Pitney Bowes First Quarter 2015 Earnings

April 30, 2015

The Company's financial results are reported in accordance with generally accepted accounting principles (GAAP). The Company uses measures such as adjusted earnings before interest and taxes (EBIT), 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****.*

“2015 is an important year for Pitney Bowes as we continue to transform our company. Despite currency headwinds affecting our first quarter results, we continued to unlock value in our company. In the first quarter, we reduced costs across the company and grew operating income, even as we increased our investments in marketing, infrastructure and the growth areas of our business.

“Our Enterprise Business Solutions group delivered constant currency revenue and profit growth, and our performance in North America Mailing was consistent with the previous quarters. Software licensing revenue increased by high, single-digits and despite the strengthening dollar, our ecommerce business continued to deliver solid results. Looking beyond our first quarter, I remain confident in our ability to continue to meet our strategic objectives and as a result we are reaffirming our 2015 guidance.”

- Marc B. Lautenbach,
President and CEO
Pitney Bowes

The Company continues to make progress against its long-term strategy to transform and unlock value

Q1 2015

Value

Stabilize Mailing

- North America Mailing revenue trends consistent with prior 3 quarters
- Recurring revenue streams low single-digit decline
- Go-to-market transition completed in UK and Germany during Q1 2015

Operational Excellence

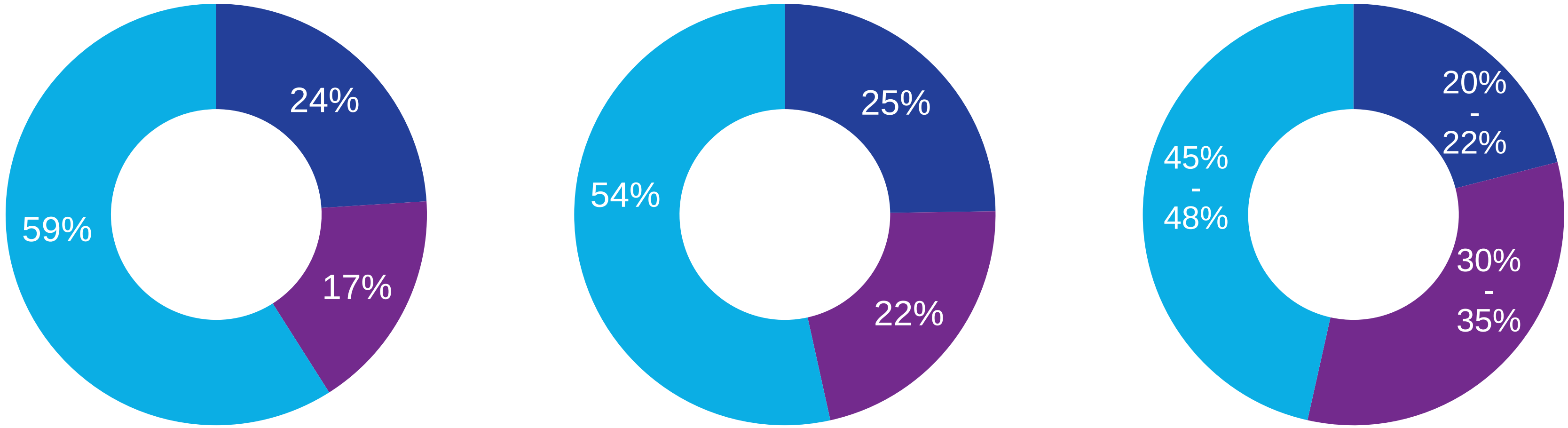
- Reduced SG&A $37MM from prior year
- Continued investment in new ERP system
- Adjusted EBIT growth of 5% and improved adjusted EBIT margin to 20.0%
- Reduced debt by $175MM

Grow

- Digital Commerce Solutions revenue growth and EBIT improvement
- Expansion of company’s cross-border shipping program to more countries and additional direct merchants
- Investment in marketing and digital capabilities

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

2012 | **Q1 2015** | **Future State**



SMB Solutions
Enterprise Business Solutions
Digital Commerce Solutions

First Quarter 2015 and Business Segment Results

First Quarter 2015 - Highlights

- Revenue of $891 million
  - 1 percent decline on a constant currency basis
  - 5 percent decline as reported
  - Revenue was flat to the prior year when adjusted for the impacts of currency and the divestment of certain European revenue streams

