PRESS RELEASE

2012: A YEAR OF SIGNIFICANT EXPANSION IN BUSINESSES NOT RELATED TO MAIL

- **2012 sales: €1,070 million, up 2.5% excluding currency effects**
- **2012 current operating margin[1] before acquisition-related expenses maintained at almost 25% of sales**
- **2012 net margin[2]: 15.0% of sales**
- **Proposed dividend unchanged at €3.90 per share**

2013 OUTLOOK

- **2013 sales expected to grow by at least 5% excluding currency effects**
- **Current operating margin before acquisition-related expenses expected to be over 25% for Neopost Integrated Operations[3] and over 12% for CSS Dedicated Units[3]**

Paris, 26 March 2013

Neopost, the European leader and number two world-wide supplier of mailing solutions, today released its full-year results for 2012 (12-month period ended 31 January 2013).

In 2012, the Group generated sales of €1,070.0 million, up 6.7% relative to 2011 or 2.5% excluding currency effects. In particular, Neopost's sales were boosted by the acquisitions of the distributor GBC Australia (consolidated since June 2011), GMC Software Technology, a company specialising in Customer Communication Management (consolidated since July 2012) and Human Inference, which specialises in data quality (consolidated since December 2012).

Current operating income amounted to €266.7 million in 2012 before acquisition-related expenses, up from €256.5 million in 2011. 2012 current operating margin [1] before acquisition-related expenses was 24.9% versus 25.6% in 2011.

After acquisition-related expenses of €6.8 million, a €4.0 million provision for optimisation charges following the integration of GMC Software Technology and an increase in tax expenses, net attributable income rose from €153.6 million in 2011 to €160.6 million in 2012, giving a net margin[2] of 15.0% as opposed to 15.3% in 2011.

Denis Thiery, Chairman and Chief Executive Officer of Neopost, said: ***"Just one year ago, we were formulating our new strategy. In line with this strategy, we have made strategic acquisitions in Customer Communication Management and Data Quality. The last 12 months have also shown the resilience of our mail-related businesses, along with the strong momentum of our Communication & Shipping Solutions activities. As a result, Neopost resumed firm organic growth at the end of 2012. At the same time, we were able to keep operating margin at almost 25%, and to maintain a very strong financial position while also investing heavily. This means that we are again able to provide a substantial return to our shareholders through a dividend that equates to a yield of over 8%."***

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[1] Current operating margin before acquisition-related expenses = current operating income before acquisition-related expenses/sales
[2] Net margin = net attributable income /sales
[3] See glossary page 6

(in € million)	2012	2011	Change
Sales	**1,070.0**	**1,002.6**	+6.7%[4]
Current operating income before acquisition-related expenses	**266.7**	**256.5**	+4.0%
% of sales	*24.9%*	*25.6%*	-
Current operating income	**259.9**	**256.5**	+1.3%
% of sales	*24.3%*	*25.6%*	-
Optimisation expenses and others	(4.1)	(19.5)	-
Net income	**161.3**	**154.6**	+4.3%
% of sales	*15.1%*	*15.4%*	
Net attributable income	**160.6**	**153.6**	+4.6%
% of sales	*15.0%*	*15.3%*	
Reported earnings per share	**4.74**	**4.71**	+0.6%
Diluted earnings per share	**4.52**	**4.50**	+0.4%

Breakdown of 2012 sales

2012 sales rose by 6.7% to €1,070.0 million, an increase of 2.5% at constant exchange rates.

Sales were boosted by the acquisitions of GBC Australia (consolidated since June 2011), GMC Software Technology (consolidated since July 2012) and Human Inference (consolidated since December 2012). On the other hand, compared with last year, sales suffered from lower revenues from postal rate changes in several countries.

In **North America,** sales decreased by 2.5% excluding currency effects and in **France** by 7.4%. In North America, to address the temporary decline in the number of leasing contracts coming to an end between two waves of decertification echoes, the Group redeployed its sales force to focus on folders/inserters, which mitigated the decrease in equipment sales. In France, the new organisation implemented following the combination of distribution subsidiaries caused some disruption to sales operations, but the situation gradually improved throughout 2012.

