SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]
For the year ended December 31, 1993

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]
For the transition period from to

Commission file number 1-3579

PITNEY BOWES INC.

State of Incorporation	IRS Employer Identification No.
Delaware	06-0495050

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock ($2 par value)	New York Stock Exchange
$2.12 Convertible Cumulative Preference Stock (no par value)	New York Stock Exchange
Preference Share Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

4% Convertible Cumulative Preferred Stock ($50 par value)

Disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

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, and (2) has been subject to such filing requirements for the past 90 days. Yes X No

The aggregate market value of voting stock (common stock and $2.12 preference stock) held by non-affiliates of the Registrant as of March 11, 1994 is $7,065,115,458.

Number of shares of common stock, $2 par value, outstanding as of March 11, 1994 is 158,164,139.

DOCUMENTS INCORPORATED BY REFERENCE:

1. Only the following portions of the Pitney Bowes Inc. 1993 Annual

Report to Stockholders are incorporated by reference into Parts I, II and IV of this Form 10-K Annual Report.

(a) Financial Statements, pages 27 to 39.

(b) Management's Discussion and Analysis and Summary of Selected Financial Data on pages 21 to 26 excluding the information on page 25 relating to Dividend Policy.

(c) Stock Information and Stock Exchanges, on the inside back cover.

2. Pitney Bowes Inc. Notice of the 1994 Annual Meeting and Proxy Statement dated March 25, 1994 pages 3, 4, 7, 10 to 12, 18 and portions of pages 2, 5, 6, 8, 9, 13, 17 and 19 are incorporated by reference into Part III of this Form 10-K Annual Report.

PART I

Item 1. Business

Pitney Bowes Inc. and its subsidiaries (the "company") operates in three industry segments: business equipment, business supplies and services, and financial services. The company's operations are in the following geographic areas: the United States, Europe, and Canada and other countries. Financial information concerning revenue, operating profit and identifiable assets by industry segment and geographic area appears on page 21 of the Pitney Bowes Inc. 1993 Annual Report to Stockholders and is incorporated herein by reference.

Business Equipment. Business equipment consists of three product classes: mailing systems, copying systems and voice processing systems. These products are sold, rented or leased (see "Financial Services") by the company and through dealers. Revenue for each product class is included in the financial information incorporated herein by reference.

Mailing systems include postage meters, parcel registers, mailing machines, manifest systems, letter and parcel scales, mail openers, mailroom furniture, folders, paper handling and shipping equipment, and facsimile machines.

Copying systems include a wide range of copying systems and supplies.

Voice processing systems include small work group and central dictation and voice processing systems, communications recorders and portable and desktop dictation units of the company's Dictaphone subsidiary.

Business Supplies and Services. Business supplies and services includes equipment and supplies used to encode and track price, content, item identification and other merchandise information manufactured and marketed by the company's Monarch Marking Systems, Inc. ("Monarch") subsidiary. In addition, this segment includes facilities management services for a variety of business support functions, including correspondence mail and reprographics management, high volume automated mail center management and related activities such as facsimile, supplies distribution and records management provided by the company's Pitney Bowes Management Services subsidiary.

In October 1993, the company acquired all outstanding shares of Ameriscribe Corporation ("Ameriscribe"). Ameriscribe is a nationwide provider of on-site reprographics, mailroom and other office services to industrial corporations and professional service firms on a contract basis. The company consolidated this unit with its facilities management business operated through its wholly-owned subsidiary, Pitney Bowes Management Services, Inc.

In 1992, the company sold its Wheeler Group Inc. ("Wheeler") subsidiary, a direct mail marketer of office supplies. Wheeler has been classified in the Consolidated Statement of Income as a discontinued operation. (See Note 11, "Acquisitions and discontinued operations", of the Notes to Consolidated Financial Statements in the Pitney Bowes Inc. 1993 Annual Report to Stockholders which information is incorporated herein by reference).

Financial Services. The financial services segment includes the company's worldwide financing operations. The company provides lease financing for its products as well as other financial services for the commercial and industrial markets. Lease financing transactions and other financial services are executed through the company's wholly-owned subsidiaries: Pitney Bowes Credit Corporation, including Colonial Pacific Leasing Corporation, Pitney Bowes Real Estate Financing Corporation and Atlantic Mortgage & Investment Corporation in the United States; Pitney Bowes Finance PLC in the U.K.; Adrema Leasing in Germany; Pitney Bowes Finance S.A. in France and Pitney Bowes Credit Australia Ltd. The company's subsidiary, Pitney Bowes of Canada Ltd., also has a financing division through which leasing arrangements are made available to its customers. The finance operations financed 34 percent, 33 percent and 32 percent of consolidated sales in 1993, 1992 and 1991, respectively.

Since the first quarter of 1993, the company has continued to phase out the business of financing non-Pitney Bowes equipment outside the United States. The company is also continuing an inquiry and evaluation of the conduct by former management personnel of its German leasing business. The company expects to complete its inquiry by the end of the second quarter of 1994. (See Management's Discussion and Analysis in the Pitney Bowes Inc. 1993 Annual Report to Stockholders which information is incorporated herein by reference). In the United States the company continues to lease a broad range of other commercial and industrial products. Products financed include both commercial and non-commercial aircraft, over-the-road trucks and trailers, rail cars, and high-technology equipment such as data processing and communications equipment as well as commercial real estate properties. The finance operations have also participated, on a select basis, in certain other types of financing activities including syndication of certain lease transactions which do not satisfy financial services' investment criteria, senior secured loans in connection with acquisition, leveraged buyout and recapitalization financing and certain project financings as well as mortgage servicing.

Financial services' borrowing strategy is to use a balanced mix of debt maturities, variable- and fixed-rate debt and interest rate swap agreements to control its sensitivity to interest rate volatility. The financial services segment may borrow through the sale of commercial paper, under its confirmed bank lines of credit and by private and public offerings of intermediate- or long-term debt securities. While the company's funding strategy may reduce sensitivity to interest rate changes over the long-term, effective interest costs have been and will continue to be impacted by interest rate changes. The company periodically adjusts prices on its new leasing and financing transactions to reflect changes in interest rates; however, the impact of these rate changes on revenue is usually less immediate than the impact on borrowing costs.

Nonrecurring Charges. In December 1989, the company announced a series of transition initiatives designed to improve the company's competitiveness, enhance business focus and allow for the transition to a new generation of advanced systems products. In support of these initiatives, the company recorded a one-time, pretax charge of $110 million against fourth-quarter 1989 earnings. The three-year transition program included a reduction in the company's worldwide workforce approximating 1,500 positions, a change of employee skill mix, a reduction in the number of product distribution centers and a streamlining of administrative systems and equipment service organizations. The company also established a dedicated United States Copier Division responsible for sourcing, selling, marketing, servicing and supporting the company's copier products.

In September 1990, the company changed its copier marketing strategy and announced plans to discontinue the remanufacture of used copier equipment. The copier organization now concentrates on new, higher-margin copiers consistent with its marketing strategy directed at serving large corporations and multi-unit installations. Due to this change in strategy and the resultant discontinuance of the equipment remanufacturing process, the company adjusted the estimated useful life of copiers from five years to three years and established a reserve for the disposal of copiers which previously would have been remanufactured, employee severance payments and facility closing costs. The aggregate one-time, pretax charge against 1990 third-quarter earnings was $86.5 million.

Support Services. The company maintains extensive field service organizations in the United States and certain other countries to provide support services to customers who have rented, leased or purchased equipment. Such support services, provided primarily on the basis of annual maintenance contracts, accounted for 15 percent of revenue in each of the last three years.

Marketing. The company's products and services are marketed through an extensive network of offices in the United States, and through a number of subsidiaries and independent distributors and dealers in many countries throughout the world as well as through direct marketing and outbound telemarketing. The company sells to a variety of business, governmental, institutional and other organizations. It has a broad base of customers, and is not dependent upon any one customer or type of customer for a significant part of its business. The company does not have significant backlog or seasonality relating to its businesses.

Operations Outside the United States. The company's manufacturing operations outside the United States are in Australia, Canada, Hong Kong, Mexico, Switzerland, Singapore and the United Kingdom.

Competition. The company has historically been a leading supplier of certain products and services in its business segments, particularly postage meters and mailing machines, price marking supplies and equipment, and voice processing systems. However, in all three segments it has strong competition from a number of companies. In particular, it is facing competition in many countries for new placements from several postage meter and mailing machine suppliers, and its mailing systems products face some competition from products and services offered as alternative means of message communications. Also, the facilities management business, a market leader in providing mail and related support services to the corporate, financial services, and professional services markets, competes against national, regional and local firms specializing in facilities management. The company believes that its long experience and reputation for product quality, and its sales and support service organizations are important factors in influencing customer choices with respect to its products and services.

The financing business is highly competitive with aggressive rate competition. Leasing companies, commercial finance companies, commercial banks and other financial institutions compete, in varying degrees, in the several markets in which the finance operations do business and range from very large, diversified financial institutions to many small, specialized firms. In view of the market fragmentation and absence of any dominant competitors which result from such competition, it is not possible to provide a meaningful description of the finance operations' competitive position in these markets.

Research and Development/Patents. The company has research and development programs that are directed towards developing new products and improving the economy and efficiency of its operations, including its production and service methods. Expenditures on research and development totaled $99.0 million, $101.6 million and $114.0 million in 1993, 1992 and 1991, respectively.

As a result of its research and development efforts, the company has been awarded a number of patents with respect to several of its existing and planned products. However, the company believes its businesses are not materially dependent on any one patent or any group of related patents. The company also believes its businesses are not materially dependent on any one license or any group of related licenses.

Material Supplies and Environmental Protection. The company believes it has adequate sources for most parts and materials for the products it manufactures. However, products manufactured by the company rely to an increasing extent on microelectronic components, and temporary shortages of these components have occurred from time to time due to the demands by many users of such components.

The company purchases copying, facsimile, scales, desktop dictating and transcribing machines, and portable dictating machines primarily from Japanese suppliers. The company believes that it has adequate sources available to it for the foreseeable future for such products.

The company is subject to extensive and changing federal, state, local and other countries environmental laws and regulations, including those relating to the operations or ownership of real property and to the use, handling, storage, discharge and disposal of hazardous substances. Expenditures relating to environmental laws and regulations do not have, and are not expected to have, a material adverse effect on capital expenditures, or on the company's financial position or results of operations.

Employee Relations. At December 31, 1993, 32,539 persons were employed by the company, 26,523 in the United States and 6,016 outside the United States. Employee relations are considered to be very satisfactory. The great majority of employees are not represented by any labor union. Management follows the policy of keeping employees informed of its decisions, and encourages and implements employee suggestions whenever practicable.

Item 2. Properties

The company's World Headquarters and certain other office and manufacturing facilities are located in Stamford, Connecticut. The company maintains research and development operations in Stratford, Connecticut as well as near Dayton, Ohio and a corporate engineering and technology center in Shelton, Connecticut. A sales and service training center is located near Atlanta, Georgia. The company is building a new facility to house its Shipping and Weighing Systems Division in Shelton, Connecticut, which is expected to be completed in 1995. The company believes that its current and planned manufacturing, administrative and sales office properties are adequate for the needs of all three of its business segments.

Business Equipment. Business equipment products are manufactured in a number of plants principally in Connecticut, as well as in: Melbourne, Florida; Harlow, England; Pickering, Ontario, Canada; and Killwangen, Switzerland. Most of these facilities are owned by the company. Sales and support services offices, substantially all of which are leased, are located throughout the United States and in a number of other countries.

Business Supplies and Services. The company's Monarch subsidiary has executive offices and production facilities near Dayton, Ohio and facilities in: Pickering, Ontario, Canada; Mexico City, Mexico; Sydney, Australia; Singapore and Hong Kong. Production facilities of the Pitney Bowes Marking Systems Ltd. subsidiary are located in a leased office and manufacturing building in Harlow, England. A number of Monarch sales and support services offices, substantially all of which are leased, are located throughout the United States and in a number of other countries.

The company's Pitney Bowes Management Services subsidiary is headquartered in Stamford, Connecticut and leases facilities in 25 cities located throughout the United States as well as one leased facility in Toronto, Ontario, Canada.

Financial Services. Pitney Bowes Credit Corporation leases executive and administrative offices in Norwalk, Connecticut; Jacksonville, Florida; and Tualatin, Oregon. Executive and administrative offices of the financing operations outside the United States are maintained in London, England; Heppenheim, Germany; Paris, France; Mississauga, Ontario, Canada; and Chatswood, Australia. A number of leased regional and district sales offices are located throughout the United States, Canada and Germany.

Item 3. Legal Proceedings

The company is a defendant in a number of lawsuits, none of which will, in the opinion of management and legal counsel, have a material adverse effect on the company's financial position or results of operations.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Executive Officers of the Registrant

Name	Age	Title	Executive Officer Since
George B. Harvey	62	Chairman, President and Chief Executive Officer	1967
Carmine F. Adimando	49	Vice President - Finance and Administration, and Treasurer	1982
Marc C. Breslawsky	51	President, Pitney Bowes Office Systems, a division	1985
Michael J. Critelli	45	President - Pitney Bowes Financial Services, a division	1988
Steven J. Green	42	Vice President - Controller	1988

Hiro R. Hiranandani	56	President - Pitney Bowes Mailing Systems, a division	1981
Paul Reece	57	Vice President - Operations and Technology	1987
Douglas A. Riggs	49	Vice President - Communications, Planning, Secretary and General Counsel	1988
Carole F. St. Mark	51	President - Pitney Bowes Logistics Systems and Business Services, a division	1985
Johnna G. Torsone	43	Vice President - Personnel	1993

There is no family relationship among the above officers, all of whom have served in various corporate, division or subsidiary positions with the company for at least the past five years except for Johnna G. Torsone. Prior to joining the company in October 1990, Ms. Torsone was a partner with the New York law firm of Parker, Chapin, Flattau & Klimpl where she practiced employment and labor law for 14 years.

