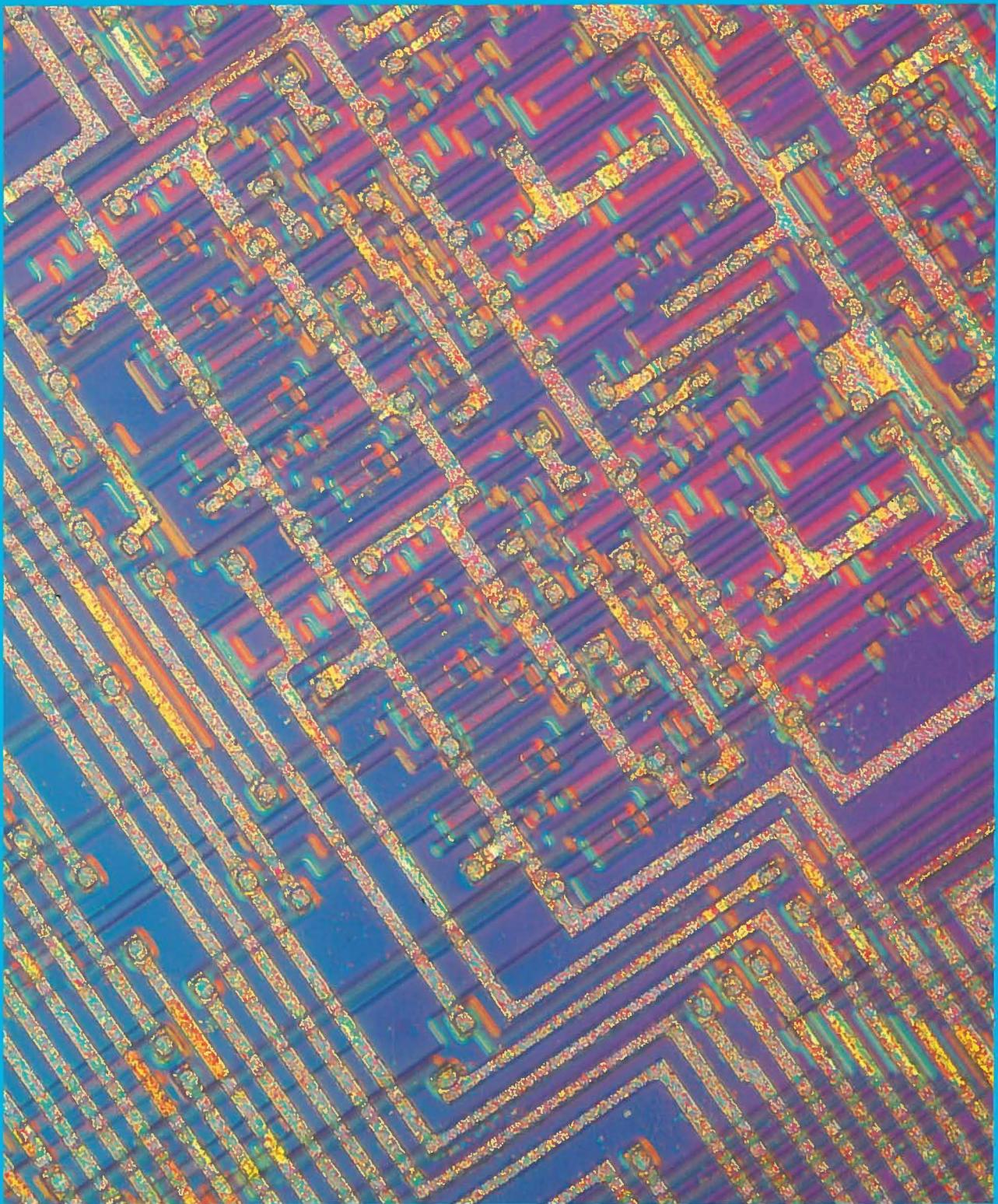
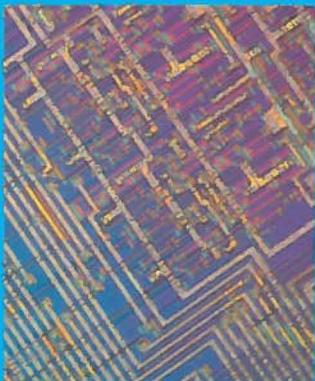


# RANK XEROX



RANK XEROX INTERNATIONAL REPORT 1984



Microchip circuitry – introducing office automation. Reprographics, too, is benefiting – the mid-volume 10 Series copiers and duplicators have more electronic processing power than the original mainframe computers.

**Rank Xerox** is a leading supplier of office equipment in over 80 countries in the Eastern Hemisphere. Five factories in Europe and four factories in Japan produce the widest range of copiers and duplicators in the industry.

A comprehensive range of office information products – ranging from electronic typewriters to laser printers and integrated communications systems – are imported from our parent company, Xerox Corporation, in the US, some of which are assembled in Europe. Rank Xerox has one of the largest sales and service organisations in any industry, operating in 24 marketing subsidiaries and complemented by numerous distributors, agents and dealers.

## CONTENTS

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### Introduction

1

Rank Xerox is ready for the great opportunities that lie ahead, say the Chairman and Managing Director in their introduction on the opposite page in which they give an overview of 1983 and some important pointers to 1984 and beyond.

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### Highlights

2–3

1983 at a glance, showing the company's performance financially and in the marketplace, and how it responded to its social responsibility.

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### Brave New World of the Eighties

4–7

The structural changes in the world economy are reflected in slower economic growth and high unemployment. Yet reprographics will be a growth market and the revolution in office systems will continue through the 1980s.

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### Operational Review

8–15

1983 performance in each major area of the business is reviewed together with a preview of what is planned in 1984.

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### Financial Report

16–17

A commentary on Rank Xerox results in 1983 in both dollar terms and sterling.

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### Portfolio of Social Actions

18–20

With governments cutting their expenditures, there is a bigger role for multinational companies to support the community. This section looks at the new Rank Xerox social responsibility programme.



Launch of the 10 Series copiers and duplicators at the Museum of Science and Technology in Milan, Italy, following the international launch in London.



As we enter 1984 Rank Xerox can look forward to the year and the future with confidence. In many ways the transition we have made over the past few years – reflected in lower employment and not least in our financial results – is substantially behind us. We have the products and the capability to improve our performance. The substantial investments made over the past few years in a period of harsh economic recession make us ready for the opportunities that lie ahead.

Rank Xerox results in 1983 reflect the difficult economic conditions, the cost of the transition towards a more streamlined organisation and the strength of the dollar. Revenues of \$2,372 million were 2 per cent lower than in 1982. Profits before taxes and before our share of Xerox research and development costs and corporate overheads amounted to \$315 million, a decline of 12 per cent.

In 1983 group employment fell by 3,613 to 31,791. The demands of a competitive market combined with economic recession dictated a need for improved productivity, and the drive towards improving cost-effectiveness will continue.

The main drive in 1984 is to increase activity levels. Our factories have geared up production to provide the salesforce and dealer network with products to meet growing market demand in both reprographics and office information

systems, supported by a substantial increase in advertising.

Within agreed guidelines, operating companies will have more flexibility to respond quickly to their own market needs. Their aim is to generate an increase in revenues, while continuing to control costs.

This International Report, which is produced primarily for employees, reflects these Rank Xerox strategies in 1984 and the challenges we face in the brave new world of the 1980s.

The opportunities are great and we have every confidence that Rank Xerox will emerge by 1990 as a bigger, stronger company, not least through the contribution of Paul Allaire, who was Managing Director until his return to the United States in June 1983 as Chief Staff Officer, Xerox Corporation.

