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

FORM 10 - Q

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

For the quarterly period ended March 31, 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 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 March 31, 1996 is 149,693,251.

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 March 31, 1996	1995
Revenue from:		
Sales	$ 384,004	$ 363,396
Rentals and financing	409,078	369,939
Support services	113,183	105,577
Total revenue	906,265	838,912
Costs and expenses:		
Cost of sales	238,764	212,726
Cost of rentals and financing	125,752	106,211
Selling, service and administrative	311,016	290,565
Research and development	18,710	20,339
Interest, net	48,584	59,085
Total costs and expenses	742,826	688,926
Income from continuing operations before income taxes	163,439	149,986
Provision for income taxes	56,930	53,997
Income from continuing operations	106,509	95,989
Discontinued operations	-	10,322
Net income	$ 106,509	$ 106,311
Income per common and common equivalent share:		
Income from continuing operations	$ .70	$ .63
Discontinued operations	-	.07

Net income	$ .70	$ .70
Average common and common equivalent shares outstanding	151,416,081	152,066,210
Dividends declared per share of common stock	$ .345	$ .30
Ratio of earnings to fixed charges	3.56	3.10

Pitney Bowes Inc.
Consolidated Balance Sheet
(Unaudited)

(Dollars in thousands)

	March 31, 1996	December 31, 1995
Assets		
Current assets:		
Cash and cash equivalents	$ 88,511	$ 85,352
Short-term investments, at cost which approximates market	2,160	3,201
Accounts receivable, less allowances: 3/96, $12,654; 12/95, $13,050	380,650	386,727
Finance receivables, less allowances: 3/96, $38,159; 12/95, $37,699	1,242,821	1,208,532
Inventories (Note 2)	303,843	311,271
Other current assets and prepayments	137,661	106,014
Total current assets	2,155,646	2,101,097
Property, plant and equipment, net (Note 3)	496,465	495,001
Rental equipment and related inventories, net (Note 3)	783,646	773,337
Property leased under capital leases, net (Note 3)	7,834	7,876
Long-term finance receivables, less allowances: 3/96, $75,771; 12/95, $75,807	3,305,968	3,390,597
Investment in leveraged leases	583,675	570,008
Goodwill, net of amortization: 3/96, $32,066; 12/95, $30,504	206,759	208,698
Other assets	320,050	298,034
Total assets	$7,860,043	$7,844,648
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 769,148	$ 818,122
Income taxes payable	264,631	232,794
Notes payable and current portion of long-term obligations	2,327,075	2,138,065
Advance billings	323,994	312,595
Total current liabilities	3,684,848	3,501,576

Deferred taxes on income	609,389	612,811
Long-term debt	849,172	1,048,515
Other noncurrent liabilities	408,053	410,646
Total liabilities	5,551,462	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	2,502	2,547
Common stock, $2 par value	323,338	323,338
Capital in excess of par value	29,437	30,299
Retained earnings	2,241,650	2,186,996
Cumulative translation adjustments	(48,042)	(46,991)
Treasury stock, at cost	(440,351)	(425,136)
Total stockholders' equity	2,108,581	2,071,100
Total liabilities and stockholders' equity	$7,860,043	$7,844,648

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

(Dollars in thousands)

	Three Months Ended March 31, 1996	1995*
Cash flows from operating activities:		
Net income	$ 106,509	$ 106,311
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	65,524	65,505
Net change in the strategic focus initiative	(6,421)	(8,704)
(Decrease) increase in deferred taxes on income	(3,316)	1,649
Change in assets and liabilities:		
Accounts receivable	5,908	(7,231)
Sales-type lease receivables	(3,575)	(16,263)
Inventories	7,151	(11,310)
Other current assets and prepayments	(29,588)	4,310
Accounts payable and accrued liabilities	(42,374)	(107,466)
Income taxes payable	31,885	38,522
Advance billings	11,518	12,210
Other, net	(28,902)	(6,394)
Net cash provided by operating activities	114,319	71,139
Cash flows from investing activities:		
Short-term investments	1,041	(46)
Net investment in fixed assets	(69,763)	(85,898)
Net investment in direct-finance		

