UNITED STATES
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, 1996

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
Delaware	Identification No.
	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, 1996 is 148,449,856.

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Part I - Financial Information:

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

(Dollars in thousands, except per share data)

	Three Months Ended September 30, 1996	Three Months Ended September 30, 1995	Nine Months Ended September 30, 1996	Nine Months Ended September 30, 1995
Revenue from:				
Sales	$ 404,194	$ 372,889	$ 1,198,847	$ 1,107,690
Rentals and financing	429,754	395,494	1,254,098	1,147,372
Support services	116,766	107,748	346,971	322,584
Total revenue	950,714	876,131	2,799,916	2,577,646
Costs and expenses:				
Cost of sales	248,757	230,507	745,560	676,784
Cost of rentals and financing	133,114	117,205	373,441	330,007
Selling, service and administrative	323,554	307,145	954,661	885,037
Research and development	19,140	18,961	58,487	60,943
Interest, net	49,699	51,523	145,682	170,484
Total costs and expenses	774,264	725,341	2,277,831	2,123,255
Income from continuing operations before income taxes	176,450	150,790	522,085	454,391
Provision for income taxes	59,745	50,050	180,338	159,313
Income from continuing operations	116,705	100,740	341,747	295,078
Income, net of income tax, from discontinued operations prior to discontinuance	-	721	-	21,483
Net gain from discontinued operations	-	153,713	-	153,948
Net income	$ 116,705	$ 255,174	$ 341,747	$ 470,509
Income per common and common equivalent share:				
Income from continuing operations	$ .78	$ .66	$ 2.27	$ 1.94
Discontinued operations	-	1.01	-	1.15
Net income	$ .78	$ 1.67	$ 2.27	$ 3.09
Average common and common equivalent shares outstanding	150,238,719	152,854,912	150,866,658	152,393,328
Dividends declared per share of common stock	$ .345	$ .30	$ 1.035	$ .90

Pitney Bowes Inc.
Consolidated Balance Sheet
(Unaudited)

(Dollars in thousands)	September 30, 1996	December 31, 1995
Assets		
Current assets:		

Cash and cash equivalents	$ 134,032	$ 85,352
Short-term investments, at cost which approximates market	1,327	3,201
Accounts receivable, less allowances: 9/96, $13,934; 12/95, $13,050	352,786	386,727
Finance receivables, less allowances: 9/96, $38,475; 12/95, $37,699	1,359,290	1,208,532
Inventories (Note 2)	275,374	311,271
Other current assets and prepayments	110,389	106,014
Total current assets	2,233,198	2,101,097
Property, plant and equipment, net (Note 3)	494,541	495,001
Rental equipment and related inventories, net (Note 3)	808,445	773,337
Property leased under capital leases, net (Note 3)	7,669	7,876
Long-term finance receivables, less allowances: 9/96, $70,703; 12/95, $75,807	3,291,192	3,390,597
Investment in leveraged leases	603,456	570,008
Goodwill, net of amortization: 9/96, $35,210; 12/95, $30,504	214,941	208,698
Other assets	329,816	298,034
Total assets	$7,983,258	$7,844,648
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 716,586	$ 818,122
Income taxes payable	244,824	232,794
Notes payable and current portion of long-term obligations	1,951,903	2,138,065
Advance billings	320,384	312,595
Total current liabilities	3,233,697	3,501,576
Deferred taxes on income	681,227	612,811
Long-term debt	1,300,221	1,048,515
Other noncurrent liabilities	394,559	410,646
Total liabilities	5,609,704	5,573,548
Preferred stockholders' equity in a subsidiary company	200,000	200,000
Stockholders' equity:		
Cumulative preferred stock, $50 par value, 4% convertible	47	47
Cumulative preference stock, no par value, $2.12 convertible	2,414	2,547
Common stock, $2 par value	323,338	323,338
Capital in excess of par value	26,395	30,299
Retained earnings	2,373,831	2,186,996
Cumulative translation adjustments	(44,524)	(46,991)
Treasury stock, at cost	(507,947)	(425,136)
Total stockholders' equity	2,173,554	2,071,100
Total liabilities and stockholders' equity	$7,983,258	$7,844,648