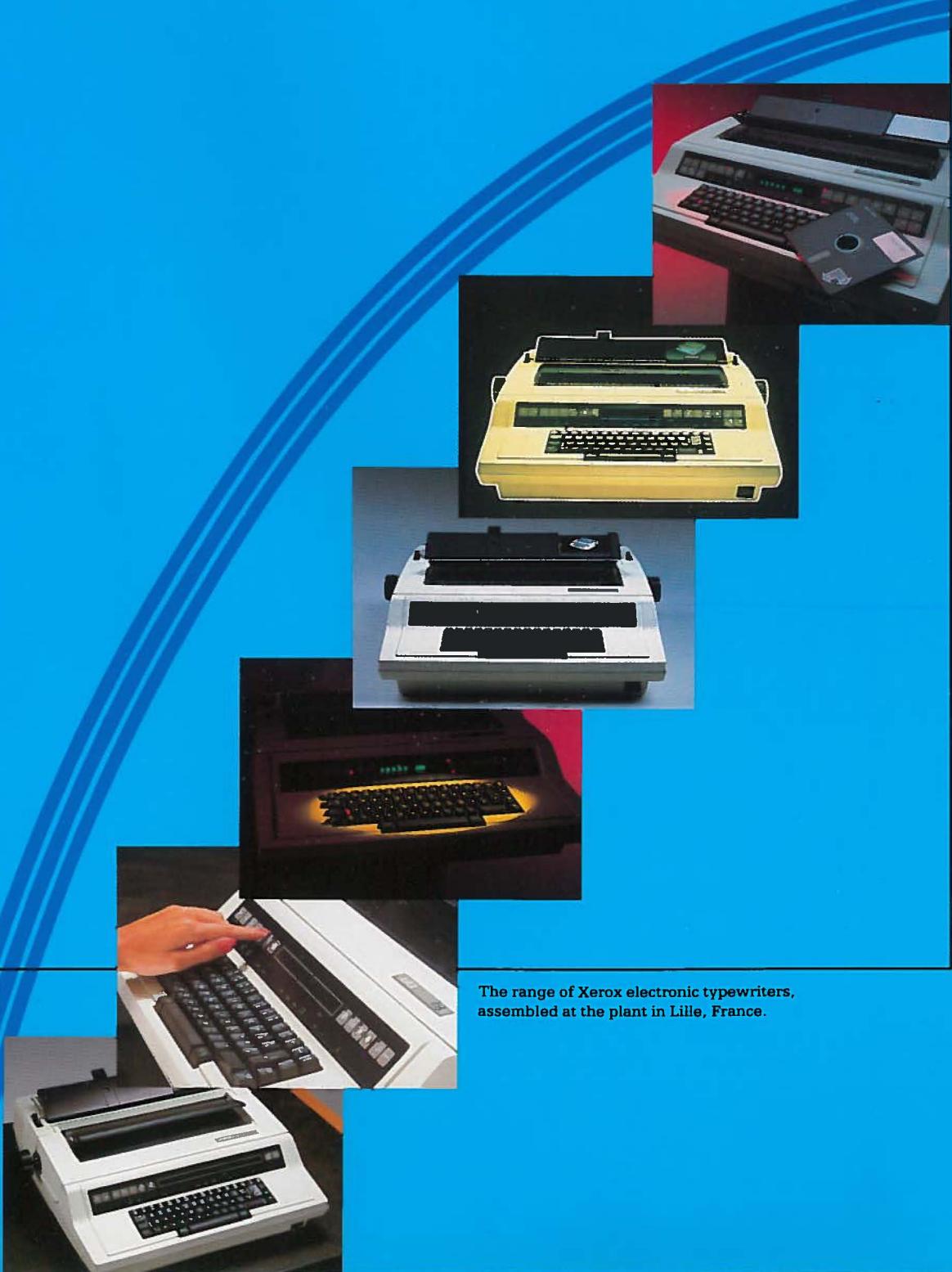
A handwritten signature in black ink, appearing to read "Hamish Orr-Ewing".

Hamish Orr-Ewing  
Chairman

Roland Magnin  
Managing Director

A handwritten signature in black ink, appearing to read "X Roland Magnin".

# 1983 SUMMARY HIGHLIGHTS



The range of Xerox electronic typewriters,  
assembled at the plant in Lille, France.

## Financial Performance

- Revenues \$2,372 million (down 2 per cent)  
£1,534 million (up 14 per cent)
- Profits before taxes and Xerox costs \$315 million (down 12 per cent)

## Operations

- Record net placements of copiers and duplicators
- Record placements of office systems products
- Electronic printing revenues up fourfold
- Expansion of Ethernet system in Europe and Australia

## Products

- Worldwide launch of 10 Series, new generation of modular copiers and duplicators
- Launch of additional electronic printing systems enhances Rank Xerox leadership
- Introduction of complete range of electronic typewriters
- Announcement of new micro-computer and software

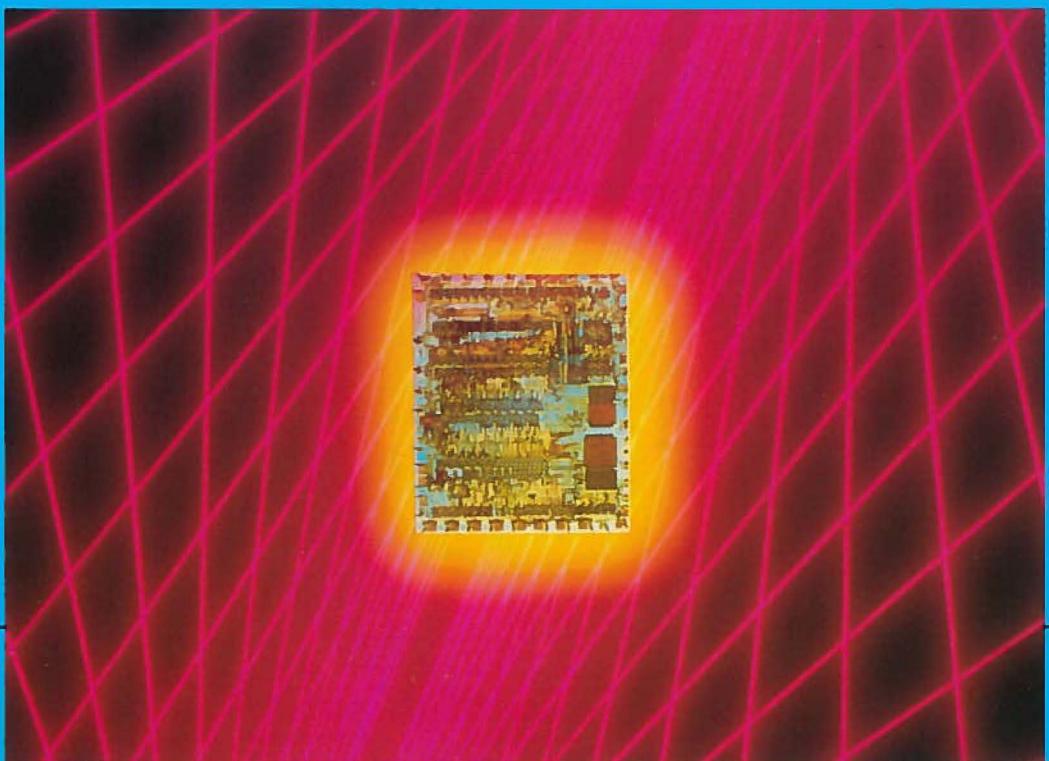
## Employment

- Group manpower 31,791 (1982: 35,404)
- International training expenditures approaching \$100 million
- Redundancy costs \$34 million

## Social Responsibility

- Portfolio of Social Actions:  
First formal statement of priorities
- Rank Xerox Trust donates \$250,000 in first full year of operation
- Donations by International Headquarters and Operating Companies around the world approaching \$1.5 million

# BRAVE NEW WORLD OF THE EIGHTIES



Most people who grew up after the economic depression of the 1930s have had the expectation that economic conditions would continue to improve, with minor interruptions. Yet the present indication for the brave new world of the eighties is that we can no longer take for granted a continuing increase in living standards. There has been a structural change in the world's economy.

GDP growth in the world's industrialised economies will not be as consistently strong as in previous decades – certainly not strong enough to provide jobs for everyone. Fierce competition will demand greater efficiency and quality.

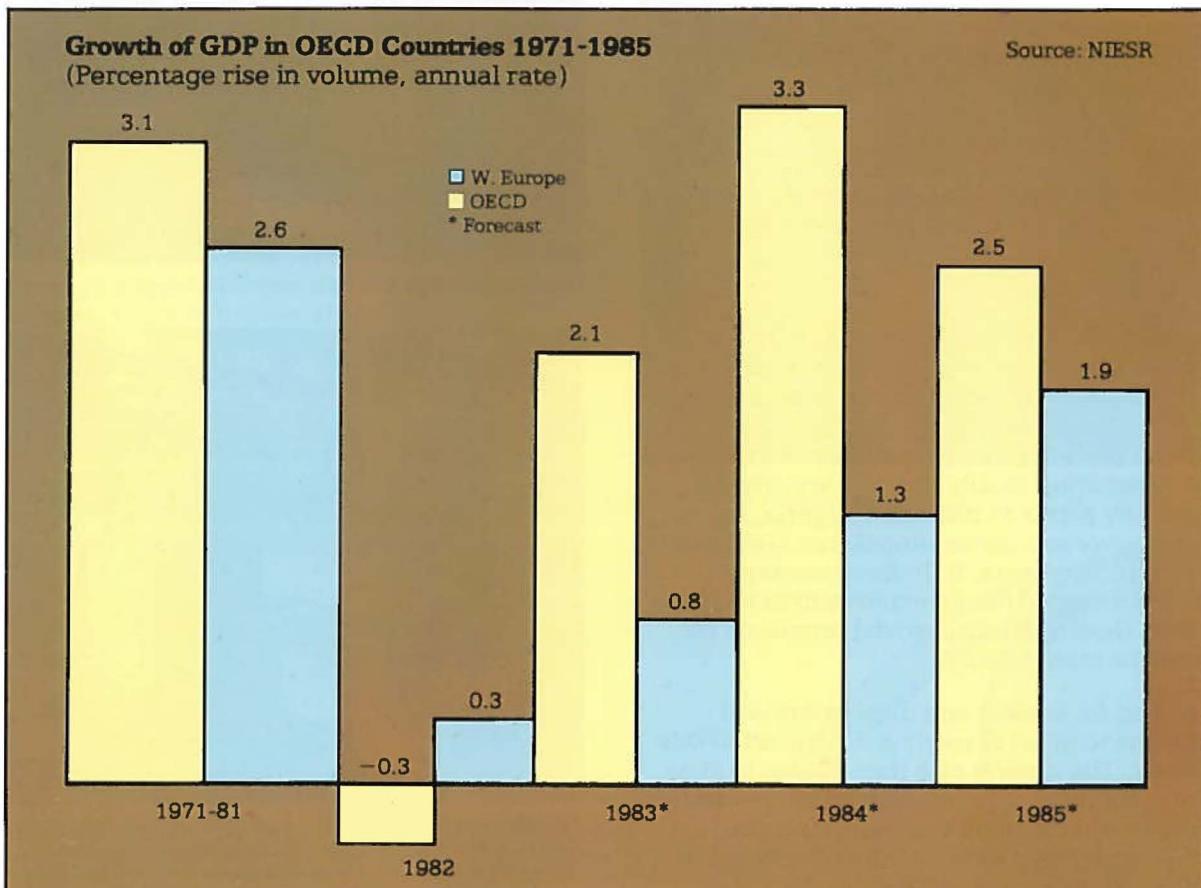
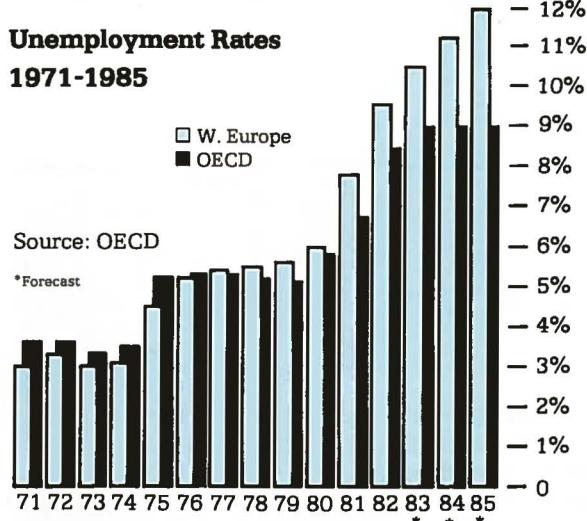
Many of the old, labour-intensive industries of the past have now gone 'off-shore' to the third world and as far as employment is concerned 'things will never be the same again'.

