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

F O R M 1 0 - Q

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

For the quarterly period ended September 30, 1994

OR

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

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

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_____

Number of shares of common stock, $2 par value, outstanding as of September 30, 1994 is 155,874,794.

Pitney Bowes Inc.
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Part I - Financial Information
Pitney Bowes Inc.
Consolidated Statement of Income
(Unaudited)

(Dollars in thousands, except per share data)

	Three Months Ended September 30, 1994	1993*	Nine Months Ended September 30, 1994	1993*
Revenue from:				
Sales	$ 341,070	$ 298,032	$ 1,002,514	$ 871,358
Rentals and financing	359,896	323,270	1,058,538	986,841
Support services	105,475	102,623	309,052	308,370
Total revenue	806,441	723,925	2,370,104	2,166,569
Costs and expenses:				
Cost of sales	201,719	166,955	585,424	491,768
Cost of rentals and financing	110,132	98,014	342,256	316,433
Selling, service and administrative	297,281	273,560	851,599	807,691
Research and development	20,005	18,876	57,691	59,265
Interest, net	47,851	42,016	136,118	136,168
Nonrecurring items, net	(25,366)	-	(25,366)	-
Total costs and expenses	651,622	599,421	1,947,722	1,811,325
Income from continuing operations before income taxes	154,819	124,504	422,382	355,244
Provision for income taxes	69,498	66,117	168,367	150,752
Income from continuing operations	85,321	58,387	254,015	204,492
Discontinued operations	10,706	10,644	32,492	33,905
Income before effect of a change in accounting for postemployment benefits	96,027	69,031	286,507	238,397
Effect of a change in accounting for postemployment benefits	-	-	(119,532)	-
Net income	$ 96,027	$ 69,031	$ 166,975	$ 238,397
Income per common and common equivalent share:				
Income from continuing operations	$ .54	$ .37	$ 1.60	$ 1.29
Discontinued operations	.07	.06	.20	.21
Effect of a change in accounting for postemployment benefits	-	-	(.75)	-
Net income	$ .61	$ .43	$ 1.05	$ 1.50

Average common and common equivalent shares outstanding	158,029,162	159,310,258	158,874,016	159,064,360
Dividends declared per share of common stock	$ .26	$ .225	$ .78	$ .675
Ratio of earnings to fixed charges	3.52	3.31	3.43	3.11

<FN>
* Restated to reflect discontinued operations.

Pitney Bowes Inc.
Consolidated Balance Sheet
(Unaudited)

(Dollars in thousands)	September 30, 1994	December 31, 1993
Assets		
Current assets:		
Cash and cash equivalents	$ 65,017	$ 54,653
Short-term investments, at cost which approximates market	699	1,153
Accounts receivable, less allowances: 9/94, $19,183; 12/93, $16,691	393,826	411,810
Finance receivables, less allowances: 9/94, $36,204; 12/93, $39,488	988,744	994,998
Inventories (Note 2)	432,914	394,744
Other current assets and prepayments	86,363	79,391
Total current assets	1,967,563	1,936,749
Property, plant and equipment, net (Note 3)	561,062	555,038
Rental equipment and related inventories, net (Note 3)	664,006	641,588
Property leased under capital leases, net (Note 3)	13,046	15,451
Long-term finance receivables, less allowances: 9/94, $78,843; 12/93, $77,024	2,936,046	2,895,952
Goodwill, net of amortization: 9/94, $39,303; 12/93, $33,640	221,259	231,309
Other assets	608,784	517,729
Total assets	$6,971,766	$6,793,816
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities (Note 4)	$ 660,784	$ 675,559
Income taxes payable	216,046	200,110
Notes payable and current portion of long-term obligations (Note 4)	2,269,909	2,081,872
Advance billings	319,422	315,840
Total current liabilities	3,466,161	3,273,381
Deferred taxes on income	413,717	409,660
Long-term debt	803,235	847,316
Other noncurrent liabilities (Note 5)	456,536	391,864

Total liabilities	5,139,649	4,922,221
Stockholders' equity:		
Cumulative preferred stock, $50 par value, 4% convertible	53	68
Cumulative preference stock, no par value, $2.12 convertible	2,819	2,969
Common stock, $2 par value	323,338	323,338
Capital in excess of par value	34,752	36,762
Retained earnings	1,718,331	1,674,168
Cumulative translation adjustments	(41,310)	(47,319)
Treasury stock, at cost	(205,866)	(118,391)
Total stockholders' equity	1,832,117	1,871,595
Total liabilities and stockholders' equity	$6,971,766	$6,793,816