lease receivables	52,931	(9,591)
Investment in leveraged leases	(14,021)	(21,028)
Net cash used in investing activities	(29,812)	(116,563)
Cash flows from financing activities:		
(Decrease) increase in notes payable	(9,268)	113,174
Principal payments on long-term obligations	(1,809)	1,437
Proceeds from issuance of stock	6,298	1,720
Stock repurchases	(24,500)	(14,932)
Dividends paid	(51,855)	(45,380)
Net cash (used in) provided by financing activities	(81,134)	56,019
Effect of exchange rate changes on cash	(214)	858
Increase in cash and cash equivalents	3,159	11,453
Cash and cash equivalents at beginning of period	85,352	75,106
Cash and cash equivalents at end of period	$ 88,511	$ 86,559
Interest paid	$ 53,894	$ 74,445
Income taxes paid	$ 26,477	$ 19,622

<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 March 31, 1996 and the results of its operations and cash flows for the three months ended March 31, 1996 and 1995 have been included. Operating results for the three months ended March 31, 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)	March 31, 1996	December 31, 1995

Raw materials and work in process	$ 61,319	$ 57,203
Supplies and service parts	90,556	87,863
Finished products	151,968	166,205
Total	$303,843	$311,271

Note 3:

Fixed assets are comprised of the following:

(Dollars in thousands)	March 31, 1996	December 31, 1995
Property, plant and equipment	$1,083,437	$1,072,229
Accumulated depreciation	(586,972)	(577,228)
Property, plant and equipment, net	$ 496,465	$ 495,001
Rental equipment and related inventories	$1,616,079	$1,591,321
Accumulated depreciation	(832,433)	(817,984)
Rental equipment and related inventories, net	$ 783,646	$ 773,337
Property leased under capital leases	$ 25,775	$ 25,468
Accumulated amortization	(17,941)	(17,592)
Property leased under capital leases, net	$ 7,834	$ 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 with no material effect to the company's reported results.

The company also 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 March 31, 1996, no impairment was recognized in the company's mortgage servicing rights portfolio.

The company 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.

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

Condition and Results of Operations

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

Revenue increased eight percent to $906.3 million in 1996 compared to $838.9 million in the first quarter of 1995. Income from continuing operations increased 11 percent to $106.5 million in 1996 from $96.0 million in 1995. Excluding approximately $30 million in PROM (memory chip) sales that resulted from 1995's first quarter United States Postal Service (U.S.P.S.) rate change, 1996 first quarter revenue grew 12 percent and income from continuing operations grew approximately 20 percent.

Sales revenue increased six percent in 1996 comprised of five percent volume growth and one percent due to increased pricing. The facilities management business recorded a 17 percent increase in sales as it continued to expand its facilities management contract base, especially in the commercial market. Sales revenue comparisons were also enhanced by strong growth at U.S. mailing and shipping operations as a result of equipment sales, and the acquisition in 1995 of a former Japanese joint venture. These growth factors were partly offset by the inclusion in 1995 first quarter revenue of PROM (memory chip) sales resulting from the U.S.P.S. rate change discussed above. Excluding such amount, 1996 sales grew 14 percent.

Rentals and financing revenue increased 11 percent from prior year. Rental revenue growth reflected a higher number of postage meters on rental, especially higher yielding Postage By Phone(R) meters, as well as price increases. First quarter 1996 was also favorably impacted by the placement of a higher number of plain paper facsimile systems in service, offset by price declines. The increase in financing revenue is attributed to a higher earning asset base and an increased contribution from programs designed to increase fee-based income.

