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, 1994

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, 1994 is 158,188,833.

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Part I - Financial Information:

Part I - Financial Information
Pitney Bowes Inc.
Consolidated Statement of Income
(Unaudited)

(Dollars in thousands, except per share data)

	Three Months Ended March 31, 1994	1993
Revenue from:		
Sales	$ 416,604	$ 379,318
Rentals and financing	330,720	324,878
Support services	129,453	129,228
Total revenue	876,777	833,424
Costs and expenses:		
Cost of sales	232,661	207,414
Cost of rentals and financing	103,191	101,711
Selling, service and administrative	328,839	319,152
Research and development	23,729	26,006
Interest, net	41,499	48,762
Total costs and expenses	729,919	703,045
Income before income taxes	146,858	130,379
Provision for income taxes	54,996	48,319
Income before effect of a change in accounting for postemployment benefits	91,862	82,060
Effect of a change in accounting for postemployment benefits	(119,532)	-
Net (loss) income	$ (27,670)	$ 82,060

Income per common and common equivalent share:		
Income before effect of a change in accounting for postemployment benefits	$ .58	$ .52
Effect of a change in accounting for postemployment benefits.	(.75)	-
Net (loss) income.	$ (.17)	$ .52
Average common and common equivalent shares outstanding	159,669,700	158,899,837
Dividends declared per share of common stock	$ .26	$ .225
Ratio of earnings to fixed charges	3.63	3.19

Pitney Bowes Inc.
Consolidated Balance Sheet
(Unaudited)

(Dollars in thousands)	March 31, 1994	December 31, 1993
Assets		
Current assets:		
Cash and cash equivalents.	$ 96,066	$ 54,653
Short-term investments, at cost which approximates market.	1,271	1,153
Accounts receivable, less allowances: 3/94, $16,889; 12/93, $16,691.	409,973	411,810
Finance receivables, less allowances: 3/94, $36,073; 12/93, $39,488.	956,314	994,998
Inventories (Note 2)	411,843	394,744
Other current assets and prepayments	79,890	79,391
Total current assets	1,955,357	1,936,749
Property, plant and equipment, net (Note 3). . . .	551,469	555,038
Rental equipment and related inventories, net (Note 3).	647,086	641,588
Property leased under capital leases, net (Note 3)	13,779	15,451
Long-term finance receivables, less allowances: 3/94, $81,466; 12/93, $77,024.	2,824,356	2,895,952
Goodwill, net of amortization: 3/94, $35,626; 12/93, $33,640.	230,013	231,309
Other assets	521,154	517,729
Total assets	$6,743,214	$6,793,816
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities (Note 4)	$ 639,245	$ 675,559
Income taxes payable	254,687	200,110

Notes payable and current portion of		
long-term obligations (Note 4)	1,884,958	2,081,872
Advance billings	328,682	315,840
Total current liabilities.	3,107,572	3,273,381
Deferred taxes on income	315,614	409,660
Long-term debt	945,609	847,316
Other noncurrent liabilities (Note 5).	575,884	391,864
Total liabilities.	4,944,679	4,922,221
Stockholders' equity:		
Cumulative preferred stock, $50 par value, 4% convertible.	68	68
Cumulative preference stock, no par value, $2.12 convertible	2,910	2,969
Common stock, $2 par value	323,338	323,338
Capital in excess of par value	35,334	36,762
Retained earnings.	1,605,319	1,674,168
Cumulative translation adjustments	(49,540)	(47,319)
Treasury stock, at cost.	(118,894)	(118,391)
Total stockholders' equity	1,798,535	1,871,595
Total liabilities and stockholders' equity	$6,743,214	$6,793,816

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

(Dollars in thousands)

