U.S. Businesses Prepare for Rising Shipping Rates

STAMFORD, Conn., January 14, 2016 - Pitney Bowes Inc. (NYSE:PBI) today noted that recent rate increases for shipping services by UPS and FedEx and the pending January 17th rate increase for U.S. Postal Service (USPS) shipping services have prompted businesses -- especially small retailers and e-retailers -- to look for new and innovative solutions to optimize their mission-critical shipping operations. In addition to the latest round of price increases and surcharges, businesses across the country continue to grapple with exploding parcel volumes and the complexity of managing multiple disparate carrier rate structures and systems.

“In this new world of commerce, shipping has become even more critical as businesses compete for and serve clients remotely and connect with their vendors and suppliers,” said Jeff Crouse, Vice President at Pitney Bowes. “However, small and medium businesses in particular face an uphill challenge to manage rising costs, increasing complexity and growing volume of sending, which includes everything an organization sends out, from parcels and overnight envelopes to bills and statements,”

Given the critically important role of shipping in business, here are a few points every shipper should know about the latest increase by each major carrier:

UPS

- On December 28th, 2015, the rates for UPS® Ground services increased an average net 4.9%.
- The rates for UPS Air and International services increased an average net 5.2%.

FedEx

- Effective January 4th, FedEx® increased rates by 4.9 percent and implemented Dimensional Weight pricing on all shipments.
- The following services were impacted by this rate change:
    - FedEx Ground, FedEx Home Delivery®, FedEx SmartPost®, FedEx Freight, FedEx® Retail, and FedEx One Rate
- Other increases included:
    - FedEx Home Delivery (residential) **Delivery Area Surcharge** – increased from $2.85 to $3.00
    - FedEx Ground Home Delivery **Residential Delivery Charge** – increased from $2.90 to $3.10

USPS

- The January 17th rate change will affect the USPS® Shipping Services products, including:
    - Priority Mail®, Priority Mail Express™, First-Class Package Service™, Parcel Select ®, and Standard Post™ (which is renamed as Retail Ground).
- The average Shipping Services price change is 9.5 percent which results in an average shipping price of less than $5.50 per shipment across all shipping products.
- There is no price increase for First-Class Mail, Standard Mail, or any other Postal Service Mailing product. Meter users still qualify for a ½ cent per piece discount.

Today, more than ever, shipping and mailing power commerce. New technology and tools are becoming available to help businesses of all sizes simplify their sending operations by integrating shipping and mailing, connecting physical sending with digital systems and data, and delivering consolidated accounting and reporting functions.

Here are three recommendations you can do now to optimize your sending operations and manage costs:

- ***Match your sending strategy to your customer and business needs.*** Select the best mix of carriers that best serves your customers’ delivery requirements and meets your business objectives. In other words, don’t put all of your eggs in one basket.
- ***Leverage new technology.*** New cloud-based sending solutions can help you deploy a consistent, unified and scalable approach to sending across locations and carriers to gain greater control and visibility into the true cost of sending within your organization. New sending technology can enable your organization to:
    - Facilitate multi-carrier management enabling you to select the best carrier for each parcel based on a

simple view of service level, cost and value
    - Initiate carrier pickup in real-time from the desktop, tablet or mobile device
    - Automatically reconcile all sending charges to one account
    - Improve the package receipt process, so inbound tracking capability becomes as convenient as outbound shipping
- ***Eliminate wasted space****.* With both FedEx and UPS imposing Dimensional Weight Rating on all parcels, outer packaging should consist only of that which is necessary to properly secure the enclosed items and provide protection during transport. Don't ship small items in a big box.

Pitney Bowes is committed to helping businesses of all sizes simplify their sending operations and thrive in the connected and borderless world of commerce. On January 12, the company announced its acquisition of *Enroute Systems Corporation*, a cloud-based, software-as-a-service enterprise retail and fulfillment solutions company to further expand its global ecommerce offerings for companies throughout the retail supply chain.

For more information on how to simplify your sending operations, visit www.pitneybowes.com.

About Pitney Bowes

Pitney Bowes (NYSE:PBI) is a global technology company offering innovative products and solutions that enable commerce in the areas of global ecommerce, shipping and mailing, location intelligence, customer engagement and customer information management. More than 1.5 million clients in approximately 100 countries around the world rely on products, solutions and services from Pitney Bowes. For additional information, visit Pitney Bowes at www.pb.com.