UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2013

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______________ to _______________

Commission file number: 1-3579

PITNEY BOWES INC.

(Exact name of registrant as specified in its charter)

Delaware	**06-0495050**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1 Elmcroft Road, Stamford, Connecticut	**06926-0700**
(Address of principal executive offices)	(Zip Code)

(203) 356-5000

(Registrant’s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of April 22, 2013, 201,473,817 shares of common stock, par value $1 per share, of the registrant were outstanding.

PITNEY BOWES INC.
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PART I. FINANCIAL INFORMATION
Item 1: Financial Statements

PITNEY BOWES INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited; in thousands, except per share data)

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Revenue:		
Equipment sales	**$ 214,999**	$ 220,179
Supplies	**74,287**	76,365
Software	**87,012**	104,350
Rentals	**136,379**	140,389
Financing	**116,762**	126,748
Support services	**165,486**	173,518
Business services	**372,031**	378,587
Total revenue	**1,166,956**	1,220,136
Costs and expenses:		
Cost of equipment sales	**109,337**	96,916
Cost of supplies	**23,262**	23,871
Cost of software	**20,706**	21,093
Cost of rentals	**27,755**	30,225
Financing interest expense	**19,875**	21,139
Cost of support services	**108,009**	115,087
Cost of business services	**291,648**	286,817
Selling, general and administrative	**377,206**	405,486
Research and development	**33,335**	34,073
Other interest expense	**30,739**	29,367
Interest income	**(1,748)**	(1,733)
Other expense (income), net	**25,121**	(3,234)
Total costs and expenses	**1,065,245**	1,059,107
Income from continuing operations before income taxes	**101,711**	161,029
Provision for income taxes	**27,549**	15,493
Income from continuing operations	**74,162**	145,536
(Loss) income from discontinued operations, net of tax	**(2,062)**	17,728
Net income before attribution of noncontrolling interests	**72,100**	163,264
Less: Preferred stock dividends of subsidiaries attributable to noncontrolling interests	**4,594**	4,594
Net income - Pitney Bowes Inc.	**$ 67,506**	$ 158,670
Amounts attributable to common stockholders:		
Net income from continuing operations	**$ 69,568**	$ 140,942
(Loss) income from discontinued operations, net of tax	**(2,062)**	17,728
Net income - Pitney Bowes Inc.	**$ 67,506**	$ 158,670
Basic earnings per share attributable to common stockholders:		
Continuing operations	**$ 0.35**	$ 0.70
Discontinued operations	**(0.01)**	0.09
Net income - Pitney Bowes Inc.	**$ 0.34**	$ 0.79
Diluted earnings per share attributable to common stockholders:		
Continuing operations	**$ 0.34**	$ 0.70
Discontinued operations	**(0.01)**	0.09
Net income - Pitney Bowes Inc.	**$ 0.33**	$ 0.79

See Notes to Condensed Consolidated Financial Statements

PITNEY BOWES INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited; in thousands)

	Three Months Ended March 31,	
	2013	2012
Net income	**$ 72,100**	$ 163,264
Other comprehensive income, net of tax:		
Net unrealized gain on cash flow hedges, net of tax of $344 and $32, respectively	**538**	49
Net unrealized gain on investment securities, net of tax of $175 and $(548), respectively	**274**	(857)
Amortization of pension and postretirement costs, net of tax of $6,139 and $6,886, respectively	**10,631**	11,988
Foreign currency translations	**(42,204)**	33,359
Other comprehensive (loss) income	**(30,761)**	44,539
Comprehensive income	**41,339**	207,803
Less: Preferred stock dividends of subsidiaries attributable to noncontrolling interests	**4,594**	4,594
Total comprehensive income - Pitney Bowes Inc.	**$ 36,745**	$ 203,209

See Notes to Condensed Consolidated Financial Statements

PITNEY BOWES INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited; in thousands, except share and per share data)

	March 31, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	$ 909,664	$ 913,276
Short-term investments	37,712	36,611
Accounts receivable, gross	663,357	748,469
Allowance for doubtful accounts receivables	(15,739)	(20,219)
Accounts receivable, net	647,618	728,250
Finance receivables	1,160,865	1,213,776
Allowance for credit losses	(23,774)	(25,484)
Finance receivables, net	1,137,091	1,188,292
Inventories	167,469	179,678
Current income taxes	49,082	51,836
Other current assets and prepayments	113,142	114,184
Total current assets	3,061,778	3,212,127
Property, plant and equipment, net	377,246	385,377
Rental property and equipment, net	236,026	241,192
Finance receivables	993,242	1,041,099
Allowance for credit losses	(13,206)	(14,610)
Finance receivables, net	980,036	1,026,489
Investment in leveraged leases	34,236	34,546
Goodwill	2,115,450	2,136,138
Intangible assets, net	153,440	166,214
Non-current income taxes	93,391	94,434
Other assets	564,503	563,374
Total assets	$ 7,616,106	$ 7,859,891
LIABILITIES, NONCONTROLLING INTERESTS AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,586,957	$ 1,809,226
Current income taxes	207,081	240,681
Notes payable and current portion of long-term obligations	375,000	375,000
Advance billings	466,677	452,130
Total current liabilities	2,635,715	2,877,037
Deferred taxes on income	94,883	69,222
Tax uncertainties and other income tax liabilities	144,739	145,881
Long-term debt	3,657,634	3,642,375
Other non-current liabilities	713,578	718,375
Total liabilities	7,246,549	7,452,890
Noncontrolling interests (Preferred stockholders' equity in subsidiaries)	296,370	296,370
Commitments and contingencies (See Note 12)		
Stockholders' equity:		
Cumulative preferred stock, $50 par value, 4% convertible	4	4
Cumulative preference stock, no par value, $2.12 convertible	648	648
Common stock, $1 par value (480,000,000 shares authorized; 323,337,912 shares issued)	323,338	323,338
Additional paid-in capital	203,454	223,847
Retained earnings	4,736,961	4,744,802
Accumulated other comprehensive loss	(711,974)	(681,213)
Treasury stock, at cost (121,867,606 and 122,453,865 shares, respectively)	(4,479,244)	(4,500,795)
Total Pitney Bowes Inc. stockholders' equity	73,187	110,631
Total liabilities, noncontrolling interests and stockholders' equity	$ 7,616,106	$ 7,859,891

See Notes to Condensed Consolidated Financial Statements

PITNEY BOWES INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; in thousands)

	Three Months Ended March 31,	
	2013	2012
Cash flows from operating activities:		
Net income before attribution of noncontrolling interests	**$ 72,100**	$ 163,264
Restructuring payments	**(16,275)**	(26,245)
Special pension plan contributions	**—**	(95,000)
Tax payments related to sale of leveraged lease assets	**—**	(69,233)
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on sale of leveraged lease assets, net of tax	**—**	(12,886)
Proceeds from settlement of derivative instruments	**4,838**	—
Depreciation and amortization	**57,227**	64,370
Stock-based compensation	**3,704**	4,377
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	**71,401**	34,798
(Increase) decrease in finance receivables	**76,628**	63,926
(Increase) decrease in inventories	**8,807**	925
(Increase) decrease in other current assets and prepayments	**(4,396)**	(13,002)
Increase (decrease) in accounts payable and accrued liabilities	**(169,292)**	(141,759)
Increase (decrease) in current and non-current income taxes	**(11,472)**	53,087
Increase (decrease) in advance billings	**23,101**	43,166
Increase (decrease) in other operating capital, net	**15,789**	1,592
Net cash provided by operating activities	**132,160**	71,380
Cash flows from investing activities:		
Short-term and other investments	**2,143**	(8,334)
Capital expenditures	**(38,839)**	(50,029)
Proceeds from sale of leveraged lease assets	**—**	105,506
Net investment in external financing	**(506)**	(825)
Reserve account deposits	**(27,327)**	(25,674)
Net cash (used in) provided by investing activities	**(64,529)**	20,644
Cash flows from financing activities:		
Proceeds from the issuance of long-term obligations, net of fees and discounts of $13,387	**411,613**	—
Principal payments of long-term obligations	**(404,637)**	(150,000)
Increase in commercial paper borrowings, net	**—**	177,830
Proceeds from the issuance of common stock under employee stock-based compensation plans	**1,876**	2,059
Dividends paid to stockholders	**(75,347)**	(74,938)
Net cash used in financing activities	**(66,495)**	(45,049)
Effect of exchange rate changes on cash and cash equivalents	**(4,748)**	12,340
(Decrease) increase in cash and cash equivalents	**(3,612)**	59,315
Cash and cash equivalents at beginning of period	**913,276**	856,238
Cash and cash equivalents at end of period	**$ 909,664**	$ 915,553
Cash interest paid	**$ 72,650**	$ 77,572
Cash income tax payments, net of refunds	**$ 36,871**	$ 28,148

See Notes to Condensed Consolidated Financial Statements

(Unaudited; table amounts in thousands of dollars, unless otherwise noted)

1. Description of Business and Basis of Presentation

Pitney Bowes Inc. and its subsidiaries (we, us, our or the company) is a global provider of software, hardware and services that enables and integrates both physical and digital communications. We offer a full suite of equipment, supplies, software, services and solutions for managing and integrating physical and digital communication channels. We conduct our business activities in seven reporting segments within two business groups: Small & Medium Business Solutions and Enterprise Business Solutions. See Note 13 for information regarding our reportable segments.

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial information and the instructions to Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In addition, the December 31, 2012 Condensed Consolidated Balance Sheet data was derived from audited financial statements, but does not include all disclosures required by GAAP. In management's opinion, all adjustments, consisting only of normal recurring adjustments, considered necessary to state fairly our financial position, results of operations and cash flows for the periods presented have been included. Operating results for the periods presented are not necessarily indicative of the results that may be expected for any other interim period or for the year ending December 31, 2013.

In January 2013, the Financial Accounting Standards Board issued Accounting Standards Update No. 2013-01, *Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities* (ASU 2013-01), ASU 2013-01 requires an entity to disclose gross and net information about transactions that are (1) offset in the financial statements or (2) subject to an enforceable master netting arrangement or similar agreement, regardless of whether the transactions are actually offset in the statement of financial position. The disclosure requirements are effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The amounts impacting our disclosure were immaterial at March 31, 2013 and December 31, 2012.

In February 2013, the Financial Accounting Standards Board issued Accounting Standards Update No. 2013-02, *Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income* (ASU 2013-02). ASU 2013-02 requires an entity to present either parenthetically on the face of the financial statements, or in the notes, significant amounts reclassified from each component of accumulated other comprehensive income and the income statement line items affected by the reclassification. The new standard became effective this quarter. The adoption of this standard resulted in additional disclosures, but did not impact our financial condition, results of operations or cash flows.

During the fourth quarter of 2012, we determined that changes in certain investment-related working capital accounts that were classified as cash flows from operating activities in the Condensed Consolidated Statement of Cash Flows should have been classified as cash flows from investing activities. Accordingly, the Condensed Consolidated Statement of Cash Flows for the period ended March 31, 2012 has been revised to reflect the correct classification of cash flows, resulting in an increase in cash provided by operating activities and an increase in cash used in investing activities of $25 million.

These statements should be read in conjunction with the financial statements and notes thereto included in our Annual Report to Stockholders on Form 10-K for the year ended December 31, 2012 (the 2012 Annual Report). Certain prior year amounts have been reclassified to conform to the current period presentation.

2. Inventories

Inventories at March 31, 2013 and December 31, 2012 consisted of the following:

	March 31, 2013	December 31, 2012
Raw materials and work in process	**$ 60,389**	$ 66,221
Supplies and service parts	**70,842**	72,551
Finished products	**63,925**	68,335
Inventory at FIFO cost	**195,156**	207,107
Excess of FIFO cost over LIFO cost	**(27,687)**	(27,429)
Total inventory, net	**$ 167,469**	$ 179,678

(Unaudited; table amounts in thousands of dollars, unless otherwise noted)

3. Finance Assets

Finance Receivables

Finance receivables are comprised of sales-type lease receivables and unsecured revolving loan receivables. Sales-type lease receivables are generally due in monthly, quarterly or semi-annual installments over periods ranging from three to five years. Loan receivables arise primarily from financing services offered to our customers for postage and related supplies. Loan receivables are generally due each month; however, customers may rollover outstanding balances.

Finance receivables at March 31, 2013 and December 31, 2012 consisted of the following:

	March 31, 2013		
	North America	**International**	**Total**
Sales-type lease receivables			
Gross finance receivables	**$ 1,527,074**	**$ 435,822**	**$ 1,962,896**
Unguaranteed residual values	**139,759**	**20,190**	**159,949**
Unearned income	**(307,448)**	**(98,744)**	**(406,192)**
Allowance for credit losses	**(15,572)**	**(7,767)**	**(23,339)**
Net investment in sales-type lease receivables	**1,343,813**	**349,501**	**1,693,314**
Loan receivables			
Loan receivables	**393,283**	**44,171**	**437,454**
Allowance for credit losses	**(11,829)**	**(1,812)**	**(13,641)**
Net investment in loan receivables	**381,454**	**42,359**	**423,813**
Net investment in finance receivables	**$ 1,725,267**	**$ 391,860**	**$ 2,117,127**

	December 31, 2012		
	North America	International	Total
Sales-type lease receivables			
Gross finance receivables	$ 1,581,711	$ 461,510	$ 2,043,221
Unguaranteed residual values	148,664	21,025	169,689
Unearned income	(316,030)	(104,258)	(420,288)
Allowance for credit losses	(16,979)	(8,662)	(25,641)
Net investment in sales-type lease receivables	1,397,366	369,615	1,766,981
Loan receivables			
Loan receivables	414,960	47,293	462,253
Allowance for credit losses	(12,322)	(2,131)	(14,453)
Net investment in loan receivables	402,638	45,162	447,800
Net investment in finance receivables	$ 1,800,004	$ 414,777	$ 2,214,781

Allowance for Credit Losses and Aging of Receivables

We estimate our finance receivable risks and provide an allowance for credit losses accordingly. We evaluate the adequacy of the allowance for credit losses based on historical loss experience, the nature and volume of our portfolios, adverse situations that may affect a client's ability to pay, prevailing economic conditions and our ability to manage the collateral and make adjustments to the allowance as necessary. This evaluation is inherently subjective and actual results may differ significantly from estimated reserves.

We establish credit approval limits based on the credit quality of the client and the type of equipment financed. Our policy is to discontinue revenue recognition for lease receivables that are more than 120 days past due and for unsecured loan receivables that are more than 90 days past due. We resume revenue recognition when payments reduce the account balance aging to 60 days or less past due. Finance receivables deemed uncollectible are written off against the allowance after all collection efforts have been exhausted and management deems the account to be uncollectible. We believe that our finance receivable credit risk is limited because of our large number of clients, small account balances for most of our clients, and geographic and industry diversification.

(Unaudited; table amounts in thousands of dollars, unless otherwise noted)

Activity in the allowance for credit losses for finance receivables for the three months ended March 31, 2013 was as follows:

	Sales-type Lease Receivables		Loan Receivables		
	North America	International	North America	International	Total
Balance at January 1, 2013	$ 16,979	$ 8,662	$ 12,322	$ 2,131	$ 40,094
Amounts charged to expense	**1,067**	**360**	**2,462**	**70**	**3,959**
Accounts written off	**(2,474)**	**(1,255)**	**(2,955)**	**(389)**	**(7,073)**
Balance at March 31, 2013	**$ 15,572**	**$ 7,767**	**$ 11,829**	**$ 1,812**	**$ 36,980**

Aging of Receivables

The aging of gross finance receivables at March 31, 2013 and December 31, 2012 was as follows:

	March 31, 2013				
	Sales-type Lease Receivables		Loan Receivables		
	North America	International	North America	International	Total
< 31 days	**$ 1,445,912**	**$ 399,412**	**$ 375,470**	**$ 42,329**	**$ 2,263,123**
> 30 days and < 61 days	**36,003**	**13,952**	**9,602**	**1,126**	**60,683**
> 60 days and < 91 days	**22,693**	**11,824**	**3,647**	**341**	**38,505**
> 90 days and < 121 days	**6,143**	**3,735**	**1,845**	**187**	**11,910**
> 120 days	**16,323**	**6,899**	**2,719**	**188**	**26,129**
Total	**$ 1,527,074**	**$ 435,822**	**$ 393,283**	**$ 44,171**	**$ 2,400,350**
Past due amounts > 90 days					
Still accruing interest	**$ 6,143**	**$ 3,735**	**$ —**	**$ —**	**$ 9,878**
Not accruing interest	**16,323**	**6,899**	**4,564**	**375**	**28,161**
Total	**$ 22,466**	**$ 10,634**	**$ 4,564**	**$ 375**	**$ 38,039**

	December 31, 2012				
	Sales-type Lease Receivables		Loan Receivables		
	North America	International	North America	International	Total
< 31 days	$ 1,497,797	$ 435,780	$ 392,108	$ 45,324	$ 2,371,009
> 30 days and < 61 days	37,348	9,994	12,666	1,368	61,376
> 60 days and < 91 days	24,059	5,198	4,577	285	34,119
> 90 days and < 121 days	6,665	3,327	2,319	179	12,490
> 120 days	15,842	7,211	3,290	137	26,480
Total	$ 1,581,711	$ 461,510	$ 414,960	$ 47,293	$ 2,505,474
Past due amounts > 90 days					
Still accruing interest	$ 6,665	$ 3,327	$ —	$ —	$ 9,992
Not accruing interest	15,842	7,211	5,609	316	28,978
Total	$ 22,507	$ 10,538	$ 5,609	$ 316	$ 38,970

Credit Quality

The extension of credit and management of credit lines to new and existing clients uses a combination of an automated credit score, where available, and a detailed manual review of the client's financial condition and, when applicable, payment history. Once credit is granted, the payment performance of the client is managed through automated collections processes and is supplemented with direct follow up should an account become delinquent. We have robust automated collections and extensive portfolio management processes.

