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 September 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
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Number of shares of common stock, $1 par value, outstanding as of October 31, 2000 is 252,137,450.

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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 September 30, 2000	Three Months Ended September 30, 1999	Nine Months Ended September 30, 2000	Nine Months Ended September 30, 1999
Revenue from:				
Sales..	$ 551,931	$ 529,550	$ 1,643,511	$ 1,586,302
Rentals and financing..............................	423,982	420,836	1,303,949	1,245,334
Support services...................................	145,399	139,439	436,853	412,945
Total revenue..................................	1,121,312	1,089,825	3,384,313	3,244,581
Costs and expenses:				
Cost of sales......................................	310,385	300,490	933,032	903,560
Cost of rentals and financing......................	109,902	118,049	351,111	346,425
Selling, service and administrative................	402,234	375,462	1,170,310	1,109,622
Research and development...........................	27,640	25,105	87,679	78,707
Other income (Note 11).............................	-	(49,574)	-	(49,574)
Interest, net......................................	51,917	41,256	152,440	133,694
Total costs and expenses.......................	902,078	810,788	2,694,572	2,522,434
Income from continuing operations before income taxes..	219,234	279,037	689,741	722,147
Provision for income taxes............................	57,801	92,960	210,798	240,091

Income from continuing operations	161,433	186,077	478,943	482,056
Income from discontinued operations (Note 2)	-	-	-	971
Loss on disposal of discontinued operations (Note 2)	-	-	-	(24,938)
Net income	$ 161,433	$ 186,077	$ 478,943	$ 458,089
Basic earnings per share:				
Continuing operations	$ .63	$ .70	$ 1.85	$ 1.80
Discontinued operations	-	-	-	(.09)
Net income	$ .63	$ .70	$ 1.85	$ 1.71
Diluted earnings per share:				
Continuing operations	$ .63	$ .69	$ 1.84	$ 1.77
Discontinued operations	-	-	-	(.09)
Net income	$ .63	$ .69	$ 1.84	$ 1.68
Dividends declared per share of common stock	$ .285	$ .255	$ .855	$ .765
Ratio of earnings to fixed charges	4.08	5.83	4.28	4.96
Ratio of earnings to fixed charges excluding minority interest	4.34	6.27	4.57	5.29

See Notes to Consolidated Financial Statements

Pitney Bowes Inc.
Consolidated Balance Sheets

(Dollars in thousands, except share data)	September 30, 2000 (unaudited)	December 31, 1999
Assets		
Current assets:		
Cash and cash equivalents	$ 265,403	$ 254,270
Short-term investments, at cost which approximates market	3,740	2,414
Accounts receivable, less allowances: 9/00, $25,629; 12/99, $28,716	438,657	432,224
Finance receivables, less allowances: 9/00, $38,773; 12/99, $48,056	1,406,638	1,779,696
Inventories (Note 3)	287,451	257,452
Other current assets and prepayments	138,740	128,662
Net assets of discontinued operations	-	487,856
Total current assets	2,540,629	3,342,574
Property, plant and equipment, net (Note 4)	491,661	484,181
Rental equipment and related inventories, net (Note 4)	777,360	810,788
Property leased under capital leases, net (Note 4)	2,498	11,140
Long-term finance receivables, less allowances: 9/00, $55,394; 12/99, $56,665	2,027,359	1,907,431
Investment in leveraged leases	1,086,556	969,589
Goodwill, net of amortization: 9/00, $60,239; 12/99, $54,848	227,557	226,764
Other assets	615,280	470,205
Total assets	$ 7,768,900	$ 8,222,672
Liabilities and stockholders' equity		
Current liabilities:		