Nowadays many people who are not by nature economic pessimists believe that the western world will not in this decade reach a state of full employment; that we in the West could approach a third world situation where many young people will never know the reality of continuous employment.

The brutal fact is that, while every employee is concerned about his or her job, a customer does not want to know how many people his supplier employs – he is concerned with price, quality, delivery and service.

The pressures of the 1980s are acute for governments too. As many governments tackle the problems of mass unemployment, they are being forced to cut back on their own expenditures. In this climate, multinational companies have the opportunity to adopt a more committed attitude to the communities in which they conduct their business.

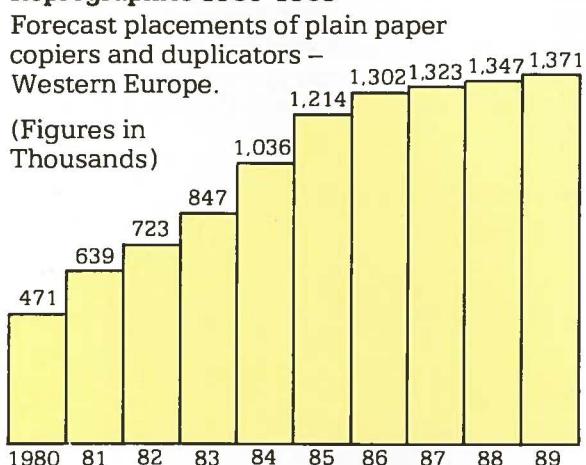
Of course, within this overall picture there will be new opportunities. New technologies will create new markets. The projected growth of industries such as information processing will provide immense scope during this decade. Companies that take these opportunities will thrive.



# Reprographics

Reprographics will be a growth market throughout the 1980s. The process transfer to plain paper copying will continue, particularly at the low volume end and in the high volume offset sector.

## Reprographics 1980-1989



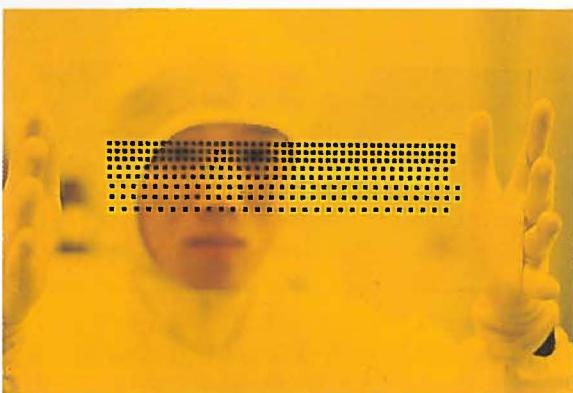
To meet growing market demand we will provide the right products at the right price with the right quality, and our competitive position will be maintained by controlling costs and increasing volume.

To increase volume we will explore every avenue of promotion and distribution, including the appointment of more dealers. We do not intend to surrender any of our markets or our share of them.

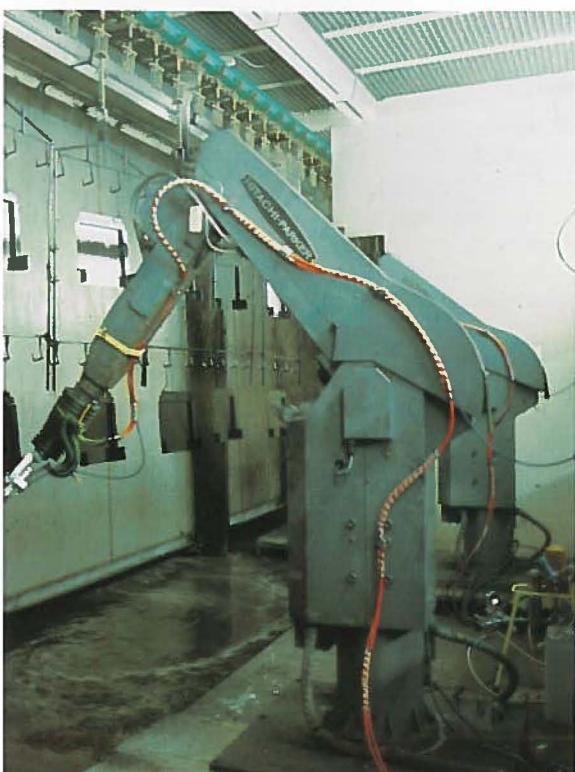
A key part of our marketing strategy is to continue to supply customers with a full range of products to meet all their needs, cost-effectively.

Our manufacturing plants have geared-up to achieve significant economies of scale. At the same time, where new markets are restricted by high duties, import quotas, or shortage of foreign currency, we will meet demand by manufacturing locally. In 1983 we opened assembly plants in India and Nigeria. In Nigeria, we are assembling Xerox 1020 and Xerox 1035 copiers. In India assembly work has been carried out for export and in 1983 the Indian Government approved proposals for domestic manufacture.

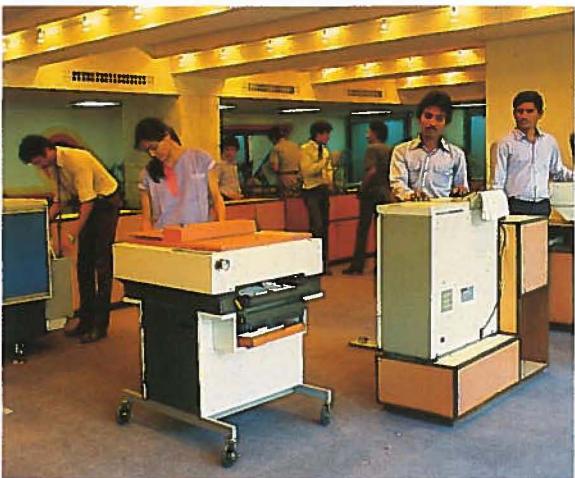
Demand for copiers and duplicators will continue to grow strongly during most of this decade. The growth rate then begins to slow down. As that happens, more of our revenues and profits will come from service and supplies. By the next decade reprographics may contribute only half our total revenues.



Fuji Xerox production of wafers containing microchips for use in copiers and duplicators.



Painting of copier panels by robots in Ebina, Japan.

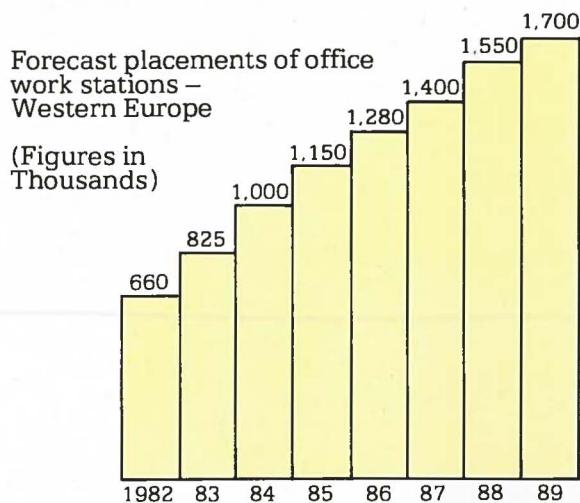


Rank Xerox and Modi Rubber Limited have formed a joint venture in India, Modi Xerox Limited, to manufacture and market copiers in India. The picture shows the main showroom at Nehru Place, New Delhi.

