

SALES GROWTH IN Q2 2010 CONSISTENT WITH EXPECTATIONS:

- Sales up 6.9% or 1.4% at constant exchange rates

FULL YEAR 2010 OUTLOOK UNCHANGED:

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

Paris, 2 September 2010

Neopost, the European leader and the world's number-two supplier of mailroom solutions, today announced consolidated sales of €243.9 million for the second quarter of the 2010 financial year (ended 31 July 2010), an increase of 6.9% compared with the second quarter of 2009. At constant exchange rates, sales increased by 1.4%. During the first half of the year, the Group generated total sales of €470.9 million, up 0.5% at constant exchange rates.

Denis Thiery, Chairman and Chief Executive Officer of Neopost, stated: *"As expected, we achieved growth during the second quarter of the year. The solid momentum that Neopost has demonstrated in North America over the last few quarters is continuing. In Europe, its performances differ significantly from one country to another. Overall, sales are in line with the scenario we set out at the start of the year."*

Sales by region

€ million	Q2 2010	Q2 2009	Change	Change at constant exchange rates
North America	102.2	91.2	+12.1%	+0.5%
France	65.9	64.1	+2.7%	+2.7%
United Kingdom	28.8	30.7	-6.0%	-8.7%
Germany	17.8	16.8	+5.5%	+5.1%
Rest of World	29.2	25.4	+15.4%	+11.0%
Total	243.9	228.2	+6.9%	+1.4%

(Unaudited)

H1 2010	H1 2009	Change	Change at constant exchange rates
194.4	179.9	+8.1%	+3.6%
127.5	133.4	-4.5%	-4.5%
56.3	58.5	-3.8%	-6.1%
34.8	34.1	+2.2%	+2.0%
57.9	51.4	+12.6%	+8.9%
470.9	457.3	+3.0%	+0.5%

¹ Current operating income/sales

North America

Second quarter sales were up 0.5% at constant exchange rates relative to the second quarter of 2009, which benefited from a postal rate change. Adjusted for revenues relating to this postal rate change in the United States last year, sales increased by 9% in the second quarter of 2010.

Sales for the first half of 2010 progressed by 3.6% at constant exchange rates despite the lack of postal rate change. This performance was essentially due to the good sales momentum as well as the quality and innovative nature of its products. Sales also benefited from the integration of Satori.

During the second quarter, the Group successfully launched in the United States two new high-end mailing systems, the IS 5000 and IS 6000.

France

Under continuing challenging market conditions, sales increased by 2.7% in the second quarter but declined by 4.5% over the first six months of the year. As expected, some maintenance revenues invoiced in the first quarter of last year occurred later this year: some were partly recorded in the second quarter of 2010 and the remainder will be booked in the third quarter.

United Kingdom

Sales were down by 8.7% at constant exchange rates in the second quarter of 2010 compared with the second quarter of 2009. Under continuing particularly difficult market conditions, growth in recurring revenues was unable to make up for the decline in equipment sales. Over the first six months of the year sales fell by 6.1% at constant exchange rates compared with the first half of 2009.

Germany

The situation is continuing to improve in Germany and the Group achieved a return to growth for the first time in more than a year. At constant exchange rates, Neopost achieved sales growth of 5.1% in the second quarter of 2010 compared with the second quarter of 2009. Overall, sales for the first half of 2010 increased by 2.0% at constant exchange rates.

Rest of World

At constant exchange rates, sales rose by 11.0% in the second quarter of 2010 compared with the second quarter of 2009. This was thanks to strong performances from most of the Group's European subsidiaries and the successful integration of distributors in Sweden and Denmark. Sales were up 8.9% in the first half of 2010 at constant exchange rates compared with the first half of 2009.

Breakdown of sales by business line and activity

€ million	Q2 2010	Q2 2009	Change	Change at constant exchange rates	H1 2010	H1 2009	Change	Change at constant exchange rates
Equipment sales	72.7	67.6	+7.6%	+2.0%	138.7	131.5	+5.5%	+2.7%
Recurring revenue	171.2	160.6	+6.6%	+1.1%	332.2	325.8	+2.0%	-0.4%
Total	243.9	228.2	+6.9%	+1.4%	470.9	457.3	+3.0%	+0.5%

(Unaudited)

Pursuing the growth achieved in the first quarter, equipment sales rose by 2.0% at constant exchange rates in the second quarter of 2010. Over the first six months of the year, sales increased by 2.7% relative to the first half of 2009.

Penalised by changes in revenues from postal rate changes, recurring revenue moved up just 1.1% at constant exchange rates in the second quarter and were down 0.4% over 6 months. They represented 70.6% of the Group's total sales in the first half of 2010.

€ million	Q2 2010	Q2 2009	Change	Change at constant exchange rates	H1 2010	H1 2009	Change	Change at constant exchange rates
Mailing systems	166.2	160.0	+3.9%	-1.9%	327.0	333.3	-1.9%	-4.4%
Document and logistics systems	77.7	68.2	+13.9%	+9.2%	143.9	124.0	+16.0%	+13.5%
Total	243.9	228.2	+6.9%	+1.4%	470.9	457.3	+3.0%	+0.5%

(Unaudited)

Changes in revenues relating to postal rate changes mentioned above dented the performance of mailing systems, which saw sales decreasing by 1.9% at constant exchange rates in the second quarter. Over six months, sales fell by 4.4% at constant exchange rates, representing 69.4% of the Group's total sales.

Sales of document and logistics management systems climbed further in the second quarter, up 9.2% at constant exchange rates. Over six months, sales rose by 13.5% at constant exchange rates. The performance is due to the product's competitiveness particularly in the high end as well as the integration of Satori and the Scandinavians distributors.

Full Year 2010 outlook unchanged

2010 is progressing as expected. 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.

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Denis Thiery concludes: ***"In the light of confirmation of our strong performance in North America, growth in equipment sales, the promising launch of high-end mailing systems in the United States and other product launches planned for the months ahead, we look to the next few quarters with confidence."***

Calendar

Earnings for the first half of 2010 are due on 28 September 2010 after market close.
Sales for the third quarter of 2010 are due on 1 December 2010 after 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 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 index.

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