Accounts payable and accrued liabilities..................	$ 937,159	$ 915,826
Income taxes payable.......................................	267,723	255,201
Notes payable and current portion of long-term obligations	955,707	1,320,332
Advance billings..	380,899	381,405
Total current liabilities..........................	2,541,488	2,872,764
Deferred taxes on income...................................	1,171,575	1,082,019
Long-term debt (Note 5)....................................	2,070,058	1,997,856
Other noncurrent liabilities...............................	325,998	334,423
Total liabilities..................................	6,109,119	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............................	1,776	1,841
Common stock, $1 par value..............................	323,338	323,338
Capital in excess of par value..........................	9,936	17,382
Retained earnings.......................................	3,694,940	3,437,185
Accumulated other comprehensive income (Note 8)...........	(113,687)	(93,015)
Treasury stock, at cost.................................	(2,566,551)	(2,061,150)
Total stockholders' equity..........................	1,349,781	1,625,610
Total liabilities and stockholders' equity...................	$ 7,768,900	$ 8,222,672

See Notes to Consolidated Financial Statements

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

(Dollars in thousands)

	Nine Months Ended September 30, 2000	1999*
Cash flows from operating activities:		
Net income..	$ 478,943	$ 458,089
Loss on disposal of discontinued operations................	-	24,938
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization........................	236,384	302,084
Increase in deferred taxes on income.................	87,102	139,750
Pension plan investment..............................	-	(67,000)
Change in assets and liabilities:		
Accounts receivable............................	(11,905)	(23,380)
Net investment in internal finance receivables...	(65,823)	(58,506)
Inventories....................................	(34,097)	24,228
Other current assets and prepayments............	(13,153)	(19,327)
Accounts payable and accrued liabilities.........	(13,373)	(35,306)
Income taxes payable...........................	15,676	52,126
Advance billings...............................	2,127	4,866
Other, net.....................................	(9,048)	(38,835)
Net cash provided by operating activities........	672,833	763,727

Cash flows from investing activities:		
Short-term investments	(1,498)	2,320
Net investment in fixed assets	(189,156)	(234,305)
Net investment in finance receivables	(64,466)	(138,580)
Net investment in capital and mortgage services	34,611	174,538
Investment in leveraged leases	(120,821)	(147,566)
Investment in mortgage servicing rights	-	(21,800)
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	(126,262)	(36,341)
Other investing activities	358	13,040
Net cash provided by (used in) investing activities	367,292	(388,694)
Cash flows from financing activities:		
(Decrease) increase in notes payable, net	(276,760)	70,017
Proceeds from long-term obligations	182,092	208,106
Principal payments on long-term obligations	(196,271)	(91,181)
Proceeds from issuance of stock	25,229	40,702
Stock repurchases	(538,141)	(369,343)
Dividends paid	(221,188)	(205,289)
Net cash used in financing activities	(1,025,039)	(346,988)
Effect of exchange rate changes on cash	(3,953)	(1,672)
Increase in cash and cash equivalents	11,133	26,373
Cash and cash equivalents at beginning of period	254,270	125,684
Cash and cash equivalents at end of period	$ 265,403	$ 152,057
Interest paid	$ 192,770	$ 171,234
Income taxes paid, net	$ 99,614	$ 67,393

<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 September 30, 2000 and December 31, 1999, the results of its operations for the three months and nine months ended September 30, 2000 and 1999 and its cash flows for the nine months ended September 30, 2000 and 1999 have been included. Operating results for the three and nine months ended September 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 $26.3 million and $88.8 million for the three and nine months ended September 30, 1999, respectively. Net interest expense allocated to AMIC's discontinued operations was $.8 million and $4.5 million for the three and nine months ended September 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 nine months ended September 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 Statements of Cash Flows for the nine months ended September 30, 1999. Income from discontinued operations related to AMIC for the nine months ended September 30, 1999 was approximately $1.0 million.

Note 3:

Inventories are comprised of the following:

(Dollars in thousands)	September 30, 2000	December 31, 1999
Raw materials and work in process......................	$ 48,684	$ 41,149
Supplies and service parts.............................	122,559	122,726
Finished products......................................	116,208	93,577
Total	$ 287,451	$ 257,452

Note 4:

Fixed assets are comprised of the following:

(Dollars in thousands)	September 30, 2000	December 31, 1999
Property, plant and equipment.........................	$ 1,180,016	$ 1,187,198
Accumulated depreciation..............................	(688,355)	(703,017)

Property, plant and equipment, net....................	$ 491,661	$ 484,181
Rental equipment and related inventories...............	$ 1,610,355	$ 1,706,306
Accumulated depreciation..............................	(832,995)	(895,518)
Rental equipment and related inventories, net..........	$ 777,360	$ 810,788
Property leased under capital leases...................	$ 19,082	$ 27,217
Accumulated amortization..............................	(16,584)	(16,077)
Property leased under capital leases, net.............	$ 2,498	$ 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 September 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 September 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 September 30, 2000.

