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Empire State Development Announces Xerox Corporation to Expand Toner Manufacturing Facility to Meet Growing Product Demand

Expansion will allow company to increase toner manufacturing capacity, create 25 new jobs

Empire State Development (ESD) today announced that Xerox Corporation, a \$23 billion leader in document technology and services, will expand its toner facility on the company's 800-acre campus in Webster, N.Y. To meet the growing demand for toner, Xerox will invest \$35.3 million to expand the plant and purchase new equipment. The company considered expansion in other locations, including overseas, but ultimately chose New York State. The project will enable Xerox to retain 70 existing jobs and create 25 new jobs in the region.

"Xerox has not only outgrown its space, but its current manufacturing capacity is not able to meet the high demand for the company's innovative toner product," said ESD President, CEO & Commissioner Kenneth Adams. "We are pleased to have been able to step in and, working with our partners at NYSERDA, Monroe County, and Rochester Gas & Electric, assists Xerox's expansion. This important step will allow the multinational company to expand manufacturing of an in-demand product in New York State and create good paying jobs in the region."

"As a global manufacturer of toner, we considered options around the world, but a grant from Empire State Development and tax abatement incentives from the County of Monroe Industrial Development Agency contributed to making Webster the most cost effective location to build additional manufacturing capacity," said Richard Schmachtenberg, senior vice president, Consumables Development and Manufacturing.

The Xerox Corporation's current five-story, 100,000-square-foot toner manufacturing facility on the Xerox Joseph C. Wilson Center for Technology campus was completed in 2007. The toner plant employs 70 people and produces emulsion aggregation toner, a chemically grown toner that uses less toner per page and produces sharper images than traditional toner. The multi-million dollar expansion is scheduled to begin in August.

Empire State Development is supporting this critical expansion project with a \$500,000 grant tied to the creation of new jobs and, through its IDA, Monroe County is providing sales and tax benefits to the company. Rochester Gas & Electric will provide economic development grants

to offset costs associated with electrical infrastructure and efficiency improvements. Xerox is also eligible to apply for NYSERDA's energy efficiency programs and NYPA's low cost power program.

"We applaud Xerox for undertaking this expansion as it will create new jobs and help stimulate the Finger Lakes economy," said Francis J. Murray Jr., President and CEO, NYSERDA. "This expansion project highlights how Governor Cuomo's drive for public-private partnerships is creating real economic opportunities in New York. NYSERDA has been proud to partner with Xerox on prior plant upgrades, and we look forward to continuing to assist the company in achieving even greater energy efficiency savings."

"Monroe County is proud to have worked with public and private sector partners through our IDA to help pave the way for Xerox's multi-million dollar investment at its Webster toner manufacturing facility, which will create important, good-paying manufacturing jobs for workers in our area," said Monroe County Executive Maggie Brooks. "In today's global economy, successful companies have the choice of doing business anywhere in the world, and I thank Xerox for making a strong commitment to growing and creating jobs right here in Monroe County."

"We are proud to partner with Xerox on the expansion of their toner facility in Webster and we compliment them on their decision to further invest in both the local and regional economies," said Mark S. Lynch, President of RG&E and NYSEG. "Along with our economic development partners we stand ready to assist other companies expand and grow their businesses through our economic development programs."

About Xerox Corporation

With a 2010 acquisition of ACS, Xerox is now the world's leading enterprise for business process and document management, offering global services from claims reimbursement and automated toll transaction to customer care centers and HR benefits management. Xerox employs 140,000 people worldwide and 10,000 in NYS.

Xerox introduced EA toner in early 2000. It is now used in many Xerox products. EA toner, which is protected by more than 300 patents, requires less energy to manufacture and generates less waste. Approximately 5,000 employees currently work at the campus in Webster, which consists of 47 major buildings totaling 5.5 million square feet. The campus is home to some of the company's global research, engineering, manufacturing and distribution operations.

About Empire State Development

Empire State Development (ESD) is New York's chief economic development agency (www.esd.ny.gov). The mission of ESD is to promote a vigorous and growing economy, encourage the creation of new job and economic opportunities, increase revenues to the State and its municipalities, and achieve stable and diversified local economies. Through the use of

loans, grants, tax credits and other forms of financial assistance, ESD strives to enhance private business investment and growth to spur job creation and support prosperous communities across New York State. ESD is also the primary administrative agency overseeing Governor Cuomo’s Regional Economic Development Councils and the marketing of “I Love NY,” the State’s iconic tourism brand. For more information on Regional Councils and Empire State Development, visit www.nyworks.ny.gov and www.esd.ny.gov.



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