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, 1997

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 October 31, 1997 is 141,828,297.

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, 1997	Three Months Ended September 30, 1996	Nine Months Ended September 30, 1997	Nine Months Ended September 30, 1996
Revenue from:				
Sales	$ 449,904	$ 404,194	$ 1,317,483	$ 1,198,847
Rentals and financing	442,153	429,754	1,302,856	1,254,098
Support services	120,671	116,766	359,870	346,971
Total revenue	1,012,728	950,714	2,980,209	2,799,916
Costs and expenses:				
Cost of sales	265,563	248,757	788,861	745,560
Cost of rentals and financing	139,674	133,114	395,389	373,441
Selling, service and administrative	339,717	323,554	1,001,508	954,661
Research and development	21,578	19,140	64,061	58,487
Interest, net	51,026	49,699	151,475	145,682
Total costs and expenses	817,558	774,264	2,401,294	2,277,831
Income before income taxes	195,170	176,450	578,915	522,085
Provision for income taxes	67,365	59,745	200,094	180,338
Net income	$ 127,805	$ 116,705	$ 378,821	$ 341,747
Net income per common and common equivalent share	$ .88	$ .78	$ 2.57	$ 2.27
Average common and common equivalent shares outstanding	145,583,564	150,238,719	147,250,113	150,866,658
Dividends declared per share of common stock	$ .40	$ .345	$ 1.20	$ 1.035
Ratio of earnings to combined fixed charges and preferred stock dividends	3.78	3.63	3.81	3.65

Ratio of earnings to fixed charges

excluding minority interest	4.07	3.81	4.06	3.84

Pitney Bowes Inc.
Consolidated Balance Sheet
(Unaudited)

(Dollars in thousands)	September 30, 1997	December 31, 1996
Assets		
Current assets:		
Cash and cash equivalents............................	$ 125,140	$ 135,271
Short-term investments, at cost which approximates market................................	1,955	1,500
Accounts receivable, less allowances: 9/97, $19,532; 12/96, $16,160......................	328,194	340,730
Finance receivables, less allowances: 9/97, $45,205; 12/96, $40,176......................	1,569,114	1,339,286
Inventories (Note 2)................................	251,287	281,942
Other current assets and prepayments.................	143,327	123,337
Total current assets..............................	2,419,017	2,222,066
Property, plant and equipment, net (Note 3)............	484,995	486,029
Rental equipment and related inventories, net (Note 3)............................	822,121	815,306
Property leased under capital leases, net (Note 3)................................	4,569	5,848
Long-term finance receivables, less allowances: 9/97, $72,576; 12/96, $73,561........................	3,201,266	3,450,231
Investment in leveraged leases.........................	678,889	633,682
Goodwill, net of amortization: 9/97, $39,268; 12/96, $34,372........................	200,681	205,802
Other assets...	430,756	336,758
Total assets...	$ 8,242,294	$ 8,155,722
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities............	$ 866,995	$ 849,789
Income taxes payable................................	128,447	212,155
Notes payable and current portion of long-term obligations..............................	2,176,026	1,911,481
Advance billings....................................	342,281	331,864
Total current liabilities.........................	3,513,749	3,305,289
Deferred taxes on income...............................	890,542	720,840
Long-term debt...	1,171,301	1,300,434
Other noncurrent liabilities...........................	377,907	390,113
Total liabilities.................................	5,953,499	5,716,676
Preferred stockholders' equity in a subsidiary company..	300,000	200,000
Stockholders' equity:		
Cumulative preferred stock, $50 par value, 4% convertible..............................	41	46
Cumulative preference stock, no par value, $2.12 convertible..........................	2,250	2,369

Common stock, $2 par value	323,338	323,338
Capital in excess of par value	26,217	30,260
Retained earnings	2,654,122	2,450,294
Cumulative translation adjustments	(65,890)	(31,297)
Treasury stock, at cost	(951,283)	(535,964)
Total stockholders' equity	1,988,795	2,239,046
Total liabilities and stockholders' equity	$ 8,242,294	$ 8,155,722

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

(Dollars in thousands)

