Pitney Bowes
Fourth Quarter 2014 Earnings
2015 Guidance

February 2, 2015

The Company's financial results are reported in accordance with generally accepted accounting principles (GAAP). The Company uses measures such as adjusted earnings per share, adjusted income from continuing operations and free cash flow to exclude the impact of special items like restructuring charges, tax adjustments, and goodwill and asset write-downs, because, while these are actual Company expenses, they can mask underlying trends associated with its business. Such items are often inconsistent in amount and frequency and as such, the adjustments allow an investor greater insight into the current underlying operating trends of the business.

The use of free cash flow provides investors insight into the amount of cash that management could have available for other discretionary uses. It adjusts GAAP cash from operations for capital expenditures, as well as special items like cash used for restructuring charges, unusual tax settlements or payments and contributions to its pension funds. Management uses segment EBIT to measure profitability and performance at the segment level. EBIT is determined by deducting from 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 and goodwill and asset impairments, which are recognized on a consolidated basis. In addition, revenue growth is presented on a constant currency basis to exclude the impact of changes in foreign currency exchange rates since the prior period under comparison. Constant currency measures are intended to help investors better understand the underlying operational performance of the business excluding the impacts of shifts in currency exchange rates over the period.

Pitney Bowes has provided a quantitative reconciliation to GAAP in supplemental schedules. This information may also be found at the Company's web site ***www.pb.com/investorrelations****.*

"We are very pleased with our full-year financial results and our fourth quarter performance. For the first time in several years, we grew revenue for the full year while at the same time we met our objectives for adjusted earnings per share and free cash flow.

While we are still early in our transformation, the strategy we began implementing two years ago is working and our vision to deliver innovative physical and digital products and solutions is resonating with our clients around the world.

We will continue to focus on reducing costs, while at the same time invest in the areas that will optimize our business and grow revenue. Going forward, we expect to realize the benefits of these initiatives throughout 2015 and over the next several years."

- Marc Lautenbach,
President and CEO

The Pitney Bowes brand strategy and identity are integral to the next phase of the Company's global business transformation

In 2014, the Company made progress against its long-term strategy to transform and unlock value

Value

Stabilize Mailing

- New go-to-market strategy in SMB businesses
- Geographic and core product line focus
- SMB revenue declines moderating

Operational Excellence

- Reduced SG&A $112MM since 2012
- Investment in new ERP system of $24MM to-date
- Improving EBIT and EBIT margins

Grow

- Digital Commerce Solutions revenue growth of 21% in 2014
- Expansion of eBay cross-border shipping program to UK
- Improving revenue growth in software business, driven by licensing revenue
- Investment in marketing and digital capabilities

Y/E 2014

Long-term strategy – each business will perform at or better than market rates on an underlying operational basis

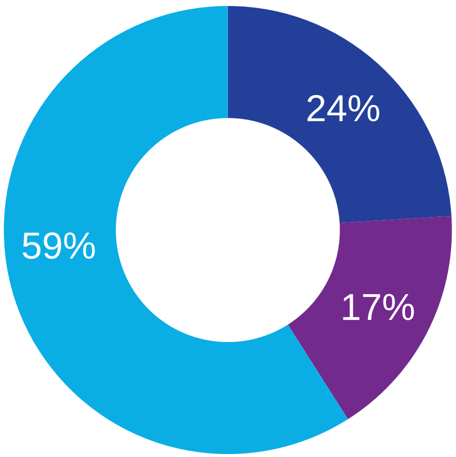
	Small & Medium Business (SMB) Solutions	Enterprise Business Solutions	Digital Commerce Solutions
2014 Full Year PBI:			
Revenue Y/Y% (1)	-3.1%	-2.1%	21.5%
EBIT Margin	35.4%	15.9%	10.0%
Market Statistics:			
Market Growth Rate (2)	-3% to -5%	-1% to 2%	10% to 15%
Market EBIT Margin (2)	30% to 35%	15%+	15% to 20%

(1) Revenue Y/Y is on a constant currency basis. For comparative purposes, SMB revenue decline excludes the impacts of currency and the divested revenues in Europe related to the exit of a non-core product line in Norway and transition to a dealer sales network in six smaller European markets.

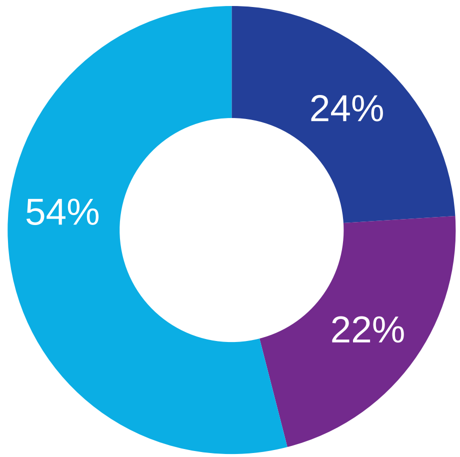
(2) As of May 2014 – projections originally provided at PBI Analyst Day and reflects 3-5 year projection.

