UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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 June 30, 2000

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

Indicate by check mark whether 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, $1 par value, outstanding as of July 31, 2000 is 255,279,513.

Pitney Bowes Inc.
Index

Page Number

Part I - Financial Information

Item 1. Financial Statements.

Pitney Bowes Inc.
Consolidated Statements of Income
(Unaudited)

(Dollars in thousands, except per share data)

	Three Months Ended June 30, 2000	Three Months Ended June 30, 1999	Six Months Ended June 30, 2000	Six Months Ended June 30, 1999
Revenue from:				
Sales..	$ 571,538	$ 546,370	$ 1,091,580	$ 1,056,752
Rentals and financing..................................	443,801	418,773	879,967	824,498
Support services.......................................	145,695	140,289	291,454	273,506
Total revenue..	1,161,034	1,105,432	2,263,001	2,154,756
Costs and expenses:				
Cost of sales..	321,814	306,351	622,647	603,070
Cost of rentals and financing..........................	119,598	117,443	241,209	228,376
Selling, service and administrative....................	389,763	373,132	768,076	734,160
Research and development...............................	30,528	27,698	60,039	53,602
Interest, net..	53,361	46,938	100,523	92,438
Total costs and expenses...............................	915,064	871,562	1,792,494	1,711,646
Income from continuing operations before income taxes.........	245,970	233,870	470,507	443,110
Provision for income taxes...................................	80,013	76,462	152,997	147,131
Income from continuing operations............................	165,957	157,408	317,510	295,979
(Loss) income from discontinued operations (Note 2)...........	-	(2,729)	-	971
Loss on disposal of discontinued operations (Note 2)..........	-	(24,938)	-	(24,938)
Net income...	$ 165,957	$ 129,741	$ 317,510	$ 272,012
Basic earnings per share:....................................				
Continuing operations......................................	$ .64	$ .58	$ 1.22	$ 1.10
Discontinued operations....................................	-	(.10)	-	(.09)
Net income..	$ .64	$ .48	$ 1.22	$ 1.01

Diluted earnings per share:				
Continuing operations	$ .64	$ .58	$ 1.21	$ 1.08
Discontinued operations	-	(.10)	-	(.09)
Net income	$ .64	$ .48	$ 1.21	$ .99
Dividends declared per share of common stock	$ .285	$ .255	$ .57	$ .51
Ratio of earnings to fixed charges	4.37	4.71	4.39	4.56
Ratio of earnings to fixed charges excluding minority interest	4.65	5.00	4.68	4.85

See Notes to Consolidated Financial Statements

Pitney Bowes Inc.
Consolidated Balance Sheets

(Dollars in thousands, except share data)	June 30, 2000 (unaudited)	December 31, 1999
Assets		
Current assets:		
Cash and cash equivalents	$ 296,695	$ 254,270
Short-term investments, at cost which approximates market	2,811	2,414
Accounts receivable, less allowances: 6/00, $25,767; 12/99, $28,716	435,749	432,224
Finance receivables, less allowances: 6/00, $40,927; 12/99, $48,056	1,431,588	1,779,696
Inventories (Note 3)	260,668	257,452
Other current assets and prepayments	173,013	128,662
Net assets of discontinued operations	-	487,856
Total current assets	2,600,524	3,342,574
Property, plant and equipment, net (Note 4)	486,140	484,181
Rental equipment and related inventories, net (Note 4)	789,369	810,788
Property leased under capital leases, net (Note 4)	2,640	11,140
Long-term finance receivables, less allowances: 6/00, $58,777; 12/99, $56,665	1,983,529	1,907,431
Investment in leveraged leases	1,043,118	969,589
Goodwill, net of amortization: 6/00, $58,426; 12/99, $54,848	229,039	226,764
Other assets	624,830	470,205
Total assets	$ 7,759,189	$ 8,222,672
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 825,341	$ 915,826
Income taxes payable	217,665	255,201
Notes payable and current portion of long-term obligations	956,925	1,320,332
Advance billings	376,022	381,405

Total current liabilities	2,375,953	2,872,764
Deferred taxes on income	1,182,766	1,082,019
Long-term debt (Note 5)	2,201,591	1,997,856
Other noncurrent liabilities	326,588	334,423
Total liabilities	6,086,898	6,287,062
Preferred stockholders' equity in a subsidiary company	310,000	310,000
Stockholders' equity:		
Cumulative preferred stock, $50 par value, 4% convertible	29	29
Cumulative preference stock, no par value, $2.12 convertible	1,796	1,841
Common stock, $1 par value	323,338	323,338
Capital in excess of par value	11,067	17,382
Retained earnings	3,606,430	3,437,185
Accumulated other comprehensive income (Note 8)	(114,798)	(93,015)
Treasury stock, at cost	(2,465,571)	(2,061,150)
Total stockholders' equity	1,362,291	1,625,610
Total liabilities and stockholders' equity	$ 7,759,189	$ 8,222,672

