

**Pitney Bowes Inc.**  
**Consolidated Statements of Income**  
(Unaudited; in thousands, except per share data)

	Three months ended December 31,		Twelve months ended December 31,	
	2015	2014	2015	2014
Revenue:				
Equipment sales	\$ 199,831	\$ 212,339	\$ 695,159	\$ 770,371
Supplies	72,925	71,691	288,103	300,040
Software	103,265	116,852	386,506	429,743
Rentals	107,934	119,560	441,663	484,629
Financing	103,043	107,330	410,035	432,859
Support services	139,149	154,372	554,764	625,135
Business services	210,800	201,769	801,830	778,727
Total revenue	<u>936,947</u>	<u>983,913</u>	<u>3,578,060</u>	<u>3,821,504</u>
Costs and expenses:				
Cost of equipment sales	98,363	103,388	331,069	365,724
Cost of supplies	22,890	23,546	88,802	93,675
Cost of software	27,996	30,337	113,580	123,760
Cost of rentals	21,061	23,065	84,188	97,338
Financing interest expense	17,620	18,829	71,791	78,562
Cost of support services	78,107	88,800	322,960	377,003
Cost of business services	140,642	138,257	546,201	544,729
Selling, general and administrative	340,643	346,903	1,279,961	1,378,400
Research and development	26,463	29,030	110,156	109,931
Restructuring charges and asset impairments, net	11,477	61,894	25,782	84,560
Interest expense, net	22,383	23,184	87,583	90,888
Other expense (income), net	78	-	(94,838)	45,738
Total costs and expenses	<u>807,723</u>	<u>887,233</u>	<u>2,967,235</u>	<u>3,390,308</u>
Income from continuing operations before income taxes	129,224	96,680	610,825	431,196
Provision for income taxes	44,204	33,134	189,778	112,815
Income from continuing operations	85,020	63,546	421,047	318,381
Income from discontinued operations, net of tax	5,853	3,576	5,271	33,749
Net income before attribution of noncontrolling interests	90,873	67,122	426,318	352,130
Less: Preferred stock dividends of subsidiaries attributable to noncontrolling interests	4,594	4,594	18,375	18,375
Net income - Pitney Bowes Inc.	<u>\$ 86,279</u>	<u>\$ 62,528</u>	<u>\$ 407,943</u>	<u>\$ 333,755</u>
Amounts attributable to common stockholders:				
Income from continuing operations	\$ 80,426	\$ 58,952	\$ 402,672	\$ 300,006
Income from discontinued operations, net of tax	5,853	3,576	5,271	33,749
Net income - Pitney Bowes Inc.	<u>\$ 86,279</u>	<u>\$ 62,528</u>	<u>\$ 407,943</u>	<u>\$ 333,755</u>
Basic earnings per share attributable to common stockholders <sup>(1)</sup> :				
Continuing operations	\$ 0.41	\$ 0.29	\$ 2.01	\$ 1.49
Discontinued operations	0.03	0.02	0.03	0.17
Net income - Pitney Bowes Inc.	<u>\$ 0.44</u>	<u>\$ 0.31</u>	<u>\$ 2.04</u>	<u>\$ 1.65</u>
Diluted earnings per share attributable to common stockholders <sup>(1)</sup> :				
Continuing operations	\$ 0.41	\$ 0.29	\$ 2.00	\$ 1.47
Discontinued operations	0.03	0.02	0.03	0.17
Net income - Pitney Bowes Inc.	<u>\$ 0.44</u>	<u>\$ 0.31</u>	<u>\$ 2.03</u>	<u>\$ 1.64</u>
Weighted-average shares used in diluted EPS	<u>197,959,779</u>	<u>203,110,509</u>	<u>200,944,874</u>	<u>203,961,446</u>

<sup>(1)</sup> The sum of the earnings per share amounts may not equal the totals due to rounding.