PART II

Item 5. Market for the Registrant's Common Stock and Related Stockholders' Matters

The sections entitled "Stock Information" and "Stock Exchanges" on the inside back cover of the Pitney Bowes Inc. 1993 Annual Report to Stockholders are incorporated herein by reference. At December 31, 1993, the company had 31,189 common stockholders of record.

Item 6. Selected Financial Data

The section entitled "Summary of Selected Financial Data" on page 26 of the Pitney Bowes Inc. 1993 Annual Report to Stockholders is incorporated herein by reference.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The section entitled "Management's Discussion and Analysis" on pages 21 to 25 of the Pitney Bowes Inc. 1993 Annual Report to Stockholders is incorporated herein by reference, except for the section on page 25 relating to "Dividend Policy."

Item 8. Financial Statements and Supplementary Data

The financial statements, together with the report thereon of Price Waterhouse dated February 1, 1994, appearing on pages 27 to 39 of the Pitney Bowes Inc. 1993 Annual Report to Stockholders are incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

Except for the information regarding the company's executive officers (see "Executive Officers of the Registrant" on page 7), the information called for by this Item is incorporated herein by reference to the sections entitled "Election of Directors" and "Security Ownership of Directors and Executive Officers" on pages 2 to 6 of the Pitney Bowes Inc. Notice of the 1994 Annual Meeting and Proxy Statement.

Item 11. Executive Compensation

The sections entitled "Directors' Compensation", "Executive Officer Compensation", "Severance and Change of Control Arrangements" and "Pension Benefits" on pages 7 to 13, and 17 to 19 of the Pitney Bowes Inc. Notice of the 1994 Annual Meeting and Proxy Statement are incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The section entitled "Security Ownership of Directors and Executive Officers" on pages 6 and 7 of the Pitney Bowes Inc. Notice of the 1994 Annual Meeting and Proxy Statement is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

None.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) 1. Financial statements - see Item 8 on page 8 and "Index to Financial Statements and Schedules" on page 16.

2. Financial statement schedules - see "Index to Financial Statements and Schedules" on page 16.

3. Exhibits (numbered in accordance with Item 601 of Regulation S-K).

Reg. S-K Exhibits	Description	Status or Incorporation by Reference
(3)(a)	Restated Certificate of Incorporation, as amended	Incorporated by reference to Exhibit (3a) to Form 10-K as filed with the Commission on March 30, 1993. (Commission file number 1-3579)
(b)	By-laws	Incorporated by reference to Exhibit (1) to Form 8-K as filed with the Commission on March 13, 1993. (Commission file number 1-3579)
(4)(a)	Form of Indenture dated as of November 15, 1987 between the company and Chemical Bank, as trustee	Incorporated by reference to Exhibit (4a) to Form 10-K as filed with the Commission on March 24, 1988. (Commission file number 1-3579)
(b)	Form of Debt Securities	Incorporated by reference to Exhibit (4b) to Form 10-K as filed with the Commission on March 24, 1988. (Commission file number 1-3579)

(c)	Form of First Supplemental Indenture dated as of June 1, 1989 between the company and Chemical Bank, as Trustee	Incorporated by reference to Exhibit (1) to Form 8-K as filed with the Commission on June 16, 1989. (Commission file number 1-3579)
(d)	Form of Indenture dated as of April 15, 1990 between the company and Chemical Bank, as successor to Manufacturers Hanover Trust Company, as Trustee	Incorporated by reference to Exhibit (4.1) to Registration Statement on Form S-3 (No. 33-33948) as filed with the Commission on March 28, 1990.
(e)	Forms of Debt Securities	Incorporated by reference to Exhibit (4) to Form 10-Q as filed with the Commission on May 14, 1990. (Commission file number 1-3579)
(f)	Form of Indenture dated as of May 1, 1985 between Pitney Bowes Credit Corporation and Bankers Trust Company, as Trustee	Incorporated by reference to Exhibit (4a) to Registration Statement on Form S-3 (No. 2-97411) as filed with the Commission on May 1, 1985.
(g)	Letter Agreement between Pitney Bowes Inc. and Bankers Trust Company, as Trustee	Incorporated by reference to Exhibit (4b) to Registration Statement on Form S-3 (No. 2-97411) as filed with the Commission on May 1, 1985.
(h)	Form of First Supplemental Indenture dated as of December 1, 1986 between Pitney Bowes Credit Corporation and Bankers Trust Company, as Trustee	Incorporated by reference to Exhibit (4b) to Registration Statement on Form S-3 (No. 33-10766) as filed with the Commission on December 12, 1986.
(i)	Form of Second Supplemental Indenture dated as of February 15, 1989 between Pitney Bowes Credit Corporation and Bankers Trust Company, as Trustee	Incorporated by reference to Exhibit (4c) to Registration Statement on Form S-3 (No. 33-27244) as filed with the Commission on February 24, 1989.
(j)	Form of Third Supplemental Indenture dated as of May 1, 1989 between Pitney Bowes Credit Corporation and Bankers Trust Company, as Trustee	Incorporated by reference to Exhibit (1) to Form 8-K as filed with the Commission on May 16, 1989. (Commission file number 1-3579)

The company has outstanding certain other long-term indebtedness. Such long-term indebtedness does not exceed 10% of the total assets of the company; therefore, copies of instruments defining the rights of holders of such indebtedness are not included as exhibits. The company agrees to furnish copies of such instruments to the Securities and Exchange Commission upon request.

Executive Compensation Plans:

(10)(a)	Retirement Plan for Directors of Pitney Bowes Inc.	Incorporated by reference to Exhibit (10a) to Form 10-K as filed with the Commission on March 30, 1993. (Commission file number 1-3579)
(b)	Deferred Compensation Plan for Directors	Incorporated by reference to Exhibit (10b) to Form 10-K as filed with the Commission on March 30, 1993. (Commission file number 1-3579)
(c)	Pitney Bowes Inc. Directors' Stock Plan	Incorporated by reference to Exhibit (10a) to Form 10-K as filed with the Commission on March 25, 1992. (Commission file number 1-3579)
(d)	Pitney Bowes 1991 Stock Plan	Incorporated by reference to Exhibit (10b) to Form 10-K as filed with the Commission on March 25, 1992. (Commission file number 1-3579)
(e)	Pitney Bowes Inc. Key Employees' Incentive Plan (as amended and restated)	Incorporated by reference to Exhibit (10c) to Form 10-K as filed with the Commission on March 25, 1992. (Commission file number 1-3579)
(f)	1979 Pitney Bowes Stock Option Plan (as amended and restated)	Incorporated by reference to Exhibit (10d) to Form 10-K as filed with the Commission on March 25, 1992. (Commission file number 1-3579)
(g)	Pitney Bowes Severance Plan, as amended, dated December 12, 1988	Incorporated by reference to Exhibit (10) to Form 10-K as filed with the Commission on March 23, 1989. (Commission file number 1-3579)
(11)	Statement re computation of per share earnings	Exhibit (i)
(12)	Computation of ratio of earnings to fixed charges	Exhibit (ii)
(13)	Portions of annual report to security holders	Exhibit (iii)
(21)	Subsidiaries of the registrant	Exhibit (iv)
(23)	Consent of experts and counsel	Exhibit (v)

(b) No reports on Form 8-K were filed for the three months ended December 31, 1993.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Pitney Bowes Inc.

By /s/ George B. Harvey
(George B. Harvey)
Chairman, President and Chief
Executive Officer

Date March 30, 1994

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ George B. Harvey George B. Harvey	Chairman, President and Chief Executive Officer - Director	March 30, 1994
/s/ Carmine F. Adimando Carmine F. Adimando	Vice President-Finance and Administration, and Treasurer (principal financial officer)	March 30, 1994
/s/ Steven J. Green Steven J. Green	Vice President-Controller (principal accounting officer)	March 30, 1994
/s/ Linda G. Alvarado Linda G. Alvarado	Director	March 30, 1994
/s/ William E. Butler William E. Butler	Director	March 30, 1994
/s/ Colin G. Campbell Colin G. Campbell	Director	March 30, 1994
/s/ John C. Emery, Jr.	Director	March 30, 1994

John C. Emery, Jr.		
/s/ Charles E. Hugel Charles E. Hugel	Director	March 30, 1994
/s/ David T. Kimball David T. Kimball	Director	March 30, 1994

Signature	Title	Date
Leroy D. Nunery	Director	March 30, 1994
/s/ Phyllis S. Sewell Phyllis S. Sewell	Director	March 30, 1994
/s/ Arthur R. Taylor Arthur R. Taylor	Director	March 30, 1994

INDEX TO FINANCIAL STATEMENTS AND SCHEDULES

The additional financial data should be read in conjunction with the financial statements in the Pitney Bowes Inc. 1993 Annual Report to Stockholders. Schedules not included with this additional financial data have been omitted because they are not applicable or the required information is shown in the financial statements or notes thereto. Also, separate financial statements of less than 100 percent owned companies, which are accounted for by the equity method, have been omitted because they do not constitute significant subsidiaries.

ADDITIONAL FINANCIAL DATA

REPORT OF INDEPENDENT ACCOUNTANTS ON
FINANCIAL STATEMENT SCHEDULES

To the Board of Directors
of Pitney Bowes Inc.

Our audits of the consolidated financial statements referred to in our report dated February 1, 1994 appearing on page 39 of the Pitney Bowes Inc. 1993 Annual Report to Stockholders (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the financial statement schedules listed by reference in Item 14(a)2 of this Form 10-K. In our opinion, these financial statement schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

Price Waterhouse

Stamford, Connecticut
February 1, 1994

PITNEY BOWES INC.

SCHEDULE VIII - VALUATION AND QUALIFYING
ACCOUNTS AND RESERVES

FOR THE YEARS ENDED DECEMBER 31, 1991 TO 1993

(Dollars in thousands)

Description	Balance at beginning of year	Additions charged to costs and expenses	Deductions	Balance at end of year
Allowance for doubtful accounts				
1993	$16,578	$ 9,024(1)	$ 8,911(2)	$ 16,691
1992	$17,786	$ 4,364	$ 5,572(2)	$ 16,578
1991	$14,352	$10,741	$ 7,307(2)	$ 17,786
Allowance for credit losses on finance receivables				
1993	$96,975	$84,524	$64,987(2)	$116,512
1992	$88,703	$85,642	$77,370(2)	$ 96,975

1991	$84,514	$70,760	$66,571(2)	$ 88,703
Reserve for transition costs(4)				
1993	$ 1,627	$ -	$ 1,283(3)	$ 344
1992	$ 8,835	$ -	$ 7,208(3)	$ 1,627
1991	$30,130	$ -	$21,295(3)	$ 8,835
Valuation allowance for deferred tax asset(4)				
1993	$28,800	$ 2,059	$ 4,884	$ 25,975
1992	$ -	$29,365	$ 565	$ 28,800

<FN>
(1) Includes $1,300 of additions applicable to a business at acquisition.
(2) Principally uncollectible accounts written off.
(3) Amounts paid.
(4) Included in balance sheet as a liability.

PITNEY BOWES INC.

SCHEDULE IX - SHORT-TERM BORROWINGS

FOR THE YEARS ENDED DECEMBER 31, 1991 TO 1993

(Dollars in thousands)

Description	Balance at end of year	Weighted average interest rate	Maximum amount outstanding	Average amount outstanding(1)	Weighted average interest rate during the year (1)
Overdrafts-banks					
1993	$ 9,369	7.8%	$ 25,824	$ 9,398	8.4%
1992	$ 14,536	9.5%	$ 14,787	$ 7,540	9.7%
1991	$ 7,940	9.6%	$ 22,432	$ 10,459	7.8%
Notes payable					
1993	$1,990,995	3.2%	$1,990,995	$1,870,972	3.4%
1992	$1,794,709	4.5%	$1,944,780	$1,773,607	4.5%
1991	$1,620,446	5.2%	$1,620,446	$1,457,174	6.7%

<FN>
(1) The average amount outstanding and weighted average interest rate during the year were calculated based on daily or monthly borrowings outstanding.

PITNEY BOWES INC.
SCHEDULE X - SUPPLEMENTARY INCOME
STATEMENT INFORMATION

FOR THE YEARS ENDED DECEMBER 31, 1991 TO 1993

(Dollars in thousands)

	Charged to costs and expenses		
Item	1993	1992	1991
Maintenance (1)	$53,279	$47,387	$41,736

(1) Excludes costs associated with equipment maintenance agreements sold to customers.

