

Fourth-Quarter 2008 Earnings Presentation

Anne Mulcahy
Chairman & CEO

Ursula Burns
President

Larry Zimmerman
Executive Vice President & CFO

January 23, 2009



Forward-Looking Statements

This presentation contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. The words "anticipate," "believe," "estimate," "expect," "intend," "will," "should" and similar expressions, as they relate to us, are intended to identify forward-looking statements. These statements reflect management's current beliefs, assumptions and expectations and are subject to a number of factors that may cause actual results to differ materially. These factors include but are not limited to the risk that we will not realize all of the anticipated benefits from our 2007 acquisition of Global Imaging Systems, Inc; the risk that unexpected costs will be incurred; the outcome of litigation and regulatory proceedings to which we may be a party; actions of competitors; changes and developments affecting our industry; quarterly or cyclical variations in financial results; development of new products and services; interest rates and cost of borrowing; our ability to protect our intellectual property rights; our ability to maintain and improve cost efficiency of operations, including actions with respect to the fourth quarter 2008 \$240 million after-tax net restructuring and asset impairment charge; changes in foreign currency exchange rates; changes in economic conditions, political conditions, trade protection measures, licensing requirements and tax matters in the foreign countries in which we do business; reliance on third parties for manufacturing of products and provision of services; and other factors that are set forth in the "Risk Factors" section, the "Legal Proceedings" section, the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section and other sections of our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2008, June 30, 2008, September 30, 2008 and our 2007 Annual Report filed with the Securities and Exchange Commission. The Company assumes no obligation to update any forward-looking statements as a result of new information or future events or developments, except as required by law.

Anne Mulcahy

Business Dynamics

Business Environment

- Deteriorating global economies
- Currency impact
- Customer cash optimization

Fundamentals

- MIF, pages and color leverage are positive
- Document services value proposition attractive
- Strong cash flow
- Expanded distribution

Actions

- Significant cost improvements through restructuring
- Intense focus on expense management
- Maintain distribution investments
- Conservative cash usage
- Pricing

Fourth-Quarter Overview

Adjusted EPS* \$0.30 per share

- Excludes \$0.27 restructuring and \$0.03 equipment write-off
- Adjusted Net Income* Q4 \$265M, FY \$985M

Total revenue impacted by economic environment; down 10%, 5% CC

- Post sale down 8%, 3% CC driven by channel supplies inventory management
- Equipment down 15%, 11% CC

Gross margin 37.9%, 38.8%* excluding equipment write-off

- Significantly impacted by transaction currency (dramatic Yen strengthening)

SAG percent of revenue 25.2%

Balance sheet and cash flow performance remain strong

- Cash from Core Operations*
 - Q4 \$429M; \$1.0B adjusted for litigation payments¹
 - FY \$1.1B; \$1.7B adjusted for litigation payments¹

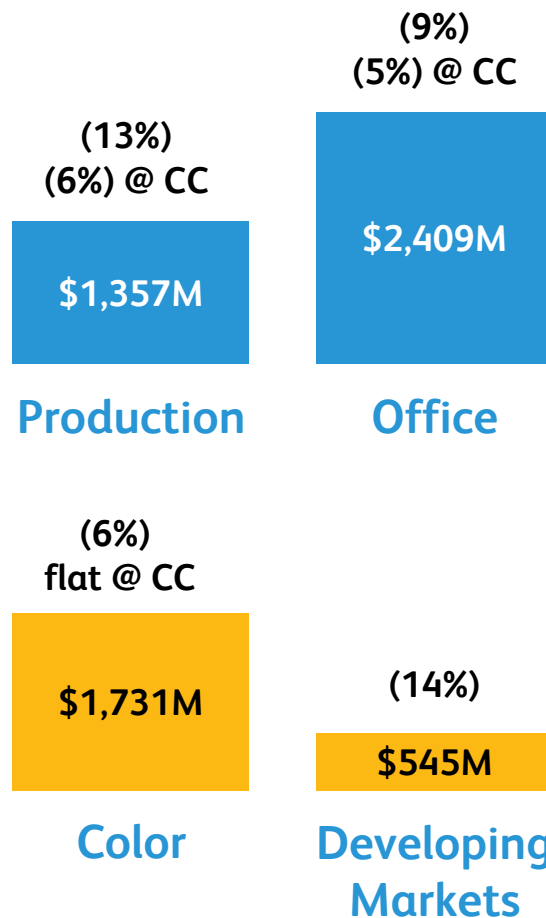
5 *Constant currency (CC): see slides 23, 24 and 25 for explanation of non-GAAP measures*

**Adjusted EPS, Adjusted Net Income, Adjusted Gross Margin and Cash from Core Operations: see slides 23, 24 and 25 for explanation of non-GAAP measures. ¹ Adjusted for net securities litigation payments of \$615M*



Business Metrics

Revenue Growth



Overview

- Channel partners reducing inventory levels
- Economic slowdown in developing markets
- Color demand positive
 - Strong iGen4[®] activity
 - Launched color CF in North America