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

<u>Assets</u>	December 31, 2015	December 31, 2014 <sup>(1)</sup>
Current assets:		
Cash and cash equivalents	\$ 677,431	\$ 1,079,145
Short-term investments	102,122	32,121
Accounts receivable, gross	466,589	448,017
Allowance for doubtful accounts	(9,262)	(10,742)
Accounts receivable, net	457,327	437,275
Short-term finance receivables	950,684	1,019,412
Allowance for credit losses	(15,514)	(19,108)
Short-term finance receivables, net	935,170	1,000,304
Inventories	88,824	84,827
Current income taxes	6,584	28,584
Other current assets and prepayments	64,325	57,173
Assets held for sale	-	52,271
Total current assets	2,331,783	2,771,700
Property, plant and equipment, net	330,088	285,091
Rental property and equipment, net	180,662	200,380
Long-term finance receivables	769,303	828,723
Allowance for credit losses	(6,249)	(9,002)
Long-term finance receivables, net	763,054	819,721
Goodwill	1,745,957	1,672,721
Intangible assets, net	187,378	82,173
Non-current income taxes	70,294	98,806
Other assets	532,245	569,110
Total assets	\$ 6,141,461	\$ 6,499,702
<b><u>Liabilities, noncontrolling interests and stockholders' equity</u></b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,457,614	\$ 1,572,971
Current income taxes	16,620	30,527
Current portion of long-term debt and notes payable	461,085	324,879
Advance billings	353,025	386,846
Total current liabilities	2,288,344	2,315,223
Deferred taxes on income	205,668	114,950
Tax uncertainties and other income tax liabilities	68,429	86,127
Long-term debt	2,507,912	2,927,127
Other non-current liabilities	596,017	682,646
Total liabilities	5,666,370	6,126,073
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	505	548
Common stock, \$1 par value	323,338	323,338
Additional paid-in-capital	161,280	178,852
Retained earnings	5,155,537	4,897,708
Accumulated other comprehensive loss	(888,635)	(846,156)
Treasury stock, at cost	(4,573,305)	(4,477,032)
Total Pitney Bowes Inc. stockholders' equity	178,721	77,259
Total liabilities, noncontrolling interests and stockholders' equity	\$ 6,141,461	\$ 6,499,702

<sup>(1)</sup> Certain prior year amounts have been revised.

**Pitney Bowes Inc.**  
**Revenue and EBIT**  
**Business Segments**  
(Unaudited; in thousands)

	<b>Three Months Ended December 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>% Change</b>
<b><u>Revenue</u></b>			
North America Mailing	\$ 363,316	\$ 376,421	(3%)
International Mailing	113,930	133,621	(15%)
<b>Small &amp; Medium Business Solutions</b>	<b>477,246</b>	<b>510,042</b>	<b>(6%)</b>
Production Mail	122,298	131,730	(7%)
Presort Services	122,247	117,350	4%
<b>Enterprise Business Solutions</b>	<b>244,545</b>	<b>249,080</b>	<b>(2%)</b>
Software Solutions	102,992	116,462	(12%)
Global Ecommerce	112,164	77,244	45%
<b>Digital Commerce Solutions</b>	<b>215,156</b>	<b>193,706</b>	<b>11%</b>
Other	-	31,085	(100%)
<b>Total revenue</b>	<b>\$ 936,947</b>	<b>\$ 983,913</b>	<b>(5%)</b>
<b><u>EBIT</u> <sup>(1)</sup></b>			
North America Mailing	\$ 164,537	\$ 165,764	(1%)
International Mailing	14,485	21,363	(32%)
<b>Small &amp; Medium Business Solutions</b>	<b>179,022</b>	<b>187,127</b>	<b>(4%)</b>
Production Mail	16,793	19,678	(15%)
Presort Services	27,709	29,995	(8%)
<b>Enterprise Business Solutions</b>	<b>44,502</b>	<b>49,673</b>	<b>(10%)</b>
Software Solutions	13,627	20,573	(34%)
Global Ecommerce	9,267	7,533	23%
<b>Digital Commerce Solutions</b>	<b>22,894</b>	<b>28,106</b>	<b>(19%)</b>
Other	-	5,275	(100%)
<b>Total EBIT</b>	<b>246,418</b>	<b>270,181</b>	<b>(9%)</b>
Unallocated amounts:			
Interest, net <sup>(2)</sup>	(40,003)	(42,013)	
Corporate and other expenses	(61,136)	(69,594)	
Restructuring charges and asset impairments, net	(11,477)	(61,894)	
Other expense, net	(78)	-	
Acquisition/disposition related expenses	(4,500)	-	
<b>Income from continuing operations before income taxes</b>	<b>\$ 129,224</b>	<b>\$ 96,680</b>	