The portfolio and mix of revenue by business is rebalancing in-line with the Company’s long-term expectation

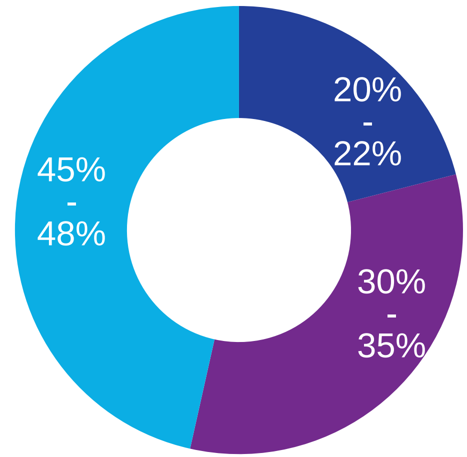
2012



2014



Future State



SMB Solutions
Enterprise Business Solutions
Digital Commerce Solutions

Operational Excellence has yielded significant savings to-date

Estimated Cost Reduction Initiatives ($ millions)	Original Target Run-Rate 2015	Progress-To-Date
Cost Reductions	$100 to $125	$136 (1)
Accounting Charge	$75 to $125	$169
Cash Outlay	$75 - $100	$116

(1) Y/Y Savings ($millions)
$ 70 2013
$ 42 2014
$ 24 ERP
$136 Total SG&A Savings
$30-$40 expected incremental savings

Note: ERP costs were not in original cost savings estimate

$ 84 2013
$ 85 2014
$169 Total Charges

Q4 2014: Additional restructuring costs identified and recorded, which will yield additional annualized benefits

Full Year 2014 Results

Company achieves full year 2014 guidance - Revenue, Adjusted EPS and Free Cash Flow

	2014 Guidance	2014 Actual
Y/Y Revenue %, Constant Currency Basis	+1% to +3%	+1%
Adjusted Earnings Per Share from Continuing Operations (1)	$1.85 to $1.92	$1.90
GAAP Earnings Per Share from Continuing Operations (2)	$1.64 to $1.71	$1.47
Free Cash Flow ($ millions)	$475 to $575	$571

(1) A reconciliation of GAAP to Adjusted GAAP earnings per share can be found in the appendix of this presentation.
(2) Reflects $0.22 per share of restructuring costs recorded in Q4 2014, which was not anticipated in the GAAP EPS from continuing operations guidance.

Full Year 2014 Highlights

- Revenue of $3.8B - growth of 1%
  - Growth of 2% when adjusted for the impacts of currency and the divested revenues in Europe during the year.
- Adjusted EPS of $1.90
- GAAP EPS from continuing operations of $1.47
- GAAP EPS of $1.64
- SG&A expenses of $1.38B, a reduction of $42MM
- Free cash flow of $571MM; GAAP cash from operations of $656MM
- Repurchased $50MM of stock and paid down $100MM of debt