- GAAP EPS of $0.40, includes a $0.01 per share negative impact from currency

- SG&A of $315 million, a decline of $37 million, or 10 percent

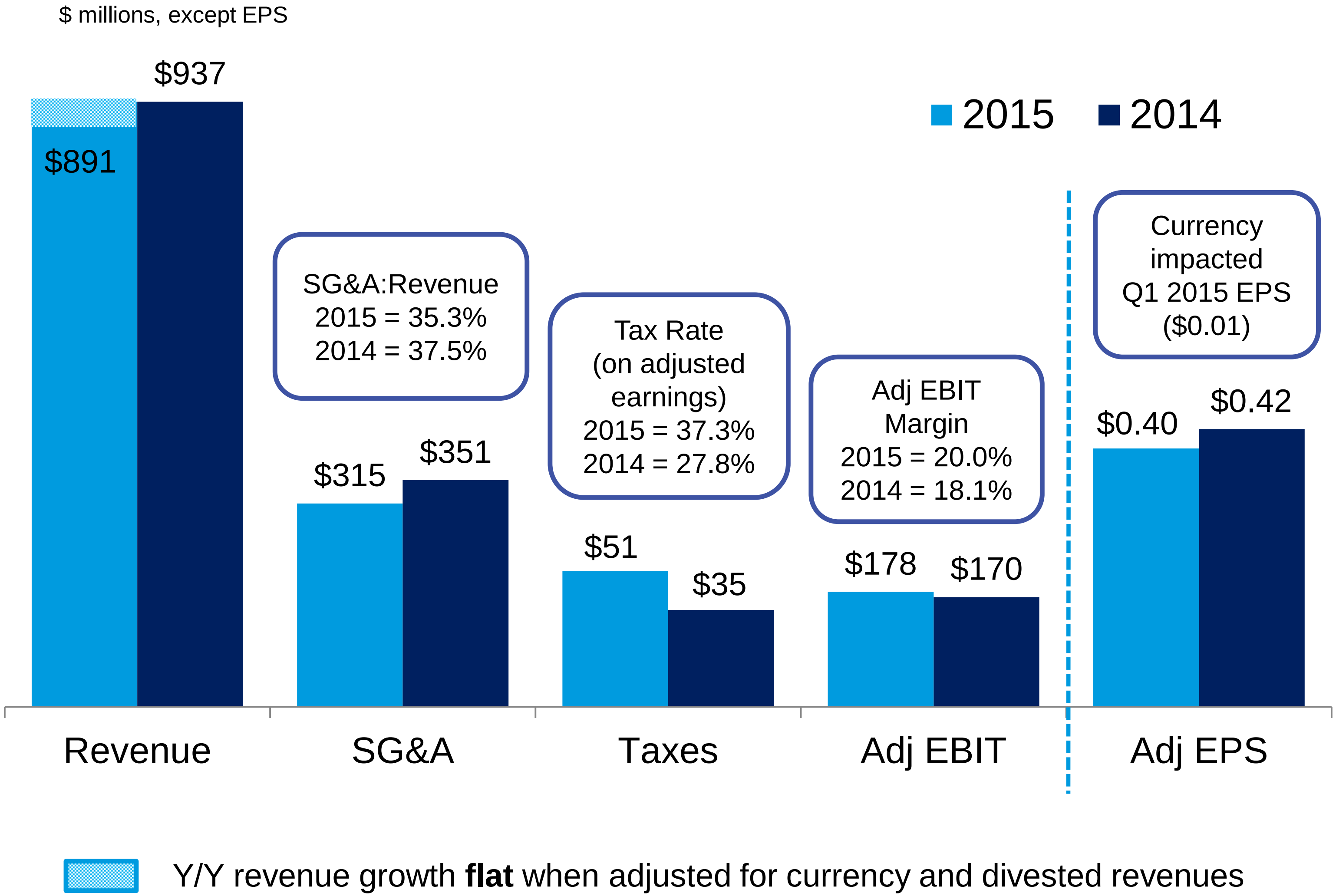
- Adjusted EBIT of $178 million, an increase of $9 million, or 5 percent

