

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

FORM 8 - K  
CURRENT REPORT

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

Date of Report  
(Date of earliest event reported): October 19, 1999

PITNEY BOWES INC.

Commission File Number: 1-3579

State of Incorporation  
Delaware

IRS Employer Identification No.  
06-0495050

World Headquarters  
Stamford, Connecticut 06926-0700  
Telephone Number: (203) 356-5000

Item 5 - Other Events.

The registrant's press release dated October 19, 1999, regarding its financial results for the period ended September 30, 1999, including consolidated statements of income and selected segment data for the three and nine months ended September 30, 1999 and 1998 and consolidated balance sheets at September 30, 1999, June 30, 1999 and September 30, 1998, are attached.

Item 7 - Financial Statements and Exhibits.

c. Exhibits.

The following exhibits are furnished in accordance with the provisions of Item 601 of Regulation S-K:

Exhibit -----	Description -----
(1)	Pitney Bowes Inc. press release dated October 19, 1999.

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 hereunto duly authorized.

PITNEY BOWES INC.

October 22, 1999

/s/ M. L. Reichenstein

-----

M. L. Reichenstein  
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)

(1)

Exhibit 1

PITNEY BOWES ANNOUNCES RECORD QUARTERLY RESULTS

"Quarter's Solid Performance Led by MAIL Segment's Exceptionally Strong Growth"

FOR IMMEDIATE RELEASE

-----

Stamford, Conn., October 19, 1999 -- Pitney Bowes Inc. (NYSE: PBI) today announced another record quarter as third-quarter diluted earnings per share from continuing operations grew 44 percent to 69 cents. Excluding the impact of the previously announced one-time, after-tax net settlement of \$29.5 million received from the U.S. Postal Service, diluted earnings per share from continuing operations rose 21 percent to 58 cents during the quarter. This marks the 19th consecutive quarter of double-digit, year-on-year diluted earnings per share growth from continuing operations. Consolidated revenue grew eight percent to \$1.1 billion. Income from continuing operations grew 40 percent to \$186.1 million, or 18 percent to \$156.6 million, excluding the impact of the U.S. Postal Service settlement.

Pitney Bowes Chairman and Chief Executive Officer Michael J. Critelli commented on the company's quarterly performance: "Once again the exceptionally strong growth in our Mailing and Integrated Logistics (MAIL) segment led the quarter's solid financial performance. The market demand for the MAIL segment's

comprehensive line of mailing, shipping and logistics software, systems and professional services demonstrates Pitney Bowes' unequalled ability to provide valuable end-to-end solutions for businesses of all sizes -- from the desktop to the global enterprise. Additionally, our international operations enhanced the quarter's performance as we continued to increase revenues and expand market share in key overseas markets."

(2)

In segment performance for the quarter, Mailing and Integrated Logistics (MAIL) revenue grew 11 percent and operating profit rose 21 percent. The segment includes revenues and related expenses from the rental, sale and financing of mailing and shipping equipment, related supplies and services, and software. Growth contributors included:

- o Sophisticated, productivity-enhancing Automated Document Factory Solutions, featuring customized, high-speed production mail equipment, software and systems integration services
- o Multi-functional mail finishing systems such as the Paragon(R) and the Galaxy<sup>TM</sup> digital system, with their range of mail processing applications for all types of mail such as the patented Weigh-on-the-Way<sup>TM</sup> (W-O-W<sup>TM</sup>) feature
- o Ongoing robustness in demand for advanced shipping and logistics systems, as businesses of all types seek cost-efficient, multi-carrier solutions for managing the fulfillment and logistics of orders from the Internet and other channels
- o The continued need for mail creation hardware, software, and hybrid solutions as businesses use mail for one-to-one marketing to acquire and retain customers.

Pitney Bowes' international operations continued to excel, driven by regulatory changes such as the required Euro conversion in some markets, meter migration and international Posts' need for operating improvements due to the elimination of postal subsidies.