Activity Summary¹

	Q4 2008	FY 2008
Production Monochrome	(11%)	(6%)
Production Color	4%	1%
Office B&W Copiers/MFDs	(18%)	8%
Segments 1-2 (11-30) ppm	(24%)	8%
Segments 3-5 (31-90) ppm ²	3%	8%
Office Color MFDs	9%	24%
Color Printers	5%	12%

Larry Zimmerman

Cash Flow

(in millions)

	<u>Q4 2008</u>	<u>FY 2008</u>
Net income	\$ 1	\$ 230
Depreciation and amortization	171	669
Provisions for receivables and inventory	141	314
Provision for litigation, net	(21)	781
Payments for securities litigation, net	(615)	(615)
Restructuring and asset impairment charges	349	429
Cash payments for restructurings	(39)	(131)
Contributions to pension benefit plans	(28)	(299)
Net change in A/R and billed portion of F/R	185	57
Net change in inventories	61	(114)
Net change in accounts payable and accrued compensation	260	211
Net change in income tax assets and liabilities	(114)	(416)
Other, net	78	(10)
Cash from Core Operations*	\$ 429	\$ 1,106
Increase in equipment on operating leases	(89)	(331)
(Increase) decrease in finance receivables	(155)	164
Cash from Operations	\$ 185	\$ 939
CAPEX (incl. internal use software)	(91)	(335)
Acquisitions, net of cash acquired	(2)	(155)
Net change in escrow and other restricted investments	411	8
Other cash from investing	(53)	41
Cash from Investing	\$ 265	\$ (441)
Net debt payments on secured financings	(35)	(227)
Net cash proceeds on other debt	26	926
Payments to acquire treasury stock, including fees	(8)	(812)
Dividends on common stock	(38)	(154)
Other, net	(5)	(44)
Cash from Financing	\$ (60)	\$ (311)
Change in cash and cash equivalents	356	130
Ending Cash and Cash Equivalents	\$ 1,229	\$ 1,229

Adjusted Cash from
Core Operations¹:
Q4 - \$1.0B
FY - \$1.7B

8 *Cash from Core Operations: see slides 23, 24 and 25 for explanation of non-GAAP measures
¹Adjusted for net securities litigation payments of \$615M



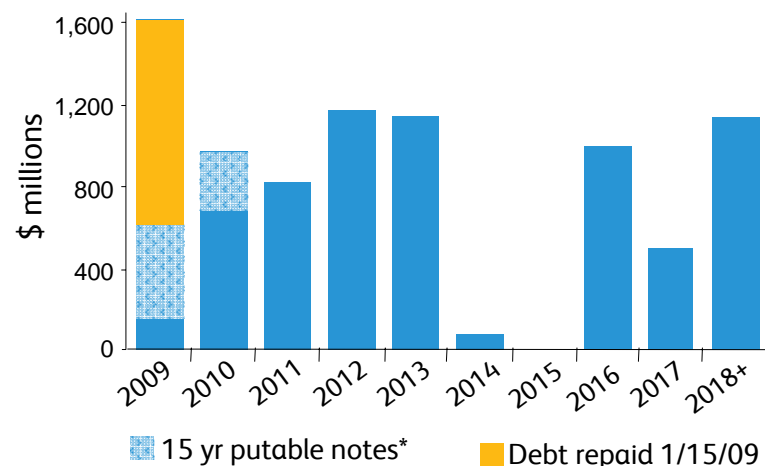
Earnings

(in millions, except per share data)	<u>Q4 2008</u>	<u>FY 2008</u>
Revenue	\$ 4,370	\$ 17,608
Gross Margin	37.9%	38.9%
Adjusted Gross Margin ¹	38.8%	39.2%
R,D&E	\$ 212	\$ 884
SAG	\$ 1,102	\$ 4,534
<i>SAG % of Revenue</i>	25.2%	25.7%
Adjusted Operating Income¹	\$ 382	\$1,476
<i>Adj. Operating Income¹ % of Revenue</i>	8.7%	8.4%
Other, Net	\$ 73	\$ 1,122
Restructuring	\$ 349	\$ 429
Adjusted Net Income¹	\$ 265	\$ 985
Equity Income	\$ 21	\$ 113
Adjusted Tax Rate ¹	21.0%	22.9%
Adjusted Diluted EPS¹	\$ 0.30	\$ 1.10
After Tax Adjustments		
Q4 '08 Restructuring and Asset Impairment	\$(0.27)	\$(0.27)
Equipment Write-off	\$(0.03)	\$(0.03)
Provision for Litigation, Net		\$(0.54)
GAAP EPS	\$ --	\$ 0.26