Note 6:

A reconciliation of the basic and diluted earnings per share computations for the three months ended September 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	$ 161,433			$ 186,077		

Less:						
Preferred stock dividends	-			-		
Preference stock dividends	(34)			(37)		
Basic earnings per share	$ 161,399	254,253	$ .63	$ 186,040	266,728	$ .70
Effect of dilutive securities:						
Preferred stock	-	14		-	14	
Preference stock	34	1,058		37	1,133	
Stock options		669			3,024	
Other		120			298	
Diluted earnings per share	$ 161,433	256,114	$ .63	$ 186,077	271,197	$ .69

A reconciliation of the basic and diluted earnings per share computations for the nine months ended September 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	$ 478,943			$ 482,056		
Less:						
Preferred stock dividends	-			-		
Preference stock dividends	(105)			(114)		
Basic earnings per share	$ 478,838	258,380	$ 1.85	$ 481,942	268,247	$ 1.80
Effect of dilutive securities:						
Preferred stock	-	14		-	15	
Preference stock	105	1,068		114	1,157	
Stock options		983			3,321	
Other		129			384	
Diluted earnings per share	$ 478,943	260,574	$ 1.84	$ 482,056	273,124	$ 1.77

Note 7:

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

	Three Months Ended September 30,	Nine Months Ended September 30,

(Dollars in thousands)	2000	1999	2000	1999
Revenue:				
Mailing and Integrated Logistics...........	$ 752,298	$ 736,945	$ 2,283,357	$ 2,182,526
Office Solutions...........................	330,763	312,063	988,367	943,396
Total Messaging Solutions..................	1,083,061	1,049,008	3,271,724	3,125,922
Capital Services...........................	38,251	40,817	112,589	118,659
Total revenue..............................	$ 1,121,312	$ 1,089,825	$ 3,384,313	$ 3,244,581
Operating Profit: (1)				
Mailing and Integrated Logistics...........	$ 218,389	$ 194,928(2)	$ 640,430	$ 563,565(2)
Office Solutions...........................	46,801	60,526	155,080	179,727
Total Messaging Solutions..................	265,190	255,454	795,510	743,292
Capital Services...........................	13,679	11,908	33,371	32,874
Total operating profit.....................	$ 278,869	$ 267,362	$ 828,881	$ 776,166
Unallocated amounts:				
Net interest (corporate interest expense, net of intercompany transactions).........	(20,623)	(11,717)	(53,892)	(33,921)
Corporate expense..........................	(39,012)	(26,182)(2)	(85,248)	(69,672)(2)
U.S.P.S. Settlement........................	-	49,574	-	49,574
Income from continuing operations before Income taxes................................	$ 219,234	$ 279,037	$ 689,741	$ 722,147

<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 nine months ended September 30, 2000 and 1999 was as follows:

(Dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2000	1999	2000	1999
Net income..................................	$ 161,433	$ 186,077	$ 478,943	$ 458,089
Other comprehensive income:				
Foreign currency translation adjustments.............................	1,111	(7,605)	(20,672)	(5,239)
Comprehensive income........................	$ 162,544	$ 178,472	$ 458,271	$ 452,850

Note 9:

In September 2000, Statement of Financial Accounting Standards (SFAS) No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" was issued, replacing SFAS No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities". SFAS No. 140 revises the standards for accounting for securitizations and other transfers of financial assets and collateral, as well as requiring certain additional disclosures. However, it carries over most of SFAS No. 125's provisions. SFAS No. 140 is effective for transfers and servicing of financial assets and extinguishment of liabilities occurring after March 31, 2001. However, it is effective for the recognition and reclassification of collateral and for disclosures relating to those transactions for the year ending December 31, 2000. The company is currently evaluating the impact, if any, of adopting the statement.

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. This 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.