## Office Systems

Rank Xerox is in at the beginning of a revolution; a revolution in how people will work and conduct their business lives in the future - bringing about exciting changes in the office.

### Office Systems 1982-1989



The office systems market, for that is where the revolution is taking place, has been identified as one of the few genuine growth areas of this decade. Rank Xerox is also one of the few companies with a full range of products and systems for every customer need in this market.

Not all our products will generate huge profits in the short-term. But we believe it is vital to establish and confirm our leadership by satisfying customer requirements with a complete range of products, software and systems.

We will sell electronic typewriters in volume through our integrated salesforce as well as dealers, to build market share.

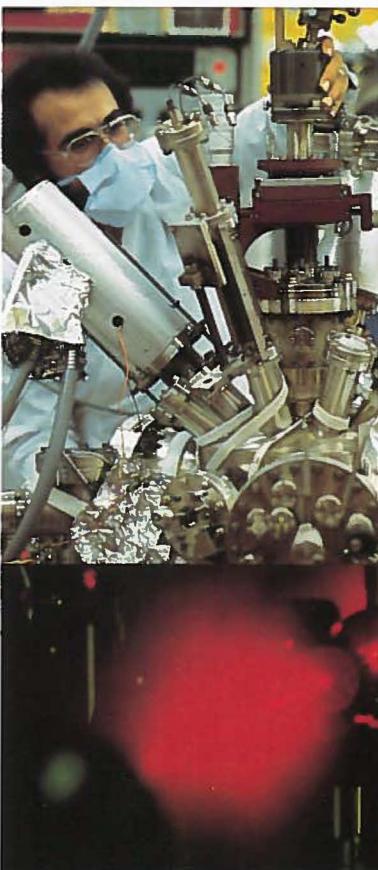
Our aim is to capture the secretary's work area with electronic typewriters and word processors, then the manager's desk with our micro-computers and work stations, and after that the entire office with our Ethernet network. Ethernet is the most powerful office communications network available - and that does not exclude IBM. It is a key feature of our success for the latter part of the eighties.

Electronic printing is presently the fastest growing sector and one in which we have a clear technological lead, combined with marketing knowledge to supply an urgent and growing demand at a profit that will become increasingly significant through this decade.

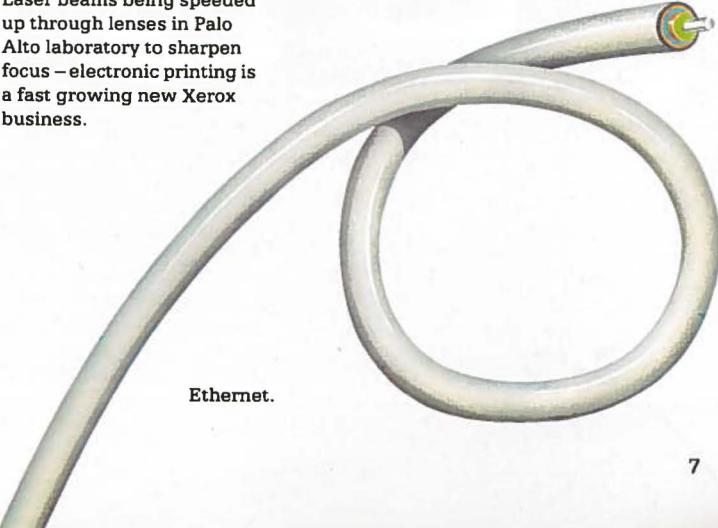
By the end of the decade, the brave new world of office systems will account for the other half of our revenues.



New software programs being developed by Xerox at Palo Alto will allow graphic design to be done on a microcomputer.



Laser beams being speeded up through lenses in Palo Alto laboratory to sharpen focus - electronic printing is a fast growing new Xerox business.



# OPERATIONAL REVIEW



The Rank Xerox Policy Committee

**Seated (left to right):** Jack Thomas, Director Marketing Planning and Operations Support; Derek Hornby, Director Staff Support; Roland Magnin, Managing Director; Hamish Orr-Ewing, Chairman; Dick Holmes, Director Manufacturing and Supply Operations; Nick Nicholson, Director Region 1.

**Standing (left to right):** David Thompson, Regional Director New Business Development; John Duerden, Director Region 3; Jack Milligan, Director Finance and Control; Luis G-Camino, Director Region 2.

# 10 SERIES

Since its spectacular launch at the Lyric Theatre in Shaftesbury Avenue, London, in March 1983, followed by a launch tour of Europe, the 10 Series has received acclaim from customers, Rank Xerox staff and the Press, leading to orders and sales throughout the range that confirm the high expectations we had for this new generation of copiers and duplicators. The importance of the 10 Series is underlined by the belief that the range will provide over 80 per cent of all Rank Xerox copier and duplicator placements in 1984.

The 10 Series is a family of modular copiers, incorporating the very latest in micro-electronics and customer benefits, which covers the whole range of copy volume requirements from under a thousand copies a month up to 100,000 copies a month.



**Xerox  
1020**

Designed in Japan by Fuji Xerox, and assembled at Mitcheldean, the Xerox 1020 is a desktop machine with many new features. In the six months following its launch, placements went well into five figures and installations in 1984 will increase threefold.

This will be achieved profitably by providing competitive features and prices, combined with better economics in the operating companies, allowing them in turn to offer improved margins to dealers who make up an increasingly important part of the marketing mix.

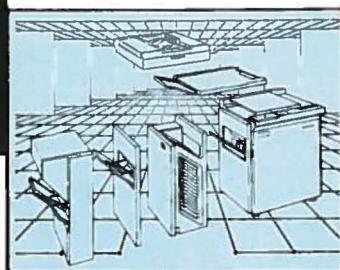


**Xerox  
1035**

Another Fuji Xerox designed product, the Xerox 1035 is perhaps the most versatile copier in the low volume market. A favoured feature of the Xerox 1035 is the Alpha-Numeric Display which helps customers through their problems. Placements in 1983 achieved a stretched marketing plan, and installations in 1984 are predicted to grow 2.5 times.



**Xerox  
1045**

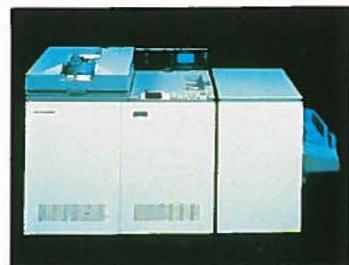


The cornerstone of the 10 Series is the Xerox 1045, manufactured at Venray in Holland and designed at Welwyn Garden City by Rank Xerox's own Engineering Design Group – the first time that a copier system has been designed in the UK for sale around the Xerox world.

The Xerox 1045 represents 1,600 man years of development and incorporates many industry 'firsts', including five modular configurations which allow customers to mix and match to meet their exact copying needs – unique to the mid-volume segment.

Customer response to the Xerox 1045 has been outstanding in terms of copy quality (normally only seen on very high volume machines), productivity (through the recirculating document handler and the on-line finisher), and the Alpha-Numeric Display. Technical performance, measured by the number of failures per million copies and the cost of spare parts used, has been 30 per cent better than expected.

In order to meet demand in 1983, production was increased twice at Venray. Planned net installations for 1984 will help to increase market share significantly in the crucial mid-volume sector.



**Xerox  
1075**

The top end of the 10 Series is represented by the Xerox 1075, which provides copy quality comparable to offset standards and is the most exciting application of Xerox technology yet seen. Furthermore its reliability is reflected in its low cost of service, with only one service call a month projected for the average user.

In 1983 orders and sales were above plan, and the 1984 target reflects a sixfold increase.

"The Xerox 1075 and its developments in 1984," says Roy Capon, Product Marketing Manager, "gives us an outstanding machine in this sector of the market and will represent a major contribution to profit growth in copier products in 1985 and beyond."

## CENTRALISED BUSINESS AREA

1983 was a good year for the Centralised Business Area group of products which provides customers with automatic high speed duplicating at offset standards for volumes in excess of 50,000 prints a month. The number of machine installations was on plan, with a particularly strong performance from the Xerox 9500, the lead product.

The aim in 1984 is to move the products further upmarket by greater penetration of both central reprographic departments (in-house print shops) and the printing industry itself, in competition with offset litho machines.

This strategic repositioning will separate the 9000 Series more clearly from the Xerox 1075 with the 9400 and 9500 being placed predominantly into centralised environments and the 1075 into decentralised locations.

A new configuration to be introduced in 1984 will make the 9400 and 9500 even more competitive against offset by enabling them to tackle the long-run printing of 'forms' which are required in particular by government and local government as well as by large commercial customers.

## OFFICE SUPPLIES DIVISION

Rank Xerox is the biggest supplier of cut sheet paper in Europe. In 1983 the Office Supplies Division achieved a 10 per cent growth in profits despite a reduction in paper prices and intensive competition because of over-capacity in the paper industry. Paper continued to provide a substantial proportion of profits, but a significantly increased contribution was made by printwheels and ribbon supplies for electronic typewriters and floppy discs for micro-computers.

During 1983, OSD expanded its salesforce and introduced telesales marketing to increase sales productivity, market penetration and improve customer service.

In 1984, OSD anticipates a further growth in profits and an increased market share. The Division will also be responsible for Rank Xerox Copy Service.