Use of Cash

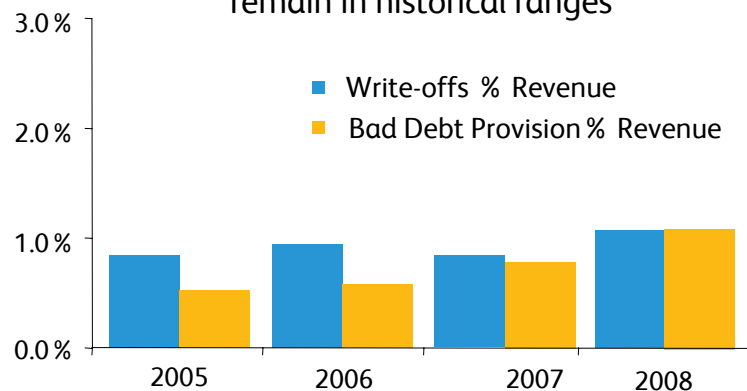
	FY 2009	
	Cash	Debt ¹
12/31/08 - Cash / Debt	\$1.2B	\$8.2B
2009 Cash Flow	1.7	
2009 CAPEX	(0.3)	
2009 Dividend	(0.2)	
2009 Net Debt Payment	(1.6)	(1.6)
12/31/09 - Cash / Debt	\$0.8B	\$6.6B

Balanced Debt Maturities* Debt Ladder



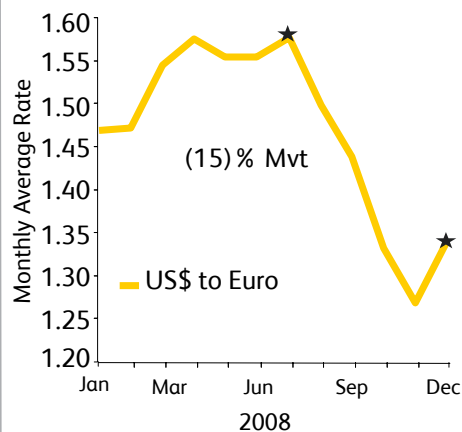
Receivables

Provisions and write-off ratios remain in historical ranges

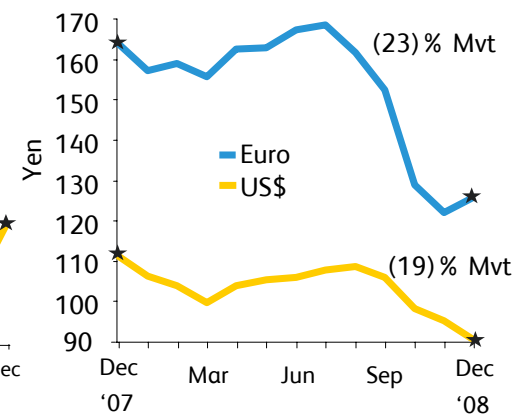


Currency

Translation



Transaction



10 *2009 assumes \$448M put under private placement in Q3 (final maturity 2022) and 2010 assumes \$278M put under private placements (final maturity 2023). 2009 includes 1/15/09 repayment of senior notes of approximately \$900M
¹ Principal Debt Balance: see slides 23, 24 and 25 for explanation of non-GAAP measures



Fourth-Quarter Post Sale Revenue

(in millions)

	<u>Q4 2008</u>		<u>Post Sale at CC*</u>		
Post Sale	\$ 3,074	Q4 2007	\$3,357		
Growth ¹	(8 %)	Paper	310	(6)	(0.2) %
CC* Growth	(3 %)	Finance income	198	(10)	(0.3) %
		Outsourcing	843	(11)	(0.3) %
		Service and rental	1,327	(14)	(0.4) %
		Supplies and other	573	(65)	(2.0) %
		Q4 2008	\$3,251	(3.2)%	

- Base annuity relatively flat
- Supplies driven by channel distribution inventory management and cash optimization
- DMO currency impact (1)pt

11 *Constant currency (CC): see slides 23, 24 and 25 for explanation of non-GAAP measures
¹Actual growth - Paper (0.7)%; Finance income (0.7)%; Outsourcing (1.9)%; Service and rental (2.7)%;
and Supplies and other (2.4)%



Annuity Scorecard

2008 Full-Year Post Sale Leading Indicators

Digital Revenue	↑ 2%
Digital MIF	↑ 6%
Digital Pages	↑ 1%

Color Revenue	↑ 10%
Color MIF	↑ 33%
Color Pages	↑ 24%

B&W Digital Rev	↓ 4%
B&W Digital MIF	↓ 1%
B&W Digital Pages	↓ 3%

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Color % Revenue	27%	31%	35%	37%
Color % of MIF	10%	13%	17%	22%
Color % of Pages	7%	9%	12%	18%
Services Annuity Growth	↑ 1%	↑ 6%	↑ 8%	↑ 3%
Post Sale % of Total Revenue	71%	72%	72%	73%

12 MIF (Machines in Field) exclude printers, developing markets & GIS
 All revenue measures with the exception of post sale % of total revenue exclude GIS
 Pages includes estimates for developing markets, GIS and printers



Anne Mulcahy

EPS Guidance

Assumptions

- Transaction currency challenges continue
- Continued economic pressure
- Restructuring savings

