Earnings Presentation

First Quarter 2014

April 22, 2014

LEXMARK™

Safe Harbor Statement

The contents of this presentation that are not statements of historical fact are forward-looking statements and involve risks and uncertainties that are discussed in the Safe Harbor section of our earnings releases and SEC filings. Actual results may differ materially from such statements. Lexmark undertakes no obligation to update any forward-looking statements.

This presentation contains non-GAAP financial measures, unless otherwise noted. Lexmark has provided reconciliations of GAAP to non-GAAP financial measures and a discussion of management's use of non-GAAP financial measures on its investor relations website located at http://investor.lexmark.com.

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CEO Presentation

Paul Rooke

Chairman and Chief Executive Officer

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1Q14 Financial Summary[1]

Total revenue declined less than 1%, grew 6% excluding Inkjet Exit — $881M

- Higher value solutions[2] represented 28% of total revenue
  - Perceptive Software revenue grew 38%
  - Managed Print Services revenue grew 12%
- Laser Supplies grew 9%

Operating income increased year to year — 10.4%

- Reflects strong growth in higher value solutions and laser supplies
- Operating income growth driven by increased gross profit
- Operating expenses about flat YTY, $37 million lower sequentially
- Remain committed to long term operating margin target of 11% to 13%

EPS declined slightly year to year — $0.92

- Increased pretax earnings and lower shares outstanding
- Offset by higher tax rate

Return To Shareholders — $40M

- Paid 10th consecutive quarterly dividend
- Repurchased $21 million of company's outstanding shares

(1) Non-GAAP
(2) Higher value solutions comprised of Perceptive Software and MPS revenue

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Lexmark is Transforming, Creating Value

Transforming to a Higher Value Portfolio

- Lexmark focused on solving customers' unstructured information challenge
- Market for higher value solutions and software increasing
- Lexmark increasing participation in higher value markets
- Lexmark MPS and software growing faster than market, expected to exceed $1 billion in 2014

Creating Shareholder Value

- 5 consecutive calendar years of achieving a record gross profit margin percentage
- 12 consecutive calendar years of positive free cash flow
- Accelerating transformation through expansion and acquisitions
- Returning >50% of free cash flow to shareholders through dividends and share repurchases on average

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Solving The Unstructured Information Challenge

The explosion of content outside your enterprise applications disconnects people from the information they need most, hindering the accurate and timely completion of processes.

Explosion of unstructured information is both digital and paper-based

- Digital: word processing/spreadsheet files, email, chat/social messaging, and rich file types like images, audio and video
- Paper-based: mail, memos, notes and more buried in mailrooms, filing cabinets and stacks of folders

Lexmark is uniquely focused on …

Connecting the unstructured printed and digital information across the enterprise with the processes, applications and people that need it most.

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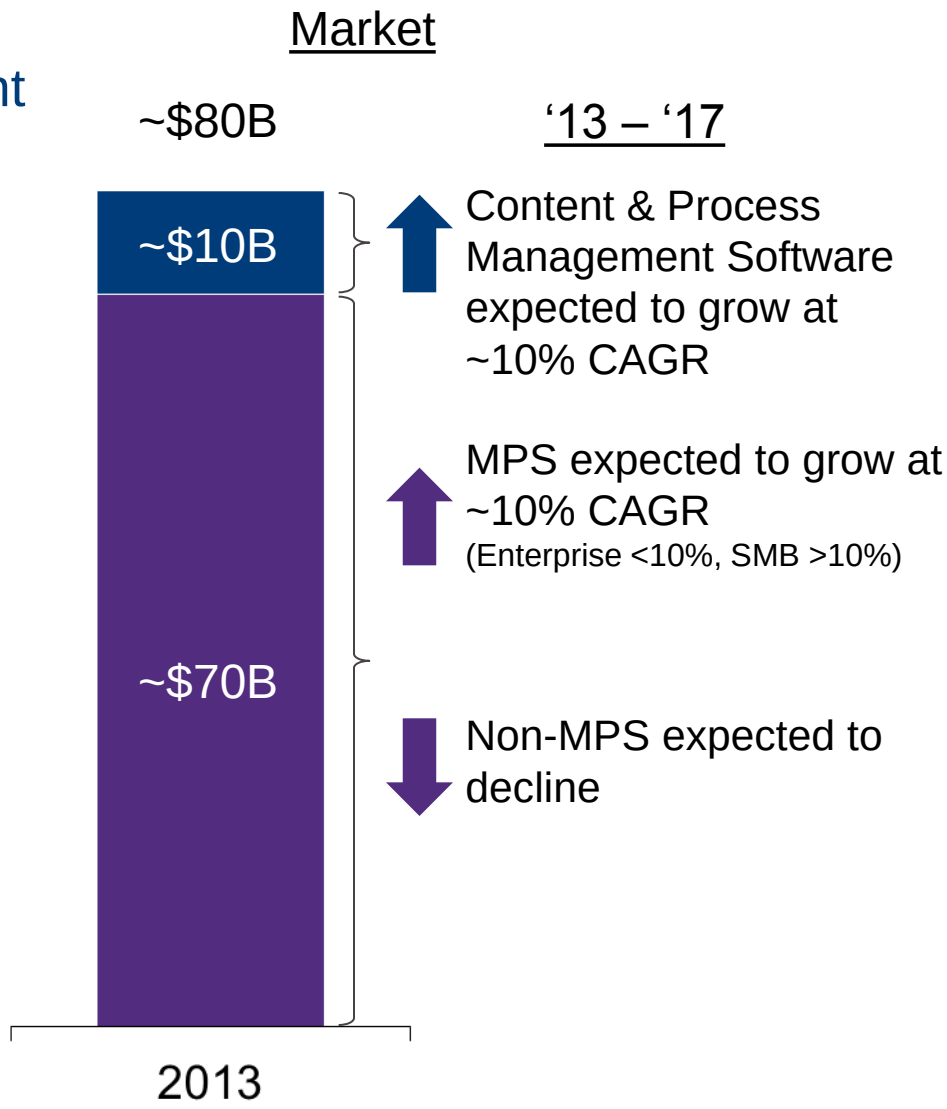
Growing Market For Higher Value Solutions

Content & Process Management Software

Enterprise Content
Business Process
Document Output
Vendor Neutral Archive

Output Management

Laser Hardware, Supplies, Services



Source: Industry sources, public information, and other internal and external sources

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World Class Platforms, Industry Focused Solutions

Output Management Platform

Managed Print Solutions

- Workflow-enabled
- Fleet insight
- Fleet Management

Content and Process Management Software Platform

Perceptive Capture

- Multichannel capture
- Document capture
- Rich media capture
- Intelligent capture

Perceptive Content

- Document management
- Rich media management
- Records and information management
- Document composition

Perceptive Process

- Workflow
- Case management
- Electronic signatures
- Process mining
- Process modeling & analytics