- Free cash flow of $85 million; GAAP cash from operations of $104 million

- Reduced debt by $175 million

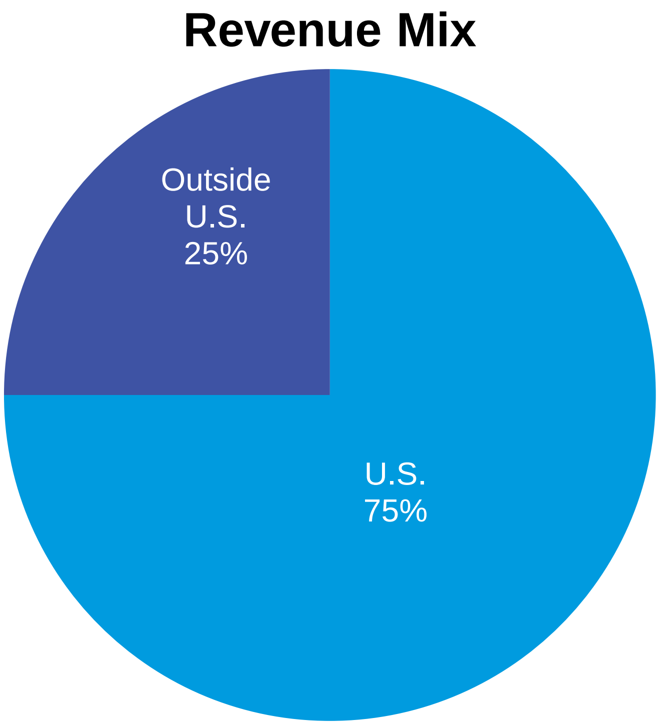
- Reaffirming 2015 annual guidance

First Quarter 2015 – Results[1]



[1] A reconciliation of GAAP to Non-GAAP measures can be found in the appendix of this presentation.

First Quarter 2015 - Impacts of Currency



- With 25% of the Company's revenue generated outside the U.S. this quarter, changes in foreign currency impacted Q1 2015 results:
  - Revenue: ($34) million or (4%)
  - EPS: ($0.01)
- The strengthening U.S. dollar also made purchases from the U.S. more expensive, which impacted our ecommerce business.

First Quarter – Underlying Revenue Performance

Revenue ($ millions)	Q1 2015	Q1 2014	Y/Y %, Reported	Y/Y %, Ex Currency	Y/Y %, Ex Currency & Divested Revenues *
North America Mailing	362	381	(5%)	(4%)	(4%)
International Mailing	116	153	(24%)	(12%)	(7%)
SMB Revenue	**$478**	**$534**	**(11%)**	**(6%)**	**(5%)**
Production Mail	100	105	(5%)	0%	+1%
Presort Service	122	116	+4%	+4%	+4%
Enterprise Revenue	**$221**	**$222**	**0%**	**+2%**	**+3%**
Digital Commerce Revenue	**$192**	**$181**	**+6%**	**+9%**	**+9%**
Total PBI Revenue	**$891**	**$937**	**(5%)**	**(1%)**	**0%**

* Underlying total revenue **flat** when adjusted for the impacts of currency and the divestment of certain European revenue streams

Earnings Per Share Reconciliation(1) – Q1 Comparison

	Q1 2015	Q1 2014
Adjusted EPS from continuing operations	**$0.40**	**$0.42**
Restructuring charges and asset impairments	-	($0.03)
Extinguishment of debt	-	($0.19)
GAAP EPS from continuing operation	**$0.40**	**$0.21**
Discontinued operations	-	$0.01
GAAP EPS	**$0.40**	**$0.22**

(1) The sum of the earnings per share may not equal the totals above due to rounding.
A reconciliation of GAAP to Non-GAAP measures can be found in the appendix of this presentation.

Q1 Financial Performance – Business Segments

SMB Solutions Group ($ millions)	Q1 2015	Q1 2014	Y/Y %, Reported	Y/Y %, Ex Currency	Y/Y %, Ex Currency & Divested Revenues*
North America Mailing	362	381	(5%)	(4%)	(4%)
International Mailing	116	153	(24%)	(12%)	(7%)
SMB Revenue	**$478**	**$534**	**(11%)**	**(6%)**	**(5%)**
North America Mailing	164	160	+2%		
International Mailing	12	25	(53%)		
SMB EBIT	**$175**	**$185**	**(5%)**		

North America Mailing

- Revenue for the quarter was consistent with the prior three quarters results.
- Recurring revenue stream trends were in-line with prior quarters driven primarily by financing revenue, which declined less than one percent, and the continued stabilization of rentals revenue.
- Equipment sales declined at a mid-single digit rate in the U.S. compared to a relatively strong first quarter in 2014. The Company continues to focus on driving productivity improvements in the segment's sales channels.
- EBIT margin improved versus the prior year due to continued benefits from the go-to-market implementation and on-going cost reduction initiatives.