Guidance

- Q1 2009 \$0.16 - \$0.20
- Full-year 2009, current conditions lead to around \$1.00*

Summary

Majority of revenue, profit and cash from recurring revenue stream

- Effective execution of business model

Effectively implementing restructuring actions

- Delivering incremental expense reductions

Delivering leading industry document technology and services

- Investing in coverage
- Selective acquisitions

Well positioned to lead market growth when economies turn

Supplemental Slides

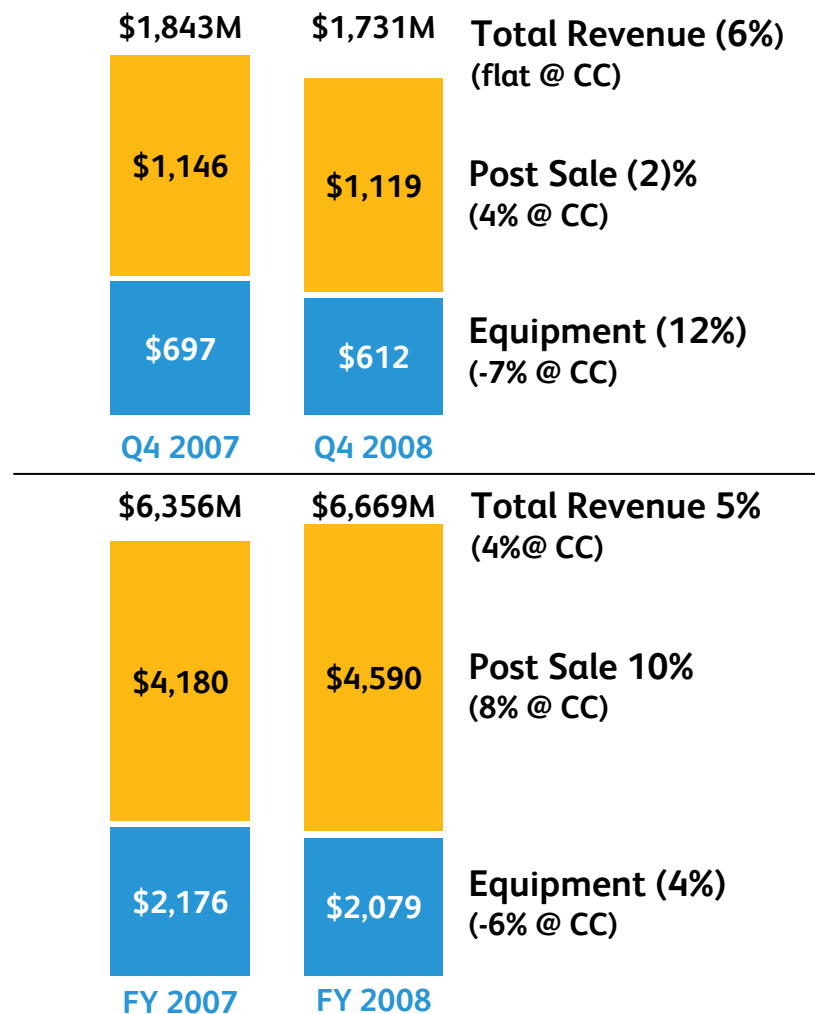
Revenue

2008

(in millions)	Q4	Full Year	Adjusted ¹
Total Revenue	\$ 4,370	\$ 17,608	
Growth	(10%)	2%	flat
CC* Growth	(5%)	1%	(1%)
Post Sale	\$ 3,074	\$ 12,929	
Growth	(8%)	4%	2%
CC* Growth	(3%)	3%	1%
Equipment	\$ 1,296	\$ 4,679	
Growth	(15%)	(2%)	(5%)
CC* Growth	(11%)	(2%)	(6%)