Note 11:

In August 1999, the U.S. Postal Service (U.S.P.S.) and the company announced that they had reached agreement (U.S.P.S. Settlement) resolving a lawsuit filed by the company in 1997. The lawsuit arose out of a dispute over a 1978 Statement of Understanding authorizing the company to offer Postage by PhoneR, its proprietary version of the Computerized Meter Resetting System (CMRS). Under the terms of the agreement, the company received $51.8 million, representing a portion of the financial benefit that the U.S.P.S. obtained as a result of the revised regulations. This payment, net of related legal expenses of $2.2 million, was recorded as other income in the third quarter of 1999.

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

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

Revenue increased three percent in the third quarter of 2000 to $1,121.3 million compared with $1,089.8 million in the third quarter of 1999. Income from continuing operations decreased 13 percent to $161.4 million from $186.1 million for the same period in 1999. Excluding one-time items from both periods, income from continuing operations increased three percent to $160.6 million from $156.6 million for the same period in 1999. Included as one-time items in the third quarter of 2000 are an after-tax charge of approximately $11 million related to the consolidation of information technology staff and infrastructure, as well as a $12 million tax benefit related to state tax law changes. The third quarter of 1999 included a one-time, net after-tax settlement of $29.5 million received from the U.S. Postal Service. Excluding one-time items from both periods, diluted earnings per share from continuing operations grew to 63 cents, an 8.7 percent increase from the third quarter of 1999.

Third quarter 2000 revenue included $551.9 million from sales, up four percent from $529.6 million in the third quarter of 1999; $424.0 million from rentals and financing, up one percent from $420.8 million; and $145.4 million from support services, up four percent from $139.4 million.

Total Messaging Solutions, the combined results of the Mailing and Integrated Logistics segment and Office Solutions segment, reported three percent revenue growth and four 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 third quarter of 2000, revenue grew two percent and operating profit increased 12 percent. Core metering and mail finishing applications performed in line with expectations during the quarter, however these results were offset by softer than anticipated results in mail creation and logistics product lines as the weakening economic environment and slower customer decision-making for the higher-value, more complex products adversely impacted revenue. Revenue growth was also negatively impacted by the sale of the credit card portfolio at the end of the second quarter 2000 and the negative impact of foreign currency, principally related to the British Pound and the Euro. Operating profit benefited from improving rental and financing margins in the core mail finishing business.

The Office Solutions segment includes Pitney Bowes Office Systems and Pitney Bowes Management Services. During the third quarter of 2000, revenue grew six percent and operating profit declined 23 percent.

Office Systems, comprised of Copier and Facsimile, grew revenues six percent for the quarter, while operating profit declined due in part to significant pricing pressure in the copier and facsimile market. Margin impacts associated with the ongoing transition to a rental revenue model for large national accounts in the copier business and the relative value of the yen also negatively impacted operating profit.

Pitney Bowes Management Services' revenue grew seven percent as the company continues to pursue disciplined, profitable growth through providing higher value services, to both new and existing customers.

The Capital Services segment includes primarily asset- and fee-based income generated by large ticket non-core asset transactions. During the quarter, revenue decreased six percent and operating profit increased 15 percent. This performance is consistent with the company's previously stated strategy to concentrate on fee-based income opportunities.

Cost of sales decreased to 56.2 percent of sales revenue in the third quarter of 2000 compared with 56.7 percent in the third quarter of 1999. This was due primarily to lower product costs resulting from productivity improvements.

Cost of rentals and financing decreased to 25.9 percent of related revenues in the third quarter of 2000 compared with 28.1 percent in the third quarter of 1999. This was due primarily to lower depreciation of rental equipment.

Excluding the one-time charge related to the consolidation of information technology staff and infrastructure, selling, service and administrative expenses were 34.2 percent of revenue in the third quarter of 2000 compared with 34.5 percent in the third quarter of 1999. This was due primarily to the company's continued emphasis on controlling operating expenses.

Research and development expenses increased 10.1 percent to $27.6 million in the third quarter of 2000 compared with $25.1 million in the third 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 $51.9 million in the third quarter of 2000 from $41.3 million in the third quarter of 1999. The increase is due mainly to higher interest rates associated with borrowings to fund the share repurchase program.

