

## FIRST QUARTER 2012 FINANCIAL INFORMATION

### 2012 FIRST QUARTER SALES IN LINE WITH ANNUAL PLAN

- Sales up 5.9% or 2.4% at constant exchange rates

### OUTLOOK FOR 2012 UNCHANGED:

- 2012 sales expected to grow by at least 2% at constant exchange rates
- Expected 2012 current operating margin<sup>1</sup> of around 25.5% of sales

#### Paris, 31 May 2012

Neopost, the European leader and the world's number-two supplier of mailroom solutions, today announced consolidated sales of €248.0 million for the first quarter of the 2012 financial year (ended 30 April 2012), an increase of 5.9% compared with the first quarter of 2011. At constant exchange rates, sales increased 2.4%.

Denis Thiery, Chairman and Chief Executive Officer of Neopost, stated: ***"This first-quarter performance is in line with expectations. We had expected a slowdown in North America, mainly as a result of the lack of postal rate change, as well as a slowdown in the decertification echo effect. In France, we knew that the adoption of our new sales and marketing structure would penalise our performance to begin with. Sales are continuing to grow in all of the other markets in which we operate, particularly Scandinavia and the Asia-Pacific region as well as in the document system activity. We are maintaining our growth and operating margin forecasts for 2012"***.

### Sales by region

€ million	Q1 2012	Q1 2011	Change	Change at constant exchange rates
North America	98.7	97.8	+0.9%	-4.9%
France	58.4	59.8	-2.4%	-2.4%
UK	30.0	28.0	+7.2%	+3.3%
Germany	17.3	16.6	+4.7%	+4.7%
Rest of the World	43.6	32.0	+36.4%	+32.0%
<b>Total</b>	<b>248.0</b>	<b>234.2</b>	<b>+5.9%</b>	<b>+2.4%</b>

(Unaudited figures)

<sup>1</sup> Current operating income / sales

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## North America

Sales rose by 0.9% during the first quarter of 2012, but were down 4.9% at constant exchange rates. This decline was expected, resulting mainly from the lack of postal rate change in the United States, unlike last year. It was also due to a slowdown in the "echo effect" of the 2006 decertification programme in North America, reflected in a reduction in the number of leasing contracts expiring in the quarter.

## France

Sales fell by 2.4% in the first quarter of 2012 relative to the first quarter of 2011, which began to benefit from revenues relating to the Chronopost contract signed last year. Furthermore, the new sales and marketing structure having just recently been implemented, this has adversely impacted equipment sales.

## UK

Sales remained brisk in the UK. At constant exchange rates, sales increased by 3.3% in the first quarter of 2012, despite the lack of postal rate change. This performance was due to strong growth in equipment sales in both mailing systems and document systems, particularly in the high-end segments.

## Germany

In a market in which the Group's year-on-year performance is very closely tied to winning major contracts, sales rose by 4.7% at constant exchange rates during the first quarter of 2012. This reflects notably the winning of a large document systems contract.

## Rest of the World

At constant exchange rates, sales increased by 32.0% during the first quarter of 2012 relative to the first quarter of 2011. This strong growth relates to the successful integration of distributor GBC in Australia, consolidated since early June 2011, as well as the solid performances achieved in all other European countries, particularly in Scandinavia.

## Sales by business line and revenue type

€ million	Q1 2012	Q1 2011	Change	Change at constant exchange rates
Mailing systems	<b>168.0</b>	163.5	+2.8%	-0.8%
Document and logistics systems	<b>80.0</b>	70.7	+13.1%	+9.9%
<b>Total</b>	<b>248.0</b>	<b>234.2</b>	<b>+5.9%</b>	<b>+2.4%</b>

(Unaudited figures)

Despite the lack of postal rate changes in the United States and the United Kingdom, the slowdown in the echo effect of the 2006 decertification programme in North America and the adoption of the new

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sales and marketing structure in France, sales of mailing systems fell by just 0.8% at constant exchange rates thanks to the Group's robust performance in the UK, German and Scandinavian markets.

Sales of document and logistics systems saw further strong growth of 9.9% at constant exchange rates, driven primarily by the commercial success of the entire DS range and the positive effect of the consolidation of GBC Australia. Document and logistics systems sales now account for around one-third of total sales (32.3%).

€ million	Q1 2012	Q1 2011	Change	Change at constant exchange rates
Equipment sales	<b>72.4</b>	70.4	+2.8%	-0.8%
Recurring revenues	<b>175.6</b>	163.8	+7.2%	+3.8%
<b>Total</b>	<b>248.0</b>	<b>234.2</b>	<b>+5.9%</b>	<b>+2.4%</b>

(Unaudited figures)

Equipment sales fell by 0.8% at constant exchange rates during the first quarter of 2012. This reflects the contrasting situation between declining sales in North America and France for the aforementioned reasons, and the robust performances achieved in all other markets, particularly the United Kingdom.

Recurring revenues rose by 3.8% despite the lack of postal rate changes in the United States and the United Kingdom. This growth was mainly due to increases in leasing and services revenues, as well as the consolidation of GBC Australia. Recurring revenues remain the main source of revenues for the Group, accounting for 70.8% of sales.

## General description of the Group's financial position

### Results

The development of current operating margin in the first quarter was in line with the Group's expectations for the whole of 2012.

The implementation of a new optimisation plan booked end of July 2011 will not require additional provisions.

### Financial position

The Group's financial position is healthy. Debt is entirely for the purpose of financing equipment leased or rented to customers.

## Outlook unchanged

Despite the difficult and uncertain economic climate, the Group's performance to date has been in line with expectations. The Group expects sales growth of at least 2% at constant exchange rates in 2012.

The Group also confirms that it expects current operating margin of around 25.5% of sales in 2012.

Denis Thiery concludes: ***"By developing our services and high-end document management activities, we have managed to expand on the range of services offered to our customers and find growth drivers that - along with the acquisition of our Australian distributor - allowed us to deliver a good first-quarter performance. In the light of our new sales and marketing structure in France, our new dedicated entry-level distribution channel, the return to growth in North America and the development of our operations in the Asia-Pacific region, we are confident about the upcoming quarters."***

## Calendar

The AGM will be held in Paris on 4 July 2012. Second quarter sales will be published on 6 September 2012 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 5,600 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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