FORM 8 - K

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: January 28, 1999

PITNEY BOWES INC.

Commission File Number: 1-3579

State of Incorporation	IRS Employer Identification No.
Delaware	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, 1999, regarding its financial results for the period ended December 31, 1998, including consolidated statements of income for the three and twelve months ended December 31, 1998 and 1997, and consolidated balance sheets at December 31, 1998, September 30, 1998 and December 31, 1997, are attached.

Selected segment data for the first, second and third quarters and year to date 1998, in line with revised segment data presented for the fourth quarter and year to date 1998 and 1997, is also 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, 1999.
(2)	Pitney Bowes Inc. 1998 selected segment data

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.

February 26, 1999

/s/ M. L. Reichenstein

M. L. Reichenstein
Vice President and Chief Financial Officer
(Principal Financial Officer)

/s/ A. F. Henock

A. F. Henock
Vice President - Controller
and Chief Tax Counsel
(Principal Accounting Officer)

Exhibit 1

PITNEY BOWES RECORD 1998 PERFORMANCE AND
STRATEGIC INITIATIVES ENHANCE SHAREHOLDER VALUE

Full-Year 1998
8% Revenue Growth to $4.22 Billion and 15% Growth in Diluted EPS to $2.06
Fourth Quarter 1998
9% Revenue Growth to $1.15 Billion and 20% Growth in Diluted EPS from Continuing Operations to 59 cents
14.2% Income Margin from Continuing Operations, Record for a Quarter
Strategic Initiatives
Authorization to Repurchase 11.6 Million Shares and 13.3-percent Increase in Dividend

FOR IMMEDIATE RELEASE

Stamford, Conn., January 28, 1999 -- Pitney Bowes Inc. (NYSE: PBI) today announced record performance in 1998 with an eight-percent increase in full-year revenue to $4.22 billion. Additionally, the Board of Directors implemented two initiatives to enhance total shareholder value:

- an authorization to repurchase up to 11.6 million shares of common stock
- a 13.3 percent increase in the dividend on common stock to $1.02 per share, marking the seventeenth consecutive year of double-digit increases.

Pitney Bowes Chairman and CEO Michael J. Critelli noted, "We are pleased that our ongoing focus on maximizing shareholder value in 1998 resulted in another excellent year of growth and profitability for Pitney Bowes. Our share repurchase program and double-digit dividend increase are reflective of our continued confidence in the opportunities for sustained growth and profitability."

Full-year diluted earnings per share grew 15 percent to $2.06 and consolidated net income rose 10 percent from the prior year to $576.4 million. Diluted earnings per share, on a continuing operations basis, increased 17 percent to $2.03 on income from continuing operations of $567.9 million, which is an increase of 12 percent above the prior year.

Pitney Bowes' fourth-quarter performance featured a strong nine percent increase in revenues to $1.147 billion up from $1.050 billion in 1997. The quarter's diluted earnings per share rose 15 percent to 59 cents, on an 11 percent consolidated net income increase to $163.1 million. Income from continuing operations grew 16 percent to $162.4 million and diluted earnings per share from continuing operations reached 59 cents, a 20 percent increase over fourth quarter 1997. Pitney Bowes financial results for 1998 and 1997 have been restated to exclude from continuing operations the results of the broker-oriented external financing business of Colonial Pacific Leasing Corporation (CPLC) which was sold to General Electric Capital Corporation during the fourth quarter of 1998.

In assessing the company's performance, Mr. Critelli stated, "1998 proved to be another record year for Pitney Bowes as we continued to deliver innovative systems, software and services to help businesses of all sizes increase the impact, reduce the cost and enhance the efficiency of end-to-end mail and messaging management. Our success in addressing the needs of the global marketplace resulted in a 17 percent increase in earnings per share from continuing operations over the prior year, and 12 percent growth in income from continuing operations.