Perceptive Search

- Federated search
- Fault-tolerant search
- Data loss prevention
- Document filters

Industry-specific unstructured content, process & output management solutions

Retail | Manufacturing | Banking | Insurance | Healthcare | Government | Education | Back Office

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Lexmark Well Positioned in Growth Markets

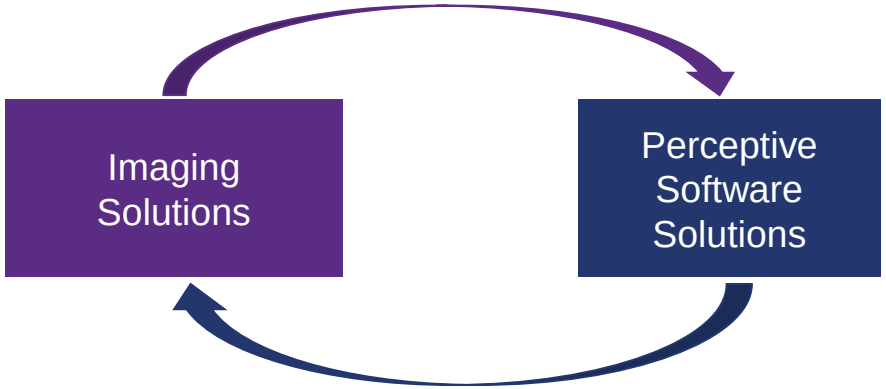
Lexmark's Unique Value Proposition

Key Technology Ownership

Deeper Industry Experience

Superior Customer Intimacy

Growth Synergies



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Recognized as a Leader*

Output Management

Managed Print Services Leader

Gartner | IDC Analyze the Future | quocirca

Smart MFP Leader

Gartner | IDC Analyze the Future

Content & Process Management

Enterprise Content Management Leader

Gartner

Healthcare Content Software Leader

FROST & SULLIVAN | IHS

* See footnote slide

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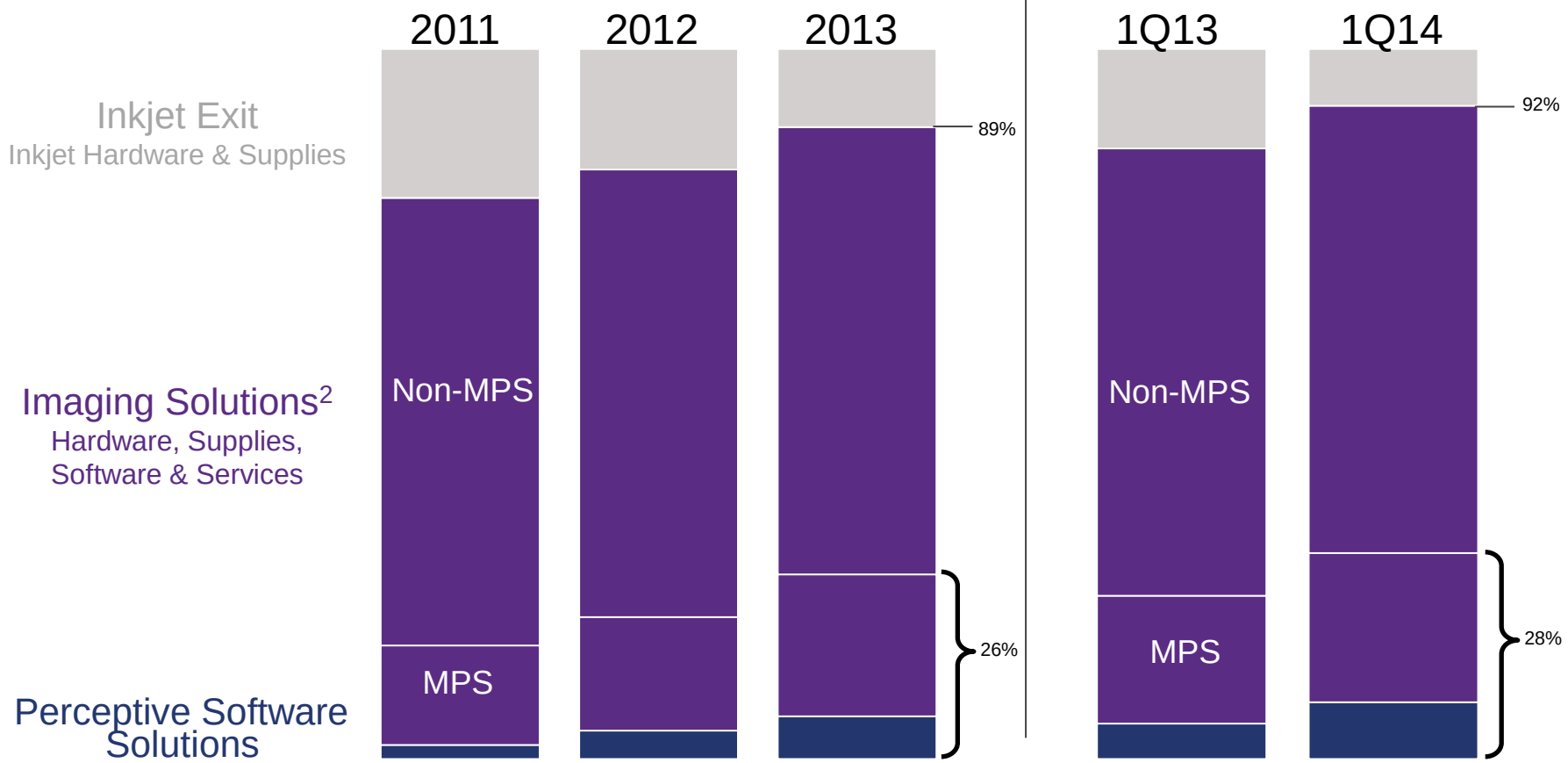
Shifting Revenue to Higher Value Portfolio[1]

Higher Value Portfolio Evolution (FY 2011 – 2013)

- Laser + Perceptive Software mix increased from 79% in 2011 to 89% in 2013
- MPS + Perceptive Software mix increased from 16% in 2011 to 26% in 2013

1Q14 Higher Value Portfolio Mix

- Laser + Perceptive Software 92% of mix
- MPS + Perceptive Software 28% of mix



(1) Non-GAAP, Bars depict percentage of total revenue
(2) Imaging Solutions Revenue = ISS revenue excluding Inkjet Exit revenue

