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PITNEY BOWES INC /DE/
Form 8-K
January 30, 2003

United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549-1004

FORM 8 - K
CURRENT REPORT

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

Date of Report (Date of earliest event reported): January 28, 2003

PITNEY BOWES INC.

Commission File Number: 1-3579

State of Incorporation
Delaware

IRS Employer Identification No.
06-0495050

World Headquarters
Stamford, Connecticut 06926-0700
Telephone Number: (203) 356-5000

Item 5 - Other Events.

The registrant's press release dated January 28, 2003 regarding its financial results for the period ended December 31, 2002, including consolidated statements of income, selected segment data and reconciliation of reported consolidated results to proforma results for the three and twelve months ended December 31, 2002 and 2001, and consolidated balance sheets at December 31, 2002, September 30, 2002 and December 31, 2001, are attached.

Item 7 - Financial Statements and Exhibits.

c. Exhibits.

The following exhibits are furnished in accordance with the provisions of Item 601 of Regulation S-K:

Exhibit	Description
(1)	Pitney Bowes Inc. press release dated January 28, 2003.

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Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PITNEY BOWES INC.

January 30, 2003

/s/ B.P. Nolop

B. P. Nolop
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

/s/ A.F Henock

A. F. Henock
Vice President - Finance
(Principal Accounting Officer)

EXHIBIT 1

FOR IMMEDIATE RELEASE

PITNEY BOWES MEETS 2002 GUIDANCE

- o Strong Fourth Quarter Financial Performance
 - o Generated Significant Free Cash Flow for the Year
 - o Completed \$300 Million Share Repurchase Program
 - o Made a \$339 Million Cash Contribution to Pension Plans
 - o Increased Dividend on Common Stock for 21st Consecutive Year
- o Strategic Decisions Position for Future Growth
 - o Discontinued Long-Term Capital Services Financing
 - o Liquidated About \$225 Million of Capital Services Assets
 - o Increased Capital Services Reserves by \$115 Million in Addition to \$98 Million Charge for US Air and United Aircraft Leases

Stamford, Conn., January 28, 2003 - Pitney Bowes Inc. (NYSE:PBI) today reported fourth quarter and full year 2002 performance in line with previous guidance and the generation of significant cash flow from continuing operations.

In providing an overview of the company's financial performance Chairman and CEO Michael J. Critelli noted, "We are very pleased with the performance of our core business during the fourth quarter and the full-year. We met earnings guidance and generated approximately \$682 million in free cash flow, excluding special items. Our strong cash flow and reduced Capital Services investments enabled us to make a \$339 million pre-tax cash contribution to our pension plans during the quarter. Overall, the underlying strength of our core business gave us the ability to continue to pursue new opportunities, invest for

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the future, and grow despite the lingering political and economic uncertainty in the global marketplace."

For the fourth quarter 2002, revenue increased seven percent to \$1.16 billion from \$1.09 billion in 2001. Excluding special items, pro forma income from continuing operations was \$152.5 million and pro forma diluted earnings per share from continuing operations were 64 cents. Including special items, income from continuing operations was \$18.2 million dollars or eight cents per diluted share.

For the full year 2002, revenue grew seven percent to \$4.41 billion from \$4.12 billion in 2001. Excluding special items, pro forma income from continuing operations was \$572.0 million and pro forma diluted earnings per share were \$2.37. Including special items, full year net income was \$475.8 million or \$1.97 per diluted share.

Special items include charges to continuing operations related to the company's Capital Services business and a non-cash, after-tax credit to discontinued operations of approximately \$38 million or 16 cents per diluted share, due to the favorable resolution of certain contingent liabilities associated with the previous sale of two businesses, Colonial Pacific Leasing Corporation in 1998 and Atlantic Mortgage & Investment Corporation in 2000.

"We took a number of steps to transition the Capital Services business in the fourth quarter," explained Chairman and CEO Michael J. Critelli. "First, we liquidated about \$225 million of financing assets. Second, we have begun a strategic analysis of our existing portfolio to develop the best asset disposition strategy. Next, we decided to stop active pursuit of, and growth in, long-term financing transactions, including postal financing. Originating profitable Capital Services investments increasingly requires complex transactions of very long duration which leave little flexibility to restructure or transfer those assets prior to maturity. To help position us for growth and to maintain our financial flexibility, going forward we will not seek to originate these types of long-term financial commitments."

