

RETURN TO GROWTH CONFIRMED IN 3RD QUARTER OF 2010

- Third quarter sales up 8.6% or +3.3% at constant exchange rates

OUTLOOK FOR 2010:

- Sales now expected to grow by between +1% and +2% at constant exchange rates
- Current operating margin¹ expected at 25.7% of sales in 2010

INTERIM DIVIDEND:

- Set at €1.65 per share payable in shares or cash

Paris, 1 December 2010

Neopost, the European leader and the world's number-two supplier of mailroom solutions, today announced consolidated sales of €233.7 million for the third quarter of the 2010 financial year (ended 31 October 2010), an increase of 8.6%, or 3.3% at constant exchange rates. Over the first nine months of the year sales totalled €704.6 million, an increase of 4.8% or 1.4% at constant exchange rates, on the same period in 2009.

Denis Thiery, Chairman and Chief Executive Officer of Neopost, stated: *"As expected, the third quarter brought confirmation of Neopost's return to growth. The solid momentum that the Group has demonstrated in North America over the last few quarters is continuing. In Europe, its performances have continued to differ significantly from one country to another."*

Sales evolution by region

€ million	Q3 2010	Q3 2009	Change	Change at constant exchange rates
North America	97.8	82.6	+18.3%	+7.7%
France	61.2	60.4	+1.2%	+1.2%
UK	27.2	27.9	-2.3%	-7.2%
Germany	17.3	17.6	-1.7%	-2.1%
Rest of the world	30.2	26.7	+13.1%	+8.6%
Total	233.7	215.2	+8.6%	+3.3%

(Unaudited figures)

9 months 2010	9 months 2009	Change	Change at constant exchange rates
292.2	262.6	+11.3%	+4.9%
188.7	193.9	-2.7%	-2.7%
83.5	86.3	-3.3%	-6.5%
52.1	51.7	+0.9%	+0.6%
88.1	78.1	+12.8%	+8.8%
704.6	672.6	+4.8%	+1.4%

¹ Current operating income/sales

North America

Sales rose by 7.7% at constant exchange rates in the third quarter compared with the third quarter of 2009. This performance was due to strong sales momentum in this market, to the successful launch of new high-end mailing systems, and to the quality and innovative nature of all Neopost products.

Over the first nine months of the year, sales grew by 4.9% at constant exchange rates compared with the same period in 2009, which benefited from a postal rate change.

France

In a market that remains challenging, sales grew by 1.2%. In the third quarter of 2010, Neopost benefited from the invoicing of some maintenance revenues which, last year, occurred earlier in the year. Over the first nine months sales were down 2.7%.

United Kingdom

In the third quarter of 2010, sales were 7.2% lower at constant exchange rates than in the third quarter of 2009. Growth in recurring revenues was unable to make up for the decline in equipment sales, which were hit in particular by the freeze in public spending. Over the first nine months of the year sales fell by 6.5% at constant exchange rates compared with the same period in 2009.

Germany

The recovery in business levels remains fragile. After sales growth in the second quarter, Neopost recorded a 2.1% drop in sales in the third quarter, at constant exchange rates, compared with the third quarter of 2009. For the first nine months as a whole, sales grew by 0.6% at constant exchange rates.

Rest of the world

At constant exchange rates, sales in the third quarter of 2010 were 8.6% higher than in the third quarter of 2009. This was thanks to strong performances from most of the Group's European subsidiaries and the successful integration of Scandinavian distributors acquired over the course of the last 18 months. The export activity, which is more volatile, saw a marked decline in the third quarter. Over the first nine months of 2010 sales grew by 8.8% at constant exchange rates, compared with the same period in 2009.

Breakdown of sales by business line and activity

€ million	Q3 2010	Q3 2009	Change	Change at constant exchange rates	9 months 2010	9 months 2009	Change	Change at constant exchange rates
Equipment sales	69.9	63.7	+9.8%	+3.9%	208.6	195.2	+6.9%	+3.1%
Recurring revenues	163.8	151.5	+8.1%	+3.0%	496.0	477.4	+3.9%	+0.7%
Total	233.7	215.2	+8.6%	+3.3%	704.6	672.6	+4.8%	+1.4%

(Unaudited figures)

Building on the growth that began in the first half of 2010, equipment sales grew by another 3.9% at constant exchange rates in the third quarter. Over the first nine months of the year, they grew by 3.1%.