In other markets, sales rose by 2.0% at constant exchange rates in the **United Kingdom**, by 6.0% in **Germany** and by 29.6% at constant exchange rates in the **Rest of the World.** This strong growth resulted from the consolidation of GMC Software Technology and Human Inference, along with good performances in Asia-Pacific.

Equipment sales were almost unchanged in 2012, rising by 0.4% at constant exchange rates. The lower equipment sales in North America and in France were mitigated by the consolidation of GMC Software Technology (licence sales), and the good results recorded in Asia-Pacific.

Recurring revenue rose by 3.4% at constant exchange rates, due in particular to growth in leasing and the consolidation of GMC Software Technology and Human Inference (maintenance and service revenue).

[4] +2.5% at constant exchange rates

Mailing systems sales fell by 2.1% at constant exchange rates in 2012, due to lower revenue from postal rate changes and the end of the echo effect from the 2006 decertification programmes in North America. Mailing systems accounted for 65% of the Group's total sales in 2012.

Sales of **document and logistics systems** continued to grow, rising by 12.1% at constant exchange rates due to the Group's competitive products and services and the positive impact of consolidating GMC Software Technology and Human Inference.

Communication & Shipping Solutions (businesses not related to mail) saw strong growth in 2012. They accounted for 13% of Group sales in 2012 versus 8% in 2011. This substantial increase is the result of organic growth momentum in these businesses, along with the successful integration of two acquisitions - GMC Software Technology and Human Inference - where sales growth was strong.

Current operating income

Current operating income before acquisition-related expenses was €266.7 million in 2012, versus €256.5 million in 2011. Current operating margin before acquisition-related expenses remained at a high level. It reached 24.9% compared to 25.6% in 2011.

The variation in operating margin was mainly due to lower revenue from postal rate changes, the dilutive effect of growth in Asia-Pacific and at GMC Software Technology, and investments in rolling out a specific distribution channel to cover entry-level equipment. Higher social contributions related to pension, employee profit-sharing and incentive plans in France also dragged down operating income.

The Group's current operating margin before acquisition-related expenses reflects:

- a margin of over 25% in Neopost Integrated Operations[5];
- a margin of over 12% in CSS Dedicated Units[5].

Current operating income was €259.9 million in 2012, versus €256.5 million in 2011. Acquisition-related expenses amounted to €6.8 million in 2012, whereas they were non-existent in 2011.

Optimisation plans

During 2011, the Group launched a plan to optimise its operations in the United States and Europe, with the aim of continuing to streamline its organisation and creating fresh impetus. Implementation of this plan is now complete.

The Group has started to see the positive effects of this optimisation plan, and confirms that it should generate annual savings of around €7-8 million from 2013.

More recently, following the acquisition of GMC Software Technology, the Group decided to combine its teams working on document composition software with those of GMC Software Technology, and to close its operations in Ruti, Switzerland. A provision of €4 million has been set aside in the 2012 financial statements. This new organisational optimisation should yield more than €2 million of savings from 2014.

[5] Glossary page 6

Higher net income

The net cost of debt rose slightly from €30.4 million in 2011 to €31.2 million in 2012. Foreign exchange gains and other financial items resulted in income of €0.8 million in 2012 as opposed to €2.8 million in 2011. Overall, net financial income totalled €30.4 million in 2012 versus €27.6 million in 2011.

The average tax rate increased, due in particular to a rise in certain tax charges in France. It was 28.6% in 2012, up from 26.5% a year previously.

Net income was €161.3 million, up 4.3% on 2011. Net attributable income came in at €160.6 million, versus €153.6 million in 2011.

Refinancing efforts complete

As planned, the Group completed its refinancing programme in 2012. It fulfilled its aim of arranging new sources of financing to replace the Crédit Agricole private placement due to mature in December 2012 (€133 million) and the multi-currency revolving syndicated credit facility expiring in June 2013 (€675 million).

Between June 2012 and January 2013, the Group raised €867 million and $270 million as follows:

- a $175 million bond issue in the form of a private placement with various insurance companies in the United States, with maturities of between 4 and 10 years;
- a €150 million issue of bonds placed with several French insurance companies including AXA, with a 5-year maturity;
- $95 million and €67 million of German-law Schuldschein bonds placed with European and Asian investors, with a 4-year maturity;
- a €150 million issue of bonds to qualified investors in France, with a 7-year maturity;
- a new €500 million revolving euro/dollar credit facility with a 5-year term, replacing the aforementioned multi-currency revolving syndicated credit facility expiring in June 2013.