PITNEY BOWES INC.
STATEMENT RE COMPUTATION OF PER SHARE EARNINGS

EXHIBIT (i)

(Dollars in thousands, except share data)

	Years Ended December 31, 1993	1992	1991	1990	1989
Income from continuing operations*	$ 353,185	$ 312,165	$ 287,857	$ 206,646	$ 180,104
Discontinued operations	-	2,700	7,440	6,646	6,609
Effect of accounting changes	-	(214 631)	-	-	66,048
Net income	$ 353,185	$ 100,234	$ 295,297	$ 213,292	$ 252,761
Weighted average number of common shares outstanding	157,766,700	157,562,020	158,180,010	157,379,940	156,268,512
Preference stock, $2.12 cumulative convertible	905,231	1,085,684	1,386,566	1,613,714	1,824,008
Stock option and purchase plans	696,721	581,782	371,838	232,180	520,650
Convertible loan stock	-	5,926	16,266	23,926	32,922
Total common and common equivalent shares outstanding	159,368,652	159,235,412	159,954,680	159,249,760	158,646,092
Income per common and common equivalent share - primary:					
Continuing operations	$ 2.22	$ 1.96	$ 1.80	$ 1.30	$ 1.14
Discontinued operations	-	.02	.05	.04	.04
Effect of accounting changes	-	(1.35)	-	-	.41
Net income	$ 2.22	$ .63	$ 1.85	$ 1.34	$ 1.59
Income from continuing operations*	$ 353,189	$ 312,169	$ 287,861	$ 206,654	$ 180,116
Discontinued operations	-	2,700	7,440	6,646	6,609
Effect of accounting changes	-	(214,631)	-	-	66,048
Net income	$ 353,189	$ 100,238	$ 295,301	$ 213,300	$ 252,773
Weighted average number of common shares outstanding	157,766,700	157,562,020	158,180,010	157,379,940	156,268,512
Preference stock, $2.12 cumulative convertible	905,231	1,085,684	1,386,566	1,613,714	1,824,008
Stock option and purchase plans	706,981	606,915	410,102	245,294	541,098
Convertible loan stock	-	5,926	16,266	23,926	32,922
Preferred stock, 4% cumulative convertible	23,464	26,409	28,930	37,862	63,970
Convertible debentures	-	-	-	15,800	15,800
Total common and common equivalent shares outstanding	159,402,376	159,286,954	160,021,874	159,316,536	158,746,310
Income per common and common equivalent share - fully diluted:					
Continuing operations	$ 2.22	$ 1.96	$ 1.80	$ 1.30	$ 1.14
Discontinued operations	-	.02	.05	.04	.04
Effect of accounting changes		(1.35)	-	-	.41
Net income	$ 2.22	$ .63	$ 1.85	$ 1.34	$ 1.59

<FN>
* Income from continuing operations was adjusted for preferred dividends and interest on convertible debt.

PITNEY BOWES INC. EXHIBIT (ii)

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES (1)

(Dollars in thousands)

	Years Ended December 31, 1993	1992	1991	1990	1989
Income from continuing operations before income taxes.	$574,807	$495,352	$461,589	$327,644	$261,057
Add:					
Interest expense.	187,439	227,257	258,116	264,473	238,375
Portion of rents representative of the interest factor . . .	38,712	38,338	36,757	33,672	24,427
Amortization of capitalized interest. . .	927	927	927	862	839
Income as adjusted	$801,885	$761,874	$757,389	$626,651	$524,698
Fixed charges:					
Interest expense.	$187,439	$227,257	$258,116	$264,473	$238,375
Capitalized interest. . . .	-	-	-	1,567	1,056
Portion of rents representative of the interest factor . . .	38,712	38,338	36,757	33,672	24,427
	$226,151	$265,595	$294,873	$299,712	$263,858
Ratio of earnings to fixed charges.	3.55	2.87	2.57	2.09	1.99

<FN>

(1) The computation of the ratio of earnings to fixed charges has been computed by dividing income from continuing operations before income taxes and fixed charges by fixed charges. Included in fixed charges is one-third of rental expense as the representative portion of interest.

SEGMENTS

Pitney Bowes manufactures and markets products, and provides services in two industry segments: business equipment and business supplies and services; and provides financing in a third industry segment: financial services.

Business equipment includes: postage meters and mailing, shipping and facsimile systems; copying systems and supplies; and voice processing systems which include small work group and central dictation and voice processing systems, communications recorders and portable and desktop dictation units.

Business supplies and services includes: equipment and supplies used to encode and track price, content, item identification and other merchandise information and mailroom, reprographics and related facilities management services.

The financial services segment includes the worldwide financing operations of the company. This segment provides lease financing for the company's products as well as other financial services for the commercial and industrial markets.

Revenue and operating profit by business segment and geographic area for the years 1991 to 1993 were as follows:

	Revenue		
(in millions)	1993	1992	1991
Industry segments:			
Business equipment:			
Mailing systems	$1,908	$1,810	$1,777
Copying systems	280	285	276
Voice processing systems	311	306	300
	2,499	2,401	2,353
Business supplies and services	430	400	365
Financial services	614	633	614
Total	$3,543	$3,434	$3,332
Geographic areas:			
United States	$2,990	$2,786	$2,647
Europe	376	432	423
Canada and other	306	319	336
Inter-area revenue	(129)	(103)	(74)
Total	$3,543	$3,434	$3,332

	Operating profit		
(in millions)	1993	1992	1991
Industry segments:			

Business equipment	$ 417	$ 362	$ 363
Business supplies and services	27	34	20
Financial services	209	201	178
Total	$ 653	$ 597	$ 561
Geographic areas:			
United States	$ 584	$ 520	$ 457
Europe	35	34	51
Canada and other	39	45	56
Inter-area profit	(5)	(2)	(3)
Total	$ 653	$ 597	$ 561

Identifiable assets by business segment and geographic area for the years 1991 to 1993 were as follows:

	Identifiable assets		
(in millions)	1993	1992	1991
Industry segments:			
Business equipment	$1,816	$1,706	$1,713
Business supplies and services	359	240	240
Financial services	4,441	4,352	4,116
Total	$6,616	$6,298	$6,069
Geographic areas:			
United States	$5,967	$5,330	$4,883
Europe	404	526	625
Canada and other	537	641	609
Total	$6,908	$6,497	$6,117

RESULTS OF CONTINUING OPERATIONS

Revenue increased three percent to $3.5 billion in 1993 primarily as a result of growth in the United States, especially in the mailing, shipping and facilities management businesses. Revenue growth in 1993 was slowed by the continuing sluggish economies worldwide, particularly in Germany, Canada and the United Kingdom, as well as by significant unfavorable foreign currency impacts in these countries. Additionally, revenue growth was slowed by the company's first-quarter 1993 decision to phase out the business of financing non-Pitney Bowes equipment outside of the U.S. In 1992, revenue increased three percent as a result of strong growth in the facilities management business and moderate growth in the U.S. mailing business partly offset by worldwide economic weakness. Income per share from continuing operations increased 13 percent to $2.22 per share in 1993 compared with a nine percent increase to $1.96 per share in 1992. In 1993, the company recorded $21.8 million of additional U.S. tax expense as a result of the Omnibus Budget Reconciliation Act of 1993 (the Tax Act). Excluding the effect of the Tax Act, income per share from continuing operations was $2.35 per share in 1993, an increase of 20 percent from the prior year.

Sales revenue increased seven percent in 1993 and three percent in 1992. The 1993 increase included strong growth in mailing, shipping, copier and facsimile product placements from the business equipment segment in the U.S. Sales growth in 1993 was partly offset by significant unfavorable foreign currency impacts as well as price declines on certain shipping, facsimile and copier equipment. The growth in U.S. mailing was stimulated by further market acceptance of Paragon/TM/, the company's top-of-the-line mail processor, and Spectrum/TM/, the company's newest tabletop inserter, which were both introduced in 1992. Foreign currency impacts lowered 1993 sales growth outside the U.S., primarily in the U.K., Canada and Germany by nine percent. Strong sales revenue growth from the business supplies

and services segment was recorded in both 1993 and 1992. This segment benefitted from the continued expansion of the company's facilities management business in both years including the 1993 acquisition of Ameriscribe Corporation (Ameriscribe). Ameriscribe is a nationwide provider of on-site reprographics, mailroom and other office services to industrial corporations and professional service firms on a contract basis. See note 11 to the consolidated financial statements. The 1993 increase was offset to a degree by unfavorable volume and foreign currency impacts on the company's marking systems products. In 1992, sales revenue of the business supplies and services segment also grew as a result of increased retail demand for marking systems products.

Rentals and financing revenue, substantially all of which is in the business equipment and financial services segments, decreased marginally in 1993 compared with a three percent increase in 1992. Excluding foreign currency impacts primarily attributable to weakening of the British pound, Canadian dollar and German mark, 1993 rentals and financing revenue increased one percent. Rental revenue increased in 1993 and 1992 primarily due to worldwide mailing price increases, higher numbers of postage meters on rental, especially higher yielding Postage By Phone(R) and electronic meters, as well as a greater mix of plain paper facsimile equipment placements partly offset, in 1993, by the unfavorable foreign currency impacts noted above. Financing revenue decreased three percent in 1993 primarily as a result of the company's first-quarter decision to phase out the business of financing non-Pitney Bowes equipment outside of the U.S. As part of this strategy, the company sold approximately $120 million of external finance assets in Canada in the second quarter. Financing revenue also decreased as a result of unfavorable revenue impacts associated with a partnership lease transaction (discussed below). In 1992, financing revenue increased three percent resulting from an increase in the company's leasing portfolio.

Support services revenue, most of which is derived from the business equipment segment, increased one percent in 1993 and two percent in 1992 primarily due to price increases, as well as the continued expansion of the inserter, shipping, dictation and facsimile service bases in both years. These increases were partly offset by negative currency swings in 1993 and a decline in the copier and mailing service agreement bases in both 1993 and 1992.

The cost of sales to sales revenue ratio increased to 53.4 percent in 1993 from 52.6 percent in 1992 and 52.2 percent in 1991. These ratio increases were due to the increasing significance of the company's facilities management business which includes most of its expenses in cost of sales and, in 1993, increased engineering support on the company's many new products and reduced margins on certain of the company's mailing, shipping and facsimile products. These factors were partly offset by favorable LIFO effects and improved margins at the company's copier operation for all periods and, in 1992, in the company's German business equipment operation. High-margin PROM and scale chart sales, lower voice processing product costs and a reduction of costs resulting from settlement of a foreign sales tax refund claim also benefitted 1991 results. The company believes that its facilities management business will continue to increase in significance with the recent acquisition of Ameriscribe and, as a result, the cost of sales to sales revenue ratio is also expected to continue to increase.

The cost of rentals and financing to rentals and financing revenue ratio was 31.7 percent in 1993, 30.7 percent in 1992 and 29.1 percent in 1991. The increased cost ratio in 1993 reflects the increased credit loss provisions established in the financial services segment during the year. This includes an approximately $14 million second quarter charge for potential losses in Germany and the impact of amortization of purchased mortgage servicing rights associated with the company's mortgage servicing subsidiary. The increased cost ratio in 1992 resulted from higher credit loss provisions in the financial services segment partly offset by improved copier rental margins.

Selling, service and administrative expenses as a percentage of revenue were 38.5 percent in 1993 and 40.1 percent in both 1992 and 1991. In 1993, this ratio benefitted from lower expenses related to the facilities management business, tightening of overall U.S. medical costs and the continued benefit from cost containment programs throughout the company, including expense reductions from the establishment of retiree medical coverage maximums. In 1992, this ratio was unfavorably impacted by $26 million due to the adoption of the accounting standard for nonpension postretirement benefits which largely offset the favorable impact of the company's cost reduction programs.

Research and development expenses declined three percent in 1993 and 11 percent in 1992. These declines were caused by the completion of the primary development cycle for certain of the company's major new mailing products. These products were successfully launched in 1992 and currently use ongoing engineering support to improve functionality and increase manufacturing efficiencies. This support is recorded in cost of sales. In addition, the company has continued its cost containment programs while continuing to significantly invest in new product development focusing on electronic technology and software development.

Net interest expense decreased 18 percent in 1993 and 12 percent in 1992. The continued decline in interest expense resulted from lower short- and long-term interest rates on the company's debt as well as a gradual shift in borrowings to lower interest bearing short-term notes payable. On a swap adjusted basis, the ratio of notes payable to the sum of notes payable and long-term debt was 57 percent in 1993 compared to 48 percent in 1992. The company's practice is to manage its interest rate risk, most of

which is in the financial services segment, through the use of a balanced mix of debt maturities, variable- and fixed-rate debt and interest rate swap agreements.

Industry segment operating profit reflects the factors discussed above and in the Financial Services discussion below. Operating profit of the business equipment segment increased 15 percent in 1993 compared to a marginal decline in operating profit in 1992. The 1993 results compared favorably to 1992 which included an incremental cost of over $20 million for the adoption of the accounting standard for nonpension postretirement benefits. Excluding the effect of the accounting change, operating profit of this segment increased nine percent in 1993 reflecting strong performances by the mailing, shipping, dictation, copier and facsimile businesses in the U.S. partly offset by weakness in the Canadian and European mailing operations. In the business supplies and services segment, operating profit declined 21 percent in 1993 compared with a 73 percent increase in 1992. The 1993 results reflect unfavorable volume and foreign currency impacts on marking systems products partly offset by continuing strong growth at the company's facilities management business. Factors affecting 1992 results included improved sales of marking systems products as well as strong growth in the facilities management business. The significant cost reduction programs implemented at the end of 1991 in the facilities management business continued to be reflected in this segment's performance in 1993 and 1992. The financial services segment continued to benefit from a lower interest rate environment. This benefit was offset in part by commensurately lower new lease rates, increased relative credit loss provisions and the decision to phase out the external financing business outside of the U.S. As a result, operating profit in 1993 increased four percent compared to a 13 percent increase in 1992.