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

(Dollars in thousands)	Nine Months Ended September 30, 1996	1995*

Cash flows from operating activities:		
Net income	$ 341,747	$ 470,509
Gain on sale of discontinued operations	-	(153,948)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	206,950	198,312
Net change in the strategic focus initiative	(12,145)	(32,507)
Increase in deferred taxes on income	68,163	56,253
Change in assets and liabilities:		
Accounts receivable	34,639	938
Sales-type lease receivables	(94,577)	(53,637)
Inventories	36,685	(9,979)
Other current assets and prepayments	(2,146)	(2,892)
Accounts payable and accrued liabilities	(90,407)	(96,430)
Income taxes payable	11,951	18,967
Advance billings	7,491	9,915
Other, net	(74,201)	(69,517)
Net cash provided by operating activities	434,150	335,984
Cash flows from investing activities:		
Short-term investments	1,874	(969)
Net investment in fixed assets	(215,130)	(252,683)
Net investment in direct-finance lease receivables	45,330	(255,968)
Investment in leveraged leases	(37,997)	(56,734)
Proceeds from sale of subsidiaries	-	577,000
Net cash (used in) provided by investing activities	(205,923)	10,646
Cash flows from financing activities:		
Decrease in notes payable	(426,784)	(587,090)
Proceeds from long-term obligations	500,000	275,000
Principal payments on long-term obligations	(9,310)	(43,855)
Proceeds from issuance of stock	24,327	20,637
Stock repurchases	(113,385)	(14,932)
Proceeds from preferred stock issued by a subsidiary	-	200,000
Dividends paid	(154,912)	(136,256)
Net cash used in financing activities	(180,064)	(286,496)
Effect of exchange rate changes on cash	517	(83)
Increase in cash and cash equivalents	48,680	60,051
Cash and cash equivalents at beginning of period	85,352	75,106
Cash and cash equivalents at end of period	$ 134,032	$ 135,157
Interest paid	$ 158,164	$ 178,224
Income taxes paid	$ 96,708	$ 91,540

[FN]
* Certain prior year amounts have been reclassified to conform with the 1996 presentation.

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 of 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, 1996 and the results of its operations and cash flows for the nine months ended September 30, 1996 and 1995 have been included. Operating results for the nine months ended September 30, 1996 are not necessarily indicative of the results that may be expected for the year ending December 31, 1996. 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, 1995.

Note 2:

Inventories are comprised of the following:

(Dollars in thousands)	September 30, 1996	December 31, 1995
Raw materials and work in process	$ 62,219	$ 57,203
Supplies and service parts	94,986	87,863
Finished products	118,169	166,205
Total	$ 275,374	$ 311,271

Note 3:

Fixed assets are comprised of the following:

(Dollars in thousands)	September 30, 1996	December 31, 1995
Property, plant and equipment	$1,095,719	$1,072,229
Accumulated depreciation	(601,178)	(577,228)
Property, plant and equipment, net	$ 494,541	$ 495,001
Rental equipment and related inventories	$1,653,645	$1,591,321
Accumulated depreciation	(845,200)	(817,984)
Rental equipment and related inventories, net	$ 808,445	$ 773,337
Property leased under capital leases	$ 26,088	$ 25,468
Accumulated amortization	(18,419)	(17,592)
Property leased under capital leases, net	$ 7,669	$ 7,876

Note 4:
The company adopted Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" on January 1, 1996. The company periodically reviews the fair value of long-lived assets, the result of which has had no material affect on the company's reported results.

The company adopted Statement of Financial Accounting Standards No. 122, "Accounting for Mortgage Servicing Rights" (FAS 122) on January 1, 1996. FAS 122 requires that capitalized mortgage servicing rights be assessed periodically for impairment based on the fair value of those rights. Based on an evaluation performed as of September 30, 1996, no impairment was recognized in the company's mortgage servicing rights portfolio.

The company also adopted Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (FAS 123), on January 1, 1996. Under FAS 123, companies can elect, but are not required, to recognize compensation expense for all stock-based awards, using a fair value methodology. The company has adopted the disclosure only provisions, as permitted by FAS 123. These disclosures will be included in the company's 1996 annual report to stockholders.

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

Results of Continuing Operations - third quarter of 1996 vs. third quarter of 1995.

