

## FALL IN SECOND-QUARTER 2009 SALES:

- Sales down 1.8%, or 4.2% at constant exchange rates

## OUTLOOK FOR 2009:

- Sales growth of around 1% at constant exchange rates
- Current operating margin<sup>1</sup> of at least 25.7% of sales

Paris, 1 September 2009

Neopost, the European leader and the world's number-two supplier of mailroom solutions, today announced consolidated sales of €228.2 million for the second quarter of the 2009 financial year (ended 31 July 2009), a 1.8% fall relative to the same period in 2008. At constant exchange rates, sales were down 4.2%. In the first six months of 2009, the Group generated sales of €457.3 million, down 1.8% at constant exchange rates.

Denis Thiery, CEO of Neopost, stated: *"In the second quarter of the year, our activity - in particular equipment sales - was subject to continuing difficult market conditions in North America and further deterioration in continental Europe. However, we have good reasons to be more confident about the second half of the year, and we expect sales growth over the full year in 2009 of around 1% at constant exchange rates."*

## Sales by region

€ million	Q2 2009	Q2 2008	Change	Change at constant exchange rates	H1 2009	H1 2008	Change	Change at constant exchange rates
North America	91.2	82.2	+11.0%	-0.3%	179.9	154.1	+16.7%	+2.8%
France	64.1	69.0	-7.0%	-7.0%	133.4	139.1	-4.0%	-4.0%
UK	30.7	33.8	-9.2%	-1.0%	58.5	67.3	-13.1%	-2.3%
Germany	16.8	18.0	-6.5%	-5.8%	34.1	36.2	-5.9%	-4.9%
Rest of world	25.4	29.3	-13.5%	-11.4%	51.4	56.1	-8.3%	-6.0%
<b>Total</b>	<b>228.2</b>	<b>232.3</b>	<b>-1.8%</b>	<b>-4.2%</b>	<b>457.3</b>	<b>452.8</b>	<b>+1.0%</b>	<b>-1.8%</b>

(Unaudited figures)

In the first half of 2009, revenues resulting from postal rate changes were similar to the level seen in the first half of 2008. However, the breakdown by quarter is different from one year to the other. While revenues in the first two quarters of 2008 were much the same, the level in the first quarter of 2009 was higher than in the second quarter of 2009. Consequently, rather than a quarter-on-quarter comparison,

<sup>1</sup> Current operating income/sales

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a comparison of each half-year period gives a better picture of the Group's sales growth, particularly for North America, France, recurring revenue and mailing systems.

## North America

Second-quarter sales remained almost stable at constant exchange rates (down 0.3%) compared with the second quarter of 2008, with higher equipment sales than in the first quarter of 2009. Overall, sales rose by 2.8% at constant exchange rates in the first half of 2009.

## France

Sales fell by 7.0% in the second quarter. In the first half of 2009, sales were down 4.0%. This decline is due to orders being deferred at Neopost ID and Valipost, while conventional activities remained practically stable.

## UK

Sales fell by 1.0% in the second quarter of 2009 compared with the same period in 2008 at constant exchange rates. The situation is beginning to stabilise. Over the first six months of the year, sales were down just 2.3% at constant exchange rates.

## Germany

At constant exchange rates, sales fell by 5.8% in the second quarter of 2009 relative to the second quarter of 2008, which saw a particularly high level of sales. Over the first six months of the year, sales dropped 4.9% at constant exchange rates. This is largely due to the reduction in sales of document management systems relating to the OEM contract.

## Rest of world

At constant exchange rates, sales fell by 11.4% in the second quarter of 2009 compared with the second quarter of 2008. Export sales saw a sharper fall than the Group's European subsidiaries. Sales were down 6.0% in the first half of 2009 at constant exchange rates compared with the first half of 2008.

## Breakdown of sales by business line and activity

€ million	Q2 2009	Q2 2008	Change	Change at constant exchange rates	H1 2009	H1 2008	Change	Change at constant exchange rates
Equipment sales	67.6	79.1	-14.6%	-16.0%	131.5	149.8	-12.3%	-13.5%
Recurring revenue	160.6	153.2	+4.9%	+1.9%	325.8	302.9	+7.6%	+4.0%
<b>Total</b>	<b>228.2</b>	<b>232.3</b>	<b>-1.8%</b>	<b>-4.2%</b>	<b>457.3</b>	<b>452.8</b>	<b>+1.0%</b>	<b>-1.8%</b>

(unaudited figures)

During the second quarter of 2009, given further deterioration in economic conditions in continental Europe, equipment sales declined by 16.0% at constant exchange rates. Overall, in the first half of the year, equipment sales fell by 13.5%. However, recurring revenue (leasing, postage financing, maintenance, services and supplies) rose further, up 4.0% at constant exchange rates in the first half of the year, accounting for 71.3% of total sales.

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€ million	Q2 2009	Q2 2008	Change	Change at constant exchange rates	H1 2009	H1 2008	Change	Change at constant exchange rates
Mailing systems	160.0	166.1	-3.7%	-6.4%	333.3	325.9	+2.3%	-1.2%
Document and logistics systems	68.2	66.2	+3.1%	+1.2%	124.0	126.9	-2.3%	-3.3%
<b>Total</b>	<b>228.2</b>	<b>232.3</b>	<b>-1,8%</b>	<b>-4.2%</b>	<b>457.3</b>	<b>452.8</b>	<b>+1.0%</b>	<b>-1.8%</b>

(unaudited figures)

Sales of mailing systems fell slightly (-1.2%) in the first half of 2009 at constant exchange rates, accounting for 72.9% of total sales.

Sales of document and logistics systems rose 1.2% in the second quarter at constant exchange rates. This strong performance relates to the successful roll-out of PFE products within Neopost's distribution network. During the first half of the year, sales declined by 3.3% at constant exchange rates.

## Outlook for 2009

The first half of the year was subject to particularly difficult economic conditions. The Group is nevertheless now seeing some signs of recovery in North America and the UK. In continental Europe and export markets, the situation seems to be stabilising.

In these conditions and also taking into account:

- a favourable comparison base in Europe and the rest of the world in the second half;
- the continuing roll-out of the IS range in Europe;
- the completion of the optimisation programme in the United States;
- recurring revenue that should benefit in particular from the development of postal rate change subscriptions;

the Group expects a return to growth in the second half of 2009.

Over the full year, sales are expected to increase by around 1% at constant exchange rates, which is at the lower end of the range announced previously.

As regards margins, the Group confirms that current operating margin should reach at least 25.7% of sales in 2009.

Denis Thiery concluded: *"While we are beginning to see the first encouraging signs, economic conditions remain no less difficult over the full year. However, thanks in particular to efforts to optimise our organisation over the last 18 months, Neopost is confident that it will be able to generate high current operating margin in 2009, at least equal to that achieved last year i.e. 25.7% of sales. Neopost's pro-active approach and the quality of its business model will enable it to smoothly pass through the crisis and be ready for a rebound."*

**Calendar of events**

Earnings for the first half of 2009 are due on 29 September 2009 after market close.  
Sales for the third quarter of 2009 are due on 1 December 2009 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 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 and belongs to the CAC Next 20 Index.

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