Pitney Bowes Inc.
Consolidated Statement of Cash Flows
(Unaudited)

(Dollars in thousands)	Nine Months Ended September 30, 1994	1993*
Cash flows from operating activities:		
Net income	$ 166,975	$ 238,397
Effect of a change in accounting for postemployment benefits	119,532	-
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	199,670	183,238
Nonrecurring items, net	(25,710)	(1,719)
Increase in deferred taxes on income	78,152	69,997
Change in assets and liabilities:		
Accounts receivable	17,723	24,862
Sales-type lease receivables	(71,471)	(57,095)
Inventories	(48,658)	(42,338)
Other current assets and prepayments	(4,614)	(14,967)
Accounts payable and accrued liabilities	(99,996)	(43,323)
Income taxes payable	21,516	(9,541)
Advance billings	3,039	(4,214)
Other, net	(50,726)	(36,921)
Net cash provided by operating activities	305,432	306,376
Cash flows from investing activities:		
Short-term investments	454	1,429
Net investment in fixed assets	(227,705)	(190,393)
Net investment in direct-finance lease receivables	43,945	146,714
Investment in leveraged leases	(45,369)	7,283
Net cash used in investing activities	(228,675)	(34,967)

Cash flows from financing activities:		
Increase in notes payable	210,094	47,483
Proceeds from long-term obligations	200,000	-
Principal payments on long-term obligations	(262,635)	(204,619)
Proceeds from issuance of stock	20,283	19,863
Stock repurchases	(111,708)	(5,144)
Dividends paid	(122,812)	(106,410)
Net cash used in financing activities	(66,778)	(248,827)
Effect of exchange rate changes on cash	385	(1,687)
Increase in cash and cash equivalents	10,364	20,895
Cash and cash equivalents at beginning of period	54,653	71,016
Cash and cash equivalents at end of period	$ 65,017	$ 91,911
Interest paid	$ 151,641	$ 153,280
Income taxes paid	$ 85,768	$ 105,946

<FN>
* Restated to reflect discontinued operations.

Pitney Bowes Inc.
Notes to Consolidated Financial Statements

Note 1:
The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of Pitney Bowes Inc. ("the company"), all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the financial position of the company as of September 30, 1994 and the results of its operations and cash flows for the nine months ended September 30, 1994 and 1993 have been included. Operating results for the nine months ended September 30, 1994 are not necessarily indicative of the results that may be expected for the year ending December 31, 1994. These statements should be read in conjunction with the financial statements and notes thereto included in the company's Annual Report to Stockholders and Form 10-K Annual Report for the year ended December 31, 1993.

Note 2:

Inventories are comprised of the following:

(Dollars in thousands)	September 30, 1994	December 31, 1993
Raw materials and work in process	$ 120,907	$ 98,647
Supplies and service parts	110,587	98,773
Finished products	201,420	197,324

Total	$ 432,914	$ 394,744

Note 3:

Fixed assets are comprised of the following:

(Dollars in thousands)	September 30, 1994	December 31, 1993
Property, plant and equipment	$1,195,471	$1,136,849
Accumulated depreciation	(634,409)	(581,811)
Property, plant and equipment, net	$ 561,062	$ 555,038
Rental equipment and related inventories	$1,439,505	$1,426,395
Accumulated depreciation	(775,499)	(784,807)
Rental equipment and related inventories, net	$ 664,006	$ 641,588
Property leased under capital leases	$ 40,838	$ 48,792
Accumulated amortization	(27,792)	(33,341)
Property leased under capital leases, net	$ 13,046	$ 15,451

Note 4:

Current liabilities include the following:

(Dollars in thousands)	September 30, 1994	December 31, 1993
Accounts payable and accrued liabilities:		
Accounts payable - trade	$ 130,706	$ 187,480
Accrued salaries, wages and commissions	78,179	94,092
Accrued pension benefits	99,723	80,898
Miscellaneous accounts payable and accrued liabilities	352,176	313,089
Total	$ 660,784	$ 675,559
Notes payable and current portion of long-term obligations:		
Notes payable and overdrafts	$2,211,163	$2,000,364
Current portion of long-term debt	56,196	78,222
Current portion of capital lease obligations	2,550	3,286
Total	$2,269,909	$2,081,872

