

THIRD QUARTER 2015

- ▶ Slight slowdown in the contraction of Mail Solutions sales, down 4.1% at constant exchange rates
- ▶ Organic growth of 9.9% for Communication & Shipping Solutions sales
- ▶ Total Q3 sales up 5.6%, down 1.1% at constant scope¹ and exchange rates

OUTLOOK

- ▶ Total organic growth for FY 2015 sales projected at around -1%
- ▶ Confirmation of 2015 current operating margin (before acquisition-related expense²) expected at a minimum level of 19.5% of sales

Paris, December 1, 2015

Neopost, the number 2 global supplier of Mail Solutions and a major player in digital Communication and Shipping Solutions, today announced consolidated sales of €283.6 million for third quarter 2015 (period ended on October 31, 2015), up 5.6% on third quarter 2014. Given a positive currency effect of 6.3% and a positive scope effect of 0.4%, organic growth¹ was -1.1%, reflecting a slight slowdown in the decrease of Mail Solutions sales and continued organic growth for Communication & Shipping Solutions, though at a more moderate pace.

Sales for the first nine months of 2015 totaled €869.7 million, up 8.8% compared with the same period in 2014. Given a positive currency effect of 9.2% and a scope effect of 0.7%, organic growth³ stood at -1.1%.

Denis Thiery, Chairman and Chief Executive Officer of Neopost, commented: ***"Quarter after quarter, the decrease in our Mail Solutions activities is slowing down, but not enough to bring the Group as a whole back to positive organic growth. Our Communication and Shipping Solutions continue to record strong organic growth at close to 10%, albeit inferior to growth in first-half 2015. Furthermore, we once again benefited from favorable exchange rates, allowing us to increase sales by close to 9% since the beginning of the year."***

¹ Q3 2015 sales are compared with Q3 2014 sales, with the addition of €1.1 million in sales generated by Temando (3 months).

² Current operating margin before acquisition-related expense = current operating income before acquisition-related expense / sales.

³ 9M 2015 sales are compared with 9M 2014 sales with the addition of €5.3 million in sales generated by ProShip (3 months), DCS (3 months) and Temando (6 months and 3 weeks).

SALES BY BUSINESS LINE

€ million	Q3 2015	Q3 2014	Change	Change at constant exchange rates	Organic change ¹
Mail Solutions	217.3	211.5	+2.7%	-4.1%	-4.1%
Communication & Shipping Solutions	66.3	57.0	+16.4%	+12.0%	+9.9%
Total	283.6	268.5	+5.6%	-0.7%	-1.1%

(Unaudited data)

€ million	9M 2015	9M 2014	Change	Change at constant exchange rates	Organic change ³
Mail Solutions	672.1	643.2	+4.5%	-4.8%	-4.8%
Communication & Shipping Solutions	197.6	156.0	+26.6%	+17.7%	+13.8%
Total	869.7	799.2	+8.8%	-0.4%	-1.1%

(Unaudited data)

Mail Solutions

Mail Solutions sales in Q3 2015 decreased by 4.1% at constant exchange rates, representing continued improvement observed in previous quarters. This improvement resulted from a sharp slowdown in the decrease of recurring revenues, especially in Europe, owing to a lesser decline in revenues from supplies, rentals and services, while leasing revenues increased. The improvement was also driven by a significant recovery in equipment sales in most European countries, notably France and the United Kingdom, even though equipment sales as a whole did not meet expectations.

Communication & Shipping Solutions

Communication & Shipping Solutions sales rose 12.0% in Q3 2015 at constant exchange rates. Restated for scope effects stemming from the consolidation of Temando, Communication & Shipping Solutions sales grew 9.9% on an organic basis.

Organic growth in Communication & Shipping Solutions recorded by the Neopost distribution network (**Neopost Integrated Operations**⁴) was +7.1%. The increase was lower than that achieved in the previous two quarters owing to slower growth in the sales of software designed by the dedicated subsidiaries i.e. GMC Software Technology, Satori and ProShip.

In contrast, organic growth in Communication & Shipping Solutions recorded by the **CSS Dedicated Units**⁴ increased on the previous two quarters to reach 11.9%. Customer Communication Management software made substantial headway. In Shipping Solutions, Neopost benefited from growth at ProShip and Temando but was negatively impacted by the end of the implementation phase of the logistics IT system with the French Ministry of Defense. In addition, the rollout of Packcity fell behind schedule.

⁴ See glossary page 5.

Overall, Communication & Shipping Solutions accounted for over 23% of Group sales in Q3 2015 compared with 21% in Q3 2014.

OVERVIEW OF THE FINANCIAL SITUATION

Financial situation

The Group has a healthy financial situation. At end-October 2015, debt remained fully dedicated to the financing of the rental, leasing and postage financing businesses.

As part of the optimization of its financing conditions, the Group made an early repayment on its German private placements (*Schuldschein*) and one of its French private placements, for the respective amounts of €67 million and €50 million.

Interim dividend

Following the announcement made at end-September to propose a dividend of €1.70 per share to shareholders in the next two or three financial years, the Board of Directors meeting on November 27, 2015 set the amount of the interim dividend for FY 2015 at €0.80 per share.

The interim dividend will be paid in cash. The ex-dividend date will be February 5, 2016 and the payment will be made on February 9, 2016.