(1) Segment EBIT excludes interest, taxes, general corporate expenses, restructuring charges and other items, which are not allocated to a particular business segment.

(2) Includes financing interest expense and interest expense, net.

**Pitney Bowes Inc.**  
**Revenue and EBIT**  
**Business Segments**  
(Unaudited; in thousands)

	<b>Twelve Months Ended December 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>% Change</b>
<b><u>Revenue</u></b>			
North America Mailing	\$ 1,435,140	\$ 1,491,927	(4%)
International Mailing	445,328	572,440	(22%)
<b>Small &amp; Medium Business Solutions</b>	<b>1,880,468</b>	<b>2,064,367</b>	<b>(9%)</b>
Production Mail	421,178	462,199	(9%)
Presort Services	473,612	456,556	4%
<b>Enterprise Business Solutions</b>	<b>894,790</b>	<b>918,755</b>	<b>(3%)</b>
Software Solutions	385,908	428,662	(10%)
Global Ecommerce	362,087	281,643	29%
<b>Digital Commerce Solutions</b>	<b>747,995</b>	<b>710,305</b>	<b>5%</b>
Other	54,807	128,077	(57%)
<b>Total revenue</b>	<b>\$ 3,578,060</b>	<b>\$ 3,821,504</b>	<b>(6%)</b>
<b><u>EBIT</u> <sup>(1)</sup></b>			
North America Mailing	\$ 646,913	\$ 642,521	1%
International Mailing	51,070	88,710	(42%)
<b>Small &amp; Medium Business Solutions</b>	<b>697,983</b>	<b>731,231</b>	<b>(5%)</b>
Production Mail	48,254	47,543	1%
Presort Services	104,655	98,230	7%
<b>Enterprise Business Solutions</b>	<b>152,909</b>	<b>145,773</b>	<b>5%</b>
Software Solutions	48,531	51,193	(5%)
Global Ecommerce	19,229	16,633	16%
<b>Digital Commerce Solutions</b>	<b>67,760</b>	<b>67,826</b>	<b>(0%)</b>
Other	10,569	19,240	(45%)
<b>Total EBIT</b>	<b>929,221</b>	<b>964,070</b>	<b>(4%)</b>
Unallocated amounts:			
Interest, net <sup>(2)</sup>	(159,374)	(169,450)	
Corporate and other expenses	(213,095)	(233,126)	
Restructuring charges and asset impairments, net	(25,782)	(84,560)	
Other income (expense), net	94,838	(45,738)	
Acquisition/disposition related expenses	(14,983)	-	
<b>Income from continuing operations before income taxes</b>	<b>\$ 610,825</b>	<b>\$ 431,196</b>	

(1) Segment EBIT excludes interest, taxes, general corporate expenses, restructuring charges and other items, which are not allocated to a particular business segment.

(2) Includes financing interest expense and interest expense, net.

