

THIRD QUARTER 2013 SALES

FURTHER ORGANIC GROWTH IN THE THIRD QUARTER OF 2013

- Third quarter sales up 4.2% at constant exchange rates
- Organic growth¹ of 3.1%

OUTLOOK FOR 2013 UNCHANGED

- 2013 sales expected to grow by at least 5% at constant exchange rates
- Expected 2013 current operating margin before acquisition-related expenses² of over 25% for Neopost Integrated Operations³ and more than 12% for CSS Dedicated Units³

Paris, 2 December 2013

Neopost, the European leader and the world's number-two supplier of mailroom solutions, today announced consolidated sales of €261.3 million for the third quarter of the 2013 financial year (ended 31 October 2013), quite stable compared with the third quarter of 2012. At constant exchange rates, sales increased by 4.2%. Organic growth¹ remained robust at +3.1% in the third quarter of 2013, just above the level achieved in the previous quarter.

Over the first nine months of the year, sales totalled €795.0 million, up 3.2% compared with the same period in 2012. Sales increased by 5.9% at constant exchange rates, with organic growth⁴ of 2.7%, fully in line with the Group's full-year guidance.

Denis Thiery, Chairman and Chief Executive Officer of Neopost, comments: ***"For the fourth consecutive quarter, we have achieved a significant level of organic growth. This growth continues to be driven by the strength of the Communication & Shipping Solutions business, while we have stabilised our Mail Solutions business. On the back of this momentum, which is the result of the transformation strategy implemented by Neopost, we are confident that we will be able to achieve our targets for the full year."***

¹ Q3 2013 sales are compared with Q3 2012 sales with the addition of sales from Human Inference over three months (€2.6 million)

² Current operating income before acquisition-related expenses as a percentage of sales

³ See glossary on page 5

⁴ 9M 2013 sales are compared with 9M 2012 sales with the addition of sales from GMC Software Technology over five months (€15.8 million) and from Human Inference over nine months (€7.6 million)

Change in sales by business line

€ million	Q3 2013	Q3 2012	Change	Change at constant exchange rates	Q3 2012 Restated	Organic growth ¹ (at constant exchange rates)
Mail Solutions	216.1	223.8	-3.5%	+0.2%	223.8	+0.2%
Communication & Shipping Solutions	45.2	37.7	+20.1%	+27.9%	40.3	+19.5%
Total	261.3	261.5	-0.1%	+4.2%	264.1	+3.1%

(Unaudited figures)

€ million	9M 2013	9M 2012	Change	Change at constant exchange rates	9M 2012 Restated	Organic growth ⁴ (at constant exchange rates)
Mail Solutions	662.7	680.7	-2.6%	-0.4%	680.7	-0.4%
Communication & Shipping Solutions	132.3	89.5	+47.9%	+53.3%	112.9	+21.5%
Total	795.0	770.2	+3.2%	+5.9%	793.6	+2.7%

(Unaudited figures)

Mail Solutions

Mail Solutions sales increased by 0.2% at constant exchange rates in the third quarter of 2013, confirming the stabilisation already seen in the second quarter. **Mail Solutions** sales benefited from the robust rate of equipment sales in both mailing systems and folders/inserters, while revenues from rentals and supplies were below last year.

Mail Solutions sales accounted for 82.7% of total Group sales in the third quarter of 2013.

Communication & Shipping Solutions

Communication & Shipping Solutions sales rose by 27.9% at constant exchange rates in the third quarter of 2013, thanks in particular to the acquisition of Human Inference in 2012. Restated for the scope effect related to this acquisition, **Communication & Shipping Solutions** saw organic sales growth of 19.5%. This strong performance applies to Data Quality, Customer Communication Management and Shipping Solutions activities. It also involves both the activities of the traditional distribution network (*Neopost Integrated Operations*) and those of specialist networks (*CSS Dedicated Units*).

In total, **Communication & Shipping Solutions** sales accounted for 17.3% of total Group sales in the third quarter of 2013 compared with 14.4% for the year-earlier period.

The Group states that DMTI Spatial, the company acquired in October 2013, will be consolidated as of November.

Change in sales by region

€ million	Q3 2013	Q3 2012	Change	Change at constant exchange rates	9M 2013	9M 2012	Change	Change at constant exchange rates
North America	103.6	104.2	-0.6%	+5.1%	314.8	306.5	+2.7%	+6.0%
Europe	139.2	138.2	+0.8%	+2.3%	421.0	413.4	+1.8%	+3.0%
<i>o/w France</i>	55.4	55.3	+0.2%	+0.2%	169.5	170.1	-0.3%	-0.3%
Asia-Pacific	17.1	18.0	-5.0%	+10.9%	56.0	47.9	+16.9%	+28.0%
Other	1.4	1.1	+30.9%	+36.7%	3.2	2.4	+30.1%	+35.3%
Total	261.3	261.5	-0.1%	+4.2%	795.0	770.2	+3.2%	+5.9%

(Unaudited figures)

North America

Sales in North America saw further growth, up 5.1% at constant exchange rates in the third quarter of 2013. This growth, which was expected, relates to the sharp rise in equipment sales. The Group benefited from the successful launch of the new 'IN' mailing systems range. These machines incorporate all of the latest innovations made available by Neopost to its clients to optimise mail management and make letter and parcel sending preparations both easier and more efficient. Sales in North America also benefited from growth in sales of folders/inserters, as well as the rise in revenues from Satori Software and GMC Software Technology.

Europe

Despite a challenging economic climate, sales in Europe increased by 2.3% at constant exchange rates in the third quarter of 2013. The situation remained difficult in the United Kingdom, although there was some improvement compared with previous quarters.