Support services revenue was seven percent above the prior year. The revenue growth was attributable to volume increases primarily at Production Mail and mailing operations in Canada and Germany as well as the acquisition in 1995 of a former Japanese joint venture.

The ratio of cost of sales to sales revenue increased to 62.2 percent in 1996 from 58.5 percent in 1995. The increased ratio reflects the

growing significance of the company's facilities management business which includes most of its expenses in cost of sales. Additionally, 1995 results benefited from lower cost of sales rates associated with the U.S.P.S. rate change discussed above.

The ratio of cost of rentals and financing to rentals and financing revenue increased to 30.7 percent in 1996 from 28.7 percent in 1995. The increase was due to the growth in the mix of the financing component of this ratio which has a higher relative cost as well as increased engineering support for recently introduced meter products.

Selling, service and administrative expense ratio to revenue improved slightly to 34.3 percent of revenue in 1996 compared to 34.6 percent in 1995. The slight improvement in this ratio was due to the decrease in the relative expenses as a component of revenue from continued cost containment initiatives throughout the company; offset by the inclusion of a dividend payment on preferred stock of a subsidiary company.

Research and development expense decreased eight percent to $18.7

million in 1996 from $20.3 million in 1995. This decrease reflected higher 1995 expenditures for new products approaching the end of their development cycle. In addition, the company has maintained its cost containment programs while continuing to significantly invest in cost effective, advanced product development with emphasis on electronic technology and software development.

Net interest expense decreased to $48.6 million in 1996 from $59.1 million in 1995. This decrease is due to lower short- and long-term interest rates, lower average borrowing levels in 1996 reflecting the impact of the cash generated by the sales of Dictaphone Corporation (Dictaphone) and Monarch Marking Systems, Inc. (Monarch) in the latter half of 1995 and the issuance of preferred stock in a subsidiary of the company to outside institutional investors. The consolidated statement of income reflects these preferred stock dividends as a minority interest in "selling, service, and administrative" expense.

The first quarter effective tax rate was 34.8 percent in 1996 compared to 36.0 percent in 1995. The improvement in the 1996 effective rate was primarily due to tax benefits attributable to foreign operations.

Nonrecurring Item

As of March 31, 1996, the company has made severance and benefit payments of approximately $54.9 million to nearly 1,500 employees

separated under the strategic focus initiatives commenced in 1994. Approximately 400 employees with the requisite enhanced skills have been hired to produce and service advanced product offerings. It is currently anticipated that upon completion of the actions contemplated under the strategic initiatives, approximately 1,700 employees will have been separated from the company.

Accounting Change

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 with no material effect to the company's reported results.

The company also 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 March 31, 1996, no impairment was recognized in the company's mortgage servicing rights portfolio.

The company 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.

Liquidity and Capital Resources

The current ratio remained essentially unchanged at March 31, 1996 and December 31, 1995 at .59 to 1 and .60 to 1, respectively. Working capital has decreased since year-end 1995 primarily due to the reclassification of $200 million of notes due in February 1997 to current portion of long term debt. In addition, the company sold external finance assets in the first quarter 1996.

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 remain available at March 31, 1996. The company also 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.

Pitney Bowes Credit Corporation (PBCC) has $750 million of unissued debt securities available from a shelf registration statement filed with the SEC in September 1995. Up to $500 million of medium-term notes may be offered under this registration statement. The $750 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 $1.7 billion at March 31, 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 61.7% at March 31, 1996 compared to 62.2% at December 31, 1995. This ratio was favorably impacted by the proceeds from the sales of Dictaphone and Monarch which were used primarily to repay short-term debt, partially offset by the repurchase of approximately 508,000 shares of common stock for $24.5 million in the first quarter of 1996. Book value per common share increased to $14.07 at March 31, 1996 from $13.79 at year-end 1995 principally due to year-to-date income offset by the repurchase of common shares as noted above.

