Pitney Bowes Inc. Consolidated Statements of Income

(Unaudited; in thousands, except share and per share amounts)

		e months end	led Sep	otember 30,	Nin	Nine months ended September 30,					
		2016		2015		2016		2015			
Revenue:											
Equipment sales	\$	173,143	\$	163,857	\$	485,145	\$	495,328			
Supplies		61,306		71,174		198,631		215,178			
Software		89,087		97,700		257,760		283,241			
Rentals		102,747		108,420		309,706		333,729			
Financing		87,883		99,925		276,915		306,992			
Support services		123,954		136,820		383,632		415,615			
Business services		200,911		191,645		607,717		591,030			
Total revenue		839,031		869,541		2,519,506		2,641,113			
Costs and expenses:											
Cost of equipment sales		86,147		78,650		235,741		232,706			
Cost of supplies		20,348		21,629		60,662		65,912			
Cost of software		25,698		27,219		79,496		85,584			
Cost of rentals		16,041		21,423		54,951		63,127			
Financing interest expense		12,965		17,533		41,375		54,171			
Cost of support services		74,799		79,747		224,790		244,853			
Cost of business services		140,989		130,004		417,357		405,559			
				,				,			
Selling, general and administrative		300,983		309,211		916,445		939,318			
Research and development		28,680		29,153		89,761		83,693			
Restructuring charges and asset impairments, net		16,494		36		49,503		14,305			
Interest expense, net		22,294		20,165		62,394		65,200			
Other (income) expense, net		<u> </u>		(1,781)		536		(94,916)			
Total costs and expenses		745,438		732,989		2,233,011		2,159,512			
Income from continuing operations before income taxes		93,593		136,552		286,495		481,601			
Provision for income taxes		23,197		42,676		93,615		145,574			
		23,137		42,070		33,013		143,374			
Income from continuing operations		70,396		93,876		192,880		336,027			
Loss from discontinued operations, net of tax		(291)		-		(1,951)		(582)			
Net income		70,105		93,876		190,929		335,445			
				,							
Less: Preferred stock dividends attributable to noncontrolling interests		4,593		4,594		13,781		13,781			
Net income - Pitney Bowes Inc.	\$	65,512	\$	89,282	\$	177,148	\$	321,664			
Amounts attributable to common stockholders:											
Net income from continuing operations	\$	65,803	\$	89,282	\$	179,099	\$	322,246			
Loss from discontinued operations, net of tax		(291)		-		(1,951)		(582)			
Net income - Pitney Bowes Inc.	\$	65,512	\$	89,282	\$	177,148	\$	321,664			
-											
Basic earnings per share attributable to common stockholders ⁽¹⁾ :											
Continuing operations	\$	0.35	\$	0.45	\$	0.95	\$	1.60			
Discontinued operations		0.00		-		(0.01)		-			
Net income - Pitney Bowes Inc.	\$	0.35	\$	0.45	\$	0.94	\$	1.60			
Diluted earnings per share attributable to common stockholders ⁽¹⁾ :											
	•	~ ~ -	^	~	¢	~ ~ /	¢				
Continuing operations	\$	0.35	\$	0.44	\$	0.94	\$	1.60			
Discontinued operations		0.00				(0.01)					
Net income - Pitney Bowes Inc.	\$	0.35	\$	0.44	\$	0.93	\$	1.59			
Weighted-average shares used in diluted earnings per share	1	86,682,575		201,016,809		189,592,489		201,884,967			
		- 3,002,010		,0.0,000							

 $^{(1)}\,$ 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 share amounts)

Current assets: \$ 992,089 \$ 650,557 Short-term investments 24,259 117,021 Accounts receivable, net 435,015 476,583 Short-term investments 108,766 88,824 Other current income taxes 108,766 88,824 Current income taxes 13,060 6,584 Other current assets 2,501,608 2,325,352 Property, plant and equipment, net 312,597 330,088 Rental property and equipment, net 704,294 760,657 Condvill 1,766,418 1,745,957 Intangible assets, net 174,254 70,294 Other assets 55,3635 525,891 Total assets 5 6,258,874 \$ 6,123,132 Liabilities: Accounts payable and accrued liabilities \$ 1,307,808 \$ 1,448,321 Current liabilities: 2,165,420 2,279,051 16,620 Current liabilities 5,7423 68,429 2,05,687 Advance billings 54,7424 665,31 353,025 Total aurrent liabilities	Assets	September 30, 2016	December 31, 2015 ⁽¹⁾