In 1996, Pitney Bowes saw excellent overall market acceptance of our products and services and achieved nine percent growth in total revenue. Moreover, ongoing efforts to improve cost ratios and operating expense structures offset the rising impact of lower margin revenue from the facilities management business, resulting in a 16 percent increase in income from continuing operations.

Sales revenue increased eight percent from the prior year primarily due to volume growth. Foreign exchange effects and price increases had no material impact. The facilities management business recorded a 17 percent sales increase as it continues to expand its facilities management contract base in the commercial market. Demand for the company's production mail systems, small weighing and high-end mailing equipment, notably Paragon II and associated products, was strong in the third quarter. The sales revenue increase was somewhat offset by lower PROM (memory chip) and copier sales in Canada.

Rentals and financing revenue increased nine percent from the prior year. Rental revenue grew due to more higher-priced electronic meters in service especially the A900, B900 and the new digital meters. Rental revenue growth also reflects a higher number of facsimile systems in service. Finance revenue grew due to a higher base of small-ticket equipment under lease and increased contribution from fee-based sources offset by declines in external large-ticket revenue. The sale of finance assets produced $11 million in revenue.

Support services revenue rose eight percent from the prior year. Higher equipment maintenance agreements at production mail and U.S. and U.K mailing fueled the growth in service revenue.

The ratio of cost of sales to sales revenue decreased .3 percentage points in 1996 to 61.5 percent. This improvement results from lower product costs and higher prices attained from U.S. mailing equipment and production mail sales and lower copier equipment costs related to a weakened yen. Changes in the revenue mix continue to put upward pressure on the cost of sales ratio, as the company's facilities management business sustains its rapid growth. It includes most of its expenses in cost of sales which affects this ratio.

The ratio of cost of rentals and financing to rentals and financing revenue increased 1.4 percentage points in 1996 to 31.0 percent. This deterioration is due to the sale of finance assets which generates a lower relative margin. Excluding the asset sale, the ratio increased .1 percentage point due to the change in mix resulting from the growth of the company's mortgage servicing business which includes most of its expenses in cost of financing.

Selling, service and administrative expenses were 34.0 percent of revenue in 1996, a decrease of 1.1 percentage points. This improvement reflects ongoing efforts to control operating expense structures, effects of changes in the product and service mix as mentioned above, and benefits from the company's strategic focus initiatives.

Research and development expenses increased one percent to $19.1 million in 1996. This increase reflects the company's belief that its success in a global marketplace requires a continuous stream of advanced products emphasizing electronic and digital technology and software development.

Net interest expense decreased to $49.7 million in 1996 from $51.5 million in 1995. This decrease is due to lower interest rates.

The third quarter effective tax rate was 33.9 percent in 1996 compared to 33.2 percent in 1995. The increase is due to the declining effect of the residual portfolio purchase completed in the fourth quarter of 1994. In addition, the 1995 effective tax rate was favorably influenced by tax benefits associated with a company owned life insurance program, higher level of tax-exempt income, and variations in the company's worldwide income mix and foreign taxes.

Income from continuing operations increased 16 percent to $116.7 million in 1996 from $100.7 million in 1995. As a percentage of revenue, income from continuing operations rose to 12.3 percent in 1996 from 11.5 in 1995 due to the factors discussed above.

Average shares outstanding used to compute earnings per share were 150.2 million in 1996 and 152.9 million in 1995. The treasury stock acquired by the company under its ongoing share repurchase program caused the decrease in shares outstanding.

Results of Continuing Operations - nine months of 1996 vs. nine months of 1995.

Revenue increased nine percent to $2.8 billion while income from continuing operations increased 16 percent to $341.7 million. The factors that affected revenue and earnings performance included those cited for the third quarter 1996 versus 1995. In addition, first quarter 1995 revenue included approximately $30 million in PROM sales generated from the January 1, 1995 United States postal rate change. The comparison is also affected by the sale of the Custom Vendor Finance (CVF) operations of Pitney Bowes Credit Corporation (PBCC) in May 1996 and the acquisition in 1995 of a former Japanese joint venture.

Average shares outstanding used to compute earnings per share were 150.9 million in 1996 and 152.4 million in 1995. The treasury stock acquired by the company under its ongoing share repurchase program caused the decrease in shares outstanding.

