

## FIRST-QUARTER 2008 SALES IN LINE WITH EXPECTATIONS:

- Reported sales up 4.7% at constant exchange rates
- Excluding PFE, sales up 2.3% at constant exchange rates

## 2008 TARGETS CONFIRMED:

- At least 6% sales growth including PFE and excluding currency effects
- A 50 basis point improvement in the current operating margin compared to the restated 2007 margin of 25.2% which integrates PFE over 11 months

Paris, 3 June 2008

Neopost, the European leader and number two worldwide supplier of mailroom solutions, today announced consolidated sales of €220.5 million in the first quarter of 2008 (ended 30 April 2008), down 2.5% compared to the first quarter of 2007. At constant exchange rates, sales were up 4.7%. These figures integrate for the first time the sales of PFE, which was consolidated in March and April 2008.

Excluding PFE, sales increased 2.3% at constant exchange rates.

Denis Thiery, CEO of Neopost, stated: *"These first-quarter 2008 sales figures are perfectly in line with our expectations. Our performance in Europe is strong, while in the United States, market conditions are levelling off. We are very pleased to have integrated PFE and are confident in the synergies that will arise from strengthening our high end line of folders/inserters."*

### Sales by region

€ million	Q1 2008 excluding PFE	Q1 2008*	Q1 2007	Change Q1 2008 vs Q1 2007	Change at constant exchange rates
North America	70.8	72.0	89.2	-19.3%	-7.7%
France	69.9	70.1	62.5	+12.2%	+12.2%
UK	32.2	33.5	36.9	-9.3%	+4.1%
Germany	17.5	18.2	14.5	+25.4%	+27.2%
Rest of world	25.1	26.7	23.1	+15.9%	+19.1%
<b>Reported total</b>	<b>215.5</b>	<b>220.5*</b>	<b>226.2</b>	<b>-2.5%</b>	<b>+4.7%</b>

+2.3% excl. PFE

\* including €5.0 million in sales generated by PFE, consolidated over 2 months in 2008.

**North America**

Market conditions are levelling off. Excluding currency effects, first-quarter 2008 sales declined 7.7% compared to a strong first-quarter 2007.

**France**

As expected, first-quarter 2008 sales rose strongly, up 12.2% compared with the first quarter of 2007.

**UK**

Excluding the currency effect, first-quarter sales rose 4.1% compared to the first quarter of 2007, largely due to the integration of PFE.

**Germany**

First-quarter 2008 sales rose a record 27.2% compared to the same period last year, thanks to the dynamic momentum of Neopost German subsidiary, the acquisition of a distributor in July 2007 and the integration of PFE.

**Rest of world**

Excluding currency effects, first-quarter 2008 sales increased 19.1% compared with the first quarter of 2007, thanks to strong performances by certain subsidiaries, Ireland in particular, the growth of leasing services, the acquisition of two Swiss distributors in 2007 and the integration of PFE.

**PFE**

The acquisition of PFE, a worldwide supplier of folders/inserters, was finalised in March 2008. In the two months of March and April 2008, PFE generated revenues of €5.0 million. The integration of PFE is proceeding rapidly, in keeping with our plans. The Group has already carried out an in-depth review of PFE's business portfolio with the intention of making any adjustments or disposals, while integration of PFE's direct and indirect distribution networks is progressing smoothly. In the light of these factors, the Group points out that it will soon be impossible to isolate the sales corresponding to PFE's previous scope of consolidation from that of the Neopost group as a whole.

The Group is confident in its ability to generate significant marketing and industrial synergies once it has finished the process of integrating PFE within Neopost.

**Breakdown of sales by business line and activity (including PFE<sup>1</sup>)**

In the first quarter of 2008, excluding currency effects, mailing system sales increased 4.3% while document and logistics systems sales increased 5.7%. Mailing systems accounted for 72% of overall sales and document and logistics systems for 28%.

As expected, equipment sales declined 9.7% in first-quarter 2008, while recurring revenues increased 13.3% (compared to the year-earlier period and excluding currency effects). The increase in recurring revenues is due notably to the increase in financial services, sales of supplies, maintenance services and postal rate changes. Recurring revenues account for 68% of total sales, compared to 32% for equipment sales.

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<sup>1</sup> PFE consolidated over 2 months in 2008.

## Other first-quarter events

As previously announced, Neopost made two acquisitions in the first quarter of 2008 to strengthen its offer: NBG ID, an RFID technology integrator in the logistics business, and Rena, a specialist in envelope printing solutions.

## Earnings and financial position

In the first quarter of 2008, the current operating margin evolved in line with the Group's full-year target.

The Group has a strong balance sheet. The Group's policies – whether the acquisition of distributors or companies to reinforce or expand its core business, the development of financial services or its policy of return to shareholders – naturally drive up leverage. Yet leverage remains low given the Group's financing activities, notably equipment rentals, leasing and postage financing.

## Outlook

The year 2008 is proceeding on target. The Group will continue to report strong performances in Europe. In the United States, the Group will benefit from the decertification of non-digital franking machines by the end of the year. The integration of PFE is advancing rapidly. Under this environment, and including the integration of PFE over 11 months in 2008, the Group confirms its full-year target of at least 6% sales growth compared with 2007 reported sales and excluding currency fluctuations.

The Group also confirms its target of improving the current operating margin by 50 basis points in 2008 compared to the restated 2007 margin of 25.2%, which integrates PFE over 11 months.

Denis Thiery concluded: **"The year 2008 has started off well and should provide yet another opportunity to demonstrate the pertinence of our business model and the strong resilience of our performance in a less buoyant economic environment."**

## Calendar of events

The Annual General Meeting will be held on first call on 8 July 2008.

A dividend of €3.65 per share will be paid on 15 July 2008, pending approval by the AGM.

Second-quarter sales figures will be published after the market closes on 2 September 2008.

## 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 5.000 employees and annual sales of €907.1 million in 2007. 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. Its market capitalisation exceeds €2 billion.

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