	Three Months Ended March 31, 1994	1993
Cash flows from operating activities:		
Net (loss) income.	$ (27,670)	$ 82,060
Effect of a change in accounting for postemployment benefits.	119,532	-
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization.	70,477	64,099
Nonrecurring charges, net.	(344)	(1,061)
(Decrease) increase in deferred taxes on income.	(18,850)	15,055
Change in assets and liabilities:		
Accounts receivable.	1,675	2,315
Sales-type lease receivables	(11,899)	2,490
Inventories.	(17,444)	(16,729)
Other current assets and prepayments . .	746	(13,714)
Accounts payable and accrued liabilities.	(50,911)	(50,289)
Income taxes payable	60,672	(9,757)
Advance billings	12,986	5,340
Other, net	(7,586)	(2,948)
Net cash provided by operating activities	131,384	76,861

Cash flows from investing activities:		
Short-term investments	(22)	(4,034)
Net investment in fixed assets	(68,562)	(59,230)
Net investment in direct-finance lease receivables.	118,721	43,133
Investment in leveraged leases	951	5,254
Net cash provided by (used in) investing activities	51,088	(14,877)
Cash flows from financing activities:		
(Decrease) increase in notes payable	(276,578)	161,072
Proceeds from long-term obligations.	200,000	-
Principal payments on long-term obligations. .	(19,838)	(185,111)
Proceeds from issuance of stock.	2,020	1,689
Stock repurchases.	(5,447)	(5,144)
Dividends paid	(41,179)	(35,414)
Net cash used in financing activities. .	(141,022)	(62,908)
Effect of exchange rate changes on cash.	(37)	(1,509)
Increase (decrease) in cash and cash equivalents.	41,413	(2,433)
Cash and cash equivalents at beginning of period.	54,653	71,016
Cash and cash equivalents at end of period . . .	$ 96,066	$ 68,583
Interest paid.	$ 46,486	$ 62,365
Income taxes paid.	$ 11,795	$ 38,333

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 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, 1994 and the results of its operations and cash flows for the three months ended March 31, 1994 and 1993 have been included. Operating results for the three months ended March 31, 1994 are not necessarily indicative of the results that may be expected for the year ending December 31, 1994. 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, 1993.

Note 2:

Inventories are comprised of the following:

(Dollars in thousands)	March 31,	December 31,

	1994	1993
Raw materials and work in process.	$ 101,686	$ 98,647
Supplies and service parts	102,744	98,773
Finished products.	207,413	197,324
Total.	$ 411,843	$ 394,744

Note 3:

Fixed assets are comprised of the following:

(Dollars in thousands)	March 31, 1994	December 31, 1993
Property, plant and equipment.	$1,149,994	$1,136,849
Accumulated depreciation	(598,525)	(581,811)
Property, plant and equipment, net	$ 551,469	$ 555,038
Rental equipment and related inventories.	$1,424,846	$1,426,395
Accumulated depreciation	(777,760)	(784,807)
Rental equipment and related inventories, net	$ 647,086	$ 641,588
Property leased under capital leases	$ 46,207	$ 48,792
Accumulated amortization	(32,428)	(33,341)
Property leased under capital leases, net.	$ 13,779	$ 15,451

Note 4:

Current liabilities include the following:

(Dollars in thousands)	March 31, 1994	December 31, 1993
Accounts payable and accrued liabilities:		
Accounts payable - trade	$ 136,970	$ 187,480
Accrued salaries, wages and commissions.	68,890	94,092
Accrued pension benefits	92,515	80,898
Miscellaneous accounts payable and accrued liabilities.	340,870	313,089
Total.	$ 639,245	$ 675,559
Notes payable and current portion of long-term obligations:		
Notes payable and overdrafts	$1,723,577	$2,000,364
Current portion of long-term debt.	158,875	78,222
Current portion of capital lease obligations.	2,506	3,286

Total.	$1,884,958	$2,081,872

Note 5:

Other noncurrent liabilities include the following:

(Dollars in thousands)	March 31, 1994	December 31, 1993
Accrued nonpension postretirement benefits	$ 361,245	$ 362,402
Accrued postemployment benefits.	186,823	-
Long-term capital lease obligations.	27,816	29,462
Total.	$ 575,884	$ 391,864

Note 6:

The Company adopted Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" (FAS 112) as of January 1, 1994. FAS 112 requires that postemployment benefits be recognized on the accrual basis of accounting for fiscal years beginning after December 15, 1993. Postemployment benefits include primarily Company provided medical benefits to disabled employees and Company provided life insurance as well as other disability- and death-related benefits to former or inactive employees, their beneficiaries and covered dependents.

