### Pitney Bowes Inc. Consolidated Statements of Income

(Unaudited)

(Dollars in thousands, except per share data)

(	7	Three months e	s ended December 31, 2012					s ended December 31, 2012		
Revenue:		2013	-	2012		2013		2012		
Equipment sales	\$	254,322	\$	251,917	\$	889,101	\$	870,537		
Supplies	Ψ	73,554	Ψ	69,794	Ψ	289,808	*	283,459		
Software		113,006		110,385		398,664		412,762		
Rentals		130,418		136,685		522,008		551,607		
Financing		114,140		121,435		460,786		495,130		
Support services		172,516		177,967		677,742		707,582		
Business services		173,231		147,333		631,292		593,987		
Total revenue		1,031,187		1,015,516		3,869,401		3,915,064		
Costs and expenses:										
Cost of equipment sales		131,213		123,599		439,205		402,056		
Cost of supplies		23,361		22,141		91,155		87,564		
Cost of software		30,560		30,365		110,653		115,388		
Cost of rentals		25,672		28,098		105,463		115,356		
Financing interest expense		21,117		19,755		81,096		81,140		
Cost of support services		104,381		105,765		419,656		440,039		
Cost of business services		126,962		97,606		449,932		396,295		
Selling, general and administrative		365,007		391,960		1,432,401		1,503,104		
Research and development		29,061		26,440		110,412		114,250		
Restructuring charges and asset impairments		30,404		18,156		84,344		17,176		
Other interest expense		25,146		27,967		114,740		115,228		
Interest income		(965)		(2,189)		(5,472)		(7,982)		
Other expense, net		7,518		-		32,639		1,138		
Total costs and expenses		919,437		889,663		3,466,224		3,380,752		
Income from continuing operations before income taxes		111,750	-	125,853		403,177	-	534,312		
Provision for income taxes		27,539		35,144		83,069		120,252		
Income from continuing operations		84,211		90,709		320,108		414,060		
Income (loss) from discontinued operations, net of tax		10,471		24,222		(158,898)		49,479		
Net income before attribution of noncontrolling interests		94,682		114,931		161,210		463,539		
Less: Preferred stock dividends of subsidiaries attributable										
to noncontrolling interests		4,593		4,594		18,375		18,376		
Net income - Pitney Bowes Inc.	\$	90,089	\$	110,337	\$	142,835	\$	445,163		
Amounts attributable to common stockholders:										
Income from continuing operations	\$	79,618	\$	86,115	\$	301,733	\$	395,684		
Income (loss) from discontinued operations	·	10,471		24,222		(158,898)		49,479		
Net income - Pitney Bowes Inc.	\$	90,089	\$	110,337	\$	142,835	\$	445,163		
Basic earnings per share attributable to common stockholders <sup>(1)</sup> :										
Continuing operations		0.39		0.43		1.50		1.97		
Discontinued operations		0.05		0.12		(0.79)		0.25		
Net income - Pitney Bowes Inc.	\$	0.45	\$	0.55	\$	0.71	\$	2.22		
Diluted earnings per share attributable to common stockholders <sup>(1)</sup> :										
Continuing operations		0.39		0.43		1.49		1.96		
Discontinued operations		0.05		0.12		(0.78)		0.25		
Net income - Pitney Bowes Inc.	\$	0.44	\$	0.55	\$	0.70	\$	2.21		

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

 $<sup>^{(2)}</sup>$  Certain prior year amounts have been reclassified to conform to the current year presentation.

