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

F O R M 1 0 - Q

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

For the quarterly period ended June 30, 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 June 30, 1994 is 157,536,593.

Pitney Bowes Inc.
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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 June 30, 1994	1993	Six Months Ended June 30, 1994	1993
Revenue from:				
Sales.	$ 454,130	$ 403,082	$ 870,734	$ 782,400
Rentals and financing.	369,275	339,820	699,995	664,698
Support services	131,456	131,455	260,909	260,683
Total revenue.	954,861	874,357	1,831,638	1,707,781
Costs and expenses:				
Cost of sales.	252,862	215,975	485,523	423,389
Cost of rentals and financing.	129,462	117,114	232,653	218,825
Selling, service and administrative.	347,341	335,478	676,180	654,630
Research and development	23,149	23,293	46,878	49,299
Interest, net.	45,427	43,744	86,926	92,506
Total costs and expenses	798,241	735,604	1,528,160	1,438,649
Income before income taxes	156,620	138,753	303,478	269,132
Provision for income taxes	58,002	51,447	112,998	99,766
Income before effect of a change in accounting for postemployment benefits.	98,618	87,306	190,480	169,366
Effect of a change in accounting for postemployment benefits.	-	-	(119,532)	-
Net income	$ 98,618	$ 87,306	$ 70,948	$ 169,366
Income per common and common equivalent share:				
Income before effect of a change in accounting for postemployment benefits	$ .62	$ .55	$ 1.20	$ 1.07
Effect of a change in accounting for postemployment benefits.	-	-	(.75)	-
Net income	$ .62	$ .55	$ .45	$ 1.07
Average common and common equivalent shares outstanding.	159,117,094	159,001,965	159,349,831	158,958,754
Dividends declared per share of common stock . . .	$ .26	$ .225	$ .52	$ .45
Ratio of earnings to fixed charges	3.69	3.45	3.66	3.32

Pitney Bowes Inc.
Consolidated Balance Sheet
(Unaudited)

(Dollars in thousands)	June 30, 1994	December 31, 1993
Assets		
Current assets:		
Cash and cash equivalents.	$ 79,793	$ 54,653
Short-term investments, at cost which approximates market.	1,351	1,153
Accounts receivable, less allowances: 6/94, $17,202; 12/93, $16,691.	403,822	411,810
Finance receivables, less allowances: 6/94, $35,967; 12/93, $39,488.	978,664	994,998
Inventories (Note 2)	431,796	394,744
Other current assets and prepayments	73,414	79,391
Total current assets	1,968,840	1,936,749
Property, plant and equipment, net (Note 3).	554,855	555,038
Rental equipment and related inventories, net (Note 3).	650,127	641,588
Property leased under capital leases, net (Note 3)	13,200	15,451
Long-term finance receivables, less allowances: 6/94, $80,723; 12/93, $77,024.	2,868,978	2,895,952
Goodwill, net of amortization: 6/94, $37,608; 12/93, $33,640.	228,144	231,309
Other assets	551,580	517,729
Total assets	$6,835,724	$6,793,816
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities (Note 4)	$ 619,049	$ 675,559
Income taxes payable	230,564	200,110
Notes payable and current portion of long-term obligations (Note 4)	2,099,356	2,081,872
Advance billings	329,051	315,840
Total current liabilities.	3,278,020	3,273,381
Deferred taxes on income	353,100	409,660
Long-term debt	803,489	847,316
Other noncurrent liabilities (Note 5).	573,502	391,864
Total liabilities.	5,008,111	4,922,221
Stockholders' equity:		
Cumulative preferred stock, $50 par value, 4% convertible.	53	68
Cumulative preference stock, no par value, $2.12 convertible	2,857	2,969

Common stock, $2 par value	323,338	323,338
Capital in excess of par value	35,098	36,762
Retained earnings	1,663,041	1,674,168
Cumulative translation adjustments	(51,765)	(47,319)
Treasury stock, at cost	(145,009)	(118,391)
Total stockholders' equity	1,827,613	1,871,595
Total liabilities and stockholders' equity	$6,835,724	$6,793,816

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

(Dollars in thousands)