	Nine Months Ended September 30, 1997	1996*
Cash flows from operating activities:		
Net income	$ 378,821	$ 341,747
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	222,699	206,950
Net change in the strategic focus initiative	-	(12,145)
Increase in deferred taxes on income	171,277	68,163
Change in assets and liabilities:		
Accounts receivable	7,564	34,639
Sales-type lease receivables	(88,208)	(94,577)
Inventories	25,951	36,685
Other current assets and prepayments	(22,474)	(2,146)
Accounts payable and accrued liabilities	23,837	(90,407)
Income taxes payable	(83,801)	11,951
Advance billings	13,542	7,491
Other, net	(71,513)	(29,659)
Net cash provided by operating activities	577,695	478,692
Cash flows from investing activities:		
Short-term investments	(713)	1,874
Net investment in fixed assets	(202,579)	(215,130)
Net investment in direct-finance lease receivables	95,797	45,330
Investment in leveraged leases	(47,086)	(37,997)
Investment in mortgage servicing rights	(68,671)	(34,759)
Other investing activities	(3,025)	(9,783)
Net cash used in investing activities	(226,277)	(250,465)
Cash flows from financing activities:		
Increase (decrease) in notes payable	387,937	(426,784)
Proceeds from long-term obligations	-	500,000
Principal payments on long-term obligations	(252,794)	(9,310)
Proceeds from issuance of stock	27,964	24,327
Stock repurchases	(447,759)	(113,385)
Proceeds from preferred stock issued by a subsidiary	100,000	-
Dividends paid	(174,993)	(154,912)
Net cash used in financing activities	(359,645)	(180,064)
Effect of exchange rate changes on cash	(1,904)	517
(Decrease)increase in cash and cash equivalents	(10,131)	48,680
Cash and cash equivalents at beginning of period	135,271	85,352
Cash and cash equivalents at end of period	$ 125,140	$ 134,032

Interest paid	$ 154,165	$ 158,164
Income taxes paid	$ 112,180	$ 96,708

<FN>
*Certain prior year amounts have been reclassified to conform with the 1997 presentation.
</FN>

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, 1997 and the results of its operations and cash flows for the nine months ended September 30, 1997 and 1996 have been included. Operating results for the nine months ended September 30, 1997 are not necessarily indicative of the results that may be expected for the year ending December 31, 1997. These statements should be read in conjunction with the financial statements and notes thereto included in the company's 1996 Annual Report to Stockholders on Form 10-K and subsequent quarterly filings.

Note 2:

Inventories are comprised of the following:

(Dollars in thousands)	September 30, 1997	December 31, 1996
Raw materials and work in process	$ 57,787	$ 58,536
Supplies and service parts	96,183	103,182
Finished products	97,317	120,224
Total	$ 251,287	$ 281,942

Note 3:

Fixed assets are comprised of the following:

(Dollars in thousands)	September 30, 1997	December 31, 1996
Property, plant and equipment	$ 1,104,553	$ 1,093,501
Accumulated depreciation	(619,558)	(607,472)
Property, plant and equipment, net	$ 484,995	$ 486,029

Rental equipment and related inventories........	$ 1,635,894	$ 1,634,111
Accumulated depreciation........................	(813,773)	(818,805)
Rental equipment and related inventories, net...	$ 822,121	$ 815,306
Property leased under capital leases............	$ 20,457	$ 24,124
Accumulated amortization........................	(15,888)	(18,276)
Property leased under capital leases, net.......	$ 4,569	$ 5,848

Note 4:

Revenue and operating profit by business segment for the three and nine months ended September 30, 1997 and 1996 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Dollars in thousands)	1997	1996	1997	1996
Revenue				
Business equipment...................	$ 779,672	$725,947	$2,304,156	$2,155,373
Business services....................	142,270	121,796	408,721	354,220
Commercial and industrial financing				
Large-ticket external..............	49,446	50,705	149,071	153,782
Small-ticket external..............	41,340	52,266	118,261	136,541
Total..............................	90,786	102,971	267,332	290,323
Total revenue..........................	$1,012,728	$ 950,714	$2,980,209	$2,799,916
Operating Profit: (1)				
Business equipment...................	$ 186,436	$163,978	$ 542,464	$ 477,077
Business services....................	13,413	10,210	35,692	28,777
Commercial and industrial financing..	13,322	20,900	48,556	61,013
Total operating profit.................	$ 213,171	$ 195,088	$ 626,712	$ 566,867