(Unaudited; table amounts in thousands of dollars, unless otherwise noted)

The portfolio management processes ensure that our global strategy is executed, collection resources are allocated appropriately and enhanced tools and processes are implemented as needed.

We use a third party to score the majority of the North America portfolio on a quarterly basis using a commercial credit score. We do not use a third party to score our International portfolios because the cost to do so is prohibitive, it is a localized process and there is no single credit score model that covers all countries.

The table below shows the North America portfolio at March 31, 2013 and December 31, 2012 by relative risk class (low, medium, high) based on the relative scores of the accounts within each class. The relative scores are determined based on a number of factors, including the company type, ownership structure, payment history and financial information. A fourth class is shown for accounts that are not scored. Absence of a score is not indicative of the credit quality of the account. The degree of risk, as defined by the third party, refers to the relative risk that an account in the next 12 month period may become delinquent.

- Low risk accounts are companies with very good credit scores and are considered to approximate the top 30% of all commercial borrowers.
- Medium risk accounts are companies with average to good credit scores and are considered to approximate the middle 40% of all commercial borrowers.
- High risk accounts are companies with poor credit scores, are delinquent or are at risk of becoming delinquent and are considered to approximate the bottom 30% of all commercial borrowers.

	March 31, 2013	December 31, 2012
Sales-type lease receivables		
Low	**$ 1,030,809**	$ 1,016,413
Medium	**397,721**	450,432
High	**45,669**	43,658
Not Scored	**52,875**	71,208
Total	**$ 1,527,074**	$ 1,581,711
Loan receivables		
Low	**$ 248,494**	$ 254,567
Medium	**127,599**	136,069
High	**13,786**	14,624
Not Scored	**3,404**	9,700
Total	**$ 393,283**	$ 414,960

Troubled Debt

We maintain a program for U.S. clients in our North America loan portfolio who are experiencing financial difficulties, but are able to make reduced payments over an extended period of time. Upon acceptance into the program, the client's credit line is closed and interest accrual is suspended. There is generally no forgiveness of debt or reduction of balances owed. The balance of loans in this program, related loan loss allowance and write-offs are insignificant to the overall portfolio.

Leveraged Leases

Our investment in leveraged lease assets at March 31, 2013 and December 31, 2012 consisted of the following:

	March 31, 2013	December 31, 2012
Rental receivables	**$ 78,287**	$ 83,254
Unguaranteed residual values	**13,841**	14,177
Principal and interest on non-recourse loans	**(50,802)**	(55,092)
Unearned income	**(7,090)**	(7,793)
Investment in leveraged leases	**34,236**	34,546
Less: deferred taxes related to leveraged leases	**(18,234)**	(19,372)
Net investment in leveraged leases	**$ 16,002**	$ 15,174

(Unaudited; table amounts in thousands of dollars, unless otherwise noted)

4. Intangible Assets and Goodwill

Intangible assets

Intangible assets at March 31, 2013 and December 31, 2012 consisted of the following:

	March 31, 2013			December 31, 2012		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	$ 403,534	$ (274,203)	$ 129,331	$ 407,901	$ (269,100)	$ 138,801
Supplier relationships	29,000	(22,838)	6,162	29,000	(22,113)	6,887
Software & technology	167,873	(152,074)	15,799	169,632	(151,628)	18,004
Trademarks & trade names	34,554	(32,450)	2,104	35,078	(32,615)	2,463
Non-compete agreements	7,372	(7,328)	44	7,471	(7,412)	59
Total intangible assets	$ 642,333	$ (488,893)	$ 153,440	$ 649,082	$ (482,868)	$ 166,214

Amortization expense for intangible assets was $10 million and $12 million for the three months ended March 31, 2013 and 2012, respectively. The future amortization expense for intangible assets as of March 31, 2013 was as follows:

Remaining for year ended December 31, 2013	$ 28,120
Year ended December 31, 2014	36,919
Year ended December 31, 2015	32,383
Year ended December 31, 2016	24,071
Year ended December 31, 2017	11,409
Thereafter	20,538
Total	$ 153,440

Actual amortization expense may differ from the amounts above due to, among other things, fluctuations in foreign currency exchange rates, impairments, future acquisitions and accelerated amortization.

Goodwill

The changes in the carrying amount of goodwill, by reporting segment, for the three months ended March 31, 2013 were as follows:

	Gross value before accumulated impairment	Accumulated impairment	December 31, 2012	Other (1)	March 31, 2013
North America Mailing	$ 355,874	$ —	$ 355,874	$ (4,164)	$ 351,710
International Mailing	183,908	—	183,908	(5,664)	178,244
Small & Medium Business Solutions	539,782	—	539,782	(9,828)	529,954
Production Mail	131,866	—	131,866	(3,773)	128,093
Software	671,218	—	671,218	(5,398)	665,820
Management Services	488,399	(84,500)	403,899	(1,689)	402,210
Mail Services	259,105	(63,965)	195,140	—	195,140
Marketing Services	194,233	—	194,233	—	194,233
Enterprise Business Solutions	1,744,821	(148,465)	1,596,356	(10,860)	1,585,496
Total	$ 2,284,603	$ (148,465)	$ 2,136,138	$ (20,688)	$ 2,115,450

(1) Primarily foreign currency translation adjustments.

(Unaudited; table amounts in thousands of dollars, unless otherwise noted)

5. Debt

Debt at March 31, 2013 and December 31, 2012 consisted of the following:

		March 31, 2013	December 31, 2012
Term loans		**$ 230,000**	$ 230,000
3.875%	notes due 2013	**375,000**	375,000
4.875%	notes due 2014 (1), (2)	**299,570**	450,000
5.0%	notes due 2015 (1)	**274,879**	400,000
4.75%	notes due 2016 (1)	**370,914**	500,000
5.75%	notes due 2017	**500,000**	500,000
5.60%	notes due 2018	**250,000**	250,000
4.75%	notes due 2018	**350,000**	350,000
6.25%	notes due 2019	**300,000**	300,000
5.25%	notes due 2022	**110,000**	110,000
5.25%	notes due 2037	**500,000**	500,000
6.70%	notes due 2043 (3)	**425,000**	—
Other (4)		**47,271**	52,375
Total debt		**4,032,634**	4,017,375
Current portion		**375,000**	375,000
Long-term debt		**$ 3,657,634**	$ 3,642,375

(1) During the quarter, we completed a cash tender offer (the Tender Offer) for a portion of our 4.875% Notes due 2014, our 5.0% Notes due 2015, and our 4.75% Notes due 2016 (the Subject Notes). Holders who validly tendered their notes received the principal amount of the notes tendered, all accrued and unpaid interest and a premium amount. An aggregate $405 million of the Subject Notes were tendered. A net loss of $25 million, consisting of the premium payments, the write-off of unamortized costs and fees, partially offset by a gain from the unwinding of interest rate swap agreements, was recognized as Other expense (income), net on the Condensed Consolidated Statements of Income.

(2) Prior to the Tender Offer, we had interest rate swap agreements with an aggregate notional value of $450 million that effectively converted the fixed rate interest payments on these notes into variable interest rates. As a result of the Tender Offer, we unwound $225 million of these swap agreements.

(3) During the quarter, we issued $425 million of 30-year notes with a fixed-rate of 6.7%. Interest is payable quarterly commencing in June 2013. The notes mature in 2043, but may be redeemed, at our option, in whole or in part, at any time on or after March 7, 2018 at a redemption price equal to 100% of the principal amount, plus accrued and unpaid interest. The net proceeds from the notes were used to fund the repurchase of notes under the Tender Offer.

(4) Other consists of the unamortized net proceeds received from unwinding of interest rate swaps, the mark-to-market adjustment of interest rate swaps and debt discounts and premiums.

At March 31, 2013, there were no outstanding commercial paper borrowings. During the quarter, commercial paper borrowings averaged $100 million at a weighted-average interest rate of 0.41% and the maximum amount outstanding at any time was $300 million.

6. Noncontrolling Interests (Preferred Stockholders' Equity in Subsidiaries)

Pitney Bowes International Holdings, Inc. (PBIH), a subsidiary, has 300,000 shares, or $300 million, of outstanding perpetual voting preferred stock (the Preferred Stock) held by certain institutional investors. The holders of the Preferred Stock are entitled as a group to 25% of the combined voting power of all classes of capital stock of PBIH. All outstanding common stock of PBIH, representing the remaining 75% of the combined voting power of all classes of capital stock, is owned directly or indirectly by the company. The Preferred Stock is entitled to cumulative dividends at a rate of 6.125% through 2016 after which it becomes callable and, if it remains outstanding, will yield a dividend that increases by 50% every six months thereafter. No dividends were in arrears at March 31, 2013 or December 31, 2012. There was no change in the carrying value of noncontrolling interests during the period ended March 31, 2013 or the year ended December 31, 2012.

7. Income Taxes

The effective tax rate for the three months ended March 31, 2013 and 2012 was 27.1% and 9.6%, respectively. The effective tax rate for the three months ended March 31, 2013 includes tax benefits of $4 million from the retroactive effect of 2013 U.S. tax legislation. The effective tax rate for the three months ended March 31, 2012 includes tax benefits of $17 million from the sale of non-U.S. leveraged lease assets and $22 million from the resolution of tax examinations.

As is the case with other large corporations, our tax returns are examined each year by tax authorities in the U.S., other countries and local jurisdictions in which we have operations. We regularly assess the likelihood of tax adjustments in each of the tax jurisdictions in which we do business and account for the related financial statement implications. We believe we have established tax reserves that are appropriate given the possibility of tax adjustments. However, determining the appropriate level of tax reserves requires judgment regarding the uncertain application of tax law and the possibility of tax adjustments. Future changes in tax reserve requirements could have a material impact, positive or negative, on our results of operations, financial position and cash flows.

On August 27, 2012, the Third Circuit Court of Appeals overturned a prior Tax Court decision and ruled in favor of the IRS and adverse to the Historic Boardwalk Hall LLC, a partnership in which we had made an investment in the year 2000. The decision has been appealed and, therefore, the judgment is not yet final. Based on our partnership contractual relationship, we do not expect this matter to have a material effect on our results of operations.

(Unaudited; table amounts in thousands of dollars, unless otherwise noted)

8. Stockholders' Equity

Changes in stockholders' equity for the three months ended March 31, 2013 and 2012 were as follows:

	Preferred stock	Preference stock	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total equity
Balance at January 1, 2013	$ 4	$ 648	$ 323,338	$ 223,847	$ 4,744,802	$ (681,213)	$ (4,500,795)	$ 110,631
Net income	—	—	—	—	67,506	—	—	67,506
Other comprehensive income	—	—	—	—	—	(30,761)	—	(30,761)
Cash dividends								
Common ($1.125 per share)	—	—	—	—	(75,334)	—	—	(75,334)
Preference	—	—	—	—	(13)	—	—	(13)
Issuances of common stock	—	—	—	(24,097)	—	—	21,551	(2,546)
Stock-based compensation expense	—	—	—	3,704	—	—	—	3,704
Balance at March 31, 2013	$ 4	$ 648	$ 323,338	$ 203,454	$ 4,736,961	$ (711,974)	$ (4,479,244)	$ 73,187

	Preferred stock	Preference stock	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total equity
Balance at January 1, 2012	$ 4	$ 659	$323,338	$ 240,584	$ 4,600,217	$ (661,645)	$ (4,542,143)	$ (38,986)
Net income	—	—	—	—	158,670	—	—	158,670
Other comprehensive income	—	—	—	—	—	44,539	—	44,539
Cash dividends								
Common ($1.11 per share)	—	—	—	—	(74,925)	—	—	(74,925)
Preference	—	—	—	—	(13)	—	—	(13)
Issuances of common stock	—	—	—	(18,931)	—	—	16,352	(2,579)
Conversions to common stock	—	(6)	—	(121)	—	—	127	—
Stock-based compensation expense	—	—	—	4,337	—	—	—	4,337
Balance at March 31, 2012	$ 4	$ 653	$323,338	$ 225,869	$ 4,683,949	$ (617,106)	$ (4,525,664)	$ 91,043

(Unaudited; table amounts in thousands of dollars, unless otherwise noted)

9. Accumulated Other Comprehensive Income

Changes in accumulated other comprehensive income (AOCI) for the three months ended March 31, 2013 was as follows:

	Gains (losses) on cash flow hedges	Unrealized gains (losses) on available for sale securities	Defined benefit pension plans and nonpension postretirement benefit plans	Foreign currency items	Total
Beginning balance	$ (7,777)	$ 4,513	$ (759,199)	$ 81,250	$ (681,213)
Other comprehensive income before reclassifications (a)	**72**	**(1,372)**	—	**(42,204)**	**(43,504)**
Amounts reclassified from accumulated other comprehensive income (a), (b)	**466**	**1,646**	**10,631**	—	**12,743**
Net current period other comprehensive income	**538**	**274**	**10,631**	**(42,204)**	**(30,761)**
Ending balance	**$ (7,239)**	**$ 4,787**	**$ (748,568)**	**$ 39,046**	**$ (711,974)**

(a) Amounts are net of tax. Amounts in parentheses indicate debits to AOCI.
(b) See table below for additional details of these reclassifications.

Reclassifications out of accumulated other comprehensive income for the three months ended March 31, 2013 was as follows:

AOCI Component	Amount Reclassified from AOCI (a)	Affected Statement of Income Line Item
Gains (losses) on cash flow hedges		
Foreign exchange contracts	$ (382)	Revenue
Foreign exchange contracts	126	Cost of sales
Interest rate lock contracts	(507)	Interest expense
	(763)	Total before tax
	297	Tax benefit
	$ (466)	Net of tax
Unrealized gains (losses) on available for sale securities		
	$ (2,612)	Interest income
	966	Tax benefit
	$ (1,646)	Net of tax
Defined Benefit Pension Plans and Nonpension Postretirement Benefit Plans		
Transition credit	$ 2	(b)
Prior service costs	(198)	(b)
Actuarial losses	(16,574)	(b)
	(16,770)	Total before tax
	6,139	Tax benefit
	$ (10,631)	Net of tax

(a) Amounts in parentheses indicate debits (reductions) to income.
(b) These items are included in the computation of net periodic costs of defined benefit pension plans and nonpension postretirement benefit plans (see Note 14 for additional details).

(Unaudited; table amounts in thousands of dollars, unless otherwise noted)

10. Fair Value Measurements and Derivative Instruments

We measure certain financial assets and liabilities at fair value on a recurring basis. Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. An entity is required to classify certain assets and liabilities measured at fair value based on the following fair value hierarchy that prioritizes the inputs used to measure fair value:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 – Quoted prices for identical assets and liabilities in markets that are not active, quoted prices for similar assets and liabilities in active markets or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity, may be derived from internally developed methodologies based on management's best estimate of fair value and that are significant to the fair value of the asset or liability.

The following tables show, by level within the fair value hierarchy, our financial assets and liabilities that are accounted for at fair value on a recurring basis at March 31, 2013 and December 31, 2012. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect their placement within the fair value hierarchy.