See Notes to Consolidated Financial Statements

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

(Dollars in thousands)

	Six Months Ended June 30, 2000	1999*
Cash flows from operating activities:		
Net income	$ 317,510	$ 272,012
Loss on sale of discontinued operations	-	24,938
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	161,090	206,304
Increase in deferred taxes on income	98,526	106,823
Pension plan investment	-	(67,000)
Change in assets and liabilities:		
Accounts receivable	(8,804)	(35,000)
Net investment in internal finance receivables	2,651	(53,206)
Inventories	(7,303)	7,590
Other current assets and prepayments	(5,483)	13,868
Accounts payable and accrued liabilities	(67,184)	(45,595)
Income taxes payable	(34,211)	8,030
Advance billings	(2,602)	20,648
Other, net	(4,367)	(17,790)
Net cash provided by operating activities	449,823	441,622
Cash flows from investing activities:		
Short-term investments	(42,915)	2,192
Net investment in fixed assets	(126,069)	(173,318)

Net investment in finance receivables......................	(69,664)	(99,196)
Net investment in capital and mortgage services............	(20,580)	172,421
Investment in leveraged leases.............................	(73,320)	(123,393)
Investment in mortgage servicing rights....................	-	(9,719)
Proceeds and cash receipts from the sale of discontinued operations...................................	512,780	-
Net proceeds from the sale of credit card portfolio.........	321,746	-
Net investment in insurance contracts......................	(130,049)	4,782
Other investing activities.................................	(26,915)	(33,386)
Net cash provided by (used in) investing activities	345,014	(259,617)
Cash flows from financing activities:		
(Decrease) increase in notes payable, net..................	(300,688)	2,948
Proceeds from long-term obligations........................	181,102	208,106
Principal payments on long-term obligations................	(69,243)	(14,385)
Proceeds from issuance of stock............................	21,582	34,695
Stock repurchases..	(432,363)	(266,090)
Dividends paid...	(148,265)	(137,799)
Net cash used in financing activities...........	(747,875)	(172,525)
Effect of exchange rate changes on cash........................	(4,537)	(2,471)
Increase in cash and cash equivalents..........................	42,425	7,009
Cash and cash equivalents at beginning of period...............	254,270	125,684
Cash and cash equivalents at end of period.....................	$ 296,695	$ 132,693
Interest paid..	$ 132,022	$ 92,728
Income taxes paid, net...	$ 79,044	$ 36,163

<FN>
* Certain prior year amounts have been reclassified to conform with the 2000 presentation.
</FN>

See Notes to Consolidated Financial Statements

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 at June 30, 2000 and December 31, 1999, the results of its operations for the three months and six months ended June 30, 2000 and 1999 and its cash flows for the six months ended June 30, 2000 and 1999 have been included. Operating results for the three and six months ended June 30, 2000 are not necessarily indicative of the results that may be expected for the year ending December 31, 2000. These statements should be read in conjunction with the financial statements and notes thereto included in the company's 1999 Annual Report to Stockholders on Form 10-K.

Note 2:

On January 14, 2000, the company sold its mortgage servicing business, Atlantic Mortgage & Investment Corporation (AMIC), a wholly-owned subsidiary of the company to ABN AMRO North America. The company received approximately $484 million in cash at closing. The transaction is subject to post-closing adjustments.

Revenue of AMIC was $30.0 million and $62.5 million for the three and six months ended June 30, 1999, respectively. Net interest expense allocated to AMIC's discontinued operations was $1.8 million and $3.7 million for the three and six months ended June 30, 1999, respectively. Interest has been allocated based on AMIC's net intercompany borrowing levels with Pitney Bowes Credit Corporation (PBCC), a wholly-owned subsidiary of the company, charged at PBCC's weighted average borrowing rate, offset by the interest savings PBCC realized due to borrowings against AMIC's escrow deposits as opposed to regular commercial paper borrowings. On June 30, 1999 the company recorded an expected loss of approximately $34.2 million (net of taxes of $22.8 million) on the disposal of AMIC.

In the second quarter of 1999, the company recorded a gain of approximately $9.3 million (net of taxes of $5.7 million) representing the excess proceeds received over the book value of the net Colonial Pacific Leasing Corporation assets sold to General Electric Capital Corporation, net of related transaction costs.