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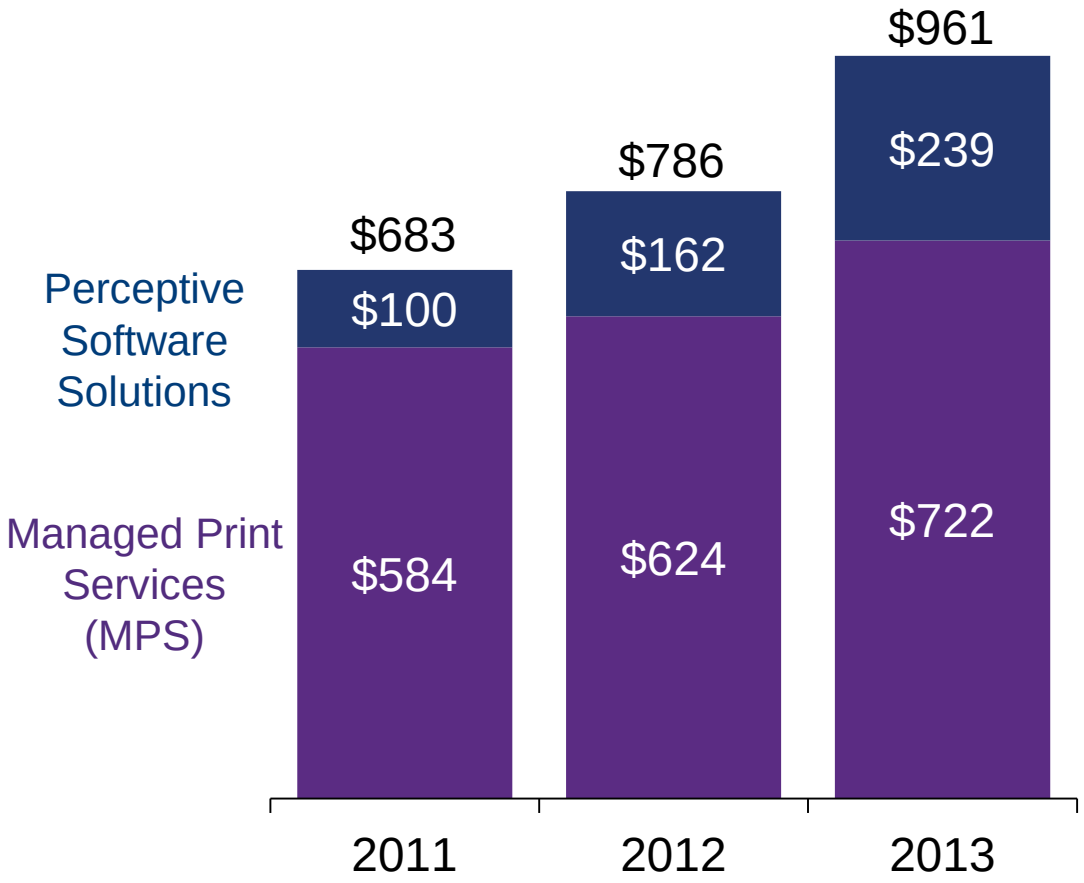
Higher Value MPS and Software Revenue Growth*

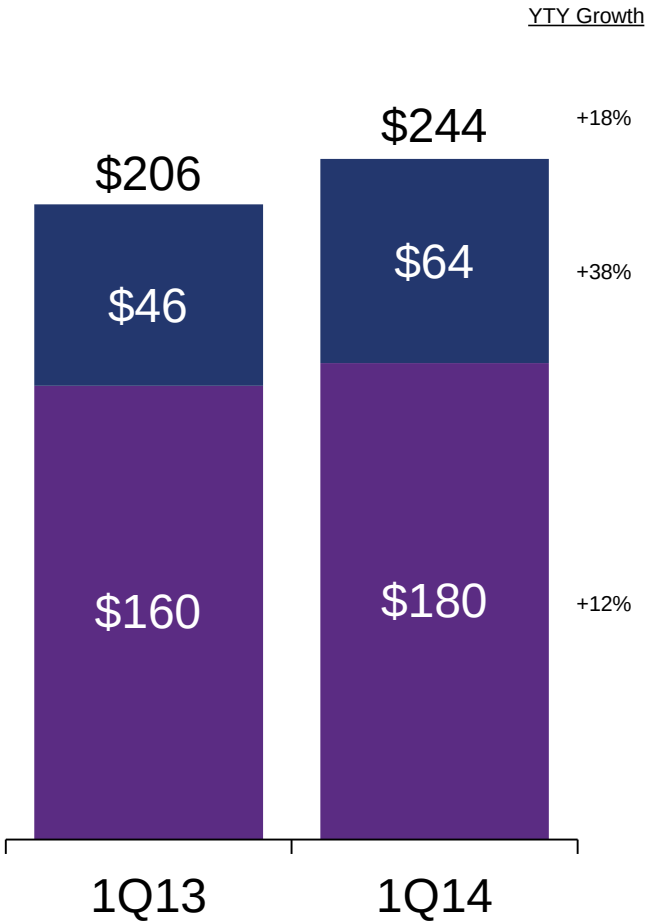
Higher Value Portfolio Trends (FY 2011 - 2013)

- MPS + Perceptive Software grew $278 million 2011 vs. 2013
- Expected to grow by ~15% and exceed $1 Billion in 2014



1Q14 Higher Value Portfolio Growth

- MPS + Perceptive Software +18%
- Perceptive Software +38%
- MPS +12%



*Non-GAAP, in millions, totals may not foot due to rounding

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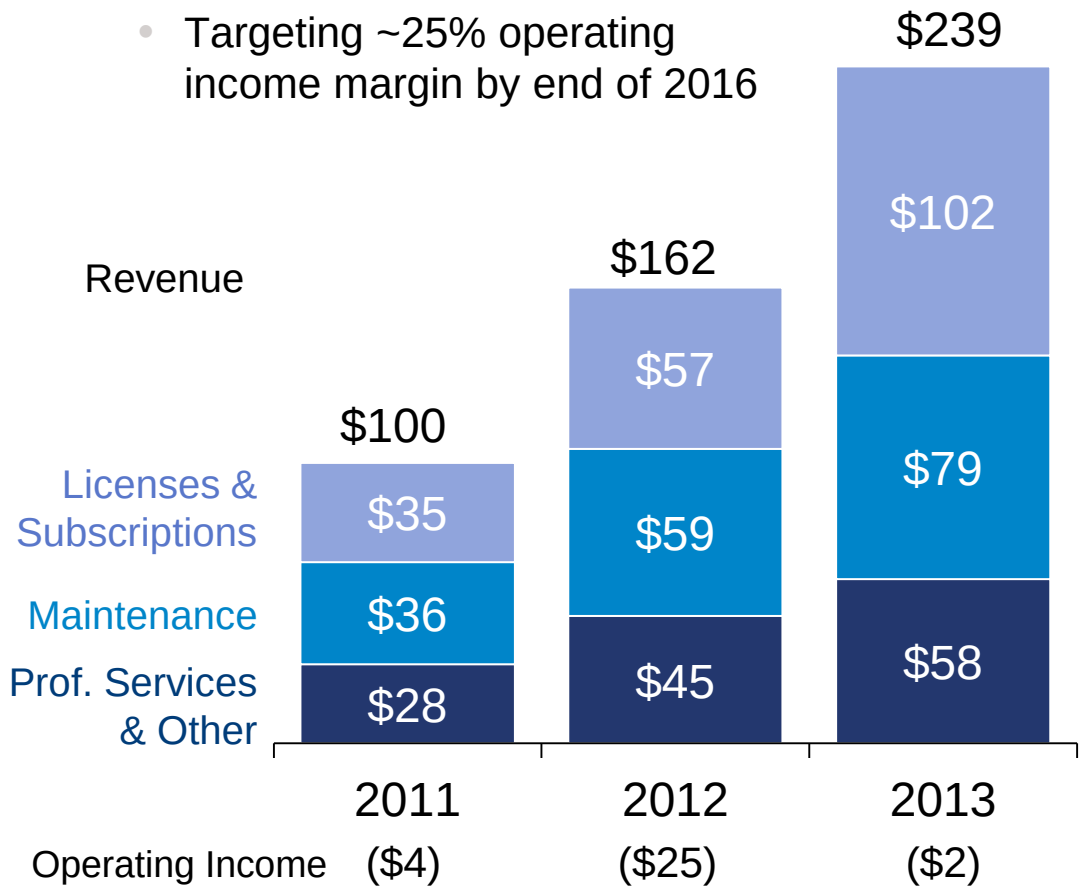
Perceptive Software Growth*