Short-term investments 24,259 117,021 Accounts receivable, net 435,015 476,583 Short-term finance receivables, net 108,766 88,824 Current income taxes 13,060 6,584 Other current assets and prepayments 65,622 67,400 Total current assets 2,501,608 2,325,352 Property, plant and equipment, net 117,654 177,515 Long-term finance receivables, net 704,224 760,067 Goodwill 1,766,6418 1,745,957 176,06,47 Noncurrent income taxes 66,547 700,294 700,667 Other assets 56,625,874 \$ 6,123,132 \$ Liabilities. 56,625 \$ 52,891 Yourrent liabilities \$ 6,258,874 \$ 6,123,132 Current liabilities. \$ 1,307,808 \$ 1,448,321 Current liabilities. \$ 1,448,321 \$ Accounts payable and accrued liabilities \$ 1,237,828 \$ 461,085 Advance billings 303,153 333,025 Total current liabilities		^	^
Accounts receivable, net 435.015 476,583 Short-term finance receivables, net 862,797 918,383 Inventories 130,660 6,584 Other current assets and prepayments 65,622 67,400 Total current assets 2,501,608 2,325,352 Property, plant and equipment, net 312,597 330,088 Rental property and equipment, net 174,221 177,515 Long-term finance receivables, net 704,294 760,657 Goodwill 1,766,418 1,745,957 Intrangible assets, net 174,221 187,378 Noncurrent income taxes 66,547 70,294 Other assets 553,635 525,891 Total assets \$ 1,307,808 \$ 1,448,321 Current income taxes 19,170 16,620 Current inabilities: \$ 2,165,420 2,279,051 Accounts payable and accrued liabilities 51,532 56,668 Tax uncertainties and other income tax liabilities 57,423 68,429 Current iabilities 54,420 2,279,051			
Short-term finance receivables, net Inventories 662.797 918.383 Inventories 108,766 88.824 Current income taxes 13,060 6.542 Other current assets and prepayments 65.622 67.400 Total current assets 2,501,608 2,325,352 Property, plant and equipment, net 179,554 177,515 Long-term finance receivables, net 704.294 706.657 Goodwill 1,766,418 1,745,957 Intangible assets, net 174,2554 177,755 Noncurrent income taxes 66,547 70,294 Other assets 553,635 525,891 Total assets \$ 6,258,874 \$ Accounts payable and accrued liabilities \$ 1,307,808 \$ 1,448,321 Current income taxes 19,170 16,620 2,279,051 16,620 Current income taxes 2,165,420 2,279,051 2,263,1767 2,489,583 Other oncurrent liabilities 5,422,02 2,279,051 2,66,82,09 2,66,82,09 2,66,82,09			
Inventories 108,766 88,824 Current income taxes 13,060 6,584 Other current assets and prepayments 2,501,608 2,325,352 Total current assets 2,501,608 2,325,352 Property, plant and equipment, net 312,597 330,088 Rental property and equipment, net 179,554 177,715 Long-term finance receivables, net 704,294 760,657 Goodwill 1,766,418 1,744,957 Intrangible assets, net 174,221 187,378 Noncurrent income taxes 66,547 70,294 Other assets 553,635 525,891 Total assets \$ 6,123,132 Liabilities: Accounts payable and accrued liabilities \$ 1,307,808 \$ 1,448,321 Current income taxes 19,170 16,620 Current portion of long-term debt and notes payable 333,153 333,025 Total current liabilities 2,165,420 2,279,051 Deferred taxes on income 2,29,998 205,668 Tax uncertainties and other income tax liabilities 5,422,052			
Current income taxes 13,060 6,584 Other current assets and prepayments 65,622 67,400 Total current assets 2,501,608 2,325,352 Property, plant and equipment, net 112,597 330,088 Rental property and equipment, net 179,554 177,515 Long-term finance receivables, net 704,294 760,657 Goodwill 1,766,418 1,745,957 Intangible assets, net 174,221 187,378 Noncurrent income taxes 66,547 70,294 Other assets 553,635 525,891 Total assets \$ 6,258,874 \$ 6,123,132 Liabilities, noncontrolling interests and stockholders' equity 300,153 353,025 Accounts payable and accrued liabilities \$ 1,307,808 \$ 1,448,321 Current income taxes 19,170 16,620 Current portion of long-term debt and notes payable 353,025 Advance billings 2,165,420 2,279,051 Deferred taxes on income 2,29,998 205,668 Tax uncertaintities and other income tax liabilities 5,42,420 <td></td> <td></td> <td></td>			