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

Current assets:         \$ 907.806         \$ 913.276           Cash and cash equivalents         26,683         36,611           Accounts receivable, gross         482,949         748,469           Allowance for doubtful accounts receivable         469,800         728,250           Finance receivables, net         1,127,261         1,213,776           Allowance for credit losses         (24,340)         (25,484)           Finance receivables, net         1,102,821         1,108,292           Inventories         103,580         179,678           Current income taxes         28,934         51,836           Other current assets and prepayments         46,976            Other current assets         2,836,190         3,212,127           Property, plant and equipment, net         245,171         385,377           Rental property and equipment, net         245,171         385,377           Finance receivables         374,972 <td< th=""><th><u>Assets</u></th><th>De</th><th>cember 31, 2013</th><th>De</th><th>ecember 31, 2012</th></td<>	<u>Assets</u>	De	cember 31, 2013	De	ecember 31, 2012
Short-term investments         482,949         748,469           Accounts receivable, gross         482,949         748,469           Allowance for doubtful accounts receivable         469,800         728,250           Finance receivables         1,127,261         1,213,776           Allowance for credit losses         (24,340)         (25,484)           Finance receivables, net         1,102,921         1,188,292           Inventories         103,580         179,678           Current income taxes         28,934         51,836           Other current assets and prepayments         46,976         1-7           Current laccent assets and prepayments         46,976         1-7           Total current assets         2,834         51,836           Other current assets         2,834         51,836           Property, plant and equipment, net         245,171         3,212,127           Property, plant and equipment, net         245,171         3,212,127           Finance receivables         97,4972         1,041,099           Allowance for credit losses         1,124,460         1,141,610           Finance receivables, net         1,23,476         2,134,610           Investment in leveraged leases         3,4410         3,456	Current assets:				_
Accounts receivable, gross         482,949         7.88,69           Allowance for doubtful accounts receivable         (13,149)         (20,219)           Accounts receivables, net         469,800         728,250           Finance receivables         (24,340)         (25,484)           Allowance for credit losses         (24,340)         (25,484)           Finance receivables, net         1,102,921         1,188,292           Inventories         103,856         151,836           Current locome taxes         28,934         51,836           Other current assets and prepayments         149,490         114,184           Assets held for sale         46,976         6         -2           Total current assets         2,836,190         3,212,127           Property, plant and equipment, net         245,171         385,377           Rental property and equipment, net         245,171         385,377           Rental property and equipment, net         962,363         1,041,099           Finance receivables         974,972         1,041,099           Allowance for credit losses         34,410         34,546           Goodwill         1,724,871         2,138           Investment in leveraged leases         3,410         2,138	Cash and cash equivalents	\$	907,806	\$	913,276
Allowance for doubtful accounts receivable   (13.149)   (20.219)   Accounts receivable, net   469.800   728.250   Finance receivables   1.127.261   1.213,776   (25.484)   Finance receivables, net   1.102.921   1.188.292   Inventories   103.580   179.678   (26.484)   (26.48	Short-term investments		26,683		36,611
Accounts receivables         469,800         728,250           Finance receivables         1,127,261         1,213,776           Allowance for credit losses         (24,340)         (25,484)           Finance receivables, net         1,102,921         1,188,292           Inventories         103,580         179,678           Current income taxes         28,934         51,836           Other current assets and prepayments         46,976         -           Total current assets         2,836,190         3,212,127           Property, plant and equipment, net         245,171         385,377           Rental property and equipment, net         225,146         241,192           Finance receivables         974,972         1,041,099           Allowance for credit losses         (12,699)         (14,610)           Finance receivables, net         962,363         1,026,489           Investment in leveraged leases         34,410         34,546           Goodwill         1,734,871         2,136,138           Intangible assets, net         1,234,875         563,374           Other assets         534,975         563,374           Other assets         5,768,264         7,859,891           Liabilities, noncontrolling interests a	Accounts receivable, gross		482,949		748,469
Finance receivables         1,127,261         1,213,776           Allowance for credit losses         (24,340)         (25,484)           Finance receivables, net         1,102,921         1,188,292           Inventories         103,580         179,678           Current income taxes         28,934         51,836           Other current assets and prepayments         149,490         114,184           Assets held for sale         46,976         -           Total current assets         2,836,190         3,212,127           Property, plant and equipment, net         245,171         385,377           Rental property and equipment, net         245,171         385,377           Rental property and equipment, net         296,393         1,041,099           Finance receivables         974,972         1,041,099           Allowance for credit losses         1(2,609)         (14,610)           Finance receivables, net         982,363         1,026,489           Investment in leveraged leases         34,410         34,546           Goodwill         1,734,871         2,136,138           Intagible assets, net         120,387         166,214           Nort assets         534,975         563,745           Current labilities	Allowance for doubtful accounts receivable		(13,149)		(20,219)
