies involved in activities such as landscaping, construction, and event planning that must take weather conditions into consideration in order to make informed business decisions. Business travelers can also benefit from this SmartSolution by using the information to make smarter daily and long-term travel plans. Weather forecasts can be viewed on the device's touch screen or printed in hard copy.
- <u>Perceptive Software announced the release of ImageNow 6.6</u>, which features next-generation 64-bit server architecture for maximum performance in highly scaled enterprise settings. The native 64-bit design of ImageNow Server version 6.6 builds on the proven performance of its advanced and widely deployed 32-bit version to meet the needs of enterprise users increasingly deploying 64-bit environments.

Customer News

Perceptive Software's presence has continued to expand in key markets, particularly in the healthcare sector, a significant vertical market for the company. Strong industry focus and an industry-leading value proposition have helped Perceptive Software grow its footprint within this category with several customer wins.

- Perceptive Software announced that three healthcare facilities will implement ImageNow, strengthening its leadership position in this key market sector.
 - <u>Memorial Hospital and Manor (MHM) will deploy ImageNow</u> in its medical records and registration departments where an estimated 830,000 pounds of stored paper files reside. Perceptive Software's ECM solutions for medical records and patient registration will enable MHM staff to capture patient documents at the point of admission and tie them to HIS records.
 - <u>United Memorial Medical Center (UMMC) will replace its current document management solution</u> with Perceptive Software's ECM solutions for healthcare. UMMC will implement the Perceptive solutions in medical records, patient registration and in the business office.
 - <u>Phelps County Regional Medical Center will also replace its current document management system</u> with Perceptive Software's ECM solutions for healthcare in seven departments in support of its paperless, meaningful use and HIMSS Stage 7 initiatives.
- In addition to these new healthcare customers, Perceptive Software continues to win business in the higher education market, where the company also holds a leadership position.
 - <u>Antioch University recently selected Perceptive Software's ImageNow</u> for an initial deployment in its Registrar's office. The ImageNow implementation is expected to help alleviate some of the major health and storage challenges the institution faces across its five U.S. campuses.

Supporting Resources

- 4Q10 Earnings News Release
- <u>4Q10 Earnings Presentation</u>
- Lexmark X792 and C792 color laser families
- <u>Perceptive Software's ImageNow</u>
- Lexmark Genesis
- <u>SmartSolutions Videos</u>

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 stand-alone software business within Lexmark, is a leading provider of enterprise content management software that helps organizations effortlessly manage the entire lifecycle of their documents and content, simplifying their business processes, and fueling greater operational efficiency. In 2010, Lexmark sold products in more than 170 countries and reported more than \$4 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 <u>Lexmark Facebook page</u> and follow us on Twitter at <u>www.twitter.com/lexmarknews</u>.

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(1) Top 10 rankings are based upon the following: Global Retailers are based upon food and drug store, general merchandiser, and specialty retailer revenue according to the Fortune Magazine's 2010 Global 500. Global Banks refer to Commercial and Savings Institutions and rankings are based upon revenue according to 2010 Global 500.

(2) Based on internal assessments of leading U.S. technical publications and test laboratories. Laser printers, laser printer-based multifunction devices, inkjet printers and inkjet All-In-One devices.

(3) IDC Special Report, *Latin America Printing Outsourcing 2010*, Sept 2010. This study quantifies A3/A4 page volume under services contracts that cover printing, copying, and faxing in office environments.

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