"And finally, in light of our new strategic direction as well as the accelerating deterioration of the U.S. airline industry, we increased our credit loss reserves by taking a non-cash pre-tax charge of \$115 million or 30 cents per diluted share during the quarter. This charge was in addition to the previously announced, non-cash pre-tax charge of \$98 million or 26 cents per diluted share, to write down investments in commercial aircraft leases with US Airways and United Airlines."

Excluding cash flows primarily associated with the pension contribution and severance payments related to a previously announced restructuring, free cash flow from continuing operations for the year was approximately \$682 million. Including these payments, free cash flow for the year was approximately \$278 million, as further detailed in the attached table. During the quarter, the company repurchased approximately 1.5 million of its shares outstanding, at a net cost of \$50 million, bringing the company's full-year share repurchase total to approximately 7.9 million shares at a net cost of \$300 million. In the fourth quarter the Board of Directors also authorized the repurchase of up to \$300 million of the company's common stock over the next 12 to 24 months.

Demonstrating its confidence in the company's continued strong cash flow generation, the board of directors of the company has approved an increase in the dividend on common stock to an annualized rate of \$1.20 per share. This is the twenty-first consecutive year that the company has increased its dividend on common stock.

Mr. Critelli added, "For Pitney Bowes, 2002 was a year in which we met our financial targets while building momentum to produce long-term profitable growth. Our fourth quarter performance was driven by the strong market acceptance of our technologically advanced DM line of networked mailing systems in the US, the increased demand for our global mailing systems in the UK and Canada, and strong contributions resulting from the acquisitions of Secap and PSI. During the year, we implemented a number of strategic initiatives to

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enhance our positioning for future growth including acquisitions, investments in technology, infrastructure and processes, and the reduction of our Capital Services business."

The Global Mailing Segment includes worldwide revenue and related expenses from the sale, rental and financing of mail finishing, mail creation and shipping equipment, related supplies and services, presort mail services, postal payment solutions, small business solutions and software, plus mail and package tracking and tracing capability at the desktop. In the fourth quarter, Global Mailing revenue and operating profit both increased nine percent when compared with the prior year. Excluding the revenue from the acquisitions of Secap SA and PSI Group Inc., Global Mailing revenue increased four percent. Global Mailing in the U.S. has grown its market share in meters on a year-over-year basis and has continued to benefit from the placement of new networked digital mailing systems and good demand for its mail creation products. The company's digital mailing system line was further enhanced during the quarter by the launch of the revolutionary flagship system DM1000TM, which can process up to 260 mail pieces per minute, as well as offering premium mail services through its IntellilinkTM technology.

Outside of the U.S., Global Mailing experienced double-digit revenue growth, supported by improved performance in the UK, Canada, and Australia, where the DM SeriesTM was launched and strong performance from Secap SA. Excluding the revenue from Secap SA, Global Mailing's international revenue grew eight percent. This revenue growth was achieved despite lower revenue in Germany and several other European countries, where demand for mailing equipment has continued to be slow in a post meter migration environment, and where the company has not yet launched its new DM SeriesTM.

The Enterprise Solutions Segment includes Pitney Bowes Management Services (PBMS) and Document Messaging Technologies (DMT). Revenue from PBMS includes facilities management contracts for advanced mailing, reprographic, document management and other value-added services to large enterprises. Revenue from DMT includes sales, service and financing of high speed, software-enabled production mail systems, sorting equipment, incoming mail systems, electronic statement, billing and payment solutions, and mailing software. For the quarter, the Enterprise Solutions segment reported revenue growth of two percent and operating profit growth of 16 percent when compared with the prior year. We are taking a series of actions within this segment to enhance its ability to grow despite external conditions. For example, the company is diversifying its customer base away from financial and legal markets, as indicated by the recent contract with the U.S General Services Administration (GSA). During the quarter, PBMS signed an agreement with the GSA that will make a broad array of enhanced mail and document management services available to federal agencies, including high-level on-site or off-site screening of suspicious packages and testing for dangerous contents.

