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

Customer News

Lexmark and Perceptive Software secured a number of notable customer wins, two of which are highlighted by Managed Print Services (MPS) agreements, a rapidly growing enterprise services segment for Lexmark. Lexmark continues to drive results for its MPS customers in the form of infrastructure optimization, workflow solutions and proactive management of printer fleets and supplies, ultimately reducing costs.

To view the multimedia assets associated with this release, go to:
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Perceptive Software's customer wins included two deployments of its award-winning ImageNow Enterprise Content Management (ECM) solution to automate business processes and drive efficiency in the education and utility sectors.

- Lexmark was named the MPS provider of TBC Corporation, one of the largest marketers of automotive replacement tires and services. TBC Corporation awarded Lexmark a three-year contract to improve and optimize its printing environment and reduce print output costs throughout its more than 800 U.S. retail tire and automotive maintenance stores and Wholesale Division.
- Following a rigorous competitive review, Lexmark International South Africa announced that it has secured a three-year global services agreement with Woolworths, one of South Africa's leading retail brands. The contract, as part of a MPS initiative, will enable Woolworths to achieve both savings and efficiencies through its print output management.
- Lexmark recently became the manufacturer of choice for a national workgroup and color laser printer bid sourced by the U.S. Department of Veterans Affairs (VA), which involves the potential placement of more than 20,000 Lexmark E, T and C Series workgroup monochrome and color laser printers throughout 260 VA locations, including outpatient clinics in the U.S., within the next 90 to 120 days. The contract is expected to help the VA achieve more than $15 million in savings in relation to standard purchasing costs.
- Perceptive Software announced that Bellevue University in Bellevue, Neb. has deployed ImageNow across multiple departments to improve student service, records management, and efficiency. Bellevue University selected Perceptive Software for their status as an Oracle® certified partner and for ImageNow's positive reputation within the education industry.
- Perceptive Software announced that Sunflower Electric Power Corporation of Kansas recently selected ImageNow for an initial deployment in its finance and human resources departments. ImageNow was selected, in part, because it could be easily implemented within the existing infrastructure of systems and scaled out as needed. In addition, Perceptive Software's solution will help Sunflower Electric reduce paper use and storage and thoroughly document its policies, procedures, and processes company wide.

Corporate News

Lexmark's second quarter financial performance featured record earnings per share, better than expected revenue and very strong gross profit and operating income margins. The company saw continued revenue growth in its strategic focus areas, accentuated by a double digit growth rate in core supplies, and MPS growth exceeding 25 percent. Lexmark's balance sheet and cash flow remain strong, enabling Lexmark to continue investing strategically in its business while returning value to its shareholders.

- Lexmark announced financial results for the second quarter of 2011. To access the second quarter 2011

earnings news release, click here, and for the earnings presentation information click here.

- On Aug. 2, 2011, Lexmark announced it has resumed its share repurchase program authorized by its Board of Directors in May 2008. The company anticipates repurchasing $250 million of its outstanding shares in the second half of 2011.
- Perceptive Software continues on the track to broaden its business and drive growth internationally. In the last year, the company has rapidly expanded its presence outside the U.S. with office openings in Switzerland, France and Germany, in addition to an already established location in the UK.

Industry Recognition

Perceptive Software achieved an important certification in the healthcare industry, a key customer segment for the company, affirming that ImageNow functionality can satisfy applicable "meaningful use" requirements mandated by the federal government.

Lexmark again earned broad recognition for its innovative output devices, particularly in the workgroup multifunction product (MFP) category, from top-tier industry product reviewers and testing houses last quarter.

- Perceptive Software's ImageNow has received the federal government's "meaningful use" stamp of approval by earning Modular EHR Certification from the Drummond Group. The designation officially deems the electronic health record software capable of enabling providers to qualify for funding under the American Recovery and Reinvestment Act.
- Recognized as an "Outstanding Solutions-Capable A4 Color MFP for Small Workgroups," Lexmark's X548 color laser MFP Series garnered a distinguished Pick of the Year award from Buyers Laboratory. The testing house noted that the Lexmark X548 Series combines high-level workgroup functionality with a small workgroup footprint and affordable price tag.
- Lexmark's X548dte color laser MFP, noted especially for its fast speed, high quality output and large control panel, earned a coveted Editors' Choice award from PCMag.com.
- The Lexmark X548dte color laser MFP recently received a 5-Star, "Exceptional" rating as a result of comprehensive lab testing from BERTL.
- Lexmark's X950 Series of color MFPs has earned a 2011 Editor's Choice award from Better Buys for Business.

Products, Software, Solutions and Services News

Lexmark's New Branch Bank and Mobile Printing Solutions were among Lexmark's most noteworthy new offerings in the second quarter, both designed to help advance the company's 'Capture-Manage-Access' strategy. In addition, Lexmark broadened its services reach, extending down into the mid-market arena to make its MPS offerings available via authorized Toshiba subsidiaries and dealers.

- Lexmark announced the Lexmark Branch Capture Solution, a powerful tool that enables financial institutions to automate paper-based workflows and eliminate the pain associated with paper-intensive tasks such as loan processing and new account openings. Both bank management and branch bank workers benefit from the solution, which reduces manual work for employees while helping to ensure documents are in compliance.
- Lexmark recently announced its Mobile Print Application for Android-based mobile devices. Lexmark's enterprise-class application enables easy-to-use mobile printing for knowledge workers across the enterprise without adding additional servers. Lexmark's Mobile Print Application for Android-based tablets will be available later this year.
- Lexmark's Fleet Manager 2.0 software, which helps businesses manage, optimize and service their printer fleets, is now available from Toshiba America Business Solutions Inc. This Lexmark offering is a valuable addition to Toshiba's MPS strategy by providing authorized Toshiba subsidiaries and dealers with the end-to-end capabilities that will ultimately help Toshiba's small and medium-sized business (SMB) customers reduce costs and enhance productivity.
- Perceptive Software has expanded its global OEM program, targeting software and hardware vendors that wish to add ECM solutions to their technology offerings. The program is an extension of Perceptive Software's success with enterprise level accounts that have seen growth from within the channel.
- Lexmark introduced the powerful Lexmark 6500e MFP Option, a modular scanner that delivers advanced scanning and workflow capabilities to enterprise customers in paper-intensive output environments. The new scanner add-on links seamlessly to the company's versatile T650, T652 and T654 monochrome laser printers, adding an innovative solutions framework and full multifunction capability to this award-winning family of printing devices.

Supporting Resources

- [2Q11 Earnings News Release](#)
- [2Q11 Earnings Presentation](#)
- [Lexmark Branch Capture Solution](#)
- [Lexmark X548 Color Laser MFPs](#)
- [Lexmark X950 Color MFPs](#)
- [Lexmark 6500e MFP Option](#)

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 easily 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 www.lexmark.com. For more information on Perceptive Software, please visit www.perceptivesoftware.com.

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