Operating results of AMIC have been segregated and reported as discontinued operations in the Consolidated Statements of Income for the three and six months ended June 30, 1999. Net assets of discontinued operations have been separately classified in the Consolidated Balance Sheet at December 31, 1999. Cash flow impacts of discontinued operations have not been segregated in the Consolidated Statement of Cash Flows for the six months ended June 30, 1999. (Loss) income from discontinued operations, related to AMIC for the three and six months ended June 30, 1999 was approximately $(2.7) million and $1.0 million, respectively.

Note 3:

Inventories are comprised of the following:

(Dollars in thousands)	June 30, 2000	December 31, 1999
Raw materials and work in process............................	$ 39,051	$ 41,149
Supplies and service parts..................................	123,120	122,726
Finished products...	98,497	93,577
Total	$ 260,668	$ 257,452

Note 4:

Fixed assets are comprised of the following:

(Dollars in thousands)	June 30, 2000	December 31, 1999
Property, plant and equipment...............................	$ 1,182,351	$ 1,187,198
Accumulated depreciation....................................	(696,211)	(703,017)
Property, plant and equipment, net..........................	$ 486,140	$ 484,181
Rental equipment and related inventories....................	$ 1,598,315	$ 1,706,306
Accumulated depreciation....................................	(808,946)	(895,518)

Rental equipment and related inventories, net	$ 789,369	$ 810,788
Property leased under capital leases	$ 19,087	$ 27,217
Accumulated amortization	(16,447)	(16,077)
Property leased under capital leases, net	$ 2,640	$ 11,140

<FN>
In connection with the U.S.P.S. meter migration, the company wrote off fully depreciated rental equipment in the first quarter of 2000.
</FN>

Note 5:

The company has a medium-term note facility, which was established as part of the company's shelf registrations, permitting issuances of up to $500 million in debt securities with a minimum maturity of nine months, of which $300 million remained available at June 30, 2000.

On April 19, 2000, certain partnerships controlled by affiliates of PBCC issued a total of $134 million of Series A and Series B Secured Fixed Rate Senior Notes (the notes). The notes are due in 2003 and bear interest at 7.443 percent. The proceeds from the notes were used to purchase subordinated debt obligations from the company (PBI Obligations). The PBI Obligations have a principal amount of $134 million and are due in 2010. The PBI Obligations bear interest at 8.073 percent for the first three years and reset in May 2003 and each third anniversary of the first reset date.

On March 31, 2000, PBCC issued $43.3 million of 7.515 percent Senior Notes to various holders maturing on January 10, 2012.

PBCC has $625 million of unissued debt securities available at June 30, 2000 from a shelf registration statement filed with the Securities and Exchange Commission (SEC) in July 1998. As part of this shelf registration statement in August 1999, PBCC established a medium-term note program for the issuance from time to time of up to $500 million aggregate principal amount of Medium-Term Notes, Series D, of which $375 million remained available at June 30, 2000.

Note 6:

A reconciliation of the basic and diluted earnings per share computations for the three months ended June 30, 2000 and 1999 is as follows (in thousands, except per share data):

	2000			1999		
	Income	Shares	Per Share	Income	Shares	Per Share
Income from continuing operations	$ 165,957			$ 157,408		
Less:						
Preferred stock dividends	-			-		
Preference stock dividends	(36)			(38)		

Basic earnings per share	$ 165,921	257,605	$ .64	$ 157,370	268,088	$ .58
Effect of dilutive securities:						
Preferred stock	-	14		-	15	
Preference stock	36	1,065		38	1,160	
Stock options		892			3,365	
Other		126			389	
Diluted earnings per share	$ 165,957	259,702	$ .64	$ 157,408	273,017	$ .58

A reconciliation of the basic and diluted earnings per share computations for the six months ended June 30, 2000 and 1999 is as follows (in thousands, except per share data):

	2000			1999		
	Income	Shares	Per Share	Income	Shares	Per Share
Income from continuing operations	$ 317,510			$ 295,979		
Less:						
Preferred stock dividends	-			-		
Preference stock dividends	(71)			(77)		
Basic earnings per share	$ 317,439	260,323	$ 1.22	$ 295,902	269,007	$ 1.10
Effect of dilutive securities:						
Preferred stock	-	14		-	16	
Preference stock	71	1,072		77	1,169	
Stock options		1,081			3,463	
Other		134			419	
Diluted earnings per share	$ 317,510	262,624	$ 1.21	$ 295,979	274,074	$ 1.08