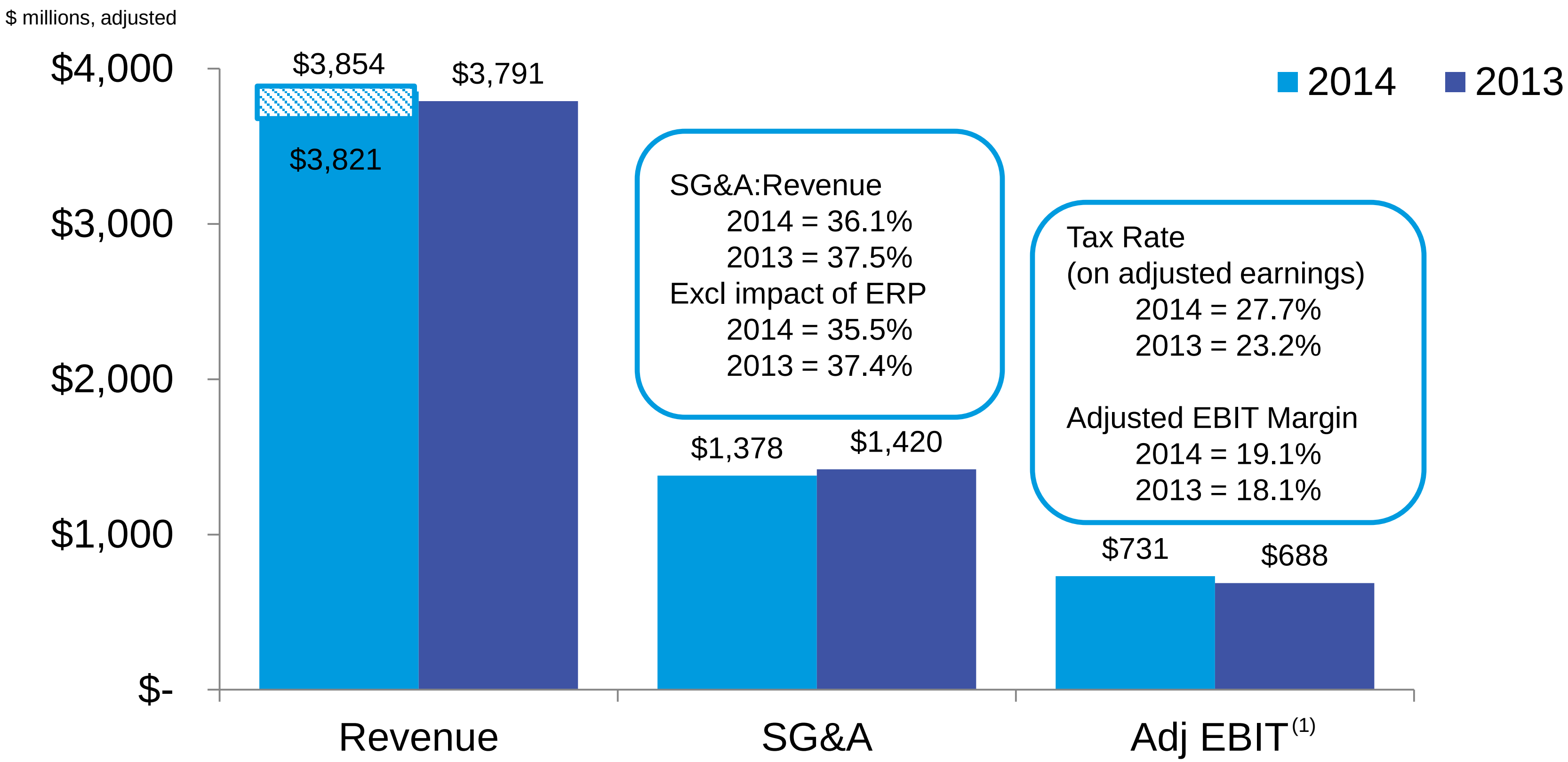
Full Year 2014 - Revenue Performance

Revenue ($ millions)	FY 2014	FY 2013	Y/Y %, Reported	Y/Y %, Ex Currency	Y/Y %, Ex Currency & Divested Revenues*
North America Mailing	$1,492	$1,556	(4%)	(4%)	(4%)
International Mailing	$572	$603	(5%)	(5%)	(2%)
SMB Revenue	**$2,064**	**$2,159**	**(4%)**	**(4%)**	**(3%)**
Production Mail	$462	$512	(10%)	(9%)	(9%)
Presort Services	$457	$430	+6%	+6%	+6%
Enterprise Revenue	**$919**	**$942**	**(2%)**	**(2%)**	**(2%)**
Digital Commerce Revenue	**$838**	**$691**	**+21%**	**+21%**	**+21%**
Total PBI Revenue	**$3,822**	**$3,791**	**+1%**	**+1%**	**+2%**

* Underlying total revenue grew 2% when adjusted for the impacts of currency and the divested revenues in Europe during the year.

Underlying total revenue growth of 2% is at the mid-point of 2014 revenue guidance.

Full Year 2014 - Results



Reflects revenue adjusted for the impact of currency and divested revenues in Europe during the year

(1) A reconciliation of GAAP to Adjusted GAAP earnings per share can be found in the appendix of this presentation.

Earnings Per Share Reconciliation[1] – Full Year Comparison

	FY 2014	FY 2013
Adjusted EPS from continuing operations	**$1.90**	**$1.81**
Restructuring charges and asset impairments	($0.29)	($0.29)
Extinguishment of debt	($0.19)	($0.10)
Investment divestiture	$0.05	-
GAAP EPS from continuing operation	**$1.47**	**$1.42**
Discontinued operations – income (loss)	$0.17	($0.71)
GAAP EPS	**$1.64**	**$0.70**

(1) The sum of the earnings per share may not equal the totals above due to rounding.

Fourth Quarter 2014 and Business Segment Results

Q4 2014 Highlights

- Revenue of $984MM - 1% decline on a constant currency basis and 3% decline on a reported basis
  – Growth of 1% when adjusted for the impacts of currency and the divested revenues in Europe earlier in the year.
- Adjusted EPS of $0.51
- GAAP EPS from continuing operations of $0.29
- GAAP EPS of $0.31
- SG&A expenses of $347MM, a reduction of $15MM
- Free cash flow of $154MM; cash from operations of $258MM
- Board of Directors approved a share repurchase authorization of $100MM

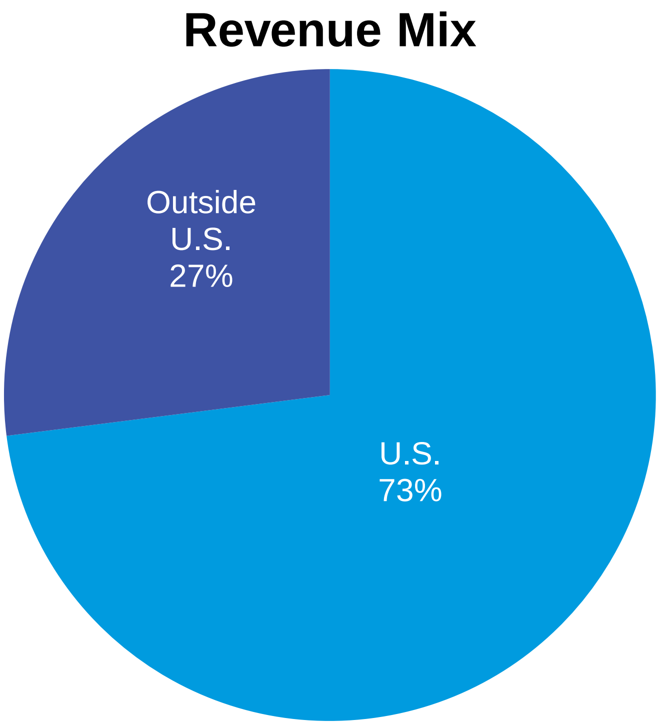
Q4 Revenue – Underlying Performance

Revenue ($ millions)	Q4 2014	Q4 2013	Y/Y %, Reported	Y/Y %, Ex Currency	Y/Y %, Ex Currency & Divested Revenues*
North America Mailing	$376	$393	(4%)	(4%)	(4%)
International Mailing	$134	$158	(15%)	(9%)	(2%)
SMB Revenue	**$510**	**$551**	**(7%)**	**(5%)**	**(3%)**
Production Mail	$132	$151	(13%)	(10%)	(10%)
Presort Service	$117	$108	+9%	+9%	+9%
Enterprise Revenue	**$249**	**$259**	**(4%)**	**(2%)**	**(2%)**
Digital Commerce Revenue	**$225**	**$201**	**+12%**	**+13%**	**+13%**
Total PBI Revenue	**$984**	**$1,011**	**(3%)**	**(1%)**	**+1%**

* Underlying total revenue grew 1% when adjusted for the impacts of currency and the divested revenues in Europe earlier in the year.