	March 31, 2013			
	Level 1	Level 2	Level 3	Total
Assets:				
Investment securities				
Money market funds / commercial paper	$ 532,425	$ 37,554	$ —	$ 569,979
Equity securities	—	27,198	—	27,198
Commingled fixed income securities	—	29,378	—	29,378
Debt securities - U.S. and foreign governments, agencies and municipalities	122,589	24,640	—	147,229
Debt securities - corporate	—	43,468	—	43,468
Mortgage-backed / asset-backed securities	—	160,489	—	160,489
Derivatives				
Interest rate swaps	—	3,980	—	3,980
Foreign exchange contracts	—	1,654	—	1,654
Total assets	$ 655,014	$ 328,361	$ —	$ 983,375
Liabilities:				
Derivatives				
Foreign exchange contracts	$ —	$ (3,288)	$ —	$ (3,288)
Total liabilities	$ —	$ (3,288)	$ —	$ (3,288)

(Unaudited; table amounts in thousands of dollars, unless otherwise noted)

	December 31, 2012			
	Level 1	Level 2	Level 3	Total
Assets:				
Investment securities				
Money market funds / commercial paper	$ 581,648	$ 34,369	$ —	$ 616,017
Equity securities	—	25,106	—	25,106
Commingled fixed income securities	—	29,359	—	29,359
Debt securities - U.S. and foreign governments, agencies and municipalities	124,221	18,908	—	143,129
Debt securities - corporate	—	43,926	—	43,926
Mortgage-backed / asset-backed securities	—	162,375	—	162,375
Derivatives				
Interest rate swaps	—	10,117	—	10,117
Foreign exchange contracts	—	2,582	—	2,582
Total assets	$ 705,869	$ 326,742	$ —	$ 1,032,611
Liabilities:				
Derivatives				
Foreign exchange contracts	$ —	$ (1,174)	$ —	$ (1,174)
Total liabilities	$ —	$ (1,174)	$ —	$ (1,174)

Investment Securities

The valuation of investment securities is based on the market approach using inputs that are observable, or can be corroborated by observable data, in an active marketplace. The following information relates to our classification into the fair value hierarchy:

- *Money Market Funds / Commercial Paper:* Money market funds typically invest in government securities, certificates of deposit, commercial paper and other highly liquid, low-risk securities. Money market funds are principally used for overnight deposits and are classified as Level 1 when unadjusted quoted prices in active markets are available and as Level 2 when they are not actively traded on an exchange. Direct investments in commercial paper are not listed on an exchange in an active market and are classified as Level 2.
- *Equity Securities:* Equity securities are comprised of mutual funds investing in U.S. and foreign common stock. These mutual funds are classified as Level 2 as they are not separately listed on an exchange.
- *Commingled Fixed Income Securities:* Mutual funds that invest in a variety of fixed income securities including securities of the U.S. government and its agencies, corporate debt, mortgage-backed securities and asset-backed securities. The value of the funds is based on the market value of the underlying investments owned by each fund, minus its liabilities, divided by the number of shares outstanding, as reported by the fund manager. These commingled funds are not listed on an exchange in an active market and are classified as Level 2.
- *Debt Securities – U.S. and Foreign Governments, Agencies and Municipalities:* Debt securities are classified as Level 1 where active, high volume trades for identical securities exist. Valuation adjustments are not applied to these securities. Debt securities valued using quoted market prices for similar securities or benchmarking model derived prices to quoted market prices and trade data for identical or comparable securities are classified as Level 2.
- *Debt Securities – Corporate:* Corporate debt securities are valued using recently executed transactions, market price quotations where observable, or bond spreads. The spread data used are for the same maturity as the security. These securities are classified as Level 2.
- *Mortgage-Backed Securities (MBS) / Asset-Backed Securities (ABS):* These securities are valued based on external pricing indices. When external index pricing is not observable, MBS and ABS are valued based on external price/spread data. These securities are classified as Level 2.

Investment securities include investments held by The Pitney Bowes Bank (the Bank), an indirect wholly owned subsidiary whose primary business is to provide financing solutions to clients that rent or lease postage meters. The Bank's key product offering, Purchase Power, is a revolving credit solution, which enables clients to finance their postage costs when they refill their meter. The Bank also provides a deposit solution to those clients that prefer to prepay postage and earn interest on their deposits. When a client refills their postage meter, the funds are withdrawn from the savings account to pay for the postage. The Bank's assets and liabilities consist primarily of cash, finance receivables, short and long-term investments and deposit accounts.

(Unaudited; table amounts in thousands of dollars, unless otherwise noted)

The Bank's investment securities are classified as available-for-sale and recorded at fair value on the Condensed Consolidated Balance Sheets as cash and cash equivalents, short-term investments and other assets depending on the type of investment and maturity. Unrealized holding gains and losses are recorded, net of tax, in accumulated other comprehensive income.

Available-for-sale securities at March 31, 2013 and December 31, 2012 consisted of the following:

	March 31, 2013			
	Amortized cost	**Gross unrealized gains**	**Gross unrealized losses**	**Estimated fair value**
Money market funds / commercial paper	**$ 14,402**	**$ 42**	**$ —**	**$ 14,444**
U.S. and foreign governments, agencies and municipalities	**123,272**	**3,707**	**(135)**	**126,844**
Corporate	**40,772**	**2,744**	**(48)**	**43,468**
Mortgage-back / asset-back securities	**158,030**	**3,203**	**(744)**	**160,489**
Total	**$ 336,476**	**$ 9,696**	**$ (927)**	**$ 345,245**

	December 31, 2012			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Money market funds / commercial paper	$ 44,611	$ 53	$ —	$ 44,664
U.S. and foreign governments, agencies and municipalities	127,807	3,972	(56)	131,723
Corporate	41,095	2,851	(20)	43,926
Mortgage-back / asset-back securities	162,180	3,340	(3,145)	162,375
Total	$ 375,693	$ 10,216	$ (3,221)	$ 382,688

Scheduled maturities of investment securities at March 31, 2013 were as follows:

	Amortized cost	**Estimated fair value**
Within 1 year	$ 53,086	$ 53,218
After 1 year through 5 years	40,122	41,610
After 5 years through 10 years	76,310	79,377
After 10 years	166,958	171,040
Total	$ 336,476	$ 345,245

We have not experienced any significant write-offs in our investment portfolio. The majority of our MBS are either guaranteed or supported by the U.S. government. We have no investments in inactive markets that would warrant a possible change in our pricing methods or classification within the fair value hierarchy. Further, we have no investments in auction rate securities.

Derivative Instruments

In the normal course of business, we are exposed to the impact of interest rate changes and foreign currency fluctuations. We limit these risks by following established risk management policies and procedures, including the use of derivatives. We use derivatives to manage the related cost of debt and to limit the effects of foreign exchange rate fluctuations on financial results. We do not use derivatives for trading or speculative purposes. We record our derivative instruments at fair value, and the accounting for changes in the fair value of the derivatives depends on the intended use of the derivative, the resulting designation, and the effectiveness of the instrument in offsetting the risk exposure it is designed to hedge.

(Unaudited; table amounts in thousands of dollars, unless otherwise noted)

As required by the fair value measurements guidance, we have incorporated counterparty credit risk and our credit risk into the fair value measurement of our derivative assets and liabilities, respectively. We derive credit risk from observable data related to credit default swaps. We have not seen a material change in the creditworthiness of those banks acting as derivative counterparties.

The valuation of our interest rate swaps is based on the income approach using a model with inputs that are observable or that can be derived from or corroborated by observable market data. The valuation of our foreign exchange derivatives is based on the market approach using observable market inputs, such as forward rates.

The fair value of our derivative instruments at March 31, 2013 and December 31, 2012 was as follows:

Designation of Derivatives	Balance Sheet Location	March 31, 2013	December 31, 2012
Derivatives designated as hedging instruments	**Other current assets and prepayments:**		
	Foreign exchange contracts	**$ 558**	$ 78
	Other assets:		
	Interest rate swaps	**3,980**	10,117
	Accounts payable and accrued liabilities:		
	Foreign exchange contracts	**(425)**	(320)
Derivatives not designated as hedging instruments	**Other current assets and prepayments:**		
	Foreign exchange contracts	**1,096**	2,504
	Accounts payable and accrued liabilities:		
	Foreign exchange contracts	**(2,863)**	(854)
	Total derivative assets	**$ 5,634**	$ 12,699
	Total derivative liabilities	**(3,288)**	(1,174)
	Total net derivative assets	**$ 2,346**	$ 11,525

Interest Rate Swaps

Derivatives designated as fair value hedges include interest rate swaps related to fixed rate debt. Changes in the fair value of both the derivative and item being hedged are recognized in earnings. The following represents the results of fair value hedging relationships for the three months ended March 31, 2013 and 2012:

		Three Months Ended March 31,			
		Derivative Gain Recognized in Earnings		Hedged Item Expense Recognized in Earnings	
Derivative Instrument	Location of Gain (Loss)	2013	2012	2013	2012
Interest rate swaps	Interest expense	**$ 1,993**	$ 3,327	**$ (5,484)**	$ (10,109)

Foreign Exchange Contracts

We enter into foreign currency exchange contracts to mitigate the currency risk associated with the anticipated purchase of inventory between affiliates and from third parties. These contracts are designated as cash flow hedges. The effective portion of the gain or loss on cash flow hedges is included in AOCI in the period that the change in fair value occurs and is reclassified to earnings in the period that the hedged item is recorded in earnings. At March 31, 2013 and December 31, 2012, we had outstanding contracts associated with these anticipated transactions with a notional amount of $30 million and $25 million, respectively. The value of these contracts at March 31, 2013 and December 31, 2012 was less than $1 million.

The amounts included in AOCI at March 31, 2013 will be recognized in earnings within the next 12 months. No amount of ineffectiveness was recorded in earnings for these designated cash flow hedges.

(Unaudited; table amounts in thousands of dollars, unless otherwise noted)

The following represents the results of cash flow hedging relationships for the three months ended March 31, 2013 and 2012 :

	Three Months Ended March 31,				
	Derivative Gain (Loss) Recognized in AOCI (Effective Portion)			Gain (Loss) Reclassified from AOCI to Earnings (Effective Portion)	
Derivative Instrument	**2013**	2012	**Location of Gain (Loss) (Effective Portion)**	**2013**	2012
Foreign exchange contracts	**$ 630**	$ (659)	Revenue	**$ (382)**	$ 301
			Cost of sales	**126**	(66)
				$ (256)	$ 235

We also enter into foreign exchange contracts to minimize the impact of exchange rate fluctuations on short-term intercompany loans and related interest that are denominated in a foreign currency. The revaluation of the intercompany loans and interest and the mark-to-market adjustment on the derivatives are both recorded in earnings. Outstanding foreign exchange contracts to buy or sell various currencies had a net liability value of $2 million at March 31, 2013 and December 31, 2012. All outstanding contracts at March 31, 2013 mature by the end of the year.

The following represents the results of our non-designated derivative instruments for the three months ended March 31, 2013 and 2012 :

		Three Months Ended March 31,	
		Derivative Gain (Loss) Recognized in Earnings	
Derivatives Instrument	**Location of Derivative Gain (Loss)**	**2013**	2012
Foreign exchange contracts	Selling, general and administrative expense	**$ (4,351)**	$ (4,224)

Credit-Risk-Related Contingent Features
Certain derivative instruments contain credit-risk-related contingent features that would require us to post collateral based on a combination of our long-term senior unsecured debt ratings and the net fair value of our derivatives. At March 31, 2013, we were not required to post any collateral. The maximum amount of collateral that we would have been required to post at March 31, 2013, had the credit-risk-related contingent features been triggered, was $2 million.

Fair Value of Financial Instruments

Our financial instruments include cash and cash equivalents, investment securities, accounts receivable, loan receivables, derivative instruments, accounts payable and debt. The carrying value for cash and cash equivalents, accounts receivable, loans receivable, and accounts payable approximate fair value because of the short maturity of these instruments.

The fair value of our debt is estimated based on recently executed transactions and market price quotations. We classify our debt as Level 2 in the fair value hierarchy. The carrying value and estimated fair value of our debt at March 31, 2013 and December 31, 2012 was as follows:

	March 31, 2013	December 31, 2012
Carrying value	**$ 4,032,634**	$ 4,017,375
Fair value	**$ 4,229,484**	$ 4,200,970

(Unaudited; table amounts in thousands of dollars, unless otherwise noted)

11. Restructuring Charges and Asset Impairments

Activity in our restructuring reserves for the three months ended March 31, 2013 was as follows:

	Severance and benefits costs	Other exit costs	Total
Balance at January 1, 2013	$ 62,540	$ 5,218	$ 67,758
Cash payments	**(15,022)**	**(1,253)**	**(16,275)**
Balance at March 31, 2013	**$ 47,518**	**$ 3,965**	**$ 51,483**

The majority of the remaining restructuring payments are expected to be paid through 2014; however, due to certain international labor laws and long-term lease agreements, some payments will extend beyond 2014. We expect that cash flows from operations will be sufficient to fund these payments.

In order to drive operational excellence, on April 29, management decided to embark on a process designed to enhance our responsiveness to changing market conditions, further streamline our business operations, reduce our cost structure and create long-term flexibility to invest in growth. We are analyzing a wide range of opportunities for both process and operational improvements. We anticipate that these primarily cash related actions will result in restructuring charges in the range of $75 to $125 million and will be recognized as specific initiatives are approved and implemented. We expect to begin implementing actions and taking charges in the second quarter.

12. Commitments and Contingencies

In the ordinary course of business, we are routinely defendants in, or party to a number of pending and threatened legal actions. These may involve litigation by or against us relating to, among other things, contractual rights under vendor, insurance or other contracts; intellectual property or patent rights; equipment, service, payment or other disputes with customers; or disputes with employees. Some of these actions may be brought as a purported class action on behalf of a purported class of employees, customers or others.

In October 2009, the company and certain of its current and former officers were named as defendants in NECA-IBEW Health & Welfare Fund v. Pitney Bowes Inc. et al., a class action lawsuit filed in the U.S. District Court for the District of Connecticut. The complaint asserts claims under the Securities Exchange Act of 1934 on behalf of those who purchased the common stock of the company during the period between July 30, 2007 and October 29, 2007 alleging that the company, in essence, missed two financial projections. Plaintiffs filed an amended complaint in September 2010. On March 23, 2013, the Court granted our motion to dismiss, and dismissed the case in its entirety. Plaintiff did not appeal the decision, and therefore, this case has now concluded in favor of Pitney Bowes and its officers named in the lawsuit.

13. Segment Information

We conduct our business activities in seven reporting segments within two business groups, Small & Medium Business Solutions and Enterprise Business Solutions. The principal products and services of each of our reporting segments are as follows:

Small & Medium Business Solutions:

North America Mailing: Includes the U.S. and Canadian revenue and related expenses from the sale, rental and financing of our mail finishing, mail creation, shipping equipment and software; supplies; support and other professional services; and payment solutions.

International Mailing: Includes the revenue and related expenses from the sale, rental and financing of our mail finishing, mail creation, shipping equipment and software; supplies; support and other professional services; and payment solutions outside North America.

Enterprise Business Solutions:

Production Mail: Includes the worldwide revenue and related expenses from the sale, support and other professional services of our high-speed, production mail systems, sorting and production print equipment and related software.

Software: Includes the worldwide revenue and related expenses from the sale and support services of non-equipment-based mailing, client relationship and communication and location intelligence software.

Management Services: Includes worldwide revenue and related expenses from facilities management services; secure mail services; reprographic, document management services; print outsourcing services; and litigation support and eDiscovery services.

Mail Services: Includes worldwide revenue and related expenses from presort mail services and cross-border ecommerce solutions.

Marketing Services: Includes revenue and related expenses from direct marketing services for targeted clients.

Segment earnings before interest and taxes (EBIT), a non-GAAP measure, is determined by deducting from segment revenue the related costs and expenses attributable to the segment. Segment EBIT excludes interest, taxes, general corporate expenses not allocated to a particular business segment, restructuring charges, asset impairments and goodwill charges which are recognized on a consolidated basis. Management uses segment EBIT to measure profitability and performance at the segment level. Segment EBIT may not be indicative of our overall consolidated performance and therefore, should be read in conjunction with our consolidated results of operations. Segment information for our Mail Services segment for all periods presented has been restated to reflect the presentation of the International Mail Services (IMS) business as a discontinued operation (see Note 15).

(Unaudited; table amounts in thousands of dollars, unless otherwise noted)

Revenue and EBIT by business segment for the three months ended March 31, 2013 and 2012 was as follows:

	Three Months Ended March 31,	
	2013	2012
Revenue:		
North America Mailing	**$ 430,375**	$ 461,305
International Mailing	**167,455**	168,014
Small & Medium Business Solutions	**597,830**	629,319
Production Mail	**118,802**	115,016
Software	**80,721**	100,327
Management Services	**225,256**	230,630
Mail Services	**118,855**	114,636
Marketing Services	**25,492**	30,208
Enterprise Business Solutions	**569,126**	590,817
Total revenue	**$ 1,166,956**	$ 1,220,136

	Three Months Ended March 31,	
	2013	2012
EBIT:		
North America Mailing	**$ 154,505**	$ 178,171
International Mailing	**17,749**	19,997
Small & Medium Business Solutions	**172,254**	198,168
Production Mail	**3,055**	2,779
Software	**4,890**	10,692
Management Services	**12,545**	13,315
Mail Services	**19,349**	34,245
Marketing Services	**1,986**	4,817
Enterprise Business Solutions	**41,825**	65,848
Total EBIT	**214,079**	264,016
Reconciling items:		
Interest, net (1)	**(48,866)**	(48,773)
Unallocated corporate and other expenses	**(63,502)**	(54,214)
Income from continuing operations before income taxes	**$ 101,711**	$ 161,029

(1) Includes financing interest expense, other interest expense and interest income.