The effective tax rate for the third quarter of 2000 was 26.4 percent compared with 33.3 percent in 1999. The decrease in the effective tax rate was primarily due to a one-time tax benefit related to recent state tax law changes.

Excluding one-time items from both periods, income from continuing operations and diluted earnings per share from continuing operations increased 2.6 percent and 8.7 percent, respectively. The reason for the increase in diluted earnings per share outpacing the increase in income from continuing operations was the company's share repurchase program.

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

For the first nine months of 2000 compared with the same period of 1999, revenue increased four percent to $3,384.3 million while income from continuing operations decreased one percent to $478.9 million. Excluding one-time items from both periods, income from continuing operations increased 5.7 percent to $478.1 million. The factors that affected revenue and earnings performance included those cited for the third quarter of 2000 versus 1999.

On October 4, 2000 the Company advised that it expected full-year 2000 earnings per share to be in the $2.44 to $2.48 range before one-time items. Two factors drove this change in guidance:

o Increased margin pressure in the highly competitive office products markets is having an adverse impact on operating profit in the Office Solutions segment.

o Foreign currency weakness, and softer than anticipated results, particularly in certain segments of the mail creation and logistics product lines of the Mailing and Integrated Logistics segment, are expected to result in reduced revenue growth rates in the fourth quarter.

Consolidated revenue growth in the fourth quarter 2000 is estimated to be flat to slightly down, due principally to flat to slightly down revenue growth in the Mailing and Integrated Logistics segment, which will be negatively impacted by currency, the lack of Credit Card revenues and lower growth in certain systems based mail creation and logistics product lines. Additionally, there are expected to be less favorable comparisons in the Capital Services segment because of higher asset sales revenue in the fourth quarter 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 September 2000, Statement of Financial Accounting Standards (SFAS) No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" was issued, replacing SFAS No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities". SFAS No. 140 revises the standards for accounting for securitizations and other transfers of financial assets and collateral, as well as requiring certain additional disclosures. However, it carries over most of SFAS No. 125's provisions. SFAS No. 140 is effective for transfers and servicing of financial assets and extinguishment of liabilities occurring after March 31, 2001. However, it is effective for the recognition and reclassification of collateral and for disclosures relating to those transactions for the year ending December 31, 2000. The company is currently evaluating the impact, if any, of adopting the statement.

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.

Other Matters

Included in selling, service and administrative expenses in the third quarter of 2000 is a one-time pre-tax charge of approximately $19 million (approximately $11 million after-tax) related to the consolidation of information technology staff and infrastructure. This initiative is focused on creating an efficient global organization and technology platform to leverage the benefits of our current Enterprise-wide Resource Planning (ERP) and e-business initiatives. The third quarter of 2000 also includes a one-time tax benefit of $12 million related to recent state tax law changes.

In August 1999, the U.S. Postal Service (U.S.P.S.) and the company announced that they had reached agreement (U.S.P.S. Settlement) resolving a lawsuit filed by the company in 1997. The lawsuit arose out of a dispute over a 1978 Statement of Understanding authorizing the company to offer Postage by PhoneR, its proprietary version of the Computerized Meter Resetting System (CMRS). Under the terms of the agreement, the company received $51.8 million, representing a portion of the financial benefit that the U.S.P.S. obtained as a result of the revised regulations. This payment, net of related legal expenses of $2.2 million, was recorded as other income of $49.6 million in the third quarter of 1999.

Liquidity and Capital Resources

The ratio of current assets to current liabilities is 1 to 1 at September 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 Pitney Bowes Credit Corporation (PBCC), its wholly-owned 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. This 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 September 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. 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 September 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 September 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 paper 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 71.2 percent at September 30, 2000 compared with 69.1 percent at December 31, 1999. Book value per common share decreased to $5.33 at September 30, 2000 from $6.13 at December 31, 1999 driven primarily by the repurchase of common shares. During the third quarter of 2000 , the company repurchased 2.9 million common shares for $105.8 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 nine months of 2000, net investments in fixed assets included $75.5 million in net additions to property, plant and equipment and $113.7 million in net additions to rental equipment and related inventories compared with $70.6 million and $163.7 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 September 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:

- o As of February 1, 2000, new placements of manually reset electronic meters are no longer permitted.
- o 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.