Note 7:

Revenue and operating profit by business segment for the three and six months ended June 30, 2000 and 1999 were as follows:

(Dollars in thousands)	Three Months Ended June 30, 2000	Three Months Ended June 30, 1999	Six Months Ended June 30, 2000	Six Months Ended June 30, 1999
Revenue:				
Mailing and Integrated Logistics..........	$ 789,218	$ 746,952	$1,531,059	$1,445,581

Office Solutions	333,615	316,753	657,604	631,333
Total Messaging Solutions	1,122,833	1,063,705	2,188,663	2,076,914
Capital Services	38,201	41,727	74,338	77,842
Total revenue	$ 1,161,034	$ 1,105,432	$2,263,001	$2,154,756
Operating Profit: (1)				
Mailing and Integrated Logistics	$ 225,937	$ 197,294(2)	$ 422,041	$ 368,638(2)
Office Solutions	55,287	60,656	108,279	119,201
Total Messaging Solutions	281,224	257,950	530,320	487,839
Capital Services	11,131	12,784	19,692	20,966
Total operating profit	$ 292,355	$ 270,734	$ 550,012	$ 508,805
Unallocated amounts:				
Net interest (corporate interest expense, net of intercompany transactions)	(18,474)	(11,443)	(33,269)	(22,204)
Corporate expense	(27,911)	(25,421)(2)	(46,236)	(43,491)(2)
Income from continuing operations before Income taxes	$ 245,970	$ 233,870	$ 470,507	$ 443,110

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

(2) Prior year amounts have been reclassified to conform with current year presentation.
</FN>

Note 8:

Comprehensive income for the three and six months ended June 30, 2000 and 1999 was as follows:

(Dollars in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	1999	2000	1999
Net income	$ 165,957	$ 129,741	$ 317,510	$ 272,012
Other comprehensive income:				
Foreign currency translation adjustments	(22,993)	2,814	(21,783)	2,366
Comprehensive income	$ 142,964	$ 132,555	$ 295,727	$ 274,378

Note 9:

In June 1998, Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities", amended in June 2000 by SFAS No. 138, was issued. SFAS No. 133 requires that an entity recognize all derivative instruments as either assets or liabilities in the statement of financial position and measure those instruments at fair value. Changes in the fair value of those instruments will be reflected as gains or losses. The accounting for the gains or losses depends on the intended use of the derivative and the resulting designation. The company is currently evaluating the impact of this statement. SFAS No. 133, as amended, is effective January 1, 2001 for the company.

In December 1999, the SEC issued Staff Accounting Bulletin (SAB) No. 101, "Revenue Recognition in Financial Statements," summarizing guidance in applying generally accepted accounting principles to revenue recognition in financial statements. Although the company believes it is in compliance with this guidance in all material respects, the company is currently evaluating its current revenue recognition policies to determine the impact of SAB No. 101. SAB No. 101 is effective for the fourth quarter of 2000.

Note 10:

As part of a strategic alliance with U.S. Bank, a division of U.S. Bancorp, on June 30, 2000, the company, through its PBCC subsidiary, sold its PitneyWorksSM Business RewardsSM Visa(R) and Business Visa(R) card operations, including credit card receivables of approximately $322 million. The company expects to earn fees in connection with the strategic alliance with U.S. Bank. However, the company will no longer originate credit card receivables and as a result will not earn finance income on those balances. The alliance expands the company's capabilities to capture a greater share of the growing small business market. The new alliance will allow PitneyWorks.com, a division of the company which focuses on small business solutions, to continue to market the credit card to small business owners, while providing cardholders with full access to U.S. Bank's respected network of financial resources. The transaction is subject to post-closing adjustments.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Continuing Operations - second quarter of 2000 vs. second quarter of 1999

Revenue increased five percent in the second quarter of 2000 to $1,161.0 million compared with $1,105.4 million in the second quarter of 1999. Income from continuing operations increased five percent to $166.0 million from $157.4 million for the same period in 1999. Diluted earnings per share from continuing operations grew to 64 cents, a 10.7 percent increase from the second quarter of 1999.

Second quarter 2000 revenue included $571.5 million from sales, up five percent from $546.4 million in the second quarter of 1999; $443.8 million from rentals and financing, up six percent from $418.8 million; and $145.7 million from support services, up four percent from $140.3 million.

Total Messaging Solutions, the combined results of the Mailing and Integrated Logistics segment and Office Solutions segment, reported six percent revenue growth and nine percent operating profit growth.