The effective tax rate was 38.6 percent in 1993, 37.0 percent in 1992 and 37.6 percent in 1991. The 1993 effective tax rate reflects an additional $21.8 million charge resulting from the August 10, 1993, enactment of the Tax Act which increased U.S. corporate income tax rates from 34% to 35%, retroactive to January 1, 1993. The liability method of accounting for income taxes requires the effect of the change in tax laws or rates on current earnings ($6 million) and accumulated deferred income taxes ($15.8 million) to be reflected in the period when the new legislation is enacted. Excluding the impact of the new tax legislation, the effective tax rate for 1993 was 34.8 percent. Further affecting this rate was the tax impact of a partnership lease transaction (further discussed below) and research and development tax credits. The 1992 effective tax rate was favorably affected by higher levels of tax exempt income, both inside and outside the U.S., and research and development credits offset, in part, by reduced investment tax credits.

In the fourth quarter of 1993, Pitney Bowes Credit Corporation (PBCC) completed a transaction whereby PBCC contributed certain commercial aircraft, subject to direct finance leases, to a majority owned partnership. The partnership transaction had the effect of reducing PBCC's obligation for previously accrued deferred taxes, resulting in a 1993 net after-tax benefit of approximately $8 million after provision for certain costs associated with the transaction. The reduction in deferred taxes has been recognized as a reduction in 1993 income tax expense.

Although not affecting income, deferred translation losses amounted to $20 million, $60 million and $4 million in 1993, 1992 and 1991, respectively. Throughout the periods, losses resulted primarily from the continued weakening of the British pound and, in both 1993 and 1992, the Canadian dollar.

FINANCIAL SERVICES

The financial services operations provide lease financing for Pitney Bowes products in the U.S., Canada, the U.K., Germany, France and Australia. Since the first quarter of 1993, the company has continued to phase out the business of financing non-Pitney Bowes equipment outside the U.S. These actions included the second quarter 1993 sale of approximately $120 million of finance assets in Canada. The company is also continuing an inquiry and evaluation of the conduct by former management personnel of its German leasing business. The results of this inquiry to date indicate that former management caused the company's German leasing operation to enter into transactions which were not consistent with company policy and guidelines and, in certain cases, lacked appropriate documentation and collateral. Additionally, in certain instances, the company is continuing to locate, repossess and remarket collateral where possible. These circumstances, together with deteriorating economic conditions in Germany, caused management, in the second quarter of 1993, to conclude that losses would be larger than previously anticipated. Accordingly, at that time the company recorded additional loss provisions of approximately $14 million, the effect of which was substantially offset by gains on the sales of certain finance assets.

At the current time, the company believes that with the additional loss provisions taken in the second quarter of 1993, sufficient reserves for expected losses are in place. As the company's inquiry continues it may determine that additional loss provisions are necessary. If such additional loss provisions are required, it is anticipated that the resulting charges against income would be offset by gains on additional asset sales by the financial services segment. The company expects to complete its inquiry by the end of the second quarter of 1994. The company's management believes there are sufficient opportunities for profitable growth in its domestic external financing business and plans to make future external investments solely in the U.S. market. Prior to the first quarter announcement noted above, the company had offered financial services to the commercial and industrial markets in the U.S., Canada, the U.K., Germany, France and Australia. Condensed financial information of the company's consolidated finance operations is disclosed in note 14 to the consolidated financial statements. The finance operations financed 34 percent of consolidated sales in 1993, 33 percent in 1992 and 32 percent in 1991.

Total financial services revenue amounted to $614 million in 1993, down three percent from 1992. Total financial services assets increased to $4.5 billion at year-end 1993, up two percent from $4.4 billion in 1992 which was up five percent from $4.1 billion in 1991. To fund finance assets, borrowings were $2.9 billion in 1993, $3.0 billion in 1992 and $2.9 billion in 1991. Borrowing requirements for the funding of new business were reduced by the proceeds received from the sale of approximately $160 million, $200 million and $260 million of finance assets during 1993, 1992 and 1991, respectively. In addition to the $600 million of borrowings available under shelf registration statements, the financial services segment had approximately $1.6 billion of unused lines of credit outstanding at year-end 1993 largely supporting commercial paper borrowings.

DISCONTINUED OPERATIONS

In 1992, the company sold its Wheeler Group Inc. (Wheeler) subsidiary, a direct mail marketer of office supplies. The sale of Wheeler for approximately $80 million in cash resulted in a $2.7 million after-tax gain. Wheeler has been classified in the Consolidated Statement of Income as a discontinued operation; revenue and income from continuing operations exclude the results of Wheeler for all periods presented.

ACCOUNTING CHANGES

In the fourth quarter of 1992, the company adopted retroactively to January 1, 1992, Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" (FAS 106), which addresses health care and other welfare benefits provided to retirees. FAS 106 required a change from the cash basis of accounting to the accrual basis of accounting for nonpension postretirement benefits. The transition effect of adopting this standard on the immediate recognition basis, which was recorded in the first quarter of 1992, was a one-time, after-tax charge of $215 million or $1.35 per share; the 1992 incremental after-tax cost on 1992 income from continuing operations amounted to $16 million or $.10 per share. In early 1993, the company announced several changes to its health care plans which are expected to significantly reduce the ongoing incremental impact of FAS 106 on future earnings. Among these changes was the establishment of plan cost maximums in order to more effectively control future medical costs. Additional information with respect to accounting for nonpension postretirement benefits is disclosed in note 10 to the consolidated financial statements.

The company also adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes," in 1992, which did not significantly affect the company's reported results.

In November 1992, Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" (FAS 112), was issued addressing benefits provided by an employer to former or inactive employees after employment but before retirement. FAS 112 requires that postemployment benefit costs be recognized on the accrual basis of accounting effective for fiscal years beginning after December 15, 1993. Postemployment benefits include the continuation of salary, health care, life insurance and disability-related benefits to former or inactive employees, their beneficiaries and covered dependents. The company will adopt FAS 112 during the first quarter of 1994, as required. Upon adoption, the company anticipates recognizing a one-time, non-cash after-tax charge approximating $60 to $120 million for the cumulative effect on prior years of such adoption.

In May 1993, Statement of Financial Accounting Standards No. 114, "Accounting by Creditors for Impairment of a Loan" which must be adopted by January 1, 1995 and Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities" which must be adopted by January 1, 1994 were issued. Neither of these pronouncements is expected to materially affect the company.

LIQUIDITY AND CAPITAL RESOURCES

The current ratio reflects the company's practice of utilizing a balanced mix of debt maturities to fund finance assets. The current ratio was .59 to 1 at both December 31, 1993 and December 31, 1992.

The ratio of total debt to the total of such debt and stockholders' equity was 61.3 percent at December 31, 1993 compared to 64.5 percent at December 31, 1992. The change in this ratio was due to reduced borrowings at the company's financial services operation as a result of sales of finance assets and the strategic decision to phase out the business of financing non-Pitney Bowes equipment outside of the U.S. as well as the company's strong operating performance. These factors were partially offset by the 1993 repurchase of approximately 2.1 million shares of common stock at a cost approximating $87 million. Such repurchases were funded through increased commercial paper borrowings. Emphasis on fee-based financial services' transactions and the continuing consideration of the sale of certain financing transactions as well as phasing out the non-U.S. external business are expected to continue to slow the growth in finance assets and related debt levels.

As part of the company's non-financial services shelf registrations, a medium-term note facility was established permitting issuance of up to $100 million in debt securities with maturities ranging from more than one year up to 30 years of which $32 million remained available at December 31, 1993. The company also has an additional $300 million remaining on shelf registrations filed with the Securities and Exchange Commission. In January 1993, the company repaid $100 million of 8.875 percent notes which matured and were previously issued under these shelf registrations.

In 1992, PBCC filed a $500 million shelf registration statement with the Securities and Exchange Commission. This registration statement, together with the carryover of $100 million from a previous registration, should meet PBCC's long-term financing needs for the next two years. In the first quarter of 1993, PBCC redeemed $75 million of 8.75 percent notes due in 1996. PBCC has also exercised the option to redeem $100 million of 10.65 percent notes due in 1999 on April 1, 1994. PBCC had previously sold an option on a notional principal amount of $100 million to enable a counterparty to require PBCC to pay a fixed rate of 10.67 percent for five years starting April 1, 1994. The counterparty has exercised that option.

At year-end 1993, the company had unused lines of credit and revolving credit facilities totaling $1.8 billion in the U.S. and $143 million outside the U.S. largely supporting commercial paper borrowings. Amounts available under credit agreements, shelf registrations and commercial paper and medium-term note programs in addition to cash generated internally are expected to be sufficient to provide for financing needs in the next two years. Information with respect to debt maturities is disclosed in note 5 to the consolidated financial statements.

CAPITAL INVESTMENT

During 1993, net investments in fixed assets included $96 million in net additions to property, plant and equipment and $193 million in net additions to rental equipment and related inventories compared with $76 million and $134 million, respectively, in 1992. These additions included expenditures for normal plant and manufacturing equipment. In the case of rental equipment, the additions included the production of postage meters and the purchase of facsimile equipment for both new placements and upgrade programs.

At December 31, 1993, commitments for the acquisition of property, plant and equipment reflected plant and manufacturing equipment improvements as well as rental equipment for new and replacement programs. The company is also building a new facility to house its Shipping and Weighing Systems Division in Shelton, Connecticut, which is expected to be completed in 1995.

As previously reported, the company's financial services segment has made senior secured loans and commitments in connection with acquisition, leveraged buyout and recapitalization financings. At December 31, 1993, the company had a total of $13.9 million of such senior secured loans and commitments outstanding compared to $25.2 million at December 31, 1992. In April 1993, the company sold its $6.6 million senior secured loan with a company that had previously filed under Chapter 11 of the Federal Bankruptcy Code and recovered 100 percent of its investment. The company has not participated in unsecured or subordinated debt financing in any highly leveraged transactions.

EFFECTS OF INFLATION

Inflation, even though moderate in recent years, continues to have an effect on worldwide economies and the way companies operate. In addition to increasing labor costs and operating expenses, the company is also impacted by the higher costs associated with replacement of fixed assets and especially rental equipment assets. In the face of increasing costs, the company has generally been able to maintain profit margins through productivity and efficiency improvements, continual review of both manufacturing capacity and operating expense levels and, to an extent, price increases.

DIVIDEND POLICY

It is the policy of the Pitney Bowes board of directors to pay a cash dividend on common stock each quarter when feasible. In setting dividend payments, the board considers the dividend rate in relation to the company's recent and projected earnings and its capital investment opportunities and requirements. Pitney Bowes has paid a dividend each year since 1934.

SUMMARY OF SELECTED FINANCIAL DATA

Pitney Bowes Inc.

(Dollars in thousands, except per share data) Years ended December 31	1993	1992	1991	1990	1989
Total revenue	$3,542,881	$3,434,124	$3,332,497	$3,195,550	$2,875,685
Costs and expenses	2,968,074	2,938,772	2,870,908	2,781,406	2,504,628
Nonrecurring charges	-	-	-	86,500	110,000
Income from continuing operations before income taxes	574,807	495,352	461,589	327,644	261,057
Provision for income taxes	221,618	183,184	173,730	120,995	80,947
Income from continuing operations	353,189	312,168	287,859	206,649	180,110
Discontinued operations	-	2,700	7,440	6,646	6,609
Effect of accounting changes	-	(214,631)	-	-	66,048
Net income	$ 353,189	$ 100,237	$ 295,299	$ 213,295	$ 252,767
Income per common and common equivalent share:					
Continuing operations	$2.22	$ 1.96	$1.80	$1.30	$1.14
Discontinued operations	-	.02	.05	.04	.04
Effect of accounting changes	-	(1.35)	-	-	.41

Net income	$2.22	$ .63	$1.85	$1.34	$1.59
Total dividends on common, preference and preferred stock	$142,142	$123,112	$107,948	$94,819	$81,718
Dividends per share of common stock	$.90	$.78	$.68	$.60	$.52
Average common and common equivalent shares outstanding	159,368,652	159,235,412	159,954,680	159,249,760	158,646,092
BALANCE SHEET AT DECEMBER 31					
Total assets	$6,793,816	$6,498,752	$6,380,580	$6,060,545	$5,611,115
Long-term debt	$847,316	$1,015,401	$1,058,763	$1,099,396	$1,369,338
Capital lease obligations	$29,462	$32,161	$35,755	$36,560	$42,002
Stockholders' equity	$1,871,595	$1,652,881	$1,800,683	$1,589,414	$1,428,327
Book value per common share	$11.81	$10.50	$11.31	$10.07	$9.07
RATIOS					
Profit margin-continuing operations:					
Pretax earnings	16.2%	14.4%	13.9%	10.3%	9.1%
After-tax earnings	10.0%	9.1%	8.6%	6.5%	6.3%
Return on stockholders' equity - continuing operations	18.9%	18.9%	16.0%	13.0%	12.6%
Debt to total capital	61.3%	64.5%	62.8%	65.4%	66.3%
OTHER					
Common stockholders of record	31,189	30,828	29,588	31,323	31,383
Total employees	32,539	28,958	29,421	29,942	31,404
Postage meters in service, U.S., U.K. and Canada	1,445,689	1,413,448	1,393,774	1,386,387	1,354,501

See notes, pages 31 through 39

CONSOLIDATED STATEMENT OF INCOME

Pitney Bowes Inc.