The one-time effect of adopting FAS 112 was a non-cash, after-tax charge of $119.5 million (net of approximately $80.5 million of income taxes), or 75 cents per share. Application of this new standard had no significant effect on the Company's 1994 first quarter expense.

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

Results of Operations - first quarter 1994 vs. first quarter 1993

Revenue increased five percent to $876.8 million in 1994 while income before the one-time effect of a change in accounting increased 12 percent to $91.9 million. The first quarter revenue increase included five percent from growth in volume and one percent from price increases offset, in part, by a one percent unfavorable foreign currency exchange rate impact. The current year period reflects the impact of adopting Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" (FAS 112) as of January 1, 1994. FAS 112 requires that postemployment benefit costs be recognized on the accrual basis of accounting for fiscal years beginning after December 15, 1993. Postemployment benefits include primarily Company provided medical benefits to disabled employees and Company provided life insurance as well as other disability- and death-related benefits to former or inactive employees, their beneficiaries and covered dependents. The one-time effect of adopting FAS 112 was a non-cash, after-tax charge of $119.5 million, or 75 cents per share.

Sales revenue increased ten percent in 1994 primarily due to the acquisition of Ameriscribe Corporation, a nationwide provider of on-site reprographics, mailroom and other office services, in the fourth quarter of 1993. The sales revenue growth of the business equipment segment was impacted by higher 1993 PROM, disk and scale chart revenue. Sales revenue of the business supplies and services segment increased significantly reflecting the growth of the facilities management business offset, in part, by lower placements of marking systems products.

Rentals and financing revenue, substantially all of which is in the business equipment and financial services segments, increased two percent reflecting higher numbers of postage meters, especially higher-yielding Postage By Phone(R) and electronic meters, facsimile and copier machines in service as well as price increases. Financing revenue decreased primarily due to the Company's decision early last year to phase out the business of financing non-Pitney Bowes equipment outside of the United States.

Since the first quarter of 1993, the Company has continued to phase out the business of financing non-Pitney Bowes equipment outside the U.S. The Company is continuing an inquiry and evaluation of the conduct by former management personnel of its German leasing business. The results of this inquiry to date indicate that former management caused the Company's German leasing operation to enter into transactions which were not consistent with company policy and guidelines and, in certain cases, lacked appropriate documentation and collateral. Additionally, in certain instances, the Company is continuing to locate, repossess and remarket collateral where possible. At the current time, the Company believes that sufficient reserves for expected losses are in place. As the Company's inquiry continues it may determine that additional loss provisions are necessary. If such additional loss provisions are required, it is anticipated that the resulting charges against income would be offset by gains on asset sales by the financial services segment. The Company expects to complete its inquiry by the end of the

second quarter of 1994. The Company's management believes there are sufficient opportunities for profitable growth in its domestic external financing business and plans to make future external investments solely in the U.S. market.

Support services revenue, most of which is derived from the business equipment segment, was slightly above the prior year reflecting the expansion of the dictation, facsimile and U.S. mailing service bases mostly offset by unfavorable foreign currency exchange rate impacts.

The cost of sales to sales revenue ratio increased to 55.8 percent in 1994 from 54.7 percent in 1993 primarily due to the increased significance of the Company's facilities management business which includes most of its expenses in cost of sales. In addition, 1993 benefitted from a greater volume of high-margin PROM, disk and scale chart sales. The cost of rentals and financing to rentals and financing revenue ratio improved to 31.2 percent in 1994 from 31.3 percent in 1993 reflecting a lower mix of revenue from the financial services segment.

