



First Quarter 2013 Earnings
April 30, 2013

Forward-Looking Statements

This document contains “forward-looking statements” about our expected or potential future business and financial performance. For us forward-looking statements include, but are not limited to, statements about our 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; 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 our control as more fully outlined in the Company's 2012 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.

First Quarter 2013 - Highlights

- Year-over-year revenue growth in:
 - Production Mail
 - Mail Services
- Flat revenue in International Mailing
- Continued moderation in declines of recurring revenue streams in SMB group
- SG&A expense lower year-over-year in dollars and as a percent of revenue due to on-going productivity initiatives
- Issued \$425 million of 30 years bonds and retired approximately \$405 million of debt originally scheduled to mature between 2014 and 2016
- On April 29, 2013, the Board of Directors approved a second quarter dividend of 18.75 cents per share for the Company's common stock

**Productivity initiatives continue to provide benefits;
taking actions to strengthen balance sheet and
enhance financial flexibility**

Financial Highlights – EPS Reconciliation¹

	Q1 2013	Q1 2012
GAAP EPS	\$0.33	\$0.79
Discontinued Operations – (income) / loss	\$0.01	(\$0.09)
GAAP EPS from continuing operations	\$0.34	\$0.70
Sale of leveraged lease assets	-	(\$0.06)
Costs associated with the retirement of debt	\$0.08	-
Adjusted EPS from continuing operations, including net tax benefit	\$0.42	\$0.64
Net tax benefit	-	(\$0.11)
Adjusted EPS from continuing operations, excluding net tax benefit	\$0.42	\$0.52

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

Financial Highlights – Q1 2013

	Q1 2013 *
Revenue & YOY Change	\$1.2 billion (4%)
Adjusted EPS from continuing operations	\$0.42
GAAP EPS	\$0.33
Adjusted EBIT †	\$176 million
Adjusted EBIT Margin	15.1%
Adjusted EBITDA †	\$233 million
SG&A	\$377 million
SG&A:Revenue %	32.3%
Free Cash Flow	\$107 million
Cash From Operations	\$132 million

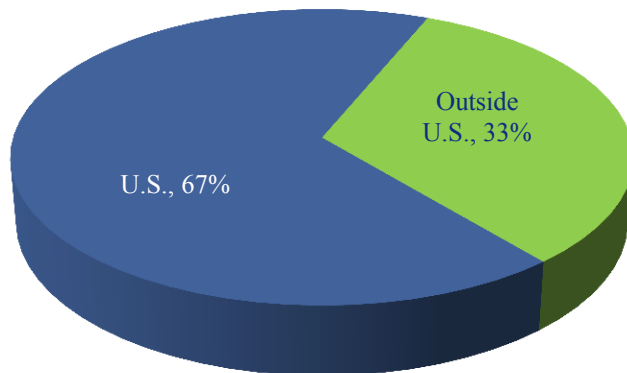
* Reconciliation schedules of GAAP to Non-GAAP measures can be found in the appendix of this presentation.

† Adjusted EBIT excludes costs related to the retirement of debt.

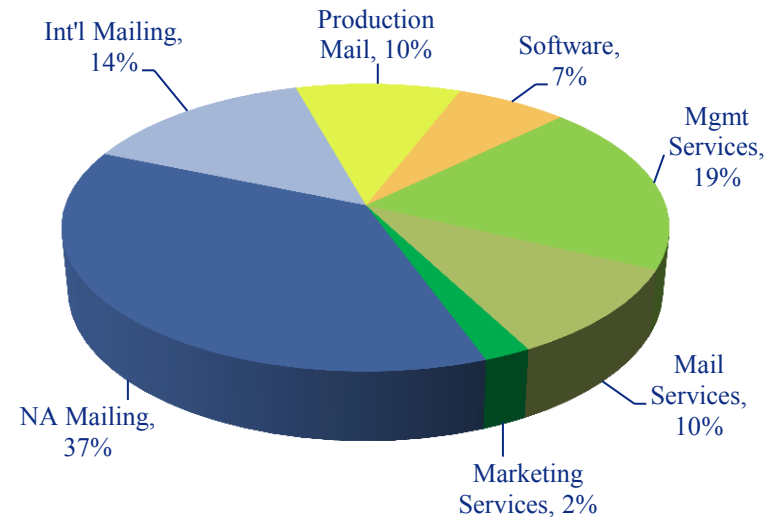
Pitney Bowes – Total Results (\$ millions)