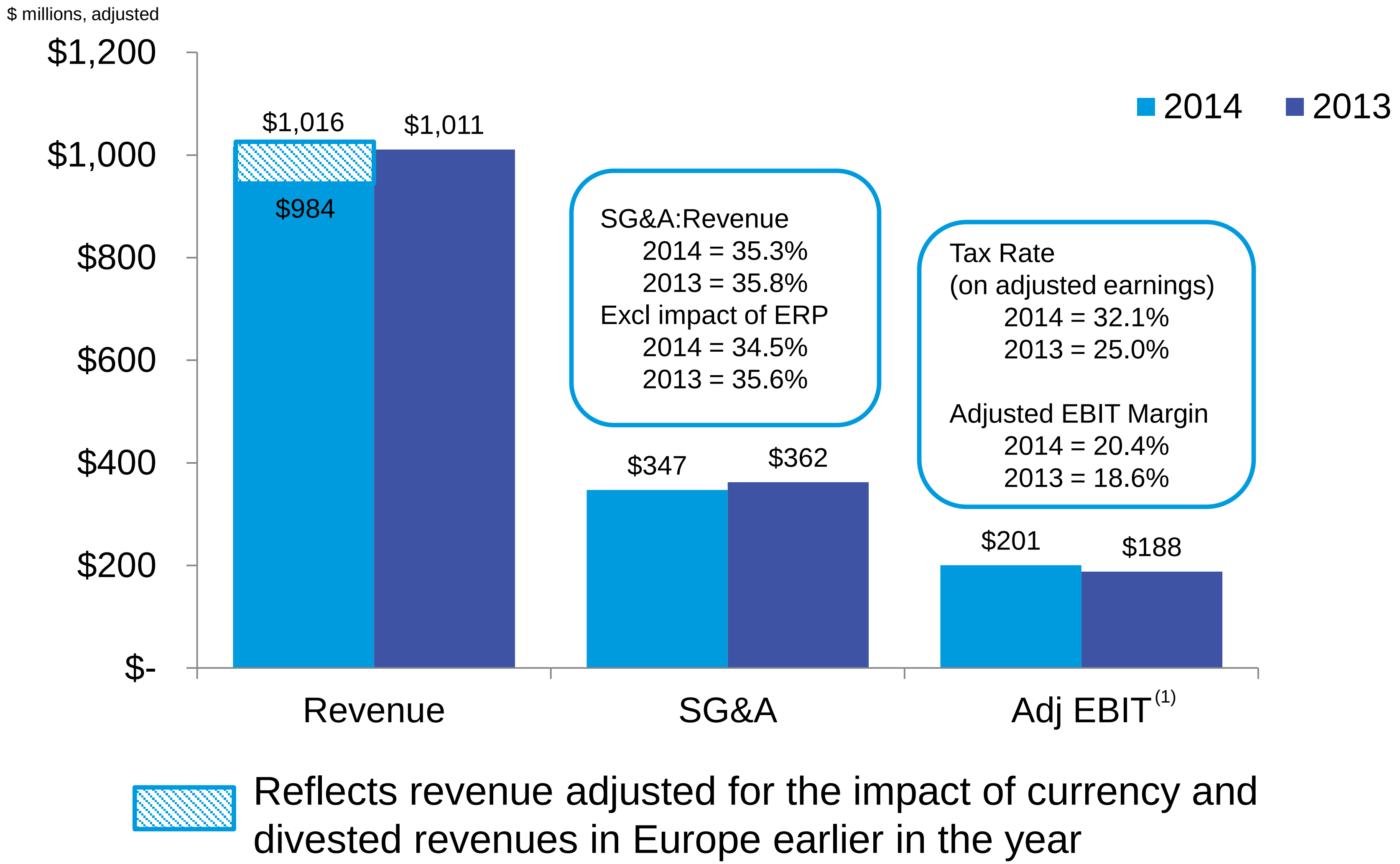
Underlying revenue growth of 1% is in-line with overall results for the year.

Q4 2014 - Impacts of Currency



- With nearly 30% of the Company's revenue generated outside the U.S., changes in foreign currency impacted Q4 2014 results:
  - Revenue: ($20) million or (2%)
  - EPS: ($0.01)
- The strengthening U.S. dollar also made purchases from the U.S. more expensive, which impacted our ecommerce business.

Q4 2014 - Results



(1) A reconciliation of GAAP to Adjusted GAAP earnings per share can be found in the appendix of this presentation.

Earnings Per Share Reconciliation[1] – Q4 Comparison

	Q4 2014	Q4 2013
Adjusted EPS from continuing operations	**$0.51**	**$0.51**
Restructuring charges and asset impairments	($0.22)	($0.11)
Extinguishment of debt	-	($0.02)
GAAP EPS from continuing operation	**$0.29**	**$0.37**
Discontinued operations – income (loss)	$0.02	$0.07
GAAP EPS	**$0.31**	**$0.44**

(1) The sum of the earnings per share may not equal the totals above due to rounding.