Color Performance

Total Color Revenue



Quarterly Color Trends

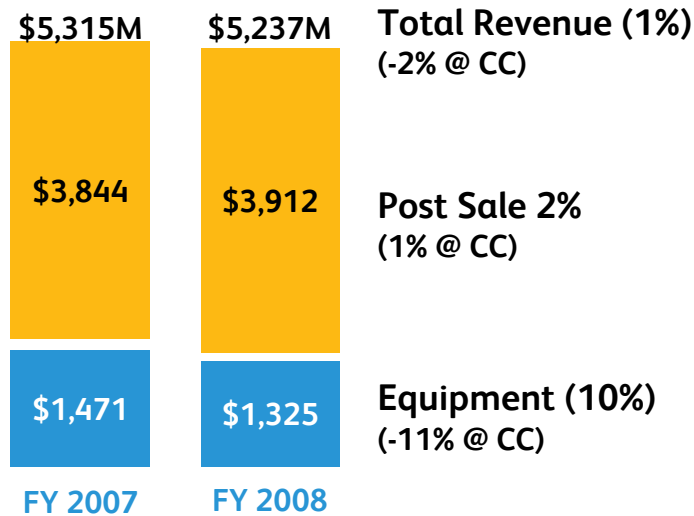
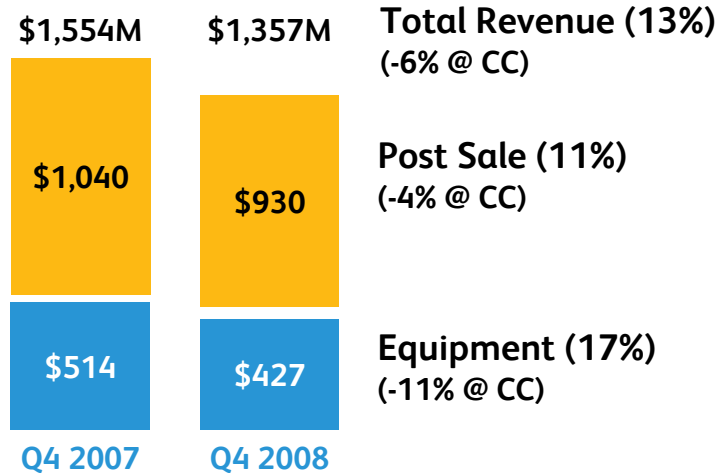
	Q4 2006	Q4 2007	Q4 2008
Color Revenue:			
% of Post Sale	33%	36%	39%
% of Equipment	47%	50%	53%
% of Total Revenue	37%	40%	43%
Color Pages:			
Growth	36%	34%	23%
% of Total Pages	10%	14%	18%

18 Constant currency: see slides 23, 24 and 25 for explanation of non-GAAP measures
 Color revenue excludes GIS results
 Color pages exclude GIS, developing markets and printers



Production Segment

Production Revenue



Production Overview – Q4

Color activity growth driven by new products

- Xerox iGen4[®] Press
- Xerox 700 digital color press
- Color continuous feed

Color pages continue to grow

Q4 Production revenue impacted by lower developing markets activity

Install Growth¹

	Q4 2008	FY 2008
Production Monochrome	(11%)	(6%)
Production Color	4%	1%

19 Constant currency: see slides 23, 24 and 25 for explanation of non-GAAP measures

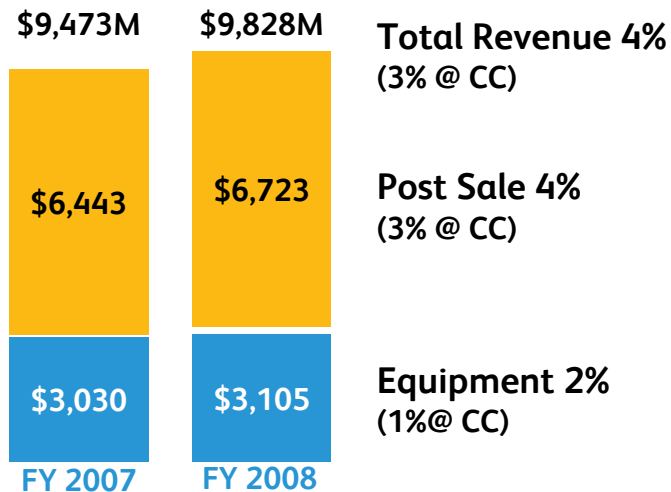
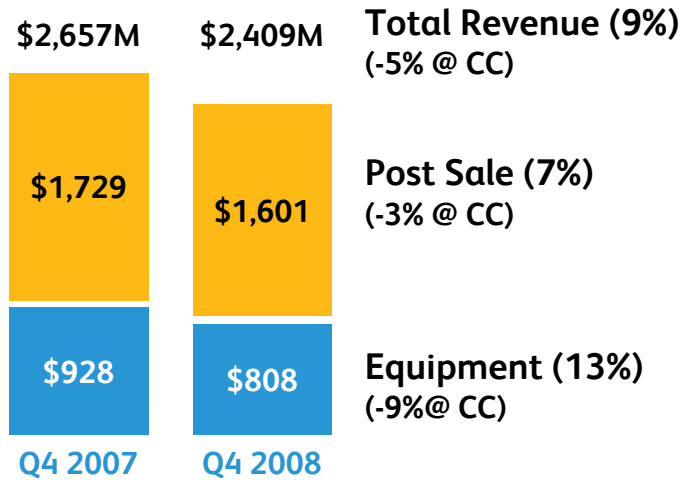
Beginning in 2008, developing markets results are included in the results of the Production, Office and Other segments

¹Install growth includes Xerox-branded product shipments to GIS



Office Segment

Office Revenue



Office Overview – Q4

Growth in installs of office color MFDs

- Xerox WorkCenter® 7232, 7242 & 7346
- Xerox 700 digital color press
- Phaser® 6110 and 6180