(Unaudited; table amounts in thousands of dollars, unless otherwise noted)

14. Pensions and Other Benefit Programs

Defined Benefit Pension Plans

The components of net periodic benefit cost for defined benefit pension plans for the three months ended March 31, 2013 and 2012 were as follows:

	Three Months Ended March 31,			
	United States		Foreign	
	2013	2012	**2013**	2012
Service cost	**$ 3,799**	$ 4,954	**$ 1,582**	$ 2,018
Interest cost	**18,371**	20,603	**6,823**	6,923
Expected return on plan assets	**(27,086)**	(30,618)	**(8,166)**	(8,023)
Amortization of transition credit	**—**	—	**(2)**	(2)
Amortization of prior service cost	**129**	205	**28**	28
Amortization of net actuarial loss	**11,037**	13,314	**3,176**	3,496
Curtailment	**814**	—	**—**	—
Net periodic benefit cost	**$ 7,064**	$ 8,458	**$ 3,441**	$ 4,440

Through March 31, 2013, we contributed $3 million to our U.S. pension plans and $4 million to our foreign pension plans.

Nonpension Postretirement Benefit Plans

The components of net periodic benefit cost for nonpension postretirement benefit plans for the three months ended March 31, 2013 and 2012 were as follows:

	Three Months Ended March 31,	
	2013	2012
Service cost	**$ 1,017**	$ 891
Interest cost	**2,514**	3,075
Amortization of prior service credit	**41**	(523)
Amortization of net actuarial loss	**2,361**	2,367
Net periodic benefit cost	**$ 5,933**	$ 5,810

Contributions for benefit payments for our nonpension postretirement benefit plans were $8 million and $6 million for the three months ended March 31, 2013 and 2012, respectively.

15. Discontinued Operations and Assets Held for Sale

During the fourth quarter of 2012, we made a strategic decision to exit our IMS operations related to the international delivery of mail and catalogs. During the first quarter 2013, we sold our U.S. IMS operations. All amounts related to IMS are presented as discontinued operations in the Condensed Consolidated Statements of Income.

Revenue for IMS for the three months ended March 31, 2013 and 2012 was $20 million and $36 million, respectively. Net loss for IMS for each of the three months ended March 31, 2013 and 2012 was $2 million. Discontinued operations for the three months ended March 31, 2012 also includes $19 million of tax benefits arising from the conclusion of tax examinations and issued related to our Capital Services business that was sold in 2006.

16. Earnings per Share

The calculations of basic and diluted earnings per share for the three months ended March 31, 2013 and 2012 are presented below.

	Three Months Ended March 31,	
	2013	2012
Numerator:		
Amounts attributable to common stockholders:		
Net income from continuing operations	**$ 69,568**	$ 140,942
(Loss) income from discontinued operations	**(2,062)**	17,728
Net income - Pitney Bowes Inc. (numerator for diluted EPS)	**67,506**	158,670
Less: Preference stock dividend	**(13)**	(13)
Income attributable to common stockholders (numerator for basic EPS)	**$ 67,493**	$ 158,657
Denominator (in thousands):		
Weighted-average shares used in basic EPS	**201,148**	199,960
Effect of dilutive shares:		
Preferred stock	**2**	2
Preference stock	**396**	398
Stock plans	**664**	312
Weighted-average shares used in diluted EPS	**202,210**	200,672
Basic earnings per share:		
Continuing operations	**$ 0.35**	$ 0.70
Discontinued operations	**(0.01)**	0.09
Net income	**$ 0.34**	$ 0.79
Diluted earnings per share:		
Continuing operations	**$ 0.34**	$ 0.70
Discontinued operations	**(0.01)**	0.09
Net income	**$ 0.33**	$ 0.79
Anti-dilutive shares not used in calculating diluted weighted-average shares (in thousands):	**13,868**	13,811

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) contains statements that are forward-looking. We want to caution readers that any forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act) and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act) in this Form 10-Q may change based on various factors. These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties and actual results could differ materially. Words such as "estimate", "target", "project", "plan", "believe", "expect", "anticipate", "intend", and similar expressions may identify such forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Factors which could cause future financial performance to differ materially from the expectations as expressed in any forward-looking statement made by or on our behalf include, without limitation:

- declining physical mail volumes
- mailers' utilization of alternative means of communication or competitors' products
- access to capital at a reasonable cost to continue to fund various discretionary priorities, including business investments, pension contributions and dividend payments
- timely development and acceptance of new products and services
- successful entry into new markets
- success in gaining product approval in new markets where regulatory approval is required
- changes in postal or banking regulations
- interrupted use of key information systems
- third-party suppliers' ability to provide product components, assemblies or inventories
- our success at managing the relationships with our outsource providers, including the costs of outsourcing functions and operations not central to our business
- changes in privacy laws
- intellectual property infringement claims
- regulatory approvals and satisfaction of other conditions to consummate and integrate any acquisitions
- negative developments in economic conditions, including adverse impacts on customer demand
- our success at managing customer credit risk
- significant changes in pension, health care and retiree medical costs
- changes in interest rates, foreign currency fluctuations or credit ratings
- income tax adjustments or other regulatory levies for prior audit years and changes in tax laws, rulings or regulations
- impact on mail volume resulting from concerns over the use of the mail for transmitting harmful biological agents
- changes in international or national political conditions, including any terrorist attacks
- acts of nature

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our Condensed Consolidated Financial Statements contained in this report and our Annual Report to Stockholders on Form 10-K for the year ended December 31, 2012 (2012 Annual Report).

Overview

For the first quarter of 2013, revenue decreased 4% to $1,167 million compared to $1,220 million in the first quarter of 2012. Software revenue declined 17% due to fewer large dollar value licensing deals, a continued slowdown in our global markets due to uncertain economic conditions and constrained public sector spending. Financing revenue declined 8% due to the impact of lower equipment sales in prior periods. Support services revenue declined 5% due to lower new equipment placements and business services revenue declined 2% due to continued pricing pressures on new business and contract renewals. Foreign currency translation had a less than 1% unfavorable impact on revenue in the quarter.

During the quarter, we redeemed an aggregate $405 million of debt scheduled to mature in 2014-2016 through a cash tender offer. We also issued $425 million of 30-year fixed rate debt. The net proceeds received were $412 million and were used to fund the tender offer. Income from continuing operations includes a net charge of $25 million from the early redemption of debt, consisting primarily of premium payments, the write-off of unamortized costs, fees, and a gain from the unwind of interest rate swaps associated with the debt. The expense impact due to the interest rate differential between the new debt issued and the debt redeemed will be an increase of approximately $10 million over the remainder of the year.

Net income from continuing operations attributable to common stockholders decreased to $70 million, or $0.34 per diluted share in the first quarter of 2013 compared to $141 million or $0.70 per diluted share in the first quarter of 2012, primarily due to lower revenue in the current year period and $22 million of tax benefits recognized in the prior year period from the conclusion of tax examinations.

Through March 31, 2013, we generated $132 million of cash from operations. We paid dividends to our common shareholders of $75 million and funded capital investments of $39 million.

Outlook

Worldwide economic weakness continues to create a challenging business environment causing many of our customers to remain cautious about spending and, therefore, impacting the performance of our business segments. Small and Medium Business Solutions (SMB) revenues will continue to be challenged by the decline in physical mail volumes as alternative means of communications evolve and gain further acceptance. We anticipate that the historical equipment sales trends should show improvement in future periods, due in part to global sales of our Connect+ ™ communications systems and SendSuite Live™ shipping solutions. A slowing of the rate of decline for overall SMB revenue will lag that of equipment sales because recurring revenue streams typically lag the trends in equipment sales.

We anticipate revenue growth in certain of our Enterprise Business Solutions segments from continued expansion in Mail Services' presort operations, new ecommerce initiatives and market acceptance for our new solutions that help customers grow their business by more effectively managing their physical and digital communications with their customers. We will continue to fund investments to build capacity and infrastructure to support our ecommerce products and solutions. We are also committed to improving the performance of our Software business and recently appointed new leadership to focus on improving the cost structure and growing this business.

Our growth strategies will focus on leveraging our expertise in physical communications with our expanding capabilities in digital and hybrid communications. We will continue to develop and invest in products, software, services and solutions that help customers grow their business by more effectively communicating with their customers across physical, digital and hybrid channels. We expect our mix of business will continue to shift to more enterprise related products and solutions, and that these new revenue streams will have lower margins than our traditional Mailing business.

In order to drive operational excellence, on April 29, management decided to embark on a process designed to enhance our responsiveness to changing market conditions, further streamline our business operations, reduce our cost structure and create long-term flexibility to invest in growth. We are analyzing a wide range of opportunities for both process and operational improvements. We anticipate that these primarily cash related actions will result in restructuring charges in the range of $75 to $125 million and will be recognized as specific initiatives are approved and implemented. We expect to begin implementing actions and taking charges in the second quarter. We are anticipating annualized pre-tax benefits of $100 to $125 million, net of investments, from these actions and expect to reach this benefit run rate by 2015.

Each quarter our Board of Directors considers our recent and projected earnings and other capital needs and priorities in deciding whether to approve the amount and payment of a dividend. On April 29, 2013, our Board of Directors declared a cash dividend of $0.1875 per share for the second quarter of 2013.

RESULTS OF OPERATIONS

Revenue by source and the related cost of revenue are shown in the following tables:

Revenue

	Three Months Ended March 31,		
($ amounts in 000s)	**2013**	2012	% change
Equipment sales	**$ 214,999**	$ 220,179	(2)%
Supplies	**74,287**	76,365	(3)%
Software	**87,012**	104,350	(17)%
Rentals	**136,379**	140,389	(3)%
Financing	**116,762**	126,748	(8)%
Support services	**165,486**	173,518	(5)%
Business services	**372,031**	378,587	(2)%
Total revenue	**$ 1,166,956**	$ 1,220,136	(4)%

Cost of revenue

	Three Months Ended March 31,			
			Percentage of Revenue	
($ amounts in 000s)	**2013**	2012	**2013**	2012
Cost of equipment sales	**$ 109,337**	$ 96,916	**50.9%**	44.0%
Cost of supplies	**23,262**	23,871	**31.3%**	31.3%
Cost of software	**20,706**	21,093	**23.8%**	20.2%
Cost of rentals	**27,755**	30,225	**20.4%**	21.5%
Financing interest expense	**19,875**	21,139	**17.0%**	16.7%
Cost of support services	**108,009**	115,087	**65.3%**	66.3%
Cost of business services	**291,648**	286,817	**78.4%**	75.8%
Total cost of revenue	**$ 600,592**	$ 595,148	**51.5%**	48.8%

Equipment sales

Equipment sales revenue decreased 2% to $215 million in the quarter compared to the prior year quarter. The decline in equipment sales was driven primarily by lower sales in our mailing businesses as our clients continue to postpone or defer new equipment purchases due to the continued decline in mail volumes and uncertain economic environment. This decline was partially offset by revenue of $3 million for scale updates resulting from a postal rate change in France, increased sales of our Connect+™ communications systems in France and Germany and increased sales of large production print equipment. Cost of equipment sales as a percentage of revenue increased to 50.9% in the quarter compared to 44.0% in the prior year quarter due to a higher mix of lower margin product sales, pricing pressure on competitive placements and fewer lease extensions compared to the prior year period.

Supplies

Supplies revenue decreased 3% to $74 million in the quarter compared to the prior year quarter, primarily due to declines in our mailing business from reduced mail volumes and fewer installed meters worldwide, partially offset by improving supplies sales from the sales of Connect+ ™ communications systems and production print equipment. Cost of supplies as a percentage of revenue was 31.3% in the first quarter of 2013 and first quarter of 2012.

Software

Software revenue decreased 17% to $87 million in the quarter compared to the prior year quarter. The decrease was primarily due to fewer large dollar licensing contracts and delays in some contract signings in our North American markets, and uncertain economic conditions and constrained public sector spending in our international markets. Software revenue in the prior year quarter also included $13 million from two significant software contracts. Revenue in the current year quarter included $2 million of licensing revenue from providing our Volly™ software solution to Australia Post.

Cost of software as a percentage of revenue increased to 23.8% in the quarter compared with 20.2% in the prior year quarter primarily due to the decline in revenue.

Rentals
Rentals revenue decreased 3% to $136 million in the quarter compared to the prior year quarter, primarily due to lower mail volumes and fewer meters in service. Cost of rentals as a percentage of revenue improved to 20.4% in the quarter compared to 21.5% in the prior year quarter primarily due to lower depreciation expense.

Financing
Financing revenue decreased 8% to $117 million in the quarter compared to the prior year quarter, primarily due to lower equipment sales in prior periods. Financing interest expense as a percentage of revenue increased to 17.0% in the quarter compared to 16.7% in the prior year quarter due to higher effective interest rates. In computing our financing interest expense, which represents our cost of borrowing associated with the generation of financing revenue, we assume a 10:1 leveraging ratio of debt to equity and apply our overall effective interest rate to the average outstanding finance receivables.

Support Services
Support services revenue decreased 5% to $165 million in the quarter compared with the prior year quarter. The decrease was primarily driven by lower new equipment placements worldwide. Cost of support services as a percentage of revenue improved to 65.3% in the quarter compared with 66.3% in the prior year quarter due to productivity initiatives in our international mailing operations.

Business Services
Business services revenue decreased 2% to $372 million in the quarter compared to the prior year quarter. The decrease was partly due to continuing pricing pressures on new business and contract renewals and the loss of some customer contracts in our Management Services business; and lower marketing fees related to certain marketing category contract renewals and fewer household moves in our Marketing Services business. These decreases were partially offset by revenue from our ecommerce cross-border package delivery solution initiated in the fourth quarter of 2012. Cost of business services as a percentage of revenue increased to 78.4% in the quarter compared with 75.8% in the prior year quarter primarily due to margin compression in our Management Services business and investment and start-up costs associated with our ecommerce business.

Selling, general and administrative (SG&A)

SG&A expense decreased 7% to $377 million in the quarter compared with the prior year quarter driven primarily by lower salaries and benefits.

Other expense (income), net

Other expense, net for the three months ended March 31, 2013 of $25 million consists of the costs associated with the early redemption of debt. See Liquidity and Capital Resources - Financings and Capitalization for a detailed discussion.

Other income, net in the three months ended March 31, 2012 of $3 million is comprised of $7 million of insurance proceeds received in connection with the 2011 fire at our Dallas presort facility partially offset by a loss of $4 million on the sale of non-U.S. leveraged lease assets.

Income taxes

See Note 7 to the unaudited Condensed Consolidated Financial Statements.

Discontinued operations

See Note 15 to the unaudited Condensed Consolidated Financial Statements.

Preferred stock dividends of subsidiaries attributable to noncontrolling interests

See Note 6 to the unaudited Condensed Consolidated Financial Statements.

Business segment results

We conduct our business activities in seven reporting segments within two business groups, Small & Medium Business Solutions and Enterprise Business Solutions. The following tables show revenue and EBIT by business segment for the three months ended March 31, 2013 and 2012 . We are now reporting the IMS business as a discontinued operation. IMS was previously included in our Mail Services segment. We determine segment EBIT, a non-GAAP measure, by deducting from segment revenue the related costs and expenses attributable to the segment. Segment EBIT excludes interest, taxes, general corporate expenses not allocated to a particular business segment, restructuring charges, asset impairments and goodwill charges, which are recognized on a consolidated basis. Management uses segment EBIT to measure profitability and performance at the segment level. Segment EBIT may not be indicative of our overall consolidated performance and therefore, should be read in conjunction with our condensed consolidated results of operations. Refer to Note 13 to the Condensed Consolidated Financial Statements for a reconciliation of segment EBIT to income from continuing operations before income taxes.

Revenue	Three Months Ended March 31,		
($ amounts in 000s)	**2013**	2012	% change
North America Mailing	**$ 430,375**	$ 461,305	(7)%
International Mailing	**167,455**	168,014	— %
Small & Medium Business Solutions	**597,830**	629,319	(5)%
Production Mail	**118,802**	115,016	3 %
Software	**80,721**	100,327	(20)%
Management Services	**225,256**	230,630	(2)%
Mail Services	**118,855**	114,636	4 %
Marketing Services	**25,492**	30,208	(16)%
Enterprise Business Solutions	**569,126**	590,817	(4)%
Total	**$ 1,166,956**	$ 1,220,136	(4)%

EBIT	Three Months Ended March 31,		
($ amounts in 000s)	**2013**	2012	% change
North America Mailing	**$ 154,505**	$ 178,171	(13)%
International Mailing	**17,749**	19,997	(11)%
Small & Medium Business Solutions	**172,254**	198,168	(13)%
Production Mail	**3,055**	2,779	(10)%
Software	**4,890**	10,692	(54)%
Management Services	**12,545**	13,315	(6)%
Mail Services	**19,349**	34,245	(43)%
Marketing Services	**1,986**	4,817	(59)%
Enterprise Business Solutions	**41,825**	65,848	(36)%
Total	**$ 214,079**	$ 264,016	(19)%

Small & Medium Business Solutions

Small & Medium Business Solutions revenue decreased 5% and EBIT decreased 13% to $598 million and $172 million, respectively, in the quarter compared to the prior year quarter. Within the Small & Medium Business Solutions group:

North America Mailing

Revenue for the North America Mailing segment decreased 7% to $430 million in the quarter compared to the prior year quarter. Contributing to this decrease was a 10% decline in equipment sales due to continued concerns about economic conditions and declining mail volumes. Financing revenue declined 9% due to declining equipment sales in prior periods. Rentals revenue declined 3% primarily due to fewer meters in service and supplies revenue declined 6% due to lower mail volumes and a declining installed meter base.