Q4 Financial Performance – Business Segments

SMB Solutions Group ($ millions)	Q4 2014	Q4 2013	Y/Y %, Reported	Y/Y %, Ex Currency	Y/Y %, Ex Currency & Divested Revenues*
North America Mailing	$376	$393	(4%)	(4%)	(4%)
International Mailing	$134	$158	(15%)	(9%)	(2%)
SMB Revenue	**$510**	**$551**	**(7%)**	**(5%)**	**(3%)**
North America Mailing	$166	$176	(6%)		
International Mailing	$ 21	$ 18	16%		
SMB EBIT	**$187**	**$195**	**(4%)**		

North America Mailing

- Company continues to focus on driving productivity improvements in its expanded inside sales organization. As a result, revenue declined less than 4% on a constant currency basis, representing a lesser rate of decline than in the second and third quarters. The direct sales organization delivered higher productivity, which resulted in an increased average order value.
- Recurring revenue streams continued to stabilize due to a further moderation in the decline of financing and rentals revenue.
- EBIT margin declined versus the prior year due to the mix of business and fewer lease extensions than the prior year.

International Mailing

- Adjusted revenue results were in-line with recent trends and the Company's efforts to stabilize overall mail-related revenue.
- The Company was able to achieve these results despite the uncertain macro-economic environment, particularly in Europe.
- Also, excluding the impacts of the divested revenues in Europe and currency, supplies revenue continued to grow, which was offset by a moderate decline in equipment sales.
- EBIT margin improved versus the prior year due to the benefits from the changes in go-to-market, including the actions taken in the third quarter, as well as other cost reduction initiatives.

Q4 Financial Performance – Business Segments

Enterprise Solutions Group ($ millions)	Q4 2014	Q4 2013	Y/Y %, Reported	Y/Y %, Ex Currency
Production Mail	$132	$151	(13%)	(10%)
Presort Services	$117	$108	+9%	+9%
Enterprise Revenue	**$249**	**$259**	**(4%)**	**(2%)**
Production Mail	$ 20	$ 21	(5%)	
Presort Services	$ 30	$ 18	+65%	
Enterprise EBIT	**$ 50**	**$ 39**	**+28%**	

Production Mail

- Revenue comparisons for the quarter were impacted by fewer large, multi-unit inserting *a*nd production print installations than in the prior year.
- EBIT margin improved versus the prior year due to a favorable mix of inserting equipment sales, improved margin on service revenue and on-going cost reduction initiatives.

Presort Services

- Revenue benefited from the improved qualification of mail for presort discounts as a result of operational enhancements, the volume of First Class mail processed and the effective implementation of the postal rate and rule changes at the beginning of 2014.
- EBIT margin improved versus the prior year due to the revenue growth and on-going operational productivity.

Q4 Financial Performance – Business Segments

Digital Commerce Solutions ($ millions)	Q4 2014	Q4 2013	Y/Y %, Reported	Y/Y %, Ex Currency
DCS Revenue	$225	$201	+12%	+13%
DCS EBIT	$32	$27	+18%	

Digital Commerce Solutions

- The segment continued to experience revenue growth in each of its four product categories: ecommerce, software, shipping and marketing services.
- Ecommerce growth was driven by strong increases in the number of packages shipped and benefited from the initial ramp-up of the Company's UK outbound cross-border services. The strengthening U.S. dollar had a dampening effect on the rate of increase in the number of purchases from the U.S. over the course of the quarter.
- Software revenue growth was led by a significant increase in licensing revenue, particularly enterprise location intelligence software, reflecting investments in product and channel specialization.
- Revenue growth in the areas of shipping solutions and marketing services resulted from new client acquisitions for their respective product offerings.
- EBIT margin improved 80 basis points versus the prior year, which reflects the benefit of earnings leverage from revenue growth, net of the impact of continued investments in technology and infrastructure.

2015 Guidance

2015 Guidance

Important to note:

- Guidance is on a constant currency basis.
- As experienced in Q4 2014, currency exchange rates are subject to substantial movement over time. As a result, reported results may vary materially from a constant currency view.
- The guidance provided assumes that the global economy and foreign exchange markets will not change significantly from current levels.

Sensitivity:

Using current exchange rates, reported revenue for 2015 would be more than 3 percentage points lower than the constant currency range for revenue guidance.

  - From a sensitivity perspective, each 5% movement of the exchange rates material to our business would result in about a 150 basis point change in reported revenue growth rate.

2015 Guidance

	2014 Actual	2015 Guidance
Revenue growth, excluding the impacts of currency	+1%	Flat to +3%
Earnings Per Share(1)	$1.90	$1.85 to $2.00
Free Cash Flow ($ millions)	$571	$475 to $550

2015 represents a critical third year of investment related to the Company's long-term strategy

Thereafter, the Company expects to further realize the benefits from the investments in 2014 and 2015, as well as lower ERP expense

(1) A reconciliation of GAAP to Adjusted GAAP earnings per share can be found in the appendix of this presentation.

2015 Guidance – Revenue: Flat to +3% Growth Y/Y, Constant Currency

For 2015, the Company expects:

- Digital Commerce Solutions - Double-digit revenue growth from continued expansion of its ecommerce offerings and continued growth in its software, shipping and marketing services businesses.
- Enterprise Business Solutions - Flat to modest revenue growth from continued growth in the Presort Services operation, driven by additional new clients and higher processed mail volume. This growth may be partially offset by volatility in the Production Mail business resulting from the uncertain European economy, as well as a stronger U.S. dollar.
- SMB Solutions - Low single-digit decline in revenue as trends continue to improve and stabilize in our North America Mailing business. Productivity improvement is expected from changes in the sales force. However, as the go-to-market strategy is implemented in other global markets in 2015, it may impact local results in the short-term.

Important to note

Full year 2014 included about $30 million of revenue related to our non-core product lines that we exited in Norway and 6 smaller European markets that we transitioned to a dealer sales network. The impact to revenue comparisons reflected in 2015 guidance is about 1% of lower revenue growth.