During the quarter, the company also launched PitneyWorks<sup>SM</sup>, its web-based business suite focused solely on meeting the needs of today's small business owners ([www.pitneyworks.com](http://www.pitneyworks.com)). The portfolio of Internet-enabled solutions is designed to work the way small businesses work and meet a wide range of operational needs for running a small business such as: prospecting for customers (Target Prospects<sup>TM</sup> database), producing effective direct mail (DirectNET<sup>TM</sup> online mailing service), managing cash flow and financing critical needs (PitneyWorks<sup>SM</sup> Reserve Account, PitneyWorks<sup>SM</sup> Capital Line, PitneyWorks<sup>SM</sup> Purchase Power<sup>SM</sup>), shipping orders (ValueShip<sup>TM</sup> online multi-carrier rating and routing software)...and putting a digital stamp on the envelope (ClickStamp<sup>TM</sup> Online and ClickStamp<sup>TM</sup> Plus currently in Beta testing with the U.S. Postal Service, and Personal Post<sup>TM</sup> digital postage meter with a built-in modem).

(3)

The Office Solutions Segment includes Pitney Bowes Office Systems and Pitney Bowes Management Services. Third-quarter performance in this segment featured two-percent revenue growth and a two-percent increase in operating profit. Excluding the impact of currency, operating profit growth would have been six percent. The segment's operating profit was impacted by the longer selling cycles of digital copier systems and the recent sharp and rapid rise in the value of the yen.

During the quarter, Management Services revenues were flat as new management continues to focus on programs to improve the profitability of customer contracts while increasing service levels.

Office Systems, featuring Copier and Facsimile, grew revenues three percent for the quarter. The copier business posted good sales growth even as the business continued the transition to digital, networked solutions and the focus on training to sell to national and major accounts. Ongoing price pressures in the market and lower supplies revenues impacted Facsimile revenues.

The Capital Services Segment includes primarily asset- and fee-based income generated by large ticket external assets. During the quarter, the segment's revenue increased by one percent while its operating profit increased four percent. This performance is consistent with the company's previously announced strategy to shift to fee-based income by lowering the asset base and

focusing on fee-based income opportunities.

As announced last quarter, the results from Mortgage Servicing have been excluded from continuing operations. Pitney Bowes decided to dispose of Atlantic Mortgage & Investment Corporation (AMIC) after an extensive review of various strategic options to determine how best to enhance shareholder value.

Mr. Critelli concluded, "Our focus remains on maximizing long-term shareholder value, and our ongoing actions reflect our commitment to this strategy. We will continue to invest in developing breakthrough products and services, refining our operating efficiency and growing existing and emerging markets around the world."

(4)

As previously announced, the company is in the midst of an 11.6 million share repurchase program. During the third quarter the company repurchased approximately 1.7 million shares on the open market, bringing the total to 5.9 million shares repurchased during the first nine months of 1999.

Third quarter 1999 revenue included \$529.6 million from sales, up eight percent from \$488.6 million in the third quarter of 1998; \$420.8 million from rentals and financing, up six percent from \$396.3 million; and \$139.4 million from support services, up nine percent from \$128.3 million.

Third quarter 1999 income from continuing operations was \$186.1 million, including the \$29.5 million after-tax net settlement from the U.S. Postal Service, or 69 cents per diluted share, compared to \$132.8 million, or 48 cents per diluted share from continuing operations, in 1998. There was no income from discontinued operations during the quarter compared to \$8.8 million of income from discontinued operations, or three cents per diluted share in third quarter 1998.

For the nine-month period ended September 30, 1999, revenue was \$3.245 billion, up nine percent from \$2.982 billion in 1998; and net income in 1999 was \$458.1 million, including the \$29.5 million after-tax net settlement from the U.S. Postal Service, or \$1.68 per diluted share, compared to \$413.3 million, or \$1.47 per diluted share in 1998. The year-to-date net income included a \$24.0 million net after-tax charge, or nine cents per diluted share, for discontinued operations, compared to \$25.4 million of income, or nine cents per diluted share, in 1998.

Pitney Bowes is a global provider of informed mail and messaging management.