Decline in segments 1-2 installs driven by lower activity in developing markets

Post sale slowdown driven by lower channel supplies purchases

Install Growth¹

	Q4 2008	FY 2008
Office B&W Copiers/MFDs	(18%)	8%
Segments 1-2 (11-30) ppm	(24%)	8%
Segments 3-5 (31-90) ppm ²	3%	8%
Office Color MFDs	9%	24%
Color Printers	5%	12%

20 Constant currency: see slides 23, 24 and 25 for explanation of non-GAAP measures

Beginning in 2008, developing markets results are included in the results of the Production, Office and Other segments

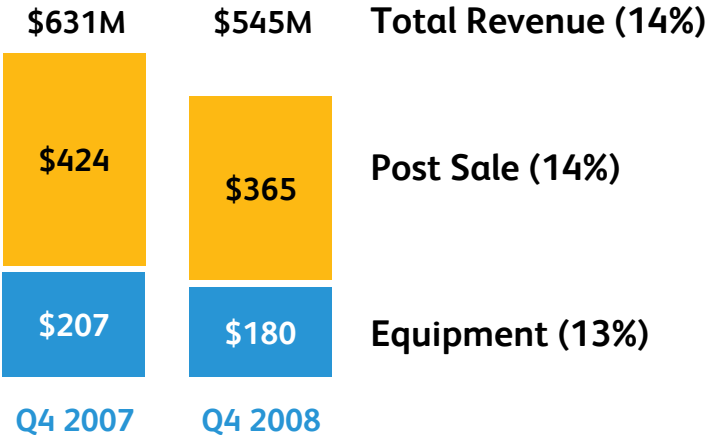
¹Install growth includes Xerox-branded product shipments to GIS

²Segments 3-5 (31-90) ppm includes 95 ppm, segment 6 device with an embedded controller



Developing Markets

Developing Markets Revenue



Total Revenue (14%)

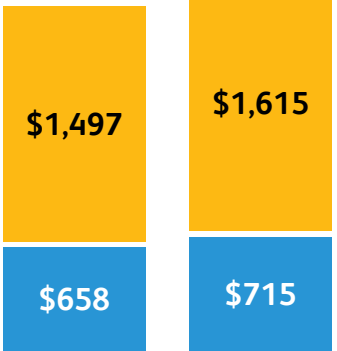
Post Sale (14%)

Equipment (13%)

Q4 2007

Q4 2008

\$2,155M \$2,330M Total Revenue 8%



Post Sale 8%

Equipment 9%

FY 2007

FY 2008

Developing Markets Overview – Q4

Activity slowdown driven by economic environment

Impact from rapid movement in Q4 exchange rates

Lower levels of inventory held by distributors

Strong Q4 2007 compare

21 Beginning in 2008, developing markets results are not reported as a separate segment, but are included within the results of the Production, Office and Other segments



Appendix

Non-GAAP Financial Measures

“Adjusted Revenue”: To better understand trends in our business, we believe that it is helpful to adjust revenue growth rates to reflect the impact of the acquisition of GIS on our business. We do this by including GIS’s estimated revenue in our revenue numbers for the comparable 2007 periods. We refer to this adjusted revenue as “as adjusted” revenue in the reconciliation tables that follow. Management believes these measures provide investors an additional perspective on revenue trends and the impact to the Company of the acquisition of GIS that was completed in May 2007. A reconciliation of these non-GAAP financial measures and the most directly comparable financial measures calculated and presented in accordance with GAAP is set forth on slide 26.

“Constant Currency”: To better understand trends in our business, we believe that it is helpful to adjust revenue to exclude the impact of changes in the translation of foreign currencies into U.S. dollars. We refer to this adjusted revenue as “constant currency.” Currencies for developing market countries (Latin America, Brazil, Middle East, India, Eurasia and Central-Eastern Europe) that we operate in are reported at actual exchange rates for both actual and constant revenue growth rates because (1) these countries historically have had volatile currency and inflationary environments and (2) our subsidiaries in these countries have historically taken pricing actions to mitigate the impact of inflation and devaluation. Management believes the constant currency measure provides investors an additional perspective on revenue trends. Currency impact can be determined as the difference between actual growth rates and constant currency growth rates as reported on the applicable slides.

“Adjusted Gross Margin”: To better understand trends in our business, we believe it is helpful to adjust gross margin for the fourth quarter and full year 2008 to exclude the effect of charges associated with an equipment write-off. Management believes that excluding the effect of this charge will enable investors to better understand and analyze the current periods’ results and provide a better basis for assessing future trends in gross margins because of the discrete nature of the equipment write-off charge. A reconciliation of this non-GAAP financial measure and the most directly comparable financial measure calculated and presented in accordance with GAAP is set forth on slide 27.

“Adjusted Operating Income”: To better understand trends in our business, we believe that it is helpful to adjust operating income for the fourth quarter and full year 2008 to exclude restructuring, asset impairment charges and a equipment write-off charge. Management believes that excluding the effect of these charges provides investors an additional means of measuring the current period operational results against the corresponding prior period results because of the discrete nature of these charges and their impact on the current period. A reconciliation of this non-GAAP financial measure and the most directly comparable financial measure calculated and presented in accordance with GAAP is set forth on slide 27.