"We delivered these results through our ongoing commitment to innovate and apply technology, refine our business processes and maximize each business' contribution to profitable growth. We spent over $100 million on research and development in 1998, a 13 percent increase over the prior year, representing a strategic investment in the continuous development and enrichment of our broad, technologically advanced portfolio of messaging solutions. Meanwhile, our focus on process improvement and cost control resulted in our sixth consecutive year of S,S&A expense-to-revenue ratio improvement, and an impressive ninth consecutive year of pre-tax income margin from continuing operations increase. These ratio comparisons exclude the fourth quarter 1996 charge related to our Australian operations."

Mr. Critelli added "The pace of change in today's global marketplace requires constant vigilance and evaluation of our businesses to leverage growth and ensure they have the correct focus to enhance shareholder value. Therefore, consistent with the kind of review we conducted of our financial services business, we have decided to commence a strategic review of Atlantic Mortgage and Investment Corporation (AMIC).

"AMIC is a subsidiary that provides billing, collecting and processing services for major investors in residential first mortgages. It is a well-run company that specializes in low-balance mature loans, and its servicing efficiency is reflective of Pitney Bowes' competency in fee-based service operations. The interest rate environment, however, has caused us to re-examine the impact of fluctuating rates and prepayment patterns on the way we manage our mortgage servicing business. We will explore a range of strategic options to address the changing profile of this business in a way that maximizes value for our shareholders."

Turning to the quarter, Mr. Critelli noted, "The continuing advances in manufacturing and inventory management, plus the shift to lower-cost digital and software-based products has helped improve the sales margin in each of the past three comparable quarters of 1998. As a result, we have now succeeded in improving this ratio in 10 out of the last 11 quarters on a year-over-year basis. This accomplishment is even more notable given the ongoing excellent growth of the Pitney Bowes Management Services business with its higher cost of sales ratio."

Segment reporting this quarter has been modified and restated in accordance with new accounting guidelines. The company's new reporting segments are: Mailing and Integrated Logistics, Office Solutions, Mortgage Servicing and Capital Services.

The Mailing and Integrated Logistics Segment includes revenues and related expenses from the rental, sale and financing of mailing and shipping equipment, related supplies and service, and software. Mailing and Integrated Logistics revenue grew eight percent in the quarter with a 16 percent increase in operating profit, including excellent improvements in operating profit for international operations. There continues to be strong market demand for high-volume production mail applications and feature-rich mailing systems for the mail room market such as the ParagonTM. The company has also been very successful in expanding into the small office/home office (SoHo) market with its suite of solutions, led by the continued strong performance of the Personal Post OfficeTM digital meter -- introduced in 1996 and the first product to enable SoHo customers to download postage via modem.

The strength of the core mailing applications, in conjunction with the U.S. Postal requirement that customers migrate to enhanced technology, and the flexible financing options offered by Pitney Bowes Credit Corporation, have led many of Pitney Bowes' customers to upgrade to more advanced meters and systems from their previous mailing equipment. Currently, 35 percent of the company's meter unit base is digital, making it the undisputed leader in digital mailing technology. As of the end of the year, advanced electronic and digital meters comprised over 90 percent of the meter unit base compared to 75 percent at year-end 1997, and 60 percent at year-end 1996.

The Office Solutions Segment includes Pitney Bowes Office Systems and Pitney Bowes Management Services. Fourth-quarter performance in this segment featured a 10 percent growth in revenue and a 16 percent increase in operating profit.

Office Systems' eight percent revenue increase during the quarter was led by solid growth in copier sales. Negative currency impact reduced the reported revenue by approximately one percentage point. Copier sales continued to benefit from its strategy to focus on larger corporate accounts and the introduction of two new digital copiers -- the 25 page per minute DL250 and the 35 page per minute DL355. During the quarter, the Pitney Bowes copier line was awarded the prestigious Buyers Laboratory Inc. "Most Outstanding Copier Line" of the year designation, marking the second consecutive year for this unprecedented industry honor. Pitney Bowes introduced the industry's first Universal Access Copier System -- designed to meet the needs of people with physical disabilities -- and it, too, has already garnered awards for enabling the full participation of the disabled within the office environment. The facsimile operation again contributed to the quarter's excellent results, as the leading supplier of the 33.6 kbps facsimile system -- the fastest on the market.