Selling, service and administrative expenses were 37.5 percent of revenue in 1994 compared with 38.3 percent in 1993. This improvement reflects the increased significance of the Company's facilities management business which includes most of its expenses in cost of sales and cost containment programs throughout the Company.

Research and development expenses decreased nine percent to $23.7 million in 1994 from $26.0 million in 1993. This decline reflects the

Company's cost reduction efforts and higher engineering support for recently introduced products. These costs reflect continued investment in advanced product development focusing on electronic technology and software development.

Net interest expense decreased 15 percent to $41.5 million in 1994 from $48.8 million in 1993 due to lower borrowing costs and average borrowing levels. This favorable comparison is not expected to continue throughout the remainder of 1994 due to the increasing short-term interest rate environment.

The first quarter 1994 effective tax rate was 37.4 percent compared with 37.1 percent in the first quarter of 1993 principally due to a higher U.S. statutory rate partly offset by the tax impact of a partnership lease transaction.

Liquidity and Capital Resources

The current ratio reflects the Company's practice of utilizing a balanced mix of debt maturities to fund finance assets. At March 31, 1994, this ratio was .63 to 1 compared to .59 to 1 at year-end 1993. The increased ratio was primarily due to the issuance by Pitney Bowes Credit Corporation (PBCC) of $200 million of 5.625 percent notes due in February 1997 which funded the repayment of commercial paper borrowings partly offset by the reclassification of PBCC's $100 million of 10.65 percent notes due in April 1999 to current portion of long-term debt. In the first quarter of 1994, PBCC exercised the option to redeem its

10.65 percent notes on April 1, 1994. The Company continues to use a balanced mix of debt maturities, variable- and fixed-rate debt and interest swaps to control the sensitivity to interest rate volatility.

As part of the Company's non-financial services shelf registrations, a medium-term note facility was established 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 March 31, 1994. The Company also has an additional $300 million remaining on shelf registrations filed with the Securities and Exchange Commission.

PBCC has $400 million available from a $500 million shelf registration statement with the Securities and Exchange Commission. This registration statement should meet PBCC's long-term financing needs for the next two years. In March 1994, PBCC issued $200 million of 5.625 percent notes due in February 1997. In April 1994, PBCC redeemed $100 million of 10.65 percent notes due in April 1999. PBCC had previously sold an option on a notional principal amount of $100 million to enable a counterparty to require PBCC to pay a fixed rate of 10.67 percent for five years starting April 1, 1994. The counterparty has exercised that option.

In January 1994, the Company sold approximately $88 million of finance assets in a privately-placed transaction with a third-party investor. Proceeds from the sale of these finance assets were used to repay a portion of the Company's commercial paper borrowings. This transaction had no material effect on the Company's results.

The ratio of total debt to total debt and stockholders' equity was 61.4 percent at March 31, 1994 compared to 61.3 percent at year-end 1993. This ratio was unfavorably impacted by the Company's first quarter 1994 adoption of FAS 112, as required, which resulted in a one-time, after-tax charge of $119.5 million and the repurchase of $5.4 million of common stock partly offset by the reduction in overall borrowing levels. Book value per common share decreased to $11.35 at March 31, 1994 from $11.81 at year-end 1993 principally due to the first quarter 1994 adoption of FAS 112.

During the period May 1 to May 12, 1994 the Company repurchased approximately 846,000 shares of common stock at a total cost of $32.1 million. It is anticipated that the repurchased shares will be used for issuances under the Company's stock and dividend reinvestment plans, conversion requirements and other corporate purposes.

