

Lexmark Quarterly Business Roundup

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

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News Facts

Corporate News

Lexmark executed on three very significant corporate activities within the last 60 days – the announcement of a quarterly cash dividend program, the acquisition of Pallas Athena and a \$125 million share repurchase of Lexmark stock, all of which strongly reflect Lexmark's confidence in the future of its business. Through the company's capital allocation strategy, Lexmark will continue to return value to its shareholders and plan for acquisitions that further strengthen and differentiate Lexmark's fleet management, business content management and business process management (BPM) software solutions.

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- Lexmark announced financial results for the third quarter of 2011. To access the third quarter 2011 earnings news release, [click here](#), and for the earnings presentation information, [click here](#).
- [Lexmark announced the initiation of a regular quarterly cash dividend program](#), reflecting the company's confidence in the future of its business and commitment to generating value for its shareholders. Lexmark's strong liquidity position and long history of solid cash generation has allowed the company to continue to pursue acquisitions to support company growth while returning excess cash to shareholders. To access the presentation with further information, [click here](#).
- [Lexmark announced the acquisition of Netherlands-based Pallas Athena](#), which will become a part of Perceptive Software, a stand-alone business unit within Lexmark. The rapidly growing BPM software market is closely adjacent to Perceptive Software's existing enterprise content management (ECM) market. By bringing these closely aligned technologies together, Lexmark will further strengthen its industry-leading fleet management solutions and services with a broader range of workflow solutions that are more functional, and easier to implement and use than existing tools available in the market today.
- Lexmark announced that the United States International Trade Commission (ITC) has ruled in its favor in connection with [litigation initiated by Lexmark last year](#) against 24 companies engaged in the manufacture, importation and sale of replacement laser toner cartridges for various Lexmark devices. On Sept. 27, 2011, the ITC issued a [Final Determination](#) holding that these replacement laser toner cartridges infringe at least 15 U.S. patents owned by Lexmark.
- [Lexmark announced the establishment of a new regional office in Moscow](#), scheduled to open in the fourth quarter of 2011, to help meet increased demand in Russia and the Commonwealth of Independent States (CIS). Growing interest from customers, partners and suppliers led to the company's decision to establish its own presence in this key market.
- In September, [Lexmark announced Inspire: Lexmark's Teaching Award](#). This award highlights and salutes exceptional middle and high school teachers who teach science, technology, engineering, and/or math (STEM) in designated Central Kentucky counties. One teacher a month will be awarded \$1,000 to be used to promote STEM education in his/her classroom.
- [Lexmark and CSX Corporation teamed up for Trees for Tracks](#) in November. Volunteers from these companies, and other community partners, joined to plant several hundred Kentucky-native trees at Lexmark's Shadybrook Park. The trees are expected to help reduce soil erosion and establish natural habitats for birds and wildlife. The CSX Trees for Tracks program aims to plant one tree for every mile of the 21,000 miles of train track across its network.
- Lexmark launched a new corporate blog at the end of October. The [Lexmark News Blog](#) is the official weblog for Lexmark and features in depth coverage of new printing solutions and hardware, events, Lexmark customer case studies and glimpses of life inside Lexmark.

Recognition

Noteworthy accolades, among many others, for Lexmark's products and services included Lexmark's placement

in the Leaders quadrant of Gartner's Magic Quadrants for MPS and MFPs and Printers. In these reports, Lexmark was evaluated on its "completeness of vision" and "ability to execute." These, and other recent distinctions, reflect the innovation, quality and strength in Lexmark's wide range of business offerings.

The quarter also included several distinguished honors in the arena of corporate social responsibility, highlighted by Corporate Responsibility (CR) Magazine naming Lexmark's Chairman and CEO Paul Rooke as Responsible CEO of the Year.

- [Lexmark announced it has been positioned by leading industry analyst firm Gartner, Inc.](#) in the Leaders quadrant of its "Magic Quadrant: Managed Print Services Worldwide" report(1). Gartner issues independent multivendor reports that position vendors based on their "completeness of vision" and "ability to execute."
- [Lexmark has been positioned by leading industry analyst firm Gartner, Inc.](#) in the Leaders quadrant of its 2011 MFP and Printer Magic Quadrant(2).
- CR Magazine named [Lexmark Chairman and CEO Paul Rooke](#) as [Responsible CEO of the Year](#). Rooke won the award in the public company category. The winner in each category was selected based on scope of impact on their organization and community, extent to which they drove key initiatives, and the individual reputation or professional risk taken to achieve significant change.
- Lexmark has been recognized for the quality and depth of its patent portfolio by Ocean Tomo, LLC, the leading intellectual capital merchant bank™ firm, through inclusion in the [Ocean Tomo 300® Patent Index](#), a diversified listing of the 300 companies that own the most valuable patent portfolios relative to the book value of the company. Lexmark has contributed to the performance of the Ocean Tomo 300® Patent Index in all six years the index has existed.
- Lexmark has been selected as a recipient of the 2011 Alfred P. Sloan Awards for Business Excellence in Workplace Flexibility in the state of Kentucky. This prestigious award recognizes employers that are successfully using flexibility as part of an effective workplace strategy to achieve business goals and benefit employees by helping them meet their responsibilities on and off the job.
- CR Magazine revealed its rankings of the Industry Sector Best Corporate Citizens in 10 different categories. Lexmark ranked No. 10 in the information technology category.
- Lexmark made the Dow Jones Sustainability Index World Enlarged ranking for 2011.
- After rigorous and comprehensive lab testing, Buyers Laboratory Inc. (BLI) has recognized [Lexmark's Hosted Testing and Grading education solution](#) with five out of five stars, the highest score achievable in BLI's solutions assessment.
- The [Lexmark Pro915](#) and [Lexmark Pro715](#) inkjet all-in-ones (AIOs) were both awarded 2011 Editor's Choice awards from Better Buys for Business in their color printer multifunctional category.