Perceptive Software Trends (FY 2011 – 2013)

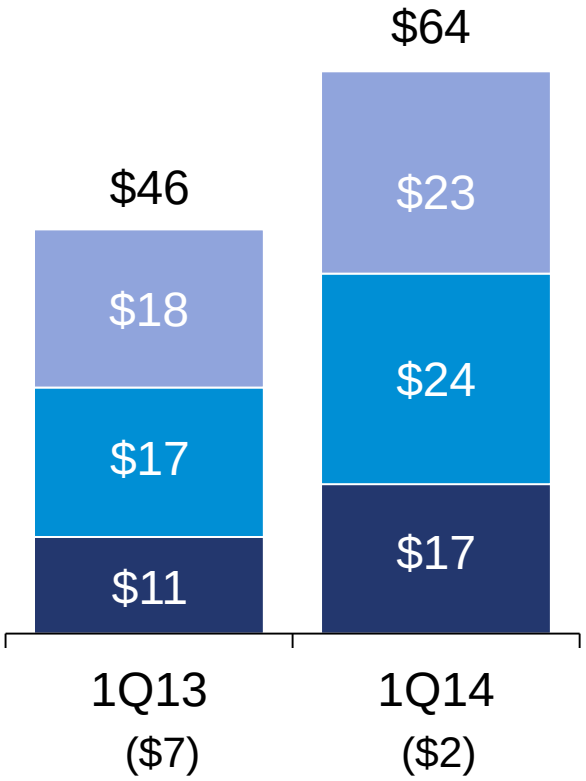
- Grew 48% in full year 2013
- Revenue of ~$500 million targeted for 2016
- Targeting ~25% operating income margin by end of 2016



*Non-GAAP, in millions, totals may not foot due to rounding

First Quarter YTY

- Grew 38%, 12% Organic
- 30% growth in Licenses + Subscription revenue
- $6 million operating income improvement



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Capital Allocation Increasing Shareholder Value*

Acquisitions

Invested > $725
Since 2010

Accelerating transformation to higher value solutions business

Significantly expanded strategic software capabilities

Free Cash Flow

~90% to 100% of Non-GAAP Net Income

<50%

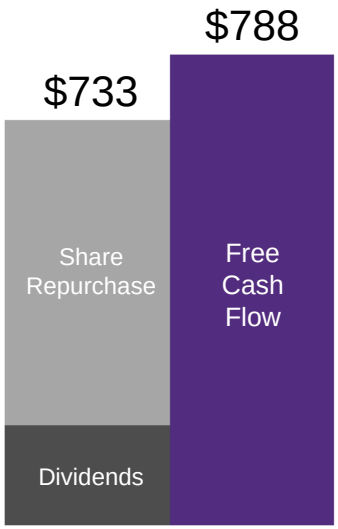
Cash for Investment

>50%

Return to Shareholders

Return of Capital

Returned 93% of 1Q11 – 1Q14 Free Cash Flow



Long Term Assumption:	Strengthen & Grow Capabilities	Return >50% on Average through Dividends & Repurchases

*In millions, totals may not foot due to rounding

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Outlook*

2Q14	
Total Revenue	Down 2% to 4% YTY
Revenue Excluding Inkjet Exit	Grow Slightly
EPS	$0.85 – $0.95

FY14	
Total Revenue	Down 2% to 4% YTY
Revenue Excluding Inkjet Exit	Grow Slightly
EPS	$3.80 – $4.00

Long Term	
Total Revenue Growth	Grow at or above market
Operating Income Margin	11% - 13%

* Non-GAAP

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CFO Presentation

John Gamble

Executive Vice President & Chief Financial Officer

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1Q14 EPS Overview*

Bridge of 1Q13 vs 1Q14

1Q13 EPS	**$0.95**	
Delay in passage of 2012 R&E Credit	-$0.09	**Recognized in 1Q13 (Not Repeated in 1Q14)**
	$0.86	
Operational Performance	+$0.06	**Strong ISS income (About flat YTY)** Strong laser revenue / margin mostly offset Inkjet Exit revenue decline **Increased Perceptive Software income** Strong revenue growth / increased margin
1Q14 EPS	**$0.92**	

January Guidance vs. 1Q14

Midpoint of January EPS Guidance Range	**$0.85**	
Operational Performance	+$0.07	**Stronger ISS income** Increased laser supplies revenue/income partially offset by lower hardware margins **Perceptive Software income slightly lower than expected**
1Q14 EPS	**$0.92**	

* Non-GAAP

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Revenue[1]

	1Q14	Guidance	YTY	SEQ
Total	$881	Exceeded	< -1%	-13%
ISS	$817		-3%	-13%
Laser	$744		+4%	-11%
Inkjet Exit	$73		-40%	-27%
Perceptive Software	$64		+38%	-11%
Laser + Perceptive Software	$808		+6%	-11%

- Total 1Q revenue declined less than 1% year to year
  - Laser Revenue grew 4% driven by growth in MPS and Laser Supplies
  - Perceptive Software grew 38% (12% organic[2])
  - Laser + Perceptive Software grew 6%
  - Currency impact -1%
- Sequential declines greater than typical seasonal pattern due to exceptional 4Q13 results

(1) Non-GAAP, totals may not foot due to rounding, in millions unless otherwise noted
(2) Perceptive Software organic growth excludes acquisitions completed in the past four quarters.

