

GROWTH IMPROVES AGAIN IN THE 4TH QUARTER OF 2010

- Fourth quarter 2010 sales up 8.6% to €261.1 million or +3.6% at constant exchange rates
- 2010 sales up 5.8% to €965.6 million or +2.0% at constant exchange rates

OUTLOOK:

- 2% to 4% sales growth expected in 2011 at constant exchange rates

Paris, 1 March 2011

Neopost, the European leader and the world's number-two supplier of mailroom solutions, today announced consolidated sales of €261.1 million for the fourth quarter of the 2010 financial year (ended 31 January 2011), an increase of 8.6%, or 3.6% at constant exchange rates. Over the whole year sales totalled €965.6 million, an increase of 5.8% or 2.0% at constant exchange rates, compared with 2009.

Denis Thiery, Chairman and Chief Executive Officer of Neopost, stated: *"Our growth improved again in the fourth quarter of 2010. Overall, 2010 was driven by a recovery in equipment sales, particularly document systems. The momentum demonstrated by the Group in North America over the last few quarters continued. In Europe, where market conditions remain more volatile, performance is improving."*

Sales evolution by region

€ million	Q4 2010	Q4 2009	Change	Change at constant exchange rates
North America	105.8	93.0	+13.8%	+4.3%
France	65.2	66.1	-1.4%	-1.4%
UK	29.7	26.1	+13.9%	+8.8%
Germany	18.7	18.0	+3.5%	+2.9%
Rest of the world	41.7	37.3	+12.0%	+7.4%
Total	261.1	240.5	+8.6%	+3.6%

2010	2009	Change	Change at constant exchange rates
398.0	355.6	+11.9%	+4.8%
253.8	260.0	-2.4%	-2.4%
113.2	112.5	+0.7%	-2.9%
70.8	69.7	+1.6%	+1.2%
129.8	115.3	+12.5%	+8.3%
965.6	913.1	+5.8%	+2.0%

(Unaudited figures)

WE VALUE YOUR MAIL

North America

In North America, Neopost sales grew for the sixth consecutive quarter. In the fourth quarter of 2010, sales increased by 4.3% at constant exchange rates compared with the fourth quarter of 2009.

Over the full year, despite there being no postal rate changes in May 2010, sales increased by 4.8% at constant exchange rates compared with 2009. This performance was achieved thanks to the positive effects of the restructuring carried out in 2008 and 2009, the success of the IS range of mailing systems, and the quality and innovative nature of the Group's entire product range.

France

In a market that remains challenging, sales fell by 1.4% in the fourth quarter of 2010. Over the full year, sales were down 2.4%.

UK

At constant exchange rates, sales in the fourth quarter of 2010 rose by 8.8% compared with the fourth quarter of 2009, thanks to an increase in equipment sales against a favourable basis of comparison. Over the full year, sales were down 2.9% at constant exchange rates.

Germany

Despite still volatile market conditions, fourth quarter sales rose by 2.9%. Over the whole of 2010, sales were up 1.2% at constant exchange rates.

Rest of the world

At constant exchange rates, fourth quarter 2010 sales were up 7.4% compared with the fourth quarter of 2009. This growth was due to good performance by most European subsidiaries, particularly in Scandinavia. Export business also improved. Over the full year, sales were up 8.3% at constant exchange rates in 2010 compared with 2009.

Breakdown of sales by business line and activity

€ million	Q4 2010	Q4 2009	Change	Change at constant exchange rates	2010	2009	Change	Change at constant exchange rates
Equipment sales	86.3	77.4	+11.5%	+6.2%	294.8	272.6	+8.2%	+4.0%
Recurring revenues	174.8	163.1	+7.2%	+2.4%	670.8	640.5	+4.7%	+1.1%
Total	261.1	240.5	+8.6%	+3.6%	965.6	913.1	+5.8%	+2.0%

(Unaudited figures)

Equipment sales grew for the fourth consecutive quarter. Sales increased by 6.2% at constant exchange rates compared with the fourth quarter of 2009 thanks in particular to good performances in North America, the UK and the rest of the world. Over the full year, equipment sales were up 4.0% at constant exchange rates.

Recurring revenue increased by 2.4% at constant exchange rates in the fourth quarter of 2010 compared with the fourth quarter of 2009. Over the full year, sales grew by 1.1%. After adjustment for changes in revenues resulting from postal rate changes, particularly in the United States, recurring revenue increased by about 3%. Recurring revenue represented 69.5% of the Group's total sales in 2010.

€ million	Q4 2010	Q4 2009	Change	Change at constant exchange rates	2010	2009	Change	Change at constant exchange rates
Mailing systems	176.4	163.1	+8.1%	+2.9%	665.3	647.6	+2.8%	-1.1%
Document and logistics systems	84.7	77.4	+9.5%	+5.2%	300.3	265.5	+13.1%	+9.5%
Total	261.1	240.5	+8.6%	+3.6%	965.6	913.1	+5.8%	+2.0%

(Unaudited figures)

Sales of mailing systems were up 2.9% at constant exchange rates in the fourth quarter of 2010. Over the full year, sales were down 1.1% at constant exchange rates, mainly because there were no postal rate changes in the United States in May 2010. Mailing systems represented 68.9% of the Group's total sales in 2010.

Sales of document and logistics systems continued to grow in the fourth quarter, with a 5.2% increase at constant exchange rates. Over the full year, sales grew by 9.5% at constant exchange rates. This performance is attributable to the products' competitiveness, particularly in the high end, as well as to the integration of Satori.

Outlook

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

In 2011, the Group's momentum in North America is expected to continue thanks to the prospects for placing new mailing systems as a substantial number of contracts signed during the decertification programmes of 2006 in the United States and Canada are reaching expiration (decertification echo). In Europe, performance is still expected to be volatile as economic conditions remain uncertain and relatively dull. As a result, the Group is expected to achieve sales growth between 2% and 4% at constant exchange rates.

Denis Thiery concludes: ***"In 2010, our performance improved quarter by quarter thanks to growing equipment sales. In 2011, we shall continue to launch particularly competitive and innovative document systems and we shall continue to roll out our IS range across all our markets. We shall also benefit from the echo effect from previous decertification programmes in North America. We therefore look forward to 2011 with confidence."***

Calendar

Full-year 2010 results approved by Neopost's Board of Directors will be published on 29 March 2011 after market close.

Sales for the first quarter of 2011 will be published on 31 May 2011 after market close.

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 €966 million in 2010. 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.

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