

## GROWTH ACCELERATES AGAIN IN THE 3<sup>RD</sup> QUARTER OF 2006:

- Sales up 12.2% excluding currency effects

## FY 2006 REVENUE TARGET HAS BEEN UPGRADED:

- Forecast for FY sales growth: close to 11% excluding currency effects

**Paris, 5 December 2006**

Neopost, the European leader and number two worldwide supplier of mailroom solutions, today announced consolidated sales of €222.0m for the 3<sup>rd</sup> quarter of 2006 (three months ended 31 October 2006), an increase of 10.5% on the same period in 2005. Excluding currency effects, sales rose 12.2%. In the first nine months of the 2006 financial year, Neopost generated sales of €672.3 million, up 10.9% at constant exchange rates.

Jean-Paul Villot, Neopost's Chairman and CEO, noted, *"After an excellent first half in 2006, our rate of growth kept increasing in the third quarter, thanks to remarkable performances in North America and the UK. Germany also saw significant growth. Neopost's business model continues to bear fruit and we confirm that, more than anyone else, we are able to take advantage of market opportunities."*

### Sales

(€m)	Q3 2006	Q3 2005	Change	Change excl. currency impacts	Total 9 months 2006	Total 9 months 2005	Change	Change excl. currency impacts
North America	91.3	81.3	12.3%	16.6%	277.1	236.0	17.4%	16.8%
France	56.3	56.6	-0.4%	-0.4%	177.2	180.2	-1.7%	-1.7%
UK	43.3	30.5	41.8%	40.6%	116.6	88.8	31.3%	31.3%
Germany	13.3	12.3	8.2%	8.2%	40.1	39.2	2.5%	2.5%
Rest of the world	17.8	20.3	-12.3%	-11.6%	61.3	61.2	0.2%	0.5%
<b>Total</b>	<b>222.0</b>	<b>201.0</b>	<b>10.5%</b>	<b>12.2%</b>	<b>672.3</b>	<b>605.4</b>	<b>+11.1%</b>	<b>+10.9%</b>

WE VALUE YOUR MAIL

**North America**

Q3 2006 sales were up 16.6% excluding currency effects. This new excellent performance is mainly due to strong sales of franking machine related to decertification deadlines in the United States and Canada, which are scheduled for year-end 2006. Over the first nine months of the year, sales were up 16.8% excluding currency effects.

**France**

Sales in the 3<sup>rd</sup> quarter of 2006 were stable compared to the same period in 2005, whilst those for the first nine months of 2006 were 1.7% lower due to a high basis of comparison. Neopost expects strong sales in the 4<sup>th</sup> quarter, allowing it to generate moderate growth for the year as a whole.

**United Kingdom**

Excluding currency effects, sales rose 40.6% in the 3<sup>rd</sup> quarter of 2006 compared to the same period in 2005. This exceptionally strong growth continued, in large part, to be driven by the success of Neopost's products, which are particularly well suited to the new postal rating system in the UK, which takes into account not only the weight but also the dimension of a piece of mail. Growth was also boosted by an 'echo' effect from the 2001-2002 decertification. Over the first nine months of 2006, sales were up 31.3% excluding currency effects.

**Germany**

In Germany, apparent growth in the first half of 2006 was hit by comparison with the first half of 2005, a period in which Neopost generated substantial additional sales. This basis of comparison effect having disappeared in the 3<sup>rd</sup> quarter, the growth rate is now, as expected, clearly visible. Sales in Germany grew significantly in the 3<sup>rd</sup> quarter of 2006, gaining 8.2% compared with the same period in 2005. Over the first nine months of the year, the Group posted growth of 2.5%.

**Rest of the world**

Excluding currency effects, Q3 2006 sales declined 11.6% compared with Q3 2005, when sales were exceptionally high due to major decertification deadlines, particularly in Switzerland and the Netherlands. New subsidiaries, notably those in Ireland, Italy and Norway, continued to generate strong growth. Over the first nine months of the year sales rose 0.5% excluding currency effects.

**Prospects**

The very strong sales performance in the 3<sup>rd</sup> quarter of 2006 and the expected market opportunities in the 4<sup>th</sup> quarter have led Neopost to increase its forecast for full year sales in 2006. Excluding currency impacts, growth is now expected to be close to 11%, up from the previous target of close to 10%.

This strong growth increases the Group's confidence in its ability to generate current operating margin of over 25.5% for the year as a whole.

In conclusion, Jean-Paul Villot said: ***"Quarter after quarter we are generating growth rates that are significantly higher than growth in our market as a whole. Our business model will enable us to continue to grow faster than our market and to increase our profitability over the next few years."***

### **Forthcoming events**

Sales for the 4<sup>th</sup> quarter will be published after the market closes on 6 March 2007.

Full year earnings figures will be published after the market closes on 27 March 2007.

## **NEOPOST**

**NEOPOST IS THE EUROPEAN LEADER** and number two worldwide supplier of mailing solutions. It has a direct presence in 14 countries, with more than 4,900 employees, and annual sales of €827m in 2005. 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 systems, folders, inserters 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 €3.1bn.

#### **For further information please contact:**

**Gaële Chagnaud, Investor Relations Officer**

**Tel: +33 (0)1 45 36 31 39**

**Fax: 33 (0)1 45 36 30 30**

**E-mail: [g.chagnaud@neopost.com](mailto:g.chagnaud@neopost.com)**

**Fabrice Baron, Gavin Anderson & Company**

**Tel: +33 (0)1 53 32 61 27**

**Fax: +33 (0)1 53 32 61 00**

**E-mail: [fbaron@gavinanderson.fr](mailto:fbaron@gavinanderson.fr)**

**Or visit our website: [www.neopost.com](http://www.neopost.com)**