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

Note 5:

In February 1997, Statement of Financial Accounting Standards No. 128, "Earnings per Share" was issued. It specifies the computation, presentation and disclosure requirements for earnings per share and is effective for financial statements for both interim and annual periods ending after December 15, 1997. Earlier application is not permitted. On a pro-forma basis, basic and diluted earnings per share would have been as follows:

	1997		1996	
	Basic	Diluted	Basic	Diluted
Three months ended September 30	$ .89	$ .88	$ .78	$ .78
Nine months ended September 30	$ 2.60	$ 2.57	$ 2.29	$ 2.27

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In June 1997, Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" was issued. It will require the company to disclose, in financial statement format, all non-owner changes in equity. This statement is effective for fiscal years beginning after December 15, 1997 and requires presentation of prior period financial statements for comparability purposes. The company expects to adopt this statement beginning with its 1998 consolidated financial statements.

Also in June 1997, Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information" was issued. It establishes standards for reporting information about operating segments in annual financial statements and interim financial reports. It also establishes standards for related disclosures about products and services, geographic areas and major customers. The company is currently evaluating its options for disclosure and will adopt the statement for the fiscal year commencing January 1, 1998.

Note 6:
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On August 21, 1997, the company announced that it had entered into an agreement with GATX Capital Corporation ("GATX Capital"), a subsidiary of GATX Corporation, that will reduce the company's external large-ticket finance portfolio by approximately $1.2 billion. This represents approximately 50 percent of the company's current external large-ticket portfolio. The agreement reflects the company's ongoing strategy of focusing on fee- and service-based revenue rather than asset-based income.

Under the terms of the agreement, the company will transfer external large-ticket finance assets through a sale to GATX Capital and a limited liability company ("the transfer"). The company expects to receive approximately $1 billion in cash through the end of the year and an initial equity interest of $175 million in the limited liability company which will hold the beneficial interest in the assets.

This transaction is subject to a number of conditions to closing, which include certain regulatory approvals. As of September 30, 1997, the company had received $193 million as part of the transaction and on November 6, 1997 received an additional $475 million in proceeds. The remainder of the transaction is expected to close prior to the end of 1997. There is no assurance, however, that it will close in a timely manner, or at all.

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

Results of Operations - third quarter of 1997 vs. third quarter of 1996
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Revenue increased seven percent to $1,012.7 million compared to $950.7 million in the third quarter of 1996. Net income increased 10 percent to $127.8 million from $116.7 million in the same period in 1996. Earnings per share grew to 88 cents, a 13 percent increase from third quarter 1996. Revenue growth was nine percent, excluding revenue from large-ticket external financing and a small-

ticket external asset sale during the third quarter of 1996 as well as prior year revenue from businesses in Australia from which, as previously announced, the company exited in 1996.

Third quarter 1997 revenue included $449.9 million from sales, up 11 percent from $404.2 million in the third quarter of 1996; $442.1 million from rentals and financing, up three percent from $429.7 million; and $120.7 million from support services, up three percent from $116.8 million.

In the Business Equipment segment, which includes Mailing, Facsimile and Copier Systems and related financing, revenue grew seven percent and operating profit increased 14 percent during the third quarter.

Mailing Systems' seven percent revenue increase during the quarter was driven by strong equipment sales in the U.S. Mailing and Production Mail businesses. The conversion of U.S. Mailing Systems' customers to more advanced technology continued during the quarter, with electronic and digital meters comprising approximately 70 percent of the installed base up from 60 percent in December 1996 and 55 percent in September 1996 (See Regulatory Matters Update below). Growth in Mailing Systems' revenue for the quarter has been partially offset by last year's strategic decision to exit non-profitable businesses in Australia.

Revenue from Facsimile Systems grew 10 percent in the third quarter 1997 driven by steady increases in the installed base of rental machines and supply sales.

Copier Systems' revenue increased nine percent in the third quarter driven by solid equipment sales. Rental revenue was also strong, resulting from new product introductions and geographic expansion. Buyers Laboratory recently named the Pitney Bowes copier line as "Line of the Year" with a record seven Pitney Bowes copiers named "Picks of the Year", the most by any copier vendor in the history of the award.