PBMS reported revenue growth of four percent to \$251.5 million when compared with the prior year while operating profit declined 14 percent. PBMS continued to improve its competitive position and generate strong growth in new written business, particularly in the higher value document management services. This growth was partially offset by the contraction of large enterprise accounts, especially in the financial services and legal sectors. Operating profit was adversely impacted by ongoing investments in product technology and infrastructure to improve margins and revenue, especially in Europe, and the costs associated with acquiring and ramping up new accounts.

DMT reported revenue of \$66.5 million for the quarter, a decrease of six percent from the prior year, while operating profit increased substantially. Though DMT revenue improved relative to the prior quarter, businesses continued to delay large capital spending decisions, which in turn slowed demand for our high-speed, software-enabled production mail equipment and mail processing software. On-going cost reduction programs, initiated earlier in the year, resulted in a substantial increase in operating profit over the prior year. Support services revenue increased during the quarter while sales revenue

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shifted to more of a rental model, which we believe will provide a more stable revenue stream over time.

Total Messaging Solutions, the combined results of the Global Mailing and Enterprise Solutions segments, reported a seven percent increase in revenue and a nine percent increase in operating profit.

The Capital Services Segment includes primarily asset- and fee-based income generated by financing or arranging transactions of critical large-ticket customer assets and the strategic financing of third-party equipment. Revenue for the quarter increased ten percent and pro forma operating profit increased 16 percent. During the quarter, the company stopped originating financing for non-core assets and liquidated about \$225 million of financing assets that it had held for sale to investors. The company anticipates that it will liquidate most of the remaining \$195 million of similar finance assets by year-end and will transition out of other non-core financing assets over time when it is economically prudent to do so.

Given the assumption that weak economic conditions will persist during at least the first half of 2003, the company expects revenue growth in the range of two percent to four percent for the first quarter and full year 2003. During the year, the company anticipates it will undertake restructuring initiatives related to realigned infrastructure requirements and reduced manufacturing needs for digital equipment. It is expected that the after-tax cost of these restructuring initiatives will be roughly \$100 million over a two-year period and be recorded as the various initiatives take effect. Excluding the impact of these restructuring initiatives, the company expects pro forma first quarter diluted earnings per share from continuing operations will range between 53 cents and 55 cents, and pro forma full year 2003 diluted earnings per share from continuing operations will range between \$2.38 and \$2.45.

Mr. Critelli concluded, "We are excited about our opportunities to enhance shareholder and customer value in 2003 and beyond. Our solid performance in our core business last year was driven by our focus on three strategic imperatives: enhancing the core business, streamlining our infrastructure, and executing our growth strategies. We feel these three areas are essential for increasing customer and shareholder value and we will maintain an unwavering focus on them in 2003 as well. When combined, all of the actions emanating from our strategic imperatives should help us build the momentum to be a bigger, better and stronger Pitney Bowes today and in the future."

Fourth quarter 2002 consolidated revenue included \$617.9 million from sales and business services, up five percent from \$589.9 million in the fourth quarter of 2001; \$393.8 million from rentals and financing, up nine percent from \$362.1 million; and \$153.1 million from support services, up ten percent from \$138.8 million. Income from continuing operations for the period was \$18.2 million, or eight cents per diluted share. Excluding special items in the fourth quarter of 2002 and 2001, income from continuing operations was \$152.5 million, or 64 cents per diluted share compared to fourth quarter 2001 income from continuing operations of \$140.0 million, or 57 cents per diluted share. Fourth quarter 2002 net income was \$56.2 million, or 24 cents per diluted share compared to \$90.2 million, or 37 cents per diluted share in 2001. Fourth quarter 2002 consolidated net income included income of \$38.0 million from discontinued operations, or 16 cents per diluted share, while fourth quarter 2001 net income included a loss of \$10.3 million from discontinued operations, or four cents per diluted share.