(Dollars in thousands, except per share data) Years ended December 31	1993	1992	1991
Revenue from:			
Sales	$1,706,504	$1,593,956	$1,546,685
Rentals and financing	1,311,759	1,321,364	1,277,551
Support services	524,618	518,804	508,261
Total revenue	3,542,881	3,434,124	3,332,497
Costs and expenses:			
Cost of sales	911,222	838,734	806,649
Cost of rentals and financing	416,337	405,307	371,609
Selling, service and administrative	1,365,577	1,377,959	1,334,906
Research and development	98,968	101,620	113,973
Interest expense	187,439	227,257	258,116
Interest income	(11,469)	(12,105)	(14,345)
Total costs and expenses	2,968,074	2,938,772	2,870,908
Income from continuing operations before income taxes	574,807	495,352	461,589
Provision for income taxes	221,618	183,184	173,730
Income from continuing operations	353,189	312,168	287,859
Discontinued operations	-	2,700	7,440
Income before effect of a change in accounting for nonpension postretirement benefits	353,189	314,868	295,299
Effect of a change in accounting for nonpension postretirement benefits	-	(214,631)	-
Net income	$ 353,189	$ 100,237	$ 295,299

Income per common and common equivalent share:			
Continuing operations	$2.22	$ 1.96	$1.80
Discontinued operations	-	.02	.05
Effect of a change in accounting for nonpension postretirement benefits	-	(1.35)	-
Net income	$2.22	$ .63	$1.85

See notes, pages 31 through 39

CONSOLIDATED BALANCE SHEET

Pitney Bowes Inc.

(Dollars in thousands) December 31	1993	1992
ASSETS		
Current assets:		
Cash and cash equivalents	$ 54,653	$ 71,016
Short-term investments, at cost which approximates market	1,153	2,043
Accounts receivable, less allowances: 1993, $16,691; 1992, $16,578	411,810	381,992
Finance receivables, less allowances: 1993, $39,488; 1992, $30,145	994,998	980,392
Inventories	394,744	344,382
Other current assets and prepayments	79,391	58,903
Total current assets	1,936,749	1,838,728
Property, plant and equipment, net	555,038	552,697
Rental equipment and related inventories, net	641,588	599,867
Property leased under capital leases, net	15,451	16,596
Long-term finance receivables, less allowances: 1993, $77,024; 1992, $66,830	2,895,952	2,901,393
Goodwill, net of amortization: 1993, $33,640; 1992, $27,704	231,309	142,106
Other assets	517,729	447,365
Total assets	$6,793,816	$6,498,752
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 675,559	$ 614,936
Income taxes payable	200,110	213,757
Notes payable and current portion of long-term obligations	2,081,872	1,953,993
Advance billings	315,840	313,856
Total current liabilities	3,273,381	3,096,542
Deferred taxes on income	409,660	336,933
Long-term debt	847,316	1,015,401
Other noncurrent liabilities	391,864	396,995
Total liabilities	4,922,221	4,845,871
Stockholders' equity:		
Cumulative preferred stock, $50 par value, 4% convertible	68	107
Cumulative preference stock, no par value, $2.12 convertible	2,969	3,161
Common stock, $2 par value (240,000,000 shares authorized; 161,668,956 shares issued)	323,338	323,338
Capital in excess of par value	36,762	-
Retained earnings	1,674,168	1,463,121
Cumulative translation adjustments	(47,319)	(27,211)
Treasury stock, at cost (3,495,200 shares)	(118,391)	(109,635)
Total stockholders' equity	1,871,595	1,652,881
Total liabilities and stockholders' equity	$6,793,816	$6,498,752

See notes, pages 31 through 39

CONSOLIDATED STATEMENT OF CASH FLOWS

Pitney Bowes Inc.

(Dollars in thousands) Years ended December 31	1993	1992	1991
Cash flows from operating activities:			
Net income	$ 353,189	$ 100,237	$ 295,299
Effect of a change in accounting for nonpension postretirement benefits	-	214,631	-
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	262,980	250,773	238,107
Nonrecurring charges, net	(1,283)	(7,208)	(21,295)
Increase (decrease) in deferred taxes on income	81,811	(8,679)	46,758
Change in assets and liabilities:			
Accounts receivable	(11,346)	9,791	10,664
Sales-type lease receivables	(136,667)	(99,528)	(125,587)
Inventories	(51,286)	(19,370)	37,698
Other current assets and prepayments	(17,012)	(2,298)	(26,340)
Accounts payable and accrued liabilities	48,451	32,808	42,468
Income taxes payable	(13,085)	64,830	(12,938)
Advance billings	3,102	977	16,821
Other, net	(78,867)	(36,861)	(15,284)
Net cash provided by operating activities	439,987	500,103	486,371
Cash flows from investing activities:			
Short-term investments	537	2,900	(4,081)
Net investment in fixed assets	(291,783)	(224,563)	(250,412)
Net investment in direct-finance lease receivables	108,991	(115,077)	(105,746)
Investment in leveraged leases	(8,174)	(60,964)	(55,157)
Proceeds from sale of subsidiary	-	80,000	-
Net investment in companies acquired	(8,428)	(15,639)	-
Net cash used in investing activities	(198,857)	(333,343)	(415,396)
Cash flows from financing activities:			
Increase in notes payable	195,024	202,666	99,027
Proceeds from long-term obligations	-	100,200	195,000
Principal payments on long-term obligations	(244,503)	(318,540)	(239,920)
Proceeds from issuance of stock	22,544	23,827	18,654
Stock repurchases	(86,861)	(89,392)	-
Dividends paid	(142,142)	(123,112)	(107,948)
Net cash used in financing activities	(255,938)	(204,351)	(35,187)
Effect of exchange rate changes on cash	(1,555)	(4,921)	(1,318)
(Decrease) increase in cash and cash equivalents	(16,363)	(42,512)	34,470
Cash and cash equivalents at beginning of year	71,016	113,528	79,058
Cash and cash equivalents at end of year	$ 54,653	$ 71,016	$ 113,528
Interest paid	$ 199,176	$ 226,892	$ 237,639
Income taxes paid	$ 124,034	$ 126,865	$ 146,996

See notes, pages 31 through 39

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

Pitney Bowes Inc.

(Dollars in thousands)

	Preferred stock	Preference stock	Common stock	Capital in excess of par value	Retained earnings	Cumulative translation adjustments	Treasury stock, at cost
Balance, January 1, 1991	$136	$ 5,163	$161,669	$153,356	$1,307,421	$ 36,946	$ (75,277)
Net income - 1991					295,299		
Cash dividends:							
Preferred ($2.00 per share)					(4)		
Preference ($2.12 per share)					(364)		
Common ($.68 per share)					(107,580)		
Issuances under dividend reinvestment and stock plans				6,531			19,973
Conversions to common stock	(23)	(746)		(3,194)			3,963
Conversions of debt				(59)			84
Issuance for company acquired				213			312
Translation adjustments						(3,738)	
Tax credits relating to stock options				602			
Balance, December 31, 1991	113	4,417	161,669	157,449	1,494,772	33,208	(50,945)
Net income - 1992					100,237		
Cash dividends:							
Preferred ($2.00 per share)					(4)		
Preference ($2.12 per share)					(277)		
Common ($.78 per share)					(122,831)		
Issuances under dividend reinvestment and stock plans				244	867		21,444
Conversions to common stock	(6)	(1,256)		(2,460)	(4,514)		8,236
Conversions of debt				(250)			320
Issuance for company acquired				12	195		702
Repurchase of common stock							(89,392)
Translation adjustments						(60,419)	
Tax credits relating to stock options				1,350			
Two-for-one stock split			161,669	(156,345)	(5,324)		
Balance, December 31, 1992	107	3,161	323,338	-	1,463,121	(27,211)	(109,635)
Net income - 1993					353,189		
Cash dividends:							
Preferred ($2.00 per share)					(3)		
Preference ($2.12 per share)					(239)		
Common ($.90 per share)					(141,900)		
Issuances under dividend reinvestment and stock plans				5,987			20,071
Conversions to common stock	(39)	(192)		(1,539)			1,770
Issuance for company acquired				31,329			56,264
Repurchase of common stock							(86,861)
Translation adjustments						(20,108)	
Tax credits relating to stock options				985			
Balance, December 31, 1993	$ 68	$ 2,969	$323,338	$ 36,762	$1,674,168	$(47,319)	$(118,391)

See notes, pages 31 through 39

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Pitney Bowes Inc.

(Dollars in thousands, except per share data or as otherwise indicated)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CONSOLIDATION. The consolidated financial statements include the accounts of Pitney Bowes Inc. and all of its subsidiaries (the company). All significant intercompany transactions have been eliminated.

CASH EQUIVALENTS. Cash equivalents include short-term, highly liquid investments with a maturity of three months or less from date of acquisition.

INVENTORY VALUATION. Inventories are valued at the lower of cost or market. Cost is determined on the last-in, first-out (LIFO) basis for most U.S. inventories, and the first-in, first-out (FIFO) basis for most non-U.S. inventories.

FIXED ASSETS AND DEPRECIATION. Property, plant and equipment are stated at cost. Major improvements which add to productive capacity or extend the life of an asset are capitalized while repairs and maintenance are charged to expense as incurred. Rental equipment is depreciated on the straight-line method. Other depreciable assets are depreciated using either the straight-line method or accelerated methods. Properties leased under capital leases are amortized on a straight-line basis over the primary lease terms.

RENTAL ARRANGEMENTS AND ADVANCE BILLINGS. The company rents equipment to its customers, primarily postage meters and mailing, shipping, copier and facsimile systems under short-term rental agreements, generally for periods of three months to three years. Charges for equipment rental and maintenance contracts are billed in advance; the related revenue is included in advance billings and taken into income as earned.

FINANCING TRANSACTIONS. At the time a finance transaction is consummated, the company's finance operations record the gross finance receivable, unearned income and the estimated residual value of leased equipment. Unearned income represents the excess of the gross finance receivable plus the estimated residual value over the cost of equipment or contract acquired. Unearned income is recognized as financing income using the interest method over the term of the transaction and is included in rentals and financing revenue in the Consolidated Statement of Income. Initial direct costs incurred in consummating a transaction are accounted for as part of the investment in a lease and amortized to income using the interest method over the term of the lease.

In establishing the provision for credit losses, the company has successfully utilized an asset based percentage. This percentage varies depending on the nature of the asset, recent historical experience, vendor recourse, management judgement and the credit rating of the respective customer. The company evaluates the collectibility of its net investment in finance receivables based upon its loss experience and assessment of prospective risk, and does so through ongoing reviews of its exposures to net asset impairment. The carrying value of its net investment in finance receivables is adjusted to the estimated collectible amount through adjustments to the allowance for credit losses. Finance receivables are charged to the allowance for credit losses after collection efforts are exhausted and the account is deemed uncollectible.

The company's general policy is to discontinue income recognition for finance receivables contractually past due for over 90 to 120 days depending on the nature of the transaction. Resumption of income recognition occurs when payments are reduced to 60 days or less past due. However, large-ticket external transactions are reviewed on an individual basis. Income recognition is normally discontinued as soon as it is apparent that the obligor will not be making payments in accordance with lease terms and resumed after the company has sufficient experience on resumption of payments to be satisfied that such payments will continue in accordance with the original or restructured contract terms.

GOODWILL. Goodwill represents the excess of cost over the value of net tangible assets acquired in business combinations and is amortized using the straight-line method over appropriate periods, principally 40 years.

REVENUE. Sales revenue is primarily recognized when a product is shipped.

COSTS AND EXPENSES. Operating expenses of field sales and service offices are included in selling, service and administrative expenses because no meaningful allocation of such expenses to cost of sales, rentals and financing or support services is practicable.

INCOME TAXES. The deferred tax provision is determined under the liability method. Deferred tax assets and liabilities are recognized based on differences between the book and tax bases of assets and liabilities using presently enacted tax rates. The provision for income taxes is the sum of the amount of income tax paid or payable for the year as determined by applying the provisions of enacted tax laws to the taxable income for that year and the net change during the year in the company's deferred tax assets and liabilities.

Deferred taxes on income result principally from expenses not currently recognized for tax purposes, the excess of tax over book depreciation, deferral of lease revenue and gross profits on sales to finance subsidiaries.

For tax purposes, income from leases is recognized under the operating method and represents the difference between gross rentals billed and operating expenses.

It has not been necessary to provide for income taxes on $444 million of cumulative undistributed earnings of subsidiaries outside the U.S. These earnings will be either indefinitely reinvested or remitted substantially free of additional tax. Determination of the liability that would result in the event all of these earnings were remitted to the U.S. is not practicable. It is estimated, however, that withholding taxes on such remittances would approximate $28 million.