Total PBI	Q1 2013	Y-O-Y Change	Change Ex-Currency
Revenue	\$1,167	(4%)	(4%)
EBIT	\$ 176	(18%)	

Q1 2013 Revenue by Geography



Q1 2013 Business Segment % of Total Revenue



Business Segment Results (\$ millions)

SMB	Q1 2013	Y-O-Y Change	Change Ex-Currency
Revenue	\$598	(5%)	(5%)
EBIT	\$172	(13%)	

Small and Medium Business (SMB) Solutions Group comprised of:
North America Mailing
International Mailing

51% of Total PBI Revenue – Q1 2013

Business Segment Results (\$ millions)

North America Mailing	Q1 2013	Y-O-Y Change	Change Ex-Currency
Revenue	\$430	(7%)	(7%)
EBIT	\$155	(13%)	

- Decline in equipment sales as customers delayed making purchase decisions
- Continued moderation in the decline of recurring revenue streams when compared to prior year
- EBIT margin impacted by fewer lease extensions and decline in higher-margin recurring revenue streams

International Mailing	Q1 2013	Y-O-Y Change	Change Ex-Currency
Revenue	\$167	0%	0%
EBIT	\$ 18	(11%)	

- Increased sales of Connect+™ mailing systems in France and Germany
- Revenue from scale updates related to postal rate change in France
- Revenue offset by lower equipment sales in the UK and in the Nordics
- EBIT adversely impacted by higher product costs associated with foreign currency movements and costs related to facilities consolidation

Business Segment Results (\$ millions)

Enterprise	Q1 2013	Y-O-Y Change	Change Ex-Currency
Revenue	\$569	(4%)	(3%)
EBIT	\$ 42	(36%)	

Enterprise Solutions Group comprised of:

- Production Mail
- Software
- Management Services
- Mail Services
- Marketing Services

49% of Total PBI Revenue – Q1 2013

Business Segment Results (\$ millions)

Production Mail	Q1 2013	Y-O-Y Change	Change Ex-Currency
Revenue	\$119	3%	4%
EBIT	\$ 3	10%	

- Revenue benefited from the installation of several large production print orders
- Continue to have a higher backlog for equipment installations than prior year
- Recognized initial license revenue from Australia Post for Volly™ platform
- EBIT benefited from revenue growth, offset by the higher mix of production printers which have a lower margin than inserter products

Business Segment Results (\$ millions)

Software	Q1 2013	Y-O-Y Change	Change Ex-Currency
Revenue	\$81	(20%)	(19%)
EBIT	\$ 5	(54%)	

- Revenue impacted by fewer large dollar deals and a delay in some deal signings, particularly in the Americas. Continued weakness in European and Asian markets due to ongoing austerity measures in public sector
- EBIT impacted by revenue decline; continue to invest in product development

Management Services	Q1 2013	Y-O-Y Change	Change Ex-Currency
Revenue	\$225	(2%)	(2%)
EBIT	\$ 13	(6%)	

- Revenue and EBIT impacted by pricing pressures and competitive conditions
- EBIT impacted by revenue decline, partly offset by productivity improvements
- Recently signed large, multi-year contracts for document processing services

Business Segment Results (\$ millions)

Mail Services	Q1 2013	Y-O-Y Change	Change Ex-Currency
Revenue	\$119	4%	4%
EBIT	\$ 19	(43%)	

- Revenue benefited from increased volumes associated with cross-border ecommerce solution
- Increased investment and costs to ramp-up ecommerce operations
- Prior year EBIT included a \$7 million insurance reimbursement

Marketing Services	Q1 2013	Y-O-Y Change	Change Ex-Currency
Revenue	\$25	(16%)	(16%)
EBIT	\$ 2	(59%)	

- Revenue and EBIT decline due to lower marketing fees on certain marketing category customer contract renewals

2013 Guidance

Reaffirming 2013 guidance for revenue, free cash flow and adjusted EPS from continuing operations:

- Revenue, excluding the impact of currency Flat to 3% growth
- Free cash flow \$600 - \$700 million
- Adjusted EPS from continuing operations \$1.85 to \$2.00

Updating GAAP EPS to reflect the first quarter \$0.08 per share charge related to costs associated with the recent debt tender:

- GAAP EPS from continuing operations \$1.77 to \$1.92

This guidance excludes any further actions that are planned or under consideration by the Company to streamline its operations and further reduce its cost structure.