International Mailing

- The Company continued to implement its go-to-market strategy throughout Europe during the quarter. This transition was first completed in the UK in January, which had positive revenue growth in the quarter, and is now complete in Germany. However in France, the Company's second largest market in Europe, the Company is still in the consultation stages of the proposed transition, which impacted sales productivity during the quarter.
- EBIT margin declined versus the prior year primarily due to lower revenue and the impact of currency on some supply chain costs.

* Excluding 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 completed in the third quarter of 2014.

Q1 Financial Performance – Business Segments

Enterprise Solutions Group ($ millions)	Q1 2015	Q1 2014	Y/Y %, Reported	Y/Y %, Ex Currency	Y/Y %, Ex Currency & Divested Revenues*
Production Mail	100	105	(5%)	0%	+1%
Presort Services	122	116	+4%	+4%	+4%
Enterprise Revenue	**$221**	**$222**	**0%**	**2%**	**+3%**
Production Mail	9	8	+17%		
Presort Services	27	24	+15%		
Enterprise EBIT	**$ 37**	**$ 32**	**+16%**		

Production Mail

- Equipment sales grew as a result of a larger number of inserting equipment installations during the quarter.
- Supplies revenue continued to benefit from the growth in production print installations in 2014.
- Support services revenue declined as a result of some in-house mailers shifting their mail processing to third party outsourcers who provide some self-service on equipment.
- EBIT margin improved versus the prior year due to a favorable mix of higher margin equipment sales and on-going cost reduction initiatives.

Presort Services

- Revenue benefited from the addition of new customers and an increase in the volume of mail processed.
- EBIT margin improved versus the prior year due to the revenue growth and on-going operational productivity.

* Excluding 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 completed in the third quarter of 2014.

Q1 Financial Performance – Business Segments

Digital Commerce Solutions ($ millions)	Q1 2015	Q1 2014	Y/Y %, Reported	Y/Y %, Ex Currency
DCS Revenue	$192	$181	+6%	+9%
DCS EBIT	$ 16	$ 10	+67%	

Digital Commerce Solutions

- On a constant currency basis, the segment continued to deliver revenue growth in ecommerce, marketing services and shipping solutions. Software revenue was flat on a constant currency basis.
- Ecommerce's revenue growth was driven in part by a continued increase in the number of packages shipped but did reflect the unfavorable impacts of a stronger U.S. dollar on the number of purchases outbound from the U.S. Ecommerce also achieved continued expansion in its UK outbound cross-border services.
- Marketing services and shipping solutions revenue continued to grow as a result of new client additions for their respective product offerings.
- Software license revenue increased at a high single-digit rate on a constant currency basis, but was offset by lower professional services and maintenance revenue when compared to prior year.
- EBIT margin improved even as the Company continued to invest in development activities and infrastructure in ecommerce and software solutions.

2015 Guidance

2015 Guidance –
Company is reaffirming annual guidance

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

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

2015 Guidance

- As noted when the Company provided guidance on February 2, 2015, currency exchange rates could reduce reported revenue versus constant currency revenue by more than 3 percentage points on an annual basis.

- 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 the first three quarters of 2015 guidance is about 1% of lower revenue growth.

- 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.
    - These incremental costs are now expected to be higher in the second and third quarters versus the prior year.

- The Company still expects an annual tax rate in the range of 31% to 34%.

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 Non-GAAP earnings per share can be found in the appendix of this presentation.

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 are expected to be part of the expense base in the future,
- Reduced ERP expenses, and
- $30 to $40 million of reduced costs associated with an expanded set of productivity initiatives.

