

AFFILIATED COMPUTER SERVICES INC
Form 425
October 01, 2009

Filed by Affiliated Computer Services, Inc.
Pursuant to Rule 425 under the Securities Act of 1933
and deemed filed pursuant to Rule 14a-12 under the Securities Exchange Act of 1934

Subject Company: Affiliated Computer Services, Inc.
Commission File No.: 1-12665

September 28, 2009

Dear Colleague,

I am very pleased to update you regarding a key development for Affiliated Computer Services (ACS). Today we announced that ACS will combine with Xerox, and because of the service we provide our customers, it is important you fully understand the rationale and value of this combination.

As you are aware, Xerox is the world's leading document management technology and services enterprise. You may know Xerox's name because of its successful printing and hardware business, but you may not know that its services expertise is world class. Xerox leads the industry Managed Print Services and in helping businesses develop online document archives, analyzing how employees can most efficiently share documents and knowledge in the office, operating in-house print shops or mailrooms, and building Web-based processes for personalizing direct mail, invoices, and brochures.

Together with Xerox, ACS will be able to grow our capabilities and expertise in incredible ways. By leveraging Xerox's industry-leading document management, record of innovation, and R&D investments, we will be able to offer comprehensive document management solutions and create new automated and differentiated BPO services to our government clients. In short, the combination of Xerox and ACS will establish a solutions provider that surpasses every competitor and sets a new standard for document technology and business process solutions.

The real beneficiary in this transaction is our clients. With Xerox, we are focused on aligning technology to solve business process problems. ACS will be able to provide improved offerings by integrating the front office with the back office, creating end-to-end document solutions.

ACS will continue to operate as an independent organization and maintain our corporate head office in Dallas and our government headquarters in the Washington D.C. area, ensuring easy access for legislative leaders. This will provide a smooth transition with no disruption to client service.

Our Board of Directors voted unanimously in favor of this transaction and our shareholders will be asked to give their approval as well. Subject to the customary closing conditions that include domestic and foreign regulatory approvals, we anticipate that this transaction will close in the first quarter of calendar 2010. We'll keep you updated throughout the process.

Since our founding in 1988, ACS has grown from a small bank data processor to the world's largest diversified business process solution provider with 74,000 employees all over the world. I look forward to our continued success as ACS steps forward on this new path.

I realize that you will have many questions, and commit to you to keep you informed. Please reference the attached fact sheet and do not hesitate to contact me or your consultant monitor for any additional information you may require.

Sincerely,

John A. Coleman
Senior Vice President
Legislative & Public Affairs

Forward-Looking Statements

This document 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 the Company, 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 unprecedented volatility in the global economy; the risk that the future business operations of the Company will not be successful; the risk that we will not realize all of the anticipated benefits from our transaction with Xerox; the risk that customer retention and revenue expansion goals for the Xerox transaction will not be met and that disruptions from the Xerox transaction will harm relationships with customers, employees and suppliers; the risk that unexpected costs will be incurred; the outcome of litigation (including with respect to the Xerox transaction) 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 savings from restructuring actions; 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 2009 Annual Report on Form 10-K and Xerox's 2008 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the quarters ended March 31, 2009 and June 30, 2009 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.

Additional Information

The proposed merger transaction involving the Company and Xerox will be submitted to the respective stockholders of the Company and Xerox for their consideration. In connection with the proposed merger, the Company will file a joint proxy statement with the SEC (which such joint proxy statement will form a prospectus of a registration statement on Form S-4 that will be filed by Xerox with the SEC). The Company and Xerox will each mail the joint proxy statement/prospectus to its stockholders. The Company and Xerox urge investors and security holders to read the joint proxy statement/prospectus regarding the proposed transaction when it becomes available because it will contain important information. You may obtain a free copy of the joint proxy statement/prospectus, as well as other filings containing information about the Company and Xerox, without charge, at the SEC's Internet site (<http://www.sec.gov>). Copies of the joint proxy statement/prospectus and the filings with the SEC that will be incorporated by reference in the joint proxy statement/prospectus can also be obtained, when available, without charge, from the Company's website, www.acs-inc.com, under the heading "Investor Relations" and then under the heading "SEC Filings". You may also obtain these documents, without charge, from Xerox's website, www.xerox.com, under the tab "Investor Relations" and then under the heading "SEC Filings".

The Company, Xerox and their respective directors, executive officers and certain other members of management and employees may be deemed to be participants in the solicitation of proxies from the respective stockholders of the Company and Xerox in favor of the merger. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the respective stockholders of the Company and Xerox in connection with the proposed merger will be set forth in the joint proxy statement/prospectus when it is filed with the SEC. You can find information about the Company's executive officers and directors in its definitive proxy statement filed with the SEC on April 14, 2009. You can find information about Xerox's executive officers and directors in its definitive proxy

Edgar Filing: AFFILIATED COMPUTER SERVICES INC - Form 425

statement filed with the SEC on April 6, 2009. You can obtain free copies of these documents from the Company and Xerox websites using the contact information above.