After refinancing, the average interest rate of funding was just under 4%. The average maturity of its debt was also significantly extended, rising from less than 2 years to more than 4 years.

Stronger financial position

Cash flow before net cost of debt and income tax is very high and strongly recurring. It reached €328.7 million in 2012, up 1.4% relative to 2011.

Leasing receivables amounted to €645.4 million at 31 January 2013 versus €616.9 million at 31 January 2012, an increase of 4.90% at constant exchange rates.

The Group also acquired GMC Software Technology and Human Inference and paid out €98.6 million of dividends to its shareholders.

At 31 January 2013, net debt was €791.5 million. The increase of €117.9 million relative to 31 January 2012 corresponded to the cost of the two acquisitions.

The Group's net debt finances the equipment used by its customers, and is more than covered by future cash flows from the leasing and rental businesses.

At 31 January 2013, shareholders' equity was €746.6 million, substantially higher than the year-earlier figure of €696.8 million. This increase was due to net income generated during the year and the creation of new shares relating to the 2011 dividend, which was partly paid in shares.

As a result, gearing ended the period at 106% as opposed to 97% a year earlier. The leverage ratio (Net debt/EBITDA) rose to 2.3 as opposed to 2.1 in 2011. The Group comfortably complied with its banking covenants.

At 31 January 2013, the Group had €452 million of undrawn credit facilities.

Unchanged dividend

Based on the Group's strong cash flow, the Board of Directors has decided to ask the 2 July 2013 shareholders' meeting for its approval to pay a total dividend of €3.90 per share in respect of the 2012 financial year. If the total dividend is approved, the final dividend paid in July 2013 will be €2.10 per share, since the Group paid an interim dividend of €1.80 per share on 23 January 2013. The final dividend with respect to 2012 will be paid entirely in cash, as was the case with the interim dividend.

The Group plans to maintain a high dividend in 2013 and to continue its interim dividend policy.

2013 outlook

In mail-related businesses (Mail solutions), Neopost should see improved performance in the United States and France in 2013, along with further expansion in Asia-Pacific. As regards businesses not related to mail (Communication & Shipping Solutions), the Group anticipates further organic growth along with commercial synergies arising from the integration of recently acquired companies, i.e. GMC Software Technology and Human Inference[6]. Overall, although economic conditions are likely to remain tough, the Group expects sales to rise by at least 5% excluding currency effects in 2013.

On the earnings front, the Group expects current operating margin[1] before acquisition-related expenses to be:

- over 25% in Neopost Integrated Operations,
- over 12% in CSS Dedicated Units.

Denis Thiery concluded: ***"We are very confident regarding 2013 and the next few years. Neopost is continuing to develop its mail-related businesses, with a focus on innovating, expanding geographically and developing services. Our range of Communication & Shipping Solutions shows exciting growth potential. In addition to the organic growth being achieved by dedicated units like GMC Software Technology, Human Inference, Satori and Neopost ID - which mainly work with large corporations - we are also able to adapt and roll out their complex technologies across our traditional customer base. This enables us to offer an enhanced range of solutions to our 800,000-strong customer base in mail related activities along with tools and services dealing with communication flows, data quality and parcel shipping and tracking."***

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[6] 2012 sales will integrate €24 million related to 5 months of GMC Software Technology and 10 months of Human Inference.

Glossary :

- Mail Solutions : Mailing systems, document systems (desktop, professional, production folder/inserters; other mailroom equipments) and related services
- Communication & Shipping Solutions (CSS) : Data quality, Customer Communication Management, shipping solutions, print finishing and graphic solutions
- Neopost Integrated Operations : Neopost operating companies engineering, producing and distributing Neopost products and services
- CSS Dedicated Units : Neopost ID, Satori, Human Inference, GMC Software Technology

Calendar

First-quarter sales figures will be published on 3 June 2013 after the market close.

ABOUT NEOPOST

NEOPOST IS THE EUROPEAN LEADER and the number two world-wide supplier of mailing solutions. It has a direct presence in 29 countries, with 5,900 employees and annual sales of €1.070 billion in 2012. Its products and services are sold in more than 90 countries. The Group is 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 and belongs notably to the SBF 120 index.