Allowance for credit losses   (24,340)   (25,848,292)     Finance receivables, net   1,102,921   1,188,292     Inventories   103,580   179,678     Current income taxes   28,934   51,836     Other current assets and prepayments   149,490   114,184     Assets held for sale   46,976   -   Total current assets   2,836,190   3,212,127     Property, plant and equipment, net   245,171   385,377     Rental property and equipment, net   226,146   241,192     Finance receivables   974,972   1,041,092     Finance receivables   974,972   1,041,093     Finance receivables   126,093   1,026,489     Investment in leveraged leases   34,410   34,546     Goodwill   1,734,871   2,136,138     Investment in leveraged leases   34,410   34,546     Goodwill   1,734,871   2,136,138     Integration of the sasets   1,734,871   2,136,138     Other assets   534,975   563,374     Other assets   534,975   563,374     Other assets   5,6768,264   7,859,891     Liabilities, noncontrolling interests and stockholders' equity     Current liabilities   1,640,138   1,809,226     Current income taxes   1,640,138   1,809,226     Current income taxes   1,640,138   2,40,881     Notes payable and accrued liabilities   1,640,138   2,40,881     Notes payable and current portion of long-term obligations   2,223,311   2,877,037     Deferred taxes on income   60,667   69,222     Tax uncertainties and other income tax liabilities   2,223,311   2,877,037     Deferred taxes on income   60,667   69,222     Tax uncertainties and other income tax liabilities   1,640,138   2,33,38     Other non-current liabilities   2,23,331   2,877,037     Deferred taxes on income   2,223,311   2,273,037     Other non-current liabilities   2,23,331   2,375,000     Other non-current liabilities   3,346,295   3,458,817     Other non-current liabilities   3,348,295   3,458,817     Other non-current liabilities	Accounts receivable, net	•	469,800		728,250
Finance receivables, net         1,102,921         1,188,292           Inventories         103,580         179,678           Current income taxes         28,934         51,836           Other current assets and prepayments         149,490         114,184           Assets held for sale         46,976            Total current assets         2,836,190         3,212,127           Property, plant and equipment, net         245,171         385,377           Rental property and equipment, net         226,146         241,192           Finance receivables         974,972         1,041,099           Allowance for credit losses         (12,609)         (14,610)           Finance receivables, net         962,363         1,026,489           Investment in leveraged leases         34,410         34,546           Goodwill         1,734,871         2,136,138           Intagible assets, net         120,337         166,214           Non-current income taxes         73,751         94,434           Other assets         534,975         563,374           Total assets         157,340         240,881           Notes payable and accrued liabilities         1,640,138         1,809,226           Current income taxes	Finance receivables		1,127,261		1,213,776
Inventories	Allowance for credit losses		(24,340)		(25,484)
Current income taxes         28,934         51,836           Other current assets and prepayments         149,490         114,184           Assets held for sale         46,976         -           Total current assets         2,836,190         3,212,127           Property, plant and equipment, net         245,171         385,377           Rental property and equipment, net         245,171         385,377           Rand property and equipment, net         241,192         1041,092           Finance receivables, net         112,609         11,041,009           Alloward property and equipment, net         296,2363         1,026,489           Investment in leveraged leases         34,410         34,546           Goodwill         1,734,871         2,136,681           Investment in leveraged leases         34,410         34,546           Goodwill         1,20,387	Finance receivables, net		1,102,921		1,188,292
Other current assets and prepayments Assets held for sale         149,490 46,976         114,184 Assets held for sale           Total current assets         2,836,190         3,212,127           Property, plant and equipment, net         245,171         385,377           Rental property and equipment, net         296,146         241,192           Finance receivables         974,972         1,041,099           Allowance for credit losses         (12,609)         (14,610)           Finance receivables, net         962,363         1,026,489           Investment in leveraged leases         34,410         345,46           Goodwill         1,734,871         2,136,138           Intangible assets, net         120,387         166,214           Non-current income taxes         73,751         94,434           Other assets         534,975         563,374           Total assets         1,640,138         1,809,226           Current liabilities         1,640,138         1,809,226           Current liabilities         1,540,138         1,809,226           Current liabilities         2,223,311         2,870,007           Notes payable and acrued liabilities         1,65,309         4,25,833           Total current liabilities         2,223,311         2,	Inventories		103,580		179,678
Assets held for sale         46,976         -           Total current assets         2,836,190         3,212,127           Property, plant and equipment, net         245,171         385,377           Rental property and equipment, net         226,146         241,179           Finance receivables         974,972         1,041,099           Allowance for credit losses         (12,609)         (14,610)           Finance receivables, net         962,363         1,026,488           Investment in leveraged leases         34,410         34,546           Goodwill         17,34,871         2,136,138           Intangible assets, net         120,387         563,278           Non-current income taxes         73,751         94,434           Other assets         534,975         563,374           Total assets         1,640,138         1,892,226           Current liabilities         1,640,138         1,809,226           Current income taxes         157,340         240,881           Notes payable and accrued liabilities         1,640,138         1,809,226           Current income taxes         1,640,138         1,809,226           Current income taxes         1,640,138         1,809,226           Acta ditingentingentingentingent	Current income taxes		28,934		51,836
Property, plant and equipment, net	Other current assets and prepayments		149,490		114,184
Property, plant and equipment, net         245,171         385,377           Rental property and equipment, net         226,146         241,192           Finance receivables         974,972         1,041,099           Allowance for credit losses         (12,609)         (14,610)           Finance receivables, net         962,363         1,026,489           Investment in leveraged leases         34,410         34,546           Goodwill         1,734,871         2,136,138           Intengible assets, net         120,337         166,214           Non-current income taxes         73,751         94,434           Other assets         534,975         563,374           Total assets         \$ 6,768,264         \$ 7,859,891           Liabilities, noncontrolling interests and stockholders' equity         Current liabilities         \$ 1,640,138         \$ 1,809,226           Current income taxes         \$ 157,340         240,681         \$ 1,809,226         \$ 1,640,138         \$ 1,809,226           Current income taxes         \$ 1,640,138         \$ 1,809,226         \$ 1,640,138         \$ 1,809,226         \$ 1,640,138         \$ 1,809,226         \$ 1,640,138         \$ 1,809,226         \$ 1,809,226         \$ 1,809,226         \$ 1,809,226         \$ 1,809,226         \$ 1,809,226         \$	Assets held for sale		46,976		=
