

PITNEY BOWES INC /DE/

Form FWP

September 06, 2007

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PITNEY BOWES INC.
5.75% Medium-Term Notes due 2017

Principal amount: \$500,000,000
Agent's discount or commission: 0.65%
Net proceeds to Pitney Bowes: \$490,765,000

Interest rate: 5.75%
Original issue date: September 11, 2007
Stated maturity date: September 15, 2017
Option to extend maturity date: No

Interest payment dates:

- January 15 and July 15, commencing
- Other: March 15 and September 15; first coupon payment on March 15, 2008

Regular record dates (if other than the 15th day of May and November): March 1 and September 1

Original issue discount: Yes No

Issue price:

Total amount of OID:

Yield to maturity:

Initial accrual period OID:

Day count convention:

- Actual/360
- Actual/actual
- 30/360

Redemption:

- The notes cannot be redeemed prior to the stated maturity date.
- The notes can be redeemed prior to the stated maturity date at the option of the Issuer.
See Other Provisions Make Whole Redemption .

Repayment:

- The notes cannot be repaid prior to the stated maturity date.
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- o The notes can be repaid prior to the stated maturity date at the option of the holder of the notes.
See Other Provisions Change of Control Offer .

Optional repayment date(s): N/A

Optional repayment price(s): N/A

Specified currency (if other than U.S. dollars):

Authorized denomination (if other than U.S. \$1,000 and integral multiples thereof): U.S. \$2,000 or an integral multiple of U.S. \$1,000 in excess thereof

Trustee, registrar, authenticating and paying agent: Citibank, N.A.

Exchange rate agent, if any:

Additional paying agent, if any:

Form:

- ▣ Book-entry (to be held on behalf of The Depository Trust Company)
- o Individually certificated

Agent (Amount):

- o ABN AMRO Incorporated
- ▣ Banc of America Securities LLC (\$175,000,000)
- o Barclays Capital Inc.
- o Citigroup Global Markets Inc.
- ▣ Credit Suisse Securities (USA) LLC (\$37,500,000)
- o Deutsche Bank Securities Inc.
- o J.P. Morgan Securities Inc.
- ▣ Merrill Lynch, Pierce, Fenner & Smith Incorporated (\$175,000,000)
- ▣ Morgan Stanley & Co. Incorporated (\$37,500,000)
- ▣ Others: Goldman, Sachs & Co. (\$37,500,000)
Mellon Financial Markets, LLC (\$18,750,000)
RBC Capital Markets Corporation (\$18,750,000)

Agent acting in the capacity as indicated below:

- o Agent ▣ Principal

If as principal:

- o The notes are being offered at varying prices related to prevailing market prices at the time of resale.
 - ▣ The notes are being offered at a fixed initial public offering price of 98.803% of the principal amount plus accrued interest, if any, from September 11, 2007.
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If as Agent:

The Notes are being offered at a fixed initial public offering price of ___% of the principal amount plus accrued interest [, if any,] from ___.

Investing in the Notes involves risks. See Risk Factors on page S-3 of the Prospectus Supplement, dated July 6, 2005, and Risk Factors on page 5 of Pitney Bowes Inc. Annual Report on Form 10-K for the fiscal year ended December 31, 2006 filed with the Securities and Exchange Commission on March 1, 2007.

Other Provisions:

1. *Make Whole Redemption.* The Issuer may redeem the Notes, at any time in whole or from time to time in part, at a redemption price equal to the sum of 100% of the aggregate principal amount of the Notes being redeemed, accrued but unpaid interest on those Notes to the redemption date, and the Make-Whole Amount, if any, as defined below.

Make-Whole Amount means, in connection with any optional redemption, the excess, if any, of (a) the aggregate present value as of the date of such redemption of each dollar of principal being redeemed and the amount of interest, exclusive of interest accrued to the date of redemption, that would have been payable in respect of each such dollar if such redemption had not been made, determined by discounting, on a semiannual basis (assuming a 360-day year of twelve 30-day months), such principal and interest at the Reinvestment Rate, determined on the third business day preceding the date notice of such redemption is given, from the respective dates on which such principal and interest would have been payable if such redemption had not been made, to the date of redemption, over (b) the aggregate principal amount of the Notes being redeemed.

Reinvestment Rate means 0.25% plus the arithmetic mean of the yields under the heading *Week Ending* published in the most recent Statistical Release under the caption *Treasury Constant Maturities* for the maturity, rounded to the nearest month, corresponding to the remaining life to maturity, as of the payment date of the principal amount of the Notes being redeemed. If no maturity exactly corresponds to such maturity, yields for the two published maturities most closely corresponding to such maturity shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For the purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make-Whole Amount shall be used. If the format or content of the Statistical Release changes in a manner that precludes determination of the Treasury yield in the above manner, then the Treasury yield shall be determined in the manner that most closely approximates the above manner, as reasonably determined by the Issuer.

Statistical Release means the statistical release designated *H.15(519)* or any successor publication which is published weekly by the Federal Reserve System and which reports yields on actively traded United States government securities adjusted to constant maturities, or, if such statistical release is not published at the time of any required determination

under the Indenture between the Issuer and Citibank, N.A., as trustee, dated February 14, 2005, then such other reasonably comparable index which shall be designated by the Issuer.