Note 5:

Other noncurrent liabilities include the following:

(Dollars in thousands)	September 30, 1994	December 31, 1993
Accrued nonpension postretirement benefits	$ 359,205	$ 362,402
Accrued postemployment benefits	70,111	-
Long-term capital lease obligations	27,220	29,462
Total	$ 456,536	$ 391,864

Note 6:
The company adopted Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" (FAS 112) as of January 1, 1994. FAS 112 requires that postemployment benefits be recognized on the accrual basis of accounting for fiscal years beginning after December 15, 1993. Postemployment benefits include primarily company provided medical benefits to disabled employees and company provided life insurance as well as other disability- and death- related benefits to former or inactive employees, their beneficiaries and covered dependents.

The one-time effect of adopting FAS 112 was a non-cash, after-tax charge of $119.5 million (net of approximately $80.5 million of income taxes), or 75 cents per share.

Since the first quarter of 1994, as part of the company's employee work-life initiatives, employee input was actively sought about benefits and it was concluded that employees prefer benefits more closely related to their changing work-life needs. As a result, the

company significantly reduced or eliminated certain postemployment benefits, specifically service-related company-subsidized life insurance, salary continuance and medical benefits, resulting in an after-tax credit to income of $70.9 million (net of approximately $47.7 million of income taxes). The company also instituted, effective January 1, 1995, certain enhancements to its deferred investment plan, including an increase in the company's match of employee contributions.

Note 7:
The company has refined its strategic focus, with the intent to capitalize on its strengths and competitive position. Based on an extensive review, the company decided to concentrate its energies and resources on products and services which facilitate the preparation, organization, movement, delivery, tracking, storage and retrieval of documents, packages, letters and other materials, in hard copy and digital form for its customers. Accordingly, the company announced its intent to seek buyers for its Dictaphone Corporation (Dictaphone) and Monarch Marking Systems, Inc. (Monarch) subsidiaries. The sales of Dictaphone and Monarch are expected to result in gains at closings expected to occur in 1995. Dictaphone and Monarch have been classified in the Consolidated Statement of Income as discontinued operations.

Summary results of Dictaphone and Monarch operations prior to their sales, which have been classified separately, were as follows:

(Dollars in thousands)	Three Months Ended September 30,	Nine Months Ended September 30,

	1994	1993	1994	1993
Revenue	$144,526	$137,242	$412,501	$402,379
Income before income taxes	$ 17,751	$ 16,931	$ 53,666	$ 55,323
Provision for income taxes	7,045	6,287	21,174	21,418
Income from discontinued operations	$ 10,706	$ 10,644	$ 32,492	$ 33,905

Note 8:
During the third quarter of 1994, the company adopted a formal plan designed to address the impact of technology on work force requirements and to further refine its strategic focus on core businesses worldwide. The company established a $93.2 million reserve to cover the costs of such actions.

The phase-out of older products lines, introduction of new, advanced products and increased need for higher employee skill levels to deliver and service these products will require a work force reduction of approximately 2,000 employees worldwide over the next year, and the future hiring of approximately 850 new employees with these requisite enhanced skills. Severance and benefit related costs approximating $61 million were included in this reserve for work force reduction. All costs associated with hiring of new employees were excluded from the plan and will be recognized appropriately in the period incurred.

Current and future advanced product offerings require a smaller, but more highly skilled engineering, manufacturing and service work force to take full advantage of design, production, diagnostic and service strategies. These disciplines account for a work force reduction of more than 850 employees. Other strategic actions include reengineering and streamlining of order flow, logistics and other administrative processes in the U.S., Europe and the Asia Pacific region which will result in an additional work force reduction of more than 800 employees. The decisions to phase out of non-mailing products in Germany and the cessation of further development and marketing of shipping products which cannot be cost-effectively upgraded to new technologies will account for the remaining work force reductions.