Recurring revenue grew by 3.0% at constant exchange rates in the third quarter of 2010 compared to the third quarter of 2009. This brought growth for the first nine months of the year to 0.7%. Adjusted for changes in

WE VALUE YOUR MAIL

revenue resulting from postal rate changes, notably in the United States, growth in recurring revenue exceeded 3%. Recurring revenue represented 70.4% of the Group's total sales over the first nine months of 2010.

€ million	Q3 2010	Q3 2009	Change	Change at constant exchange rates	9 months 2010	9 months 2009	Change	Change at constant exchange rates
Mailing systems	162.0	151.1	+7.2%	+1.7%	489.0	484.5	+0.9%	-2.5%
Document and logistics systems	71.7	64.1	+11.7%	+7.0%	215.6	188.1	+14.6%	+11.3%
Total	233.7	215.2	+8.6%	+3.3%	704.6	672.6	+4.8%	+1.4%

(Unaudited figures)

Sales of mailing systems were up 1.7% at constant exchange rates. Over the first nine months of the year, sales were down 2.5% at constant exchange rates due notably to the lack of a postal rate change in the United States. Mailing systems represented 69.4% of the Group's total sales.

Growth in sales of document and logistics systems continued in the third quarter, with a 7.0% increase at constant exchange rates. Over the first nine months of the year, sales were 11.3% higher at constant exchange rates. The performance is due to the products' competitiveness particularly in the high end, as well as the integration of Satori and that of distributors in Scandinavia.

Results and financial position

The trend in current operating margin over the first nine months of the year is in line with Neopost's expectations for the year as a whole.

The Group is in a healthy financial position. The debt at end-October 2010 was still entirely dedicated to financing the rental, leasing and postage financing businesses.

On 16 September 2010, Neopost redeemed the US Private Placement for \$175 million and €25 million by drawing on the revolving credit line of €750 million that was negotiated in June 2007 on excellent terms.

Following this repayment, drawdown capacity, which had been temporarily in surplus, was brought back to more suitable levels.

As a result, Neopost expects its financial expenses to decrease in the second half of 2010.

Interim dividend

In accordance with the policy introduced in 2008, Neopost shareholders will benefit from the payment of an interim dividend.

The Board of Directors, meeting on 30 November 2010, set the interim dividend for the current financial year at €1.65 per share. From 10 December 2010 to 28 December 2010 each shareholder may elect to receive this payment in shares. The issue price of the shares provided in payment of the interim dividend has been set at €56,98². If a shareholder elects to receive payment in shares for a value not corresponding to a whole number of shares, he will receive the next lowest whole number of shares and the balance in cash.

The ex-dividend date is set on 10 December 2010 and payment in shares or in cash will take place on 11 January 2010.

The balance of the dividend will be paid during the summer of 2011 following approval by the General Meeting of Shareholders of the final amount to be proposed by the Board of Directors. The Group emphasises that the amount of the interim dividend in no way prejudices the amount of the final dividend.

2010 outlook

Given the good performance recorded in the third quarter, the Group now expects sales growth of between +1% and +2% at constant exchange rates compared with 2009, from a previous forecast of growth of between 0% and +2%.

The Group confirms that it expects current operating margin to reach 25.7% of sales in 2010.

Denis Thiery concluded: ***"We can look to the next few quarters with confidence, thanks to the solid performances in North America and growth in equipment sales. We will also benefit from the echo effect of past decertifications as well as from numerous completed and forthcoming product launches."***

Calendar

Sales for the fourth quarter of 2010 will be published on 1 March 2011 after market close.

² The issue price for shares used in payment of the interim dividend is 93% of the average opening prices for the Company's shares on Euronext Paris over the twenty trading days preceding the day on which the decision to pay the interim dividend was made less the net amount of the interim dividend rounded up to the nearest centime.

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. The Group is 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.

For further information, please contact:

Gaële LE MEN-CHAGNAUD, Investor Relations Officer

Fabrice BARON, DDB Financial

Tel: +33 1 45 36 31 39

Tel: +33 1 53 32 61 27

Fax: +33 1 45 36 30 30

Fax: +33 1 53 32 61 00

E-mail : g.chagnaud@neopost.com

E-mail : fabrice.baron@ddbfinancial.fr

Or visit our website: www.neopost.com