For the full year 2002, revenue was \$4.41 billion, up seven percent from \$4.12 billion in 2001. Income from continuing operations, before special items in both periods, was \$572.0 million, or \$2.37 per diluted share in 2002, compared to \$556.3 million, or \$2.25 per diluted share in 2001. Special items for the full year 2002 included a non-cash pre-tax charge of \$98 million to write down investments in commercial aircraft leases with US Airways and United, and \$115 million non-cash, pre-tax charge to increase credit loss reserves primarily related to additional airline leasing assets. Special items for the full year 2001 included a non-cash pre-tax charge of \$268 million associated with the company's plan to transition to the next generation of digital,

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networked mailing technology, and a pre-tax charge of \$116 million related to restructuring plan initiatives. There was also a pre-tax charge of approximately \$24 million associated with the settlement of a class action lawsuit related to lease upgrade pricing, and a \$362 million net pre-tax gain as a result of settling a lawsuit with Hewlett-Packard Company. Full year net income for 2002 included income of \$38 million from discontinued operations, or 16 cents per diluted share compared to a \$26 million loss, or 10 cents per diluted share in 2001. As a result, full year net income for 2002 was \$475.8 million, or \$1.97 per diluted share compared to \$488.3 million, or \$1.97 per diluted share in 2001.

As noted above, the board of directors declared a quarterly cash dividend of the company's common stock of 30 cents per share, payable March 12, 2003, to stockholders of record February 21, 2003. The board also declared a quarterly cash dividend of 53 cents per share on the company's \$2.12 convertible preference stock, payable April 1, 2003, to stockholders of record March 14, 2003, and a quarterly cash dividend of 50 cents per share on the company's 4% convertible cumulative preferred stock, payable May 1, 2003 to stockholders of record April 15, 2003.

Management of Pitney Bowes will discuss the company's financial results in a conference call today, scheduled for 5:00 p.m. EST. Instructions for listening to the conference call over the web are available on the Investor Relations page of the company's web site at www.investorrelations.pitneybowes.com.

Pitney Bowes is a \$4.4 billion global provider of integrated mail and document management solutions headquartered in Stamford, Connecticut. For more information about the company, its products, services and solutions, visit www.pitneybowes.com.

Pitney Bowes has presented in this earnings release income from continuing operations and diluted earnings per share from continuing operations on a pro forma basis. Also, management has included a presentation of free cash flow from continuing operations on a pro forma basis.

Management believes this presentation provides a reasonable basis on which to present the pro forma financial information, and is provided to assist in investors' understanding of the Company's results of operations. In general, results are adjusted to exclude the impact of special items of a non-recurring nature, such as restructuring charges and write downs of assets, which materially impact the comparability of the Company's results of operations. While it is not possible to predict future results, the pro forma information is intended to be more indicative of the ongoing operations of the Company.

This pro forma financial information should not be construed as an alternative to our reported results determined in accordance with generally accepted accounting principles (GAAP). Further, our definition of this adjusted financial information may differ from similarly titled measures used by other companies.

Pitney Bowes has provided in supplemental schedules attached for reference pro forma financial information and a quantitative reconciliation of the differences between the pro forma financial measures with the financial measures calculated and presented in accordance with GAAP.

The statements contained in this press release that are not purely historical are forward-looking statements with the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements may be identified by their use of forward-looking terminology such as the words "expects," "projects," "estimates," "anticipates," "intends," and other similar words. Such forward-looking statements include, but are not limited to, statements about our restructuring plan and our future guidance, including our expected revenue in the first quarter and full year 2003, and our expected diluted earnings per share from continuing operations for the first

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quarter and for the full year 2003. Such forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected. These risks and uncertainties include, but are not limited to: severe adverse changes in the economic environment, changes in international or national political or economic conditions, timely development and acceptance of new products or gaining product approval; successful entry into new markets; changes in interest rates; and changes in postal regulations, as more fully outlined in the company's 2001 Annual Report on Form 10-K filed with the Securities and Exchange Commission. In addition, the forward-looking statements are subject to change based on the timing and specific terms of any announced acquisitions. The forward-looking statements contained in this news release are made as of the date hereof and we do not assume any obligation to update the reasons why actual results could differ materially from those projected in the forward-looking statements.

Note: Consolidated statements of income for the three and twelve months ended December 31, 2002 and 2001, and consolidated balance sheets at December 31, 2002, September 30, 2002 and December 31, 2001 are attached.