	Six Months Ended June 30, 1994	1993
Cash flows from operating activities:		
Net income	$ 70,948	$ 169,366
Effect of a change in accounting for postemployment benefits	119,532	-
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	141,380	128,931
Nonrecurring charges, net	(344)	(1,552)
Increase in deferred taxes on income	20,094	28,206
Change in assets and liabilities:		
Accounts receivable	7,802	14,968
Sales-type lease receivables	(38,510)	(22,798)
Inventories	(37,797)	(36,542)
Other current assets and prepayments	7,399	(5,073)
Accounts payable and accrued liabilities	(72,216)	(18,462)
Income taxes payable	36,372	(33,102)
Advance billings	13,636	2,785
Other, net	(43,247)	(13,987)
Net cash provided by operating activities	225,049	212,740
Cash flows from investing activities:		
Short-term investments	(198)	255
Net investment in fixed assets	(146,779)	(122,485)
Net investment in direct-finance lease receivables	73,462	171,107
Investment in leveraged leases	966	5,267
Net cash (used in) provided by investing activities	(72,549)	54,144
Cash flows from financing activities:		
Decrease in notes payable	(77,042)	(7,605)
Proceeds from long-term obligations	200,000	-
Principal payments on long-term obligations	(138,713)	(200,292)
Proceeds from issuance of stock	18,008	18,007
Stock repurchases	(48,183)	(5,144)
Dividends paid	(82,075)	(70,841)

Net cash used in financing activities. . . .	(128,005)	(265,875)
Effect of exchange rate changes on cash.	645	6
Increase in cash and cash equivalents.	25,140	1,015
Cash and cash equivalents at beginning of period.	54,653	71,016
Cash and cash equivalents at end of period	$ 79,793	$ 72,031
Interest paid.	$ 89,962	$ 106,111
Income taxes paid.	$ 54,695	$ 99,960

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 June 30, 1994 and the results of its operations and cash flows for the six months ended June 30, 1994 and 1993 have been included. Operating results for the six months ended June 30, 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)	June 30, 1994	December 31, 1993
Raw materials and work in process	$ 110,031	$ 98,647
Supplies and service parts.	106,945	98,773
Finished products	214,820	197,324
Total	$ 431,796	$ 394,744

Note 3:

Fixed assets are comprised of the following:

(Dollars in thousands)	June 30, 1994	December 31, 1993
Property, plant and equipment	$1,172,310	$1,136,849
Accumulated depreciation.	(617,455)	(581,811)
Property, plant and equipment, net.	$ 554,855	$ 555,038

Rental equipment and related inventories	$1,448,412	$1,426,395
Accumulated depreciation	(798,285)	(784,807)
Rental equipment and related inventories, net	$ 650,127	$ 641,588
Property leased under capital leases	$ 40,990	$ 48,792
Accumulated amortization	(27,790)	(33,341)
Property leased under capital leases, net	$ 13,200	$ 15,451

Note 4:

Current liabilities include the following:

(Dollars in thousands)	June 30, 1994	December 31, 1993
Accounts payable and accrued liabilities:		
Accounts payable - trade	$ 133,859	$ 187,480
Accrued salaries, wages and commissions	64,066	94,092
Accrued pension benefits	102,649	80,898
Miscellaneous accounts payable and accrued liabilities	318,475	313,089
Total	$ 619,049	$ 675,559
Notes payable and current portion of long-term obligations:		
Notes payable and overdrafts	$1,921,604	$2,000,364
Current portion of long-term debt	175,242	78,222
Current portion of capital lease obligations	2,510	3,286
Total	$2,099,356	$2,081,872

Note 5:

Other noncurrent liabilities include the following:

(Dollars in thousands)	June 30, 1994	December 31, 1993
Accrued nonpension postretirement benefits	$ 357,407	$ 362,402
Accrued postemployment benefits	188,735	-
Long-term capital lease obligations	27,360	29,462
Total	$ 573,502	$ 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 expense.

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

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

Revenue increased nine percent to $954.9 million in 1994 while net income increased 13 percent to $98.6 million. The second quarter revenue increase included nine percent from growth in volume and one percent from price increases offset, in part, by a one percent unfavorable foreign currency exchange rate impact.

Sales revenue increased 13 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 of the business equipment segment was favorably impacted by strong growth in domestic facsimile supplies to support our growing plain paper equipment base, domestic copier and mailing product placements and improved performance in the mailing business in the U.K. Higher communications recording systems placements were offset by slower dictation equipment and systems sales. Sales revenue from the business supplies and services segment increased significantly reflecting the growth of the facilities management business and the demand for new marking systems products.

Rentals and financing revenue, substantially all of which is in the business equipment and financial services segments, increased nine percent reflecting a greater contribution from sales of finance assets this year than in the prior year's second quarter. In the second quarter of 1994, operating lease assets were sold which produced approximately $27 million in revenue. Financing revenue in 1994 was also impacted by the Company's 1993 decision to phase out the business of financing non-Pitney Bowes equipment outside of the United States. Rental revenue growth reflects higher numbers of postage meters on rental, especially higher yielding Postage By Phone(R) and electronic meters and facsimile machines in service as well as price increases.