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Product and Geographic Revenue[1]

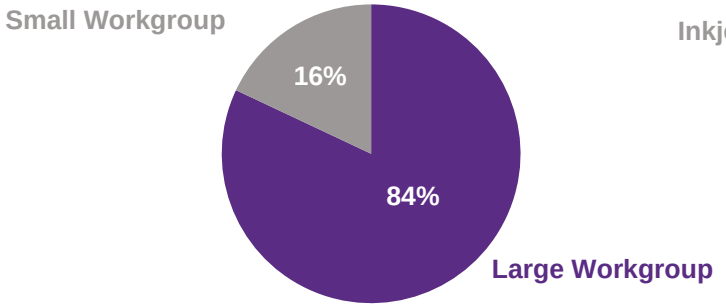
	1Q14	YTY	SEQ
Hardware[2]	$167	-8%	-27%
Supplies[3]	$605	-1%	-9%
Software & Other[4]	$109	+13%	-10%
Total	$881	-1%	-13%

Key Year to Year Changes

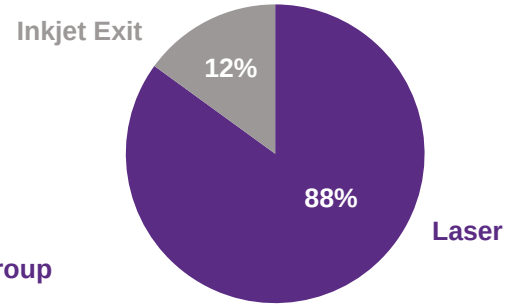
	Rev	Units	AUR
Laser Hardware	-8%	+1%	-8%
Large Workgroup[5]	-8%	+3%	-10%
Small Workgroup[6]	-6%	-2%	-5%
Laser	+9%		
Inkjet Exit	-39%		
Perceptive Software	+38%		
Perceptive Organic[7]	+12%		

- Hardware revenue declined 8%, large workgroup units grew 3% year to year
- Supplies revenue declined 1%, laser supplies revenue grew 9% year to year
- Software & Other grew 13%, Perceptive Software grew 38% (12% organic) year to year

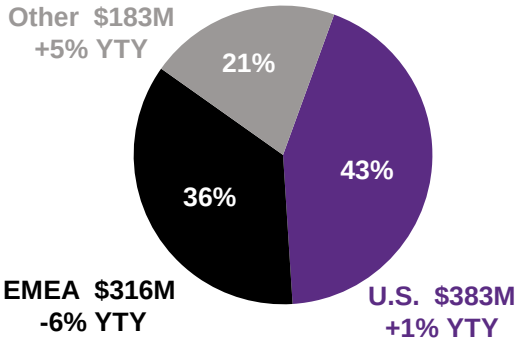
Laser Hardware Revenue



Supplies Revenue



Geographic Revenue



(1) Non-GAAP, totals may not foot due to rounding, in millions unless otherwise noted
(2) Includes laser, inkjet, and dot matrix hardware, associated features sold on a unit basis or through a managed service agreement and miscellaneous non-printing hardware related to a software solution
(3) Includes laser, inkjet, and dot matrix supplies and associated supplies services sold on a unit basis or through a managed service agreement.
(4) Includes parts and service related to hardware maintenance and includes software licenses and the associated software maintenance services sold on a unit basis or as a subscription service
(5) Includes departmental, large workgroup, and medium workgroup lasers, dot matrix printers and features
(6) Includes small workgroup lasers and personal lasers
(7) Excludes acquisitions completed in the past four quarters

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Gross Profit Margin*

	1Q14	YTY	SEQ
Total	41.0%	+110 bps	-40 bps
ISS	39.9%	+20 bps	-50 bps
Perceptive	68.7%	-10 bps	-470 bps

- 1Q14 gross profit margin increased 110 bps YTY, declined 40 bps sequentially
- 1Q14 YTY improvement driven by 140 bps of favorable product mix (reflecting relatively more large workgroup hardware and laser supplies, and lower level of small workgroup and inkjet hardware); partially offset by 30 bps of unfavorable product margins
- 1Q14 sequential decline driven by 280 bps of unfavorable product margins (principally reflecting unfavorable channel pricing), substantially offset by 240 bps improved product mix (reflecting a higher mix of laser supplies relative to laser hardware)

* Non-GAAP, totals may not foot due to rounding

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Operating Expense[1]

	1Q14	YTY	SEQ
Total	**$270**	**+$4**	**-$37**
ISS	$161	-$4	-$21
Perceptive	$46	+$6	-$6
All Other[2]	$63	+$2	-$11
R&D	**$79**	**+$1**	**-$8**
ISS	$54	-$4	-$13
Perceptive	$16	+$2	$0
All Other	$9	+$3	+$4
SG&A	**$191**	**+$4**	**-$29**
ISS	$107	$0	-$8
Perceptive	$30	+$4	-$6
All Other	$54	-$1	-$15

- Total operating expense increased slightly year to year, declined $37 million sequentially driven by lower variable compensation and lower legal expenses
- $15 million sequential improvement in All Other SG&A driven by lower legal expenses
- Perceptive Software operating expense increased driven by acquisitions
- ISS reduction reflects favorable impact of previously announced restructuring and ongoing expense actions

(1) Non-GAAP, totals may not foot due to rounding, in millions unless otherwise noted
(2) All Other expenses are for corporate functions including IT, finance, human resources, facilities, legal , corporate staff, and total company equity compensation

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Operating Income*

	1Q14	YTY	SEQ
%	10.4%	+40 bps	-70 bps
$	$92	+$3	-$20
ISS	$165	-$3	-$32
Perceptive	-$2	+$6	-$4
All Other	-$71	$0	+$15

- Operating income increased $3 million year to year
  - ISS included improved laser income more than offset by the decline in Inkjet Exit revenue
  - Perceptive Software operating income increased $6 million year to year
- Operating income declined $20 million sequentially
  - ISS sequential decline predominantly driven by Inkjet Exit
  - All Other operating Income improved $15 million sequentially driven by lower legal expenses
- Remain committed to long term operating margin target of 11% to 13%
  - Expect to be near the low end of range in 2014

* Non-GAAP, totals may not foot due to rounding, in millions unless otherwise noted

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Earnings*

	1Q14	Guidance	YTY	SEQ
Pretax Earnings	$83		+$5	-$20
Net Earnings	$58		-$4	-$17
EPS	$0.92	Exceeded	-$0.03	-$0.26

- Pretax earnings increased $5 million year to year
- EPS declined $0.03 year to year as higher pretax earnings and lower average shares outstanding were more than offset by a higher tax rate
- Higher relative tax rate year to year negatively impacted EPS
  - 1Q14 of 30.4%
  - Guidance of ~31.5%
  - 1Q13 of 21.7% (Lower due to 2012 R&E Tax credit delay to 1Q13)
  - 4Q13 of 27.4%
- Reduced Shares Outstanding
  - Average diluted shares of 63.4 in 1Q14 compared to 64.7 in 1Q13
  - Shares outstanding of 62.2 at March 31, 2014