Included in the plan to refine the strategic business focus of the company are exit costs approximating $32 million for certain additional actions. Consistent with a refinement of focus on our core businesses, the actions include phasing-out non-mailing products in Germany. This decision requires the write down to the realizable value of inventories, accounts receivable, rental contracts and other assets; such impacts have been accrued in the reserve. In addition, anticipated lease buyback exposure and expected future losses during the phase-out of the non-mail businesses have been accrued. The decision to cease development and marketing of certain shipping products as noted above has resulted in further inventory and other asset write-offs. As part of the administrative reengineering actions, the adoption of a centralized organizational structure in the European financial service businesses will result in the early termination of a facility lease, the cost of which, is included in the reserve. Finally, the company has decided to transition a software-based business with its own product offering to a product development support function. As a result, the remaining goodwill related to the acquisition of this business has been written-off.

Pitney Bowes Inc.
Management's Discussion and Analysis of Financial
Condition and Results of Operations

Results of Continuing Operations - third quarter of 1994 vs. third quarter of 1993

Revenue for the third quarter was $806.4 million compared to $723.9 million for the prior year period and income from continuing operations increased 46 percent to $85.3 million from $58.4 million in 1993. Third quarter 1994 results include the effect of a nonrecurring $25.4 million pre-tax credit. The credit is the result of a $118.6 million credit to income due to changes made in certain postemployment benefits offset, in part, by the establishment of a $93.2 million reserve covering strategic actions designed to address the impact of technology on work force requirements and the continued refinement of the company's strategic focus outlined in Note 8 to the financial statements. This net credit added only $3.5 million, or two cents per share to net income primarily because some of the strategic actions will occur in countries where the company is unable to recognize associated tax benefits. In addition, in the third quarter of 1993 the company recorded $19.4 million of additional tax expense applicable to income generated in prior periods against continuing operations as a result of the enactment of the U.S. Omnibus Budget Reconciliation Act of 1993. Excluding the effect of the nonrecurring net credit in 1994 and the tax adjustment in 1993, income from continuing operations would have been five percent above the prior year.

Sales revenue increased 14 percent in 1994 including 13 percent from volume growth and less than one percent from each of price and foreign currency exchange rate impacts. Volume growth resulted primarily from the fourth quarter 1993 acquisition of Ameriscribe Corporation, a nationwide provider of on-site reprographics, mailroom and other office services. The sales revenue of the business equipment and services segment, which includes the mailing, shipping and weighing, facsimile, copier and facilities management businesses, was also favorably impacted by strong growth in U.S. facsimile supplies to support the growing plain paper equipment base, U.S. copier and production mail product placements and improved performance in the mailing operations in the U.K. and Australia. These factors were offset, in part, by a decline in the shipping and weighing business, largely as a result of reduced shipping system sales in the low-end market segment as well as lower sales revenue in the mailing businesses in Germany and Canada. It is expected that shipping system sales in the low-end segment will continue to be weak due to competitive pressures. In Germany, last year's results included record third-quarter sales due to equipment upgrades necessitated by consolidation of the East and West German postal zones. Additionally, last year's results included sales of non-mailing products which are being phased out as part of the company's formal plan of strategic focus refinement.

Rentals and financing revenue increased 11 percent. Rental revenue growth reflects higher numbers of postage meters on rental, especially higher yielding Postage By Phone(R) and electronic meters and plain paper facsimile machines in service, as well as, price increases. The financial services segment revenue reflects portfolio growth and higher fee-based income as well as a greater contribution from sales of finance assets this year than in the third quarter of 1993. In the third quarter of 1994, approximately $55 million of net finance assets were sold which produced approximately $8.7 million in revenue. Financing revenue growth in 1994 continues to be impacted by the company's 1993 decision to phase out the business of financing non-Pitney Bowes equipment outside of the United States.

Support services revenue, which is derived from the business equipment and services segment, was three percent above the prior year. Expansion of the U.S. mailing and shipping service bases was offset, in part, by lower service revenue in most of the European mailing businesses. Price increases added one percent to support services revenue growth.

The cost of sales to sales revenue ratio grew to 59.1 percent in 1994 from 56.0 percent in 1993 primarily due to the continually increasing significance of the company's facilities management business which includes most of its expenses in cost of sales. Additionally, the ratio was impacted by higher copier costs due to the stronger yen and lower shipping and Canadian mailing equipment margins offset, in part, by favorable overhead absorption in the mailing business. The cost of rentals and financing to rentals and financing revenue ratio increased to 30.6 percent from 30.3 percent in 1993 primarily due to the third quarter 1994 asset sale offset, in part, by a favorable U.S. mailing cost of rental rate driven by price increases.

