

Q1 LEVEL OF ACTIVITY IN LINE WITH THE 2010 PLAN:

- Sales down 0.4% at constant exchange rates
- Return to growth in equipment sales

FULL-YEAR 2010 OUTLOOK UNCHANGED:

- Sales to grow by between 0% and 2% at constant exchange rates
- 2010 current operating margin¹ to reach 25.7% of sales

Paris, 1 June 2010

Neopost, the European leader and the world's number-two supplier of mailroom solutions, today announced consolidated sales of €227.0 million for the first quarter of the 2010 financial year (ended 30 April 2010), a fall of 0.9% in comparison with the first quarter of 2009. At constant exchange rates, the decline in sales was 0.4%.

Denis Thiery, Chairman and Chief Executive Officer of Neopost, stated: **"As anticipated, the first quarter saw an acceleration of growth in the North American market, while in Europe the market was still tough but has been stabilising. Overall, our sales were in line with the scenario determined at the beginning of the year."**

Sales by region

€ million	Q1 2010	Q1 2009	Change	Change at constant exchange rates
North America	92.2	88.8	+ 3.9%	+ 6.8%
France ²	61.6	69.3	- 11.1% ²	- 11.1% ²
United Kingdom	27.4	27.8	- 1.3%	- 3.2%
Germany	17.1	17.2	- 0.9%	- 1.1%
Rest of World	28.7	26.1	+ 10.0%	+ 6.8%
Total	227.0	229.2	- 0.9%	- 0.4%

(Unaudited)

¹ Current operating income / sales

² Some maintenance revenue invoiced in the first quarter last year will not be invoiced until the second and third quarters this year. This has led to a sharply negative change in sales in France in the first quarter of 2010 relative to the same period in 2009.

North America

First quarter 2010 sales were up 6.8% at constant exchange rates relative to the same period in 2009. This performance was due in particular to the commercial success of our product ranges, positive momentum arising from the reorganisation of our operations last year and the integration of Satori.

France

First quarter 2010 sales were down 11.1% relative to the same period in 2009. As expected, some maintenance revenue invoiced in the first quarter of last year will not be invoiced until the second and third quarters of this year. Without this timing impact, sales would have been virtually flat over the quarter.

United Kingdom

In a market that remained tough, first quarter 2010 sales fell by 3.2% at constant exchange rates relative to the same period in 2009.

Germany

The trend is improving in Germany. First quarter 2010 sales were down only slightly at constant exchange rates relative to the same period in 2009 (-1.1%).

Rest of World

At constant exchange rates, first quarter 2010 sales were up 6.8% relative to the same period in 2009, mainly thanks to the growth of recurring revenue and good integration of distributors acquired in 2009. On the other hand, export business, which is more variable from one quarter to the next, declined.

Breakdown of sales by business line and activity

€ million	Q1 2010	Q1 2009	Change	Change at constant exchange rates
Equipment sales	66.0	63.9	+ 3.3%	+ 3.5%
Recurring revenue	161.0	165.3	- 2.6%	- 1.9%
Total	227.0	229.2	- 0.9%	- 0.4%

(Unaudited)

Equipment sales increased for the first time since the fourth quarter of 2008, growing by 3.5% at constant exchange rates in the first quarter. By contrast, recurring revenue declined by 1.9% at constant exchange rates. Without the revenue timing impact in France, noted above, recurring revenue would have clearly shown positive growth. In the first quarter, recurring revenue accounted for 70.9% of total Group sales.

€ million	Q1 2010	Q1 2009	Change	Change at constant exchange rates
Mailing systems	160.7	173.3	- 7.3%	- 6.6%
Document and logistics systems	66.3	55.9	+ 18.6%	+ 18.7%
Total	227.0	229.2	- 0.9%	- 0.4%

(Unaudited)

The revenue timing impact in France, noted above, was responsible for a large part of the 6.6% decline at constant exchange rates in mailing system sales which represented 70.8% of total Group turnover. Document and logistics system sales growth accelerated further to +18.7% at constant exchange rates in the first quarter. This performance is due to the products' competitiveness as well as the integration of Satori and the Scandinavian distributors.

Results and financial position

Current operating margin in the first three months of the year is progressing in line with Group expectations for the whole of the 2010 financial year.

The Group's financial position is strong. All of its debt remains dedicated to the financing of equipment leased or rented by customers.

No change in outlook

2010 is proceeding as anticipated. As a result, assuming no further deterioration in market conditions, the Group confirms its sales growth target of 0% to 2% compared with 2009 sales at constant exchange rates.

The Group also confirms that it expects current operating margin to reach 25.7% of sales in 2010.

Denis Thiery concludes: ***"The encouraging signs seen during this quarter, such as the accelerating recovery in North America, renewed growth in equipment sales and the good performance by document systems strengthen our confidence in the Group's ability to deliver performance in line with the outlook presented at the beginning of the year."***

Calendar of events

The Annual General Meeting will be held in Paris on 6 July 2010. Second quarter sales will be published on 2 September 2010 after market close.

ABOUT NEOPOST

NEOPOST IS THE EUROPEAN LEADER and number two world-wide supplier of mailing solutions. It has a direct presence in 18 countries, with 5,500 employees and annual sales of €913 million in 2009. 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 and belongs notably to the SBF 120 and CAC Next20 indexes.

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