Rental property and equipment, net         226,146         241,192           Finance receivables         974,972         1,041,099           Allowance for credit losses         (12,609)         (14,610)           Finance receivables, net         962,363         1,026,489           Investment in leveraged leases         34,410         34,546           Goodwill         1,734,871         2,136,138           Intangible assets, net         120,387         166,214           Non-current income taxes         73,751         94,334           Other assets         534,975         563,374           Total assets         1,640,138         1,809,226           Current liabilities.         157,340         2,224,311           Accounts payable and accrued liabilities         157,340         375,000           Advance billings         157,340         2,223,311           Total current liabilities         2,223,311         2,877,037           Deferred taxes on income         60,667         69,222           Tax uncertainties and other income tax liabilities         186,452         145,881           Long-term debt         3,346,295         3,642,375           Other non-current liabilities         6,283,491         7,452,890           Non	Total current assets		2,836,190		3,212,127
Rental property and equipment, net         226,146         241,192           Finance receivables         974,972         1,041,099           Allowance for credit losses         (12,609)         (14,610)           Finance receivables, net         962,363         1,026,489           Investment in leveraged leases         34,410         34,546           Goodwill         1,734,871         2,136,138           Intangible assets, net         120,387         166,214           Non-current income taxes         73,751         94,334           Other assets         534,975         563,374           Total assets         1,640,138         1,809,226           Current liabilities.         157,340         2,224,311           Accounts payable and accrued liabilities         157,340         375,000           Advance billings         157,340         2,223,311           Total current liabilities         2,223,311         2,877,037           Deferred taxes on income         60,667         69,222           Tax uncertainties and other income tax liabilities         186,452         145,881           Long-term debt         3,346,295         3,642,375           Other non-current liabilities         6,283,491         7,452,890           Non	Property, plant and equipment, net		245,171		385,377
Allowance for credit losses         (12,609)         (14,610)           Finance receivables, net         962,363         1,026,489           Investment in leveraged leases         34,410         34,546           Goodwill         1,734,871         2,136,138           Intengible assets, net         120,387         166,214           Non-current income taxes         73,751         94,434           Other assets         534,975         563,374           Total assets         5,6768,264         7,859,891           Liabilities, noncontrolling interests and stockholders' equity           Current liabilities           Accounts payable and accrued liabilities         1,640,138         1,809,226           Current income taxes         157,340         240,681           Notes payable and current portion of long-term obligations         2         375,000           Advance billings         425,833         452,133           Total current liabilities         2,223,311         2,877,037           Deferred taxes on income         60,667         69,222           Tax uncertainties and other income tax liabilities         186,452         145,881           Long-term debt         3,346,295         3,642,375           Other non-current liabilities <td></td> <td></td> <td>226,146</td> <td></td> <td>241,192</td>			226,146		241,192
Finance receivables, net         962,363         1,026,489           Investment in leveraged leases         34,410         34,546           Goodwill         1,734,871         2,136,138           Intangible assets, net         120,387         166,214           Non-current income taxes         73,751         94,834           Other assets         534,975         563,374           Total assets         \$6,768,264         *7,859,891           Liabilities, noncontrolling interests and stockholders' equity         Current liabilities:           Accounts payable and accrued liabilities         \$1,640,138         \$1,809,226           Current income taxes         157,340         240,681           Notes payable and current portion of long-term obligations         -         375,000           Advance billings         425,833         452,130           Total current liabilities         2,223,311         2,877,037           Deferred taxes on income         60,667         69,222           Tax uncertainties and other income tax liabilities         186,452         145,881           Long-term debt         3,346,295         3,642,375           Total liabilities         6,283,491         7,452,890           Noncontrolling interests (Preferred stockholders' equity in subsidiaries)	Finance receivables		974,972		1,041,099
Finance receivables, net         962,363         1,026,489           Investment in leveraged leases         34,410         34,546           Goodwill         1,734,871         2,136,138           Intangible assets, net         120,387         166,214           Non-current income taxes         73,751         94,834           Other assets         534,975         563,374           Total assets         \$6,768,264         *7,859,891           Liabilities, noncontrolling interests and stockholders' equity         Current liabilities:           Accounts payable and accrued liabilities         \$1,640,138         \$1,809,226           Current income taxes         157,340         240,681           Notes payable and current portion of long-term obligations         -         375,000           Advance billings         425,833         452,130           Total current liabilities         2,223,311         2,877,037           Deferred taxes on income         60,667         69,222           Tax uncertainties and other income tax liabilities         186,452         145,881           Long-term debt         3,346,295         3,642,375           Total liabilities         6,283,491         7,452,890           Noncontrolling interests (Preferred stockholders' equity in subsidiaries)	Allowance for credit losses		(12,609)		(14,610)
Coodwill   1,734,871   2,136,138   Intangible assets, net   120,337   166,214   Non-current income taxes   73,751   94,434   Other assets   534,975   563,374   Total current income taxes   157,340   240,681   Notes payable and current portion of long-term obligations   - 375,000   Advance billings   425,833   452,130   Total current liabilities   2,223,311   2,877,037   Deferred taxes on income   60,667   69,222   Tax uncertainties and other income tax liabilities   186,452   145,881   Long-term debt   3,346,295   3,642,375   Other non-current liabilities   466,766   718,375   Total liabilities   6,283,491   7,452,890   Noncontrolling interests (Preferred stockholders' equity in subsidiaries)   296,370   296,370   Stockholders' equity:   Cumulative preferred stock, \$50 par value, \$2.12 convertible   4   4   4   4   4   4   4   4   4	Finance receivables, net				
Intangible assets, net         120,387         166,214           Non-current income taxes         73,751         94,434           Other assets         534,975         563,374           Total assets         \$6,768,264         \$7,859,891           Liabilities, noncontrolling interests and stockholders' equity         Secondary of the control of the control of long-term of the control of long-term of long-te	Investment in leveraged leases		34,410		34,546