* Non-GAAP, totals may not foot due to rounding, net earnings in millions

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Balance Sheet and Cash Flow[1]

Highlights

- Free Cash Flow Negative, However Better Than Expected
- Stronger Than Expected Working Capital Performance
- Full Year Free Cash Flow Target Unchanged
- Strong Liquidity Position with $985M Cash[2], $500M Revolver[3], $125M A/R Program
- Maintaining an Investment Grade Debt Rating

Balance Sheet & Cash Flow

	1Q14
Cash[2]	$985
U.S. Cash	$20
Non-U.S. Cash	$965
Cash from Operations[4]	$10
Free Cash Flow[5]	($34)
Depreciation & Amortization[6]	$66
Capital Expenditures	$44
Cash Provided By or (Used For)	
Accounts Receivable	$22
Inventory	($10)
Accounts Payable	$7

Cash Conversion Days

	1Q13	2Q13	3Q13	4Q13	1Q14
Receivables	50	54	49	41	44
Inventory	45	45	49	41	47
Payables	77	79	80	73	81
Cash Conversion[1]	18	19	18	9	10

Long Term Debt

Long Term Debt	$700
5.125%, Due 2020	$400
6.650%, Due 2018	$300

(1) GAAP, totals may not foot due to rounding, in millions unless otherwise noted
(2) Includes current short-term marketable securities
(3) Amended the revolver on February 5,2014 to increase the amount of the facility to $500 million and extend the maturity date to February 5, 2019
(4) Net cash provided by operating activities
(5) Free cash flow = cash from operations – capital expenditures + proceeds from the sale of fixed assets
(6) Includes $21 million non-GAAP adjustments

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2Q14 Outlook / Assumptions

2Q14 Outlook [1]	
Revenue[2]	Decline of 2% to 4% Year to Year Laser + Perceptive Expected to Grow Inkjet Exit Decline a Negative 5 pt. Impact
Gross Profit Margin[2]	Increase Year to Year
Operating Expense[2]	~ Flat Sequentially
Op. Inc. Margin[2]	Down Slightly Year to Year
Effective Tax Rate[2]	30.5%
GAAP EPS	$0.47 - $0.57
Non-GAAP EPS[2]	$0.85 - $0.95
Free Cash Flow	Positive 2Q14 – 4Q14 (FY14 ~90% - 100% of Non-GAAP Net Income)

(1) Based on foreign currency exchange rates as of 03/31/14
(2) Non-GAAP, excludes restructuring-related, acquisition-related and loss on debt extinguishment adjustments

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2Q14 EPS* Guidance YTY Change

Bridge of 2Q13 Actual to 2Q14 EPS Guidance		
2Q13 EPS	$1.04	
Operational Performance	-$0.07	**Lower ISS Revenue** Improved laser operating income more than offset by lower Inkjet Exit supplies **Improved Perceptive Software profitability**
Tax Impact / Lower Outstanding Shares	-$0.07	**Higher effective tax rate** driven by discrete benefits in 2Q13 partially offset by lower shares outstanding
Midpoint of 2Q14 EPS Guidance Range	$0.90	EPS Range: $0.85 - $0.95

* Non-GAAP, totals may not foot due to rounding.

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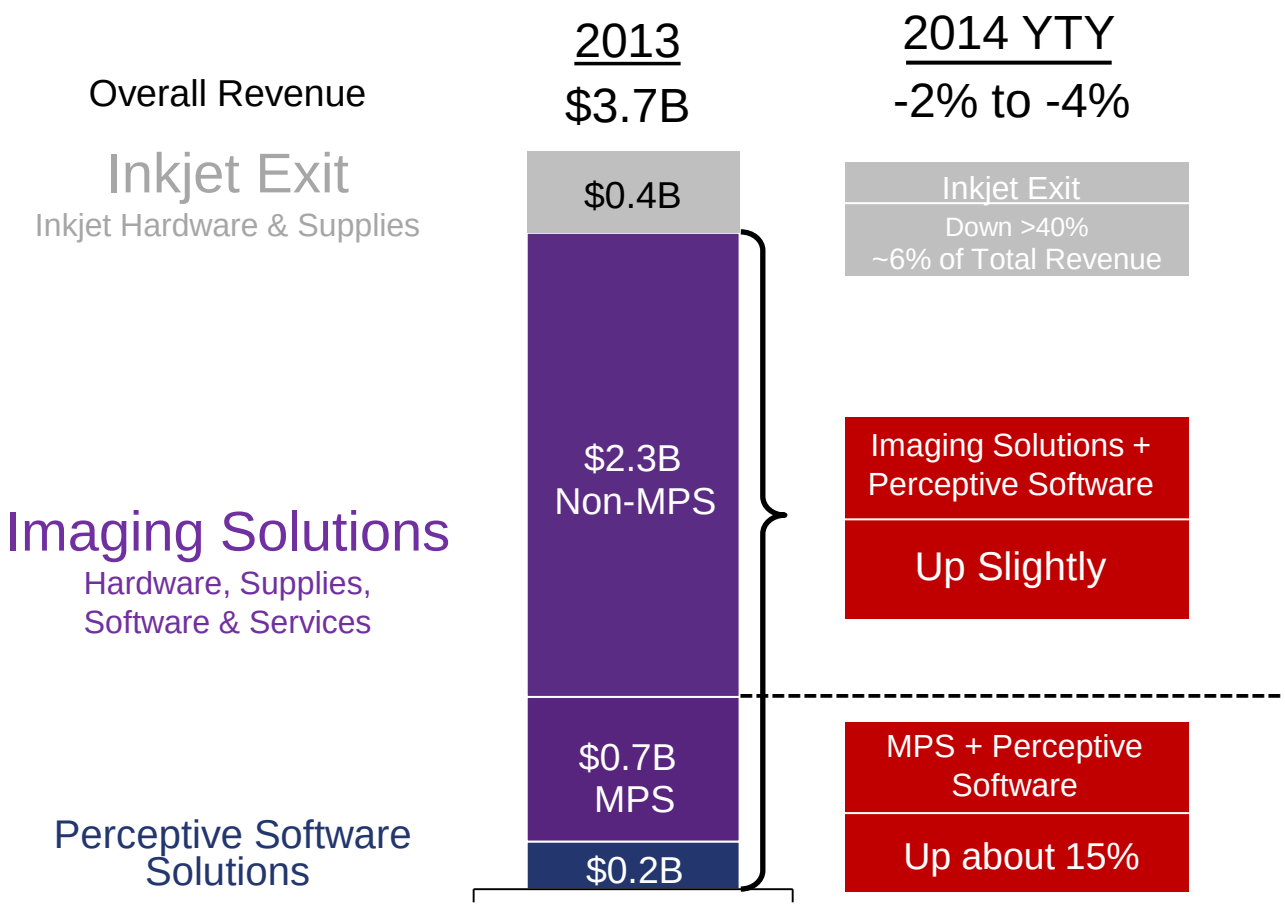
2014 Revenue Assumption*

