

VERY GOOD SALES IN 2005 FIRST QUARTER:

- Sales up 8.9% on a like-for-like basis¹ and at constant exchange rates

FORECAST OF FULL YEAR 2005 SALES GROWTH UPGRADED:

- Growth close to 7% expected on a like-for-like basis¹ and at constant exchange rates

Paris, 7 June 2005 - Neopost, the European leader and number two world-wide supplier of mailing solutions, today announced consolidated sales of €194.5m for the first quarter of 2005 (three months ending 30 April 2005). On a like-for-like basis¹ and at constant exchange rates this represented a growth of 8.9% on the first quarter of 2004.

Jean-Paul Villot, Neopost's Chairman and CEO, noted, "We enjoyed a very strong first quarter in 2005. This growth confirms both the competitiveness of recently launched products and the relevance of our new marketing strategy."

Sales

<i>Euro millions</i>	Q1 2005	Q1 2004	Change	Change at constant exchange rates
North America	73.1	70.6	+3.8%	+9.4%
France	60.1	58.2	+3.3%	+3.3%
UK	28.5	28.9	-1.6%	+1.0%
Germany	13.5	11.1	+21.4%	+21.4%
Rest of World	19.3	14.3	+34.6%	+35.1%
Total¹	194.5	183.1	+6.3%	+8.9%
Non-strategic Stielow business (sold)	-	0.4	-	-
Reported total	194.5	183.5	+6.1%	+8.7%

In North America, growth was 9.4% at constant exchange rates in the first quarter of 2005. Thus Neopost once again demonstrated its ability to generate above-market growth in the region. This performance was linked to a particularly highly competitive offering, notably at the top end of the franking machine market, allowing the company to start benefiting from the 2006 decertification.

In France, sales remained strong in the early part of the year, with growth of 3.3%. This was due in part to a greater impact of the postal rate change booked in the first quarter of 2005 compared to the first quarter of 2004.

¹ Excluding non-strategic Stielow document finishing business sold in March 2004.

In the UK, sales showed a slight improvement (+1%) over the first quarter at constant exchange rate. During the period Neopost saw less benefit from postal rate changes than in the first quarter of 2004. The UK is expected to return to more visible growth from the second quarter of 2005.

In Germany, as predicted the group saw a return to strong growth in the first quarter, with an increase of 21.4%. The temporary difficulties linked to the introduction of new postal standards have been overcome and the Group's reorganisation is now complete.

In the rest of the world, the policy of successive acquisitions of distributors that Neopost has pursued for several years is bearing fruit. First quarter sales were very strong, rising 35.1% before exchange rate effects. The performance in the Netherlands and Switzerland, both markets undergoing decertification, was particularly remarkable. There was also very strong growth in Belgium and Italy.

Sales growth forecast for 2005 upgraded

Given the very strong performance posted in the first quarter of 2005, Neopost now expects sales growth on a like-for-like basis and at constant exchange rates over the full year 2005 to be close to 7%. This compares to a previous forecast of growth of over 5%.

Neopost nevertheless stressed that on a like-for-like basis and at constant exchange rates, growth in the first half of 2005 is likely to be stronger than in the second half, given the higher basis for comparison created by the very strong growth seen in the second half of 2004.

Jean-Paul Villot concluded: *"Our performance in the first quarter naturally increases our confidence for the whole of the year. The programme of future decertifications, particularly in North America, means we can look forward confidently to the next few years"*

Calendar

Sales figures for the second quarter are due to be released after the market closes on 6 September 2005.

Neopost

Neopost is the European leader and number two world-wide supplier of mailroom equipment and logistics solutions. Neopost offers the most advanced solutions for online or off-line postage, large volume mail insertions, occasional parcel delivery and logistics management and traceability.

Headquartered near Paris, France, Neopost has a direct presence in the world's top mailing and logistics markets, i.e. the US, France, the UK, Germany, Canada, the Netherlands, Italy, Belgium, Ireland, Japan, Norway and Spain. Neopost products are sold in 90 countries.

In 2004, Neopost posted sales of €756m and a net income of €109m. In 2002, Neopost acquired Ascom Hasler, the world number three supplier of mailing solutions, and Stielow, Germany's leading supplier of folder/inserters.

Neopost is listed on the Eurolist by Euronext Paris and has been a constituent of the CAC Next20 and CACIT20 indices since early January 2005 and of the MSCI World Index since 1 June 2005.

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