Intangible assets, net         120,387         166,214           Non-current income taxes         73,751         94,434           Other assets         534,975         563,374           Total assets         \$6,768,264         \$7,859,891           Liabilities.         \$6,768,264         \$7,859,891           Liabilities.         S         \$6,768,264         \$7,859,891           Liabilities.         S         \$1,640,138         \$1,809,226           Current liabilities         \$157,340         240,681         \$240,681           Notes payable and current portion of long-term obligations         \$157,340         240,681           Notes payable and current portion of long-term obligations         \$2,223,311         2,877,007           Total current liabilities         \$6,667         69,222           Tax uncertainties and other income tax liabilities         \$186,452         145,881           Long-term debt         3,346,295         3,642,375           Other non-current liabilities         \$6,283,491         7,452,890           Noncontrolling interests (Preferred stockholders' equity in subsidiaries)         \$296,370         296,370           Stockholders' equity:         Cumulative preferned stock, \$50 par value, 4% convertible         \$91         648           Cumulativ	Goodwill		1,734,871		2,136,138
Other assets         534,975         563,374           Total assets         \$ 6,768,264         \$ 7,859,891           Liabilities, noncontrolling interests and stockholders' equity           Current liabilities:           Accounts payable and accrued liabilities         \$ 1,640,138         \$ 1,809,226           Current income taxes         157,340         240,681           Notes payable and current portion of long-term obligations         -         375,000           Advance billings         425,833         452,130           Total current liabilities         2,223,311         2,877,037           Deferred taxes on income         60,667         69,222           Tax uncertainties and other income tax liabilities         186,452         145,881           Long-term debt         3,346,295         3,642,375           Other non-current liabilities         466,766         718,375           Total liabilities         6,283,491         7,452,890           Noncontrolling interests (Preferred stockholders' equity in subsidiaries)         296,370         296,370           Stockholders' equity:         Cumulative preferred stock, \$50 par value, \$% convertible         4         4           Cumulative preferred stock, \$1 par value         323,338         323,338           Addi	Intangible assets, net		120,387		
Total assets         \$ 6,768,264         \$ 7,859,891           Liabilities, noncontrolling interests and stockholders' equity           Current liabilities           Accounts payable and accrued liabilities         \$ 1,640,138         \$ 1,809,226           Current income taxes         157,340         240,681           Notes payable and current portion of long-term obligations         -         375,000           Advance billings         425,833         452,130           Total current liabilities         2,223,311         2,877,037           Deferred taxes on income         60,667         69,222           Tax uncertainties and other income tax liabilities         186,452         145,881           Long-term debt         3,346,295         3,642,375           Other non-current liabilities         466,766         718,375           Total liabilities         6,283,491         7,452,890           Noncontrolling interests (Preferred stockholders' equity in subsidiaries)         296,370         296,370           Stockholders' equity:         2         4         4           Cumulative preferred stock, \$50 par value, \$% convertible         4         4           Cumulative preference stock, no par value, \$2.12 convertible         591         648           Comm	Non-current income taxes		73,751		94,434
Liabilities, noncontrolling interests and stockholders' equity           Current liabilities:         \$ 1,640,138         \$ 1,809,226           Current income taxes         157,340         240,681           Notes payable and current portion of long-term obligations         -         375,000           Advance billings         425,833         452,130           Total current liabilities         2,223,311         2,877,037           Deferred taxes on income         60,667         69,222           Tax uncertainties and other income tax liabilities         186,452         145,881           Long-term debt         3,346,295         3,642,375           Other non-current liabilities         466,766         718,375           Total liabilities         6,283,491         7,452,890           Noncontrolling interests (Preferred stockholders' equity in subsidiaries)         296,370         296,370           Stockholders' equity:         2         4         4           Cumulative preferred stock, \$50 par value, 4% convertible         4         4           Cumulative preference stock, no par value, \$2.12 convertible         591         648           Common stock, \$1 par value         323,338         323,338           Additional paid-in-capital         196,977         223,847 <t< td=""><td>Other assets</td><td></td><td>534,975</td><td></td><td>563,374</td></t<>	Other assets		534,975		563,374
Current liabilities:         Accounts payable and accrued liabilities         \$ 1,640,138         \$ 1,809,226           Current income taxes         157,340         240,681           Notes payable and current portion of long-term obligations         -         375,000           Advance billings         425,833         452,130           Total current liabilities         2,223,311         2,877,037           Deferred taxes on income         60,667         69,222           Tax uncertainties and other income tax liabilities         186,452         145,881           Long-term debt         3,346,295         3,642,375           Other non-current liabilities         466,766         718,375           Total liabilities         6,283,491         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 preferred stock, no par value, \$2.12 convertible         591         648           Common stock, \$1 par value         323,338         323,338           Additional paid-in-capital         196,977         223,847           Retained Earnings         4,698,791         4,744,802           Accumul	Total assets	\$	6,768,264	\$	7,859,891
Current liabilities:         Accounts payable and accrued liabilities         \$ 1,640,138         \$ 1,809,226           Current income taxes         157,340         240,681           Notes payable and current portion of long-term obligations         -         375,000           Advance billings         425,833         452,130           Total current liabilities         2,223,311         2,877,037           Deferred taxes on income         60,667         69,222           Tax uncertainties and other income tax liabilities         186,452         145,881           Long-term debt         3,346,295         3,642,375           Other non-current liabilities         466,766         718,375           Total liabilities         6,283,491         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 preferred stock, no par value, \$2.12 convertible         591         648           Common stock, \$1 par value         323,338         323,338           Additional paid-in-capital         196,977         223,847           Retained Earnings         4,698,791         4,744,802           Accumul	Liabilities, noncontrolling interests and stockholders' equity				