The balance of the dividend will be paid in August 2016.

OUTLOOK

In light of the performance posted in the first nine months of the year, Neopost now expects organic sales growth of around -1% in 2015, compared with its previous expectations of between -1% and +1%.

Regarding profitability, thanks to measures already in place to reduce operating expenses, the Group confirms its expectations of achieving a current operating margin⁵ before acquisition-related expense of at least 19.5%.

Denis Thiery concluded: ***"The Group transformation continues, as reflected in the growing share of our Communication & Shipping Solutions, which now account for over 23% of our sales. For 2015 as a whole, we can expect double-digit growth for Communication & Shipping Solutions thanks to the momentum of our Dedicated Units and the commercial synergies that are being developed with our traditional distribution network. We can also expect significantly favorable foreign exchange gains. In addition, the savings plans already initiated will help us to generate an operating margin of at least 19.5% of sales."***

⁵ Excluding new acquisitions.

CALENDAR

Neopost has decided from now on to combine the announcement of its second quarter and fourth quarter sales with the publication of its half-year and full-year financial statements. This decision will take effect with the publication of the 2015 financial statements, which will thus include the announcement of this year's fourth quarter sales. The press release for the 2015 financial statements will be published on March 29, 2016 after market close.

ABOUT NEOPOST

NEOPOST is the number 2 global supplier in Mail Solutions and a major player in the field of Digital Communications and Shipping Solutions. Its aim is to help companies improve the way they manage interactions with their clients and stakeholders.

Neopost provides the most advanced solutions for physical mail processing (mailing systems and folders/inserters), digital communication management (Customer Communication Management and Data Quality applications), and supply chain and e-commerce process optimization (from point of sale to delivery, including associated tracking services).

With a direct presence in 31 countries and more than 6,000 employees, Neopost recorded annual sales of €1.1 billion in 2014. Its products and services are sold in more than 90 countries.

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

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APPENDICES:

Change in sales by region

€ million	Q3 2015	Q3 2014	Change	Change at constant forex	Organic change ¹	9M 2015	9M 2014	Change	Change at constant forex	Organic change ³
North America	125.1	110.8	+12.9%	-1.3%	-1.3%	378.1	316.2	+19.6%	-0.2%	-1.0%
Europe	138.3	138.7	-0.3%	-2.0%	-2.0%	430.4	428.5	+0.5%	-2.1%	-2.2%
Asia Pacific and other	20.2	19.0	+6.2%	+12.9%	+6.9%	61.2	54.5	+12.2%	+11.3%	+7.0%
Total	283.6	268.5	+5.6%	-0.7%	-1.1%	869.7	799.2	+8.8%	-0.4%	-1.1%

(Unaudited data)

Change in sales by revenue type

€ million	Q3 2015	Q3 2014	Change	Change at constant forex	Organic change ¹	9M 2015	9M 2014	Change	Change at constant forex	Organic change ³
Sales of equipment and licenses	94.7	91.2	+3.9%	-2.2%	-2.3%	294.0	265.8	+10.6%	+1.1%	+0.6%
Recurring revenue	188.9	177.3	+6.5%	+0.1%	-0.5%	575.7	533.4	+7.9%	-1.2%	-1.9%
Total	283.6	268.5	+5.6%	-0.7%	-1.1%	869.7	799.2	+8.8%	-0.4%	-1.1%

(Unaudited data)

Sales by distribution network

€ million	Q3 2015				Organic change ¹ Q3 2015			
	NIO	CSS DU	Elim.	Total	NIO	CSS DU	Elim.	Total
Sales								
Mail Solutions	217.3	-	-	217.3	-4.1%	-	-	-4.1%
Communication & Shipping Solutions	32.6	40.0	(6.3)	66.3	+7.1%	+11.9%	n/a	+9.9%
Total	249.9	40.0	(6.3)	283.6	-2.7%	+11.9%	n/a	-1.1%

(Unaudited data)

€ million	9M 2015				Organic change ³ 9M 2015			
	NIO	CSS DU	Elim.	Total	NIO	CSS DU	Elim.	Total
Sales								
Mail Solutions	672.1	-	-	672.1	-4.8%	-	-	-4.8%
Communication & Shipping Solutions	100.8	114.7	(17.9)	197.6	+20.1%	+7.7%	n/a	+13.8%
Total	772.9	114.7	(17.9)	869.7	-2.1%	+7.7%	n/a	-1.1%

Glossary

- **Mail Solutions:** mailing systems, document management systems (folders/inserters for offices and mailrooms; other mailroom equipment) and related services
- **Communication & Shipping Solutions (CSS):** digital solutions software (customer communication and data quality software), shipping solutions, print finishing and graphic solutions
- **Neopost Integrated Operations (NIO):** Neopost subsidiaries developing, producing and distributing Mail Solutions and CSS products and services to long-standing customers of the Group
- **CSS Dedicated Units (CSS DU):** entities distributing CSS solutions to key account customers: **Enterprise Digital Solutions** (GMC Software Technology, DMTI Spatial, Human Inference and Satori Software), **Neopost Shipping** (former Neopost ID, ProShip and Temando)
- **Enterprise Digital Solutions:** Customer Communication Management and Data quality solutions