Nonrecurring Item

As of September 30, 1996, the company has made cash payments for severance and benefits of approximately $60.6 million to 1,500 employees separated under the strategic focus initiatives commenced in 1994. Approximately 400 employees with the requisite enhanced skills have been hired to manufacture and service advanced product offerings. The company has substantially completed its actions contemplated under the strategic initiatives.

Accounting Changes

The company adopted Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" on January 1, 1996. The company periodically reviews the fair value of long-lived assets, the results of which had no material affect on the company's reported results.

The company adopted Statement of Financial Accounting Standards No. 122, "Accounting for Mortgage Servicing Rights" (FAS 122) on January 1, 1996. FAS 122 requires that capitalized mortgage servicing rights be assessed periodically for impairment based on the fair value of those rights. Based on an evaluation performed as of September 30, 1996, no impairment was recognized in the company's mortgage servicing rights portfolio.

The company also adopted Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (FAS 123), on January 1, 1996. Under FAS 123, companies can, but are not required to, elect to recognize compensation expense for all stock-based awards, using a fair value methodology. The company has adopted the disclosure only provisions, as permitted by FAS 123. These disclosures will be included in the company's 1996 annual report.

The Financial Accounting Standards Board (FASB) issued Financial Accounting Standards No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" (FAS 125). FAS 125 is effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after December 31, 1996 and is to be applied prospectively; however, there is currently a proposal before the FASB to defer for one year the effective date of certain provisions of this standard. The company is currently assessing the prospective impact of the provisions of this standard on its consolidated financial statements.

Liquidity and Capital Resources

The current ratio increased to .69 to 1 as of September 30, 1996 from .60 to 1 as of December 31, 1995. The increase is due to the repayment of notes payable with the proceeds from asset sales and issuance of medium term notes at PBCC. The ratio also benefited from increases in short term finance receivables, cash and a reduction in accounts payable and accrued liabilities.

The company has a medium-term note facility, as part of its non-financial services shelf registrations, of which $32 million is available at September 30, 1996. These securities may have maturities ranging from more than one year to 30 years. The company has an additional $300 million remaining on its non-financial services shelf registrations filed with the Securities and Exchange Commission (SEC). Amounts available under credit agreements, shelf registrations and commercial paper and medium-term note programs, in addition to cash generated internally and by the sales of Monarch and Dictaphone, are expected to be sufficient to provide for financing needs in the next several years.

In July 1996, PBCC issued $200 million of medium-term notes due in July 1999 and $100 million of medium-term notes due in July 2001 with coupon rates of 6.54 percent and 6.78 percent, respectively. In September 1996, PBCC issued $100 million of medium-term notes due in October 1998 and $100 million of medium-term notes due in October 2001 with coupon rates of 6.305 percent and 6.800 percent, respectively.

PBCC has $250 million of unissued debt securities available from a shelf registration statement filed with the SEC in September 1995. The $250 million remaining under this shelf registration statement should meet PBCC's financing needs for at least the next year. PBCC also had unused lines of credit and revolving credit facilities totaling $1.55 billion at September 30, 1996, largely supporting its commercial paper borrowings.

The ratio of total debt to total debt and stockholders' equity including the preferred stockholders' equity in a subsidiary company in total debt was 61.5% at September 30, 1996 compared to 62.2% at December 31, 1995. The improvement is due to the earnings of the company offset by the unfavorable effect of the repurchase of 2,316,200 shares of common stock for $113.4 million in the first nine months of 1996. Book value per common share increased to $14.63 at September 30, 1996 from $13.79 at year-end 1995 principally due to year-to-date income. This was offset, in part, by the share repurchase described above.

During the period October 1, to November 12, 1996, the company repurchased approximately 178,300 additional shares of its common stock at a total cost approximating $10.0 million.

The company enters into interest rate swap agreements principally through its financial services businesses. It has been the practice and objective of the company to use a balanced mix of debt maturities, variable- and fixed-rate debt and interest rate swap agreements to control the company's sensitivity to interest rate volatility. The company utilizes interest rate swap agreements when it considers the economic benefits to be favorable. Swap agreements, as noted above, have been principally utilized to fix interest rates on commercial paper and/or obtain a lower cost on debt than would otherwise be available absent the swap.