EBIT decreased 13% to $155 million in the quarter compared to the prior year quarter primarily due to the decline in revenue and fewer lease extensions during the quarter compared to the prior year quarter.

International Mailing
Revenue for the International Mailing segment was $167 million in the quarter compared to $168 million in the prior year quarter. Revenue for the current year quarter included $3 million for scale updates resulting from a postal rate change in France and increased sales of our Connect+ ™ communications systems in Germany and France. However, these revenue benefits were offset by lower equipment sales in the U.K. due to the continuing uncertain economic environment and lower equipment sales in the Nordics compared to a particularly strong prior year quarter.

EBIT decreased 11% to $18 million in the quarter compared to the prior year quarter primarily due to the costs related to facilities consolidation.

Enterprise Business Solutions

Enterprise Business Solutions revenue decreased 4% and EBIT decreased 36% to $569 million and $42 million, respectively, in the quarter compared to the prior year quarter. Within the Enterprise Business Solutions group:

Production Mail
Revenue for the Production Mail segment increased 3% to $119 million in the quarter compared to the prior year quarter primarily due to increased installations of large production print equipment and initial licensing revenue from providing our Volly ™ software solution to Australia Post.

EBIT for the quarter was $3 million, consistent with the prior year quarter. EBIT benefited from the higher revenue but this benefit was offset by the higher mix of lower margin printer sales.

Software
Revenue for the Software segment decreased 20% to $81 million in the quarter compared to the prior year quarter. The decrease was primarily due to fewer large dollar licensing contracts and delays in some contract signings in our North American markets, and uncertain economic conditions and constrained public sector spending in our international markets. Software revenue in the prior year quarter also included $13 million from two significant software contracts. EBIT decreased 54% to $5 million in the quarter compared to the prior year quarter primarily due to the decline in revenue and continued investment in product development.

Management Services
Revenue for the Management Services segment decreased 2% to $225 million and EBIT decreased 6% to $13 million in the quarter compared to the prior year quarter. The decrease in revenue and EBIT was primarily due to continued pricing pressure on new business and contract renewals and the loss of some customer contracts.

Mail Services
Revenue for the Mail Services segment increased 4% to $119 million in the quarter primarily due to revenue from our ecommerce cross-border package delivery solution initiated in the fourth quarter of 2012.

EBIT for the quarter decreased 43% to $19 million compared to the prior year quarter. Prior year EBIT included a $7 million benefit from fire-related insurance recoveries. The underlying decrease in EBIT was primarily due to investments and costs related to the startup phase of our new ecommerce offering.

Marketing Services
Revenue for the Marketing Services segment decreased 16% to $25 million and EBIT decreased 59% to $2 million in the quarter compared to the prior year quarter. The decrease in revenue and EBIT was due to lower marketing fees related to certain marketing category contract renewals and fewer household moves. We expect that similar revenue and EBIT trends will continue throughout the year.

LIQUIDITY AND CAPITAL RESOURCES

We believe that cash generated from operations, existing cash and investments, borrowing capacity under our commercial paper program and our credit line facility are currently sufficient to support our cash needs, including items like business operations, debt repayments and customer deposits as well as discretionary uses such as capital investments, dividends and share repurchases. Cash and cash equivalents and short-term investments were $947 million at March 31, 2013 and $950 million at December 31, 2012.

We have had the ability to supplement short-term liquidity through our consistent and uninterrupted access to the commercial paper market to date. We have an effective shelf registration statement and the ability to fund the long-term needs of our business through broad and efficient access to capital markets, cash flow, proceeds from divestitures and a credit line facility.

Within the last 12 months, the rating agencies reduced our credit ratings. There can be no assurances that one or more of the rating agencies will not take additional adverse actions in the future.

We continuously review our liquidity profile through published credit ratings and the credit default swap market. We also monitor the creditworthiness of those banks acting as derivative counterparties, depository banks or credit providers.

Cash Flow Summary

Net cash provided by operating activities for the three months ended March 31, 2013 was $132 million compared to $71 million for the three months ended March 31, 2012. Cash flow from operations in the current year benefited from higher accounts receivable and finance receivable collections of $49 million, a special contribution of $95 million to our pension plans in 2012, lower restructuring payments of $10 million and proceeds of $5 million from the unwinding of interest rate swaps. These benefits were partially offset by lower net income, including the net loss of $25 million in connection with the Tender Offer, and higher payments of accounts payable and accrued liabilities.

Net cash used in investing activities for the three months ended March 31, 2013 was $65 million, a decrease of $86 million compared to cash provided by investing activities of $21 million for the three months ended March 31, 2012. Cash flow from investing activities in 2012 benefited from proceeds of $106 million received from the sale of leveraged lease assets.

Net cash used in financing activities was $66 million for the three months ended March 31, 2013 compared to $45 million for the three months ended March 31, 2012. See Financings and Capitalization section below for details of significant cash flows from financing activities.

Financings and Capitalization

We are a Well-Known Seasoned Issuer as defined in the Securities Act, which allows us to issue debt securities, preferred stock, preference stock, common stock, purchase contracts, depositary shares, warrants and units in an expedited fashion. We have a commercial paper program that is an important source of liquidity for us and a committed credit facility of $1.0 billion to support our commercial paper issuances. The credit facility expires in April 2016. We have not drawn upon the credit facility.

At March 31, 2013, there were no outstanding commercial paper borrowings. During the quarter, commercial paper borrowings averaged $100 million at a weighted-average interest rate of 0.41% and the maximum amount outstanding at any time was $300 million.

During the quarter, we completed a cash tender offer (the Tender Offer) for a portion of our 4.875% Notes due 2014, our 5.000% Notes due 2015, and our 4.750% Notes due 2016 (the Subject Notes). Holders who validly tendered their notes received the principal amount of the notes tendered, all accrued and unpaid interest and a premium amount. An aggregate $405 million of the Subject Notes were tendered. A net loss of $25 million, consisting of the premium payments, the write-off of unamortized costs and fees, partially offset by a gain from the unwinding of interest rate swap agreements, was recognized as Other expense (income), net on the Condensed Consolidated Statements of Income.

Also in the quarter, we issued $425 million of 30-year notes with a fixed-rate of 6.7%. Interest is payable quarterly commencing in June 2013. The notes mature in 2043, but may be redeemed, at our option, in whole or in part, at any time on or after March 7, 2018 at a redemption price equal to 100% of the principal amount, plus accrued and unpaid interest. The net proceeds of $412 million were used to fund the repurchase of notes under the Tender Offer.

In June 2013, we have $375 million of debt scheduled to mature and will fund this maturity with available cash.

Cash and cash equivalents held by our foreign subsidiaries were $264 million at March 31, 2013 and $219 million at December 31, 2012. Cash and cash equivalents held by our foreign subsidiaries are generally used to support the liquidity needs of these subsidiaries. Most of these amounts could be repatriated to the U.S. but would be subject to additional taxes. Repatriation of some foreign balances is restricted by local laws.

We paid dividends to our common stockholders in the amount of $75 million during the three months ended March 31, 2013 and 2012. Each quarter, our Board of Directors considers our recent and projected earnings and other capital needs and priorities in deciding whether to approve the amount and payment of a dividend. On April 29, 2013, our Board of Directors declared a cash dividend of $0.1875 per share for the second quarter of 2013. There are no material restrictions on our ability to declare dividends.

Regulatory Matters

There have been no significant changes to the regulatory matters disclosed in our 2012 Annual Report.

Item 3: Quantitative and Qualitative Disclosures about Market Risk

There were no material changes to the disclosures made in the 2012 Annual Report regarding this matter.

Item 4: Controls and Procedures

Disclosure controls and procedures are designed to reasonably assure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures are also designed to reasonably assure that such information is accumulated and communicated to our management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), as appropriate to allow timely decisions regarding required disclosure.

Under the direction of our CEO and CFO, we evaluated our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act) and internal control over financial reporting. Our CEO and CFO concluded that, as of the end of the period covered by this report, such disclosure controls and procedures were effective to ensure that information we are required to disclose in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Exchange Act. In addition, no changes in internal control over financial reporting occurred during the fiscal quarter covered by this report that have materially affected, or are reasonably likely to materially affect, such internal control over financial reporting. It should be noted that any system of controls is based in part upon certain assumptions designed to obtain reasonable (and not absolute) assurance as to its effectiveness, and there can be no assurance that any design will succeed in achieving its stated goals. Notwithstanding this caution, the disclosure controls and procedures are designed to provide reasonable assurance of achieving their stated objectives, and the CEO and CFO have concluded that the disclosure controls and procedures are effective at that reasonable assurance level.

PART II. OTHER INFORMATION

Item 1: Legal Proceedings

See Note 12 to the unaudited Condensed Consolidated Financial Statements.

Item 1A: Risk Factors

There were no material changes to the risk factors identified in the 2012 Annual Report.

Item 2: Unregistered Sales of Equity Securities and Use of Proceeds

Repurchases of Equity Securities

We periodically repurchase shares of our common stock to manage the dilution created by shares issued under employee stock plans and for other purposes in the open market. At March 31, 2013, we have remaining authorization to repurchase up to $50 million of our common stock. There were no share repurchases during the quarter ended March 31, 2013.

Item 6: Exhibits

Exhibit Number	Description	Status or incorporation by reference
10(f)	Pitney Bowes Pension Restoration Plan (Amended and Restated as of March 31, 2013)	Exhibit 10(f)
10(g)	Pitney Bowes Senior Executive Severance Policy (As Amended and Restated Effective as of March 1, 2013)	Exhibit 10(g)
12	Computation of ratio of earnings to fixed charges	Exhibit 12
31.1	Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended	Exhibit 31.1
31.2	Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended	Exhibit 31.2
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350	Exhibit 32.1
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350	Exhibit 32.2
101.INS	XBRL Report Instance Document	
101.SCH	XBRL Taxonomy Extension Schema Document	
101.CAL	XBRL Taxonomy Calculation Linkbase Document	
101.DEF	XBRL Taxonomy Definition Linkbase Document	
101.LAB	XBRL Taxonomy Label Linkbase Document	
101.PRE	XBRL Taxonomy Presentation Linkbase Document	

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PITNEY BOWES INC.

Date: May 3, 2013

/s/ Michael Monahan

Michael Monahan
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

/s/ Steven J. Green

Steven J. Green
Vice President – Finance and Chief Accounting Officer
(Principal Accounting Officer)

Exhibit Index

Exhibit Number	Description	Status or incorporation by reference
10(f)	Pitney Bowes Pension Restoration Plan (Amended and Restated as of March 31, 2013)	Exhibit 10(f)
10(g)	Pitney Bowes Senior Executive Severance Policy (As Amended and Restated Effective as of March 1, 2013)	Exhibit 10(g)
12	Computation of ratio of earnings to fixed charges	Exhibit 12
31.1	Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended	Exhibit 31.1
31.2	Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended	Exhibit 31.2
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350	Exhibit 32.1
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350	Exhibit 32.2
101.INS	XBRL Report Instance Document	
101.SCH	XBRL Taxonomy Extension Schema Document	
101.CAL	XBRL Taxonomy Calculation Linkbase Document	
101.DEF	XBRL Taxonomy Definition Linkbase Document	
101.LAB	XBRL Taxonomy Label Linkbase Document	
101.PRE	XBRL Taxonomy Presentation Linkbase Document	

PITNEY BOWES

PENSION RESTORATION PLAN

Amended and Restated as of March 31, 2013

ADOPTED BY EMPLOYEE BENEFITS COMMITTEE MARCH 29, 2013

PITNEY BOWES PENSION RESTORATION PLAN

(Amended and Restated as of March 31, 2013)

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PITNEY BOWES PENSION RESTORATION PLAN

(Amended and Restated as of March 31, 2013)

I. Name and Purpose of Plan

Pitney Bowes Inc. ("Pitney Bowes" or the "Company") maintains a nonqualified defined benefit plan, the Pitney Bowes Pension Restoration Plan ("Plan"), for its employees and the employees of its U.S. subsidiaries and affiliates who Pitney Bowes has designated to participate in the Plan. Pitney Bowes Inc. hereby amends and restates the Plan" effective March 31, 2013. The Plan was formerly known as the Pitney Supplemental Pension Plan and the Pitney Bowes Benefits Equalization Plan and has been amended and restated from time to time.

The purpose of the Plan is to attract and retain key employees whose skills and talents are important to the Company's operations by providing that select group of management or highly compensated employees of the Company and its U.S. subsidiaries and affiliates, as designated by Pitney Bowes, with supplemental retirement benefits, including without limitation, benefits which cannot be provided under the qualified Pitney Bowes Pension Plan or other similar defined benefit retirement plan or plans of Pitney Bowes or any U.S. subsidiary or affiliate as designated by the Company (hereinafter "the Underlying Plan or Plans") on account of the limitations imposed on the Underlying Plan pursuant to the Internal Revenue Code of 1986, as amended (the "Code"), including without limitation sections 401 (a)(17) and 415 of the Code or other similar legally imposed limitation (hereinafter referred to as the "Underlying Plan Limits").

The Plan is intended to constitute an unfunded "excess benefit plan," as defined in section 3(36) of ERISA. To the extent that the Plan provides benefits that are not "excess benefits," the Plan constitutes an unfunded "top hat" plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees, within the meaning of sections 201(2), 301(a)(3) and 401(a)(1) of ERISA. The Plan is not intended to meet the qualification requirements of Code Section 401(a).

The Plan constitutes an unsecured promise by the Company to pay benefits in the future. Participants in the Plan shall have the status of general unsecured creditors of the Company. The Plan is unfunded for federal tax purposes and is intended to be an unfunded arrangement within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA. Any amounts set aside to defray the liabilities assumed by the Company shall remain the general assets of the Company and shall remain subject to the claims of the Company's creditors until such amounts are distributed to the Participants.

Effective January 1, 2005 the Plan was closed to new participants. No Employee with an initial date of hire at the Company, Subsidiary, Affiliate, or an Associated Company after December 31, 2004 or with an official hire date before December 31, 2004 but who worked for a company whose employees were integrated into the Company's HRIS system (SAP) after December 31, 2004 may become a participant. Employees who are rehired or who transfer generally do not accrue additional Plan benefits unless otherwise provided herein or under the qualified Pension Plan.

The Plan is frozen with no further benefit accruals after March 31, 2013 with respect to all participants participating in the qualified Pension Plan with less than 16 years of Credited Service with the Company on March 31, 2013. For all other Eligible Employees, the Plan is frozen with no further benefit accruals effective December 31, 2014. Participants, who separated from service prior to March 31, 2013 with less than 16 years of Credited Service on that date and who receive severance benefits under the under the Pitney Bowes Severance Plan beyond March 31, 2013, will continue to receive Company Service through the earlier of termination of the participant's severance benefit period or December 31, 2014.

Unless specifically defined herein, terms used under this Plan will have the same meaning as those used under the qualified Pension Plan.

II. Restatement

The terms of this Plan applies to all accruals under the Plan whether accrued and vested before January 1, 2005 or after December 31, 2004, except a participant who terminated employment benefits before January 1, 2005 and did not have any benefit accruals after December 31, 2004 shall continue to be determined under the terms of the Plan as in effect on the date the employment terminated. From January 1, 2005 through December 31, 2008 the Plan was administered in good faith compliance with the requirements of Code Section 409A, the Treasury Regulations and official notices and pronouncements thereunder.

III. Participation

Any employee of Pitney Bowes Inc. or of its Subsidiaries and Affiliates, as designated by Pitney Bowes, who is employed by the Company after December 31, 2004 and who is eligible for participation in one or more of the Underlying Plans shall be a participant in the Plan provided that such employee's compensation or benefits in the Underlying Plan exceed the Underlying Plan Limits or cannot otherwise be provided under the Underlying Plan. No Employee with (i) an initial date of hire at the Company, an Affiliate, or an Associated Company after December 31, 2004, (ii) an official hire date before December 31, 2004 but who worked for a company whose employees were integrated into the Company's HRIS system (SAP) after December 31, 2004 or (iii) is receiving a 2% Employer Core Contribution under a Pitney Bowes 401(k) Plan (unless you were previously a Participant in the Plan or the Underlying Plan) may participate in this Plan. Notwithstanding anything to the contrary, no Employee eligible to receive a 2% Employer Core Contribution under the Pitney Bowes 401(k) Plan will receive an accrual under this Plan.