Products, Software, Solutions and Services News

Recent months have seen a host of new software and solutions introductions by Lexmark. These new business offerings, particularly those that take advantage of Lexmark and Perceptive Software's combined technologies, enable Lexmark to continue growing its presence with enterprise customers in key industry segments and expand opportunities for revenue growth in the solutions market.

- Lexmark announced that its [Print Release](#) solution will be available in the cloud via a [Software as a Service \(SaaS\) model](#), enabling enterprises to scale their solution quickly without the need to invest in new IT infrastructure, all while enabling comprehensive mobile printing capabilities across the fleet. With the new service-oriented model, Lexmark provides a quick deployment and manages the Print Release solution, and associated infrastructure, remotely in a secure data center. Print Release can also be hosted on premise through a more traditional deployment model.
- [Perceptive Software announced the general availability of ModusOne](#), a fully scalable document output management solution that allows for both document composition and output management, configured for customers' performance requirements. With ModusOne, businesses can rapidly create customized, automated correspondence with or without Perceptive Software's ImageNow product suite.
- Perceptive Software announced the expansion of its [partnership with Dell](#), enabling the company to provide Dell customers a best-of-breed ECM solution to help achieve an efficient print environment.
- [Lexmark announced the IEP \(Individualized Education Plan\) solution](#) to help education professionals manage the paper-intensive area of special education. With strict legal requirements and annual compliance audits on IEP documentation, special education professionals and school administrators alike feel the pressure to ensure documentation is complete, accurate and up-to-date. Lexmark's new solution offers help to professionals swimming in a sea of paperwork.
- Lexmark announced its [Lexmark Patient Admissions and Registration solution](#), which simplifies paper-intensive admissions and registration processes. The solution enables healthcare providers to electronically capture, organize, route and access patient documentation quickly, accurately and securely, so they can spend more time focusing on patient care instead of processing paperwork.
- [Lexmark announced availability for its Lexmark Mobile Printing App](#) for [Android](#) and [Apple iOS](#) devices. This

new mobile print capability for [Lexmark's latest AIO inkjet technology](#), along with the [Lexmark cloud-based Print Release solution](#) announced in October, are among many Lexmark solutions designed to help small and medium businesses and enterprises be more efficient, saving them time and money.

- [Lexmark announced three new MapQuest SmartSolutions](#) that make printing directions, traffic information and locating nearby points of interest easy and quick, directly from a Lexmark AIO touch screen printer.
- [Lexmark announced its new Basecamp SmartSolution](#) that enables business users to view and print data from Basecamp, an online project management tool. Users can view and print project information, such as milestones and contacts, directly from a Lexmark AIO touch screen printer – no computer necessary.

Customer News

Perceptive Software expanded its footprint with the addition of several new customers, especially in the healthcare segment, helping these companies address paper-intensive environments with more efficient business processes. Perceptive Software customers continue to choose the company's solutions based upon their deep integration with health information systems from industry leading companies such as Cerner, Epic and MEDITECH.

- Perceptive Software continues to expand its healthcare clinical customer base, having signed several new hospitals that will integrate ImageNow with their core health information systems. Two of the new healthcare customers include Piedmont Healthcare in Atlanta and the University of Chicago Medical Center.
- Perceptive Software announced that Arch Coal, Inc., a top-five global coal producer, will deploy ImageNow to simplify document management, imaging and workflow. [Arch Coal will integrate ImageNow](#) with the existing Oracle Financials System, Oracle Human Resource Management System, and the Mincom Ellipse System for Accounts Payable.
- The U.S. General Services Administration has awarded Lexmark a five-year blanket purchase agreement (BPA) for its award-winning products and world-class managed print services. This BPA was granted as part of the Federal Strategic Sourcing for Print Management Program.

Supporting Resources

- [3Q11 Earnings News Release](#)
- [3Q11 Earnings Presentation](#)
- [Lexmark MPS Brochure](#)
- [Lexmark 2011 Product Portfolio](#)
- [Lexmark Pro915 and Pro715 AIOs](#)
- [Lexmark Education Solutions](#)
- [Lexmark Healthcare Solutions](#)

About Lexmark

Lexmark International, Inc. (NYSE: LXX) 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.

For more information on Lexmark, see the [Lexmark Facebook page](#) and follow us on [Twitter](#).

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(1) Gartner, Inc., Magic Quadrant for Managed Print Services, Worldwide, Ken Weilerstein, Cecile Drew, Yulan Li, October 25, 2011.

(2) Gartner, Inc., Magic Quadrant for MFPs and Printers, Worldwide, Sharon McNee, Federico De Silva, October 24, 2011.

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