Appendix

Financial Segment Reporting

Small and Medium Business Solutions (SMB)	Enterprise Business Solutions (Enterprise)	Digital Commerce Solutions (DCS)
		
North America Mailing **International Mailing** Mailing equipment, financing, support services and supplies to efficiently create mail and evidence postage.	**Production Mail** High performance equipment that print, insert, sort and finish mail with integrated solutions for large enterprises **Presort Services** Process and sort outbound mail to qualify for postal worksharing discounts	**Ecommerce** **Software solutions** **Shipping solutions** **Marketing Services** Leverages digital and mobile channels that make the Company’s clients’ customer-facing functions more effective

Global Market Size:

$4 billion	**$5 billion**	**$25 billion**
	$2 Presort / $3 Production Mail	**$17 Software Services / $8 Parcel Mgmt / <$1 Marketing Services**

Pitney Bowes Inc.
Consolidated Statements of Income
(Unaudited)

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

	Three months ended March 31, 2015	Three months ended March 31, 2014
Revenue:		
Equipment sales	$ 165,964	$ 189,056
Supplies	73,368	79,517
Software	86,357	91,555
Rentals	113,997	123,579
Financing	105,630	110,050
Support services	139,558	158,252
Business services	205,807	185,488
Total revenue	890,681	937,497
Costs and expenses:		
Cost of equipment sales	75,013	82,534
Cost of supplies	22,659	24,154
Cost of software	29,864	30,164
Cost of rentals	20,701	25,444
Financing interest expense	18,770	19,653
Cost of support services	83,599	98,981
Cost of business services	139,919	128,936
Selling, general and administrative	314,529	351,375
Research and development	26,048	26,192
Restructuring charges, net	(81)	9,841
Interest expense, net	24,064	24,064
Other expense	-	61,657
Total costs and expenses	755,085	882,995
Income from continuing operations before income taxes	135,596	54,502
Provision for income taxes	50,547	8,036
Income from continuing operations	85,049	46,466
Income from discontinued operations, net of tax	157	2,801
Net income before attribution of noncontrolling interests	85,206	49,267
Less: Preferred stock dividends of subsidiaries attributable to noncontrolling interests	4,594	4,594
Net income - Pitney Bowes Inc.	$ 80,612	$ 44,673
Amounts attributable to common stockholders:		
Income from continuing operations	$ 80,455	$ 41,872
Income from discontinued operations	157	2,801
Net income - Pitney Bowes Inc.	$ 80,612	$ 44,673
Basic earnings per share attributable to common stockholders [(1)]:		
Continuing operations	0.40	0.21
Discontinued operations	-	0.01
Net income - Pitney Bowes Inc.	$ 0.40	$ 0.22
Diluted earnings per share attributable to common stockholders [(1)]:		
Continuing operations	0.40	0.21
Discontinued operations	-	0.01
Net income - Pitney Bowes Inc.	$ 0.40	$ 0.22
Weighted-average shares used in diluted EPS	202,679,433	203,885,840

[(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)

Assets	March 31, 2015	December 31, 2014
Current assets:		
Cash and cash equivalents	$ 871,687	$ 1,079,145
Short-term investments	41,741	32,121
Accounts receivable, gross	389,744	424,479
Allowance for doubtful accounts receivable	(10,166)	(10,742)
Accounts receivable, net	379,578	413,737
Short-term finance receivables	979,495	1,019,412
Allowance for credit losses	(17,422)	(19,108)
Short-term finance receivables, net	962,073	1,000,304
Inventories	95,029	84,827
Current income taxes	36,743	40,542
Other current assets and prepayments	67,881	57,173
Assets held for sale	43,750	52,271
Total current assets	2,498,482	2,760,120
Property, plant and equipment, net	288,680	285,091
Rental property and equipment, net	193,369	200,380
Long-term finance receivables	782,702	828,723
Allowance for credit losses	(7,479)	(9,002)
Long-term finance receivables, net	775,223	819,721
Goodwill	1,635,171	1,672,721
Intangible assets, net	72,172	82,173
Non-current income taxes	85,259	96,377
Other assets	561,087	569,110
Total assets	$ 6,109,443	$ 6,485,693
Liabilities, noncontrolling interests and stockholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,354,876	$ 1,558,731
Current income taxes	102,347	90,167
Current portion of long-term obligations	520,914	324,879
Advance billings	409,381	386,846
Total current liabilities	2,387,518	2,360,623
Deferred taxes on income	66,775	64,839
Tax uncertainties and other income tax liabilities	88,381	86,127
Long-term debt	2,554,317	2,927,127
Other non-current liabilities	661,147	673,348
Total liabilities	5,758,138	6,112,064
Noncontrolling interests (Preferred stockholders' equity in subsidiaries)	296,370	296,370
Stockholders' equity:		
Cumulative preferred stock, $50 par value, 4% convertible	1	1
Cumulative preference stock, no par value, $2.12 convertible	543	548
Common stock, $1 par value	323,338	323,338
Additional paid-in-capital	152,869	178,852
Retained earnings	4,940,505	4,897,708
Accumulated other comprehensive loss	(908,647)	(846,156)
Treasury stock, at cost	(4,453,674)	(4,477,032)
Total Pitney Bowes Inc. stockholders' equity	54,935	77,259
Total liabilities, noncontrolling interests and stockholders' equity	$ 6,109,443	$ 6,485,693