Asia-Pacific

The Group achieved further brisk growth in the Asia-Pacific region, with sales up 10.9% at constant exchange rates in the third quarter of 2013. This performance relates primarily to the strong performances achieved in Australia in both **Mail Solutions** activities and **Communication & Shipping Solutions** activities, thanks in particular to the roll-out of parcel lockers for Australia Post.

Change in sales by revenue type

€ million	Q3 2013	Q3 2012	Change	Change at constant exchange rates	9M 2013	9M 2012	Change	Change at constant exchange rates
Equipment sales	83.6	80.4	+4.0%	+9.1%	256.4	233.4	+9.9%	+13.1%
Recurring revenues	177.7	181.1	-1.9%	+2.0%	538.6	536.8	+0.3%	+2.7%
Total	261.3	261.5	-0.1%	+4.2%	795.0	770.2	+3.2%	+5.9%

(Unaudited figures)

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Equipment sales

Equipment sales saw further strong growth of 9.1% at constant exchange rates in the third quarter of 2013. This strong performance relates in particular to the increase in **Mail Solutions** sales - primarily in North America, France and the Asia-Pacific region - as well as the increase in GMC Software Technology licence sales. Equipment sales accounted for 32.0% of sales in the third quarter of 2013 compared with 30.7% for the year-earlier period.

Recurring revenues

Recurring revenues increased by 2.0% at constant exchange rates in the third quarter of 2013, mainly as a result of higher leasing revenues for the **Mail Solutions** business and the contribution from service and maintenance revenues from **Communication & Shipping Solutions** activities. Recurring revenues make up a very large proportion of the Group's sales, accounting for 68.0% of sales in the third quarter of 2013.

Other highlights of the quarter and recent events

The Group recently acquired DMTI Spatial, the Canadian market leader in location-based data quality solutions. The solutions developed by DMTI Spatial encompass both location-based data quality management and master data management. Combining all of the information relating to a given location allows for significant improvement in sales and marketing efforts, operating efficiency and client risk management. Over the last 12 months (year ended 30 September 2013), DMTI Spatial generated sales of around CAD 10 million.

Neopost ID, Neopost's subsidiary specialized in Shipping Solutions, is currently testing in France a new concept of automated lockers for picking up and dropping off parcels. This lockers' network, named Packcity, is operated by Neopost. It is designed to be opened to multiple carriers and retailers and to offer the possibility to access many services.

General financial situation

Financial situation

The Group's financial situation is healthy. At the end of October 2013, debt continued to be dedicated entirely to the financing of rental, leasing and postage financing activities.

Interim dividend

In keeping with the policy adopted in 2008, Neopost shareholders will receive an interim dividend to be paid in February 2014.

At its meeting of 29 November 2013, the Board of Directors set the amount of the interim dividend corresponding to the 2013 financial year at €1.80 per share. The Group specifies that the amount of the

interim dividend does not prejudice the amount of the total dividend to be paid with respect to 2013 financial year.

The interim dividend will be paid entirely in cash. The ex-dividend date will be 5 February 2014 and payment will be made on 10 February 2014.

The final dividend will be paid in August 2014 subject to approval by the General Shareholders' Meeting of the total dividend to be proposed by the Board of Directors.

Outlook unchanged

The Group's performance in the third quarter of 2013 was in line with expectations. Neopost confirms that it expects sales growth of at least 5% at constant exchange rates in 2013, not taking into account the acquisition of DMTI, or organic growth of at least 2.7%.

The Group also confirms that it expects current operating margin before acquisition-related expenses in 2013²:

- of more than 25% for **Neopost Integrated Operations**;
- of more than 12% for **CSS Dedicated Units**.

Denis Thiery concludes: *"Sales for the first nine months of the year reflect how our business model is evolving. We are continuing to reinforce our Communication & Shipping Solutions offering. We are implementing synergies between our subsidiaries dedicated to these activities and our traditional distribution network. We recently made a new acquisition, that of DMTI Spatial. And lastly, we are continuing to work on developing and launching innovative technological solutions. In the light of all of these factors, we are confident about the Group's outlook in the medium and long term."*

Glossary

- **Mail Solutions:** mailing systems, document management systems (folders/inserters for offices, mail rooms, production, other mail room equipment) and related services
- **Communication & Shipping Solutions (CSS):** data quality, customer communication management solutions, logistics solutions, document finishing solutions and graphics solutions
- **Neopost Integrated Operations:** Neopost subsidiaries developing, producing and distributing Neopost products and services
- **CSS Dedicated Units:** GMC Software Technology, Human Inference, Neopost ID, Satori Software

Calendar

Fourth quarter sales will be published on 3 March 2014 after market close.



PRESS RELEASE

ABOUT NEOPOST

NEOPOST IS THE EUROPEAN LEADER and the number two world-wide supplier of mailing solutions, as well as an increasingly key player in the area of Communication and Shipping Solutions. A specialist in mailroom equipment, Neopost offers the most advanced solutions for franking, folding/inserting and addressing solutions, in addition to a comprehensive range of services, including consultancy, maintenance and financing solutions. Neopost is also gradually developing a portfolio of new activities with the aim of reinforcing its offering and the services provided for its clients in the areas of Client Communications Management, Data Quality and Logistics Solutions.

With a direct presence in 30 countries and 6,000 employees, Neopost generated full-year sales of €1.07 billion in 2012. Its products and services are sold in more than 90 countries.

Neopost is listed in the A compartment of Euronext Paris and belongs notably to the SBF 120 index.

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