Pitney Bowes Management Services' revenues grew at a solid 13 percent as the business continues to provide additional higher value services for existing customers and acquire new customers with its wide array of business and electronic document management services. Leveraging operating efficiencies helped drive Management Services' faster rate of operating profit growth.

The Mortgage Servicing Segment represents the operations of Atlantic Mortgage and Investment Corporation (AMIC). In this segment, revenue grew 70 percent and operating profit grew 15 percent. This segment's growth was driven primarily by an increase in the number of mortgages serviced. Operating profit grew at a lower rate than revenue due to increased amortization and other expenses associated with mortgage prepayments.

The Capital Services Segment includes primarily asset- and fee-based income generated by large ticket external assets. This segment was previously referred to as Commercial and Industrial Financing. Consistent with management's previously announced strategy to concentrate on fee-based rather than asset-based income, revenues were flat during the quarter as previous asset sales in 1997 are still a comparative factor. Operating profit growth of 26 percent was driven by profitable syndication fees and lower costs associated with interest rates. As indicated above, the results of CPLC have been excluded from continuing operations.

Mr. Critelli concluded, "In 1998 we leveraged our technological prowess, market knowledge and understanding of the business processes surrounding mail and messaging to add value to our core markets, profitably expand into new market segments, and take on an even broader range of messaging needs for our existing customer base. We will continue this strategy in 1999, as we stay focused on maximizing shareholder value."

The company announced it has authorization to repurchase up to 11.6 million shares of its common stock. Throughout 1998, the company repurchased 11 million shares from a previously announced authorization, including 2.8 million shares during the fourth quarter of 1998. The shares were acquired with cash from sales of external financing assets and cash from operations.

Fourth quarter 1998 revenue included $562.2 million from sales, up nine percent from $516.6 million in the fourth quarter of 1997; $449.1 million from rentals and financing, up 10 percent from $410.0 million; and $135.8 million from support services, up 10 percent from $123.7 million.

Fourth quarter 1998 net income was $163.1 million, or 59 cents per diluted share, compared to $147.2 million, or 51 cents per diluted share, in 1997. Fourth quarter 1998 included $700,000 of net income from CPLC, which had no impact on earnings per share, compared to $7.2 million, or two cents per share, in 1997.

For the full year, revenue was $4.221 billion, up eight percent from $3.920 billion in 1997; and consolidated net income in 1998 was $576.4 million, or $2.06 per diluted share, compared to $526.0 million, or $1.80 per diluted share in 1997. The full year net income included $8.5 million, or three cents per share, for CPLC as discontinued operations, compared to $17.0 million, or six cents per share, in 1997.

Pitney Bowes is a global provider of informed mail and messaging management. For more information about the company visit www.pitneybowes.com.

The forward-looking statements contained in this news release involve risks and uncertainties, and are subject to change based on various important factors including timely development and acceptance of new products, 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 1997 Form 10-K Annual Report filed with the Securities and Exchange Commission.

Note: Consolidated statements of income for the three and twelve months ended December 31, 1998 and 1997, and consolidated balance sheets at December 31, 1998, September 30, 1998 and December 31, 1997 are attached.