Support services revenue, most of which is derived from the business equipment segment, was unchanged from the prior year. Expansion of the U.S. mailing and shipping service bases was offset by a decline in the number of low-end copier equipment maintenance agreements. Price increases were offset by unfavorable foreign currency exchange rate impacts.

The cost of sales to sales revenue ratio increased to 55.7 percent in 1994 from 53.6 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, offset to a degree by favorable overhead absorption in the business equipment segment. The cost of rentals and financing to rentals and financing revenue ratio increased to 35.1 percent from 34.5 percent as a result of asset sales which included $25.2 million of cost from sales of operating lease assets in 1994. In the second quarter of 1993, gains on the sales of finance assets substantially offset additional loss provisions of $14.4 million required for the Company's German leasing business.

The Company has completed its inquiry and evaluation, begun in 1993, of the assets and liabilities of its German leasing business. At this time, the Company believes that sufficient reserves for credit losses are in place to provide for currently expected losses. As part of the orderly liquidation of assets from leasing non-Pitney Bowes products in Germany, the Company continues to bill and collect accounts and repossess and remarket collateral where possible. These activities are expected to continue for the remainder of the lease terms.

The Company is scrutinizing the circumstances surrounding the losses. German authorities have undertaken criminal proceedings with respect to the conduct of certain German lessees of non-Pitney Bowes products and, at the request of the Company, with respect to the disposition of the Company's German leasing business assets. These proceedings include the former general manager of the Company's German leasing business and others involved in that business. The principals of one of the Company's large German leasing accounts have been convicted of fraud against the Company and others. The Company is examining and evaluating additional actions it may take against former management personnel of its German leasing business.

The Company's management continues to believe 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.

Selling, service and administrative expenses were 36.4 percent of revenue in 1994 compared with 38.4 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 coupled with favorable benefit costs and continued cost containment programs throughout the Company.

Research and development expenses decreased one percent to $23.1 million in 1994 from $23.3 million in 1993. This decline primarily reflects higher engineering support for recently introduced products which costs are included in cost of sales. These expenses reflect continued investment in advanced product development with continued focus on electronic technology and software development.

Net interest expense increased four percent to $45.4 million in 1994 from $43.7 million in 1993 due to higher short-term interest rates and average borrowing levels in 1994. It is anticipated that this unfavorable comparison will continue as interest rates rise.

The second quarter 1994 effective tax rate was 37.0 percent compared with 37.1 percent in the second quarter of 1993. Higher levels of tax-exempt income were offset, in large part, by the higher U.S. statutory rate.

Results of Operations - first six months of 1994 vs. first six months of

1993

For the first six months of 1994 compared with the same period of 1993, revenue increased seven percent while income before the one-time effect of a change in accounting for postemployment benefits increased 12 percent to $190.5 million. 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.

The factors that affected revenue and earnings performance included those cited for the second quarter 1994 versus 1993. Additionally, in the first quarter of 1993, the business equipment segment's performance was enhanced by PROM sales primarily resulting from parcel rate changes.

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 June 30, 1994, this ratio was .60 to 1 compared to .59 to 1 at year-end 1993. The increase in this ratio resulted primarily from an increase in inventory levels.

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 remain available at June 30, 1994. The Company also has an additional $300 million remaining on shelf registrations filed with the Securities and Exchange Commission.

Pitney Bowes Credit Corporation (PBCC) has $400 million available from a $500 million shelf registration statement filed 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 July 1994, PBCC exercised the option to redeem $100 million of 10.125 percent notes due in 1997, on September 15, 1994. Accordingly, the Company reclassified this amount to the current portion of long-term debt. PBCC currently anticipates funding this redemption through short-term borrowings. The Company continues to use a balanced mix of debt maturities, variable- and fixed-rate debt and interest rate swaps to control the sensitivity of interest rate volatility.

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 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 61.6 percent at June 30, 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 $48.2 million of common stock partly offset by the reduction in overall borrowing levels. Book value per common share declined to $11.58 at June 30, 1994 from $11.81 at year-end 1993 primarily as a result of the first quarter 1994 adoption of FAS 112.

