

EXCELLENT BUSINESS LEVEL IN Q2 2005:

- Sales up 13.0% on a like-for-like basis¹ and at constant exchange rates (up 10.9% over the first half¹)

CONFIDENCE IN 2005 SALES GROWTH FORECASTS BOLSTERED

Paris, 6 September 2005 - Neopost, the European leader and number two world-wide supplier of mailing solutions, today announced consolidated sales of €209.9m for the second quarter of its 2005 financial year (three months ended 31 July 2005). On a like-for-like basis¹ and at constant exchange rates, sales were 13% higher than in the same year-ago period. Over the first six months of FY 2005, Neopost's sales totalled €404.4m, a rise of 10.9% on a like-for-like basis¹ at constant exchange rates.

Jean-Paul Villot, Neopost's chairman and chief executive officer, made the following comments: "During the second quarter of 2005, all our markets experienced robust growth. We again turned in a very handsome performance, thereby confirming the quality of our range and the professionalism of our staff. Neopost's growth continues to beat the sector average in a market that is now being buoyed by decertification programmes, especially in North America".

Sales

Millions of euros	Q2 2005	Q2 2004	Change	Change (excl. currency effect)		H1 2005	H1 2004	Change	Change (excl. currency effect)
North America	81.6	75.0	+8.8%	+9.4%		154.7	145.5	+6.3%	+9.4%
France	63.6	57.8	+10.0%	+10.0%		123.7	116.0	+6.7%	+6.7%
UK	29.7	26.2	+13.5%	+15.8%		58.2	55.2	+5.6%	+8.0%
Germany	13.4	11.2	+19.0%	+19.1%		26.9	22.4	+20.2%	+20.3%
Rest of the world	21.6	16.6	+30.8%	+30.9%		41.0	30.9	+32.4%	+32.9%
Total¹	209.9	186.8	+12.4%	+13.0%		404.4	370.0	+9.3%	+10.9%
Non-core business of Stielow (sold)	-	0.7	-	-		-	1.0	-	-
Total reported sales	209.9	187.5	+12.0%	+12.6%		404.4	371.0	+9.0%	+10.6%

In North America, excluding the currency effect, sales growth was 9.4% in both the second quarter and the first half of 2005. Neopost continues to grow faster than the market owing to its well-positioned, competitive products, which are allowing it to capitalise on ongoing decertification programmes in the US and Canada.

In France, sales rose by 10% in the second quarter. This exceptional performance is attributable to the postal rate change over the period, which produced a far stronger impact than the one in the second quarter of 2004. Over the first half, sales expanded by 6.7%.

¹ Excluding the non-core businesses of Stielow ('document processing'), which were sold in March 2004.

In the UK, after a first quarter that was adversely affected by an unfavourable basis of comparison, growth returned and is again visible in the second quarter. It was further boosted by a postal rate change over the period. At constant exchange rates, sales growth was 15.8% in the second quarter and 8% in the first half.

In Germany, Neopost confirmed its recovery, with sales growth of 19.1% in the second quarter and of 20.3% in the first half. Business was robust, mainly due to the financial incentive programme that the German postal service instituted to encourage the installation of new franking machines. This programme has now ended.

In the rest of the world, Neopost's business was extremely brisk, with sales growth of 30.9% in the quarter and of 32.9% in the first six months, at constant exchange rates. The Dutch subsidiary and Swiss distributors, which are benefiting from decertification programmes, turned in the strongest performance. The Belgian and Italian subsidiaries also posted double-digit growth.

Confidence in 2005 sales growth forecasts bolstered

Neopost's very good performance in the second quarter of 2005 bolsters the company's confidence in its forecasts. The group now expects sales growth to exceed 7% over the full year 2005, on a like-for-like basis and at constant exchange rates.

Even while business is set to remain solid, growth in the second half of 2005 will be lower than in the first half (by comparison with the same year-ago periods, on a like-for-like basis and at constant exchange rates), due to the very high basis of comparison in the second half of 2004.

The excellent performance in the first half also induces Neopost to be even more confident in its ability to meet its profitability target, i.e. to increase its operating margin to 24% in 2005.

In conclusion, Jean-Paul Villot said: *"We predicted that technological changes would generate growth opportunities for our industry. Quarter after quarter, we are extremely pleased to confirm that Neopost is making the most of these opportunities, thanks to its products, its staff and a strategy that hits the mark. We are extremely confident in 2005 and the following years"*.

Calendar

First-half results will be released on 4 October 2005 after the stock market closes.

Third-quarter sales are scheduled to be published on 6 December 2005 after the stock market closes.

Neopost

Neopost is the European leader and number two world-wide supplier of mailroom equipment and logistics solutions. Neopost offers the most advanced solutions for online or off-line postage, large volume mail insertions, occasional parcel delivery and logistics management and traceability.

Headquartered near Paris, France, Neopost has a direct presence in the world's top mailing and logistics markets, i.e. the US, France, the UK, Germany, Canada, the Netherlands, Italy, Belgium, Ireland, Japan, Norway and Spain. Neopost products are sold in 90 countries.

In 2004, Neopost posted sales of €756m and a net income of €109m. In 2002, Neopost acquired Ascom Hasler, the world number three supplier of mailing solutions, and Stielow, Germany's leading supplier of folder/inserters.

Neopost is listed on the Eurolist by Euronext Paris and is a constituent of the CAC Next20 and CACIT20 indices.

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