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 quarter of 1996, net investments in fixed assets included $21.7 million in net additions to property, plant and equipment and $47.9 million in net additions to rental equipment and related inventories compared with $32.6 million and $51.2 million, respectively, in the same period in 1995. 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 March 31, 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.

The company wishes to caution readers that any forward-looking statements 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 strength of worldwide economies; the effects of and changes in trade, monetary and fiscal policies and laws, and inflation and monetary fluctuations; the timely development of and acceptance of new Pitney Bowes products and the perceived overall value of these products by users including the features, pricing, and quality compared to competitors' products; the willingness of users to substitute competitors' products for Pitney Bowes products; the success of the company in gaining approval of its products in new markets where regulatory approval is required; the ability of the company to successfully enter new markets, including the ability to efficiently distribute and finance its products; the impact of changes in postal regulations around the world that directly regulate the manufacture, ownership and or distribution of postage meters, or that regulate postal rates and discounts; 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 currently 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 that the Antitrust Division of the United States Department of Justice is conducting a civil investigation of its postage equipment business to determine whether there is, has been, or may be a violation of the surviving provisions of the 1959 consent decree between the company and the U.S. Department of Justice, and or the antitrust laws. The company intends to cooperate with the Department's investigation.

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	See Exhibit (i)

	per share.	on page 15.
(12)	Computation of ratio of earnings to fixed charges.	See Exhibit (ii) on page 16.

(b) Reports on Form 8-K.

On March 13, 1996, the company filed a Form 8-K disclosing the Preference Share Purchase Rights Agreement dated December 11, 1995 between the company and Chemical Mellon Shareholder Services, L.L.C., as Rights Agent.

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.

May 10, 1996

/s/ C. F. Adimando
C. F. Adimando
Vice President - Finance and
Administration, and Treasurer
(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

(Dollars in thousands, except per share data)	Three Months Ended March 31, 1996	1995
Primary		
Income from continuing operations (1)	$ 106,509	$ 95,989
Discontinued operations	-	10,322
Net income applicable to common stock	$ 106,509	$ 106,311
Weighted average number of common shares outstanding	149,876,325	151,117,351
Preference stock, $2.12 cumulative convertible	746,408	812,206
Stock option and purchase plans	793,348	136,653
Total common and common equivalent shares outstanding	151,416,081	152,066,210
Income per common and common equivalent share - primary:		
Continuing operations	$ .70	$ .63
Discontinued operations	-	.07
Net income	$ .70	$ .70
Fully Diluted		
Income from continuing operations	$ 106,509	$ 95,989
Discontinued operations	-	10,322
Net income applicable to common stock	$ 106,509	$ 106,311
Weighted average number of common shares outstanding	149,876,325	151,117,351
Preference stock, $2.12 cumulative convertible	746,408	812,206
Stock option and purchase plans	799,305	168,807
Preferred stock, 4% cumulative convertible	11,490	11,550
Total common and common equivalent shares outstanding	151,433,528	152,109,914
Income per common and common equivalent share - fully diluted:		
Continuing operations	$ .70	$ .63
Discontinued operations	-	.07
Net income	$ .70	$ .70

<FN>
(1) Income from continuing operations was adjusted for preferred dividends.

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

(Dollars in thousands)

	Three Months Ended March 31, 1996	1995
Income from continuing operations before income taxes	$163,439	$149,986
Add:		
Interest expense	49,912	60,111
Portion of rents representative of the interest factor	11,061	10,781
Amortization of capitalized interest	228	228
Minority interest in the income of subsidiary with fixed charges	2,119	-
Income as adjusted	$226,759	$221,106
Fixed charges:		
Interest expense	$ 49,912	$ 60,111
Capitalized interest	602	494
Portion of rents representative of the interest factor	11,061	10,781
Minority interest in the income of subsidiary with fixed charges	2,119	-
	$ 63,694	$ 71,386
Ratio of earnings to fixed charges	3.56	3.10

<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.
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