Further expansion is planned and additional products will include Laserprint, a special paper for the 9700 Electronic Printer; 10 Series, a paper developed to complement the 10 Series copiers and duplicators; and a range of ribbons for competitive typewriters and micro-computers.

The promotional support for 1984 will be spearheaded by the launch of the "Diamond Standard" - a campaign which has been designed to reinforce the superior quality of Xerox OSD products and Xerox OSD customer service.

## SERVICE AND THE CUSTOMER

"In 1983 the emphasis in our Division changed from technical service to customer service - a full recognition of the primary importance of customer care," says Fred Hewitt, Director of Technical Service and Distribution.

"At the same time," he continued, "service is now seen very much as a profit making activity and not just as a cost centre - in other words we are marketing the service product, at a profit."

Revenues from service activities are likely to rise by around a quarter in 1984 and will contribute about a fifth of total company revenues.

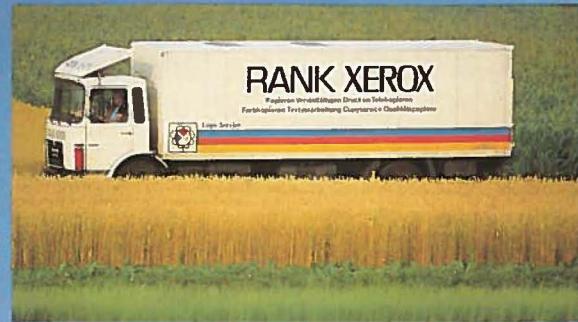
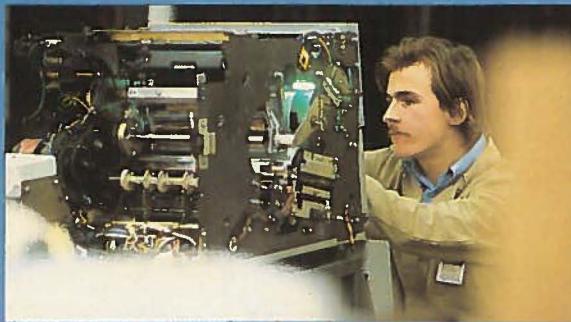
TSD manpower will decrease by around 300 people in 1984 from its present level of 13,200 people, mainly by attrition and redeployment. However, in some areas there will be net employment, reflecting volume growth in Electronic Printing and Office Systems and a change in the skills mix. "It is our policy to invest in retraining and upgrading our existing staff wherever possible," says Hewitt.

A 15 per cent improvement in productivity is forecast for 1984 based partly on a 10 per cent reduction in the cost of distribution, parts and supplies. At the same time the Customer Care Programme, based on regular questionnaires to customers and analysed at Headquarters, is ensuring that the quality of service is the best in the industry.

With one of the biggest and most effective service forces in any industry, TSD will offer service support to other companies. TSD around the world is actively looking for service contracts outside Rank Xerox. A first example is the service contract recently signed with the Xerox company, Diablo, which will become an important source of revenues in several operating companies.



A close business relationship with Rank Xerox has resulted in the Neusiedler AG paper mill in Austria becoming one of the largest suppliers of cut-sheet copy paper to Rank Xerox. The value of the paper exported by Neusiedler to Rank Xerox operating companies outside Austria exceeds the value of Rank Xerox imports of machines for sale in Austria.



Rank Xerox has the largest service and distribution organisation in the industry, contributing about a fifth of the company's revenues in 1984.

# MANUFACTURING

In 1983, the European Manufacturing and Supply Division of Rank Xerox met all agreed production schedules at every plant – Coslada, Lille, Venray, Welwyn Garden City and Mitcheldean. This was achieved in the context of the launch of the 10 Series at both Mitcheldean and Venray, coupled with a major redundancy programme at Mitcheldean.

During 1983 the factories geared-up production to very high volumes to meet customer demand and prepare for expanded activity in 1984.

In 1982 the plant at Venray in Holland worked half time for most of the year. Now it is producing the world supply of processors for the Xerox 1045 as well as output modules for both that model and the Xerox 1075. The plant is also working round-the-clock to produce toner.

Toner is also produced at Coslada in Spain, where the factory has been running three shifts since last summer.

The factory at Lille in France has been gearing-up to double its output of the Xerox 600 family of electronic typewriters. It will also produce additional finishers for the Xerox 1045 and will continue to refurbish Rank Xerox copiers and duplicators.

Activity at Mitcheldean is concentrated mainly on the assembly of 10 Series copiers for the low volume sector – the Xerox 1020, Xerox 1030 and Xerox 1035 – and processors for the range of electronic printers.

In spite of the planned rescheduling and manpower reductions announced in April 1983, Mitcheldean in England remains an extremely efficient plant from a cost, quality and production-schedule point of view. But there is some way to go before the manpower level of 1,000 people that has been indicated is reached. It is hoped to stabilise employment at that figure.

The increase in production has been dramatic at Welwyn Garden City in England where the plant is now producing five times the number of Printed Wiring Board Assemblies a day compared to 1982. Phase one of a major rearrangement of the production facility for photoreceptors took place and will be completed in 1984. Currently some 600,000 photoreceptors a year are being produced at Welwyn and although cost effectiveness is considered good at the moment it will be even better in 1984.

Quality is a key factor in the Manufacturing and Supply Division operations. Careful measurement is made of countless factors, such as timeliness, receipt of material, number of line rejects, absenteeism, accident rates, accounts payable and overdue, and audit comments, to ensure that quality standards are met.

The twin aims are to increase quality standards and to reach parity in unit manufacturing costs with Japanese producers.

## Rank Xerox Engineering Group

Rank Xerox Engineering Group is based at Welwyn Garden City, Venray and Mitcheldean. The major responsibilities are to design and develop new products for the mid-volume copier market and to support the manufacturing operations.

1983 has been a year of re-organisation and re-alignment. By using new technology and more efficient practices in 1984 and beyond, RXEG's reduced labour force can still meet the challenges and deliver the products on time.

During 1983 there was a major consolidation of activities at Welwyn. Paper Technology, Technical Information Services and Information Systems were moved into refurbished areas, and Customer and Service Education moved from Aylesbury. The latter group, new to RXEG, is responsible for all customer and service training programmes and maintenance documentation.

A high point was the launch of the Xerox 1045 early in 1983, a copier totally designed and developed at Welwyn. Development work has continued on new products for introduction in 1984 and 1985. The ergonomic design of the 1045 was recognised by the Design Council in the UK which selected the product for inclusion in a major design exhibition.

At Mitcheldean the team supported the successful start-up of the Xerox 1020 and Xerox 1035 assembly operations by providing locally the necessary information and decisions about the product designs, and by integrating with Manufacturing the planning and day-to-day management.

At Venray the team helped to ensure the successful start-up and growth of build volume of the 1045. Also on this site the 1075 Finisher and Sorter are manufactured; these output modules were designed at Venray and Mitcheldean respectively.

**Top:** The Xerox 1045 is made at Venray in The Netherlands for distribution to Xerox, Fuji Xerox and Rank Xerox markets. The picture shows the optic assembly being 'married' to the main processor.

**Centre:** (Left) Assembly of Xerox 1020 and Xerox 1035 copiers at Mitcheldean. The pictures to the right show assembly of Xerox electronic typewriters at Lille in France.

**Bottom:** The new, computerised Fuji Xerox factory at Suzuka in Japan which makes copier components for world distribution.



## SYSTEMS BUSINESS DIVISION

After building a solid base in 1983, during which revenues rose by 76 per cent, the Systems Business Division is making a vigorous drive in many business areas in 1984, particularly with office systems, electronic typewriters, new image processing equipment (facsimile machines), micro-computers, and electronic printing. As one of the few organisations genuinely involved in all areas of the accelerating information processing market, Rank Xerox is uniquely poised to take advantage of the business growth to come.

### Office Systems

The key to the company's long term success in the office systems area is Ethernet - our integrated system which allows information to be communicated between office work stations over a wide local area. Many new installations of integrated office systems were recorded in 1983, bringing the total to over sixty and the company intends to secure its position in this important market by carefully controlled growth. In 1984 new products will be added to the system.



Rank Xerox installed a Xerox 8000 integrated management information system for Lufthansa Headquarters in Cologne, based on multi-function workstations, file and print servers and text systems, connected via an Ethernet cable. A scientific research study on this project was conducted by BIFOA (an institute of Cologne University).

The first installation in Denmark of an Ethernet-based information system was the electronic company Søren T Lyngsø A/S. Rank Xerox launched the automated office system in August 1983 at the historical house, Sølyst, built in 1725.



### 600 Family

At the other end of the spectrum, the drive in 1984 with the Xerox 600 family of electronic typewriters will be to gain market share.

With the integration of the salesforce, the development of a dealer network and the introduction of further alternative channels of distribution, a 2.5-fold increase in machine sales is predicted for 1984.

### Image Processing

Strong demand, coupled with new products, has provided a renewed vigour for image processing (formerly known as facsimile).

Rank Xerox will be launching two new products in 1984. The first can be used as a 'stand-alone' machine or as part of a system. The second is an advance on the existing Xerox 495 Telecopier and can be linked into an Ethernet cable. The introduction of these machines should provide a 24 per cent growth in sales revenues in 1984 and expand yet further the total systems capability of Rank Xerox.

