

PITNEY BOWES INC /DE/
Form 10-Q
August 01, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 1-3579

PITNEY BOWES INC.

(Exact name of registrant as specified in its charter)

Delaware 06-0495050
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

1 Elmcroft Road, Stamford, Connecticut 06926-0700
(Address of principal executive offices) (Zip Code)

(203) 356-5000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of July 23, 2013, 201,812,523 shares of common stock, par value \$1 per share, of the registrant were outstanding.

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PART I. FINANCIAL INFORMATION

Item 1: Financial Statements

PITNEY BOWES INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(Unaudited; in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Revenue:				
Equipment sales	\$243,644	\$224,235	\$458,643	\$444,414
Supplies	72,337	70,522	146,624	146,887
Software	100,482	104,551	187,494	208,901
Rentals	136,775	145,497	273,154	285,886
Financing	115,929	122,948	232,691	249,696
Support services	163,178	171,254	328,664	344,772
Business services	325,862	327,350	649,207	655,447
Total revenue	1,158,207	1,166,357	2,276,477	2,336,003
Costs and expenses:				
Cost of equipment sales	128,426	106,718	237,763	203,634
Cost of supplies	22,692	20,863	45,954	44,734
Cost of software	21,435	24,404	42,141	45,497
Cost of rentals	26,424	31,851	54,179	62,076
Financing interest expense	19,798	20,642	39,673	41,781
Cost of support services	104,282	112,123	212,291	227,210
Cost of business services	248,715	242,010	495,611	485,952
Selling, general and administrative	376,559	380,656	748,014	779,852
Research and development	31,501	33,811	64,836	67,884
Restructuring charges and asset impairments	19,955	(585)	19,955	(585)
Goodwill impairment	97,787	—	97,787	—
Other interest expense	31,347	30,353	62,086	59,720
Interest income	(1,302)	(2,003)	(3,050)	(3,736)
Other expense, net	—	4,372	25,121	1,138
Total costs and expenses	1,127,619	1,005,215	2,142,361	2,015,157
Income from continuing operations before income taxes	30,588	161,142	134,116	320,846
Provision for income taxes	15,160	53,113	42,899	68,211
Income from continuing operations	15,428	108,029	91,217	252,635
(Loss) income from discontinued operations, net of tax	(20,067)	(3,812)	(23,756)	14,846