2. *Change of Control Offer.* If a change of control triggering event occurs, unless the Issuer has exercised its option to redeem the Notes as described above under *Make Whole Redemption*, the Issuer will be required to make an offer (the *change of control offer*) to each holder of the Notes to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of that holder's notes on the terms set forth in the Notes. In the change of control offer, the Issuer will be required to offer payment in cash equal to 101% of the aggregate principal amount of notes repurchased, plus accrued and unpaid interest, if any, on the Notes to be repurchased to the date of repurchase (the *change of control payment*). Within 30 days following any change of control triggering event or, at the Issuer's option, prior to any change of control, but after public announcement of the transaction that constitutes or may constitute the change of control, a notice will be mailed to holders of the Notes describing the transaction that constitutes or may constitute the change of control triggering event and offering to repurchase the Notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the *change of control payment date*). The notice, if mailed prior to the date of consummation of the change of control, will state that the offer to purchase is conditioned on the change of control triggering event occurring on or prior to the change of control payment date. In the event that such offer to purchase fails to satisfy the condition in the preceding sentence, the Issuer will cause another notice meeting the aforementioned requirements to be mailed to holders of the Notes.

On the change of control payment date, the Issuer will, to the extent lawful:

accept for payment all notes or portions of notes properly tendered pursuant to the change of control offer;

deposit with the paying agent an amount equal to the change of control payment in respect of all notes or portions of notes properly tendered; and

deliver or cause to be delivered to the trustee the Notes properly accepted together with an officers certificate stating the aggregate principal amount of notes or portions of notes being repurchased.

The Issuer will not be required to make a change of control offer upon the occurrence of a change of control triggering event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Issuer and the third party repurchases all notes properly tendered and not withdrawn under its offer. In addition, the Issuer will not repurchase any notes if there has occurred and is continuing on the change of control payment date an event of default under the Indenture, other than a default in the payment of the change of control payment upon a change of control triggering event.

The Issuer will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the *Exchange Act*), and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a change of control triggering event. To the extent that the provisions of any such securities laws or regulations

conflict with the change of control offer provisions of the Notes, the Issuer will comply with those securities laws and regulations and will not be deemed to have breached its obligations under the change of control offer provisions of the Notes by virtue of any such conflict.

For purposes of the change of control offer provisions of the Notes, the following terms will be applicable:

Change of control means the occurrence of any of the following: (1) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person (as that term is used in Section 13(d)(3) of the Exchange Act) (other than the Issuer, any subsidiary or employee benefit plan of the Issuer or employee benefit plan of any subsidiary of the Issuer) becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the voting stock of the Issuer or other voting stock into which the voting stock of the Issuer is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares; (2) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or more series of transactions approved by the Board of Directors as part of a single plan, of 85% or more of the total consolidated assets of the Issuer as shown on the Issuer's most recent audited balance sheet, to one or more persons (as that term is defined in the Indenture) (other than the Issuer or one of the subsidiaries of the Issuer); or (3) the first day on which a majority of the members of the Board of Directors are not continuing directors. Notwithstanding the foregoing, a transaction will not be deemed to involve a change of control if (1) the Issuer becomes a direct or indirect wholly-owned subsidiary of a holding company and (2)(A) the direct or indirect holders of the voting stock of such holding company immediately following that transaction are substantially the same as the holders of the voting stock of the Issuer immediately prior to that transaction or (B) immediately following that transaction no person (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the voting stock of such holding company.

Change of control triggering event means the occurrence of both a change of control and a rating event.

Continuing directors means, as of any date of determination, any member of the Board of Directors of the Issuer who (1) was a member of such Board of Directors on the date the Notes were issued or (2) was nominated for election, elected or appointed to such Board of Directors with the approval of a majority of the continuing directors who were members of such Board of Directors at the time of such nomination, election or appointment (either by a specific vote or by approval of the proxy statement of the Issuer in which such member was named as a nominee for election as a director, without objection to such nomination).

Fitch means Fitch Ratings.

Investment grade rating means a rating equal to or higher than BBB- (or the equivalent) by Fitch, Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, and the equivalent investment grade credit rating from any additional rating agency or rating agencies selected by the Issuer.

Moody's means Moody's Investors Service, Inc.

Rating agencies means (1) each of Fitch, Moody's and S&P; and (2) if any of Fitch, Moody's or S&P ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside of the control of the Issuer, a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act selected by the Issuer (as certified by a resolution of the Board of Directors) as a replacement agency for Fitch, Moody's or S&P, or all of them, as the case may be.

Rating event means the rating on the Notes is lowered by each of the rating agencies and the Notes are rated below an investment grade rating by each of the rating agencies on any day within the 60-day period (which 60-day period will be extended so long as the rating of the Notes is under publicly announced consideration for a possible downgrade by any of the rating agencies) after the earlier of (1) the occurrence of a change of control and (2) public notice of the occurrence of a change of control or the intention of the Issuer to effect a change of control; provided, however, that a rating event otherwise arising by virtue of a particular reduction in rating will be deemed not to have occurred in respect of a particular change of control (and thus will not be deemed a rating event for purposes of the definition of change of control triggering event) if the rating agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the trustee in writing at the Issuer's or its request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable change of control (whether or not the applicable change of control has occurred at the time of the rating event).

S&P means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc.

Voting stock means, with respect to any specified person (as that term is used in Section 13(d)(3) of the Exchange Act) as of any date, the capital stock of such person that is at the time entitled to vote generally in the election of the Board of Directors of such person.

The Issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the Issuer has filed with the SEC for more complete information about the Issuer and this offering. You may get these documents for free on the SEC website at www.sec.gov. Alternatively, the Issuer or any Distributor will arrange to send you the prospectus if you request it by calling Banc of America Securities LLC toll free at (800) 294-1322, Merrill Lynch, Pierce, Fenner & Smith Incorporated, toll free at (866) 500-5408 or Investor Relations of the Issuer collect at (203) 356-5000.