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Total current assets 2,501,608 2,325,352 Property, plant and equipment, net 312,597 330,088 Rental property and equipment, net 179,554 177,515 Long-term finance receivables, net 704,294 760,657 Goodwill 1,766,418 1,74,2516 Intangible assets, net 174,221 187,378 Noncurrent income taxes 66,547 70,294 Other assets 553,635 525,891 Total assets \$ 6,258,874 \$ 6,123,132 Liabilities, noncontrolling interests and stockholders' equity Current liabilities \$ 1,307,808 \$ 1,448,321 Current liabilities \$ 1,307,808 \$ 1,448,321 Current liabilities \$ 333,025 Total current liabilities \$ 1,448,321 Current liabilities \$ 2,165,420 2,279,051 Deferred taxes on income 2,29,998 205,668 \$ 33,025 \$ 6,449 Long-term debt 2,817,67 2,489,583 Other noncurrent liabilities \$ 547,444 605,310 Total current liabilities \$ 5,832,052 \$ 5,648,041 \$ 0,5			
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Rental property and equipment, net 179,554 177,515 Long-term finance receivables, net 704,294 760,657 Goodwill 1,766,418 1,745,957 Intangible assets, net 174,221 187,378 Noncurrent income taxes 66,547 70,294 Other assets 553,635 525,891 Total assets \$ 6,258,874 \$ 6,123,132 Liabilities, noncontrolling interests and stockholders' equity \$ 1,307,808 \$ 1,448,321 Current liabilities: Accounts payable and accrued liabilities \$ 1,307,808 \$ 1,448,321 Current portio of long-term debt and notes payable 535,289 461,085 Advance billings 303,153 353,025 Total current liabilities 2,165,420 2,279,051 Deferred taxes on income 229,998 205,668 Tax uncertainties and other income tax liabilities 5,432,052 5,648,041 Noncontrolling interests (Preferred stockholders' equity in subsidiaries) 296,370 296,370 Stockholders' equity: 1 1 1 Current income taxes on income <t< td=""><td>I otal current assets</td><td>2,501,608</td><td>2,325,352</td></t<>	I otal current assets	2,501,608	2,325,352
Long-term finance receivables, net 704,294 760,657 Goodwill 1,766,418 1,745,957 Intangible assets, net 174,221 187,378 Noncurrent income taxes 66,547 70,294 Other assets 553,635 525,891 Total assets \$ 6,258,874 \$ 6,123,132 Liabilities, noncontrolling interests and stockholders' equity Current liabilities: \$ 1,307,808 \$ 1,448,321 Current income taxes 19,170 16,620 2,279,051 19,170 16,620 2,279,051 Deferred taxes on income 22,9998 205,668 303,153 353,025 Total current liabilities 57,423 68,429 20,668 648,429 Long-term debt 2,831,767 2,489,583 0ther noncurrent liabilities 5,648,041 Noncontrolling interests (Preferred stockholders' equity in subsidiaries) 296,370 296,370 296,370 Stockholders' equity: Currenti liabilities 5,648,041 1 1 Noncontrolling interests (Preferred stockholders' equity in subsid	Property, plant and equipment, net	312,597	330,088
Goodwill 1,766,418 1,745,957 Intangible assets, net 174,221 187,378 Noncurrent income taxes 66,547 70,294 Other assets 553,635 525,891 Total assets \$ 6,258,874 \$ 6,123,132 Liabilities. \$ 6,258,874 \$ 6,123,132 Accounts payable and accrued liabilities \$ 1,307,808 \$ 1,448,321 Current income taxes 19,170 16,620 Current portion of long-term debt and notes payable 535,289 461,085 Advance billings 303,153 353,025 Total current liabilities 2,165,420 2,279,051 Deferred taxes on income 229,998 205,668 Tax uncertainties and other income tax liabilities 5,832,052 5,648,041 Other noncurrent liabilities 5,832,052 5,648,041 Noncontrolling interests (Preferred stockholders' equity in subsidiaries) 296,370 296,370 Stockholders' equity: 2 14,997 161,280 Current indibilities 5,832,052 5,648,041 1 Noncontrol	Rental property and equipment, net	179,554	177,515