IV. Benefits

A. Retirement Benefits

The supplemental retirement benefits of a participant in the Plan shall be calculated in the same fashion as calculated under the Underlying Plan except with the following inclusions:

(1) "Earnings" shall include the following items if not included in the Underlying Plan:

(a) Pitney Bowes Incentive Plan (PBIP) Awards under the Key Employee Incentive Plan deferred by the participant to the Company's Deferred Incentive Savings Plan. Such Earnings shall be included in the year such compensation would have been paid to the participant but for the deferral;

(b) Enhanced or Conditional severance (based on a signed release and waiver) paid to an employee in compensation Band F or above in conjunction with and in addition to base severance under the Pitney Bowes Severance Pay Plan; and

(c) The participant's total remuneration without regard to Underlying Plan Limits imposed by the tax law on the Underlying Plan but shall exclude those items of compensation specifically excluded by the Underlying Plan (except for severance pay as provided in subsection (b) above).

(2) "Credited Service" shall include the period over which enhanced severance is paid or payable in conjunction with and in addition to base severance under the Pitney Bowes Severance Pay Plan to an employee in compensation Band F or above.

A participant's supplemental retirement benefits under this Plan shall be offset by the retirement benefits payable to such participant from the Underlying Plan.

With respect to any participant with less than 16 years of Credited Service with the Company on March 31, 2013, Earnings and Credited Service shall not include any Earnings or service after March 31, 2013. With respect to participants who separated from service on or prior to March 31, 2013 with less than 16 years of Credited Service on that date and who receive severance benefits under the under the Pitney Bowes Severance Plan beyond March 31, 2013, Earnings and Credited Service will include Earnings and service through the earlier of termination of the participant's severance benefit period or December 31, 2014. For all other participants, Earnings and Credited Service is frozen with no further Earnings or service taken into account under this Plan after December 31, 2014.

B. <u>Calculation of Retirement Benefits</u>.

The supplemental retirement benefits under the Plan are based on the gross retirement benefits calculated on the same basis and using the same actuarial factors as benefits are calculated under the Underlying Plan, except as provided in A. above and except as follows, offset by the benefits calculated under the Underlying Plan:

(1) Gross Vested Plan Accrued Benefit Payable at Age 65 will be determined on the later of the first day ofthe month immediately following the participant's termination from service or the first day of the month immediately after the participant attains age 55 ("Determination Date").

(2) The participant's age, service and Earnings as of the Determination Date shall be used in calculating the participant's benefit, except that if a participant terminates under a Separation Agreement providing the participant with severance pay under the Pitney Bowes Severance Pay Plan, then (a) the period over which the severance is calculated shall be imputed as Credited Service under the Plan, (b) the participant's age at the conclusion of the severance period (base

and enhanced) shall be used in calculating the participant's gross Pension Account and gross Accrued Benefit on the Determination Date and (c) the severance paid to the participant shall be treated as Earnings, except for the portion of base severance that is counted as Earnings in the Underlying Plan.

(3) Except as specified in (2), actuarial factors applicable to the Determination Date shall be used in calculating the benefit .

C. Nonduplication of Benefits

Benefits under this Plan shall not in any way duplicate benefits payable or received under the Underlying Plan.

D. Maximum Benefits Payable

Notwithstanding anything to the contrary herein, the maximum benefit accrual under this Plan for a participant who is a Participant in an Underlying Plan such as the Pitney Bowes Pension Plan is an amount equal to 16.5% multiplied by the participant's Final Average Earnings, the product of which is further multiplied by the participant's Credited Service.

V. Time and Form of Payment

Vested benefits under the Plan are payable as provided below following the participant's Retirement, which is defined as the first day of the month following the later of the participant's termination of employment or attainment of 55, except as otherwise stated in this Plan. The timing of distributions and the forms of payment offered under this Plan shall be as follows:

A. Default Distribution:

Vested Plan benefits shall be paid in a lump sum upon the later of (1) the month following the date the participant attains age 55 or (2) during the 13 th month following the participant's termination from employment.

B. Alternate Distributions:

In lieu of the Default Distribution described in Subsection A., a vested participant may elect one of the following distribution forms:

(1) Lump sum payable during the 60th month after the Default Distribution is payable under Subsection A;

(2) Substantially equal annual installments payable over ten calendaryears commencing during the 60th month after the Default Distribution is payable under Subsection A. Successive installment payments shall be made in the month of July in each calendar year after the calendar year the first installment is made for the duration of the installment period;

(3) Life annuity or 50%, 75% or 100% Joint & Survivor life annuity commenced during the 60th month after the Default Distribution is payable under Subsection A; or

(4) Part lump sum and either part installment or part annuity, if the portion being paid as an installment or annuity is greater than $100,000; the lump sum portion is payable as described under the Default Distribution Subsection A above and the installment or annuity portion is to commence in the 60th month after the lump sum portion is payable.

C. Timing of Elections:

All Alternate Distribution elections must be made at least 12 months before a Default Distribution or other Alternate Distribution is payable. A participant who terminates employment prior to age 55 must make an Alternate Distribution election no later than the latter of (a) 12 months prior to when the payment would otherwise be made under the Plan or (b) prior to the month in which the participant attains age 54. The Company may develop procedures regarding these elections including procedures that may limit the number of times a participant may change a prior election. An Alternate Distribution election shall be effective only if: (a) Pitney Bowes receives the new distribution election form at least 12 full months before distributions under the Plan related to that change commence, (b) the new distribution election is not effective for a period of 12 months from the date made, and (c) the first payment with respect to which the new election is made is deferred for a period of five years from the date such payment otherwise would have been made, as required by section 409A of the Code.

D. Death:

The following rules will apply in the event of death of a participant or the participant's spouse:

(1) If the participant dies after reaching Retirement age (age 55) but before the Plan benefit commences, vested Plan benefits will be paid in a lump sum to the participant's estate 90 days after the participant's death .

(2) If the participant dies after Plan benefits have commenced, any remaining installment payments will be paid in a lump sum to the participant's estate 90 days after the participant's death, provided, however, if the participant elected an annuity form, further payments will depend on the terms of the annuity form elected by the participant.

(3) If the participant dies before reaching Retirement age (age 55), vested Plan benefits will be paid to the participant's spouse if married and to his estate if not married. In such case, the Plan benefit will be calculated as though the participant terminated on the date of death, survived to age 55 and elected to retire with a 50% joint and survivor annuity and then died. The Plan benefit would be actuarially calculated as a lump sum and paid to the participant's estate 90 days after the participant's death. The benefit would be actuarially adjusted for early payment (e.g., number of months prior to when the participant would have attained age 55).

(4) If a participant's spouse dies within the first year of the commencement of a Joint & Survivor annuity, the annuity will not be reformed into a single life annuity, as may be the case under the Underlying Plan.

E. Change of Control.

Upon a Change of Control, as defined in the Pitney Bowes Senior Executive Severance Policy, all benefits accrued under this Plan shall be vested. Except as noted below, benefits under this Plan shall continue to accrue to participants who continue to be employed after the Change of Control.

At the time of this Plan Restatement, the definition of Change of Control under the Senior Executive Severance Policy is as follows:

"Change of Control" shall be deemed to have occurred if:

(i) there is an acquisition, in any one transaction or a series of transactions, other than from Pitney Bowes Inc., by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of beneficial ownership (within the meaning of Rule 13(d)(3) promulgated under the Exchange Act) of 30% or more of either the then outstanding shares of Common Stock or the combined voting power of the then outstanding voting securities of Pitney Bowes Inc. entitled to vote generally in the election of directors but excluding, for this purpose, any such acquisition by Pitney Bowes Inc. or any of its subsidiaries, or any employee benefit plan (or related trust) of Pitney Bowes Inc. or any of its subsidiaries, or any corporation with respect to which, following such acquisition, more than 50% of the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by the individuals and entities who were the beneficial owners, respectively, of the common stock and voting securities of Pitney Bowes Inc. immediately prior to such acquisition in substantially the same proportion as their ownership, immediately prior to such acquisition, of the then outstanding shares of Common Stock or the combined voting power of the then outstanding voting securities of Pitney Bowes Inc. entitled to vote generally in the election of directors, as the case may be; or

(ii) individuals who, as of the date of this Restatement, constitute the Board (as of such date, the "Incumbent Board") cease for any reason to constitute at least a majority of the Board, provided that any individual becoming a director subsequent to the date of this Restatement, whose election, or nomination for election by Pitney Bowes' shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as through such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the directors of Pitney Bowes Inc. (as such terms are used in Rule 14(a)(11) or Regulation 14A promulgated under the Exchange Act); or

(iii) there occurs either (A) the consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company, in each case, with respect to which the individuals and entities who were the respective beneficial owners of the common stock and voting securities of Pitney Bowes Inc.

immediately prior to such reorganization, merger or consolidation do not, following such reorganization, merger or consolidation, beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such reorganization, merger or consolidation, or (B) an approval by the shareholders of Pitney Bowes Inc. of a complete liquidation or dissolution of Pitney Bowes Inc. or of the sale or other disposition of all or substantially all of the assets of Pitney Bowes Inc.

Notwithstanding the above, the Plan is frozen with no further benefit accruals after March 31, 2013 with respect to all participants participating in the qualified Pension Plan with less than 16 years of Credited Service with the Company on March 31, 2013. For all other participants, the Plan is frozen with no further benefit accruals effective December 31, 2014. Participants, who separated from service prior to March 31, 2013 with less than 16 years of Credited Service on that date and who receive severance benefits under the under the Pitney Bowes Severance Plan beyond March 31, 2013, will continue to receive Company Service through the earlier of termination of the participant's severance benefit period or December 31, 2014.

If the Change of Control meets the definition of a change in control under section 409A of the Code and the participant's employment terminates upon or within two years after the Change of Control, a participant's vested Plan benefits shall be paid in the form of a lump sum within 30 days after the employee terminates. If a Change of Control occurs that does not meet the definition of a change in control under section 409A of the Code, or if the participant's employment is not terminated upon or within two years after the Change of Control, payments will be made in the same time and manner as otherwise provided under the Plan. In any event, distributions under this Plan after a Change of Control shall be compliant with IRC Section 409A, including without limitation the six month delay of payment required for a "specified employee" under IRC Section 409A where applicable.

F. Small Balances:

If on the Determination Date, the Participant's Plan benefit calculated as a lump sum is $100,000 or less, the benefit will be payable as a lump sum as a Default Distribution at the applicable payment date described above, notwithstanding any participant Alternate Distribution election to the contrary.

G. Interest Rate.

In the event an interest rate is required to be used under this Plan, the Plan shall use the same interest rate employed under the Underlying Plan in calculating the participant's plan benefit under the Underlying Plan (e.g., Internal Revenue Code 417(e)) ("Plan Interest"). Interest, where applied, will be interest compounded on an annual basis. Such Plan Interest shall be used to increase the Plan benefit for participants who elect an Alternate Distribution in the following manner:

(1) With respect to a participant who elects a lump sum distribution to be paid in the 73 rd month following termination from employment, Plan Interest on the participant's lump sum value will be computed as of the Determination Date and applied for the period beginning on the

first day of the 13th month following the Determination Date and ending on the last day of the month prior to the month the Plan benefit is distributed (i.e., the 72rd month).

(2) With respect to a participant who elects installments to begin in the 73 rd month following termination from employment, Plan Interest on the participant's lump sum value will be computed as of the Determination Date and applied for the period beginning on the first day of the 13 th month following the Determination Date and ending on the last day of the month prior to when the first installment is paid (i.e., the 72 rd month). A new Plan Interest rate will be computed on the first day of the 73 rd month and such rate will be applied to the declining installment balances thereafter from the first day of the month in which the preceding installment was paid to the last day of the month immediately preceding the month in which each successive installment is paid. Installment balances shall be calculated by taking the remaining balance after crediting Plan Interest as provided above calculated to the end of the month prior to each successive installment and dividing that sum by the number of installments remaining to be paid.

(3) With respect to a participant who elects an annuity to begin in the 73 rd month following termination from employment, Plan Interest on the participant's lump sum value will be computed as of the Determination Date and applied for the period beginning on the first day of the 13 th month following the Determination Date and ending on the last day of the month prior to the month the annuity commences (i.e., the 72 rd month).

(4) No interest will be accrued to Plan benefits before a participant attains age 55 or during the first 12 months following the Determination Date.

H. Rollovers.

No rollovers or transfers of vested Plan benefits to another plan will be permitted.

I. Statutory/Regulatory Elections.

The Company may offer participants any other distribution elections as allowed under section 409A of the Code or Treasury Regulations or notices issued pursuant thereto.

VI. Administration of the Plan

A. Plan Administrator.

This Plan shall be administered by the Committee which shall have discretionary authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of this Plan and to utilize its discretion to decide or resolve any and all questions, including but not limited to eligibility for benefits and interpretations of this Plan and its terms, as may arise in connection with the Plan. Claims for benefits shall be filed with the Committee and resolved in accordance with the claims procedures in this Article VI. The Executive Compensation Committee of the Company's Board of Directors reserves the right to review all claims and appeals made by Participants in compensation Band H and above.

B. Delegation.

In the administration of this Plan, the Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with legal counsel to the Company.

C. Claim Procedure.

Any controversy or claim arising out of or relating to the Plan shall be filed in writing with the Committee which shall make all determinations concerning such claim. Any claim filed with the Committee and any decision by the Committee denying such claim shall be in writing and shall be delivered to the Participant or Beneficiary filing the claim (the “Claimant”).

(1) *In General.* Notice of a denial of benefits will be provided within ninety (90) days of the Committee’s receipt of the Claimant's claim for benefits. If the Committee determines that it needs additional time to review the claim, the Committee will provide the Claimant with a notice of the extension before the end of the initial ninety (90) day period. The extension will not be more than ninety (90) days from the end of the initial ninety (90) day period and the notice of extension will explain the special circumstances that require the extension and the date by which the Committee expects to make a decision.

(2) *Contents of Notice.* If a claim for benefits is completely or partially denied, notice of such denial shall be in writing and shall set forth the reasons for denial in plain language. The notice shall (i) cite the pertinent provisions of the Plan document and (ii) explain, where appropriate, how the Claimant can perfect the claim, including a description of any additional material or information necessary to complete the claim and why such material or information is necessary. The claim denial also shall include an explanation of the claims review procedures and the time limits applicable to such procedures, including a statement of the Claimant’s right to bring a civil action under Section 502(a) of ERISA following an adverse decision on review.

(3) *Delegation*. The Committee, unless otherwise provided, delegates to either the Company’s legal counsel or the appropriate personnel in its Total Rewards Dept. or Employee Service Center to make an initial determination of al claims or controversies arising under the Plan.

D. Appeals Procedure.

A Claimant whose claim has been completely or partially denied shall be entitled to appeal the claim denial by filing a written appeal with the Committee. A Claimant who timely requests a review of the denied claim (or his or her authorized representative) may review, upon request and free of charge, copies of all documents, records and other information relevant to the denial and may submit written comments, documents, records and other information relevant to the claim to the Committee. All written comments, documents, records, and other information shall be considered “relevant” if the information (i) was relied upon in making a benefits determination, (ii) was submitted, considered or generated in the course of making a benefits decision regardless of whether it was relied upon to make the decision, or (iii) demonstrates compliance with administrative processes and safeguards established for making benefit decisions. The Committee may, in its sole discretion and if it deems appropriate or necessary, decide to hold a hearing with respect to the claim appeal.

(1) In General. Appeal of a denied benefits claim must be filed in writing with the Committee no later than sixty (60) days after receipt of the written notification of such claim denial. The Committee shall make its decision regarding the merits of the denied claim within sixty (60) days following receipt of the appeal (or within one hundred and twenty (120) days after such receipt, in a case where there are special circumstances requiring extension of time for reviewing the appealed claim). If an extension of time for reviewing the appeal is required because of special circumstances, written notice of the extension shall be furnished to the Claimant prior to the commencement of the extension. The notice will indicate the special circumstances requiring the extension of time and the date by which the Appeals Committee expects to render the determination on review. The review will take into account comments, documents, records and other information submitted by the Claimant relating to the claim without regard to whether such information was submitted or considered in the initial benefit determination.

(2) Contents of Notice. If a benefits claim is completely or partially denied on appeal, notice of such denial shall be in writing and shall set forth the reasons for denial in plain language. The decision on review shall set forth (i) the specific reason or reasons for the denial, (ii) specific references to the pertinent Plan provisions on which the denial is based, (iii) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records, or other information relevant (as defined above) to the Claimant's claim, and (iv) a statement describing any voluntary appeal procedures offered by the plan and a statement of the Claimant's right to bring an action under Section 502(a) of ERISA.