Capital investments

In the first three months of 1994, net investments in fixed assets included $20.9 million in net additions to property, plant and equipment and $45.3 million in net additions to rental equipment and related inventories compared with $19.1 and $39.7 million, respectively, in the same period in 1993. These additions included 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 equipment for both new placement and upgrade programs.

At March 31, 1994, 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 is also building a new facility to house its Shipping and Weighing Division in Shelton, Connecticut, which is expected to be completed in 1995.

As previously reported, the Company's financial services segment has made senior secured loans and commitments in connection with acquisition, leveraged buyout and recapitalization financings. At March 31, 1994, the Company had a total of $2.5 million of such senior secured loans and commitments outstanding compared to $13.9 million at December 31, 1993. In March 1994, the Company sold $11.3 million of its senior secured loan and commitment with a Company that had previously filed under Chapter 11 of the Federal Bankruptcy Code and recovered 100 percent of its carrying value. The Company has not participated in unsecured or subordinated debt financing in any highly leveraged transactions.

Part II - Other Information

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

(a) Exhibits (numbered in accordance with Item 601 of Regulation S-K)

Reg. S-K	Status or	Incorporation

Exhibits	Description	by Reference
(11)	Computation of earnings per share.	See Exhibit (i) on page 14.
(12)	Computation of ratio of earnings to fixed charges.	See Exhibit (ii) on page 15.

(b) Reports on Form 8-K.

No reports on Form 8-K were filed for the three months ended March 31, 1994.

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 13, 1994

/s/ C. F. Adimando
C. F. Adimando
Vice President - Finance and
Administration, and Treasurer
(Principal Financial Officer)

/s/ S. J. Green
S. J. Green
Vice President - Controller
(Principal Accounting Officer)

Pitney Bowes Inc.
Computation of Earnings per Share

(Dollars in thousands, except per share data)	Three Months Ended March 31, 1994	1993
Primary		
Income before effect of a change in accounting for postemployment benefits (1)	$ 91,861	$ 82,059
Effect of accounting change	(119,532)	-
Net (loss) income applicable to common stock	$ (27,671)	$ 82,059
Weighted average number of common shares outstanding	158,151,500	157,161,280
Preference stock, $2.12 cumulative convertible	869,500	930,174
Stock option and purchase plans	648,700	808,383
Total common and common equivalent shares outstanding	159,669,700	158,899,837
Income per common and common equivalent share - primary:		
Income before effect of a change in accounting for postemployment benefits	$ .58	$ .52
Effect of accounting change	(.75)	-
Net (loss) income	$ (.17)	$ .52
Fully Diluted		
Income before effect of a change in accounting for postemployment benefits	$ 91,862	$ 82,060
Effect of accounting change	(119,532)	-
Net (loss) income applicable to common stock	$ (27,670)	$ 82,060
Weighted average number of common shares outstanding	158,151,500	157,161,280
Preference stock, $2.12 cumulative convertible	869,500	
930,174		
Stock option and purchase plans	676,275	815,616
Preferred stock, 4% cumulative convertible	16,568	25,949
Total common and common equivalent shares outstanding	159,713,843	158,933,019
Income per common and common equivalent share - fully diluted:		
Income before effect of a change in accounting for postemployment benefits	$ .58	$ .52
Effect of accounting change	(.75)	-
Net (loss) income	$ (.17)	$ .52

<FN>
(1) Income before effect of a change in accounting for postemployment benefits 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, 1994	1993
Income before income taxes	$146,858	$130,379
Add:		
Interest expense	43,734	50,226
Portion of rents representative of the interest factor	12,154	9,415
Amortization of capitalized interest	232	232
Income as adjusted	$202,978	$190,252
Fixed charges:		
Interest expense	$ 43,734	$ 50,226
Capitalized interest	62	-
Portion of rents representative of the interest factor	12,154	9,415
	$ 55,950	$ 59,641
Ratio of earnings to fixed charges	3.63	3.19

<FN>
(1) The computation of the ratio of earnings to fixed charges has been computed by dividing income 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.