### Micro-Computers

An exciting new micro-computer, the Xerox 16/8 announced at the end of 1983, will be marketed through a specialist sales and support team initially to major customers, key accounts and to add to Ethernet systems. International Headquarters is supporting this effort with formal training, self-paced training modules, roadshows, seminars for major accounts and sales incentives. The 16/8 will also be marketed through dealers, and International Headquarters is supporting operating companies with dealer workshops and training.

The Xerox 16/8 can use 16-bit or 8-bit software, and, as well as being a word processor, has multiple uses such as graphics and alpha-numeric capabilities for financial and sales forecasts.

A computer is only as good as its software and its customer applications. The 16/8 will have a very wide range of software programs including individual packages devised by operating companies for their specific market needs and an extensive range of global software for general office requirements.

Rank Xerox customers can upgrade their Xerox 820-II micro-computers to a 16/8, and the 16/8 itself can be enhanced to grow into a work station.

It can be linked to an IBM mainframe and replace a terminal such as the 3278.

## Electronic Printing

Such is the explosive growth in demand for electronic printing that by 1990 printing from electronic images could have overtaken the volume of printed pages produced by copiers and duplicators.

The current series of electronic printers include the lead product, the Xerox 9700, plus the Xerox 8700 and the 2700, introduced in January 1983.

The number of Xerox 9700 printers sold in 1983 was nearly three times the number sold in the previous year. The Xerox 8700 was well received and forecast sales for 1984 are even higher than for the faster 9700. The sales forecast for the Xerox 2700 in 1984 also shows a significant increase.

Present customers form an impressive list of international and nationally-known organisations, including Austrian Airlines, Daimler-Benz, Shell, Volvo, DATEV – the biggest laser printing bureaux in the world, GAN – the large French insurance company, Tesco – the major British grocery chain, and Clarke's shoes.

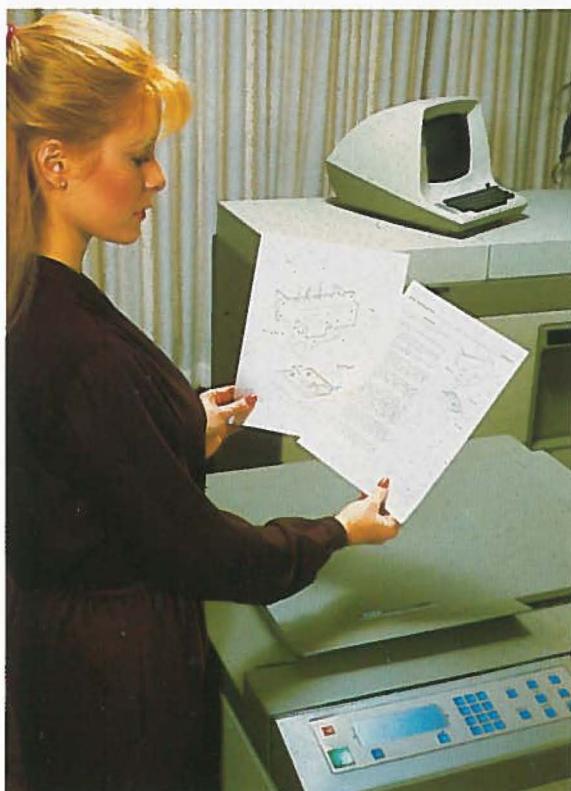
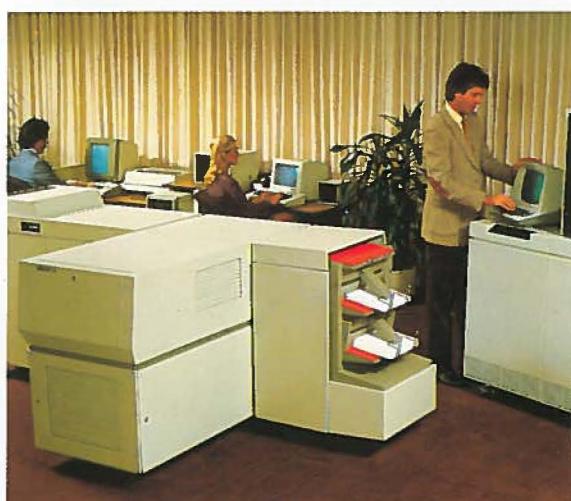
To meet market demand the electronic printing sales force has expanded from six people in 1981 to 200 salesmen and analysts by the end of 1983. An additional 240 salesmen alone will be recruited in 1984.

Training of worldwide staff is carried out in London by a fulltime staff of seven instructors running back-to-back courses every working day right through the year.

## Electronic Publishing

"Electronic publishing is the most exciting sector of all," says John Kelly, Director, Electronic Printing, "especially when you consider that 25 per cent of the cost of a major technical product – from a motor car to an oil rig – is documentation. No-one else can offer an electronic publishing system which takes a 'bit stream' from a computer, merges text and graphics, and provides indices and cross references in a finished publication including covers ready for binding."

In addition to meeting demand directly, the company will supply electronic printers on an OEM basis – a further recognition of Xerox as a world leader in this field.

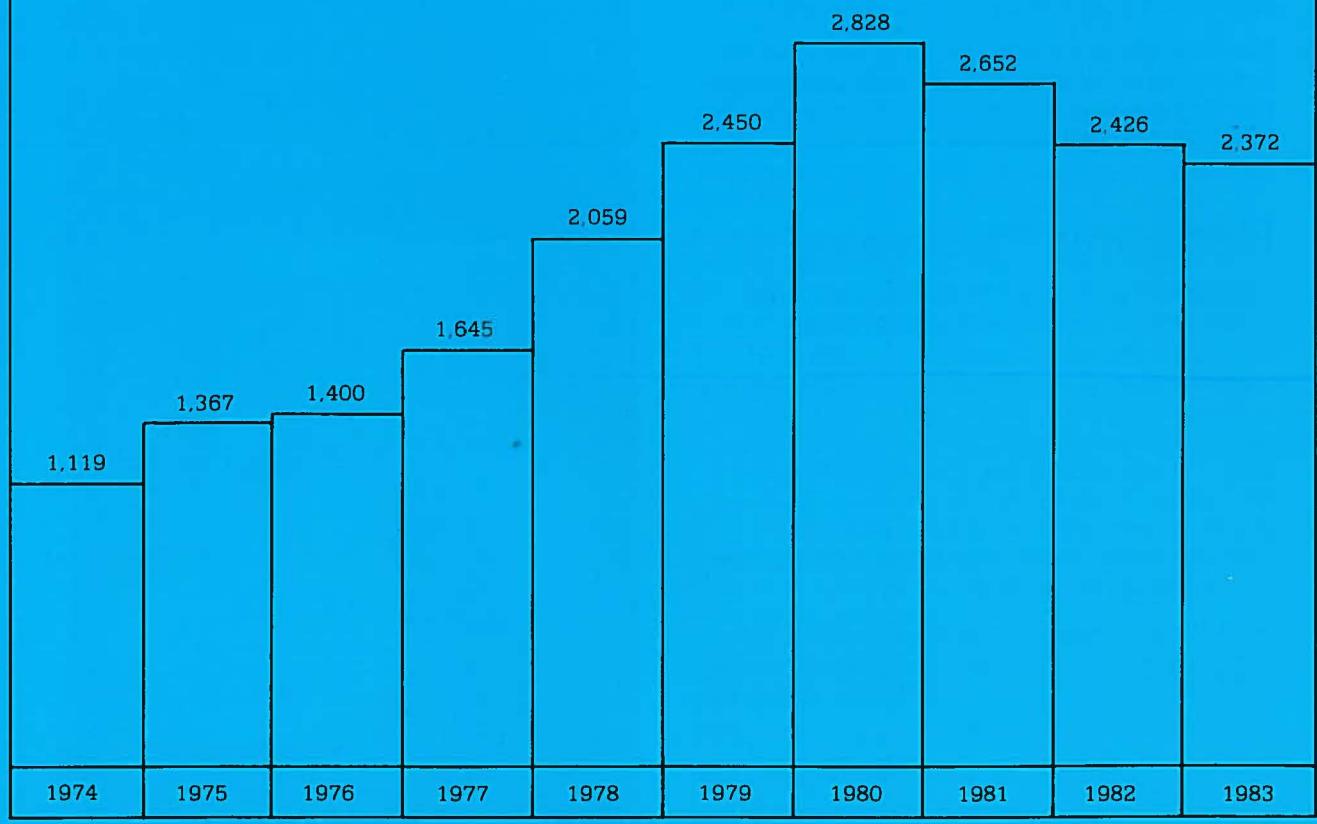


Top: Electronic printing can be invaluable to organisations such as KONSUM, Austria's biggest supermarket chain. The picture shows Jan Wiedey of KONSUM (left) with Hans Zoldos of Rank Xerox.

Centre: The Xerox 8700 electronic printing system.

Bottom: Electronic publishing using Xerox electronic printing systems.

# FINANCIAL REPORT



Rank Xerox Revenues in US dollars (millions)

Rank Xerox results for the year to 31 October 1983 were adversely affected by the continued rise in the value of the dollar and exceptional redundancy costs and provisions. Revenues amounted to \$2,372 million, a fall of 2 per cent. Profits before tax and before Xerox corporate charges were \$315 million, a fall of 12 per cent.