# # #

Pitney Bowes Inc.
Consolidated Statements of Income

(Dollars in thousands, except per share data)

	(Unaudited) Three Months Ended December 31,		Twelve Months Ended December 31,	
	1998	1997	1998	1997
Revenue from:				
Sales	$ 562,236	$ 516,574	$ 1,993,546	$ 1,834,057
Rentals and financing	449,097	409,993	1,711,468	1,602,400
Support services	135,788	123,686	515,503	483,556
Total revenue	1,147,121	1,050,253	4,220,517	3,920,013
Costs and expenses:				
Cost of sales	298,918	292,676	1,146,404	1,081,537
Cost of rentals and financing	140,013	116,208	517,167	451,090
Selling, service and administrative	395,911	366,354	1,442,730	1,367,862
Research and development	27,411	25,402	100,806	89,463
Interest, net	39,157	37,014	149,233	154,534
Total costs and expenses	901,410	837,654	3,356,340	3,144,486
Income from continuing operations before income taxes	245,711	212,599	864,177	775,527
Provision for income taxes	83,307	72,546	296,236	266,525
Income from continuing operations	162,404	140,053	567,941	509,002
Discontinued operations	700	7,153	8,453	17,025
Net income	$ 163,104	$ 147,206	$ 576,394	$ 526,027
Basic earnings per share				
Continuing operations	$ 0.60	$ 0.50	$ 2.07	$ 1.76
Discontinued operations	-	0.02	0.03	0.06
	$ 0.60	$ 0.52	$ 2.10	$ 1.82
Diluted earnings per share				
Continuing operations	$ 0.59	$ 0.49	$ 2.03	$ 1.74
Discontinued operations	-	0.02	0.03	0.06
	$ 0.59	$ 0.51	$ 2.06	$ 1.80
Average common and potential common shares outstanding	276,722,479	286,571,155	279,656,603	292,517,116

Pitney Bowes Inc.
Consolidated Balance Sheets

(Dollars in thousands, except per share data)

Assets	12/31/98	(Unaudited) 9/30/98	12/31/97
Current assets:			
Cash and cash equivalents	$ 125,684	$ 144,974	$ 137,073
Short-term investments, at cost which approximates market	3,302	1,930	1,722
Accounts receivable, less allowances: 12/98 $24,665 9/98 $22,513 12/97 $21,129	382,406	346,475	348,792
Finance receivables, less allowances: 12/98 $51,232 9/98 $43,348 12/97 $54,170	1,400,786	1,394,154	1,546,542
Inventories	266,734	235,568	249,207
Other current assets and prepayments	330,051	299,732	222,106
Net assets of discontinued operations	-	776,941	-
Total current assets	2,508,963	3,199,774	2,505,442
Property, plant and equipment, net	477,476	470,110	497,261
Rental equipment and related inventories, net	806,585	803,738	788,035
Property leased under capital leases, net	3,743	3,909	4,396
Long-term finance receivables, less allowances: 12/98 $79,543 9/98 $49,479 12/97 $78,138	1,999,339	1,938,581	2,581,349
Investment in leveraged leases	827,579	817,144	727,783
Goodwill, net of amortization: 12/98 $47,514 9/98 $45,902 12/97 $40,912	222,980	213,778	203,419
Other assets	814,374	785,311	585,704
Total assets	$ 7,661,039	$ 8,232,345	$ 7,893,389

Liabilities and stockholders' equity	12/31/98	9/30/98	12/31/97
Current liabilities:			
Accounts payable and accrued liabilities	$ 898,548	$ 842,511	$ 878,759
Income taxes payable	194,443	165,414	147,921
Notes payable and current portion of long-term obligations	1,259,193	1,844,077	1,982,988
Advance billings	369,628	362,801	363,565
Total current liabilities	2,721,812	3,214,803	3,373,233
Deferred taxes on income	920,521	929,199	905,768
Long-term debt	1,712,937	1,710,533	1,068,395
Other noncurrent liabilities	347,670	366,799	373,416
Total liabilities	5,702,940	6,221,334	5,720,812
Preferred stockholders' equity in a subsidiary company	310,097	300,000	300,000
Stockholders' equity:			
Cumulative preferred stock, $50 par value, 4% convertible	34	34	39
Cumulative preference stock, no par value, $2.12 convertible	2,031	2,076	2,220
Common stock, $1 par value	323,338	323,338	323,338
Capital in excess of par value	16,173	18,198	28,028
Retained earnings	3,073,839	2,971,883	2,744,929
Accumulated other comprehensive income	(88,217)	(90,548)	(63,348)
Treasury stock, at cost	(1,679,196)	(1,513,970)	(1,162,629)
Total stockholders' equity	1,648,002	1,711,011	1,872,577
Total liabilities and stockholders' equity	$ 7,661,039	$ 8,232,345	$ 7,893,389