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2012

Consolidated income statement

€ million	2012 (year ended 31/01/2013)		2011 (year ended 31/01/2012)	
Sales	**1,070.0**	***100.0%***	**1,002.6**	***100.0%***
Cost of sales	(238.0)	*(22.2)%*	(222.3)	*(22.2)%*
Gross income	**832.0**	***77.8%***	**780.3**	***77.8%***
R&D expenses	(33.0)	*(3.1)%*	(30.0)	*(3.0)%*
Selling expenses	(269.1)	*(25.2)%*	(246.1)	*(24.6)%*
Administrative expenses	(165.2)	*(15.4)%*	(151.8)	*(15.1)%*
Maintenance and other expenses	(89.8)	*(8.4)%*	(86.4)	*(8.6)%*
Employee profit-sharing and share-based payments	(8.2)	*(0.8)%*	(9.5)	*(0.9)%*
Current operating income before acquisition-related expenses	**266.7**	***24.9%***	**256.5**	***25.6%***
Acquisition-related expenses	(6.8)	(0.6)%	-	-
Current operating income	**259.9**	***24.3%***	**256.5**	***25.6%***
Gain/(losses) on disposals and others	(0.1)	-	-	-
Optimisation expenses	(4.0)	(0.4)%	(19.5)	*(1.9)%*
Operating income	**255.8**	***23.9%***	**237.0**	***23.7%***
Net financial income/(expense)	(30.4)	*(2.8)%*	(27.6)	*(2.8)%*
Income before taxes	**225.4**	***21.1%***	**209.4**	***20.9%***
Income taxes	(64.5)	*(6.0)%*	(55.4)	*(5.6)%*
Income from associates	0.4	-	0.6	*0.1%*
Net income	**161.3**	***15.1%***	**154.6**	***15.4%***
Non-controlling interests	0.7	*0.1%*	1.0	*0.1%*
Net attributable income	**160.6**	***15.0%***	**153.6**	***15.3%***

2012

Condensed balance sheet

ASSETS (€ million)	31 January 2013	31 January 2012
Goodwill	978.6	803.8
Intangible assets	146.8	91.7
Property, plant and equipment	138.8	139.6
Other non-current financial assets	45.6	37.3
Leasing receivables	645.4	616.9
Other non-current receivables	3.5	11.5
Deferred tax assets	9.3	12.6
Inventories	68.9	67.5
Trade receivables	203.3	195.0
Other current assets	87.2	95.1
Financial instruments	0.4	0.1
Cash and cash equivalents	158.1	171.8
TOTAL ASSETS	**2,485.9**	**2,242.9**

LIABILITIES (€ million)	31 January 2013	31 January 2012
Shareholders' equity	746.6	696.8
Non-current provisions	17.9	12.9
Non-current financial debt	873.5	306.3
Other non-current liabilities	37.4	12.6
Current financial debt	76.1	539.1
Deferred tax liabilities	125.8	100.7
Non-current financial instruments	3.5	7.4
Prepaid income	219.8	204.8
Current financial instruments	1.1	3.3
Other current liabilities	384.2	359.0
TOTAL EQUITY AND LIABILITIES	**2,485.9**	**2,242.9**

2012

Simplified cash flow statement

€ million	**2012**	**2011**
EBITDA	**336.9**	**319.1**
Adjustments to reconcile EBITDA to cash flow	(8.2)	5.2
Cash flow before net cost of debt and income tax	**328.7**	**324.3**
Change in the working capital requirement	(18.8)	(4.9)
Net change in leasing receivables	(30.7)	(32.7)
Cash flow from operating activities	**279.2**	**286.7**
Interest and tax paid	(72.6)	(60.1)
Net cash flow from operating activities	**206.6**	**226.6**
Capital expenditure	(91.9)	(71.4)
Purchases of securities and granting of loans	(132.2)	(52.9)
Disposals of assets and other	13.6	9.0
Net cash flow from investing activities	**(210.5)**	**(115.3)**
Increases in capital	0.5	1.7
Dividends	(98.6)	(76.7)
Change in debt and other	116.3	3.8
Net cash flow from financing activities	**18.2**	**(71.2)**
Impact of exchange rates on cash	(28.7)	(3.0)
Change in net cash position	**(14.4)**	**37.1**