2015 Guidance – EPS: $1.85 to $2.00

For 2015, the Company expects:

- GAAP EPS from continuing operations to reflect the benefits of growth in the business, as well as substantial benefits from the Company’s operational excellence initiatives.
- These benefits will be partly offset by incremental investments related to the Company’s ERP program and brand and marketing efforts.
  - Expect incremental investments in 2015 of $0.07 to $0.09 per share related to the implementation of a new ERP system and $0.08 to $0.09 per share related to expanded marketing programs, including brand.
- The Company expects a tax rate in the range of 31% to 34%.
  - This is compared to a 2014 tax rate on adjusted earnings of 27.7%, which included one-time tax benefits that are not expected to repeat in 2015.

Important to note

The costs associated with the Company’s ERP implementation and expanded marketing programs are expected to be higher in the first half of the year versus the second half of the year.

- The marketing expense is related to brand launch and awareness-building activities. The ERP spend reflects the resources for development, testing and data-conversion.

2015 Comparative Earnings Per Share – Reconciliation

	2014 Reported	2015 Guidance	Y/Y %
Adjusted EPS – Reported[1]	$1.90		
2014 Tax Benefits	$0.08		
Comparative EPS - Baseline	**$1.82**	**$1.85 to $2.00**	**2% to 10%**
Incremental ERP Expense in 2015 vs. 2014		$0.07 to $0.09	
Comparative EPS – Growth 2015 vs. 2014	**$1.82**	**$1.92 to $2.09**	**5% to 15%**

(1) A reconciliation of GAAP to Adjusted GAAP earnings per share can be found in the appendix of this presentation.

2015 Guidance – Free cash flow: $475MM to $550MM

For 2015, the Company expects:

- Free cash flow will be primarily earnings-driven.
- The SMB finance receivables portfolio will continue to stabilize.
- Capex spending will be in the range of $170 million to $190 million, including ERP investment.

Outlook

Over the next several years, the Company expects to further realize the benefits from the investments made in 2014 and 2015. These benefits include:

- Fully implementing its go-to-market strategy globally,
- Brand, marketing and web investments, which is expected to be part of the expense base in the future,
- Reduced ERP expenses, and
- $30 to $40 million of reduced costs associated with expanded set of initiatives.

"During a complex transformation of a company, there are many moving parts but the take-away from our outlook is clear. We are investing and evolving our portfolio to drive sustainable growth and doing so while relentlessly driving improvements and efficiencies in our client-facing and back-office processes.

- Mike Monahan,
Executive Vice President and CFO

Appendix

Financial Segment Reporting

Small and Medium Business Solutions (SMB)

- Offers mailing equipment, financing, services and supplies for small and medium businesses to efficiently create mail and evidence postage.
- This group includes the North America Mailing and International Mailing segments.
- North America Mailing includes the operations of U.S. and Canada Mailing.
- International Mailing includes all other SMB operations around the world.

Enterprise Business Solutions (Enterprise)

- Provide mailing equipment and services for large enterprise clients to process mail, including sortation services to qualify large mail volumes for postal worksharing discounts.
- This group includes the global Production Mail and Presort Services segments.

Digital Commerce Solutions (DCS)

- Leverages digital and mobile channels that make the Company's clients' customer-facing functions more effective.
- This segment includes ecommerce, software, shipping and marketing services.

Pitney Bowes Inc.
Consolidated Statements of Income
(Unaudited)

(Dollars in thousands, except share and per share data)

	Three months ended December 31, 2014	Three months ended December 31, 2013	Twelve months ended December 31, 2014	Twelve months ended December 31, 2013
Revenue:				
Equipment sales	$ 212,339	$ 248,558	$ 770,371	$ 867,593
Supplies	71,691	72,545	300,040	285,730
Software	116,852	113,006	429,743	398,664
Rentals	119,560	128,057	484,629	512,493
Financing	107,330	111,167	432,859	448,906
Support services	154,372	164,257	625,135	646,657
Business services	201,769	173,231	778,727	631,292
Total revenue	983,913	1,010,821	3,821,504	3,791,335
Costs and expenses:				
Cost of equipment sales	103,388	127,013	365,724	422,580
Cost of supplies	23,546	22,829	93,675	89,365
Cost of software	30,337	30,560	123,760	110,653
Cost of rentals	23,065	24,389	97,338	100,335
Financing interest expense	18,829	20,281	78,562	77,719
Cost of support services	88,800	99,747	377,003	400,038
Cost of business services	138,257	126,962	544,729	449,932
Selling, general and administrative	346,903	362,220	1,378,400	1,420,096
Research and development	29,030	29,061	109,931	110,412
Restructuring charges & asset impairments	61,894	30,404	84,560	84,344
Other interest expense	24,290	25,146	95,291	114,740
Interest income	(1,106)	(965)	(4,403)	(5,472)
Other expense, net	-	7,518	45,738	32,639
Total costs and expenses	887,233	905,165	3,390,308	3,407,381
Income from continuing operations before income taxes	96,680	105,656	431,196	383,954
Provision for income taxes	33,134	25,922	112,815	77,967
Income from continuing operations	63,546	79,734	318,381	305,987
Income (loss) from discontinued operations, net of tax	3,576	14,948	33,749	(144,777)
Net income before attribution of noncontrolling interests	67,122	94,682	352,130	161,210
Less: Preferred stock dividends of subsidiaries attributable to noncontrolling interests	4,594	4,593	18,375	18,375
Net income - Pitney Bowes Inc.	$ 62,528	$ 90,089	$ 333,755	$ 142,835
Amounts attributable to common stockholders:				
Income from continuing operations	$ 58,952	$ 75,141	$ 300,006	$ 287,612
Income (loss) from discontinued operations	3,576	14,948	33,749	(144,777)
Net income - Pitney Bowes Inc.	$ 62,528	$ 90,089	$ 333,755	$ 142,835
Basic earnings per share attributable to common stockholders [1]:				
Continuing operations	0.29	0.37	1.49	1.43
Discontinued operations	0.02	0.07	0.17	(0.72)
Net income - Pitney Bowes Inc.	$ 0.31	$ 0.45	$ 1.65	$ 0.71
Diluted earnings per share attributable to common stockholders [1]:				
Continuing operations	0.29	0.37	1.47	1.42
Discontinued operations	0.02	0.07	0.17	(0.71)
Net income - Pitney Bowes Inc.	$ 0.31	$ 0.44	$ 1.64	$ 0.70
Weighted-average shares used in diluted EPS	203,110,509	203,581,724	203,961,446	202,956,738