Non-GAAP Financial Measures

“Adjusted Effective Tax Rate”: To better understand the trends in our business, we believe that it is helpful to adjust the effective tax rate for the fourth quarter and full year 2008 to exclude: (1) the tax effects of the first quarter 2008 securities-related litigation provision (full year); (2) the second, third and fourth quarter 2008 restructuring and asset impairment charges (fourth quarter and full year); (3) the fourth quarter equipment write-off charge (fourth quarter and full year); and (4) the benefit from the settlement of certain previously unrecognized tax benefits (full year). Management believes that excluding the tax effects of these items will enable investors to better understand and analyze the current periods’ effective tax rate given the discrete nature of these items in the respective period. A reconciliation of this non-GAAP financial measure and the most directly comparable financial measure calculated and presented in accordance with GAAP is set forth on slide 28.

“Adjusted Net Income and EPS”: To better understand the trends in our business, we believe that it is helpful to adjust diluted earnings per share and net income for the fourth quarter and full year 2008 to exclude the effect of: (1) the fourth quarter 2008 restructuring and asset impairment charges (fourth quarter and full year); (2) the fourth quarter 2008 equipment write-off charge (fourth quarter and full year); and (3) the first quarter 2008 securities-related litigation provision (full year). Management believes that excluding the effects of these items enables investors to better understand and analyze the current periods’ results and provides a better measure of comparability given the discrete nature of these charges. A reconciliation of this non-GAAP financial measure and the most directly comparable financial measure calculated and presented in accordance with GAAP is set forth on slide 29.

“Cash from Core Operations; Core Cash Flow”: To better understand the trends in our business, we believe that it is helpful to adjust cash flows to exclude the effect of investments made in finance receivables and on-lease equipment. These investments are viewed as income-producing assets and are important to the growth of our business. Management believes that excluding the effect of investments made in finance receivables and on-lease equipment provides investors an additional perspective on cash flow from operating activities. A reconciliation of this non-GAAP financial measure and the most directly comparable financial measure calculated and presented in accordance with GAAP is set forth on slide 8.

Non-GAAP Financial Measures

“Free Cash Flow”: To better understand the trends in our business, we believe that it is helpful to adjust cash flows from operations to exclude amounts for certain capital expenditures including internal use software. Management believes this measure provided investors an additional perspective on cash flow from operations in excess of amounts required for reinvestments. Free Cash Flow provides a measure of our ability to fund acquisitions, repay debt, pay dividends and repurchase shares. **“Free Cash Flow Per Share”:** This non-GAAP measure is calculated by dividing Free Cash Flow by our diluted shares outstanding. Management believes that Free Cash Flow Per Share enables investors to benchmark and make relative comparisons of our Free Cash Flow generation against other companies in our industry and market, since it will allow them to measure Free Cash Flow relative to our market capitalization and stock price. Free cash flow per share is solely used by management as a means to assess the Company’s Free Cash Flow and should not be construed as an amount that accrues directly to the shareholders benefit. A reconciliation of these non-GAAP financial measures and the most directly comparable measures calculated and presented in accordance with GAAP are set forth on slide 31.

“Cash from Core Operations; Core Cash Flow” / “Free Cash Flow” / “Free Cash Flow Per Share”: To better understand the trends in our business, we believe that it is helpful to adjust **Cash from Core Operations; Core Cash Flow / Free Cash Flow / Free Cash Flow Per Share** to exclude the fourth quarter 2008 net payments made for the securities-related litigation matters. Management believes that excluding the effects of these payments helps investors better understand and analyze the current periods’ results given the nature and size of the payments and their relation to prior period events. A reconciliation of these non-GAAP financial measures and the most directly comparable measures calculated and presented in accordance with GAAP are set forth on slide 30 and 31.

“Principal Debt Balance”: To better understand our reported debt balances, we believe that it is helpful to analyze the reported debt balance before carrying value adjustments for the effects of fair value hedge accounting per SFAS No. 133 “Accounting for Derivative Instruments and Hedging Activities” as well as unamortized premiums and discounts. We refer to this adjusted debt balance as “Principal Debt” as it effectively represents the principle value of outstanding debt or debt due at maturity, excluding future accretion of interest on our zero coupon debt. Since it is management’s intention to hold debt to maturity, we believe this balance helps investors better understand our future cash flow requirements related to debt. A reconciliation of this non-GAAP financial measure and the most directly comparable measures calculated and presented in accordance with GAAP are set forth on slide 32.

Management believes that these non-GAAP financial measures provide an additional means of analyzing the current periods’ results against the corresponding prior periods’ results. However, these non-GAAP financial measures should be viewed in addition to, and not as a substitute for, the Company’s reported results prepared in accordance with GAAP.