The Mailing and Integrated Logistics segment includes revenues and related expenses from the rental, sale and financing of mailing and shipping equipment, related supplies and service, and software. During the second quarter of 2000, revenue grew six percent and operating profit increased 15 percent. Contributors to growth included: improving rental and financing margins in our core mail finishing business, double-digit revenue and operating profit growth at our international operations driven by increasing market share, developing existing and new markets, increasing the value of business per customer and expanding the customer base and strong demand for worldwide production mail as large volume mailers turned to Pitney Bowes software-based solutions for enhanced functionality, speed and accuracy.

The Office Solutions segment includes Pitney Bowes Office Systems and Pitney Bowes Management Services. During the second quarter of 2000, revenue grew five percent while operating profit declined nine percent.

Office Systems, comprised of Copier and Facsimile, grew revenues six percent while operating profit declined due to adverse currency impacts and ongoing strategic business initiatives. Strong copier rental revenue growth demonstrates the success of the company's strategy to place copier fleets in national accounts. The relative value of the yen and margin impacts associated with the ongoing transition to a rental revenue model for large national accounts in the copier business negatively impacted operating profit.

Pitney Bowes Management Services' revenue grew five percent as the company continues to pursue disciplined, profitable growth through providing high value services, to both new and existing customers. This strategy resulted in substantially higher operating profit growth.

The Capital Services segment includes primarily asset- and fee-based income generated by large ticket non-core asset transactions. During the quarter, revenue decreased eight percent and operating profit decreased 13 percent. This performance is consistent with the company's previously stated strategy to concentrate on fee-based income opportunities.

Cost of sales increased to 56.3 percent of sales revenue in the second quarter of 2000 compared with 56.1 percent in the second quarter of 1999. This was due primarily to the impact of the stronger yen.

Cost of rentals and financing decreased to 26.9 percent of related revenues in the second quarter of 2000 compared with 28.0 percent in the second quarter of 1999. This was due primarily to lower depreciation of rental equipment.

Selling, service and administrative expenses were 33.6 percent of revenue in the second quarter of 2000 compared with 33.8 percent in the second quarter of 1999. This improvement was due primarily to the company's continued emphasis on controlling operating expenses, partially offset by costs for Internet, enterprise-wide resource planning and other new business initiatives.

Research and development expenses increased 10.2 percent to $30.5 million in the second quarter of 2000 compared with $27.7 million in the second quarter of 1999. The increase reflects the company's continued commitment to developing new technologies and other mailing and software products.

Net interest expense increased to $53.4 million in the second quarter of 2000 from $46.9 million in the second quarter of 1999. The increase is due mainly to increased interest associated with borrowings to fund the share repurchase program.

The effective tax rate for the second quarter of 2000 was 32.5 percent compared with 32.7 percent in 1999. The decrease in the effective tax rate reflects continued tax benefits from partnership leasing transactions, lower state taxes and lower taxes attributable to international sourced income.

Income from continuing operations and diluted earnings per share from continuing operations increased 5.4 percent and 10.7 percent, respectively, in the second quarter of 2000 compared to the same period in 1999 due to the factors discussed above. The reason for the increase in diluted earnings per share outpacing the increase from continuing operations was the company's share repurchase program.

Results of Continuing Operations - six months of 2000 vs. six months of 1999

For the first six months of 2000 compared with the same period of 1999, revenue increased five percent to $2,263.0 million, and income from continuing operations increased 7.3 percent to $317.5 million. The factors that affected revenue and earnings performance included those cited for the second quarter of 2000 versus 1999.

Discontinued Operations

On January 14, 2000, the company sold Atlantic Mortgage & Investment Corporation (AMIC), a wholly-owned subsidiary of the company to ABN AMRO North America. The company received approximately $484 million in cash at closing. The transaction is subject to post-closing adjustments. See Note 2 to the consolidated financial statements.

Accounting Pronouncements

In June 1998, Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities", amended in June 2000 by SFAS No. 138, was issued. SFAS No. 133 requires that an entity recognize all derivative instruments as either assets or liabilities in the statement of financial position and measure those instruments at fair value. Changes in the fair value of those instruments will be reflected as gains or losses. The accounting for the gains or losses depends on the intended use of the derivative and the resulting designation. The company is currently evaluating the impact of this statement. SFAS No. 133, as amended, is effective January 1, 2001 for the company.

In December 1999, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin (SAB) No. 101, "Revenue Recognition in Financial Statements," summarizing guidance in applying generally accepted accounting principles to revenue recognition in financial statements. Although the company believes it is in compliance with this guidance in all material respects, the company is currently evaluating its current revenue recognition policies to determine the impact of SAB No. 101. SAB No. 101 is effective for the fourth quarter of 2000.