The Company will provide more information regarding its plans and the expected financial impacts at their May 3rd Investor update meeting

Appendix

Non-GAAP Measures

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, asset sales and asset write-downs, because, while these are actual Company expenses, they can mask underlying trends associated with our 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 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 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 sales, asset impairments, and goodwill charges which are recognized on a consolidated basis. In addition, financial results are 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 intervening 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.

Pitney Bowes Inc.
Consolidated Statements of Income
(Unaudited)

(Dollars in thousands, except per share data)

	Three months ended March 31,	
	2013	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 ⁽¹⁾ :		
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 ⁽¹⁾ :		
Continuing operations	0.34	0.70
Discontinued operations	(0.01)	0.09
Net income - Pitney Bowes Inc.	\$ 0.33	\$ 0.79

⁽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, 2013	December 31, 2012
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 receivable	(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
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	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	(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

Pitney Bowes Inc.
Revenue and EBIT
Business Segments
March 31, 2013
(Unaudited)

(Dollars in thousands)

	Three Months Ended March 31,		
	2013	2012	% Change
<u>Revenue</u>			
North America Mailing	\$ 430,375	\$ 461,305	(7%)
International Mailing	167,455	168,014	(0%)
Small & Medium Business Solutions	<u>597,830</u>	<u>629,319</u>	<u>(5%)</u>
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	<u>569,126</u>	<u>590,817</u>	<u>(4%)</u>
Total Revenue	<u>\$ 1,166,956</u>	<u>\$ 1,220,136</u>	<u>(4%)</u>
<u>EBIT (1)</u>			
North America Mailing	\$ 154,505	\$ 178,171	(13%)
International Mailing	17,749	19,997	(11%)
Small & Medium Business Solutions	<u>172,254</u>	<u>198,168</u>	<u>(13%)</u>
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	<u>41,825</u>	<u>65,848</u>	<u>(36%)</u>
Total EBIT	<u>\$ 214,079</u>	<u>\$ 264,016</u>	<u>(19%)</u>
Unallocated amounts:			
Interest, net	(48,866)	(48,773)	
Corporate and other expenses	<u>(63,502)</u>	<u>(54,214)</u>	
Income from continuing operations before income taxes	<u>\$ 101,711</u>	<u>\$ 161,029</u>	

(1) Earnings before interest and taxes (EBIT) excludes general corporate expenses.

(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,	
	2013	2012
GAAP income from continuing operations after income taxes, as reported	\$ 69,568	\$ 140,942
Extinguishment of debt	15,325	-
Sale of leveraged lease assets	-	(12,886)
Income from continuing operations after income taxes, as adjusted	<u>\$ 84,893</u>	<u>\$ 128,056</u>
GAAP diluted earnings per share from continuing operations, as reported	\$ 0.34	\$ 0.70
Extinguishment of debt	0.08	-
Sale of leveraged lease	-	(0.06)
Diluted earnings per share from continuing operations, as adjusted	<u>\$ 0.42</u>	<u>\$ 0.64</u>
GAAP net cash provided by operating activities, as reported	\$ 132,160	\$ 71,380
Capital expenditures	(38,839)	(50,029)
Restructuring payments	16,275	26,245
Extinguishment of debt	25,121	-
Pension contribution	-	95,000
Tax payments on sale of leveraged lease assets	-	69,233
Reserve account deposits	(27,327)	(25,674)
Free cash flow, as adjusted	<u>\$ 107,390</u>	<u>\$ 186,155</u>

NOTE:

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

The above table includes an adjustment to GAAP net cash provided by operating activities due to a reclassification between net cash provided by operating activities and net cash used in investing activities. As a result, GAAP net cash provided by operating activities decreased by \$24.6 million for the three months ended March 31, 2012.

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

(Dollars in thousands, except per share data)

	Three Months Ended March 31,	
	2013	2012
GAAP income from continuing operations		
after income taxes, as reported	\$ 69,568	\$ 140,942
Extinguishment of debt	15,325	-
Sale of leveraged lease assets	-	(12,886)
Income from continuing operations		
after income taxes, as adjusted	84,893	128,056
Provision for income taxes, as adjusted	37,345	32,194
Preferred stock dividends of subsidiaries		
attributable to noncontrolling interests	4,594	4,594
Income from continuing operations, as adjusted	126,832	164,844
Interest expense, net	48,866	48,773
Adjusted EBIT	175,698	213,617
Depreciation and amortization	57,227	64,370
Adjusted EBITDA	\$ 232,925	\$ 277,987