In August 2000, the U.S.P.S. also issued a proposal to cease placements of non-digital, or letterpress, meters as follows:

- o New placements of non-digital meters with a "timeout" feature that enables the meters to be automatically disabled, if not reset within a specified time period are no longer permitted after December 2003.
- o New placements of non-digital meters without the "timeout" feature are no longer permitted after June 2001.

The company has submitted comments to the U.S.P.S. proposed schedules described above. Based on the proposed schedules, the company believes that the phaseout of manually reset electronic meters or non-digital 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 would significantly enhance postal revenue security and support expanded U.S.P.S. value-added services to mailers.

During the period from May 1995 through May 2000, the company 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 September and October 2000, the U.S.P.S. issued further proposed regulations regarding postage evidencing systems using Information Based Indicia, titled "Refunds and Exchanges" and "Production, Distribution and Use of Postal Security Devices and Information-Based Indicia." The Company will be submitting comments regarding those proposed regulations.

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.

Forward-looking Statements

The company cautions 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
- foreign currency fluctuations

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 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 October 19, 2000, the company filed a current report on Form 8-K pursuant to Item 5 thereof, reporting the Press Release dated October 17, 2000 for the quarter ended September 30, 2000.

On October 5, 2000, the company filed a current report on Form 8-K pursuant to Item 5 thereof, reporting the Press Release dated October 4, 2000 for the revised financial outlook for the periods ended September 30, 2000 and December 31, 2000.

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.

Signatures

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

PITNEY BOWES INC.

November 14, 2000

/s/ B. P. Nolop

B. P. Nolop
Executive 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 September 30, 2000	Three Months Ended September 30, 1999(2)	Nine Months Ended September 30, 2000	Nine Months Ended September 30, 1999(2)
Income from continuing operations before income taxes	$ 219,234	$ 279,037	$ 689,741	$ 722,147
Add:				
Interest expense	53,805	42,917	158,213	137,084
Portion of rents representative of the interest factor	10,837	10,029	32,354	31,223
Amortization of capitalized interest	244	244	730	730
Minority interest in the income of subsidiary with fixed charges	3,712	3,061	10,537	8,726
Income as adjusted	$ 287,832	$ 335,288	$ 891,575	$ 899,910
Fixed charges:				
Interest expense	$ 53,805	$ 42,917	$ 158,213	$ 137,084
Capitalized interest	870	-	2,383	-
Portion of rents representative of the interest factor	10,837	10,029	32,354	31,223
Minority interest, excluding taxes, in the income of subsidiary with fixed charges	5,060	4,592	15,174	13,073
Total fixed charges	$ 70,572	$ 57,538	$ 208,124	$ 181,380
Ratio of earnings to fixed charges	4.08	5.83	4.28	4.96
Ratio of earnings to fixed charges excluding minority interest	4.34	6.27	4.57	5.29

<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 nine months ended September 30, 1999.

Including these amounts in fixed charges, the ratio of earnings to fixed charges would be 5.76 and 4.86 for the three and nine months ended September 30, 1999, respectively. The ratio of earnings to fixed charges excluding minority interest would be 6.20 and 5.18 for the three and nine months ended September 30, 1999, respectively.

</FN>

<ARTICLE> 5
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THIS SCHEDULE CONTAINS FINANCIAL INFORMATION EXTRACTED FROM PITNEY BOWES INC. CONSOLIDATED BALANCE SHEET, CONSOLIDATED STATEMENT OF INCOME, CORRESPONDING FOOTNOTE #4 FIXED ASSETS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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<F1> Receivables are comprised of gross trade receivables of $464,286 and short-term finance receivables of $1,445,411. Allowances are comprised of allowances for trade receivables of $25,629 and for short-term finance receivables of $38,773.
<F2> Property, plant and equipment are comprised of gross fixed assets of $1,180,016 and rental equipment and related inventories of $1,610,355. Depreciation is comprised of depreciation on fixed assets of $688,355 and on rental equipment and related inventories of $832,995.
</FN>