

ACCELERATION OF GROWTH IN SECOND QUARTER 2011:

- Sales up 7.8% at constant exchange rates

2011 OUTLOOK:

- Sales growth expectations revised upwards to between +4% and +6% at constant exchange rates
- Expectations regarding the current operating margin¹ confirmed at between 25.5% and 26% of sales

Paris, 1 September 2011

Neopost, the European leader and the world's number-two supplier of mailroom solutions, today announced consolidated sales of €249.4 million for the second quarter of the 2011 financial year (ended 31 July 2011), an increase of 2.2% compared with the second quarter of 2010. At constant exchange rates, sales increased 7.8%. In the first half of 2011, the Group generated sales of €483.6 million, up 5.9% at constant exchange rates.

Denis Thiery, Chairman and Chief Executive Officer of Neopost, stated: *"Our growth accelerated in the second quarter and all our sales components increased. North America is still a key growth engine, but all our other markets also reported growth. Our two divisions, Mailing systems and Document and logistics systems, increased at the same pace. By type of revenue, recurring revenues continued to grow and equipment sales rose strongly."*

Sales growth by region

€ million	Q2 2011	Q2 2010	Change	Change at constant exchange rates	H1 2011	H1 2010	Change	Change at constant exchange rates
North America	96.4	102.2	-5.7%	+7.2%	194.2	194.4	-0.1%	+8.2%
France	66.7	65.9	+1.2%	+1.2%	126.5	127.5	-0.8%	-0.8%
UK	29.6	28.8	+2.6%	+7.2%	57.6	56.3	+2.3%	+3.7%
Germany	19.2	17.8	+8.3%	+8.7%	35.8	34.8	+2.8%	+2.9%
Rest of the world	37.5	29.2	+28.2%	+24.6%	69.5	57.9	+20.0%	+16.5%
Total	249.4	243.9	+2.2%	+7.8%	483.6	470.9	+2.7%	+5.9%

¹ Current operating profit / sales

Limited review procedures are currently being carried by the statutory auditors.

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North America

The Group's positive momentum in North America continues. Sales increased 7.2% at constant exchange rates in the second quarter of 2011 compared to the second quarter of 2010. This strong growth is due to an optimized organisation as well as renewed product lines which enabled Neopost to continue to seize opportunities following the expiration of a large number of contracts signed at the time of the 2006 decertification programmes in the USA and Canada (decertification echo effect).

France

Second quarter 2011 sales increased 1.2% compared to the same period in 2010. This growth is mainly due to a major contract for Neopost ID, while recurring revenues continued to decline due to weak equipment placements over the past few years.

UK

Sales in the UK increased 7.2% at constant exchange rates in second quarter 2011 compared to the year-earlier period. Although mainly due to a postal rate change, this growth confirms the expected improvement in trends. High-end mailing systems were successfully launched at the end of the quarter.

Germany

Second quarter 2011 sales increased 8.7% at constant exchange rates compared to the year-earlier period. This growth is due to the completion of a major contract in mailing systems.

Rest of the World

At constant exchange rates, second quarter 2011 sales increased 24.6% compared to the same period in 2010. This strong growth can be attributed to the first two months of consolidation of the Australian distributor GBC and to the Group's positive momentum in other markets, notably in Scandinavia, Belgium and Switzerland.

Sales growth by business line and activity

€ million	Q2 2011	Q2 2010	Change	Change at constant exchange rates	H1 2011	H1 2010	Change	Change at constant exchange rates
Equipment sales	79.9	72.7	+10.0%	+15.8%	150.4	138.7	+8.4%	+11.7%
Recurring revenues	169.5	171.2	-1.0%	+4.4%	333.2	332.2	+0.3%	+3.4%
Total	249.4	243.9	+2.2%	+7.8%	483.6	470.9	+2.7%	+5.9%

Equipment sales grew strongly, increasing by 15.8% at constant exchange rates in the second quarter of 2011. This growth reflects the success of all the Group's product lines in both mailing systems and document and logistics systems.

Recurring revenue improved in the second quarter of 2011, up 4.4% at constant exchange rates, and accounted for 68.0% of total Group sales.

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€ million	Q2 2011	Q2 2010	Change	Change at constant exchange rates	H1 2011	H1 2010	Change	Change at constant exchange rates
Mailing systems	169.4	166.2	+1.9%	+8.0%	332.9	327.0	+1.8%	+5.3%
Document and logistics systems	80.0	77.7	+3.0%	+7.2%	150.7	143.9	+4.7%	+7.1%
Total	249.4	243.9	+2.2%	+7.8%	483.6	470.9	+2.7%	+5.9%

At constant exchange rates, mailing system sales increased 8.0% in the second quarter of 2011 thanks to the success of the IS product range, notably in North America. In the second quarter 2011, mailing systems accounted for 67.9% of total Group sales.

Document and logistics system sales continued to grow: sales were up 7.2% at constant exchange rates thanks to the competitiveness of our products and services. This positive trend should be confirmed in the upcoming quarters thanks notably to the launch of the DS 35 and DS 200 models of folders/inserters.

2011 outlook

Based on the Group's strong second-quarter performance, management has raised its growth expectations. Neopost now expects sales growth of between 4% and 6% at constant exchange rates, compared to its previous forecast range of 3% to 5%.

The Group also confirms that it expects its current operating margin to reach between 25.5% and 26% of sales.

Denis Thiery concludes: *"Our strong growth in equipment sales, our resilient performance in recurring revenues, our new product launches and the smooth integration of GBC in Australia are all good reasons for us to approach the forthcoming quarters with confidence."*

Agenda

First half 2011 results will be published after the market close on 27 September 2011.

Third quarter 2011 sales will be published after the market close on 1 December 2011.

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ABOUT NEOPOST

NEOPOST IS THE EUROPEAN LEADER and the number two world-wide supplier of mailing solutions. It has a direct presence in 19 countries, with 5,700 employees and annual sales of €966 million in 2010. 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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