

## STRONG BUSINESS LEVELS IN Q4 2008

- Q4 2008 sales up 9.6% at constant exchange rates

## FY 2008 SALES IN LINE WITH FORECASTS

- Full-year sales growth of 6.1% at constant exchange rates

## OUTLOOK:

- 2008: Confirmation of expected 50bp increase in the current operating margin<sup>1</sup> to 25.7% of sales
- 2009: Further sales growth expected between +1 and +3% at constant exchange rates

Paris, 3 March 2009

Neopost, the European leader and the world's number-two supplier of mailroom solutions, today announced consolidated sales of €245.2 million for the fourth quarter of the 2008 financial year (ended 31 January 2009), a 9.2% increase relative to the year-earlier period. At constant exchange rates, sales were up 9.6%. Over the full year, the Group generated sales of €918.1 million, up 6.1% at constant exchange rates.

Denis Thiery, CEO of Neopost, stated: *"Despite the very tough economic environment, we achieved an excellent performance in the fourth quarter that allowed us to hit our full-year target. The credit for this goes to our staff who worked hard to take advantage of both market opportunities and the quality of our new product ranges. We are also pleased to report that we generated growth in each of our markets in 2008."*

### Sales by region (unaudited figures)

€ million	Q4 2008 <sup>2</sup>	Q4 2007	Change	Change at constant exchange rates	2008 <sup>2</sup>	2007	Change	Change at constant exchange rates
North America	98.6	75.7	+ 30.1%	+ 19.9%	337.8	346.9	- 2.6%	+ 2.3%
France	66.1	68.8	- 3.8%	- 3.8%	266.0	255.3	+ 4.2%	+ 4.2%
UK	29.4	32.2	- 8.5%	+ 13.2%	127.3	142.4	- 10.6%	+ 5.1%
Germany	19.6	18.4	+ 6.1%	+ 8.2%	74.1	63.0	+ 17.5%	+ 19.5%
Rest of world	31.5	29.4	+ 7.3%	+ 11.8%	112.9	99.5	+ 13.6%	+ 17.2%
<b>Total</b>	<b>245.2</b>	<b>224.5</b>	<b>+ 9.2%</b>	<b>+ 9.6%</b>	<b>918.1</b>	<b>907.1</b>	<b>+ 1.2%</b>	<b>+ 6.1%</b>

<sup>1</sup> Compared to the restated 2007 margin (current operating income/sales) of 25.2% which integrates PFE over 11 months

<sup>2</sup> Including PFE consolidated as of 1 March 2008

These figures include the sales of PFE<sup>3</sup>, a British firm specializing in high-volume folders/inserters acquired by Neopost in early March 2008. The integration of PFE went according to plan and is now complete.

## North America

As expected, fourth-quarter 2008 sales grew very strongly relative to fourth-quarter 2007 which suffered from tough conditions. Sales were up 19.9% excluding currency effects. The success of the new range of IS mailing systems, the decertification of non-digital franking machines by end-December 2008 and a partial postal rate change all boosted sales. Over the full year, sales rose by 2.3% excluding currency effects.

## France

Fourth-quarter sales were down 3.8% year-on-year as a result of the sharp slowdown in the economy in the final three months of 2008. However, the decline was limited thanks to recurring revenues, which make up a large proportion of sales in France. Sales rose by 4.2% over the full year.

## UK

Fourth-quarter sales were up 13.2% year-on-year excluding currency effects. Sales benefited from the successful launch of the IS range and impact of consolidating PFE. To a lesser extent, growth was also driven by a catch-up effect related to orders which had not been delivered in the third quarter of 2008. Full-year sales rose by 5.1% excluding currency effects.

## Germany

Fourth-quarter sales were up 8.2% year-on-year excluding currency effects. Growth remains firm, despite a rising base for comparison and a tough economic environment. Over the full year, sales were up 19.5%.

## Rest of world

Excluding exchange-rate effects, sales in the fourth quarter of 2008 were 11.8% higher than in the fourth quarter of 2007. Full-year sales grew by 17.2% excluding currency effects.

## Breakdown of sales by business line and activity (unaudited figures)

€ million	Q4 2008	Q4 2007	Change	Change at constant exchange rates	2008	2007	Change	Change at constant exchange rates
Mailing systems	175.4	159.5	+ 10.0%	+ 9.8%	657.7	663.8	- 0.9%	+ 4.0%
Document and logistics systems	69.8	65.0	+ 7.4%	+ 9.2%	260.4	243.3	+ 7.0%	+ 12.0%
<b>Total</b>	<b>245.2</b>	<b>224.5</b>	<b>+ 9.2%</b>	<b>+ 9.6%</b>	<b>918.1</b>	<b>907.1</b>	<b>+ 1.2%</b>	<b>+ 6.1%</b>

<sup>3</sup> Sales of PFE activities acquired by Neopost were about £26 million in 2007



€ million	Q4	Q4	Change	Change at constant exchange rates	2008	2007	Change	Change at constant exchange rates
Equipment sales	86.3	84.5	+ 2.2%	+ 4.5%	308.1	332.7	- 7.4%	- 2.0%
Recurring revenues	158.9	140.0	+ 13.5%	+ 12.7%	610.0	574.4	+ 6.2%	+ 10.8%
<b>Total</b>	<b>245.2</b>	<b>224.5</b>	<b>+ 9.2%</b>	<b>+ 9.6%</b>	<b>918.1</b>	<b>907.1</b>	<b>+ 1.2%</b>	<b>+ 6.1%</b>

In mailing systems, sales growth accelerated in the fourth quarter thanks to the performance in North America. Full-year mailing systems sales rose by 4.0% excluding currency effects, and made up 71.6% of the Group total.

The sharp rise in document and logistics systems sales was driven by the integration of PFE and successful cross-selling.

Equipment sales rose by 4.5% in the fourth quarter excluding currency effects, due in particular to strong performances in North America and the UK.

Recurring revenues continued to grow strongly, excluding currency effects, coming in up 12.7% in the fourth quarter and up 10.8% over the full year. At end-January 2009, they accounted for 66.4% of the Group's total sales.

## Outlook

The Group confirms that its current operating margin is expected to rise by 50 basis points to 25.7% in full-year 2008 (including PFE for 11 months).

In 2009, Neopost will continue to benefit from the roll-out of the IS range across its main markets, together with a growth in recurring revenues, the positive impact of the increasing portion of sales coming from direct distribution, and recent acquisitions such as PFE.

In these circumstances, unless the economic environment deteriorates further, the Group expects to achieve profitable sales growth contained between 1 and 3% excluding currency effects.

Denis Thiery concluded: ***"Although caution is required, we believe that we can continue growing our business in 2009, thanks to the resilience of our growth model, the agility of our organisation and the quality of our product range."***

## Calendar of events

Annual results finalised by Neopost's Board of Directors will be reported after the market closes on 31 March 2009.

Sales figures for the first quarter of 2009 will be released after the market closes on 2 June 2009.



## 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 5.500 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.

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