

FIRST-QUARTER 2009 SALES IN LINE WITH EXPECTATIONS:

- Sales up 3.9%, or 0.8% at constant exchange rates

OUTLOOK FOR 2009 UNCHANGED:

- Sales growth expected at between 1% and 3% at constant exchange rates
- Current operating margin¹ of at least 25.7% of sales in 2009

Paris, 2 June 2009

Neopost, the European leader and the world's number-two supplier of mailroom solutions, today announced consolidated sales of €229.2 million for the first quarter of the 2009 financial year (ended 30 April 2009), a 3.9% increase relative to the year-earlier period. At constant exchange rates, sales were up 0.8%.

Denis Thiery, CEO of Neopost, stated: *"As expected, in very tough economic conditions, the first quarter was difficult in Europe, whilst we generated satisfactory growth in North America. Overall, our sales are holding up well, thanks to growth in recurring revenue, which has offset the expected fall in equipment sales."*

Sales by region

€ million	Q1 2009	Q1 2008	Change	Change at constant exchange rates
North America	88.8	72.0	+23.3%	+6.2%
France	69.3	70.1	-1.1%	-1.1%
UK	27.8	33.5	-17.1%	-3.6%
Germany	17.2	18.2	-5.3%	-4.0%
Rest of the world	26.1	26.7	-2.6%	-0.2%
Total	229.2	220.5	+3.9%	+0.8%

(Unaudited figures)

North America

First-quarter 2009 sales grew 6.2% at constant exchange rates relative to the first quarter of 2008, which represented a fairly low basis of comparison. This performance was driven by healthy recurring revenue and confirmation of the success of the new IS range of mailing systems.

¹ Current operating income/sales

France

Thanks to the high proportion of recurring revenues, particularly rental income, first-quarter 2009 sales held up relatively well, dropping by only 1.1% relative to sales in the first quarter of 2008.

UK

In an equipment sales market, which is traditionally more volatile, first-quarter 2009 sales were down 3.6%, at constant exchange rates, relative to the first quarter of 2008.

Germany

In another equipment sales market, sales fell 4.0% at constant exchange rates compared to a very strong first quarter in 2008. This performance was mainly affected by a marked fall in sales of document management systems under the OEM contract.

Rest of world

Sales in the first quarter of 2009 were stable relative to the year-earlier period. Sales from the Group's European subsidiaries grew thanks to a strong rise in recurring revenue and the successful integration of distributors acquired in 2008, whilst export sales, which are more variable from one quarter to the next, fell.

Breakdown of sales by business line and activity

<i>€ million</i>	Q1 2009	Q1 2008	Change	Change at constant exchange rates
Equipment sales	63.9	70.7	-9.7%	-10.8%
Recurring revenues	165.3	149.7	+10.3%	+6.3%
Total	229.2	220.5	+3.9%	+0.8%

(Unaudited figures)

In an economic environment which, on the one hand, encourages a cautious approach towards decisions to purchase or renew equipment and, on the other hand, is less favourable to the upgrading of configurations, equipment sales fell by 10.8% (at constant exchange rates) over the first quarter. By contrast, reflecting Neopost's efforts in recent years to boost sales of services (leasing, postage financing and maintenance) and consumables, recurring revenues continued to grow, rising 6.3% (at constant exchange rates). In the first quarter, recurring revenues accounted for 72.1% of total Group sales.

<i>€ million</i>	Q1 2009	Q1 2008	Change	Change at constant exchange rates
Mailing systems	173.3	159.8	+8.5%	+4.2%
Document and logistics systems	55.9	60.7	-8.1%	-8.1%
Total	229.2	220.5	+3.9%	+0.8%

(Unaudited figures)

Sales of mailing systems are underpinned by a high level of recurring revenue and by the gradual roll-out of the new IS product range. This activity generated sales growth of 4.2% at constant exchange rates, and accounted for 75.6% of total Group sales. Sales from document management and logistics systems, where recurring revenues make up a smaller proportion of the total, fell 8.1% at constant exchange rates in the first quarter.

Other key events

The optimisation programme launched in 2008 is continuing as planned. The US R&D centres have been merged and a series of measures have been taken to rationalise the supply chain. The third element of this programme, the reorganisation of sales structures in the USA, is progressing well. The two existing headquarters (Neopost and Hasler) are being merged in Milford, Connecticut. The merger of call centre activities in Dallas, Texas will be completed by the end of the second quarter. Lastly, the unification of IT systems is still programmed to be completed by end-2010. Total expenditure on this programme is in line with the provisions booked in 2007 accounts, and the Group confirms that it expects cost savings of between €6 million and €7 million per year by 2010.

Results and financial situation

The trend in current operating margin over the first three months of the financial year was in line with the Group's expectations for the year as a whole.

The Group's financial situation is solid. Debt remains entirely dedicated to funding leasing, postage financing and rental activities.

Unchanged outlook

The 2009 financial year is progressing as anticipated. Under these circumstances, and barring a further worsening of market conditions, the Group confirms its sales growth target of between 1% and 3% on 2008 sales, at constant exchange rates.

The Group also confirmed its expectation of current operating margin of at least 25.7% of sales in 2009.

Denis Thiery concluded: *"The solidity of our business model has allowed us to continue to grow despite very testing economic conditions. In such circumstances we are remaining true to our strategy and continuing to prepare for the future by rolling out our new IS range, continuing to invest in R&D, efficiently pursuing the reorganisation of our structures, notably in the USA, and actively strengthening our distribution network."*

Calendar of events

The Annual General Meeting of shareholders will be held on 7 July 2009 in Paris. Sales figures for the second quarter will be published after the market closes on 1 September 2009.

ABOUT NEOPOST

NEOPOST IS THE EUROPEAN LEADER and number two world-wide supplier of mailing solutions. It has a direct presence in 15 countries, with 5.400 employees and annual sales of €918 million in 2008. Its products and services are sold in more than 90 countries, and the Group has become a key player in the markets for mailroom equipment and logistics solutions.

Neopost supplies the most technologically advanced solutions for franking, folding/ inserting and addressing as well as logistics management and traceability. Neopost also offers a full range of services, including consultancy, maintenance and financing solutions.

Neopost is listed in the A compartment of Euronext Paris.

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