Pitney Bowes Inc.
Revenue and EBIT
Business Segments
March 31, 2015
(Unaudited)

(Dollars in thousands)	Three Months Ended March 31,		
	2015	**2014**	**% Change**
Revenue			
North America Mailing	$ 361,874	$ 381,027	(5%)
International Mailing	116,173	153,268	(24%)
Small & Medium Business Solutions	478,047	534,295	(11%)
Production Mail	99,503	105,216	(5%)
Presort Services	121,531	116,491	4%
Enterprise Business Solutions	221,034	221,707	-
Digital Commerce Solutions	191,600	181,495	6%
Total revenue	**$ 890,681**	**$ 937,497**	(5%)
EBIT (1)			
North America Mailing	$ 163,665	$ 160,338	2%
International Mailing	11,724	24,819	(53%)
Small & Medium Business Solutions	175,389	185,157	(5%)
Production Mail	9,032	7,737	17%
Presort Services	27,494	23,896	15%
Enterprise Business Solutions	36,526	31,633	15%
Digital Commerce Solutions	15,895	9,531	67%
Total EBIT	**$ 227,810**	**$ 226,321**	1%
Unallocated amounts:			
Interest, net (2)	(42,834)	(43,717)	
Corporate and other expenses	(49,461)	(56,604)	
Restructuring charges, net	81	(9,841)	
Other expense, net	-	(61,657)	
Income from continuing operations before income taxes	**$ 135,596**	**$ 54,502**	

(1) Earnings before interest and taxes (EBIT) excludes general corporate expenses and restructuring charges, net.
(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 March 31,	
	2015	**2014**
GAAP income from continuing operations after income taxes, as reported	$ 80,455	$ 41,872
Restructuring charges, net	(53)	6,681
Extinguishment of debt	-	37,833
Income from continuing operations after income taxes, as adjusted	**$ 80,402**	**$ 86,386**
GAAP diluted earnings per share from continuing operations, as reported	$ 0.40	$ 0.21
Restructuring charges, net	-	0.03
Extinguishment of debt	-	0.19
Diluted earnings per share from continuing operations, as adjusted	**$ 0.40**	**$ 0.42**
GAAP net cash provided by operating activities, as reported	$ 103,887	$ 105,616
Capital expenditures	(43,908)	(30,143)
Restructuring payments	21,874	18,937
Payments related to investment divestiture	23,160	-
Reserve account deposits	(20,077)	(15,159)
Extinguishment of debt	-	58,357
Free cash flow, as adjusted	**$ 84,936**	**$ 137,608**

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 March 31, 2015	Three Months Ended March 31, 2014
GAAP income from continuing operations after income taxes, as reported	$ 80,455	$ 41,872
Restructuring charges, net	(53)	6,681
Extinguishment of debt	-	37,833
Income from continuing operations after income taxes, as adjusted	80,402	86,386
Provision for income taxes, as adjusted	50,519	35,020
Preferred stock dividends of subsidiaries attributable to noncontrolling interests	4,594	4,594
Income from continuing operations before income taxes, as adjusted	135,515	126,000
Interest, net	42,834	43,717
Adjusted EBIT	**178,349**	**169,717**
Depreciation and amortization	42,496	43,741
Adjusted EBITDA	**$ 220,845**	**$ 213,458**

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; the success of our investment in rebranding the Company; the risk of customer concentration in our Digital Commerce Solutions segment; 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 2014 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.

Note: Consolidated statements of income; revenue and EBIT by business segment; and reconciliation of GAAP to non-GAAP measures for the three months ended March 31, 2015 and 2014, and consolidated balance sheets at March 31, 2015 and December 31, 2014 are attached.