Capital Investments

In the first nine months of 1996, net investments in fixed assets included $62.9 million in net additions to property, plant and equipment and $152.7 million in net additions to rental equipment and related inventories compared with $83.7 million and $165.7 million during the same period in 1995, respectively. The decrease in net additions to property, plant and equipment was due to the completion of a new facility in 1995. In the case of rental equipment, the additions included the production of postage meters and purchase of facsimile equipment for both new placement and upgrade programs.

At September 30, 1996, 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.

Legal and Regulatory Matters

The company has been advised by the Antitrust Division of the U.S. Department of Justice that its civil investigation of Pitney Bowes' postage equipment business has been closed. The investigation concluded that Pitney Bowes had not violated the surviving provisions of the 1959 consent decree between the company and the U.S. Department of Justice, and/or the antitrust laws.

In June, 1995, the United States Postal Service (U.S.P.S.) issued final revised regulations addressing the manufacture, distribution and use of postage meters. The regulations cover four general categories: meter security, administrative controls, Computerized Meter Resetting Systems (C.M.R.S.) and other issues. In general, the regulations impose reporting and performance obligations on meter manufacturers, prescribe potential administrative sanctions for failure to meet these obligations and require a restructuring of the fund management system of C.M.R.S., such as the company's Postage by Phone(R) System, to give the U.S.P.S. more direct control over meter licensee deposits. The company is working with the U.S.P.S. to ensure that the implementation of these regulations provides mailing customers and the U.S.P.S. with the intended benefits, and that Pitney Bowes also benefits. The company has undertaken a number of actions to implement these changes, including modifying its Postage by Phone System. Customers now deposit prepayments of postage into a U.S.P.S. account rather than a trust account. The company's resetting of Postage by Phone meters still requires the customer to request an authorization and reset code from the company, a service for which the company charges a fee. The company continues to believe that the financial impact to the company resulting from implementation of these regulations will not be material.

In May 1996, the U.S.P.S. issued a proposed schedule for the phase out of mechanical meters in the United States marketplace. The schedule proposes that (i) as of June 1, 1996, placements of mechanical meters will be available only as replacements for existing licensed mechanical meters; (ii) as of March 1, 1997, mechanical meters may not be used by persons or firms who process mail for a fee; (iii) as of December 31, 1997, mechanical meters that interface with mail machines or processors will no longer be approved; and (iv) as of March 1, 1999, all other mechanical meters (stand alone meters) will no longer be approved. The company has voluntarily ceased new placements of mechanical meters in the United States as of June 1, 1996.

The company continues to work with the U.S.P.S. to devise a final mechanical meter migration schedule that is most beneficial to our customers and minimizes any negative impact to the company. This is consistent with the company's strategy of introducing new technology into the marketplace to add value to customers' operations and meet postal needs. This strategy and the company's long-term focus has resulted in an increase in the percentage of the electronic meters in the current U.S. base from six percent of the overall base in 1986 to nearly 50 percent of the installed meter base in 1995. Until such time as a final mechanical meter migration plan is completed, the financial impact, if any, on the company cannot be determined with any certainty; but, it is currently the belief of the company that such migration plan will not cause a material adverse financial impact.

The May 1996 U.S.P.S. proposal also contemplates the evolution of metering technology to include a digital information based indicia standard which has not yet been developed. In July 1996, the U.S.P.S. proposed initial specifications for a digital information based indicia program. The U.S.P.S. anticipates that digital metering would eventually replace electronic metering in the United States at some undetermined date in the future. The company's long-term strategy also envisions the use of digital technology in new product offerings, and the company anticipates working with the U.S.P.S. in this effort to achieve a timely and effective substitution plan. However, until final standards for a digital information based indicia program are completed, and transition to the new standard is clarified by the U.S.P.S., the impact of this proposal, if any, on the company cannot be determined.