The forward-looking statements contained in this news release involve risks and uncertainties, and are subject to change based on various important factors including timely development and acceptance of new products, gaining product approval, successful entry into new markets, changes in interest rates, and changes in postal regulations, as more fully outlined in the company's 1998 Form 10-K Annual Report filed with the Securities and Exchange Commission.

# # #

Note: Consolidated statements of income for the three and nine months ended September 30, 1999 and 1998 and consolidated balance sheets at September 30, 1999, June 30, 1999, and September 30, 1998, are attached.

Pitney Bowes Inc.  
Consolidated Statements of Income  
(Unaudited)  
-----

(Dollars in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
Revenue from:				
Sales	\$ 529,550	\$ 488,575	\$ 1,586,302	\$ 1,431,310
Rentals and financing	420,836	396,329	1,245,334	1,170,525
Support services	139,439	128,271	412,945	379,715
Total revenue	1,089,825	1,013,175	3,244,581	2,981,550
Costs and expenses:				
Cost of sales	300,490	282,503	903,560	847,486
Cost of rentals and financing	118,049	102,767	346,425	309,743
Selling, service and administrative	375,462	362,921	1,109,622	1,046,819
Research and development	25,105	24,699	78,707	73,395

Other income	(49,574)	-	(49,574)	-
Interest, net	41,256	39,261	133,694	115,209
	-----	-----	-----	-----
Total costs and expenses	810,788	812,151	2,522,434	2,392,652
	-----	-----	-----	-----
Income from continuing operations before income taxes	279,037	201,024	722,147	588,898
Provision for income taxes	92,960	68,201	240,091	200,971
	-----	-----	-----	-----
Income from continuing operations	186,077	132,823	482,056	387,927
Discontinued operations	-	8,763	(23,967)	25,363
	-----	-----	-----	-----
Net income	\$ 186,077	\$ 141,586	\$ 458,089	\$ 413,290
	=====	=====	=====	=====
Basic earnings per share				
Continuing operations	\$ 0.70	\$ 0.49	\$ 1.80	\$ 1.41
Discontinued operations	-	0.03	(0.09)	0.09
	-----	-----	-----	-----
	\$ 0.70	\$ 0.52	\$ 1.71	\$ 1.50
	=====	=====	=====	=====
Diluted earnings per share				
Continuing operations	\$ 0.69	\$ 0.48	\$ 1.77	\$ 1.38
Discontinued operations	-	0.03	(0.09)	0.09
	-----	-----	-----	-----
	\$ 0.69	\$ 0.51	\$ 1.68	\$ 1.47
	=====	=====	=====	=====
Average common and potential common shares outstanding	271,196,789	278,712,757	273,124,305	280,667,340
	=====	=====	=====	=====

Pitney Bowes Inc.  
Consolidated Balance Sheets  
(Unaudited)

(Dollars in thousands, except per share data)

(\*)