All appeals should be addressed to the Committee as follows:

Employee Benefits Committee
Pitney Bowes Pension Restoration Plan
Attn: Committee Secretary and Benefits Counsel
Pitney Bowes Inc. - Legal Dept.
One Elmcroft Road
Stamford, CT 06926

E. Indemnification.

To the fullest extent permitted under Delaware law, the Company shall indemnify and hold harmless each employee, officer, director, agent or organization, to whom or to which are delegated duties, responsibilities, and authority under the Plan or otherwise with respect to administration of the Plan, including, without limitation, the Committee and its agents, against all claims, liabilities, fines and penalties, and all expenses reasonably incurred by or imposed upon him or it (including but not limited to reasonable attorney fees) which arise as a result of his or its actions or failure to act in connection with the operation and administration of the Plan to the extent lawfully allowable and to the extent that such claim, liability, fine, penalty, or expense is not paid for by liability insurance purchased or paid for by the Participating Employer. Notwithstanding the foregoing, the Company shall not indemnify any person or organization if his or its actions or failure to act are due to gross negligence or willful misconduct or for any such amount incurred through any settlement or compromise of any action unless the Company consents in writing to such settlement or compromise.

F. Binding Decisions or Actions.

The decision or action of the Committee in respect of any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations thereunder shall be final and conclusive and binding upon all persons having any interest in the Plan. All benefits shall be made conditional upon the participant's acknowledgement, in writing or by acceptance of the benefits, that all decisions and determinations of the Committee shall be final and binding on the participant and his spouse, estate and any other person having or claiming an interest under the Plan.

G. Statute of Limitations.

Completion of the claims and appeals process set forth in this Article VI is a prerequisite to seeking any remedy in court. A participant may not bring any legal action relating to a claim for benefits under the plan unless and until the participant has followed the claims procedures under the Plan and exhausted his or her administrative remedies under such claims procedures. Moreover, any ERISA claim filed in state or federal court more than six-months after receipt of notice of an adverse benefit determination at the conclusion of the appeals process set forth herein shall be barred as untimely. For purposes of this Section 7.9, notice shall be deemed to be received five days after the date of the written notification.

VII. Amendment and Discontinuance

Pitney Bowes Inc. by action of the Board of Directors of Pitney Bowes, appropriate Board committee, or as delegated to the Employee Benefits Committee, Trust Investment Committee or management may amend or modify the Plan, in whole or in part, if, in its sole and exclusive judgment, such amendment or modification is deemed necessary or desirable. However, any such amendment or modification shall not result in a reduction of previously accrued benefits. Amendments necessary to comply with law or to allow for the orderly administration of this Plan shall not be considered to be a reduction of previously accrued benefits. Any amendment made to this Plan after a Change of Control, as defined in the Pitney Bowes Senior Executive Severance Policy, or in contemplation of a Change of Control shall not in any way adversely affect the terms and conditions of this Plan as they exist prior to such amendment with respect to benefits vested prior to such amendment.

The Board of Directors of the Company or appropriate Board committee may at any time terminate the Plan with respect to future benefit accruals. The Board or appropriate Board committee may also terminate the Plan in its entirety at any time, for any reason, and pay participants and beneficiaries benefits in a single lump sum at any time to the extent and in accordance with Treasury Regulation Section 1.409A-3 (j)(4)(ix).

VIII. Vesting

A participant's vested rights to Plan benefits shall be determined utilizing the same rules, terms and conditions utilized by the Underlying Plan.

IX. Withholding of Taxes

Notwithstanding any other provision of this Plan, Pitney Bowes or other appropriate employer or payer shall withhold from payment made hereunder any amounts required to be so withheld by any applicable law or regulation. To the extent that Pitney Bowes or other appropriate employer is required to withhold any taxes prior to distribution of the Plan benefits payable hereunder, such withholding amounts shall be either (1) treated as a distribution from the Plan (as described below) and deducted by Pitney Bowes from the vested participant's Plan benefit as allowed by law or (2) charged to and paid by the participant in cash from sources other than the benefits hereunder, at the sole and absolute discretion of Pitney Bowes. If any benefit under the Plan is taxable to a participant for FICA purposes at a date earlier than the specified payment date (as a result of section 3101 or 3121 of the Code or successor provisions), Pitney Bowes shall accelerate payment to the participant, and shall withhold from such accelerated payment, the amount necessary to pay the FICA tax withholding amount, and the federal, state and local income and FICA tax withholding applicable to the accelerated payment, in accordance with section 409A of the Code.

X. Miscellaneous

A. Definitions

Any capitalized terms not specifically defined in the Plan shall have the same meaning as such terms have under the Pitney Bowes Pension Plan.

B. Scope of Benefits

The Plan is intended and designed to pay retirement benefits as described herein only with respect to amount that would have been payable to a participant pursuant to the Underlying Plans but for the Underlying Plan Limits and to the extent expressly provided in this Plan. Any benefits not payable under the Underlying Plan for any other reason shall nonetheless not be payable from the Plan unless expressly provided in this Plan.

C. Unfunded Plan

The Plan is intended to be a plan which is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees. All payment pursuant to the Plan shall be made from the general funds of Pitney Bowes and no special or separate fund shall be established or other segregation of assets made to assure payment. No participant or other person shall have under any circumstance any interest in any particular property or assets of Pitney Bowes as a result of participating in the Plan. Notwithstanding the foregoing, Pitney Bowes may (but shall not be obligated to) create one or more grantor trusts, the assets of which are subject to the claims of Pitney Bowes' creditors, to assist in accumulating funds to pay its obligations under the Plan.

D. Nonassignability

Neither a participant nor any other person shall have any right to commute sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt the amount, if any, payable hereunder, or any part thereof, which are and all right to which are, expressly declared to be unassignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a participant or any other person, nor be transferable by operation of law in the event of a participant's or any other person's bankruptcy or insolvency.

E. Validity and Severability

The invalidity or unenforceability of any provision of this Plan shall not affect the validity or enforceability of any other provision of this Plan, which shall remain in full force and effect, and any prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

F. Governing Law

The Validity, interpretation, construction and performance of this Plan shall in all respects be governed by the laws of the State of Connecticut, without reference to principles of conflict of law, except to the extent pre-empted by federal law.

G. Employment Status

This Plan does not constitute a contract of employment or impose on the participant or Pitney Bowes or the participant's employer any obligation for the Participant to remain an employee of Pitney Bowes or the Participant's employer or change the status of the participant's employment or the policies of Pitney Bowes or the Participant's employer.

H. Effect of a Mistake

In the event of a mistake or misstatement as to participation of a participant, the amount of payment made or to be made to a participant or beneficiary the Committee shall, if possible, cause these payment amounts to be withheld, accelerated, or otherwise adjusted as will in its sole judgment result in the participant or beneficiary receiving the proper amount of payment under this Plan.

J. Lost Participants or Beneficiaries

Any participant or beneficiary who is entitled to a benefit under the Plan has the duty to keep the Committee or the Company advised of his or her current mailing address. If the benefits are returned to the Plan or are not presented for payment after a reasonable amount of time, the

Committee shall presume the payee missing. After making reason efforts, as determined by the Committee, the Committee shall stop payment on any uncashed checks and discontinue future payments until payee contact is restored. If contact is restored, no interest is due on returned benefit payments held by the Committee or the Company because it could not locate the participant.

K. Section 409A

This Plan is intended to comply with the requirements of section 409A of the Code, and shall in all respects be administered in accordance with section 409A, including the requirement that payments to a "specified employee" of a publicly traded corporation upon separation from service be delayed for a period of six months after separation from service. Notwithstanding anything in the Plan to the contrary, distributions may only be made under the Plan upon an event and in a manner permitted by section 409A of the Code. All payments to be made upon a termination of employment under this Plan may only be made upon a "separation from service" under section 409A. In no event may a participant, directly or indirectly, designate the calendar year of a payment, except pursuant to payment elections permitted under section 409A of the Code.

Exhibit 10(g)

PITNEY BOWES SENIOR EXECUTIVE SEVERANCE POLICY

(As Amended and Restated Effective as of March 1, 2013)

APPROVED BY THE BOARD OF DIRECTORS

March 25, 2013

PITNEY BOWES
SENIOR EXECUTIVE SEVERANCE POLICY

INDEX

I. PURPOSE

1.1 The purpose of the Plan is to provide certain designated senior executive employees with continued compensation and benefits, subject to the specific terms and conditions set forth in the Plan, in the event there is a Change of Control and the covered executive incurs a Termination of Employment. In addition, the Plan is intended to provide an incentive to covered executives to continue to perform their job duties on behalf of the Company where the Company is faced with a Change of Control. No Change of Control has occurred under the terms of the Plan as of the effective date of this restatement.

II. DEFINITIONS

For the purposes of the Plan, the following words and phrases shall have the following respective meanings unless the context clearly indicates otherwise.

2.1 "Annual Incentive" shall mean the annual incentive, also referred to as the Pitney Bowes Incentive Plan (PBIP), that a Participant is eligible to earn under the Pitney Bowes Key Employee Incentive Plan.

2.2 "Average Annual Incentive Award" shall mean the average Annual Incentive amount a Participant received over the three consecutive twelve month periods prior to the Date of Termination. A partial year Annual Incentive amount should be annualized in making this calculation.

2.3 "Annual Salary" shall mean the Participant's regular annual base salary in effect immediately prior to his or her Date of Termination, including cash compensation converted to other benefits under a flexible benefit arrangement maintained by the Company or deferred pursuant to a written plan or agreement with the Company, but excluding any type of allowances, reimbursements, premium pay, Cash Incentive Units, sign-on bonus, stock options and any actual gain thereon, prizes, awards, special bonuses and incentive payments other than the Annual Incentive.

2.4 "Board" shall mean the Board of Directors of the Company.

2.5 "Change of Control" For purposes of this Plan, a "Change of Control" shall be deemed to have occurred if:

(i) there is an acquisition, in any one transaction or a series of transactions, other than from Pitney Bowes Inc., by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), of beneficial ownership (within the meaning of Rule 13(d)(3) promulgated under the Exchange Act) of 30% or more of either the then outstanding shares of common stock or the combined voting power of the then outstanding voting securities of Pitney Bowes Inc. entitled to vote generally in the election of directors, but excluding, for this purpose, any such acquisition by Pitney Bowes Inc. or any of its subsidiaries, or any employee benefit plan (or related trust) of Pitney Bowes Inc. or its subsidiaries, or any corporation with respect to which, following such acquisition, more than 50% of the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by the individuals and entities who were the beneficial owners, respectively, of the common stock and voting securities of Pitney Bowes Inc. immediately prior to such acquisition in substantially the same proportion as their ownership, immediately prior to such acquisition, of the then outstanding shares of common stock or the combined voting power of the then outstanding voting securities of Pitney Bowes Inc. entitled to vote generally in the election of directors, as the case may be; or

(ii) individuals who, as of the Restatement Effective Date, constitute the Board (as of such date, the "Incumbent Board") cease for any reason to constitute at least a majority of the Board, provided that any individual becoming a director subsequent to the Restatement Effective Date, whose election, or nomination for election by Pitney Bowes' shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the directors of Pitney Bowes Inc. (as such terms are used in Rule 14(a)(11) or Regulation 14A promulgated under the Exchange Act); or

(iii) there occurs either (A) the consummation of a reorganization, merger, consolidation, or sale or other disposition of all or substantially all of the assets of the Company, in each case, with respect to which the individuals and entities who were the respective beneficial owners of the common stock and voting securities of Pitney Bowes Inc. immediately prior to such reorganization, merger, consolidation or sale or other disposition do not, following such reorganization, merger, consolidation or sale or other disposition beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such reorganization, merger, consolidation or sale or other disposition or (B) an approval by the shareholders of Pitney Bowes Inc. of a complete liquidation or dissolution of Pitney Bowes Inc. or of the sale or other disposition of all or substantially all of the assets of Pitney Bowes Inc.

2.6 "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

2.7 "Company" shall mean Pitney Bowes Inc. and any successor thereto.

2.8 "Date of the Change of Control" shall mean the date on which a Change of Control is determined to first occur.

2.9 "Date of Termination" shall mean the date on which a Participant incurs a Termination of Employment as defined in Section 5.1 hereof.

2.10 "Employee" shall mean any regular full-time employee of the Company or a wholly-owned, fully-integrated subsidiary or affiliate of the Company.

2.11 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereunder.

2.12 "Participant" shall mean an Employee who is designated as a Participant pursuant to Section III hereof.

2.13 "Plan" shall mean the Pitney Bowes Senior Executive Severance Policy as amended and restated effective as of March 1, 2013.

2.14 "Restatement Effective Date" shall mean March 1, 2013.

2.15 "Separation Period" shall mean (i) for Participants who are in compensation Bands I or J on the Change of Control, the period beginning on a Participant's Date of Termination and ending on the second anniversary thereof (ii) for Participants who are in compensation Band H, or Participants who are elected corporate officers of Pitney Bowes Inc. but not in compensation Bands I or J, the period beginning on a Participant's Date of Termination and ending on the expiration of 78 weeks following the Participant's Date of Termination.

III. PARTICIPATION

3.1 Each Employee who falls within compensation Bands H, I or J or who is an elected corporate officer of Pitney Bowes Inc. not in compensation Bands H, I or J shall be a Participant in the Plan.

3.2 Prior to the time a Change of Control has occurred, the Board may, in its sole discretion, without notice, amend, modify or terminate the eligibility of certain individual Employees or classes of Employees or Participants to participate in the Plan; provided, however, that such eligibility or participation may not be so amended, modified or terminated in connection with an actual, threatened, or proposed Change of Control in any manner which would result in an Employee or Participant otherwise becoming ineligible to participate in the Plan; and provided further that any amendment, modification or termination of the definition of an Employee or Participant's participation in the Plan occurring within one year prior to a Change of Control shall be deemed to be in connection with an actual, threatened, or proposed Change of Control and shall be void.

In addition, when a Change of Control occurs, all rights of an Employee or Participant to eligibility and participation under the Plan shall be considered a contract right enforceable by the Participant against the Company and any successors thereto, subject to the terms and conditions hereof. This Plan is not amendable after a Change of Control without the consent of the Plan Participants to such amendment.

IV. SEPARATION BENEFITS

4.1 If any Participant incurs a Termination of Employment within two years after a Change of Control occurs (whether or not such termination is a result of such Change of Control) or a Participant is terminated within sixty (60) days before a Change of Control at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or otherwise in connection with or in anticipation of a Change of Control, and a Change of Control subsequently occurs, the Company shall pay such Participant separation benefits as determined in Section 4.2 hereof and the benefits as determined in Sections 4.3 and 4.4 hereof. For purposes of determining the benefits set forth in Sections 4.3 and 4.4, if the Participant incurs a Termination of Employment following a reduction of the Participant's Annual Salary, opportunity to earn an Annual Incentive, or other compensation or employee benefits, such reduction shall not be given effect. Separation benefits as described in this Section shall be paid either (a) in one lump sum within fifteen (15) days of the Date of Termination or (b) in a stream of payments payable on regular pay periods following the Date of Termination only if the Change of Control event does not meet the definition of "change of control" under IRC Section 409A (as defined in Section 9.4 herein) and if required to be paid in that fashion by IRC 409A to avoid the additional tax imposed by IRC Section 409A; with such stream of payments continuing over the severance period used to calculate the severance benefits under Section 4.2 herein. If the termination of employment occurs before the Change of Control and is on account of the Change of Control, "fifteen (15) days" in the immediately prior sentence becomes "ninety (90) days" of the Date of Termination.

4.2 Separation benefits described in Section 4.1 hereof shall be determined as described below:

(a) For a Participant in compensation Bands I or J, an amount equal to the product of (1) two times (2) the sum of (x) the Participant's Annual Salary and (y) the Participant's Average Annual Incentive Award.

For a Participant in Band H, or who is an elected corporate officer of Pitney Bowes Inc. and not in compensation Bands I or J, an amount equal to the product of (1) one and one half times (2) the sum of (x) the Participant's Annual Salary and (y) the Participant's Average Annual Incentive Award.

Payments made under this Section 4.2(a) shall be made as provided in Section 4.1 above.