Liquidity and Capital Resources

The ratio of current assets to current liabilities is 1.09 to 1 at June 30, 2000 compared with 1.16 to 1 at December 31, 1999. The decrease was due primarily to the sale of AMIC's net assets in January 2000.

As part of a strategic alliance with U.S. Bank, a division of U.S. Bancorp, on June 30, 2000, the company, through its PBCC subsidiary, sold its PitneyWorksSM Business RewardsSM Visa(R) and Business Visa(R) card operations, including credit card receivables of approximately $322 million. The company expects to earn fees in connection with the strategic alliance with U.S. Bank. However, the company will no longer originate credit card receivables and as a result will not earn finance income on those balances. The alliance expands the company's capabilities to capture a greater share of the growing small business market. The new alliance will allow PitneyWorks.com, a division of the company which focuses on small business solutions, to continue to market the credit card to small business owners, while providing cardholders with full access to U.S. Bank's respected network of financial resources. The transaction is subject to post-closing adjustments.

The company has a medium-term note facility which was established as part of the company's shelf registrations, permitting issuances of up to $500 million in debt securities with a minimum maturity of nine months, of which $300 million remained available at June 30, 2000.

On April 19, 2000, certain partnerships controlled by affiliates of Pitney Bowes Credit Corporation (PBCC), a wholly-owned subsidiary of the company, issued a total of $134 million of Series A and Series B Secured Fixed Rate Senior Notes (the notes). The notes are due in 2003 and bear interest at 7.443 percent. The proceeds from the notes were used to purchase subordinated debt obligations from the company (PBI Obligations). The PBI Obligations have a principal amount of $134 million and are due in 2010. The PBI Obligations bear interest at 8.073 percent for the first three years and reset in May 2003 and each third anniversary of the first reset date. The proceeds from the PBI Obligations were used for general corporate purposes, including the repayment of commercial paper.

On March 31, 2000, PBCC issued $43.3 million of 7.515 percent Senior Notes to various holders maturing on January 10, 2012. The proceeds from these notes were used to pay down commercial paper.

PBCC has $625 million of unissued debt securities available at June 30, 2000 from a shelf registration statement filed with the SEC in July 1998. As part of this shelf registration statement in August 1999, PBCC established a medium-term note program for the issuance from time to time of up to $500 million aggregate principal amount of Medium-Term Notes, Series D, of which $375 million remained available at June 30, 2000.

The company believes that its financing needs for the next 12 months can be met with cash generated internally, money from existing credit agreements, debt issued under new and existing shelf registration statements and existing commercial and medium-term note programs.

The ratio of total debt to total debt and stockholders' equity including the preferred stockholders' equity in a subsidiary company in total debt was 71.8 percent at June 30, 2000 compared with 69.1 percent at December 31, 1999. Book value per common share decreased to $5.33 at June 30, 2000 from $6.13 at December 31, 1999 driven primarily by the repurchase of common shares. During the quarter ended June 30, 2000, the company repurchased approximately 5.4 million common shares for $214.1 million.

To control the impact of interest rate risk on its business, the company uses a balanced mix of debt maturities, variable and fixed rate debt and interest rate swap agreements. The company enters into interest rate swap agreements, primarily through its financial services business.

Capital Investments

In the first six months of 2000, net investments in fixed assets included $47.2 million in net additions to property, plant and equipment and $78.8 million in net additions to rental equipment and related inventories compared with $43.0 million and $130.3 million, respectively, in the same period in 1999. These additions include 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 and copier equipment for both new placements and upgrade programs.

As of June 30, 2000, 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.

Regulatory Matters

In 2000, the U.S.P.S. issued a proposed schedule for the phaseout of manually reset electronic meters in the U.S. as follows:

- As of February 1, 2000, new placements of manually reset electronic meters are no longer permitted.
- Current users of manually reset electronic meters can continue to use these meters for the term of their current rental and lease agreements. Leases or rentals due to expire in the year 2000 can be extended to December 31, 2001.

Based on the proposed schedule, the company believes that the phaseout of manually reset electronic meters will not cause a material adverse financial impact on the company.

In May 1995, the U.S.P.S. publicly announced its concept of its Information Based Indicia Program (IBIP), for future postage evidencing devices. As initially stated by the U.S.P.S., the purpose of the program was to develop a new standard for future digital postage evidencing devices which significantly enhanced postal revenue security and supported expanded U.S.P.S. value-added services to mailers.