[1] The sum of the earnings per share amounts may not equal the totals above due to rounding.

Pitney Bowes Inc.
Consolidated Balance Sheets
(Unaudited in thousands, except per share data)

	December 31, 2014	December 31, 2013 (1)
Assets		
Current assets:		
Cash and cash equivalents	$ 1,079,145	$ 907,806
Short-term investments	32,121	31,128
Accounts receivable, gross	424,479	482,949
Allowance for doubtful accounts receivable	(10,742)	(13,149)
Accounts receivable, net	413,737	469,800
Finance receivables	1,019,412	1,127,261
Allowance for credit losses	(19,108)	(24,340)
Finance receivables, net	1,000,304	1,102,921
Inventories	84,827	103,580
Current income taxes	40,542	28,934
Other current assets and prepayments	57,173	147,067
Assets held for sale	52,271	46,976
Total current assets	2,760,120	2,838,212
Property, plant and equipment, net	285,091	245,171
Rental property and equipment, net	200,380	226,146
Finance receivables	828,723	974,972
Allowance for credit losses	(9,002)	(12,609)
Finance receivables, net	819,721	962,363
Goodwill	1,672,721	1,734,871
Intangible assets, net	82,173	120,387
Non-current income taxes	96,377	73,751
Other assets	569,110	571,807
Total assets	$ 6,485,693	$ 6,772,708
Liabilities, noncontrolling interests and stockholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,558,731	$ 1,644,582
Current income taxes	90,167	157,340
Notes payable and current portion of long-term obligations	324,879	-
Advance billings	386,846	425,833
Total current liabilities	2,360,623	2,227,755
Deferred taxes on income	64,839	39,701
Tax uncertainties and other income tax liabilities	86,127	190,645
Long-term debt	2,927,127	3,346,295
Other non-current liabilities	673,348	466,766
Total liabilities	6,112,064	6,271,162
Noncontrolling interests (Preferred stockholders' equity in subsidiaries)	296,370	296,370
Stockholders' equity:		
Cumulative preferred stock, $50 par value, 4% convertible	1	4
Cumulative preference stock, no par value, $2.12 convertible	548	591
Common stock, $1 par value	323,338	323,338
Additional paid-in-capital	178,852	196,977
Retained earnings	4,897,708	4,715,564
Accumulated other comprehensive loss	(846,156)	(574,556)
Treasury stock, at cost	(4,477,032)	(4,456,742)
Total Pitney Bowes Inc. stockholders' equity	77,259	205,176
Total liabilities, noncontrolling interests and stockholders' equity	$ 6,485,693	$ 6,772,708

(1) Certain prior year amounts have been revised.

Pitney Bowes Inc.
Revenue and EBIT
Business Segments
December 31, 2014
(Unaudited)

(Dollars in thousands)	Three Months Ended December 31,		
	2014	2013	% Change
Revenue			
North America Mailing	$ 376,420	$ 392,867	(4%)
International Mailing	133,621	157,917	(15%)
Small & Medium Business Solutions	510,041	550,784	(7%)
Production Mail	131,730	151,192	(13%)
Presort Services	117,351	107,515	9%
Enterprise Business Solutions	249,081	258,707	(4%)
Digital Commerce Solutions	224,791	201,330	12%
Total revenue	**$ 983,913**	**$ 1,010,821**	(3%)
EBIT (1)			
North America Mailing	$ 165,764	$ 176,162	(6%)
International Mailing	21,363	18,424	16%
Small & Medium Business Solutions	187,127	194,586	(4%)
Production Mail	19,678	20,761	(5%)
Presort Services	29,995	18,127	65%
Enterprise Business Solutions	49,673	38,888	28%
Digital Commerce Solutions	31,731	26,808	18%
Total EBIT	**$ 268,531**	**$ 260,282**	3%
Unallocated amounts:			
Interest, net (2)	(42,013)	(44,462)	
Corporate and other expenses	(67,944)	(72,242)	
Restructuring charges & asset impairments	(61,894)	(30,404)	
Other expense, net	-	(7,518)	
Income from continuing operations before income taxes	**$ 96,680**	**$ 105,656**	

(1) Earnings before interest and taxes (EBIT) excludes general corporate expenses and restructuring charges & asset impairments.

(2) Interest, net includes financing interest expense, other interest expense and interest income.

