

RENEWAL OF ACTIVITY IN THE FOURTH QUARTER OF 2009

- Sales up 1.4% in Q4 at constant exchange rates
- Full-year sales virtually unchanged: -0.3% at constant exchange rates

OUTLOOK:

- 2009: Current operating margin¹ expected at 25.7% of sales
- 2010: Sales to return to growth, at an estimated pace of 0% to 2% over the whole year at constant exchange rates

Paris, 2 March 2010

Neopost, the European leader and the world's number-two supplier of mailroom solutions, today announced consolidated sales of €240.5 million for the fourth quarter of the 2009 financial year (ended 31 January 2010), a fall of 1.9% relative to the same period in 2008. At constant exchange rates, sales were up 1.4%. Over the whole of the 2009 financial year, sales were down 0.5% to €913.1 million, a decline of 0.3% at constant exchange rates compared with 2008.

Denis Thiery, CEO of Neopost, stated: *"Our ability to generate growth for two quarters now in a particularly tough economic environment confirms the strength of the Group's business model and the quality of our people's work."*

Sales by region (unaudited)

€ million	Q4 2009	Q4 2008	Change	Change at constant exchange rates	2009	2008	Change	Change at constant exchange rates
North America	93.0	98.6	- 5.7%	+ 3.1%	355.6	337.8	+ 5.3%	+ 2.2%
France	66.1	66.1	0.0%	0.0%	260.0	266.0	- 2.3%	- 2.3%
UK	26.1	29.4	- 11.4%	- 12.0%	112.5	127.3	- 11.6%	- 3.4%
Germany	18.0	19.6	- 7.9%	- 7.7%	69.7	74.1	- 5.9%	- 5.2%
Rest of world	37.3	31.5	+ 18.2%	+ 16.9%	115.3	112.9	+ 2.1%	+ 3.5%
Total	240.5	245.2	- 1.9%	+ 1.4%	913.1	918.1	- 0.5%	- 0.3%

¹ Current operating income/sales

North America

Fourth quarter 2009 sales rose 3.1% at constant exchange rates compared with the fourth quarter of 2008, which had seen a high level of demand in particular as a result of the last step of decertification. This remarkable performance was due to continuing good performance by the IS range of franking machines, success in document systems, particularly high-end folders/inserters, and the integration of Satori. Over the whole financial year, sales were up 2.2% before exchange rate effects.

France

Fourth quarter sales were flat. Recovery in mailing and document system revenues made up for continuing weak sales at Neopost ID and Valipost. Full-year sales were down 2.3%.

UK

Fourth quarter sales were down 12.0% compared with the same period in 2008, before exchange rate effects. This fall was due to a very unfavourable base of comparison effect as well as disruptions to sales and logistics in January due to weather conditions. Over the whole of the financial year, sales were down 3.4% at constant exchange rates.

Germany

The Group reported a 7.7% sales decline in the fourth quarter compared with the same period in 2008 before exchange rate effects, due to still tough market conditions. Over the whole of the financial year, sales were down 5.2% at constant exchange rates, half of which is attributable to the OEM² contract.

Rest of world

At constant exchange rates, fourth quarter sales were up 16.9% relative to the fourth quarter of 2008. This growth was due to confirmation of export recovery, good resilience by European subsidiaries and the effect of acquiring distributors in Scandinavia. Over the full financial year, sales grew by 3.5% at constant exchange rates.

Breakdown of sales by business line and activity (unaudited)

€ million	Q4 2009	Q4 2008	Change	Change at constant exchange rates	2009	2008	Change	Change at constant exchange rates
Equipment sales	77.4	86.3	-10.3%	-7.8%	272.6	308.1	-11.5%	-10.7%
Recurring revenue	163.1	158.9	+2.6%	+6.4%	640.5	610.0	+5.0%	+5.0%
Total	240.5	245.2	- 1.9%	+ 1.4%	913.1	918.1	- 0.5%	- 0.3%

For the second consecutive quarter, the pace of decline in equipment sales slowed down, reaching -7.8% at constant exchange rates in the fourth quarter. Overall, equipment sales fell by 10.7% over one year before exchange rate effects.

Furthermore, recurring revenue (leasing, postage financing, maintenance, services and supplies) continued to grow, increasing 6.4% in the fourth quarter and 5.0% over the full year at constant exchange rates. Recurring revenue accounts for 70.1% of total Group sales.

² OEM : Other Equipment Manufacturer

€ million	Q4 2009	Q4 2008	Change	Change at constant exchange rates	2009	2008	Change	Change at constant exchange rates
Mailing systems	163.1	175.4	-7.0%	-3.3%	647.6	657.7	-1.5%	-1.5%
Document and logistics systems	77.4	69.8	+10.8%	+13.0%	265.5	260.4	+1.9%	+2.7%
Total	240.5	245.2	- 1.9%	+ 1.4%	913.1	918.1	- 0.5%	- 0.3%

As expected, in the fourth quarter sales of mailing systems declined by 3.3%, at constant exchange rates, compared with the fourth quarter of 2008 which was supported by American decertification. Over the full year, sales were down 1.5% before exchange rate effects and accounted for 70.9% of total sales.

Sales of document and logistics systems were up 13.0% in the fourth quarter before exchange rate effects. This performance was due in particular to the success of high-end folders/inserters, and the integration of Satori. Over the full year, sales were up 2.7% at constant exchange rates.

Outlook

The Group confirms that current operating margin is expected to reach 25.7% of sales for the full 2009 financial year.

In 2010, the Group is expected to continue benefiting from growth in recurring revenue and slow but steady improvement in equipment sales. As a result, assuming no further deterioration in the economic environment, the Group should see sales growth of 0% to 2% in 2010, at constant exchange rates.

Denis Thiery concluded: *"In 2009, we completed our optimisation programme and concluded promising acquisitions. We have particularly competitive products. We look forward to 2010 and the years beyond confidently and calmly."*

Calendar of events

Full-year results approved by Neopost' Board of Directors will be published on 30 March 2010 after market close.

First quarter 2010 sales will be published on 1 June 2010 after market close.



PRESS RELEASE

ABOUT NEOPOST

NEOPOST IS THE EUROPEAN LEADER and number two world-wide supplier of mailing solutions. It has a direct presence in 18 countries, with 5.400 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 to the CAC Next 20 Index.

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