During the period from May 1995 through May 2000, the company has submitted extensive comments to a series of proposed IBIP specifications issued by the U.S.P.S. In March 2000, the U.S.P.S. issued the latest set of proposed specifications, entitled "Performance Criteria for Information-Based Indicia and Security Architecture for Open IBI Postage Evidencing Systems" (the IBI Performance Criteria). The company has submitted comments to the IBI Performance Criteria.

In March 2000, the company received approval from the U.S.P.S. for the commercial launch of the Internet version of a product which satisfies the proposed IBI Performance Criteria, ClickStampTM Online. The PC version of this product is currently in the final phase of beta testing and is expected to be ready for market upon final approval from the U.S.P.S.

Forward-looking Statements

The company wants to caution readers that any forward-looking statements (those which talk about the company's or management's current expectations as to the future) in this Form 10-Q or made by the company management involve risks and uncertainties which may change based on various important factors. Words such as "estimate," "project," "plan," "believe," "expect," and similar expressions may identify such forward-looking statements. Some of the factors which could cause future financial performance to differ materially from the expectations as expressed in any forward-looking statement made by or on behalf of the company include:

- changes in postal regulations
- timely development and acceptance of new products
- success in gaining product approval in new markets where regulatory approval is required
- successful entry into new markets
- mailers' utilization of alternative means of communication or competitors' products
- the company's success at managing customer credit risk
- changes in interest rates

Part II - Other Information

Item 1: Legal Proceedings

In the course of normal business, the company is occasionally party to lawsuits. These may involve litigation by or against the company relating to, among other things:

- contractual rights under vendor, insurance or other contracts
- intellectual property or patent rights
- equipment, service or payment disputes with customers
- disputes with employees

The company is currently a plaintiff or defendant in a number of lawsuits, 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.

In June 1999, the company was served with a Civil Investigative Demand (CID) from the U.S. Justice Department's Antitrust Division. A CID is a tool used by the Antitrust Division for gathering information and documents. The company believes that the Justice Department may be reviewing the company's efforts to protect its intellectual property rights. The company believes it has complied fully with the antitrust laws and is cooperating fully with the department's investigation.

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

Below are the final results of the voting at the Annual Meeting of shareholders held on May 8, 2000:

Proposal 1 - Election of Directors

Nominee	For	Withheld
William E. Butler	218,521,014	6,567,337
Colin G. Campbell	223,468,745	1,619,606
Jessica P. Einhorn	218,529,925	6,558,426
James H. Keyes	223,562,157	1,526,194

Proposal 2 - Appointment of PricewaterhouseCoopers LLP as Independent Accountants

For	Against	Abstain
223,831,163	415,260	841,928

The following other directors continued their term of office after the Annual Meeting:

Linda G. Alvarado	Herbert L. Henkel
Marc C. Breslawsky	Michael I. Roth
Michael J. Critelli	Phyllis Shapiro Sewell
Ernie Green	

In July 2000, the board of directors elected John S. McFarlane to the board, effective October 1, 2000.

Item 5: Other Information

PricewaterhouseCoopers LLP (PwC) has informed the company and the Board of Directors that it has notified the SEC that there was a delay in the transfer from PwC's control of certain retirement and other benefits which were due to the chair of the Audit Committee of the Board of Directors of the company, as a former partner of Coopers & Lybrand, a predecessor of PwC. PwC has informed the company that these transfers should have occurred in May 1999, but were completed on March 23, 2000. The SEC has advised the company that because of this delay, PwC was not in compliance with its auditor independence regulations. The SEC has further advised the company that it does not intend to take any action against the company with respect to the company's financial statements as a result of PwC's noncompliance. The Board of Directors, which is currently composed of nine non-employee and two employee members, has reviewed this situation and has concluded, based on its examination and review, that the delayed transfer of these benefits did not affect the quality or integrity of PwC's audit of the company's financial statements.

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

(a) Exhibits

Reg. S-K Exhibits	Description

(12) Computation of ratio of earnings to fixed charges

(27) Financial Data Schedule

(b) Reports on Form 8-K

On July 21, 2000, the company filed a current report on Form 8-K pursuant to Item 5 thereof, reporting the Press Release dated July 18, 2000 for the quarter ended June 30, 2000.

On April 26, 2000, the company filed a current report on Form 8-K pursuant to Item 5 thereof, correcting the data that appears in Table III of the company's Notice of 2000 Annual Meeting and Proxy Statement.

On April 20, 2000, the company filed a current report on Form 8-K pursuant to Item 5 thereof, reporting the Press Release dated April 18, 2000 for the quarter ended March 31, 2000.