Intangible assets, net 174,221 187,378 Noncurrent income taxes 66,547 70,294 Other assets \$ 6,258,874 \$ 6,123,132 Itabilities, noncontrolling interests and stockholders' equity \$ 1,307,808 \$ 1,448,321 Current liabilities: Accounts payable and accrued liabilities \$ 1,307,808 \$ 1,448,321 Current niccome taxes 19,170 16,620 Current portion of long-term debt and notes payable 535,289 461,085 Advance billings 303,153 353,025 Total current liabilities 2,165,420 2,279,051 Deferred taxes on income 229,998 205,668 Tax uncertainties and other income tax liabilities 57,423 68,429 Long-term debt 2,489,583 0ther noncurrent liabilities 5,648,041 Noncontrolling interests (Preferred stockholders' equity in subsidiaries) 296,370 296,370 Stockholders' equity: Curmulative preference stock, no par value, \$2,12 convertible 1 1 Current liabilities preference stock, no par value, \$2,212 convertible 149,997 161,280 Cumulative prefer	Long-term finance receivables, net	704,294	760,657
Noncurrent income taxes 66,547 70,294 Other assets 553,635 525,891 Total assets \$ 6,258,874 \$ 6,123,132 Liabilities, noncontrolling interests and stockholders' equity \$ 1,307,808 \$ 1,448,321 Current liabilities: Accounts payable and accrued liabilities \$ 1,307,808 \$ 1,448,321 Current portion of long-term debt and notes payable 535,289 461,085 Advance billings 303,153 353,025 Total current liabilities 2,165,420 2,279,051 Deferred taxes on income 229,998 205,668 Tax uncertainties and other income tax liabilities 57,423 68,429 Long-term debt 2,831,767 2,489,583 Other noncurrent liabilities 5,832,052 5,648,041 Noncontrolling interests (Preferred stockholders' equity in subsidiaries) 296,370 296,370 Stockholders' equity: 1 1 1 Curruntlative preferred stock, \$50 par value, \$% convertible 1 1 Currunaltive preferred stock, \$50 par value, \$2,12 convertible 489 505 C	Goodwill	1,766,418	1,745,957
Other assets553,635525,891Total assets\$6,123,132Liabilities: noncontrolling interests and stockholders' equityCurrent liabilities:Accounts payable and accrued liabilities\$1,307,808\$1,448,321Current income taxes19,17016,620Current portion of long-term debt and notes payable535,289461,085Advance billings303,153353,025Total current liabilities2,165,4202,279,051Deferred taxes on income229,998205,668Tax uncertainties and other income tax liabilities57,42368,429Long-term debt2,831,7672,489,583Other noncurrent liabilities5,832,0525,648,041Noncontrolling interests (Preferred stockholders' equity in subsidiaries)296,370296,370Stockholders' equity:111Cumulative preference stock, no par value, 4% convertible11Cumulative preference stock, no par value, 52,12 convertible489505Common stock, \$1 par value323,338323,338323,338Additional paid-in-capital149,997161,280Retained earnings5,226,8945,155,537Accumulated other comprehensive loss(825,962)(888,635)Treasury stock, at cost(4,744,305)(4,573,305)Total Pitney Bowes Inc. stockholders' equity130,452178,721	Intangible assets, net	174,221	187,378
Total assets \$ 6,258,874 \$ 6,123,132 Liabilities, noncontrolling interests and stockholders' equity Current liabilities:	Noncurrent income taxes	66,547	70,294
