

THIRD QUARTER 2012 SALES

THIRD-QUARTER SALES UP 8.0%

- At constant exchange rates, Neopost's Q3 sales rose by 2.6%
- In the first nine months of the year, growth was 6.1% or 0.9% at constant exchange rates

UPDATED OUTLOOK FOR FULL-YEAR 2012:

- 2012 sales expected to grow by around 2% excluding currency effects
- Current operating margin, excluding acquisition-related costs, expected to be slightly under 25%

INTERIM DIVIDEND

- Set at €1.80 per share, payable in cash

Paris, 3 December 2012

Neopost, the European leader and the world's number-two supplier of mailroom solutions, today announced consolidated sales of €261.5 million for the third quarter of the 2012 financial year (three months ended 31 October 2012), an 8.0% increase relative to the year-earlier period. At constant exchange rates, sales were up 2.6%. In particular, Neopost's sales benefitted from the acquisition of GMC Software Technology, a company specialising in customer communication management, which has been consolidated since July 2012. On the other hand, compared with last year, sales suffered from the lack of postal rate changes.

In the first nine months of 2012, sales totalled €770.2 million, up 6.1% relative to the year-earlier period or 0.9% excluding currency effects.

Denis Thiery, Chairman and CEO of Neopost, commented: *"Despite deteriorating economic conditions in Europe and cautious stances in North America, our performance in France and the USA is gradually improving. In most of our other markets, Neopost's growth momentum remains firm. In addition, the integration of GMC Software Technology is progressing well."*

Sales by region

€ million	Q3 2012	Q3 2011	Change	Change at constant exchange rates	9 months 2012	9 months 2011	Change	Change at constant exchange rates
North America	104.2	94.6	+10.2%	+0.7%	306.5	288.8	+6.1%	-3.3%
France	55.3	61.4	-10.0%	-10.0%	170.0	187.9	-9.5%	-9.5%
UK	30.1	27.4	+9.8%	+1.0%	92.8	85.0	+9.2%	+1.7%
Germany	17.9	17.1	+5.1%	+5.1%	55.3	52.9	+4.6%	+4.6%
Rest of the world	54.0	41.5	+29.8%	+25.3%	145.6	111.0	+31.1%	+26.8%
Total	261.5	242.0	+8.0%	+2.6%	770.2	725.6	+6.1%	+0.9%

(Unaudited figures)

North America

As expected, the situation is improving gradually in North America, despite cautious stances on the part of customers in high-end equipment. Third-quarter 2012 sales rose by 10.2% or 0.7% at constant exchange rates. The redeployment of the sales force, focusing on cross-selling and particularly on document systems, is starting to pay off. At the very end of the third quarter, US business was affected by Hurricane Sandy, which hit the east coast in the last few days of October.

In the first nine months of 2012, sales rose by 6.1% but fell by 3.3% at constant exchange rates.

France

The new sales organisation resulting from the merger of the Neopost France and Satas distribution subsidiaries is becoming more efficient, and order intake is getting higher than in previous months.

However, sales in the third quarter of 2012 remained 10.0% lower than in the year-earlier period. This decline is partly due to the fact that 2011 sales benefited from higher postal rate change revenues and from large equipment deliveries to Chronopost.

In the first nine months of 2012, sales were down 9.5%.

UK

In a deteriorated economic environment, sales rose by 9.8% or 1.0% at constant exchange rates in the third quarter of 2012.

In the first nine months of the year, sales were up 9.2% or 1.7% at constant exchange rates.

Germany

Neopost's sales continued to grow in the third quarter of 2012, coming in up 5.1%.

In the first nine months, sales rose by 4.6%.

WE VALUE YOUR MAIL

Rest of the world

Third-quarter sales rose by 29.8% or 25.3% at constant exchange rates. This strong growth resulted from the consolidation of GMC Software Technology and good performances in Asia-Pacific, Benelux, Ireland and Italy.

In the first nine months of the year, sales were up 31.1% or 26.8% at constant exchange rates.

Sales by business line and revenue type

€ million	Q3 2012	Q3 2011	Change	Change at constant exchange rates	9 months 2012	9 months 2011	Change	Change at constant exchange rates
Equipment sales	80.4	75.1	+7.0%	+1.2%	233.4	225.5	+3.5%	-2.0%
Recurring revenues	181.1	166.9	+8.5%	+3.2%	536.8	500.1	+7.4%	+2.1%
Total	261.5	242.0	+8.0%	+2.6%	770.2	725.6	+6.1%	+0.9%

(Unaudited figures)

Equipment sales rose by 7.0% or 1.2% at constant exchange rates in the third quarter of 2012. This growth was driven by the consolidation of GMC Software Technology and good results notably in Germany and Asia-Pacific. In France and North America, equipment sales continued to decrease, although at a slower pace than in the second quarter. In the first nine months of 2012, equipment sales fell by 2.0% at constant exchange rates.

Recurring revenues were up 8.5% or 3.2% at constant exchange rates, despite weaker revenues from postal rate changes during the quarter. The increase was driven partly by the consolidation of GMC Software Technology. In the first nine months, recurring revenues grew by 2.1% at constant exchange rates and equalled 69.7% of Neopost's total sales.