Selling, service and administrative expenses were 36.9 percent of revenue in 1994 compared with 37.8 percent in 1993. This improvement reflects the increased significance of the company's facilities management business which includes most of its expenses in cost of sales coupled with favorable benefit costs and cost containment initiatives throughout the company.

Research and development expenses increased six percent to $20.0 million in 1994 from $18.9 million in 1993. This increase reflects higher expenditures for new products approaching the end of their development cycle, as well as continued investment in advanced product development with emphasis on electronic technology and software development. This increase is partially offset by higher engineering support for recently introduced products which costs are included in cost of sales.

Net interest expense increased 14 percent to $47.9 million in 1994 from $42.0 million in 1993 due to higher short-term interest rates and average borrowing levels in 1994. It is anticipated that this unfavorable comparison will continue as interest rates rise and debt is used to fund actions taken in connection with the formal plan to refine the strategic focus and anticipated treasury share repurchases.

Nonrecurring items, net totalled $25.4 million in the third quarter 1994, as a result of a $118.6 million credit to income resulting from changes made to certain postemployment benefits. In addition, during the third quarter of 1994 the decision was made to undertake certain strategic actions which are outlined in Note 8 to the financial

statements. As a result a reserve of $93.2 million was established to cover the cost of such initiatives.

The third quarter 1994 effective tax rate was 44.9 percent compared with 53.1 percent in the third quarter of 1993. The third quarter 1994 effective tax rate was negatively impacted by a number of strategic actions totalling $28 million for which the company could not realize associated tax benefits. The third quarter 1994 effective tax rate was favorably impacted by tax benefits associated with a company owned life insurance program. In the third quarter of 1993, the company recorded $19.4 million of additional tax expense against income from continuing operations applicable to income generated in prior periods as a result of the enactment of the U.S. Omnibus Budget Reconciliation Act of 1993.

Results of Continuing Operations - first nine months of 1994 vs. first nine months of 1993

For the first nine months of 1994 compared with the same period of 1993, revenue increased nine percent while income from continuing operations increased 24 percent to $254.0 million from $204.5 million in 1993.

The factors that affected revenue and earnings performance included those cited for the third quarter 1994 versus 1993. Additionally, in the first quarter of 1993, the business equipment and services segment's performance was enhanced by PROM sales primarily resulting from parcel rate changes. The second quarter of 1994 included the sale of operating lease assets which produced approximately $27 million in revenue, but which increased the cost of rentals and financing to rentals and financing revenue ratio due to inclusion of $25.2 million of related costs. In the second quarter of 1993, gains on sales of finance assets substantially offset additional loss provisions of $14.4 million required for the company's German leasing business.

The current year net income reflects the impact of adopting Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" (FAS 112) as of January 1, 1994. FAS 112 requires that postemployment benefit costs be recognized on the accrual basis of accounting for fiscal years beginning after December 15, 1993. Postemployment benefits include primarily company provided medical benefits to disabled employees and company provided life insurance as well as other disability- and death-related benefits to former and inactive employees, their beneficiaries and covered dependents. The one-time effect of adopting FAS 112 was a non-cash, after-tax charge of $119.5 million, or 75 cents per share.

Liquidity and Capital Resources

Working capital and the current ratio have declined from year-end 1993 as a result of increased short-term borrowings which funded the repurchase of shares of common stock, increased investment in finance assets and the redemption of long-term debt. The ratio was also impacted by an increase in inventory levels. The company continues to utilize a balanced mix of debt maturities to fund finance assets. The

current ratio at September 30, 1994 was .57 to 1 compared to .59 to 1 at year-end 1993.

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 remain available at September 30, 1994. The company also has an additional $300 million remaining on shelf registrations filed with the Securities and Exchange Commission.

Pitney Bowes Credit Corporation (PBCC) has $400 million available from a $500 million shelf registration statement filed with the Securities and Exchange Commission. This registration statement should meet PBCC's long-term financing needs for the next two years. In March 1994, PBCC issued $200 million of 5.625 percent notes due in February 1997. In April 1994, PBCC redeemed $100 million of 10.65 percent notes due in April 1999. 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. In September 1994, PBCC redeemed $100 million of 10.125 percent notes due in 1997. The company continues to use a balanced mix of debt maturities, variable- and fixed-rate debt and interest rate swaps to control the sensitivity of interest rate volatility.