Pitney Bowes Inc.
Revenue and Operating Profit
By Business Segment
December 31, 1998
(Unaudited)

(Dollars in thousands)

	1998	1997	% Change
Fourth Quarter			

Revenue			
Mailing and Integrated Logistics	$ 746,382	$ 693,751	8%
Office Solutions	314,427	285,555	10%
Mortgage Servicing	37,756	22,264	70%
Capital Services	48,556	48,683	-
Total Revenue	$ 1,147,121	$ 1,050,253	9%
Operating Profit (1)			
Mailing and Integrated Logistics	$ 188,979	$ 162,566	16%
Office Solutions	65,626	56,392	16%
Mortgage Servicing	9,434	8,237	15%
Capital Services	19,402	15,370	26%
Total Operating Profit	$ 283,441	$ 242,565	17%

<FN>
(1) Operating profit excludes general corporate expenses, income taxes and net interest other than that related to finance operations.
</FN>

Pitney Bowes Inc.
Revenue and Operating Profit
By Business Segment
December 31, 1998

(Dollars in thousands)

Year Ended December 31,	1998	1997	% Change
Revenue			
Mailing and Integrated Logistics	$ 2,707,044	$ 2,551,876	6%
Office Solutions	1,216,007	1,089,325	12%
Mortgage Servicing	129,602	73,246	77%
Capital Services	167,864	205,566	(18%)
Total Revenue	$ 4,220,517	$ 3,920,013	8%
Operating Profit (1)			
Mailing and Integrated Logistics	$ 663,051	$ 584,042	14%
Office Solutions	235,156	197,123	19%
Mortgage Servicing	37,262	24,578	52%
Capital Services	51,431	47,939	7%

Total Operating Profit	$ 986,900	$ 853,682	16%

<FN>
(1) Operating profit excludes general corporate expenses, income taxes and net interest other than that related to finance operations.
</FN>

Exhibit 2

Pitney Bowes Inc.
1998 Selected Segment Data

(Dollars in thousands)

Revenue	First Quarter 1998	Second Quarter 1998	Third Quarter 1998	Fourth Quarter 1998	YTD 1998
Mailing and Integrated Logistics	$ 626,240	$ 668,281	$ 666,141	$ 746,382	$ 2,707,044
Office Solutions	291,182	303,682	306,716	314,427	1,216,007
Mortgage Servicing	23,312	29,306	39,228	37,756	129,602
Capital Services	36,363	42,627	40,318	48,556	167,864
Total Revenue	$ 977,097	$ 1,043,896	$ 1,052,403	$ 1,147,121	$ 4,220,517

Operating Profit (1)	First Quarter 1998	Second Quarter 1998	Third Quarter 1998	Fourth Quarter 1998	YTD 1998
Mailing and Integrated Logistics	$ 144,979	$ 164,811	$ 164,282	$ 188,979	$ 663,051
Office Solutions	52,459	57,610	59,461	65,626	235,156
Mortgage Servicing	6,913	10,180	10,735	9,434	37,262
Capital Services	8,345	12,202	11,482	19,402	51,431
Total Operating Profit	$ 212,696	$ 244,803	$ 245,960	$ 283,441	$ 986,900

<FN>
(1) Operating profit excludes general corporate expenses, income taxes and net interest other than that related to finance operations.
</FN>