In the Business Services segment third quarter revenue grew 17 percent and operating profit grew 31 percent. The segment includes Pitney Bowes Management Services ("PBMS") and Atlantic Mortgage and Investment Corporation ("AMIC"). Revenue for PBMS grew due to continued expansion of its commercial contract base and its increased presence in the U.K. AMIC achieved excellent

growth through aggressive expansion of its fee-based revenue. These service businesses have benefited from strong customer base growth and a renewed focus on operational efficiencies.

In accordance with management's previously announced strategy to concentrate on fee- and service-based revenue rather than asset-based income, the company entered into an agreement with GATX Capital which will reduce the company's large-ticket external portfolio by approximately $1.2 billion (Note 6). In line with such strategy, the Commercial and Industrial Financing segment's revenue and operating profit declined 12 percent and 36 percent, respectively. However, the revenue comparison was unfavorably impacted by revenue from a small-ticket external asset sale during the third quarter of 1996. The unfavorable operating profit comparison included the impact of a charge for costs and asset valuation related to the transfer. Excluding the items noted above, revenue was down one percent and operating profit declined two percent.

The ratio of cost of sales to sales revenue decreased from 61.5 percent in the third quarter 1996 to 59.0 percent in 1997. The improvement was due to the product mix at U.S. Mailing towards higher-margin products, favorable purchase and maintenance variances and higher-margin supply sales in the Facsimile business. The improvement was offset, in part, by the continued growth of the lower-margin facilities management business which includes most of its expenses in cost of sales.

The ratio of cost of rentals and financing to rentals and financing revenue increased to 31.6 percent in the third quarter 1997 from 31.0 percent in the same prior year period. The company had ceased placing mechanical meters in 1996 as a result of the meter migration requirements, resulting in lower related costs in that period. Since then, the increased new placements of electronic and digital meters has led to additional depreciation expense, impacting this ratio. The cost of rentals and financing also includes the charge related to the transfer, as mentioned above.

Selling, service and administrative expenses as a percentage of revenue improved to 33.5 percent in the third quarter 1997 from 34.0 percent in the same period in 1996. The improvement in this ratio is due primarily to the continued emphasis on controlling operating expenditures and reduced expense levels in Australia as a result of exiting certain businesses in 1996.

Research and development expenses increased 12.7 percent to $21.6 million in the third quarter of 1997 compared to the third quarter of the previous year. The increase reflects the company's continued commitment to developing new technologies for its digital meters and other mailing and software products.

Net interest expense increased to $51.0 million in the third quarter of 1997 from $49.7 million in the third quarter of 1996. The increase is due mainly to higher average borrowings in 1997 to fund the previously approved stock repurchase program.

The third quarter effective tax rate was 34.5 percent in 1997 compared to 33.9 percent in the third quarter of 1996.

Net income increased 10 percent to $127.8 million for the third quarter of 1997 from $116.7 million for the same period in 1996 due to the factors discussed above. Earnings per share increased 13 percent to 88 cents compared with 78 cents in 1996 due to the increase in net income as well as the decrease in average shares outstanding as a result of the company's share repurchase program.

Results of Operations - nine months of 1997 vs. nine months of 1996

For the first nine months of 1997 compared with the same period of 1996, revenue increased six percent to $2,980.2 million while net income increased 11 percent to $378.8 million. The factors that affected revenue and earnings performance included those cited for the third quarter of 1997 versus 1996.

Liquidity and Capital Resources

The current ratio remained essentially unchanged at September 30, 1997 and December 31, 1996 at .69 to 1 and .67 to 1, respectively. Working capital at September 30, 1997 and December 31, 1996 also remained at comparable levels.

In April 1997, Pitney Bowes International Holdings, Inc., a subsidiary of the company, issued an additional $100 million of variable-term voting preferred stock to institutional investors in a private placement transaction. The preferred stock, $.01 par value, is entitled to cumulative dividends at rates set at auction, generally at 49 day intervals. The proceeds of the issuance were used to repay short-term borrowings. The Consolidated Statement of Income reflects the dividends as a minority interest in selling, service and administrative expense.

As part of the company's non-financial services shelf registrations, a medium-term note facility exists permitting issuance of up to $100 million in debt securities with maturities ranging from more than one year up to 30 years of which $32 million remained available at September 30, 1997. The company has also 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 are expected to be sufficient to provide for financing needs in the next several years.

