

2013 FOURTH QUARTER SALES

ORGANIC GROWTH IN LINE WITH TARGETS

- Organic growth of 2.6%¹ in fourth-quarter 2013 and 2.7%² for full-year 2013
- Annual sales growth of 5.2% in 2013 at constant exchange rates

2013 OPERATING MARGIN

- 2013 current operating margin, before acquisition-related expenses³:
 - now expected to be slightly lower than 25% for *Neopost Integrated Operations*⁴
 - still expected to be above 12% for *CSS Dedicated Units*⁴

SALES OUTLOOK FOR 2014

- Sales organic growth⁵ expected between 1 and 3% in 2014

Paris, 3 March 2014

Neopost, the world's number two supplier of mailroom solutions and a key player in communication and shipping solutions, today announced consolidated sales of €300.5 million for the fourth quarter of the 2013 financial year (ended 31 January 2014), an increase of 0.2% on the fourth quarter of the previous year. Sales were up 3.5% at constant exchange rates, while organic growth¹ reached 2.6% in the fourth quarter of 2013.

Sales for full-year 2013 amounted to €1,095.5 million, up 2.4% relative to the 2012 financial year. Sales increased by 5.2% at constant exchange rates, with full-year organic growth² of 2.7%, in line with annual targets.

Denis Thiery, Chairman and Chief Executive Officer of Neopost, commented: ***"We have delivered our fifth consecutive quarter of organic growth, meeting our annual targets of 5.2% growth, at constant exchange rates, and 2.7% organic growth. Mail Solutions continues to show strong resilience, while Communication & Shipping Solutions recorded double-digit growth, more than doubling their share of sales in the space of two years."***

¹ Q4 2013 sales are compared with Q4 2012 sales, with the addition of the sales generated by Human Inference for one month (€0.7 million) and by DMTI Spatial for three months (€2.1 million); organic growth is calculated at constant exchange rates

² 2013 sales are compared with 2012 sales, with the addition of the sales generated by GMC Software Technology for five months (€15.8 million), by Human Inference over 10 months (€8.3 million) and by DMTI Spatial for three months (€2.1 million); organic growth is calculated at constant exchange rates

³ Current operating income before acquisition-related expenses as a percentage of sales

⁴ See glossary page 5

⁵ Organic growth is calculated at constant exchange rates

Sales by business line

€ million	Q4 2013	Q4 2012	Change	Change at constant exchange rates	Q4 2012 Restated ¹	Organic growth ¹ (at constant exchange rates)
Mail Solutions	246.7	252.2	-2.2%	+0.5%	252.2	+0.5%
Communication & Shipping Solutions	53.8	47.6	+13.2%	+19.7%	50.4	+13.0%
Total	300.5	299.8	+0.2%	+3.5%	302.6	+2.6%

(Unaudited figures)

€ million	2013	2012	Change	Change at constant exchange rates	2012 Restated ²	Organic growth ² (at constant exchange rates)
Mail Solutions	909.4	933.0	-2.5%	-0.2%	933.0	-0.2%
Communication & Shipping Solutions	186.1	137.0	+35.8%	+41.7%	163.2	+18.9%
Total	1,095.5	1,070.0	+2.4%	+5.2%	1,096.2	+2.7%

(Unaudited figures)

Mail solutions

Mail Solutions sales increased by 0.5% at constant exchange rates in the fourth quarter of 2013, despite lower revenues from postal rate changes. This growth reflects dynamic equipment sales for both mailing systems and folders/inserters, and a decline in revenues from rentals and consumables.

Mail Solutions sales accounted for 82.1% of Group sales in the fourth quarter of 2013.

Communication & Shipping Solutions

Communication & Shipping Solutions sales rose by 19.7% in the fourth quarter of 2013, at constant exchange rates. Sales benefitted from the acquisition of Human Inference in December 2012, and the consolidation of DMTI Spatial as from November 2013. Restated for the scope effect of these acquisitions, **Communication & Shipping Solutions** saw organic sales growth of 13.0%. Growth was recorded across all business lines: Data Quality, Customer Communication Management and Shipping Solutions. Growth in the share of these activities within Neopost's distribution network (Neopost Integrated Operations) outstripped that of specialised subsidiaries (CSS Dedicated Units). This illustrates the intensified commercial synergies generated to increase **Communication & Shipping Solutions** sales through Neopost's distribution network.

In all, **Communication & Shipping Solutions** accounted for 17.9% of Group sales in the fourth quarter of 2013, up from 15.9% one year earlier.