- FY14 revenue decline of 2% to 4% YTY
  - Laser + Perceptive revenue expected to grow slightly YTY
  - MPS + Perceptive Software revenue expected to grow ~15% YTY
  - Inkjet Exit unfavorably impacts total revenue by 5 percentage points YTY



* Non-GAAP, bar chart depicts percentage of total revenue, totals may not foot due to rounding

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Outlook / Assumptions

- FY14 operating income expected to be near the low end of the ~11% - 13% longer term target range
  - Expect Perceptive Software to deliver significant operating income expansion in FY14
- FY14 free cash flow expected to be at the low end of 90% - 100% of non-GAAP net income range

FY14 Assumptions

Revenue[1]	-2% to -4% YTY Up Slightly YTY ex. Inkjet Exit
Gross Profit Margin%[1]	Increase
Operating Expense[1]	Lower
FY14 Tax Rate[1]	~29%
EPS[1]	$3.80 - $4.00
Free Cash Flow	Low end of 90%-100% NI[1]
Capital Spending	~$150 Million
Depreciation	~$235 Million[2]
Pension Funding	~$35 Million (Cash)

Longer Term Assumptions

Revenue	Grow At or Above Market
Op. Inc. Margin[1]	11% - 13%

Cash Generation

Primarily Driven by Net Income + Modest Ongoing Working Capital / Cash Cycle Improvements

Free Cash Flow

~90% - 100% of Net Income[1]

Capital Expenditures ~ Depreciation

(1) Non-GAAP, Based on foreign currency exchange rates as of 03/31/14

(2) Includes approximately $75 million of restructuring ($4 million) and acquisition-related adjustments ($71 million)

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Supplemental Materials

- Revenue trends
- Deferred software revenue
- Lexmark financial summary
- Segment financial summaries
- Share in high-usage large workgroup segment
- Restructuring summary
- Outstanding shares / dividends
- Currency

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Revenue Trends[1]

($M)	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	FY 2012	FY 2013
Geography	**993**	**921**	**921**	**968**	**886**	**890**	**896**	**1,011**	**881**	**3,803**	**3,684**
US	423	394	447	437	377	386	401	424	383	1,701	1,589
EMEA	368	332	289	332	335	325	311	386	316	1,320	1,357
All Other	201	195	186	200	174	179	183	201	183	782	737
Segment	**993**	**921**	**921**	**968**	**886**	**890**	**896**	**1,011**	**881**	**3,803**	**3,684**
ISS	**963**	**875**	**879**	**925**	**840**	**828**	**837**	**939**	**817**	**3,642**	**3,444**
Laser	778	716	728	779	718	729	753	839	744	3,001	3,039
MPS	146	152	156	170	160	170	184	208	180	624	722
Non MPS	632	564	573	608	558	559	569	631	565	2,377	2,317
Inkjet Exit	185	159	150	147	122	99	84	100	73	640	405
Perceptive Software	**30**	**46**	**43**	**43**	**46**	**62**	**59**	**72**	**64**	**162**	**239**
Licenses	7	17	13	12	13	24	17	23	16	49	78
Subscriptions	2	2	2	3	5	5	7	7	7	8	24
Maintenance	13	15	15	16	17	19	19	24	24	59	79
Professional Services / Other	9	13	12	12	11	14	15	18	17	45	58
Product	**993**	**921**	**921**	**968**	**886**	**890**	**896**	**1,011**	**881**	**3,803**	**3,684**
Hardware [2]	**199**	**200**	**205**	**222**	**181**	**171**	**182**	**228**	**167**	**826**	**763**
Large Workgroup [4,6]	152	150	151	175	149	139	153	190	137	627	631
Small Workgroup [5,6]	36	37	37	37	29	30	28	36	27	147	124
Other [7]	1	1	1	0	0	1	1	2	2	2	4
Inkjet Exit	11	12	17	10	2	1	0	0	0	50	4
Supplies [3]	**723**	**631**	**630**	**656**	**609**	**608**	**606**	**661**	**605**	**2,640**	**2,484**
Laser	549	485	496	520	490	510	522	562	532	2,050	2,083
Inkjet Exit	174	147	133	136	120	98	84	100	73	590	401
Software & Other	**71**	**90**	**87**	**89**	**97**	**111**	**107**	**122**	**109**	**337**	**436**
Software [8]	31	49	46	46	54	67	64	77	66	172	262
Other [9]	40	41	40	43	43	44	43	45	43	164	175

(1) Non-GAAP, totals may not foot due to rounding, in millions unless otherwise noted

(2) Includes laser, inkjet, and dot matrix hardware, and associated features sold on a unit basis or through a managed service agreement

(3) Includes laser, inkjet, and dot matrix supplies and associated supplies services sold on a unit basis or through a managed service agreement

(4) Includes departmental, large workgroup, and medium workgroup lasers, dot matrix printers and options

(5) Includes small workgroup lasers and personal lasers

(6) Modifications to workgroup product category definitions change previously stated values periodically

(7) Includes miscellaneous non-printing hardware revenue related to a software solution

(8) Includes software licenses and the associated software maintenance services sold on a unit basis or as a subscription service

(9) Includes parts and service related to hardware maintenance

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Deferred Software Revenue

GAAP	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14
Ending Balance	$55	$56	$63	$72	$82	$88

Non-GAAP	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14
Ending Balance	$69	$69	$72	$87	$93	$96

* Totals may not foot due to rounding, in millions

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Lexmark Financial Summary*

	1Q14	YTY	SEQ
Revenue	$881	-1%	-13%
Gross Profit Margin	41.0%	+1.1 pts	-0.4 pts
Operating Expense	$270	+$4	-$37
R&D	$79	+$1	-$8
SG&A	$191	+$4	-$29
Operating Income	$92	+$3	-$20
ISS	$165	-$3	-$32
Perceptive	-$2	+$6	-$4
All Other	-$72	$0	+$15
Operating Income Margin	10.4%	+0.4 pts	-0.7 pts
Net Earnings	$58	-$4	-$17
Tax Rate	30.4%	+8.8 pts	+3.0 pts
EPS	$0.92	-$0.03	-$0.26

* Non-GAAP, totals may not foot due to rounding, in millions unless otherwise noted

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Segment Financial Summaries*

ISS	1Q14	YTY	SEQ
Revenue	$817	-3%	-13%
Laser	$744	+4%	-11%
MPS	$180	+12%	-14%
Non-MPS	$565	+1%	-11%
Inkjet Exit	$73	-40%	-27%
Gross Profit Margin	39.9%	+0.2 pts	-0.5 pts
Operating Expense	$161	-$4	-$21
R&D	$54	-7%	-20%
SG&A	$107	0%	-7%
Operating Income	$165	-$3	-$32
Operating Income Margin	20.2%	+0.2 pts	-0.8 pts