In the third quarter of 1994, the company sold approximately $55 million of finance assets with recourse in a privately-placed transaction with a third-party investor. Proceeds from the sale of these assets were used to repay a portion of the company's commercial paper borrowings. This transaction had no material effect on the company's results.

The ratio of total debt to total debt and stockholders' equity was 62.9 percent at September 30, 1994 compared to 61.3 percent at year-end 1993. This ratio was unfavorably impacted primarily by the company's required first quarter 1994 adoption of FAS 112 and the repurchase of approximately three million shares of common stock for $111.7 million. These factors were partially offset by the sale of certain finance assets and the issuance of approximately 700,000 treasury shares primarily under the company's various stock purchase, option and compensation programs. Book value per common share decreased to $11.74 at September 30, 1994 from $11.81 at year-end 1993 principally due to the first quarter 1994 adoption of FAS 112.

During the period October 31, to November 10, 1994, the company repurchased approximately 1.9 million additional shares of its common stock at a total cost approximating $65 million. On November 14, 1994 the board authorized the purchase of up to two million additional shares of the company's common stock. It is anticipated that the board of directors will consider further authorization to repurchase the company's common stock, as appropriate, in expectation of the sales of Dictaphone and Monarch.

As a part of the company's strategic refocus, it is expected that approximately $71 million in cash will be required to pay severance and benefit related costs as well as certain exit costs principally over the next twelve months. Asset write-downs and other provisions of approximately $22 million included in the strategic refocus will not require cash expenditures. Amounts available under credit agreements, shelf registrations and medium-term note programs in addition to cash generated internally, are expected to be sufficient to provide for financing needs for the next year. Additional financing will be arranged as deemed necessary.

Capital Investments

In the first nine months of 1994, net investments in fixed assets included $82.5 million in net additions to property, plant and equipment and $140.8 million in net additions to rental equipment and related inventories compared with $70.3 million and $118.1 million, respectively, in the same period in 1993. These additions included expenditures for a new facility the company is building to house its Shipping and Weighing Division in

Shelton, Connecticut as well as normal plant and manufacturing equipment. In the case of rental equipment, the additions included the production of postage meters and the purchase of facsimile and copier equipment for both new placement and upgrade programs.

At September 30, 1994, commitments for the acquisition of property, plant and equipment included plant and manufacturing equipment improvements as well as rental equipment for new and replacement programs. Also, it includes the above mentioned new Shipping and Weighing facility 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 financing. At September 30, 1994, the company had a total of $2.5 million of such senior secured loans and commitments outstanding compared to $13.9 million at December 31, 1993. In March 1994, the company sold $11.3 million of its senior secured loan and commitment with a company that had previously filed under Chapter 11 of the Federal Bankruptcy Code and recovered 100 percent of its carrying value. The company has not participated in unsecured or subordinated debt financing in any highly leveraged transactions.

Part II - Other Information

Item 5: Other Information.

On November 14, 1994 the board of directors of Pitney Bowes Inc. elected Michael J. Critelli and Marc C. Breslawsky to the board, expanding the total number of directors to twelve. Mr. Critelli's and Mr. Breslawsky's board terms expire at the company's next annual meeting scheduled for May, 1995, at which time they will be up for re-election.

In October 1994, Mr. Critelli and Mr. Breslawsky were named Vice-Chairmen of the company, reporting to Chairman and President George B. Harvey. As Vice-Chairmen each has responsibility for specific business areas, as well as accountability for the success of their joint efforts. It is expected that upon Mr. Harvey's retirement, Mr. Critelli will assume the role of Chairman and Chief Executive Officer, and Mr. Breslawsky will assume the role of President and Chief Operating Officer.

Item 6: Exhibits and Reports on Form 8-K.

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

Reg. S-K Exhibits	Status or Description	Incorporation by Reference
(11)	Computation of earnings per share.	See Exhibit (i) on page 17.
(12)	Computation of ratio of earnings to fixed charges.	See Exhibit (ii) on page 18.
(27)	Financial Data Schedule	See Exhibit (iii) on page 19.

(b) Reports on Form 8-K.

No reports on Form 8-K were filed for the three months ended

September 30, 1994.