Sales by region

€ million	Q4 2013	Q4 2012	Change	Change at constant exchange rates	2013	2012	Change	Change at constant exchange rates
North America	115.7	112.7	+2.7%	+7.4%	430.5	419.2	+2.7%	+6.4%
Europe	165.7	167.5	-1.1%	-0.2%	586.8	580.9	+1.0%	+2.1%
<i>o/w France</i>	65.4	66.3	-1.3%	-1.3%	234.9	236.3	-0.6%	-0.6%
Asia-Pacific	17.0	18.3	-7.0%	+10.3%	73.0	66.1	+10.3%	+23.1%
Other	2.1	1.3	n/a	n/a	5.2	3.8	n/a	n/a
Total	300.5	299.8	+0.2%	+3.5%	1,095.5	1,070.0	+2.4%	+5.2%

(Unaudited figures)

North America

The pace of growth accelerated, reaching 7.4% at constant exchange rates in North America in the fourth quarter of 2013, driven by the sharp rise in equipment sales as expected. Neopost reaped the benefits of the successful launch of the new IN range of mailing systems, and the echo effect of the 2008 U.S. decertification programme. The performance in North America also gained from sales of folders/inserters, particularly in high-end equipment, the increase in revenues generated by Satori Software and GMC Software Technology, and the integration of DMTI Spatial.

Europe

Sales in Europe remained practically stable in the fourth quarter of 2013, at constant exchange rates. Sales were robust in most countries notably Germany and Scandinavia. In the United Kingdom, market conditions remained difficult. Sales in France are slightly down, due to postal rate change revenues that were lower than in the same period the previous year.

Asia-Pacific

The Group maintained its robust growth performance in the Asia-Pacific region, growing sales 10.3% at constant exchange rates in the fourth quarter of 2013. This rise stems primarily from the good performance recorded by **Mail Solutions** in Australia.

Sales by revenue type

€ million	Q4 2013	Q4 2012	Change	Change at constant exchange rates	2013	2012	Change	Change at constant exchange rates
Equipment sales	106.7	99.2	+7.6%	+11.8%	363.2	332.6	+9.2%	+12.7%
Recurring revenues	193.8	200.6	-3.4%	-0.5%	732.3	737.4	-0.7%	+1.8%
Total	300.5	299.8	+0.2%	+3.5%	1,095.5	1,070.0	+2.4%	+5.2%

(Unaudited figures)

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Equipment sales

The sharp increase in equipment sales continued at a rate of 11.8% at constant exchange rates in the fourth quarter of 2013. This fine performance was buoyed notably by the growth in sales of mailing systems and folders/inserters, especially in North America, France and the Asia-Pacific region, as well as by the higher license sales by GMC Software Technology and the integration of DMTI Spatial. Equipment sales accounted for 35.5% of sales in the fourth quarter of 2013, versus 33.1% one year earlier.

Recurring revenues

Recurring revenues were down 0.5% at constant exchange rates in the fourth quarter of 2013, due mainly to the lower revenues from postal rate changes and the decline in revenues from rental and supplies for **Mail Solutions**. In contrast, service and maintenance revenues for **Communication & Shipping Solutions** were up. Recurring revenues accounted for 64.5% of Group sales in the fourth quarter of 2013.

Outlook

In light of the acceleration in investments at the end of the year to prepare for the launch in the first half of the platform that will support the new Software as a Service (SaaS) offering, Neopost expects its 2013 current operating margin for **Neopost Integrated Operations** to be slightly under 25%, before acquisition-related expenses². In contrast, the Group confirms an expected margin above 12% for **CSS Dedicated Units**.

In 2014, Neopost expects organic sales growth of between 1 and 3%, based on the following organic growth assumptions: **Mail Solutions** sales remaining more or less stable and **Communication & Shipping Solutions** growing at double-digit rate.

Denis Thiery concluded: *"Neopost's transformation strategy is in progress. To leverage the host of opportunities identified to develop our Communication & Shipping Solutions, we are stepping up investments, both for the platform that will support our offer of new SaaS solutions to our traditional client base, and for new initiatives, such as the roll-out of Packcity, our network of automated lockers, in partnership with Geopost."*

Calendar

Full-year 2013 results will be published on 25 March 2014 after market close.
First-quarter 2014 sales will be published on 27 May 2014 after market close.

Sales by distribution network

<i>(in € million)</i>	2013			
	NIO	CSS DU	elimination	Total
Mail Solutions	909.4	-	-	909.4
Communication & Shipping Solutions	94.4	109.9	(18.2)	186.1
Total sales	1,003.8	109.9	(18.2)	1,095.5

Glossary

- **Mail Solutions (MS):** mailing systems, document management systems (folders/inserters for offices, mailrooms and production; other mailroom 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 (NIO):** Neopost subsidiaries developing, producing and distributing Neopost products and services
- **CSS Dedicated Units (CSS DU):** DMTI Spatial, GMC Software Technology, Human Inference, Neopost ID and Satori Software

ABOUT NEOPOST

NEOPOST IS THE EUROPEAN LEADER and the number two world-wide supplier of Mail Solutions, as well as an increasingly significant player in the area of Communication and Shipping Solutions. A specialist in mailroom equipment, Neopost offers the most technologically advanced solutions for franking, folding/inserting and addressing, 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 6,100 employees, Neopost generated full-year sales of €1.1 billion in 2013. Its products and services are sold in more than 90 countries.

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

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