Assets	9/30/99	6/30/99	9/30/98
-----	-----	-----	-----
Current assets:			
Cash and cash equivalents	\$ 152,057	\$ 132,693	\$ 144,974
Short-term investments, at cost which approximates market	873	949	1,930
Accounts receivable, less allowances:			
9/99 \$25,493 6/99 \$24,983 9/98 \$22,513	404,720	416,302	346,485
Finance receivables, less allowances:			
9/99 \$43,147 6/99 \$48,642 9/98 \$61,274	1,560,641	1,498,531	1,687,540
Inventories	242,678	259,858	235,568
Other current assets and prepayments	131,433	83,173	301,409
Net assets of discontinued operations	137,869	156,507	-
	-----	-----	-----
Total current assets	2,630,271	2,548,013	2,717,906
	-----	-----	-----
Property, plant and equipment, net	473,558	467,013	486,842
Rental equipment and related inventories, net	825,946	842,176	804,190
Property leased under capital leases, net	3,097	3,269	3,909
Long-term finance receivables, less allowances:			
9/99 \$57,197 6/99 \$76,291 9/98 \$73,840	1,925,891	1,954,990	2,397,466
Investment in leveraged leases	979,910	962,531	817,144
Goodwill, net of amortization:			
9/99 \$53,057 6/99 \$51,425 9/98 \$45,902	227,507	227,874	213,778
Other assets	495,998	454,198	813,110
Net assets of discontinued operations	319,248	313,063	-
	-----	-----	-----
Total assets	\$ 7,881,426	\$ 7,773,127	\$ 8,254,345
	=====	=====	=====
Liabilities and stockholders' equity			
-----			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 825,622	\$ 776,665	\$ 864,511
Income taxes payable	230,347	186,279	165,414
Notes payable and current portion of long-term obligations	1,315,316	1,273,197	1,844,077
Advance billings	374,512	391,103	362,801
	-----	-----	-----
Total current liabilities	2,745,797	2,627,244	3,236,803
	-----	-----	-----
Deferred taxes on income	1,061,686	1,029,923	929,199
Long-term debt	1,847,808	1,898,942	1,710,533
Other noncurrent liabilities	348,292	352,911	366,799
	-----	-----	-----
Total liabilities	6,003,583	5,909,020	6,243,334
	-----	-----	-----
Preferred stockholders' equity in a subsidiary company	310,000	310,000	300,000
	-----	-----	-----
Stockholders' equity:			
Cumulative preferred stock, \$50 par value, 4% convertible	29	29	34
Cumulative preference stock, no par value, \$2.12 convertible	1,901	1,945	2,076
Common stock, \$1 par value	323,338	323,338	323,338

Capital in excess of par value	10,330	11,927	18,198
Retained earnings	3,326,639	3,208,052	2,971,883
Accumulated other comprehensive income	(93,456)	(85,851)	(90,548)
Treasury stock, at cost	(2,000,938)	(1,905,333)	(1,513,970)
	-----	-----	-----
Total stockholders' equity	1,567,843	1,554,107	1,711,011
	-----	-----	-----
Total liabilities and stockholders' equity	\$ 7,881,426	\$ 7,773,127	\$ 8,254,345
	=====	=====	=====

<FN>

(\*) Certain prior year amounts have been reclassified to conform with the current year presentation.

</FN>

Pitney Bowes Inc.  
Revenue and Operating Profit  
By Business Segment  
September 30, 1999  
(Unaudited)

(Dollars in thousands)

	1999	1998	%
	-----	-----	Change
			-----
Third Quarter			
-----			
Revenue			
-----			
Mailing and Integrated Logistics	\$ 736,945	\$ 666,141	11%
Office Solutions	312,063	306,716	2%
Capital Services	40,817	40,318	1%
	-----	-----	-----
Total Revenue	\$1,089,825	\$1,013,175	8%
	=====	=====	=====
Operating Profit (1)			
-----			
Mailing and Integrated Logistics	\$ 198,213	\$ 163,702	21%
Office Solutions	60,526	59,461	2%
Capital Services	11,908	11,482	4%
	-----	-----	-----
Total Operating Profit	\$ 270,647	\$ 234,645	15%
	=====	=====	=====

<FN>

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

</FN>

Pitney Bowes Inc.  
Revenue and Operating Profit  
By Business Segment  
September 30, 1999  
(Unaudited)

(Dollars in thousands)

	1999	1998	%
	-----	-----	Change
			-----
Year to Date			
-----			
Revenue			
-----			
Mailing and Integrated Logistics	\$2,182,526	\$1,960,662	11%
Office Solutions	943,396	901,580	5%
Capital Services	118,659	119,308	(1%)
	-----	-----	-----
Total Revenue	\$3,244,581	\$2,981,550	9%
	=====	=====	=====

Operating Profit (1)  
-----

Mailing and Integrated Logistics	\$ 573,252	\$ 472,332	21%
Office Solutions	179,727	169,530	6%
Capital Services	32,874	32,029	3%
	-----	-----	-----
Total Operating Profit	\$ 785,853	\$ 673,891	17%
	=====	=====	=====

<FN>

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

</FN>