Pitney Bowes Credit Corporation ("PBCC") has $250 million of unissued debt securities available from a shelf registration statement filed with the SEC in September 1995. Up to $250 million of medium-term notes may be offered under this registration statement. The $250 million available under this shelf registration statement should meet PBCC's financing needs for the next two years. PBCC also had unused lines of credit and revolving credit facilities totaling $1.6 billion at September 30, 1997, 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 64.8 percent at September 30, 1997 compared to 60.5 percent at December 31, 1996. This ratio was affected by the repurchase of nearly 6.4 million shares of common stock for approximately $448 million in the first nine months of 1997. Book value was $13.96 per common share at September 30, 1997 compared to $15.11 at year-end 1996 principally as a result of the stock repurchase.

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 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.

On October 6, 1997, the board of directors approved a two-for-one stock split of the company's common stock effected in the form of a stock dividend to stockholders of record on December 29, 1997, subject to the approval by the stockholders at a stockholders meeting to be held on December 18, 1997 of an amendment to the Restated Certificate of Incorporation, increasing the number of authorized shares of common stock from 240 million to 480 million and reducing the par value per share of common stock from $2 to $1.

Capital Investments

In the first nine months of 1997, net investments in fixed assets included $66.7 million in net additions to property, plant and equipment and $135.9 million in net additions to rental equipment and related inventories compared with $62.9 million and $152.7 million, respectively, in the same period in 1996. 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 September 30, 1997, 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.

Regulatory Matters Update

In May 1996, the United States Postal Service ("U.S.P.S.") issued a proposed schedule for the phase-out of mechanical meters in the United States marketplace. In accordance with the schedule, the company voluntarily halted new placements of mechanical meters in the U.S. as of June 1, 1996. The company is also actively pursuing removal from the market of all mechanical meters used by persons or firms who process mail for a fee. Further, the company agreed, in March 1997, to use its best efforts to remove from the market mechanical systems meters (meters that interface with mail machines or processors) by a revised target date of December 31, 1998.

The company continues to make satisfactory progress in meeting the proposed withdrawal date of March 31, 1999 for stand-alone mechanical meters.

As of September 30, 1997, electronic and digital meters represented approximately 70 percent of the company's U.S. installed base, up from 60 percent in December 1996. Based on the announced U.S.P.S. mechanical meter migration schedule and agreements reached to date with the U.S.P.S., the company believes that the plan will not cause a material adverse financial impact on the company.

In 1996 the U.S.P.S. announced proposed changes in future metering technology that would include use of a digital, information-based indicia standard. Initial specifications for the information-based indicia standard were proposed in July 1996. The U.S.P.S. has invited public comment on the proposal, which remains under discussion and subject to revision until finalized. At some undetermined date in the future, the U.S.P.S. believes that digital metering will eventually replace electronic metering in the United States. The company supports a digital product migration strategy, and the company anticipates working with the U.S.P.S. to achieve a timely and effective substitution plan. However, until the U.S.P.S. finalizes standards for a digital information-based indicia (and clarifies transition to the new standard), the impact of this proposal, if any, on the company cannot be determined. The company has taken the lead in deploying digital meters in the marketplace.

Forward-looking Statements

The company cautions readers that any forward-looking statements (those which discuss the company's or management's current expectations as to the future) in this Form 10-Q or made by company management involve risks and uncertainties which may change based on various important factors. 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.

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 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.

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
(10)	Second Amendment to Pitney Bowes 1991 Stock Plan	See Exhibit (i)
(11)	Computation of earnings per share	See Exhibit (ii)
(12)	Computation of ratio of combined earnings to fixed charges and preferred stock dividends	See Exhibit (iii)
(27)	Financial Data Schedule	See Exhibit (iv)

(b) Reports on Form 8-K

On August 21, 1997, the company filed a Form 8-K disclosing the agreement between the company and GATX Capital.

On October 7, 1997, the company filed a Form 8-K reporting the approval by the board of directors of a two-for-one stock split subject to stockholder approval of an amendment to the Restated Certificate of Incorporation.