Current income taxes         157,340         240,681           Notes payable and current portion of long-term obligations         -         375,000           Advance billings         425,833         452,130           Total current liabilities         2,223,311         2,877,037           Deferred taxes on income         60,667         69,222           Tax uncertainties and other income tax liabilities         186,452         145,881           Long-term debt         3,346,295         3,642,375           Other non-current liabilities         466,766         718,375           Total liabilities         6,283,491         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 preferred stock, no par value, \$2.12 convertible         591         648           Common stock, \$1 par value         323,338         323,338           Additional paid-in-capital         196,977         223,847           Retained Earnings         4,698,791         4,744,802           Accumulated other comprehensive loss         (574,556)         (681,213)           Treasury Stock, at cost         (4,456,742)<					
Current income taxes         157,340         240,681           Notes payable and current portion of long-term obligations         -         375,000           Advance billings         425,833         452,130           Total current liabilities         2,223,311         2,877,037           Deferred taxes on income         60,667         69,222           Tax uncertainties and other income tax liabilities         186,452         145,881           Long-term debt         3,346,295         3,642,375           Other non-current liabilities         466,766         718,375           Total liabilities         6,283,491         7,452,890           Noncontrolling interests (Preferred stockholders' equity in subsidiaries)         296,370         296,370           Stockholders' equity:         2         4         4           Cumulative preferred stock, \$50 par value, 4% convertible         4         4           Cumulative preferred stock, no par value, \$2.12 convertible         591         648           Common stock, \$1 par value         323,338         323,338           Additional paid-in-capital         196,977         223,847           Retained Earnings         4,698,791         4,744,802           Accumulated other comprehensive loss         (574,556)         (681,213) <td>Accounts payable and accrued liabilities</td> <td>\$</td> <td>1,640,138</td> <td>\$</td> <td>1,809,226</td>	Accounts payable and accrued liabilities	\$	1,640,138	\$	1,809,226
Notes payable and current portion of long-term obligations         -         375,000           Advance billings         425,833         452,130           Total current liabilities         2,223,311         2,877,037           Deferred taxes on income         60,667         69,222           Tax uncertainties and other income tax liabilities         186,452         145,881           Long-term debt         3,346,295         3,642,375           Other non-current liabilities         466,766         718,375           Total liabilities         6,283,491         7,452,890           Noncontrolling interests (Preferred stockholders' equity in subsidiaries)         296,370         296,370           Stockholders' equity:         2         4         4         4           Cumulative preferred stock, \$50 par value, 4% convertible         4         4         4           Cumulative preference stock, no par value, \$2.12 convertible         591         648         648           Common stock, \$1 par value         323,338         323,338         323,338         Additional paid-in-capital         196,977         223,847           Retained Earnings         4,698,791         4,744,802         4,698,791         4,744,802           Accumulated other comprehensive loss         (574,556)         (681,213)<					
Advance billings         425,833         452,130           Total current liabilities         2,223,311         2,877,037           Deferred taxes on income         60,667         69,222           Tax uncertainties and other income tax liabilities         186,452         145,881           Long-term debt         3,346,295         3,642,375           Other non-current liabilities         466,766         718,375           Total liabilities         6,283,491         7,452,890           Noncontrolling interests (Preferred stockholders' equity in subsidiaries)         296,370         296,370           Stockholders' equity:         2         4         4           Cumulative preferred stock, \$50 par value, 4% convertible         4         4           Cumulative preference stock, no par value, \$2.12 convertible         591         648           Common stock, \$1 par value         323,338         323,338           Additional paid-in-capital         196,977         223,847           Retained Earnings         4,698,791         4,744,802           Accumulated other comprehensive loss         (574,556)         (681,213)           Treasury Stock, at cost         (4,456,742)         (4,500,795)           Total Pitney Bowes Inc. stockholders' equity         188,403         110,631			- ,		•
Total current liabilities         2,223,311         2,877,037           Deferred taxes on income         60,667         69,222           Tax uncertainties and other income tax liabilities         186,452         145,881           Long-term debt         3,346,295         3,642,375           Other non-current liabilities         466,766         718,375           Total liabilities         6,283,491         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         591         648           Common stock, \$1 par value         323,338         323,338           Additional paid-in-capital         196,977         223,847           Retained Earnings         4,698,791         4,744,802           Accumulated other comprehensive loss         (574,556)         (681,213)           Treasury Stock, at cost         (4,456,742)         (4,500,795)           Total Pitney Bowes Inc. stockholders' equity         188,403         110,631	. ,		425.833		
Tax uncertainties and other income tax liabilities       186,452       145,881         Long-term debt       3,346,295       3,642,375         Other non-current liabilities       466,766       718,375         Total liabilities       6,283,491       7,452,890         Noncontrolling interests (Preferred stockholders' equity in subsidiaries)       296,370       296,370         Stockholders' equity:       4       4         Cumulative preferred stock, \$50 par value, 4% convertible       4       4         Cumulative preference stock, no par value, \$2.12 convertible       591       648         Common stock, \$1 par value       323,338       323,338         Additional paid-in-capital       196,977       223,847         Retained Earnings       4,698,791       4,744,802         Accumulated other comprehensive loss       (574,556)       (681,213)         Treasury Stock, at cost       (4,456,742)       (4,500,795)         Total Pitney Bowes Inc. stockholders' equity       188,403       110,631	Total current liabilities				