Liabilities, noncontrolling interests and stockholders' equityCurrent liabilities: Accounts payable and accrued liabilities\$ 1,307,808\$ 1,448,321Current portion of long-term debt and notes payable535,289461,085Advance billings303,153353,025Total current liabilities2,165,4202,279,051Deferred taxes on income229,998205,668Tax uncertainties and other income tax liabilities57,42368,429Long-term debt2,831,7672,489,583Other noncurrent liabilities547,444605,310Total liabilities5,832,0525,648,041Noncontrolling interests (Preferred stockholders' equity in subsidiaries)296,370296,370Stockholders' equity: Cumulative preferred stock, \$50 par value, 4% convertible111Cumulative preferred stock, \$50 par value, \$2,12 convertible489505505Common stock, \$1 par value323,338323,338323,338Additional paid-in-capital149,997161,280149,997161,280Retained earnings5,226,8945,155,537Accumulated other comprehensive loss(825,962)(888,635)Treasury stock, at cost(4,774,305)(4,774,305)(4,573,305)Total Pitney Bowes Inc. stockholders' equity130,452178,721	Other assets	553,635	525,891
Current liabilities:\$ 1,307,808\$ 1,448,321Accounts payable and accrued liabilities\$ 1,9,17016,620Current income taxes19,17016,620Current portion of long-term debt and notes payable535,2894461,085Advance billings303,153353,025Total current liabilities2,165,4202,279,051Deferred taxes on income229,998205,668Tax uncertainties and other income tax liabilities57,42368,429Long-term debt2,831,7672,489,583Other noncurrent liabilities547,444605,310Total liabilities5,832,0525,648,041Noncontrolling interests (Preferred stockholders' equity in subsidiaries)296,370296,370Stockholders' equity:111Cumulative preferred stock, \$50 par value, 4% convertible11Cumulative preferred stock, \$1 par value323,338323,338Additional paid-in-capital149,997161,280Retained earnings5,226,8945,155,537Accumulated other comprehensive loss(825,962)(888,635)Treasury stock, at cost(4,744,305)(4,573,305)Total Pitney Bowes Inc. stockholders' equity130,452178,721	Total assets	\$ 6,258,874	\$ 6,123,132
Deferred taxes on income229,998205,668Tax uncertainties and other income tax liabilities57,42368,429Long-term debt2,831,7672,489,583Other noncurrent liabilities547,444605,310Total liabilities5,832,0525,648,041Noncontrolling interests (Preferred stockholders' equity in subsidiaries)296,370296,370Stockholders' equity:2211Cumulative preferred stock, \$50 par value, 4% convertible111Cumulative preferred stock, no par value, \$2.12 convertible489505505Common stock, \$1 par value323,338323,338323,338Additional paid-in-capital149,997161,280161,280Retained earnings5,226,8945,155,5376825,962)(888,635)Treasury stock, at cost(4,744,305)(4,573,305)130,452178,721	Current liabilities: Accounts payable and accrued liabilities Current income taxes Current portion of long-term debt and notes payable	19,170 535,289	16,620 461,085
Tax uncertainties and other income tax liabilities 57,423 68,429 Long-term debt 2,831,767 2,489,583 Other noncurrent liabilities 547,444 605,310 Total liabilities 5,832,052 5,648,041 Noncontrolling interests (Preferred stockholders' equity in subsidiaries) 296,370 296,370 Stockholders' equity: Cumulative preferred stock, \$50 par value, 4% convertible 1 1 Cumulative preferred stock, no par value, \$2.12 convertible 489 505 Common stock, \$1 par value 323,338 323,338 Additional paid-in-capital 149,997 161,280 Retained earnings 5,226,894 5,155,537 Accumulated other comprehensive loss (825,962) (888,635) Treasury stock, at cost (4,744,305) (4,573,305) Total Pitney Bowes Inc. stockholders' equity 130,452 178,721	-		
Noncontrolling interests (Preferred stockholders' equity in subsidiaries)296,370296,370Stockholders' equity: Cumulative preferred stock, \$50 par value, 4% convertible11Cumulative preference stock, no par value, \$2.12 convertible489505Common stock, \$1 par value323,338323,338Additional paid-in-capital149,997161,280Retained earnings5,226,8945,155,537Accumulated other comprehensive loss(825,962)(888,635)Treasury stock, at cost(4,744,305)(4,573,305)Total Pitney Bowes Inc. stockholders' equity130,452178,721	Tax uncertainties and other income tax liabilities Long-term debt Other noncurrent liabilities	57,423 2,831,767 547,444	68,429 2,489,583 605,310