Signatures

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

PITNEY BOWES INC.

November 14,1994

/s/ C. F. Adimando
C. F. Adimando
Vice President - Finance and
Administration, and Treasurer
(Principal Financial Officer)

/s/ S. J. Green
S. J. Green
Vice President - Controller
(Principal Accounting Officer)

Pitney Bowes Inc.
Computation of Earnings per Share

Exhibit (i)

(Dollars in thousands, except per share data)	Three Months Ended September 30, 1994	Three Months Ended September 30, 1993(1)	Nine Months Ended September 30, 1994	Nine Months Ended September 30, 1993(1)
Primary				
Income from continuing operations (2)	$ 85,320	$ 58,386	$ 254,013	$ 204,489
Discontinued operations	10,706	10,644	32,492	33,905
Effect of accounting change	-	-	(119,532)	-
Net income	$ 96,026	$ 69,030	$ 166,973	$ 238,394
Weighted average number of common shares outstanding	156,825,702	157,805,764	157,519,505	157,421,291
Preference stock, $2.12 cumulative convertible	838,086	895,740	852,922	912,372
Stock option and purchase plans	365,374	608,754	501,589	730,697
Total common and common equivalent shares outstanding	158,029,162	159,310,258	158,874,016	159,064,360
Income per common and common equivalent share - primary:				
Income from continuing operations	$ .54	$ .37	$ 1.60	$ 1.29
Discontinued operations	.07	.06	.20	.21
Effect of accounting change	-	-	(.75)	-
Net income	$ .61	$ .43	$ 1.05	$ 1.50
Fully Diluted				
Income from continuing operations	$ 85,321	$ 58,387	$ 254,015	$ 204,492
Discontinued operations	10,706	10,644	32,492	33,905
Effect of accounting change	-	-	(119,532)	-
Net income	$ 96,027	$ 69,031	$ 166,975	$ 238,397
Weighted average number of common shares outstanding	156,825,702	157,805,764	157,519,505	157,421,291
Preference stock, $2.12 cumulative convertible	838,086	895,740	852,922	912,372
Stock option and purchase plans	387,410	615,865	524,984	738,183
Preferred stock, 4% cumulative convertible	12,774	23,016	14,895	24,761
Total common and common equivalent shares outstanding	158,063,972	159,340,385	158,912,306	159,096,607
Income per common and common equivalent share - fully diluted:				
Income from continuing operations	$ .54	$ .37	$ 1.60	$ 1.29
Discontinued operations	.07	.06	.20	.21
Effect of accounting change	-	-	(.75)	-
Net income	$ .61	$ .43	$ 1.05	$ 1.50

<FN>
(1) Restated to reflect discontinued operations.
<FN>
(2) Income from continuing operations was adjusted for preferred dividends.

Exhibit (ii)

Pitney Bowes Inc.
Computation of Ratio of Earnings to Fixed Charges (1)

(Dollars in thousands)	Three Months Ended September 30, 1994	Three Months Ended September 30, 1993(2)	Nine Months Ended September 30, 1994	Nine Months Ended September 30, 1993(2)
Income from continuing operations before income taxes	$154,819	$124,504	$422,382	$355,244
Add:				
Interest expense	50,031	45,402	141,301	143,558
Portion of rents representative of the interest factor	11,157	8,486	32,545	25,277
Amortization of capitalized interest	228	228	685	685
Income as adjusted	$216,235	$178,620	$596,913	$524,764
Fixed charges:				
Interest expense	50,031	45,402	141,301	143,558
Capitalized interest	200	-	372	-
Portion of rents representative of the interest factor	11,157	8,486	32,545	25,277
	$ 61,388	$ 53,888	$174,218	$168,835
Ratio of earnings to fixed charges	3.52	3.31	3.43	3.11

<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.
<FN>
(2) Restated to reflect discontinued operations.

<ARTICLE> 5
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THIS SCHEDULE CONTAINS FINANCIAL INFORMATION EXTRACTED FROM PITNEY BOWES INC. CONSOLIDATED BALANCE SHEET, CONSOLIDATED STATEMENT OF INCOME, CORRESPONDING FOOTNOTE #3 FIXED ASSETS AND STATEMENT RE COMPUTATION OF PER SHARE EARNINGS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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<FN>
<F1>Includes a change in accounting for postemployment benefits.
</FN>