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.

August 14, 2000

/s/ B. P. Nolop

B. P. Nolop
Vice President and Chief Financial Officer
(Principal Financial Officer)

/s/ A. F. Henock

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

Exhibit Index

Reg. S-K Exhibits	Description
(12)	Computation of ratio of earnings to fixed charges
(27)	Financial Data Schedule

Exhibit (12)

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

(Dollars in thousands)

	Three Months Ended June 30, 2000	Three Months Ended June 30, 1999(2)	Six Months Ended June 30, 2000	Six Months Ended June 30, 1999(2)
Income from continuing operations before income taxes	$ 245,970	$ 233,870	$ 470,507	$ 443,110
Add:				
Interest expense	55,415	48,108	104,408	94,167
Portion of rents representative of the interest factor	10,714	10,412	21,517	21,194
Amortization of capitalized interest	243	243	486	486
Minority interest in the income of subsidiary with fixed charges	3,543	2,792	6,825	5,665
Income as adjusted	$ 315,885	$ 295,425	$ 603,743	$ 564,622
Fixed charges:				
Interest expense	$ 55,415	$ 48,108	$ 104,408	$ 94,167
Capitalized interest	974	-	1,513	-
Portion of rents representative of the interest factor	10,714	10,412	21,517	21,194
Minority interest, excluding taxes, in the income of subsidiary with fixed charges	5,252	4,149	10,114	8,481
Total fixed charges	$ 72,355	$ 62,669	$ 137,552	$ 123,842
Ratio of earnings to fixed charges	4.37	4.71	4.39	4.56
Ratio of earnings to fixed charges excluding minority interest	4.65	5.00	4.68	4.85

<FN>

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

(2) Interest expense and the portion of rents representative of the interest factor of the discontinued operations of AMIC have been excluded from fixed charges in the computation for the three and six months ended June 30, 1999.

Including these amounts in fixed charges, the ratio of earnings to fixed charges would be 4.61 and 4.45 for the three and six months ended June 30, 1999, respectively. The ratio of earnings to fixed charges excluding minority interest would be 4.88 and 4.72 for the three and six months ended June 30, 1999, respectively.

</FN>

<ARTICLE> 5
<LEGEND>
THIS SCHEDULE CONTAINS FINANCIAL INFORMATION EXTRACTED FROM PITNEY BOWES INC. CONSOLIDATED BALANCE SHEET, CONSOLIDATED STATEMENT OF INCOME, CORRESPONDING FOOTNOTE #4 FIXED ASSETS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
</LEGEND>
<MULTIPLIER> 1,000

<PERIOD-TYPE>		6-MOS
<FISCAL-YEAR-END>		DEC-31-2000
<PERIOD-END>		JUN-30-2000
<CASH>		296,695
<SECURITIES>		2,811
<RECEIVABLES>	<F1>	1,934,031
<ALLOWANCES>	<F1>	66,694
<INVENTORY>		260,668
<CURRENT-ASSETS>		2,600,524
<PP&E>	<F2>	2,780,666
<DEPRECIATION>	<F2>	1,505,157
<TOTAL-ASSETS>		7,759,189
<CURRENT-LIABILITIES>		2,375,953
<BONDS>		2,201,591
<COMMON>		323,338
<PREFERRED-MANDATORY>		310,000
<PREFERRED>		1,825
<OTHER-SE>		1,037,128
<TOTAL-LIABILITY-AND-EQUITY>		7,759,189
<SALES>		1,091,580
<TOTAL-REVENUES>		2,263,001
<CGS>		622,647
<TOTAL-COSTS>		863,856
<OTHER-EXPENSES>		60,039
<LOSS-PROVISION>		0
<INTEREST-EXPENSE>		104,408
<INCOME-PRETAX>		470,507
<INCOME-TAX>		152,997
<INCOME-CONTINUING>		317,510
<DISCONTINUED>		0
<EXTRAORDINARY>		0
<CHANGES>		0
<NET-INCOME>		317,510
<EPS-BASIC>		1.22
<EPS-DILUTED>		1.21

<FN>
<F1> Receivables are comprised of gross trade receivables of $461,516 and short-term finance receivables of $1,472,515. Allowances are comprised of allowances for trade receivables of $25,767 and for short-term finance receivables of $40,927.
<F2> Property, plant and equipment are comprised of
gross fixed assets of $1,182,351 and rental equipment and related inventories of $1,598,315. Depreciation is comprised of depreciation on fixed assets of $696,211 and on rental equipment and related inventories of $808,946.
</FN>