Perceptive Software	1Q14	YTY	SEQ
Revenue	$64	+38%	-11%
Licenses	$16	+21%	-32%
Subscriptions	$7	+58%	+3%
Maintenance	$24	+40%	-1%
Professional Services / Other	$17	+49%	-5%
Gross Profit Margin	68.7%	-0.1 pts	-4.7 pts
Operating Expense	$46	+$6	-$6
R&D	$16	+16%	+2%
SG&A	$30	+17%	-16%
Operating Income	-$2	+$6	-$4
Operating Income Margin	-2.6%	+13.4 pts	-5.2 pts

* Non-GAAP, totals may not foot due to rounding, in millions unless otherwise noted

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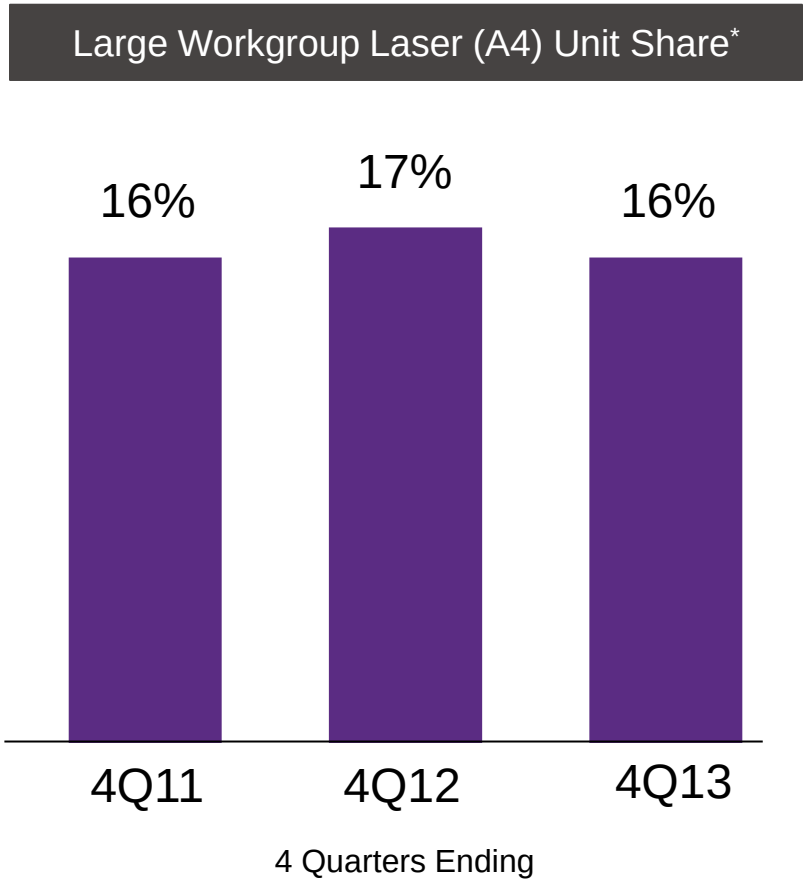
Share in High-Usage Large Workgroup Segment



* Rolling four quarters. Lexmark Custom Category using IDC WW HCP Tracker, Q4 2013 Branded A4 Laser Printer/MFP Shipments, Worldwide Excluding Japan

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August 2012 Restructuring Summary[1]

Restructuring	Charges	Cash Flow[2]
FY12	$96	$24
FY13	$51	$50
1Q14	$11	$10
2Q14 Expected	$9	$11
FY14	$46	$47
Total Program	$200	$125

Restructuring Savings	
FY12	$1
FY13	$85
FY14 Expected	$110
FY15 & Ongoing Annual	$140 (Cash $125)[3]

(1) Restructuring-related charges for August 2012 actions and related project costs only, in millions unless otherwise noted
(2) Cash restructuring charges are estimates based on timing of related activities
(3) Beginning in FY15, estimated allocation of 70% operating expense / 30% cost of goods sold

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Outstanding Shares / Dividends

Outstanding Share Counts[1]			Anticipated Dividend Schedule[2]		
Period	Actual Ending	Diluted Average	Declaration Date	Record Date	Payment Date
1Q14	62.2	63.4	4/24/14	5/30/14	6/13/14
4Q13	62.0	63.7	7/24/14	8/29/14	9/12/14
3Q13	62.6	64.0	10/23/14	11/28/14	12/12/14
2Q13	63.0	64.1	2/19/15	3/2/15	3/13/15
1Q13	63.6	64.7	4/23/15	5/29/15	6/12/15
4Q12	63.9	65.4	7/23/15	8/28/15	9/11/15
FY13	62.0	64.1	10/22/15	11/27/15	12/11/15
FY12	63.9	69.5			
FY11	71.4	77.9			
FY10	78.6	79.5			

(1) Millions

(2) Future quarterly dividend payments subject to Board of Directors' approval

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Currency

1Q14 Impact

1Q14 vs. 4Q13	0%
1Q14 vs. 1Q13	-1%
1Q14 vs. Guidance	-1%

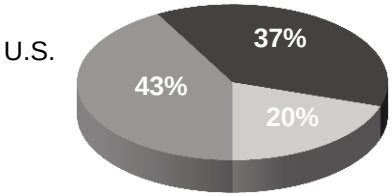
2Q14 & FY14 Impact*

2Q14 vs. 1Q14	0%
2Q14 vs. 2Q13	0%
FY14 vs. FY13	0%

* Based on foreign currency exchange rates as of 3/31/14

2013 Exposure

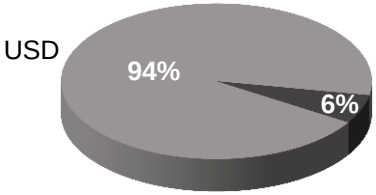
Revenue by Geography



Europe: Mostly Euro (75%-80%) and British Pound (10%-15%)

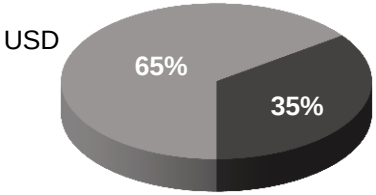
Other International: Primarily Canadian Dollar, Brazilian Real and Australian Dollar

Cost by Currency



Non-USD: Primarily Euro (30%-35%), Brazilian Real (10%-15%), Canadian Dollar (10%-15%), and a number of other currencies representing less than 10% including Australian Dollar, Philippine Peso, Swiss Franc and Chinese Yuan

Operating Expense by Currency



Non-USD: Euro (30%-35%), Swiss Franc (10%-15%), and a number of other currencies each representing less than 10% including the Brazilian Real, Canadian Dollar, Australian Dollar, Philippine Peso and British Pound

Other Factors

- Company generally acts to harmonize supplies prices globally to the U.S. dollar
- Price increases cannot immediately impact laser supplies that are sold under contract (~70% or more at any given point in time)
- Lexmark does not hedge cash flow but does hedge transaction exposures

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