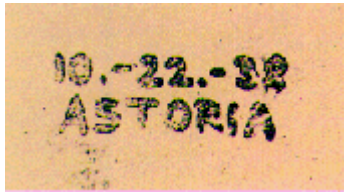


XEROX

The Story of Xerography



Our Heritage, Our Commitment



"10-22-38 ASTORIA"

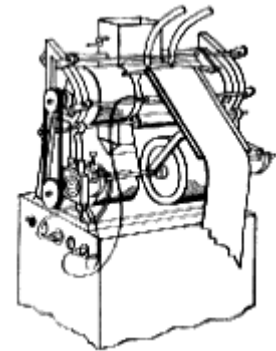
This humble legend marks the time and place of an auspicious event. It is the text of the first xerographic image ever fashioned. It was created in a makeshift laboratory in Queens, NY. by a patent attorney named Chester Carlson, who believed that the world was ready for an easier and less costly way to make copies.

Carlson was proved right only after a discouraging ten-year search for a company that would develop his invention into a useful product. It was the Haloid Company, a small photo-paper maker in Rochester, N.Y, which took on the challenge and the promise of xerography and thus became, in a breathtakingly short time, the giant multinational company now known to the world as Xerox Corporation.

This report contains several stories about xerography: the man who invented it, the company that made it work, and the products it yielded for the benefit of mankind.

These stories chronicle a classic American success story: How men of courage and vision grew a highly profitable business from little more than the seed of an idea.

Certainly, Xerox has changed greatly in size and scope since the historic 914 copier was introduced in 1959. But we also believe that the basic personality of Xerox has never changed. We are convinced that the essential attributes that brought the young Xerox such spectacular rewards in office copying are the same attributes we need to assure continued success for the mature Xerox as it develops total office information capability.



Under the leadership of Joseph C. Wilson, the Haloid people demonstrated extraordinary vision when they searched far afield of their bread-and-butter business to acquire the patents of an untried invention. They saw enormous potential where others saw only the hazards.

And at Xerox today, research scientists are exploring the outer reaches of office information technology, looking in unconventional places for solutions to problems facing the offices of the world ten or twenty years from now.

We know that if we are to assume and maintain leadership in this vast new area of office information systems, we must continue to seek out new and better and cheaper ways of handling information.

The Haloid leaders also took great risks in opting to develop xerography. They put up much of the company's modest earnings, and millions of dollars more in outside investment, to develop the first xerographic products.

Because of that initial gamble, Xerox today possesses a wealth of financial and human resources to take some prudent risks on unproven technologies and untried strategies which show great promise.