Tax uncertainties and other income tax liabilities       186,452       145,881         Long-term debt       3,346,295       3,642,375         Other non-current liabilities       466,766       718,375         Total liabilities       6,283,491       7,452,890         Noncontrolling interests (Preferred stockholders' equity in subsidiaries)       296,370       296,370         Stockholders' equity:       4       4         Cumulative preferred stock, \$50 par value, 4% convertible       4       4         Cumulative preference stock, no par value, \$2.12 convertible       591       648         Common stock, \$1 par value       323,338       323,338         Additional paid-in-capital       196,977       223,847         Retained Earnings       4,698,791       4,744,802         Accumulated other comprehensive loss       (574,556)       (681,213)         Treasury Stock, at cost       (4,456,742)       (4,500,795)         Total Pitney Bowes Inc. stockholders' equity       188,403       110,631	Deferred taxes on income		60 667		69 222
Long-term debt         3,346,295         3,642,375           Other non-current liabilities         466,766         718,375           Total liabilities         6,283,491         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         591         648           Common stock, \$1 par value         323,338         323,338           Additional paid-in-capital         196,977         223,847           Retained Earnings         4,698,791         4,744,802           Accumulated other comprehensive loss         (574,556)         (681,213)           Treasury Stock, at cost         (4,456,742)         (4,500,795)           Total Pitney Bowes Inc. stockholders' equity         188,403         110,631					,
Other non-current liabilities         466,766         718,375           Total liabilities         6,283,491         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         591         648           Common stock, \$1 par value         323,338         323,338           Additional paid-in-capital         196,977         223,847           Retained Earnings         4,698,791         4,744,802           Accumulated other comprehensive loss         (574,556)         (681,213)           Treasury Stock, at cost         (4,456,742)         (4,500,795)           Total Pitney Bowes Inc. stockholders' equity         188,403         110,631					•
Total liabilities         6,283,491         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         591         648           Common stock, \$1 par value         323,338         323,338           Additional paid-in-capital         196,977         223,847           Retained Earnings         4,698,791         4,744,802           Accumulated other comprehensive loss         (574,556)         (681,213)           Treasury Stock, at cost         (4,456,742)         (4,500,795)           Total Pitney Bowes Inc. stockholders' equity         188,403         110,631	9				
Noncontrolling interests (Preferred stockholders' equity in subsidiaries)  Stockholders' equity:  Cumulative preferred stock, \$50 par value, 4% convertible  Cumulative preference stock, no par value, \$2.12 convertible  Common stock, \$1 par value  323,338  Additional paid-in-capital  Accumulated Earnings  4,698,791  4,744,802  Accumulated other comprehensive loss  Treasury Stock, at cost  Total Pitney Bowes Inc. stockholders' equity  296,370  296,370  296,370  296,370  4  4  4  4  4  4  4  4  4  4  4  4  4					
Stockholders' equity:         Cumulative preferred stock, \$50 par value, 4% convertible       4       4         Cumulative preference stock, no par value, \$2.12 convertible       591       648         Common stock, \$1 par value       323,338       323,338         Additional paid-in-capital       196,977       223,847         Retained Earnings       4,698,791       4,744,802         Accumulated other comprehensive loss       (574,556)       (681,213)         Treasury Stock, at cost       (4,456,742)       (4,500,795)         Total Pitney Bowes Inc. stockholders' equity       188,403       110,631			_		_
Cumulative preferred stock, \$50 par value, 4% convertible       4       4         Cumulative preference stock, no par value, \$2.12 convertible       591       648         Common stock, \$1 par value       323,338       323,338         Additional paid-in-capital       196,977       223,847         Retained Earnings       4,698,791       4,744,802         Accumulated other comprehensive loss       (574,556)       (681,213)         Treasury Stock, at cost       (4,456,742)       (4,500,795)         Total Pitney Bowes Inc. stockholders' equity       188,403       110,631	Noncontrolling interests (Preferred stockholders' equity in subsidiaries)		296,370		296,370
Cumulative preference stock, no par value, \$2.12 convertible       591       648         Common stock, \$1 par value       323,338       323,338         Additional paid-in-capital       196,977       223,847         Retained Earnings       4,698,791       4,744,802         Accumulated other comprehensive loss       (574,556)       (681,213)         Treasury Stock, at cost       (4,456,742)       (4,500,795)         Total Pitney Bowes Inc. stockholders' equity       188,403       110,631	Stockholders' equity:				
Common stock, \$1 par value       323,338       323,338         Additional paid-in-capital       196,977       223,847         Retained Earnings       4,698,791       4,744,802         Accumulated other comprehensive loss       (574,556)       (681,213)         Treasury Stock, at cost       (4,456,742)       (4,500,795)         Total Pitney Bowes Inc. stockholders' equity       188,403       110,631	Cumulative preferred stock, \$50 par value, 4% convertible		4		4
Additional paid-in-capital       196,977       223,847         Retained Earnings       4,698,791       4,744,802         Accumulated other comprehensive loss       (574,556)       (681,213)         Treasury Stock, at cost       (4,456,742)       (4,500,795)         Total Pitney Bowes Inc. stockholders' equity       188,403       110,631	Cumulative preference stock, no par value, \$2.12 convertible		591		648
Retained Earnings       4,698,791       4,744,802         Accumulated other comprehensive loss       (574,556)       (681,213)         Treasury Stock, at cost       (4,456,742)       (4,500,795)         Total Pitney Bowes Inc. stockholders' equity       188,403       110,631	Common stock, \$1 par value		323,338		323,338
Accumulated other comprehensive loss         (574,556)         (681,213)           Treasury Stock, at cost         (4,456,742)         (4,500,795)           Total Pitney Bowes Inc. stockholders' equity         188,403         110,631	Additional paid-in-capital		196,977		223,847
Treasury Stock, at cost         (4,456,742)         (4,500,795)           Total Pitney Bowes Inc. stockholders' equity         188,403         110,631	Retained Earnings		4,698,791		4,744,802
Total Pitney Bowes Inc. stockholders' equity 188,403 110,631	Accumulated other comprehensive loss		(574,556)		(681,213)
	Treasury Stock, at cost		(4,456,742)		(4,500,795)
Total liabilities, noncontrolling interests and stockholders' equity \$ 6,768,264 \$ 7,859,891	Total Pitney Bowes Inc. stockholders' equity		188,403		110,631
	Total liabilities, noncontrolling interests and stockholders' equity	\$	6,768,264	\$	7,859,891