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 13, 1997

/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)

Exhibit (i)

SECOND AMENDMENT TO

PITNEY BOWES 1991 STOCK PLAN

The Pitney Bowes 1991 Stock Plan (the "Plan") is hereby amended, effective September 8, 1997, as follows:

There is added to the Plan a new paragraph 3 (c) which reads in its entirety as follows:

The Committee may delegate to one or more executive officers of the Company or to a committee of executive officers of the Company the authority to grant Awards to Employees who are not officers or directors of the Company and to amend, modify, cancel or suspend Awards to such Employees.

Exhibit (ii)

Pitney Bowes Inc.
Computation of Earnings per Share

(Dollars in thousands, except per share data)	Three Months Ended September 30, 1997	Three Months Ended September 30, 1996	Nine Months Ended September 30, 1997	Nine Months Ended September 30, 1996
Primary				
Net income applicable to common stock (1)	$ 127,805	$ 116,705	$ 378,820	$ 341,746
Weighted average number of common shares outstanding	143,640,951	148,844,925	145,464,280	149,385,408
Preference stock, $2.12 cumulative convertible	671,170	720,902	682,661	733,008
Stock option and purchase plans	1,271,443	672,892	1,103,172	748,242
Total common and common equivalent shares outstanding	145,583,564	150,238,719	147,250,113	150,866,658
Net income per common and common equivalent share	$ .88	$ .78	$ 2.57	$ 2.27
Fully Diluted				
Net income	$ 127,805	$ 116,705	$ 378,821	$ 341,747
Weighted average number of common shares outstanding	143,640,951	148,844,925	145,464,280	149,385,408
Preference stock, $2.12 cumulative convertible	671,170	720,902	682,661	733,008
Stock option and purchase plans	1,297,464	736,864	1,152,652	809,917
Preferred stock, 4% cumulative convertible	10,872	11,490	11,053	11,490
Total common and common equivalent shares outstanding	145,620,457	150,314,181	147,310,646	
150,939,823				
Net income per common and common equivalent share	$ .88	$ .78	$ 2.57	$ 2.26

<FN>
(1) Net income applicable to common stock was adjusted for preferred dividends.
</FN>

Exhibit (iii)

Pitney Bowes Inc.
Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends (1)

(Dollars in thousands)	Three Months Ended September 30, 1997	Three Months Ended September 30, 1996	Nine Months Ended September 30, 1997	Nine Months Ended September 30, 1996
Income before income taxes	$195,170	$176,450	$578,915	$522,085
Add:				
Interest expense	53,228	52,212	157,825	151,095
Portion of rents representative of the interest factor	11,483	11,469	33,997	33,780
Amortization of capitalized interest	243	228	730	685
Minority interest in the income of subsidiary with fixed charges	3,153	2,011	8,184	6,121
Income as adjusted	$263,277	$242,370	$779,651	$713,766
Fixed charges:				
Interest expense	53,228	52,212	157,825	151,095
Capitalized interest	--	--	--	1,201
Portion of rents representative of the interest factor	11,483	11,469	33,997	33,780
Minority interest, excluding taxes, in the income of subsidiary with fixed charges	4,888	3,118	12,688	9,490
	$ 69,599	$ 66,799	$204,510	$195,566
Ratio of earnings to combined fixed charges and preferred stock dividends	3.78	3.63	3.81	3.65
Ratio of earnings to fixed charges excluding minority interest	4.07	3.81	4.06	3.84

(1) The computation of the ratio of earnings to combined fixed charges and preferred stock dividends has been computed by dividing income as adjusted by fixed charges and preferred stock dividends. 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 EARNINGS PER SHARE AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
</LEGEND>
<MULTIPLIER> 1,000

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<FISCAL-YEAR-END>		DEC-31-1997
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<INTEREST-EXPENSE>		157,825
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<EPS-DILUTED>		2.57

<FN>
<F1> Receivables are comprised of trade receivables of $347,726 and short-term finance receivables of $1,614,319. Allowances are comprised of allowances for trade receivables of $19,532 and for short-term finance receivables of $45,205.
<F2> Property, plant and equipment are comprised of fixed assets of $1,104,553 and rental equipment and related inventories of $1,635,894. Depreciation is comprised of depreciation on fixed assets of $619,558 and on rental equipment and related inventories of $813,773.
</FN>