Stockholders' equity:11Cumulative preferred stock, \$50 par value, 4% convertible11Cumulative preference stock, no par value, \$2.12 convertible489505Common stock, \$1 par value323,338323,338Additional paid-in-capital149,997161,280Retained earnings5,226,8945,155,537Accumulated other comprehensive loss(825,962)(888,635)Treasury stock, at cost(4,744,305)(4,573,305)Total Pitney Bowes Inc. stockholders' equity130,452178,721	Total habilities	5,652,052	5,646,041
Cumulative preferred stock, \$50 par value, 4% convertible11Cumulative preference stock, no par value, \$2.12 convertible489505Common stock, \$1 par value323,338323,338Additional paid-in-capital149,997161,280Retained earnings5,226,8945,155,537Accumulated other comprehensive loss(825,962)(888,635)Treasury stock, at cost(4,744,305)(4,573,305)Total Pitney Bowes Inc. stockholders' equity130,452178,721		296,370	296,370
Total Pitney Bowes Inc. stockholders' equity130,452178,721	Cumulative preferred stock, \$50 par value, 4% convertible Cumulative preference stock, no par value, \$2.12 convertible Common stock, \$1 par value Additional paid-in-capital Retained earnings Accumulated other comprehensive loss	489 323,338 149,997 5,226,894 (825,962)	505 323,338 161,280 5,155,537 (888,635)
	Total Pitney Bowes Inc. stockholders' equity	130,452	178,721

⁽¹⁾ Certain prior year amounts have been revised for accounting rules that became effective January 1, 2016 and to conform to current year presentation.

Pitney Bowes Inc. Business Segments - Revenue and EBIT

(Unaudited; in thousands)

	Three	nonth	s ended Septe	ember 30,	Nine months ended September 30,					
	2016		2015	% Change	2016	2015	% Change			
Revenue										
North America Mailing	\$ 329,99	5 5	353,159	(7%)	\$ 1,001,789	\$ 1,071,824	(7%)			
International Mailing	95,62	3	104,615	(9%)	305,725	331,398	(8%)			
Small & Medium Business Solutions	425,62	3	457,774	(7%)	1,307,514	1,403,222	(7%)			
Production Mail	106,35)	101,646	5%	289.649	298,880	(3%)			
Presort Services	114,05		115,912	(2%)	357,214	351,365	2%			
Enterprise Business Solutions	220,40		217,558	1%	646,863	650,245	(1%)			
Software Solutions	89,03		97,638	(9%)	257,417	282,916	(9%)			
Global Ecommerce	103,97		96,571	8%	307,712	249,923	23%			
Digital Commerce Solutions	193,00		194,209	(1%)	565,129	532,839	6%			
Other			_			54,807	(100%)			
	<u> </u>		000 544	(10())	<u> </u>	·				
Total revenue	\$ 839,03	<u> </u>	869,541	(4%)	\$ 2,519,506	\$ 2,641,113	(5%)			
<u>EBIT</u> ⁽¹⁾										
North America Mailing	\$ 138,58	3 5	5 159,319	(13%)	\$ 436,730	\$ 482,376	(9%)			
International Mailing	9,73		10,739	(9%)	34,365	36,585	(6%)			
Small & Medium Business Solutions	148,32		170,058	(13%)	471,095	518,961	(9%)			
Production Mail	15,69	6	12,401	27%	35,434	31,461	13%			
Presort Services	19,18	I	25,908	(26%)	69,305	76,946	(10%)			
Enterprise Business Solutions	34,87		38,309	(9%)	104,739	108,407	(3%)			
Software Solutions	10,32)	14,613	(29%)	17,908	34,904	(49%)			
Global Ecommerce	4,38		(1,240)	>100%	8,835	9,962	(11%)			
Digital Commerce Solutions	14,71	3	13,373	10%	26,743	44,866	(40%)			
Other		-	-	-	-	10,569	(100%)			
Segment EBIT	\$ 197,91	6	5 221,740	(11%)	\$ 602,577	\$ 682,803	(12%)			
Reconciliation of segment EBIT to net income]									
Segment EBIT	\$ 197,91	6 9	6 221,740		\$ 602,577	\$ 682,803				
Corporate expenses	(51,99	2)	(49,235)		(158,536)	(151,959)				
Adjusted EBIT	145,92	1	172,505		444,041	530,844				
Interest, net ⁽²⁾	(35,25	9)	(37,698)		(103,769)	(119,371)				
Restructuring charges and asset impairments, net	(16,49	4)	(36)		(49,503)	(14,305)				
Other income (expense), net	/	-	1,781		(536)	94,916				
Acquisition/disposition related expenses	(57) 93.59	<u> </u>	126 552		(3,738) 286.495	(10,483) 481.601				