€ million	Q3 2012	Q3 2011	Change	Change at constant exchange rates	9 months 2012	9 months 2011	Change	Change at constant exchange rates
Mailing systems	167.5	162.7	+2.9%	-2.6%	509.0	495.6	+2.7%	-2.7%
Document and logistics systems	94.0	79.3	+18.5%	+13.2%	261.2	230.0	+13.6%	+8.6%
Total	261.5	242.0	+8.0%	+2.6%	770.2	725.6	+6.1%	+0.9%

(Unaudited figures)

Mailing systems sales fell by 2.6% at constant exchange rates in the third quarter of 2012, mainly because of lower revenues from postal rate changes and a boost in Q3 2011 sales which was due to the echo effect from the 2006 decertification programme in North America.

In the first nine months of 2012, mailing system sales were down 2.7% at constant exchange rates.

Sales of **document and logistics systems** rose by 18.5% or 13.2% at constant exchange rates in the third quarter of 2012. In Q3 2011, Neopost's sales had been driven higher by deliveries of equipment to Chronopost. In 2012, sales benefitted in particular from the consolidation of GMC Software Technology.

In the first nine months of 2012, sales of document and logistics systems were up 8.6% excluding currency effects. Document and logistics systems now account for more than a third of Group sales (33.9%).

Other third-quarter highlights and recent events

The integration of GMC Software Technology is progressing well. GMC Software Technology is successfully pursuing its strategy of developing business in the banking and insurance sectors and other vertical markets. In the fourth quarter, Neopost will begin replacing Print Machine with the OMS 500 document composition software specifically developed by GMC for use with Neopost's folder/inserters. This software launch will mark the development of the first synergies related to the GMC acquisition.

In parcel logistics, Neopost ID started installing its first automated secure parcel lockers for Australia Post. These enable recipients to collect parcels from a locker point of their choice, at any time of day or night, seven days a week. The contract involves installing 250 lockers by the end of 2013, including 48 by the end of 2012. It will generate sales of around 11 million Australian dollars (i.e. around €9 million) for Neopost over a multi-year period, including supply of equipment and related services. Neopost ID is also very busy on a number of other fronts, and so expects to have a good fourth quarter.

The Group has just acquired Human Inference, one of the leading European providers of data quality solutions and a specialist in Master Data Management (integrated client database management solutions). Human Inference is expected to generate sales of around €11 million in 2012. This acquisition strengthens Neopost' offering in the field of data quality, complementing the postal address management solutions developed by Satori Software. It also fits very well with GMC Software Technology, with the potential for substantial commercial synergies. For more information, see the press release dated 30 November 2012.

General description of the Group's financial position

Financial position

Neopost has a healthy financial position. At end-October 2012, debt continued to be dedicated entirely to the financing of rental, leasing and postage-financing activities.

Neopost is pursuing the refinancing of its private placement with Crédit Agricole due to mature in December 2012 (€133 million), along with its syndicated revolving multi-currency credit facility maturing in June 2012 (€675 million, of which €380 million was drawn on 31 January 2012).

During the third quarter, the Group raised €150 million from several French insurance companies including AXA, with a 5-year term. Neopost also raised \$95 million and €67 million through Schuldschein German-law private placements. These Schuldscheine have a 4-year term and were placed with

European and Asian investors. In June 2012, Neopost issued \$175 million of bonds with 4- and 10-year maturities through a US private placement with various insurance companies.

The terms obtained in these private placements confirm Neopost's credit quality, which is equivalent to *investment grade*. Through these new transactions in various markets, the Group has significantly extended the average term of its debt, while continuing to diversify its funding sources.

Interim dividend

In accordance with the policy adopted in 2008, Neopost's shareholders will receive an interim dividend in January 2013.

In its 30 November 2012 meeting, the Board of Directors set the interim dividend with respect to 2012 at €1.80 per share. The Group emphasises that the amount of the interim dividend does not prejudice the amount of the total dividend to be paid with respect to 2012.

The interim dividend will be paid entirely in cash. The ex-dividend date will be 18 January 2013, and payment will take place on 23 January 2013.

The balance of the dividend will be paid in July 2013 subject to approval by the General Shareholders' Meeting of the total dividend to be proposed by the Board of Directors.

Outlook

Given performance in the third quarter of 2012 and deteriorated economic conditions, the Group expects 2012 sales to grow by around 2% excluding currency effects, which is at the lower end of the previously announced range.

To achieve this target, Neopost expects the following developments in the fourth quarter:

- a further gradual improvement in performance in France and the USA;
- a lower decrease in revenues linked with postal rate changes than initially expected;
- significant contracts in production mail, some of which have already been signed (particularly in Scandinavia) while others are the subject of advanced talks;
- firm business levels at Neopost ID;
- the successful integration of GMC Software Technology.

Neopost now expects current operating margin, excluding acquisition-related costs, to be slightly lower than 25%, as opposed to the previous forecast of 25.2%. This new estimate is notably based on the following factors:

- expected sales growth at the lower end of the previously announced range;
- anticipated increase in social contributions (on employee profit sharing, share-based payments, retirement benefits...) to come into force in France in 2012 ;
- stonger growth in sales coming from Asia-Pacific and non-mail businesses, where margins are lower.

Denis Thiery concluded: *"Our performances in North America and France will continue to improve and we will keep generating strong growth in Asia-Pacific. A high number of production mail contracts are at the discussion stage or have already been signed. The acquisitions of GMC Software Technology and Human Inference, along with the success of Neopost ID, illustrate our ability to develop beyond the mail business. As a result, we are confident that our growth will accelerate in late 2012, while we will continue to generate a high level of operating margin."*

Calendar

Fourth-quarter sales figures will be published on 4 March 2013 after the 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 29 countries, with 5,900 employees and annual sales of €1,003 million in 2011. 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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