

## GOOD BUSINESS LEVELS IN THE FIRST QUARTER OF 2007:

- Sales up 5.1% at constant exchange rates

## 2007 OUTLOOK CONFIRMED:

- Sales growth of around 5-6% excluding currency effects
- Current operating margin up 30-50 basis points

Paris, 5 June 2007

Neopost, the European leader and number two world-wide supplier of mailroom solutions, today announced consolidated sales of €226.2 million for the first quarter of 2007 (three months ended 30 April 2007), an increase of 1.3% over the first quarter 2006. At constant exchange rates, sales rose by 5.1%.

Jean-Paul Villot, Chairman and CEO, commented: *"Our first-quarter 2007 sales show good business growth in all our geographical areas. Performance was driven in particular by the document systems business line, along with rapid growth in financial services and sales of supplies. We are continuing to grow substantially faster than the market."*

### Sales by geographical area

#### Sales

<i>In millions of euros</i>	Q1 2007	Q1 2006	Change	Change excluding currency effects
North America	<b>89.2</b>	93.3	-4.4%	+5.3%
France	<b>62.5</b>	60.1	+3.9%	+3.9%
UK	<b>36.9</b>	33.7	+9.7%	+7.6%
Germany	<b>14.5</b>	13.4	+8.2%	+8.2%
Rest of the world	<b>23.1</b>	22.8	+1.4%	+1.8%
<b>Total</b>	<b>226.2</b>	223.3	<b>+1.3%</b>	<b>+5.1%</b>

**North America**

Excluding currency effects, sales grew by 5.3% relative to the first quarter of 2006, which represented a high base for comparison. Business levels were particularly strong in the year-earlier period due to on-going decertification programmes, as well as residual revenues arising from the January 2006 postal rate change in the United States.

**France**

First-quarter 2007 sales were up 3.9% year-on-year. This strong performance reflects in particular a strong increase in recurring revenues.

**United Kingdom**

Excluding currency effects, sales rose by 7.6% relative to the first quarter of 2006. The increase was attributable to a postal rate change during the period, along with higher sales of document systems.

**Germany**

Sales rose by 8.2% relative to the year-earlier period. This performance is further strengthening Neopost's position in the German market.

**Rest of the world**

Excluding currency effects, sales were up 1.8% relative to the first quarter of 2006. This moderate pace of growth resulted from a high base for comparison. Sales in the first quarter of 2006 were particularly strong as a result of good performance in countries such as Italy and Belgium, together with the deadline of a decertification programme in Switzerland.

**Breakdown of sales by business segment**

In the first quarter of 2007, excluding currency effects, sales in mailing systems rose by 3.2% while sales of document and logistics systems increased by 10.6%. Mailing systems accounted for 73% of total sales and document and logistics systems 27%.

As expected, equipment sales were slightly down (by 0.9%) in the first quarter of 2007 while recurring revenues rose by 8.7% (relative to the year-earlier period and excluding currency effects). The main drivers of this rise in recurring revenues were financial services, sales of supplies and maintenance services resulting directly from the sharp increase in equipment installed in 2006. Recurring revenues make up 63% of total sales, as opposed to 37% for equipment sales.

**Major events**

In the first quarter of 2007, Neopost acquired Valipost, France's leading provider of software solutions for production mailers. In 2006, Valipost generated sales of around €2 million. Valipost sells software that helps companies to produce and prepare for the sending of production mail (mail under postal contract): sorting by destination, printing labels for identifying and monitoring containers of mail, and production planning.

Neopost also maintained its strategy of strengthening distribution by acquiring a US distributor in Baltimore, Maryland.

## Earnings and financial position

Based on performance in the first quarter of 2007, Neopost's current operating margin is on track to hit the Group's full-year targets.

The Group continued its share buyback programme, acquiring 326,333 shares during the first quarter at a total cost of €32 million.

The Group financial position is very healthy. Neopost's policy, acquisition of dealers and companies that strengthen its core business offer, development of financial services and the return to shareholders, results naturally in a slight rise in gearing. However, gearing is very low in view of Neopost's financing activities (equipment rental, leasing and postage financing).

## Outlook

In the United States, the US Postal Service introduced a new postal pricing structure, which now takes into account both weight and shape ("shape-based pricing"). This major development reflects the increasing need for postal services to be competitive and profitable, prompting them to seek greater automation and apply appropriate pricing. This trend is leading to new requirements for equipment and solutions that help customers to prepare mail more effectively, generating new growth opportunities for Neopost. Orders intake linked to the new postal pricing structure in the US is very promising.

As a result, the Group confirms its sales growth target of around 5-6% excluding currency effects for full-year 2007.

The Group also confirms its objective of improving underlying operating margin by 30-50 basis points in 2007 relative to the 26.0% achieved in 2006.

Jean-Paul Villot concluded: ***"We have made a very good start to 2007. Second-quarter business levels will be very strong in the United States due to introduction of the new postal pricing structure in mid-May. We are confident in our full-year performance."***

## Forthcoming events

Neopost will hold its AGM on 10 July 2007 on first call.

Sales figures for the second quarter of 2007 will be published after the market closes on 4 September 2007.



## PRESS RELEASE

### ABOUT NEOPOST

NEOPOST IS THE EUROPEAN LEADER and number two world-wide supplier of mailing solutions. It has a direct presence in 14 countries, with more than 4,900 employees and annual sales of €918.5 million in 2006. 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 Eurolist by Euronext Paris. Its market capitalisation is €3.6 billion.

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