Income from continuing operations before income taxes Provision for income taxes	(23,19		136,552 (42,676)		286,495 (93,615)	(145,574)				
Income from continuing operations	70,39	<u> </u>	93,876		192,880	336,027				
Loss from discontinued operations, net of tax	(29		-		(1,951)	(582)				
Net income	\$ 70,10		93,876		\$ 190,929	\$ 335,445				

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

 $^{\left(2\right) }$ 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 amounts)

	Three months ended September 30,			tember 30,	Nine months ended September 30,					
		2016	2015		Y/Y Chg.		2016	2015		Y/Y Chg
Reconciliation of reported revenue to revenue excluding currency and Market Exits										
Revenue, as reported	\$	839,031	\$	869,541	(4%)	\$	2,519,506	\$	2,641,113	(
nfavorable impact on revenue due to currency		8,436		-	NM		23,157		-	
evenue, excluding currency		847,467		869,541	(3%)		2,542,663		2,641,113	(
ess revenue from Market Exits		(1,164)		(8,352)	NM		(3,703)	-	(19,894)	
evenue, excluding currency and Market Exits	\$	846,303	\$	861,189	(2%)	\$	2,538,960	\$	2,621,219	(
Reconciliation of reported net income to adjusted earnings										
et income	\$	70,105	\$	93,876		\$	190,929	\$	335,445	
os from discontinued operations, net of tax	Ŷ	291	Ŷ	-		Ŷ	1,951	Ŷ	582	
estructuring charges and asset impairments, net		10,840		47			32,399		8,607	
oss (gain) on disposition of businesses		275		30			2,698		(88,399)	
ransaction costs related to acquisitions and dispositions		90		5,323			206		11,428	
egal settlement		-		(370)			-		4,250	
vestment divestiture		-		(7,756)			-		(7,756)	
ax cost - preferred stock redemption		4,847		-			4,847		-	
cquisition/disposition related expenses		-,		-					7,246	
come from continuing operations, after									.,	
income taxes, as adjusted		86,448		91,150			233,030		271,403	
ovision for income taxes, as adjusted		24,217		43,657			107,242		140,070	
come from continuing operations before income taxes, as adjusted		110,665		134,807			340,272		411,473	
terest, net		35,259		37,698			103,769		119,371	
BIT, as adjusted		145,924		172,505			444,041		530,844	
epreciation and amortization		50,687		42,333			140,225		127,486	
BITDA, as adjusted	\$	196,611	\$	214,838		\$	584,266	\$	658,330	
Reconciliation of reported diluted earnings per share to adjusted diluted earnings per share from continuing operations Diluted earnings per share coss from discontinued operations, net of tax Restructuring charges and asset impairments, net coss (gain) on disposition of businesses Transaction costs related to acquisitions and dispositions	\$	0.35 - 0.06 -	\$	0.44		\$	0.93 0.01 0.17 0.01	\$	1.59 - 0.04 (0.44) 0.06	
egal settlement		-		-			-		0.02	
vestment divestiture		-		(0.04)			-		(0.04)	
ax cost - preferred stock redemption		0.03		-			0.03		-	
cquisition/disposition related expenses		-		-			-		0.04	
iluted earnings per share from continuing										
operations, as adjusted	\$	0.44	\$	0.43		\$	1.16	\$	1.28	
te: The sum of the earnings per share amounts may not equal the totals due to r	ounding.									
Reconciliation of reported net cash from operating activities to free ash flow										
et cash provided by operating activities apital expenditures estructuring payments ension contribution eserve account deposits cquisition/disposition related expenses	\$	137,342 (44,173) 17,295 - 8,956	\$	150,392 (40,716) 15,281 - (4,166)		\$	290,929 (115,532) 51,161 36,731 1,813	\$	351,400 (130,328) 46,056 - (25,630) 10,483	
ax (receipts) payments related to investment divestiture		-		(5,773)			-		20,602	
ax payment related to sale of Imagitas		-		15,918			-		15,918	
Cash transaction fees				-			335		11,116	
ree cash flow	\$	119,420	\$	130,936		\$	265,437	\$	299,617	
			-							