(b) An amount equal to the difference between (1) the lump sum actuarial equivalent of the benefit under the Company's qualified defined benefit retirement plan (the "Pension Plan") and any excess or supplemental defined benefit retirement plans in which the Participant participates (collectively, the "Pension Restoration Plan") which the Participant would receive if his or her employment continued during the Separation Period, assuming the Participant is fully vested in his or her benefit under the Pension Plan as of the Date of Termination, and (2) the lump sum actuarial equivalent of the Participant's actual benefit (paid or payable), if any, under the Pension Plan and the Pension Restoration Plan as of the Date of Termination. For purposes of the calculation required under subsection 4.2(b)(1), only the Participant's additional months of age and service accrued during the Separation Period, but not the Participant's compensation earned during the Separation Period, shall be taken into account. This calculation shall be performed on the same basis as if the Participant had remained actively employed throughout the entire Separation Period, except that the Participant's earnings used in calculating the Participant's highest average earnings shall cease on the day before the Separation Period begins. The calculation of this amount shall be performed using the same factors employed under the Pension Plan and Participant's compensation earned through the Date of Termination. The actuarial determination hereunder shall be made as of the Date of Termination and the actuarial assumptions used for purposes of determining actuarial equivalence shall be no less favorable to the Participant than the most favorable of those in effect under the Retirement Plan and the Pension Restoration Plan on the Date of Termination. Any Pension Restoration Plan payment shall be made in accordance with the payment election the Participant made under the Pension Restoration Plan.

4.3 During the Separation Period, the Participant and his or her Dependents shall continue to be provided with the medical, prescription drug, dental and life insurance and other health and welfare benefits in which the Participant has coverage under the plans or programs of the Company or its affiliates at the Date of Termination as if the Participant's employment had not been terminated, unless the Participant elects to decline such coverage; provided, however, that if the Participant becomes reemployed with another employer and is eligible to receive a particular benefit described above under another employer-provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining eligibility (but not the time of commencement of benefits) of the Participant for retiree medical, dental and life insurance benefits under the Company's plans, practices, programs and policies, the Participant shall be considered to have remained employed during the Separation Period and to have retired or terminated employment on the last day of such period. The "COBRA" continuation period for a Participant shall commence following the last day of the Separation Period.

4.4 The Company shall, at its sole expense, provide the Participant with outplacement services, the scope and provider of which shall be selected by the Company from the list of vendors the Company used to provide those services before the Change of Control, but at a cost to the Company of not more than the lesser of (i) 12% of Annual Salary and (ii) fifty thousand dollars ($50,000.00).

4.5 To the extent any benefits described in this Section 4 cannot be provided to the Participant pursuant to the appropriate plan or program maintained for Company employees in which a Participant participates, including, without limitation, because the coverage would cause the benefit plan to become discriminatory, the Company shall provide such benefits outside such plan or program at no additional cost (including, without limitation, tax cost) to the Participant.

4.6 The cash lump sum payment and continuation benefits set forth in Sections 4.1, 4.2, 4.3 and 4.4 shall be payable in addition to, and not in lieu of, all other accrued or vested or earned but deferred rights, options or other benefits which may be owed to a Participant upon or following termination, including but not limited to regular Annual Salary earned but unpaid as of the Date of Termination, Annual Incentives earned but unpaid as of the Date of Termination, accrued vacation or sick pay, amounts or benefits payable under any incentive (other than the Annual Incentive) or other compensation plans, stock option plan, stock ownership plan, stock purchase plan, life insurance plan, health plan, disability plan or similar or successor plan. Amounts received under this Plan, shall not be duplicative of any severance pay or pay in lieu of required notice under any applicable federal, state or local law, including, without limitation, the federal Worker Adjustment and Retraining Notification Act paid or payable by the Company to the Participant. In addition, any severance pay benefits made hereunder shall be reduced by the amount of statutory severance benefits paid to the participant if the Company had contributed to the fund or statutory scheme under which the benefits are paid.

V. TERMINATION OF EMPLOYMENT

5.1 For purposes of the Plan, "Termination of Employment" shall include a termination of employment by the Participant for any of the following Good Reasons, subject to Section 5.3 below:

1. The assignment following a Change of Control to a Participant of any duties inconsistent in any respect with the Participant's position, authority, duties and responsibilities as existed on the day immediately prior to the Change of Control, or any other action by the Company which results in a diminution in such position, authority, duties, or responsibilities, excluding for this purpose an isolated, insubstantial, and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Participant;

2. Any failure by the Company following a Change of Control to continue to provide the Participant with Annual Salary, employee benefits, or other compensation equal to or greater than that to which such Participant was entitled immediately prior to the Date of the Change of Control, other than an isolated, insubstantial, and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Participant;

3. Any failure by the Company following a Change of Control to continue to provide the Participant with the opportunity to earn Annual Incentives (and long-term incentive compensation as applicable) on a basis at least equal to that provided to the Participant prior to the Date of the Change of Control, taking into account the level of compensation that can be earned and the relative difficulty of any associated performance goals;

4. The Company's requiring the Participant, after a Change of Control, to be based, at any office or location more than 35 miles farther from the Participant's place of residence than the office or location at which the Participant is employed immediately prior to the Date of the Change of Control or the Company's requiring the Participant to travel on Company business to a substantially greater extent than required immediately before the Change of Control;

5. Any failure by the Company, after a Change of Control, to require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) who acquired all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform the Company's obligations under the Plan in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

Any good faith determination made by a Participant that a Good Reason described in subparagraphs 1 through 5 of this Section 5.1 has occurred shall be conclusive, subject to Section 5.3.

A Termination of Employment under this Plan shall not mean (a) the willful and continued failure of the Participant to perform substantially the Participant's duties with the Company or any of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness) or (b) the willful engaging by the Participant in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

5.2 Any termination by the Company or by the Participant in accordance with Section 5.1 shall be communicated by a Notice of Termination to the other party. Any Notice of Termination shall be by written instrument which (i) indicates the specific termination provision in Section 5.1 above relied upon, (ii) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Participant's employment under the provision so indicated, and (iii) if the Date of Termination is other than the date of receipt of such notice, specifies the Date of Termination (which date shall not be more than 15 days after the giving of such notice). The failure by any Participant to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of entitlement to terminate under subparagraphs 1 through 5 of Section 5.1 above shall not be deemed to be a waiver of any right of such Participant or preclude such Participant from asserting such fact or circumstance in enforcing his rights.

5.3 Notwithstanding the foregoing, a Termination of Employment for Good Reason under Section 5.1 shall not occur if, within 30 days after the date the Participant gives a Notice of Termination to the Company after a Change of Control, the Company corrects the action or failure to act that constitutes the grounds for termination for Good Reason as described in Section 5.1 and as set forth in the Participant's Notice of Termination. If the Company does not correct the action or failure to act, the Participant must terminate his or her employment for Good Reason within 60 days after the end of the cure period, in order for the termination to be considered a Good Reason termination.

VI. ADMINISTRATION AND CLAIMS

6.1 The Plan Administrator shall be the Board or its delegate. If an Employee or former Employee makes a written request alleging a right to receive benefits under this Plan or alleging a right to receive an adjustment in benefits being paid under the Plan, the Board shall treat it as a claim for benefits. All claims for benefits under the Plan shall be sent to the Executive Vice President Chief Human Resources Officer, or equivalent position, and must be received within 90 days after Termination of Employment. If the Board determines that any individual who has claimed a right to receive benefits, or different benefits, under the Plan is not entitled to receive all or any part of the benefits claimed, it will inform the claimant in writing of its determination and the reasons therefore in terms calculated to be understood by the claimant. The notice will be sent within 90 days of the claim unless the Board determines additional time, not exceeding 90 days, is needed. The notice shall make specific reference to the pertinent Plan provisions on which the denial is based, and describe any additional material or information as necessary. Such notice shall, in addition, inform the claimant what procedure the claimant should follow to take advantage of the review procedures set forth below in the event the claimant desires to contest the denial of the claim. The claimant may within 90 days thereafter submit in writing to the Board a notice that the claimant contests the denial of his or her claim by the Board and desires a further review. The Board shall within 60 days thereafter review the claim and authorize the claimant and his or her personal representative to appear personally and review pertinent documents and submit issues and comments relating to the claim to the persons responsible for making the determination on behalf of the Board. The Board will render its final decision with specific reasons therefore in writing and will transmit it to the claimant within 60 days of the written request for review, unless the Board determines additional time, not exceeding 60 days, is needed, and so notifies the Participant. If the Company fails to respond to a claim filed in accordance with the foregoing within 60 days or any such extended period, the Company shall be deemed to have denied the claim.

If, after a Change of Control, a Participant institutes any legal action seeking to obtain or enforce, or is required to defend in any legal action the validity or enforceability of, any right or benefit provided by this Plan, the Company will pay for all actual legal fees and expenses incurred (as incurred) by such Participant, regardless of the outcome of such action and whether such action is between the Company and the Participant or between either of them and any third party.

VII. AMENDMENT AND TERMINATION

7.1 This Plan is established by the Company on a voluntary basis and not as consideration for services rendered in the past, and the benefits herein are provided at the will of the Company. Neither the establishment of this Plan nor the payment of benefits by the Company shall be construed or interpreted as a condition of employment, nor shall this Plan modify or enlarge any rights of any person covered by it to be continued or to be retained in the employ of the Company.

Prior to the time a Change of Control has occurred, the Board may, in its sole discretion, without notice, amend or modify, in whole or in part, all of the terms and conditions of this Plan; provided, however, that this Plan may not be so amended or modified in connection with an actual, threatened, or proposed Change of Control in any manner which would result in a reduction of benefits to any Participant, without the express consent of the Participant; and provided further that any amendment or modification occurring within one year prior to a Change of Control shall be deemed to be “in connection with” an actual, threatened, or proposed Change of Control and shall be void unless the amended or modified Plan provides equivalent or greater benefits to every eligible Participant. Such amendment or modification may be retroactive in application; provided, however, such retroactive application shall not require or provide for the return or repayment of any benefits paid prior to the date of the adoption of the amendment or modification.

Prior to the time a Change of Control has occurred, the Board shall have the sole and absolute right to terminate this Plan without notice at any time; provided, however, that this Plan may not be so terminated in connection with an actual, threatened, or proposed Change of Control, unless a new severance plan is adopted which provides equivalent or greater benefits to every eligible Participant; and provided further that any termination occurring within one year prior to a Change of Control shall be deemed to be in connection with an actual, threatened, or proposed Change of Control, and shall be void unless a new severance plan is adopted which provides equivalent or greater benefits to every eligible Participant. Any valid termination shall be effective as of the date specified by the Board and, if no date is specified, the date of the action of termination by the Board. Upon termination, the Company will continue to make payments which have not been fully paid, in accordance with the terms of the Plan immediately prior to termination.

When a Change of Control, as defined herein, occurs, then all rights to severance payments contained herein shall be considered a contract right enforceable by the Participant against the Company and any successors thereto, subject to the terms and conditions hereof.

VIII. ADJUSTMENT TO PAYMENTS

8.1 In the event that any benefits payable to a Participant pursuant to the Plan ("Payments") (i) constitute "parachute payments" within the meaning of Section 280G of the Code, and (ii) but for this Section VIII would be subject to the excise tax imposed by Section 4999 of the Code, or any comparable successor provisions (the "Excise Tax"), then the Eligible Individual's Payments hereunder shall be either (x) provided to the Participant in full, or (y) provided to the Participant as to such lesser extent which would result in no portion of such benefits being subject to the Excise Tax, whichever of the foregoing amounts, when taking into account applicable federal, state, local and foreign income and employment taxes, the Excise Tax, and any other applicable taxes, results in the receipt by the Participant, on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under the Excise Tax. In the event that the payments and/or benefits are to be reduced pursuant to this Section VIII, such payments and benefits shall be reduced such that the reduction of compensation to be provided to the Participant as a result of this Section VIII is minimized. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. Unless the Company and the Participant otherwise agree in writing, any determination required under this Section VIII shall be made in writing, in good faith and following the intent of this section by a nationally recognized accounting firm selected by the Company (the "Accountants"). The Company shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section VIII.

IX. MISCELLANEOUS

9.1 Non-Alienability. No benefit or payments provided hereunder shall be subject to any forms of sale, assignment or transfer. Benefits provided by this Plan shall not be subject to attachment, garnishment or other legal or equitable proceedings by creditors or persons representing creditors. Such payments are, however, subject to all applicable taxes and appropriate withholdings.

9.2 Eligibility for Other Benefits. This Plan shall have no effect on the Participant's eligibility for other benefits customarily provided after termination unless otherwise stated in a written agreement executed by an authorized representative of the Company. The payments of benefits under this Plan shall not be deemed to be a continuation of employment, pay, or credited service for purposes of determining the availability, nature, or extent of the Company's benefit plans, programs or policies, except as expressly set forth herein.

9.3 Unfunded Plan Status. This Plan is intended to be an unfunded plan maintained primarily for the purpose of providing nonqualified deferred compensation for a select group of management or highly compensated employees, within the meaning of Section 401 of ERISA. This Plan is not intended to qualify as an ERISA welfare benefit plan. All payments pursuant to the Plan shall be made from the general funds of the Company and no special or separate fund shall be established or other segregation of assets made to assure payment. No Participant or other person shall have under any circumstances any interest in any particular property or assets of the Company as a result of participating in the Plan. Notwithstanding the foregoing, the Company may (but shall not be obligated to) create one or more grantor trusts, the assets of which are subject to the claims of the Company's creditors, to assist it in accumulating funds to pay its obligations under the Plan.

9.4 Death. In case of death, any unpaid payment or benefits to which the Participant was entitled at the time of death shall be paid to the Participant's survivors or estate

9.5 I.R.C. Section 409A. If and to the extent that Section 409A of the Internal Revenue Code applies to amounts payable under the Plan, distributions may only be made under the Plan upon an event and in a manner permitted by Section 409A. To the extent that any provision of the Plan would cause a conflict with any applicable requirements of Section 409A, or would cause the administration of the Plan to fail to satisfy the applicable requirements of section 409A, such provision shall be deemed null and void. It is intended that this Plan comply with the Change of Control provisions of Section 409A.

Notwithstanding anything in the Plan to the contrary, if Section 409A applies to the Plan and if a participant is a "specified employee," as defined in section 409A, payment of benefits under this Plan upon termination of employment shall be postponed for six months after termination of employment if required in order to avoid adverse taxation under Section 409A. If payment of benefits under the Plan is required to be postponed pursuant to Section 409A, the accumulated amounts withheld on account of section 409A shall be paid in a lump sum payment within five days after the end of the required postponement period along with interest at the Applicable Federal Rate (Short-Term) on the unpaid balance for the postponement period. If the participant dies during such postponement period prior to the payment of benefits, the amounts withheld on account of Section 409A shall be paid to the participant's beneficiary determined under Section 9.4.

9.6 Validity and Severability. The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision of the Plan, which shall remain in full force and effect, and any prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

9.7 Governing Law. The validity, interpretation, construction and performance of the Plan shall in all respects be governed by the laws of the State of Connecticut without reference to principles of conflict of law, except to the extent pre -empted by federal law.

9.8 Plan Records. The records for this Plan are kept on a plan year beginning on January 1 and ending on the following December 31.

9.9 Legal Service. The person designated to receive legal papers or summons in connection with this Plan is the Corporate Secretary, Pitney Bowes Inc., World Headquarters, Stamford CT 06926-0700.

Exhibit 12

PITNEY BOWES INC.
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(Dollars in thousands)	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Income from continuing operations before income taxes	$ 101,711	$ 161,029
Add:		
Interest expense [(1)]	50,614	50,506
Portion of rents representative of the interest factor	8,296	8,871
Amortization of capitalized interest	243	243
Income as adjusted	$ 160,864	$ 220,649
Fixed charges:		
Interest expense [(1)]	$ 50,614	$ 50,506
Portion of rents representative of the interest factor	8,296	8,871
Noncontrolling interests (preferred stock dividends of subsidiaries), excluding taxes	6,960	6,950
Total fixed charges	$ 65,870	$ 66,327
Ratio of earnings to fixed charges [(2)]	2.44	3.33

(1) Interest expense includes both financing interest expense and other interest expense.

(2) The computation of the ratio of earnings to fixed charges has been computed by dividing income from continuing operations before income taxes as adjusted by fixed charges. Included in fixed charges is one-third of rent expense as the representative portion of interest.

Exhibit 31.1

CERTIFICATION PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Marc B. Lautenbach, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pitney Bowes Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2013

/s/ Marc B. Lautenbach

Marc B. Lautenbach
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Monahan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pitney Bowes Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2013

/s/ Michael Monahan

Michael Monahan
Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Pitney Bowes Inc. (the "Company") on Form 10-Q for the period ended March 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Marc B. Lautenbach, Chief Executive Officer of the Company, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Marc B. Lautenbach

Marc B. Lautenbach
President and Chief Executive Officer
Date: May 3, 2013

The foregoing certification is being furnished solely to accompany this report pursuant to 18 U.S.C. §1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company.

Exhibit 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Pitney Bowes Inc. (the “Company”) on Form 10-Q for the period ended March 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael Monahan, Chief Financial Officer of the Company, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael Monahan

Michael Monahan
Executive Vice President and Chief Financial Officer
Date: May 3, 2013

The foregoing certification is being furnished solely to accompany this report pursuant to 18 U.S.C. §1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company.