NONPENSION POSTRETIREMENT BENEFITS. The company provides certain health care and life insurance benefits to eligible retirees and their dependents. It is the company's practice to fund amounts for these nonpension postretirement benefits, primarily health care, as incurred. Substantially all of the company's U.S. and Canadian employees become eligible for retiree health care benefits after reaching age 55 and with the completion of the required service period.

INCOME PER SHARE. Income per share is based on the weighted average number of common and common equivalent shares outstanding during the year. Common equivalent shares include preference stock, stock option and purchase plan shares and convertible debt.

DEPOSITS IN TRUST. The company's customers electing the use of the Pitney Bowes Postage By Phone(R) meter setting system, a computerized system developed by the company for the resetting of postage meters

via telephone, are required to make deposits with a trustee to cover expected postage usage. Such funds, which are not available to the company, are transferred to the respective postal services upon resettings of meters for which the company receives fees. Deposits in trust are not included in the company's Consolidated Balance Sheet.

FOREIGN CURRENCY TRANSLATION. Assets and liabilities of subsidiaries operating outside the U.S. are translated at rates in effect at the end of the period, and revenues and expenses were translated at average rates during the period. Net deferred translation gains and losses are accumulated in stockholders' equity.

The company enters into foreign exchange contracts primarily to hedge certain firm foreign currency commitments. Gains and losses are deferred and recognized as part of the cost of the underlying transaction being hedged. Gains and losses related to changes in the value of speculative contracts are recognized in income currently. At December 31, 1993, the company had approximately $163.2 million of foreign exchange contracts outstanding, maturing through 1996, to buy or sell various currencies.

Foreign currency transaction and translation (losses) and gains were $(1.7) million, $4.0 million and $0.6 million in 1993, 1992 and 1991, respectively.

2. INVENTORIES

Inventories consist of the following:

December 31	1993	1992
Raw materials and work in process	$ 98,647	$ 91,730
Supplies and service parts	98,773	92,961
Finished products	197,324	159,691
Total	$394,744	$344,382

Had all inventories valued at LIFO been stated at current costs, inventories would have been $41.4 million and $46.2 million higher than reported at December 31, 1993 and 1992, respectively.

3. FIXED ASSETS

December 31	1993	1992
Land	$ 38,171	$ 38,251
Buildings	306,384	300,305
Machinery and equipment	792,294	736,712
	1,136,849	1,075,268
Accumulated depreciation	(581,811)	(522,571)
Property, plant and equipment, net	$ 555,038	$ 552,697
Rental equipment and related inventories	$1,426,395	$1,323,702
Accumulated depreciation	(784,807)	(723,835)
Rental equipment and related inventories, net	$ 641,588	$ 599,867
Property leased under capital leases	$ 48,792	$ 47,827
Accumulated amortization	(33,341)	(31,231)
Property leased under capital leases, net	$ 15,451	$ 16,596

4. CURRENT LIABILITIES

Accounts payable and accrued liabilities and notes payable and current portion of long-term obligations are comprised as follows:

December 31	1993	1992
Accounts payable-trade	$ 187,480	$ 150,435
Accrued salaries, wages and commissions	94,092	89,841
Accrued pension benefits	80,898	93,960
Accrued nonpension postretirement benefits	15,500	15,500
Miscellaneous accounts payable and accrued liabilities	297,589	265,200
Accounts payable and accrued liabilities	$ 675,559	$ 614,936
Notes payable and overdrafts	$2,000,364	$1,809,245
Current portion of long-term debt	78,222	141,649
Current portion of capital lease obligations	3,286	3,099
Notes payable and current portion		

of long-term obligations	$2,081,872	$1,953,993
	==========	==========

In countries outside the U.S., banks generally lend to non-finance subsidiaries of the company on an overdraft or term-loan basis. These overdraft arrangements and term loans, for the most part, are extended on an uncommitted basis by banks, and do not require compensating balances or commitment fees.

Notes payable of the company's U.S. operations and financial services segment were issued as commercial paper, loans against bank lines of credit, or to trust departments of banks and others at below prevailing prime rates. Fees paid to maintain lines of credit were $2.8 million, $2.3 million and $1.5 million in 1993, 1992 and 1991, respectively.

At December 31, 1993, notes payable and overdrafts outside the U.S. totaled $85.8 million and U.S. notes payable totaled $1.9 billion. Unused credit facilities outside the U.S. totaled $143.1 million at December 31, 1993 of which $113.9 million were for finance operations. In the U.S., the company had $1.8 billion of unused credit facilities in place at December 31, 1993 largely in support of commercial paper borrowings of which $1.5 billion were for the finance operations.

The company periodically enters into interest rate swap and swap option agreements as a means of managing interest rate exposure on both its U.S. and non-U.S. debt. At December 31, 1993, the company had outstanding interest rate swap agreements with notional principal amounts of $792.3 million. Under the agreements, with terms expiring at various dates from 1994 to 2004, the company exchanges rates between fixed-rate debt with rates ranging from 5.38% to 11.63% and commercial paper rates. The interest differential to be paid or received under swap agreements is recorded on the accrual basis as an adjustment to interest expense.

5. LONG-TERM DEBT

December 31	1993	1992
Non-financial services debt:		
7.55% to 8.72% notes due 1994-1995	$ 9,000	$ 41,250
Other, various due dates (5.5% to 9.0%)	807	917
	--------	----------
	9,807	42,167
Financial services debt:		
Senior notes:		
6.56% to 7.48% notes due 1995-1997	75,000	75,000
8.75% notes due 1996	-	75,000
10.13% notes due 1997	100,000	100,000
10.65% notes due 1999	100,000	100,000
8.80% notes due 2003	150,000	150,000
8.63% notes due 2008	100,000	100,000
9.25% notes due 2008	100,000	100,000
8.55% notes due 2009	150,000	150,000
Subordinated debt:		
12.75% notes due through 1994	-	740
Canadian dollar notes due 1994-2000 (8.47% to 12.50%)	58,055	103,990
German mark notes due 1994		

(9.50%)	-	891
French franc notes due 1994		
(10.30%)	-	5,225
Other, various due dates		
(2.00% to 10.50%)	4,454	12,388
Total long-term debt	$847,316	$1,015,401

The company has a medium-term note facility which was established as a part of the company's shelf registrations, permitting issuance of up to $100 million in debt securities of which $32 million remain available. Securities issued under this medium-term note facility would have maturities ranging from more than one year up to 30 years. The company also has an additional $300 million remaining on shelf registrations filed with the Securities and Exchange Commission.

In 1992, Pitney Bowes Credit Corporation (PBCC) filed a $500 million shelf registration statement with the Securities and Exchange Commission. In addition, PBCC has a carryover of $100 million from a previous registration. In the first quarter of 1993, PBCC redeemed $75 million of 8.75 percent notes due in 1996. PBCC has also exercised the option to redeem $100 million of 10.65 percent notes due in 1999 on April 1, 1994.

The annual maturities of the outstanding debt during each of the next five years are as follows: 1994, $78.2 million; 1995, $67.3 million; 1996, $5.8 million; 1997, $151.5 million and 1998, $5.6 million.

Under terms of their senior and subordinated loan agreements, certain of the finance operations are required to maintain earnings before taxes and interest charges at prescribed levels. With respect to such loan agreements, the company will endeavor to have these finance operations maintain compliance with such terms and, under certain loan agreements, is obligated, if necessary, to pay to these finance operations amounts sufficient to maintain a prescribed ratio of income available for fixed charges. The company has not been required to make any such payments to maintain income available for fixed charge coverage. The company does not guarantee payment of any of the finance operations' obligations.

6. CAPITAL STOCK AND CAPITAL IN EXCESS OF PAR VALUE

At December 31, 1993, 240,000,000 shares of common stock, 600,000 shares of cumulative preferred stock, and 5,000,000 shares of preference stock were authorized, and 158,173,756 shares of common stock (net of 3,495,200 shares of treasury stock), 1,367 shares of 4% Convertible Cumulative Preferred Stock (4% preferred stock) and 109,645 shares of $2.12 Convertible Preference Stock ($2.12 preference stock) were issued and outstanding. The balance of unreserved and unissued preferred stock (598,633 shares) and preference stock (4,890,355 shares) may be issued in the future by the board of directors, which will determine the dividend rate, terms of redemption, terms of conversion (if any) and other pertinent features. Unreserved and unissued common stock (exclusive of treasury stock) at December 31, 1993 amounted to 66,240,859 shares.

In October 1993, the company acquired all outstanding shares and options of Ameriscribe Corporation in exchange for 2,257,792 shares of Pitney Bowes common stock. See note 11 to the consolidated financial statements.

The 4% preferred stock outstanding, which is entitled to cumulative dividends at the rate of $2 per year, is redeemable at the option of the company, in whole or in part at any time, at the price of $50 per share, plus dividends accrued to the redemption date. Each share of the 4% preferred stock is convertible into 12.12 shares of common stock, subject to adjustment in certain events.

The $2.12 preference stock is entitled to cumulative dividends at the rate of $2.12 per year and is redeemable at the option of the company at the rate of $28 per share. Each share of the $2.12 preference stock is convertible into eight shares of common stock, subject to adjustment in certain events.

At December 31, 1993, an aggregate of 893,728 shares of common stock was reserved for issuance upon conversion of the 4% preferred stock (16,568 shares) and $2.12 preference stock (877,160 shares). In addition, 1,734,788 shares of common stock were reserved for issuance under the company's dividend reinvestment and other corporate plans.

Each share of common stock outstanding has attached one preference share purchase right. The rights, which are subject to certain anti-dilution adjustments, become exercisable in certain circumstances, after which they will entitle the holder to purchase 1/400 of a share of Series A Junior Participating Preference Stock. If, after the rights become exercisable, the company is involved in a merger or certain other transactions, the holder will be entitled to buy stock in the surviving company at a 50 percent discount.

7. STOCK PLANS

Transactions under the company's stock plans are summarized below:

Common stock	Shares	Price per share
January 1, 1992, shares reserved	2,195,062	$ 4-$30
Shares offered 1992 (price approximates market value at date of grant)	1,041,175	$29-$38
Shares issued 1992	(817,303)	$ 4-$38
Shares canceled 1992	(131,170)	$24-$31
December 31, 1992, shares reserved	2,287,764	$ 7-$36
Shares offered 1993 (price approximates market value at date of grant)	842,231	$38-$43
Shares issued 1993	(705,462)	$ 7-$31
Shares canceled 1993	(132,506)	$22-$42
December 31, 1993, shares reserved	2,292,027	$ 7-$43

Of the common shares reserved at December 31, 1993, options for 985,913 are exercisable. At December 31, 1993, there remain 1,780,734 common shares for which rights to purchase may be granted under the stock purchase plans. In addition, stock-based awards representing up to 5,388,908 common shares may be granted under other stock plans.

8. TAXES ON INCOME

In 1992, the company adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (FAS 109), effective retroactively to January 1, 1992. Application of FAS 109 required no cumulative effect adjustment primarily due to the company's previous use of the liability method of accounting for income taxes. The adoption of this new standard had no significant effect on the company's tax provision for 1992.

Income from continuing operations before income taxes and the provision for income taxes consist of the following:

Years ended December 31	1993	1992	1991
Income from continuing operations before income taxes:			
U.S.	$496,376	$400,509	$346,939
Outside the U.S.	78,431	94,843	114,650
Total	$574,807	$495,352	$461,589
Provision for income taxes:			
U.S. federal:			
Current	$ 98,761	$ 66,703	$ 57,336
Deferred	52,030	50,057	43,678
	150,791	116,760	101,014
U.S. state and local:			
Current	24,850	16,556	10,444
Deferred	14,834	15,532	18,097
	39,684	32,088	28,541
Outside the U.S.:			
Current	47,697	32,536	41,704
Deferred	(16,554)	1,800	2,471
	31,143	34,336	44,175
Total current	171,308	115,795	109,484
Total deferred	50,310	67,389	64,246
Total	$221,618	$183,184	$173,730

Deferred tax liabilities and (assets) December 31	1993	1992
Deferred tax liabilities:		
Depreciation	$ 42,789	$ 40,229
Deferred profit (for tax purposes) on sales to finance subsidiaries	308,897	256,077
Lease revenue and related depreciation	520,110	510,599
Other	30,561	19,935
Gross deferred tax liabilities	902,357	826,840
Deferred tax assets:		
Nonpension postretirement benefits	(147,183)	(150,101)
Pension liability	(26,051)	(26,213)
Inventory and equipment capitalization	(25,214)	(21,225)
Net operating loss carryforwards	(32,543)	(29,365)
Alternative minimum tax (AMT) credit carryforwards	(71,571)	(84,884)
Other	(98,414)	(53,419)
Valuation allowance	25,975	28,800
Gross deferred tax assets	(375,001)	(336,407)

Total	$ 527,356	$ 490,433

Total deferred taxes include $117.7 million and $153.5 million for 1993 and 1992, respectively, of current deferred taxes which are included in income taxes payable in the Consolidated Balance Sheet.

During 1993, the deferred tax asset for net operating losses and related valuation allowance changed primarily due to acquired loss carryforwards attributable to Ameriscribe Corporation and the utilization of loss carryforwards in foreign jurisdictions. As of December 31, 1993, approximately $75.7 million of net operating loss carryforwards were available to the company. Most of these losses as well as the company's alternative minimum tax credit can be carried forward indefinitely.