During the period August 1 to August 10, 1994 the Company repurchased approximately 630,000 shares of common stock at a total cost approximating $23 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 six months of 1994, net investments in fixed assets included $49.1 million in net additions to property, plant and equipment and $87.6 million in net additions to rental equipment and related inventories compared with $44.3 million and $78.1 million, respectively, in the same period in 1993. These additions included expenditures for a new facility the Company is building to house its Shipping and Weighing Division in Shelton, Connecticut as well as normal plant and manufacturing equipment. In the case of rental equipment, the additions included the production of postage meters for both new placement and upgrade programs.

At June 30, 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. Also, it includes the above mentioned new Shipping and Weighing facility 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 financing. At June 30, 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 4: Submission of Matters to a Vote of Security Holders.

Below are the final results of the voting at the annual meeting of shareholders held on May 9, 1994:

Proposal 1 - Election of Directors

Nominee	For	Withheld
William E. Butler	133,462,058	834,414
David T. Kimball	133,462,914	833,558
Leroy D. Nunery	133,402,924	893,548
Arthur R. Taylor	133,493,768	802,704

Proposal 2 - Appointment of Price Waterhouse as Independent Accountants

For	Against	Abstain
133,637,568	237,244	421,660

There were no broker non-votes on either proposal.

The following other directors continued their term of office after the annual meeting:

Linda G. Alvarado	George B. Harvey
Colin G. Campbell	Charles E. Hugel
John C. Emery, Jr.	Phyllis S. Sewell

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 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 June 30, 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.

August 15, 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

Exhibit (i)

(Dollars in thousands, except per share data)	Three Months Ended June 30, 1994	Three Months Ended June 30, 1993	Six Months Ended June 30, 1994	Six Months Ended June 30, 1993
Primary				
Income before effect of a change in accounting for postemployment benefits (1)	$ 98,618	$ 87,305	$ 190,479	$ 169,364
Effect of accounting change	-	-	(119,532)	-
Net income applicable to common stock	$ 98,618	$ 87,305	$ 70,947	$ 169,364
Weighted average number of common shares outstanding	157,752,918	157,314,349	157,918,406	157,250,716
Preference stock, $2.12 cumulative convertible	850,662	911,918	860,118	920,598
Stock option and purchase plans	513,514	775,698	571,307	787,440
Total common and common equivalent shares outstanding	159,117,094	159,001,965	159,349,831	158,958,754
Income per common and common equivalent share - primary:				
Income before effect of a change in accounting for postemployment benefits	$ .62	$ .55	$ 1.20	$ 1.07
Effect of accounting change	-	-	(.75)	-
Net income	$ .62	$ .55	$ .45	$ 1.07
Fully Diluted				
Income before effect of a change in accounting for postemployment benefits	$ 98,618	$ 87,306	$ 190,480	$ 169,366
Effect of accounting change	-	-	(119,532)	-
Net income applicable to common stock	$ 98,618	$ 87,306	$ 70,948	$ 169,366
Weighted average number of common shares outstanding	157,752,918	157,314,349	157,918,406	157,250,716
Preference stock, $2.12 cumulative convertible	850,662	911,918	860,118	920,598
Stock option and purchase plans	522,388	780,932	592,135	794,162
Preferred stock, 4% cumulative convertible	15,235	25,888	15,804	25,925
Total common and common equivalent shares outstanding	159,141,203	159,033,087	159,386,463	158,991,401
Income per common and common equivalent share - fully diluted:				
Income before effect of a change in accounting for postemployment benefits	$ .62	$ .55	$ 1.20	$ 1.07
Effect of accounting change	-	-	(.75)	-
Net income	$ .62	$ .55	$ .45	$ 1.07

<FN>
(1) Income before effect of a change in accounting for postemployment benefits was adjusted for preferred dividends.

Exhibit (ii)

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

(Dollars in thousands)

	Three Months Ended June 30, 1994	Three Months Ended June 30, 1993	Six Months Ended June 30, 1994	Six Months Ended June 30, 1993
Income before income taxes	$156,620	$138,753	$303,478	$269,132
Add:				
Interest expense	46,703	47,010	90,437	97,236
Portion of rents representative of the interest factor	11,558	9,709	23,712	19,124
Amortization of capitalized interest	231	231	463	463
Income as adjusted	$215,112	$195,703	$418,090	$385,955
Fixed charges:				
Interest expense	$ 46,703	$ 47,010	$ 90,437	$ 97,236
Capitalized interest	110	-	172	-
Portion of rents representative of the interest factor	11,558	9,709	23,712	19,124
	$ 58,371	$ 56,719	$114,321	$116,360
Ratio of earnings to fixed charges	3.69	3.45	3.66	3.32

<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.