Pitney Bowes Inc.
Revenue and EBIT
Business Segments
December 31, 2014
(Unaudited)

(Dollars in thousands)	Twelve Months Ended December 31,		
	2014	**2013**	**% Change**
Revenue			
North America Mailing	$ 1,491,927	$ 1,555,585	(4%)
International Mailing	572,440	602,582	(5%)
Small & Medium Business Solutions	2,064,367	2,158,167	(4%)
Production Mail	462,199	511,544	(10%)
Presort Services	456,556	430,469	6%
Enterprise Business Solutions	918,755	942,013	(2%)
Digital Commerce Solutions	838,382	691,155	21%
Total revenue	**$ 3,821,504**	**$ 3,791,335**	1%
EBIT (1)			
North America Mailing	$ 642,521	$ 640,830	-
International Mailing	88,710	71,516	24%
Small & Medium Business Solutions	731,231	712,346	3%
Production Mail	47,543	55,000	(14%)
Presort Services	98,230	83,259	18%
Enterprise Business Solutions	145,773	138,259	5%
Digital Commerce Solutions	83,725	54,777	53%
Total EBIT	**$ 960,729**	**$ 905,382**	6%
Unallocated amounts:			
Interest, net (2)	(169,450)	(186,987)	
Corporate and other expenses	(229,785)	(217,458)	
Restructuring charges & asset impairments	(84,560)	(84,344)	
Other expense, net	(45,738)	(32,639)	
Income from continuing operations before income taxes	**$ 431,196**	**$ 383,954**	

(1) Earnings before interest and taxes (EBIT) excludes general corporate expenses and restructuring charges & asset impairments.

(2) Interest, net includes financing interest expense, other interest expense and interest income.

Pitney Bowes Inc.
Reconciliation of Reported Consolidated Results to Adjusted Results
(Unaudited)

(Dollars in thousands, except per share data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	**2013**	**2014**	**2013**
GAAP income from continuing operations after income taxes, as reported	$ 58,952	$ 75,141	$ 300,006	$ 287,612
Restructuring charges & asset impairments	44,188	23,363	59,349	59,024
Extinguishment of debt	-	4,586	37,833	19,911
Investment divestiture	-	-	(9,774)	-
Income from continuing operations after income taxes, as adjusted	**$ 103,140**	**$ 103,090**	**$ 387,414**	**$ 366,547**
GAAP diluted earnings per share from continuing operations, as reported	$ 0.29	$ 0.37	$ 1.47	$ 1.42
Restructuring charges & asset impairments	0.22	0.11	0.29	0.29
Extinguishment of debt	-	0.02	0.19	0.10
Investment divestiture	-	-	(0.05)	-
Diluted earnings per share from continuing operations, as adjusted	**$ 0.51**	**$ 0.51**	**$ 1.90**	**$ 1.81**
GAAP net cash provided by operating activities, as reported	$ 258,094	$ 131,264	$ 655,526	$ 624,824
Capital expenditures	(59,286)	(34,120)	(180,556)	(137,512)
Restructuring payments	14,011	18,167	56,162	59,520
Net tax receipts related to investment divestiture	(59,475)	-	(5,737)	-
Tax payments related to sale of businesses	-	75,545	-	75,545
Reserve account deposits	253	(3,142)	(15,666)	(20,104)
Extinguishment of debt	-	7,518	61,657	32,639
Free cash flow, as adjusted	**$ 153,597**	**$ 195,232**	**$ 571,386**	**$ 634,912**

Note: The sum of the earnings per share amounts may not equal the totals above due to rounding.

Pitney Bowes Inc.
Reconciliation of Reported Consolidated Results to Adjusted Results
(Unaudited)

(Dollars in thousands, except per share data)

	Three Months Ended December 31, 2014	Three Months Ended December 31, 2013	Twelve Months Ended December 31, 2014	Twelve Months Ended December 31, 2013
GAAP income from continuing operations after income taxes, as reported	$ 58,952	$ 75,141	$ 300,006	$ 287,612
Restructuring charges & asset impairments	44,188	23,363	59,349	59,024
Extinguishment of debt	-	4,586	37,833	19,911
Investment divestiture	-	-	(9,774)	-
Income from continuing operations after income taxes, as adjusted	103,140	103,090	387,414	366,547
Provision for income taxes, as adjusted	50,840	35,895	155,705	116,015
Preferred stock dividends of subsidiaries attributable to noncontrolling interests	4,594	4,593	18,375	18,375
Income from continuing operations before income taxes, as adjusted	158,574	143,578	561,494	500,937
Interest, net	42,013	44,462	169,450	186,987
Adjusted EBIT	**200,587**	**188,040**	**730,944**	**687,924**
Depreciation and amortization	54,728	41,027	197,234	194,905
Adjusted EBITDA	**$ 255,315**	**$ 229,067**	**$ 928,178**	**$ 882,829**

Forward-Looking Statements

This document contains “forward-looking statements” about the Company’s expected or potential future business and financial performance. Forward-looking statements include, but are not limited to, statements about its future revenue and earnings guidance and other statements about future events or conditions. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that could cause actual results to differ materially from those projected. These risks and uncertainties include, but are not limited to: mail volumes; the uncertain economic environment; timely development, market acceptance and regulatory approvals, if needed, of new products; fluctuations in customer demand; changes in postal regulations; interrupted use of key information systems; management of outsourcing arrangements; the implementation of a new enterprise resource planning system; changes in business portfolio; foreign currency exchange rates; changes in our credit ratings; management of credit risk; changes in interest rates; the financial health of national posts; and other factors beyond its control as more fully outlined in the Company's 2013 Form 10-K Annual Report and other reports filed with the Securities and Exchange Commission. Pitney Bowes assumes no obligation to update any forward-looking statements contained in this document as a result of new information, events or developments.