In 1993, the company completed a transaction whereby it contributed certain commercial aircraft, subject to direct finance leases, to a partnership. The partnership transaction had the effect of reducing the company's obligation for previously accrued deferred taxes. The reduction in deferred taxes has been recognized as a reduction in 1993 income tax expense. Also in 1993, the company recorded additional tax expense as a result of the Omnibus Budget Reconciliation Act of 1993 in the U.S.

A reconciliation of the U.S. federal statutory rate to the company's effective tax rate follows:

Percent of pretax income	1993	1992	1991
U.S. federal statutory rate	35.0%	34.0%	34.0%
State and local income taxes	4.5	4.3	4.1
Rate adjustment for deferred taxes	2.8	-	-
Partnership tax benefits	(2.0)	-	-
Other	(1.7)	(1.3)	(0.5)
Effective income tax rate	38.6%	37.0%	37.6%

9. RETIREMENT PLANS

The company has several defined benefit and defined contribution pension plans covering substantially all employees worldwide. Benefits are primarily based on employees' compensation and years of service. Company contributions are determined based on the funding requirements of U.S. federal and other governmental laws and regulations.

Total pension expense amounted to $50.9 million in 1993, $44.8 million in 1992 and $33.1 million in 1991. Net pension expense for defined benefit plans for 1993, 1992 and 1991 included the following components:

	United States			Foreign		
	1993	1992	1991	1993	1992	1991

Service cost - benefits earned during period	$ 30,797	$ 27,319	$ 25,843	$ 5,971	$ 6,913	$ 7,943
Interest cost on projected benefit obligations	62,241	56,133	46,452	9,163	10,005	9,736
Actual return on assets	(85,971)	(37,861)	(100,173)	(31,494)	(2,684)	(21,211)
Net amortization and (deferral)	30,804	(11,085)	55,368	19,896	(10,978)	8,092
Net periodic defined benefit pension expense	$ 37,871	$ 34,506	$ 27,490	$ 3,536	$ 3,256	$ 4,560

The funded status at December 31, 1993 and 1992 for the company's defined benefit plans was:

	United States		Foreign	
	1993	1992	1993	1992
Actuarial present value of:				
Vested benefits	$561,874	$442,606	$ 97,471	$ 85,619
Accumulated benefit obligations	$632,317	$495,766	$ 97,714	$ 85,663
Projected benefit obligations	$854,589	$707,685	$124,286	$107,970
Plan assets at fair value, primarily stocks and bonds, adjusted by:	689,622	584,078	136,900	112,289
Unrecognized net loss (gain)	90,078	35,597	(10,889)	(1,003)
Unrecognized net asset	(23,236)	(26,566)	(20,281)	(23,160)
Unamortized prior service costs from plan amendments	30,159	35,807	10,952	11,551
	786,623	628,916	116,682	99,677
Net pension liability	$ 67,966	$ 78,769	$ 7,604	$ 8,293
Assumptions for defined benefit plans*:				
Discount rate	7.50%	8.50%	6.7%- 9.5%	8.0%- 9.5%
Rate of increase in future compensation levels	5.00%	6.00%	4.0%- 7.0%	4.0%- 7.0%
Expected long-term rate of return on plan assets	9.50%	9.50%	8.5%-10.0%	8.5%-10.0%

*Pension costs are determined using assumptions as of the beginning of the year while the funded status of the plans is determined using assumptions as of the end of the year.

10. NONPENSION POSTRETIREMENT AND POSTEMPLOYMENT BENEFITS

In the fourth quarter of 1992, the company adopted Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" (FAS 106). This statement requires that the cost of these benefits be recognized over the period the employee provides credited service to the company rather than recognized on a cash basis, when incurred.

The transition effect of adopting FAS 106 on the immediate recognition basis was retroactively reflected as of January 1, 1992, as a one-time, after-tax charge of $214.6 million (net of approximately $139.7 million of income taxes), or $1.35 per share. Application of this standard resulted in additional 1992 annual expenses, which totaled $26.0 million before taxes and $15.6 million after taxes, or $0.10 per share. In the first quarter of 1993, the company announced certain changes to its health care plans, including plan cost maximums, which should significantly reduce the ongoing incremental impact of FAS 106 on future earnings.

Net nonpension postretirement benefit costs consisted of the following components:

Years ended December 31	1993	1992
Service cost-benefits earned during the period	$ 9,249	$12,554
Interest cost on accumulated postretirement benefit obligations	21,146	28,035
Net (deferral) and amortization	(18,647)	-
Net periodic postretirement benefit costs	$ 11,748	$40,589

Prior to the company's adoption of FAS 106, net nonpension postretirement benefit costs for 1991 were $11.9 million.

The company's nonpension postretirement benefit plans are not funded. The status of the plans was as follows:

December 31	1993	1992
Accumulated postretirement benefit obligations:		
Retirees and dependents	$174,999	$168,024
Fully eligible active plan participants	54,583	43,187
Other active plan participants	76,229	169,123
Unrecognized net (loss) gain	(28,215)	-
Unrecognized prior service cost	100,306	-
Accrued nonpension postretirement benefits	$377,902	$380,334

The assumed health care cost trend rate used in measuring the accumulated postretirement benefit obligations was 12% and 14% in 1993 and 1992, respectively. This was assumed to gradually decline to 5% and 6% by the year 2000 and remaining at that level thereafter for 1993 and 1992, respectively. A one-percentage-point increase in the assumed health care cost trend rate would increase the year-end accumulated postretirement benefit obligations by 6% as of December 31, 1993 and the net periodic postretirement health care cost by 5% for 1993.

The assumed weighted average discount rate used in determining the accumulated postretirement benefit obligations was 7.5% and 8.5% in 1993 and 1992, respectively.

In November 1992, Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" (FAS 112), was issued addressing benefits provided by an employer to former or inactive employees after employment but before retirement. FAS 112 requires that postemployment benefit costs be recognized on the accrual basis of accounting effective for fiscal years beginning after December 15, 1993. Postemployment benefits include the continuation of salary, health care, life insurance and disability-related benefits to former or inactive employees, their beneficiaries and covered dependents. Upon adoption, the company anticipates recognizing a one-time, non-cash after-tax charge approximating $60 to $120 million for the cumulative effect on prior years of such adoption.

11. ACQUISITIONS AND DISCONTINUED OPERATIONS

In October 1993, the company acquired all outstanding shares of Ameriscribe Corporation (Ameriscribe) in exchange for approximately $83 million of Pitney Bowes common stock, plus approximately $5 million of additional shares for outstanding Ameriscribe options. Ameriscribe, a nationwide provider of on-site reprographics, mailroom and other office services to industrial corporations and professional service firms on a contract basis, had revenue of $114 million in 1992. The company consolidated this unit with its facilities management business operated through its wholly-owned subsidiary, Pitney Bowes Management Services, Inc. The transaction was accounted for by the purchase method and the proforma effect on the company's results was not significant.

In 1992, the company sold its Wheeler Group Inc. (Wheeler) subsidiary for approximately $80 million in cash to a group consisting of the subsidiary's management and Butler Capital Corporation. As part of the transaction, the company also invested $4 million in preferred stock with warrants to purchase up to 16 percent of the common stock of the new entity. The sale resulted in a gain of $2.7 million, net of $13.5 million of income taxes.

The Wheeler divestiture was expected to result in a gain at closing, accordingly, the 1992 quarterly seasonal losses Wheeler incurred on $25.9 million of revenue for the seven months ended July 31, 1992 were deferred and offset against the gain on the sale. For the year ended December 31, 1991, Wheeler had revenue of $70.3 million and net income of $7.4 million, net of $4.8 million of income taxes.

12. COMMITMENTS AND CONTINGENCIES

At December 31, 1993, the company's finance subsidiaries had unfunded commitments of $10.8 million to extend credit to customers. The company evaluates each customer's credit worthiness on a case-by-case basis. Upon extension of credit, the amount and type of collateral obtained, if deemed necessary by the company, is based on management's credit assessment of the customer. Fees received under the agreements are recognized over the commitment period.

The company is a defendant in a number of lawsuits, none of which will, in the opinion of management, have a material adverse effect on the company's financial position or results of operations.

13. LEASES

In addition to factory and office facilities owned, the company leases similar properties, as well as sales and service offices, equipment and other properties, generally under long-term lease agreements extending from three to 25 years. Certain of these leases have been capitalized at the present value of the net lease payments at inception. Amounts included under liabilities represent the present value of remaining lease payments.

Future minimum lease payments under both capital and operating leases as of December 31, 1993 are as follows:

Years ending December 31	Capital leases	Operating leases
1994	$ 6,862	$ 90,173
1995	6,406	64,847
1996	6,040	39,529
1997	5,227	25,459
1998	4,932	19,609
Later years	28,314	70,888

Total minimum lease payments	57,781	$310,505
Less amount representing interest	(25,033)	
Present value of net minimum lease payments	$32,748	

Rental expense was $116.1 million, $115.0 million and $110.3 million in 1993, 1992 and 1991, respectively.

14. FINANCIAL SERVICES

The company has several consolidated finance operations which are engaged in lease financing of the company's products as well as other commercial and industrial transactions in the U.S., Canada, the U.K., Germany, France and Australia. In the first quarter of 1993, the company began phasing out the business of financing non-Pitney Bowes equipment outside of the U.S. Condensed financial data for the consolidated finance operations follows:

Condensed summary of operations Years ended December 31	1993	1992	1991
Revenue	$614,265	$633,351	$613,716
Costs and expenses	233,491	230,608	205,946
Interest, net	171,982	201,421	229,683
Total expenses	405,473	432,029	435,629
Income before income taxes	208,792	201,322	178,087
Provision for income taxes	75,012	69,954	61,284
Income before effect of a change in accounting for nonpension postretirement benefits	133,780	131,368	116,803
Effect of a change in accounting for nonpension postretirement benefits	-	(1,866)	-
Net income	$133,780	$129,502	$116,803

Condensed balance sheet at December 31	1993	1992
Cash and cash equivalents	$ 8,325	$ 6,563
Finance receivables, net	994,998	980,392
Other current assets and prepayments	43,760	33,778
Total current assets	1,047,083	1,020,733
Long-term finance receivables, net	2,895,952	2,901,393
Investment in leveraged leases	301,645	277,659
Other assets	210,616	163,960

Total assets	$4,455,296	$4,363,745
Accounts payable and accrued liabilities	$ 376,634	$ 305,448
Income taxes payable	105,986	133,783
Notes payable and current portion of long-term obligations	1,889,902	1,852,926
Total current liabilities	2,372,522	2,292,157
Deferred taxes on income	232,728	194,937
Long-term debt	997,448	1,112,396
Other noncurrent liability	3,705	3,676
Total liabilities	3,606,403	3,603,166
Equity	848,893	760,579
Total liabilities and equity	$4,455,296	$4,363,745

Finance receivables are generally due in monthly, quarterly or semi-annual installments over periods ranging from three to seven years. In addition, 23 percent of the company's net finance receivables represent secured commercial and private jet aircraft transactions with lease terms ranging from two to 24 years. Maturities of gross finance receivables and notes payable for the finance operations are as follows:

Years ending December 31	Gross finance receivables	Notes payable and subordinated debt
1994	$1,375,734	$1,889,902
1995	1,063,351	58,222
1996	673,353	5,761
1997	403,158	151,535
1998	225,583	5,616
Thereafter	1,062,698	776,314
Total	$4,803,877	$2,887,350

Finance operations' net purchases of Pitney Bowes equipment amounted to $585.1 million, $524.4 million and $499.9 million in 1993, 1992 and 1991, respectively.

The components of net finance receivables were as follows:

December 31	1993	1992
Gross finance receivables	$ 4,803,877	$ 4,904,296
Residual valuation	522,566	477,467
Initial direct cost deferred	68,633	64,604
Allowance for credit losses	(116,512)	(96,975)
Unearned income	(1,387,614)	(1,467,607)

Net finance receivables	$ 3,890,950	$ 3,881,785

The company has sold net finance receivables with varying amounts of recourse in privately-placed transactions with third-party investors. The uncollected principal balance of receivables sold and residual guarantee contracts totaled $342.3 million and $551.0 million at December 31, 1993 and 1992, respectively. These contracts are supported by the underlying equipment value and credit worthiness of customers. Adequate provisions have been made for sold receivables which may be uncollectible.

The company has invested in various types of equipment under operating leases; the net investment at December 31, 1993 and 1992 was not significant.