Forward Looking Statements

The company wishes to caution readers that any forward-looking statements, which are those statements which express the company's or management's current expectations as to the future, contained in this Form 10-Q or made by the management of the company involve risks and uncertainties, and are subject to change based on various important factors. The following factors, among others, could affect the company's financial results and could cause the company's financial performance to differ materially from the expectations expressed in any forward-looking statement made by or on behalf of the company -- the impact of changes in postal regulations around the world; the timely development of and acceptance of new Pitney Bowes products and the users perceived overall product value;

the willingness of users to substitute competitors' products for Pitney Bowes products; the success in gaining product approval in new markets where regulatory approval is required; the ability of the company to successfully enter new markets; the willingness of mailers to utilize alternative means of communication; and the company's success at managing customer credit risk.

Part II - Other Information

Item 1: Legal Proceedings

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

The company has been advised by the Antitrust Division of the U.S. Department of Justice that its civil investigation of Pitney Bowes' postage equipment business has been closed. The investigation concluded that Pitney Bowes had not violated the surviving provisions of the 1959 consent decree between the company and the U.S. Department of Justice, and/or the antitrust laws.

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, 1996.

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, 1996

/s/ M. L. Reichenstein
M. L. Reichenstein
Vice President - Chief Financial
Officer
(Principal Financial Officer)

/s/ A. F. Henock
A. F. Henock
Vice President - Controller and
Chief Tax Counsel
(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, 1996	Three Months Ended September 30, 1995	Nine Months Ended September 30, 1996	Nine Months Ended September 30, 1995
Primary				
Income from continuing operations (1)	$ 116,705	$ 100,740	$ 341,746	$ 295,077
Discontinued operations	-	154,434	-	175,431
Net income applicable to common stock	$ 116,705	$ 255,174	$ 341,746	$ 470,508
Weighted average number of common shares outstanding	148,844,925	151,524,929	149,385,408	151,263,445
Preference stock, $2.12 cumulative convertible	720,902	774,412	733,008	792,100
Stock option and purchase plans	672,892	555,571	748,242	337,783
Total common and common equivalent shares outstanding	150,238,719	152,854,912	150,866,658	152,393,328
Income per common and common equivalent share - primary:				
Continuing operations	$ .78	$ .66	$ 2.27	$ 1.94
Discontinued operations	-	1.01	-	1.15
Net income	$ .78	$ 1.67	$ 2.27	$ 3.09
Fully Diluted				
Income from continuing operations	$ 116,705	$ 100,740	$ 341,747	$ 295,078
Discontinued operations	-	154,434	-	175,431
Net income applicable to common stock	$ 116,705	$ 255,174	$ 341,747	$ 470,509
Weighted average number of common shares outstanding	148,844,925			
151,524,929 149,385,408 151,263,445				
Preference stock, $2.12 cumulative convertible	720,902	774,412	733,008	792,100
Stock option and purchase plans	736,864	561,119	809,917	364,667
Preferred stock, 4% cumulative convertible	11,490	11,490	11,490	11,514
Total common and common equivalent shares outstanding	150,314,181	152,871,950	150,939,823	152,431,726
Income per common and common equivalent share - fully diluted:				
Continuing operations	$ .78	$ .66	$ 2.26	$ 1.94
Discontinued operations	-	1.01	-	1.15
Net income	$ .78	$ 1.67	$ 2.26	$ 3.09

[FN]
(1) 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, 1996	1995	Nine Months Ended September 30, 1996	1995
Income from continuing operations before income taxes	$176,450	$150,790	$522,085	$454,391
Add:				
Interest expense	52,212	54,059	151,095	175,763
Portion of rents representative of the interest factor	11,469	9,952	33,780	31,179
Amortization of capitalized interest	228	228	685	685
Minority interest in the income of subsidiary with fixed charges	2,011	2,823	6,121	2,823
Income as adjusted	$242,370	$217,852	$713,766	$664,841
Fixed charges:				
Interest expense	52,212	54,059	151,095	175,763
Capitalized interest	-	608	1,201	1,570
Portion of rents representative of the interest factor	11,469	9,952	33,780	31,179
Minority interest in the income of subsidiary with fixed charges	2,011	2,823	6,121	2,823
	$ 65,692	$ 67,442	$192,197	$211,335
Ratio of earnings to fixed charges	3.69	3.23	3.71	3.15
Ratio of earnings to fixed charges excluding minority interest	3.77	3.33	3.80	3.17

<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.

<ARTICLE> 5
<LEGEND>
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.
</LEGEND>
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