**Pitney Bowes Inc.**  
**Reconciliation of Reported Consolidated Results to Adjusted Results**  
(Unaudited; in thousands, except per share data)

	<u>Three Months Ended December 31,</u>		<u>Twelve Months Ended December 31,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Income from continuing operations after income taxes, as reported:	\$ 80,426	\$ 58,952	\$ 402,672	\$ 300,006
Restructuring charges and asset impairments, net	9,481	44,188	18,089	59,349
Loss (gain) on sale/disposition of businesses	4,149	-	(84,250)	-
Acquisition and disposition transaction costs	48	-	11,475	-
Legal settlement	-	-	4,250	-
Acquisition related compensation expense	-	-	7,246	-
Investment divestiture	-	-	(7,756)	(9,774)
Extinguishment of debt	-	-	-	37,833
<b>Income from continuing operations after income taxes, as adjusted:</b>	<b>\$ 94,104</b>	<b>\$ 103,140</b>	<b>\$ 351,726</b>	<b>\$ 387,414</b>
Diluted earnings per share from continuing operations, as reported:	\$ 0.41	\$ 0.29	\$ 2.00	\$ 1.47
Restructuring charges and asset impairments, net	0.05	0.22	0.09	0.29
Loss (gain) on sale/disposition of businesses	0.02	-	(0.42)	-
Acquisition and disposition transaction costs	-	-	0.06	-
Legal settlement	-	-	0.02	-
Acquisition related compensation expense	-	-	0.04	-
Investment divestiture	-	-	(0.04)	(0.05)
Extinguishment of debt	-	-	-	0.19
<b>Diluted earnings per share from continuing operations, as adjusted:</b>	<b>\$ 0.48</b>	<b>\$ 0.51</b>	<b>\$ 1.75</b>	<b>\$ 1.90</b>
Net cash provided by operating activities, as reported:	\$ 163,924	\$ 258,094	\$ 514,639	\$ 655,526
Capital expenditures	(36,686)	(59,286)	(166,329)	(180,556)
Restructuring payments	16,030	14,011	62,086	56,162
(Receipts) payments related to investment divestiture	-	(59,475)	20,602	(5,737)
Reserve account deposits	1,428	253	(24,202)	(15,666)
Acquisition related compensation payment	-	-	10,483	-
Tax payment related to sale of Imagitas	5,306	-	21,224	-
Cash transaction fees related to acquisitions and dispositions	6,856	-	17,971	-
Extinguishment of debt	-	-	-	61,657
<b>Free cash flow, as adjusted:</b>	<b>\$ 156,858</b>	<b>\$ 153,597</b>	<b>\$ 456,474</b>	<b>\$ 571,386</b>

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

**Pitney Bowes Inc.**  
**Reconciliation of Reported Consolidated Results to Adjusted Results**  
(Unaudited; in thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2015	2014	2015	2014
Income from continuing operations				
after income taxes, as reported	\$ 80,426	\$ 58,952	\$ 402,672	\$ 300,006
Restructuring charges and asset impairments, net	9,481	44,188	18,089	59,349
Loss (gain) on sale/disposition of businesses	4,149	-	(84,250)	-
Acquisition and disposition transaction costs	48	-	11,475	-
Legal settlement	-	-	4,250	-
Acquisition related compensation expense	-	-	7,246	-
Investment divestiture	-	-	(7,756)	(9,774)
Extinguishment of debt	-	-	-	37,833
Income from continuing operations				
after income taxes, as adjusted	94,104	103,140	351,726	387,414
Provision for income taxes, as adjusted	46,581	50,840	186,651	155,705
Preferred stock dividends of subsidiaries				
attributable to noncontrolling interests	4,594	4,594	18,375	18,375
Income from continuing operations				
before income taxes, as adjusted	145,279	158,574	556,752	561,494
Interest, net	40,003	42,013	159,374	169,450
<b>Adjusted EBIT</b>	<b>185,282</b>	<b>200,587</b>	<b>716,126</b>	<b>730,944</b>
Depreciation and amortization	45,826	54,728	173,312	197,234
<b>Adjusted EBITDA</b>	<b>\$ 231,108</b>	<b>\$ 255,315</b>	<b>\$ 889,438</b>	<b>\$ 928,178</b>