15. BUSINESS SEGMENT INFORMATION

For a description of the company's segments and financial information relating to revenue, operating profit and identifiable assets by business segment for the years 1993, 1992 and 1991, see "Segments" on page 21. That information is incorporated herein by reference. The information set forth below should be read in conjunction with such information. Operating profit of each segment is determined by deducting from revenue the related costs and operating expenses directly attributable to the segment. Segment operating profit excludes general corporate expenses, which amounted to $74.4 million in 1993, $88.3 million in 1992 and $85.6 million in 1991, income taxes and net interest other than that related to the financial services segment. Additional segment information is as follows:

Years ended December 31	1993	1992	1991
Depreciation and amortization:			
Business equipment	$212,094	$205,178	$196,466
Business supplies and services	13,593	12,202	11,944
Financial services	22,849	19,875	17,259
Total	$248,536	$237,255	$225,669
Net additions to property, plant and equipment and rental equipment and related inventories:			
Business equipment	$246,232	$189,193	$203,758
Business supplies and services	12,671	8,350	10,552
Financial services	28,863	1,958	32,006
Total	$287,766	$199,501	$246,316

Identifiable assets are those used in the company's operations in each segment and exclude cash and cash equivalents and short-term investments. Identifiable assets of geographic areas include intercompany profits on inventory and rental equipment transferred between segments and intercompany accounts. A reconciliation of identifiable assets to consolidated assets is as follows:

December 31	1993	1992

Identifiable assets by geographic area	$6,907,984	$6,496,614
Inter-area profits	(23,435)	(19,684)
Intercompany accounts	(268,585)	(178,645)
Identifiable assets by industry segment	6,615,964	6,298,285
Cash and cash equivalents and short-term investments	55,806	73,059
General corporate assets	122,046	127,408
Consolidated assets	$6,793,816	$6,498,752

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

CASH, CASH EQUIVALENTS, SHORT-TERM INVESTMENTS, ACCOUNTS RECEIVABLE, ACCOUNTS PAYABLE AND NOTES PAYABLE. The carrying amounts approximate fair value because of the short maturity of these instruments.

INVESTMENT SECURITIES. The fair value of investment securities is estimated based on quoted market prices, dealer quotes and other estimates.

LOAN RECEIVABLES. The fair value of loan receivables is estimated based on quoted market prices, dealer quotes or by discounting the future cash flows using current interest rates at which similar loans would be made to borrowers with similar credit ratings.

LONG-TERM DEBT. The fair value of long-term debt is estimated based on quoted dealer prices for the same or similar issues.

INTEREST RATE SWAP AND SWAP OPTION AGREEMENTS AND FOREIGN CURRENCY EXCHANGE CONTRACTS. The fair values of interest rate swaps, swap options and foreign currency exchange contracts are obtained from dealer quotes. These values represent the estimated amount the company would receive or pay to terminate agreements taking into consideration current interest rates, the credit worthiness of the counterparties and current foreign currency exchange rates.

RESIDUAL AND CONDITIONAL COMMITMENT GUARANTEE CONTRACTS. The fair value of residual and conditional commitment guarantee contracts is based on the projected fair market value of the collateral as compared to the guaranteed amount plus a commitment fee generally required by the counterparty assuming the guarantee.

COMMITMENTS TO EXTEND CREDIT. The fair value of commitments to extend credit is estimated by comparing current market conditions taking into account the remaining terms of existing agreements and present credit worthiness of the counterparties.

TRANSFER OF RECEIVABLES WITH RECOURSE. The fair value of the recourse liability represents the estimate of expected future losses. The company periodically evaluates the adequacy of reserves and estimates of expected losses, if the resulting evaluation of expected losses differs from the actual reserve, adjustments are made to the reserve.

The estimated fair value of the company's financial instruments is as follows:

December 31, 1993	Carrying value*	Fair value
Investment securities	$8,550	$12,068
Loan receivables	$206,630	$213,509
Long-term debt	$(947,553)	$(1,040,286)
Interest rate swaps	$(15,365)	$(75,591)
Foreign currency exchange contracts	$265	$2,645
Residual and conditional commitment guarantee contracts	$(3,733)	$(3,741)
Commitments to extend credit	-	$(2,003)
Transfer of receivables with recourse	$(30,526)	$(30,526)

December 31, 1992	Carrying value*	Fair value
Investment securities	$17,381	$17,445
Loan receivables	$180,850	$185,953
Long-term debt	$(1,185,728)	$(1,231,980)
Interest rate swaps	$(5,858)	$(45,202)
Interest rate swap options	$(10,998)	$(10,998)
Foreign currency exchange contracts	$76	$1,056
Residual and conditional commitment guarantee contracts	$(2,431)	$(3,692)
Commitments to extend credit	$(61)	$(2,166)
Transfer of receivables with recourse	$(11,141)	$(11,141)

* Carrying value includes accrued interest and deferred fee income.

17. QUARTERLY FINANCIAL DATA (UNAUDITED)

Summarized quarterly financial data (in millions of dollars, except for per share data) for 1993 and 1992 follows:

	Three Months Ended			
1993	March 31	June 30	Sept. 30	Dec. 31
Total revenue	$834	$874	$861	$974
Cost of sales and rentals and financing	$309	$333	$319	$367
Net income	$ 82	$ 87	$ 69	$115
Net income per common and common equivalent share	$.52	$.55	$.43	$.72

	Three Months Ended			
1992	March 31	June 30	Sept. 30	Dec. 31
Total revenue	$ 811	$834	$861	$928
Cost of sales and rentals and financing	$ 293	$302	$314	$335
Income from continuing operations	$ 67	$ 74	$ 76	$ 95
Discontinued operations	-	-	3	-
Effect of a change in accounting for				

nonpension postretirement benefits	(215)	-	-	-
Net income	$(148)	$ 74	$ 79	$ 95
Income per common and common equivalent share:				
Continuing operations	$ .42	$.46	$.48	$.60
Discontinued operations	-	-	.02	-
Effect of a change in accounting for nonpension postretirement benefits	(1.35)	-	-	-
Net income	$(.93)	$.46	$.50	$.60

REPORT OF INDEPENDENT ACCOUNTANTS

PRICE WATERHOUSE   LOGO MARK

To the Stockholders and Board of Directors of Pitney Bowes Inc.:

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income, of stockholders' equity and of cash flows present fairly, in all material respects, the financial position of Pitney Bowes Inc. and its subsidiaries at December 31, 1993 and 1992, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1993, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Note 10 to the consolidated financial statements, the company elected to adopt a new accounting standard for postretirement benefits other than pensions in 1992.

SIGNATURE HERE

Stamford, Connecticut
February 1, 1994

STOCK EXCHANGES

Pitney Bowes common stock is traded under the symbol "PBI." It is listed on the New York Stock Exchange and traded on the New York, Chicago, Philadelphia and Boston exchanges.

STOCK INFORMATION

DIVIDENDS PER COMMON SHARE

QUARTER	1993	1992

FIRST	$.225	$.195
SECOND	.225	.195
THIRD	.225	.195
FOURTH	.225	.195
TOTAL	$ .90	$ .78

QUARTERLY PRICE RANGES OF COMMON STOCK

		1993
QUARTER	HIGH	LOW
FIRST	43 3/8	38 3/4
SECOND	44 1/2	39 5/8
THIRD	44	37 1/4
FOURTH	43 3/4	36 1/4

		1992
QUARTER	HIGH	LOW
FIRST	35 3/16	30 7/8
SECOND	33 1/4	28
THIRD	36 1/8	28 7/8
FOURTH	41	32 3/4

PITNEY BOWES INC.

SUBSIDIARIES OF THE REGISTRANT

The Registrant, Pitney Bowes Inc., a Delaware Corporation, has no parent.

The following are subsidiaries of the Registrant
(as of December 31, 1993)

Company name	Country or state of incorporation
Adrema Leasing Corporation	Delaware
Adrema Maschinen- und Auto-Leasing GmbH	Germany
Adrema Maschinenbau Inc.	Delaware
Adrema Mobilien Leasing GmbH	Germany
Atlantic Mortgage & Investment Corporation	Florida
B. Williams Corp.	Delaware
Colonial Pacific Leasing Corporation	Massachusetts
Dictaphone Canada Ltd./Ltee.	Canada
Dictaphone Company Ltd.	England
Dictaphone Corporation	Delaware
Dictaphone Deutschland GmbH	Germany
Dictaphone International A.G.	Switzerland
Dictaphone Netherlands B.V.	Netherlands
Dodwell Pitney Bowes K.K. (50% owned)	Japan
DSP Inc.	Connecticut
Elmcroft Road Realty Corporation	Connecticut
Harlow Aircraft Inc.	Delaware
Monarch Marking Systems Australia Pty. Ltd.	Australia
Monarch Marking Systems de Mexico S.A. de C.V.	Mexico
Monarch Marking Systems, Inc.	Delaware
Monarch Marking Systems Ltd.	Canada
Monarch Marking Systems N.Z. Ltd.	New Zealand
Monarch Marking (S.E.A.) Pte. Ltd.(55% owned)	Singapore
Monarch Service Bureau Limited	Hong Kong
Pitney Bowes International	Ireland
PB Forms, Inc.	Nebraska
PB Funding Corporation	Delaware
PB Global Holdings Inc.	Connecticut
PB Global Holdings II Inc.	Connecticut
PB Global Holdings III Inc.	Connecticut
PB Global Holdings IV Inc.	Connecticut
PB Leasing Corporation	Delaware
PB Leasing International Corporation	Delaware
PB Leasing Services Inc.	Nevada
PBA Foreign Sales Corp.	Barbados
PBL Holdings Inc.	Nevada
PB Nikko FSC, Inc.	Bermuda
PB Nihon FSC, Inc.	Bermuda
Pickering Canada Pty. Limited	Australia
Pitney Bowes AG	Switzerland
Pitney Bowes Australia Pty. Limited	Australia
Pitney Bowes Australia FAS Pty. Ltd	Australia
Pitney Bowes Austria Ges.m.b.H	Austria
Pitney Bowes of Canada Ltd.	Canada
Pitney Bowes Credit Australia Ltd	Australia

SUBSIDIARIES OF THE REGISTRANT (continued)

Country or

Company name	state of incorporation
Pitney Bowes Credit Corporation	Delaware
Pitney Bowes Deutschland GmbH	Germany
Pitney Bowes Espana, S.A.	Spain
Pitney Bowes Finance S.A.	France
Pitney Bowes Finance PLC	England
Pitney Bowes France S.A.	France
Pitney Bowes Ges.m.b.H.	Austria
Pitney Bowes Holdings Ltd.	England
Pitney Bowes Italia S.r.l.	Italy
Pitney Bowes (Ireland) Limited	Ireland
Pitney Bowes Leasing Ltd.	Canada
Pitney Bowes Management Services, Inc.	Delaware
Pitney Bowes Management Services Canada, Inc.	Canada
Pitney Bowes Marking Systems Ltd.	Delaware
Pitney Bowes Marking Systems Ltd.	England
Pitney Bowes Oy	Finland
Pitney Bowes plc	England
Pitney Bowes Properties Inc.	Connecticut
Pitney Bowes Real Estate Financing Corporation	Delaware
Pitney Bowes Shelton Realty Inc.	Connecticut
Pitney Bowes Svenska Aktiebolag	Sweden
Pitney Bowes World Trade Corp. (FSC)	Virgin Islands
PREFCO I Inc.	Delaware
PREFCO I LP Inc.	Delaware
PREFCO II Inc.	Delaware
PREFCO II LP Inc.	Delaware
PREFCO III Inc.	Delaware
PREFCO III LP Inc.	Delaware
PREFCO IV Inc.	Delaware
PREFCO IV LP Inc.	Delaware
PREFCO V Inc.	Delaware
PREFCO V LP Inc.	Delaware
PREFCO VI Inc.	Delaware
PREFCO VI LP Inc.	Delaware
PREFCO VII Inc.	Delaware
PREFCO VII LP Inc.	Delaware
PREFCO VIII Inc.	Delaware
PREFCO VIII LP Inc.	Delaware
PREFCO IX Inc.	Delaware
PREFCO IX LP Inc.	Delaware
PREFCO X Inc.	Delaware
PREFCO X LP Inc.	Delaware
PREFCO XI Inc.	Delaware
PREFCO XI LP Inc.	Delaware
PREFCO XII Inc.	Delaware
PREFCO XII LP Inc.	Delaware
PREFCO XIII Inc.	Delaware
PREFCO XIII LP Inc.	Delaware
Remington Customer Finance Pty. Limited	Australia
Remington (Papua New Guinea) Pty.	Papua New Guinea
Remington Pty. Limited	Australia
ROM Holdings Pty. Limited	Australia
ROM Securities Pty. Limited	Australia

SUBSIDIARIES OF THE REGISTRANT (continued)

Company name	Country or state of incorporation
Sales and Service Training Center Inc.	Georgia
TECO/Pitney Bowes Co. Ltd. (50% owned)	Taiwan
Time-Sensitive Delivery Guide Inc.	Delaware
Towers FSC, Ltd.	Bermuda

Universal Postal Frankers Ltd.	England
Walnut Street Corp.	Delaware

EXHIBIT (v)

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectus constituting part of the Registration Statements on:

Form	Reference
Form S-8	No. 33-5291
Form S-8	No. 33-4549
Form S-8	No. 33-22238
Form S-8	No. 33-5765
Form S-8	No. 33-41182
Form S-3	No. 33-5289
Form S-3	No. 33-5290
Form S-3	No. 33-18280
Form S-3	No. 33-25730
Form S-3	No. 33-21723
Form S-3	No. 33-27244
Form S-3	No. 33-33948

of Pitney Bowes Inc. of our report dated February 1, 1994 appearing in the Pitney Bowes Inc. 1993 Annual Report to Stockholders which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference in the aforementioned Registration Statements of our report on the financial statement schedules, which appears in this Form 10-K.

Price Waterhouse

Stamford, Connecticut
March 30, 1994