The continued strength in the value of the dollar resulted in greater currency losses than in 1982. But these were offset by lower redundancy costs, so that our underlying performance profits were also down by 12 per cent.

Fuji Xerox contributed \$63 million to our profits before tax, an increase of 9 per cent.

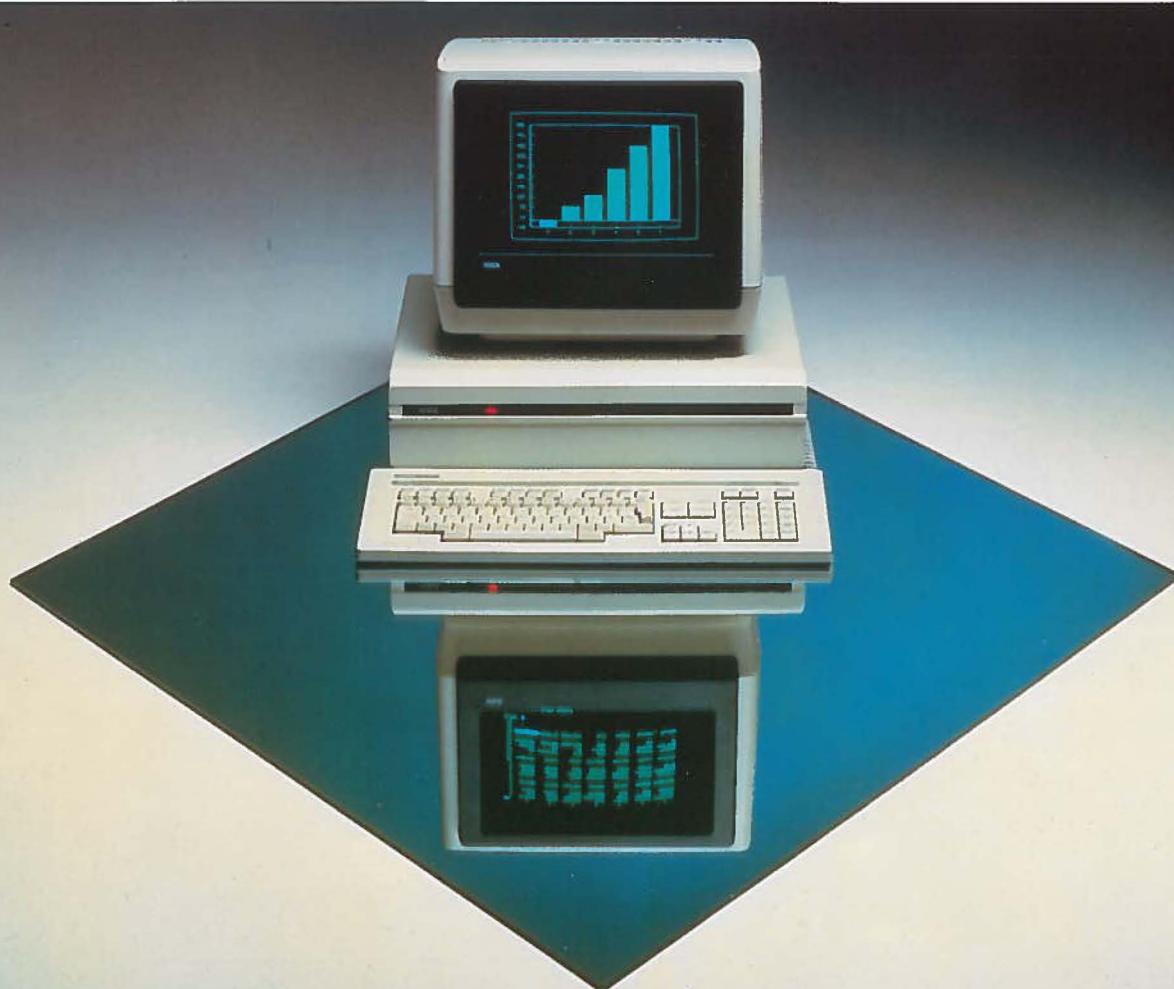
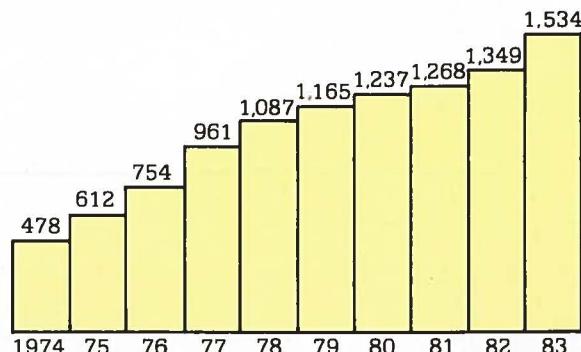
The Rank Xerox contribution to the research and development and central costs of Xerox was \$116 million.

After this charge, profits before tax were \$199 million. Income taxes payable to governments amounted to \$63 million. We are paying dividends to our shareholders, Xerox and The Rank Organisation, of \$24 million. This has left \$112 million retained in the business for investment.

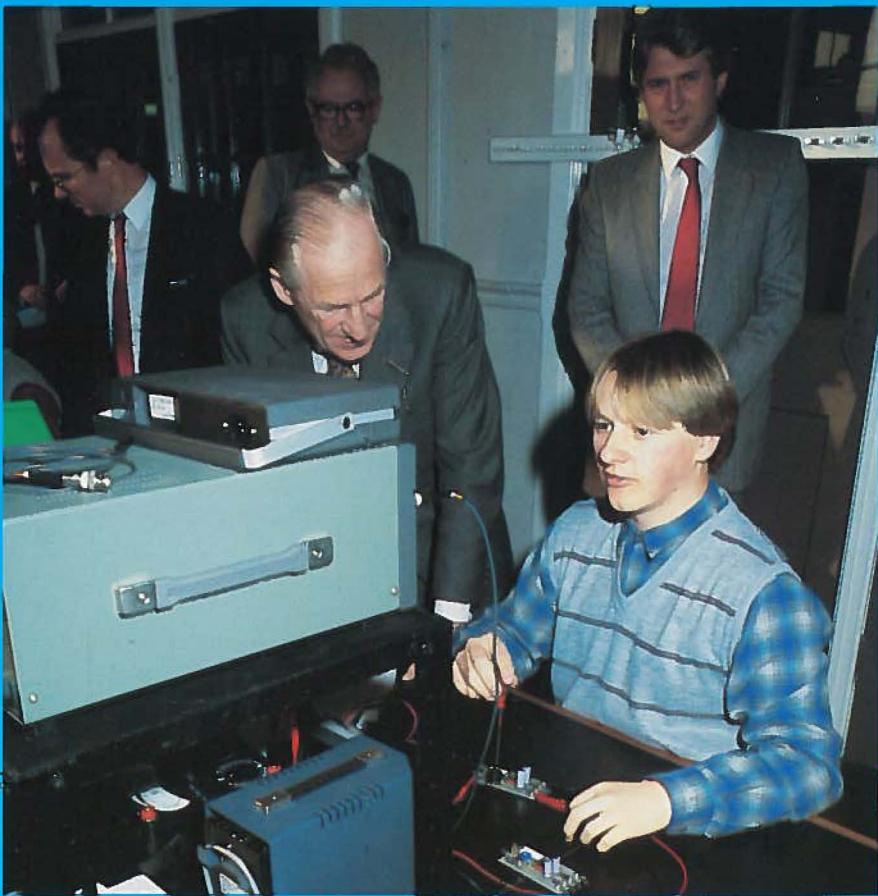
We use the dollar as the 'common language' between all the units around the world. However, we also publish our results in sterling. The sterling results were considerably different from our dollar results because movements of the pound against major currencies had a different effect from those of dollar movements.

Our revenues measured in sterling rose by 14 per cent to £1,534 million. Profits before tax and before Xerox corporate charges, amounted to £166 million against £179 million for 1982.

#### Rank Xerox Revenues in £ sterling (millions)



# PORTFOLIO OF SOCIAL ACTIONS



Hamish Orr-Ewing, Rank Xerox Chairman, opened the Information Technology Centre at St Helens, Merseyside, England in December 1983, which Rank Xerox helped to sponsor. This is one of 150 centres being set up in the UK to provide training for young people in micro-technology and information processing.

At a time when many governments are cutting expenditure, or controlling it in real terms, multinational companies can play a bigger role in supporting the communities in which they conduct their business.

In the same way that Rank Xerox has tried to behave in a socially responsible way towards the external community, it believes it should behave in a similar way in business matters and in relation to its employees, even when it is under the pressure of severe economic recession and fierce competition.

An example of this philosophy in action is International Headquarters in London where the number of staff employed was reduced under a manpower reduction programme. However, a significant portion of the people who left, went on to form their own businesses and have gathered together in an association called Xerox Association of Networkers and Distributed Utilities (XANADU) which was formed by the company to foster their interests. Companies related to Xanadu now employ more than the total number of people who have left International Headquarters.

Through this and other actions Rank Xerox has managed to create net employment in the community at a cost saving to itself – an example of enlightened self interest.