Pitney Bowes Inc.
Consolidated Statements of Income

(Dollars in thousands, except per share data)

	(Unaudited)		
	Three Months Ended December 31,		Twelve Mon
	2002	2001	2002
	-----	-----	-----
Revenue from:			
Sales and business services	\$ 617,886	\$ 589,892	\$ 2,320,254
Rentals and financing	393,838	362,141	1,507,839
Support services	153,130	138,774	581,665
	-----	-----	-----
Total revenue	1,164,854	1,090,807	4,409,758
	-----	-----	-----
Costs and expenses:			
Cost of sales and business services	376,673	356,225	1,407,350
Cost of rentals and financing	94,124	84,641	365,878
Cost of meter transition (*)	-	10,300	-
Capital services charges (*)	213,182	-	213,182
Selling, services and administrative	387,546	366,262	1,483,480
Research and development	37,180	35,084	141,269
Restructuring charges (*)	-	27,503	-
Other income (*)	-	24,075	-
Interest, net	47,339	43,972	179,154
	-----	-----	-----
Total costs and expenses	1,156,044	948,062	3,790,313
	-----	-----	-----
Income from continuing operations			
before income taxes	8,810	142,745	619,445
Provision for income taxes	(9,390)	42,316	181,739

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Income from continuing operations	18,200	100,429	437,706
Discontinued operations	38,044	(10,266)	38,044
Net income	\$ 56,244	\$ 90,163	\$ 475,750
Basic earnings per share			
Continuing operations	\$ 0.08	\$ 0.41	\$ 1.83
Discontinued operations	0.16	(0.04)	0.16
Net income	0.24	0.37	1.99
Special items after-tax (*)	0.57	0.16	0.56
Discontinued operations	(0.16)	0.04	(0.16)
Income from continuing operations excluding special items	\$ 0.65	\$ 0.58	\$ 2.39
Diluted earnings per share			
Continuing operations	\$ 0.08	\$ 0.41	\$ 1.81
Discontinued operations	0.16	(0.04)	0.16
Net income	0.24	0.37	1.97
Special items after-tax (*)	0.56	0.16	0.56
Discontinued operations	(0.16)	0.04	(0.16)
Income from continuing operations excluding special items	\$ 0.64	\$ 0.57	\$ 2.37
Average common and potential common shares outstanding	238,114,574	245,015,133	241,483,539

Pitney Bowes Inc.
Consolidated Balance Sheets

(Dollars in thousands, except per share data)

Assets	12/31/02	(Unaudit 9/30/02)
Current assets:		
Cash and cash equivalents	\$ 315,156	\$ 268,400
Short-term investments, at cost which approximates market	3,491	12,600
Accounts receivable, less allowances:		
12/02 \$35,139 9/02 \$34,064 12/01 \$32,448	404,366	423,100
Finance receivables, less allowances:		
12/02 \$71,373 9/02 \$68,228 12/01 \$61,451	1,446,460	1,675,700

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Inventories	210,888	206,4
Other current assets and prepayments	172,264	172,5
	-----	-----
Total current assets	2,552,625	2,759,0
	-----	-----
Property, plant and equipment, net	622,244	595,8
Rental equipment and related inventories, net	422,717	428,9
Property leased under capital leases, net	1,974	1,7
Long-term finance receivables, less allowances:		
12/02 \$82,635 9/02 \$66,395 12/01 \$65,967	1,686,168	1,799,0
Investment in leveraged leases	1,559,915	1,438,4
Goodwill, net	827,241	809,6
Other assets	1,059,430	923,6
	-----	-----
Total assets	\$ 8,732,314	\$ 8,756,4
	=====	=====
Liabilities and stockholders' equity		

Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,248,337	\$ 1,313,6
Income taxes payable	98,897	231,1
Notes payable and current portion of long-term obligations	1,647,338	1,568,5
Advance billings	355,737	336,5
	-----	-----
Total current liabilities	3,350,309	3,449,8
	-----	-----
Deferred taxes on income	1,535,618	1,340,8
Long-term debt	2,316,844	2,379,5
Other noncurrent liabilities	366,216	358,3
	-----	-----
Total liabilities	7,568,987	7,528,6
	-----	-----
Preferred stockholders' equity in a subsidiary company	310,000	310,0
Stockholders' equity:		
Cumulative preferred stock, \$50 par value, 4% convertible	24	
Cumulative preference stock, no par value, \$2.12 convertible	1,432	1,4
Common stock, \$1 par value	323,338	323,3
Capital in excess of par value	-	
Retained earnings	3,848,562	3,864,2
Accumulated other comprehensive income	(121,615)	(119,4
Treasury stock, at cost	(3,198,414)	(3,151,8
	-----	-----
Total stockholders' equity	853,327	917,8
	-----	-----
Total liabilities and stockholders' equity	\$ 8,732,314	\$ 8,756,4
	=====	=====