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

Pollars in thousands)	Three Months Ended December 31,						
		2013		2012	% Change		
Revenue							
North America Mailing	\$	437,219		456,243	(4%)		
International Mailing		159,472		158,061	1%		
Small & Medium Business Solutions		596,691		614,304	(3%)		
Production Mail		151,192		143,136	6%		
Presort Services		107,515		107,403	0%		
Enterprise Business Solutions		258,707		250,539	3%		
Digital Commerce Solutions		175,789		150,673	17%		
Total revenue	\$	1,031,187	\$	1,015,516	2%		
<u>EBIT</u> (1)							
North America Mailing	\$	187,088	\$	173,690	8%		
International Mailing		18,535		24,469	(24%)		
Small & Medium Business Solutions		205,623		198,159	4%		
Production Mail		20,761		20,542	1%		
Presort Services		18,127		23,442	(23%)		
Enterprise Business Solutions		38,888		43,984	(12%)		
Digital Commerce Solutions		22,703		13,839	64%		
Total EBIT	\$	267,214	\$	255,982	4%		
Unallocated amounts:							
Interest, net (2)		(45,298)		(45,533)			
Corporate and other expenses		(72,244)		(66,440)			
Restructuring and asset impairments		(30,404)		(18,156)			
Other income, net		(7,518)					
Income from continuing operations before income taxes	\$	111,750	\$	125,853			

<sup>(1)</sup> Earnings before interest and taxes (EBIT) excludes general corporate expenses, restructuring charges and asset impairments.

<sup>(2)</sup> Interest, net includes financing interest expense, other interest expense and interest income.

#### Pitney Bowes Inc. Revenue and EBIT Business Segments December 31, 2013

(Unaudited)

ollars in thousands)	Twelve Months Ended December 31,						
	20	13		2012	% Change		
<u>Revenue</u>							
North America Mailing	\$ 1,72	23,304		1,818,952	(5%)		
International Mailing	60	08,156		607,644	0%		
Small & Medium Business Solutions	2,33	31,460		2,426,596	(4%)		
Production Mail	5	11,544		480,718	6%		
Presort Services	43	30,469		429,804	0%		
Enterprise Business Solutions	94	42,013		910,522	3%		
Digital Commerce Solutions	5	95,928		577,946	3%		
Total Revenue	\$ 3,80	69,401	\$	3,915,064	(1%)		
EBIT (1)							
North America Mailing	\$ 6	75,389	\$	688,665	(2%)		
International Mailing	-	71,502		76,139	(6%)		
Small & Medium Business Solutions	74	46,891		764,804	(2%)		
Production Mail		55,000		48,981	12%		
Presort Services	8	83,259		106,170	(22%)		
Enterprise Business Solutions	1;	38,259		155,151	(11%)		
Digital Commerce Solutions		42,837		37,513	14%		
Total EBIT	\$ 92	27,987	\$	957,468	(3%)		
Unallocated amounts:							
Interest, net (2)	(19	90,364)		(188,387)			
Corporate and other expenses	(2	17,463)		(216,455)			
Restructuring and asset impairments	(8	84,344)		(17,176)			
Other income, net	(;	32,639)		(1,138)			
Income from continuing operations before income taxes	\$ 40	03,177	\$	534,312			

<sup>(1)</sup> Earnings before interest and taxes (EBIT) excludes general corporate expenses, restructuring charges and asset impairments.

<sup>(2)</sup> 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,				
		2013		2012	2013			2012	
GAAP income from continuing operations after income taxes, as reported Restructuring charges and asset impairments Sale of leveraged lease assets Extinguishment of debt	\$	79,618 23,362 - 4,586	\$	86,115 12,760 -	\$	301,733 59,024 - 19,911	\$	395,684 11,610 (12,886)	
Income from continuing operations after income taxes, as adjusted	\$	107,566	\$	98,875	\$	380,668	\$	394,408	
GAAP diluted earnings per share from continuing operations, as reported Restructuring charges and asset impairments Sale of leveraged lease Extinguishment of debt	\$	0.39 0.11 - 0.02	\$	0.43 0.06 -	\$	1.49 0.29 - 0.10	\$	1.96 0.06 (0.06)	
Diluted earnings per share from continuing operations, as adjusted	\$	0.53	\$	0.49	\$	1.88	\$	1.96	
GAAP net cash provided by operating activities, as reported Capital expenditures Restructuring payments Pension contribution Tax and other payments on sale of businesses and leveraged lease assets Reserve account deposits Extinguishment of debt	\$	131,264 (34,120) 18,167 - 75,545 (3,142) 7,518	\$	255,560 (48,770) 13,972 - 14,879 17,009	\$	624,824 (137,512) 59,520 - 75,545 (20,104) 32,639	\$	660,188 (176,586) 74,718 95,000 114,128 1,636	
Free cash flow, as adjusted	\$	195,232	\$	252,650	\$	634,912	\$	769,084	

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,					Twelve Months Ended December				
		2013		2012		2013		2012		
GAAP income from continuing operations										
after income taxes, as reported	\$	79,618	\$	86,115	\$	301,733	\$	395,684		
Restructuring charges and asset impairments		23,362		12,760		59,024		11,610		
Extinguishment of debt		4,586		-		19,911		-		
Sale of leveraged lease assets		-		-		-		(12,886)		
Income from continuing operations								·		
after income taxes, as adjusted		107,566		98,875		380,668		394,408		
Provision for income taxes, as adjusted		37,513		40,540		121,118		142,521		
Preferred stock dividends of subsidiaries										
attributable to noncontrolling interests		4,593		4,594		18,375		18,376		
Income from continuing operations, as adjusted		149,672		144,009		520,161		555,305		
Interest expense, net		45,298		45,533		190,364		188,387		
Adjusted EBIT		194,970		189,542		710,525		743,692		
Depreciation and amortization		43,866		54,179		200,422		218,921		
Adjusted EBITDA	\$	238,836	\$	243,721	\$	910,947	\$	962,613		