Full-Year 2008 Revenue Reconciliation

(in millions)	Year Ended, December 31,		% Change	% Change at Constant Currency
	2008	2007		
Equipment Sales Revenue:				
As Reported	4,679	4,753	(2 %)	(2 %)
As Adjusted	4,679	4,938	(5 %)	(6 %)
Post Sale Revenue:				
As Reported	12,929	12,475	4 %	3 %
As Adjusted	12,929	12,681	2 %	1 %
Total Revenues:				
As Reported	17,608	17,228	2 %	1 %
As Adjusted	17,608	17,619	flat	(1 %)

Revenue “As Adjusted” adds GIS’ results for Q1 and Q2 2007 to our 2007 reported revenue.

Adjusted Gross Margin and Operating Income Reconciliation

Q4 2008:	As Reported	Restructuring & Asset Impairment	Equipment Write-off	As Adjusted
(in millions)				
Revenue	\$ 4,370			\$ 4,370
Cost of revenue	2,713		(39)	2,674
Gross Profit	1,657		39	1,696
Gross Margin	37.9%			38.8%
R,D&E	212			212
SAG	1,102			1,102
Restructuring	349	(349)		-
Operating Income	(6)	349	39	382
Income % of Revenue	-0.1%			8.7%
FY 2008:	As Reported	Restructuring & Asset Impairment	Equipment Write-off	As Adjusted
(in millions)				
Revenue	\$ 17,608			\$ 17,608
Cost of revenue	10,753		(39)	10,714
Gross Profit	6,855		39	6,894
Gross Margin	38.9%			39.2%
R,D&E	884			884
SAG	4,534			4,534
Restructuring	429	(429)		-
Operating Income	1,008	429	39	1,476
Income % of Revenue	5.7%			8.4%

Adjusted Tax Rate Reconciliation

Adjusted Tax Rate	Q4 2008			FY 2008		
	Pre-tax Income	Income Taxes	Tax Rate	Pre-tax Income	Income Taxes	Tax Rate
(in millions)						
As Reported	\$ (79)	\$ (59)	74.7%	\$ (114)	\$ (231)	202.6%
Adjustments:						
Q2, Q3, Q4 2008 Restructuring and asset impairment charges	349	109		426	134	
Q4 2008 Equipment write-off	39	15		39	15	
Q1 2008 Provision for litigation matters				795	304	
Tax settlements				-	41	
As Adjusted	\$ 309	\$ 65	21.0%	\$ 1,146	\$ 263	22.9%

Adjusted Net Income / EPS Reconciliation

Adjusted Net Income/EPS (in millions; except per share amounts)	Q4 2008		FY 2008	
	Net Income	EPS	Net Income	EPS
As Reported	\$ 1	\$ -	\$ 230	\$ 0.26
Adjustments:				
Q4 2008 Restructuring and asset impairment charges	240	0.27	240	0.27
Q4 2008 Equipment write-off	24	0.03	24	0.03
Q1 2008 Provision for litigation matters	-	-	491	0.54
As Adjusted	\$ 265	\$ 0.30	\$ 985	\$ 1.10

Adjusted Cash Flow Reconciliation

Adjusted Cash Flow	Q4 2008	FY 2008
(in millions)		
Operating Cash Flow - As Reported	\$ 185	\$ 939
Increase (decrease) in finance receivables	155	(164)
Increase in equipment on operating leases	89	331
Core Cash Flow	\$ 429	\$ 1,106
Payments for securities litigation, net	615	615
Core Cash Flow - As Adjusted	\$ 1,044	\$ 1,721

Adjusted Free Cash Flow / Free Cash Flow Per Share Reconciliation

(in millions, except per-share data, shares in thousands)

	<u>Q4 2008</u>	<u>FY 2008</u>
Operating Cash Flow - As Reported	\$ 185	\$ 939
Payments for securities litigation, net	615	615
Capital expenditures	(64)	(206)
Internal use software	(27)	(129)
Adjusted Free Cash Flow (FCF)	<u>\$ 709</u>	<u>\$ 1,219</u>
Adj. Weighted Average Shares Outstanding	<u>875,363</u>	<u>895,542</u>
Adjusted Free Cash Flow Per Share	<u>\$ 0.81</u>	<u>\$ 1.36</u>

Principal Debt Balance Reconciliation

(in millions)	<u>12/31/2008</u>	<u>9/30/2008</u>	<u>12/31/2007</u>
Principal debt balance	8,201	8,206	7,465
Less: Net unamortized discount	(6)	(9)	(13)
Add: SFAS No. 133 fair value adjustments ¹	189	43	12
Total reported debt	8,384	8,240	7,464
Less: current maturities and short-term debt	(1,610)	(1,457)	(525)
Total long-term debt	6,774	6,783	6,939

¹ SFAS No. 133 fair value adjustments represent changes in the fair value of hedged debt obligations attributable to movements in benchmark interest rates. SFAS No. 133 requires hedged debt instruments to be reported at an amount equal to the sum of their carrying value (principal value plus/minus premiums/discounts) and the SFAS No. 133 fair value adjustment