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Pitney Bowes Inc.
Revenue and Operating Profit
By Business Segment
December 31, 2002
(Unaudited)

(Dollars in thousands)

	2002	2001	%
	-----	-----	Change

Fourth Quarter			

Revenue			

Global Mailing	\$ 799,454	\$ 736,550	9%
Enterprise Solutions	317,973	311,097	2%
	-----	-----	
Total Messaging Solutions	1,117,427	1,047,647	7%
	-----	-----	
Capital Services	47,427	43,160	10%
	-----	-----	
Total Revenue	\$ 1,164,854	\$ 1,090,807	7%
	=====	=====	
Operating Profit (1)			

Global Mailing	\$ 241,361	\$ 221,882	9%
Enterprise Solutions	24,303	20,891	16%
	-----	-----	
Total Messaging Solutions	265,664	242,773	9%
	-----	-----	
Capital Services	17,601	15,147	16%
	-----	-----	
Total Operating Profit	\$ 283,265	\$ 257,920	10%
	=====	=====	

Pitney Bowes Inc.
Revenue and Operating Profit
By Business Segment
December 31, 2002

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(Dollars in thousands)

	2002	2001	%
	-----	-----	Change
Year to Date			

Revenue			

Global Mailing	\$3,011,378	\$ 2,846,844	6%
Enterprise Solutions	1,218,291	1,083,450	12%
	-----	-----	
Total Messaging Solutions	4,229,669	3,930,294	8%
	-----	-----	
Capital Services	180,089	192,180	(6%)
	-----	-----	
Total Revenue	\$4,409,758	\$ 4,122,474	7%
	=====	=====	
Operating Profit (1)			

Global Mailing	\$ 894,150	\$ 859,821	4%
Enterprise Solutions	83,152	77,447	7%
	-----	-----	
Total Messaging Solutions	977,302	937,268	4%
	-----	-----	
Capital Services	75,396	72,396	4%
	-----	-----	
Total Operating Profit	\$1,052,698	\$ 1,009,664	4%
	=====	=====	

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

(Dollars in thousands, except per share data)

	Three months ended December 31,	Twelve
	-----	months
	2002	2002
	-----	-----
GAAP income from continuing operations		

GAAP income from continuing operations

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before income taxes, as reported	\$ 8,810	\$ 142,745	\$ 619,445
Special items:			
Capital services charges:			
Write-down of commercial aircraft	98,182	-	98,182
Additional provision for credit losses	115,000	-	115,000
Restructuring charges	-	27,503	-
Cost of meter transition	-	10,300	-
Legal settlements, net	-	24,075	-
Proforma income from continuing operations			
before income taxes	221,992	204,623	832,627
Proforma provision for income taxes	69,487	64,661	260,616
Proforma income from continuing operations	\$ 152,505	\$ 139,962	\$ 572,011
GAAP diluted earning per share, as reported	\$ 0.24	\$ 0.37	\$ 1.97
(Income)/loss on discontinued operations	(0.16)	0.04	(0.16)
GAAP diluted earning per share from continuing operations, as reported	\$ 0.08	\$ 0.41	\$ 1.81
Special items:			
Capital services charges:			
Write-down of commercial aircraft	0.26	-	0.26
Additional provision for credit losses	0.30	-	0.30
Restructuring charges	-	0.07	-
Cost of meter transition	-	0.03	-
Legal settlements, net	-	0.06	-
Proforma diluted earning per share from continuing operations	\$ 0.64	\$ 0.57	\$ 2.37
GAAP net cash provided by operating activities, as reported			\$ 502,559
Net investment in fixed assets			(224,834)
Proforma free cash flow			277,725
Pension plan investment			338,579
Payments related to special items:			
Restructuring charges			49,032
Legal settlements, net			11,856
Spin-off of Imagistics, Inc.			4,772
Proforma free cash flow from continuing operations excluding special items			\$ 681,964