Another example of the company's socially responsible attitude towards its employees is at Mitcheldean in England where competition and economic pressures coupled with technological advances in product design and production methods have resulted in a reduction in employment levels.

Actions by the company in conjunction with the local community have resulted in the majority of redundant employees finding work either in self-employment or new jobs. In August 1983 Rank Xerox engaged a firm of consultants to carry out a feasibility study into job creation and alternative employment in surplus buildings at the factory.

For the first time the company has produced a formal statement of what it believes should be the major ingredients of its social responsibility programme.

Referring to a Portfolio of Social Actions, the report covers three main strands in community affairs: firstly, research into work and society with emphasis on jobs, education, and social values; secondly, schemes that create useful work or bridge the gap between schooling and adulthood for young unemployed people; and thirdly, industrial/educational liaison with particular emphasis on the need for educationalists to understand the nature and purpose of industry.

"Of course," says Paul Kibbey, Manager of Communications and Social Policy at International Headquarters, "we recognise that the priorities for social action will vary from country to country. And consistent with our devolutionary approach we would not wish to impose the ideas of the Portfolio onto an operating company with its own set of objectives."

"However," continued Kibbey, "looking at the contents of the Portfolio, there cannot be many countries, particularly in Western Europe, where the needs of the young unemployed are not paramount."

An example of this philosophy in action in the UK is Instant Muscle. Instant Muscle enables young, unemployed people to form themselves into co-operatives and undertake profitable work currently based on the 'odd-job' concept, with examples shown in the pictures below. Rank Xerox provides its national organiser with office accommodation, secretarial and other administrative help, and a vehicle in addition to major funding, management advice and promotional help. The aim of Instant Muscle is to have several thousand young people in self employment by the end of 1984.



Already schemes are in hand to develop Instant Muscle on an international basis and provide a marketing arm to promote cottage industries.

Within the Portfolio, participation in the arts is also considered, particularly where the sponsorship provides an educational benefit for young people and helps to stimulate latent abilities.

# How the Money is Spent

Rank Xerox allocates a percentage of its pre-tax profits for charitable donations, amounting last year to approximately \$1.5 million. Most of this goes to the operating companies throughout the world, based proportionately on their revenues. Within general guidelines, the management of the operating companies have the flexibility to respond in those areas of social, educational and cultural needs which they consider to be of the highest priority.

To supplement the social responsibility programme of each operating unit, the Rank Xerox Trust was established in 1982 with a budget of some \$250,000 a year. The Trust enables support to be given to selected causes internationally. The need may be educational, social, cultural or concerned with health care. Priority is given to applications in which the derived benefit will extend internationally.

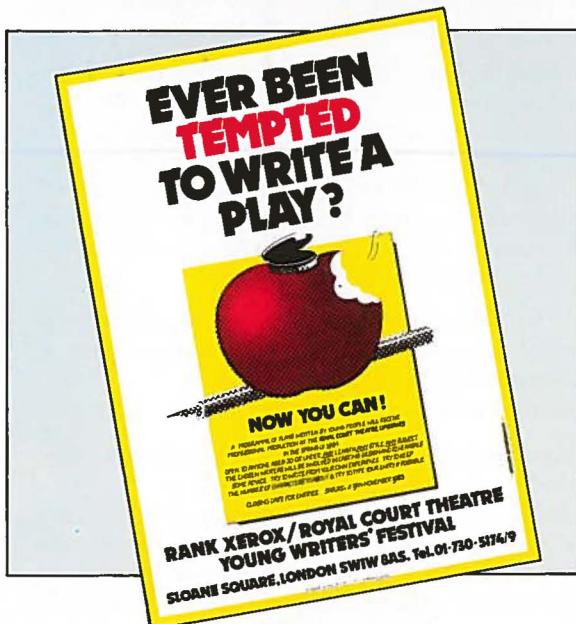
## Social Action around the World

Of the multiplicity of causes supported by operating companies around the world, here are just a few examples:

- Rank Xerox in Belgium supported a workshop for the physically handicapped and a home for mentally handicapped young people.
- The Far East operating companies gave support to the Society for the Blind, Spastic Children's Association of Singapore and the National University of Singapore.
- In Italy, funds were provided for many items, including a colour television microscope for neurological diagnosis.
- Families in Need and the Otago University and Community Sports Trust were two of the causes supported in New Zealand.
- Rank Xerox in Norway supported work against drug abuse and contributed to a Research Centre for the Computer and the Law.
- Rank Xerox Headquarters sponsored a Young Writers' Festival jointly with London's Royal Court Theatre.

Details of these and other Rank Xerox social actions can be obtained from Paul Kibbey at Rank Xerox House in London.

**Top:** Rank Xerox Managing Director Roland Magnin (right) presenting a donation of 75,000 Rands to the Pace Commercial College in Soweto, South Africa, with its Principal, Rex Pennington. The company's \$375,000 support for this college is part of its programme to advance Black education in addition to its commitment to developing Black skills within the South African company.



**Middle:** Sarah Jennings (left) and Christina Dyer at Rank Xerox International Headquarters. Sarah and Christina are spending one year at IHQ as part of the UK Government's Youth Training Scheme to gain work experience and office skills. They are among the 134 young people whom Rank Xerox is taking on in this programme.

# Rank Xerox around the World

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**Shugart Associates GmbH**  
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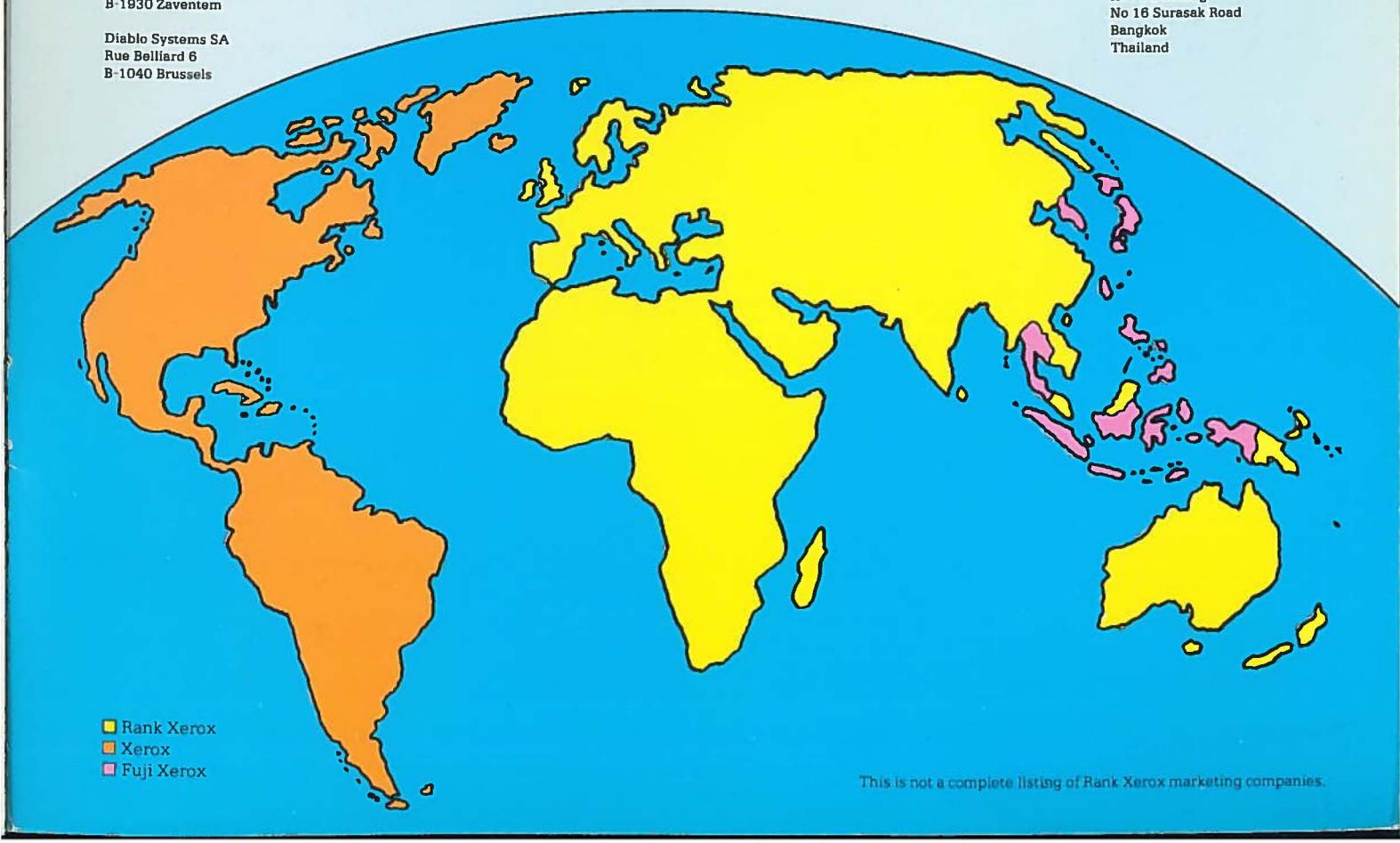
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■ Rank Xerox  
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This is not a complete listing of Rank Xerox marketing companies.

# RANK XEROX



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