

US MARKET CONDITIONS MORE DIFFICULT THAN EXPECTED IN H2 2007

- Revised 2007 guidance taking into account less favourable market conditions in the US and market conditions in line with expectations in other markets.
- 2007 : total Group sales up about 2% excluding currency impacts
- Current operating margin stable at around 26% of sales (level reached in 2006)

CONFIDENCE IN NEOPOST BUSINESS MODEL

- Solid fundamentals
- Back to more sustained growth in 2008

Paris, 30 October 2007

Neopost, the European leader and number two world-wide supplier of mailroom solutions, today announced a revised 2007 guidance as a result of US market conditions being more difficult than expected.

Neopost observes that sales achieved in the course of the past few weeks led to confirm a slowdown in the US business which is far more pronounced than anticipated when the Group published its 2007 interim results at the end of September. Indeed, Neopost expected a slowdown after the change in the postal pricing method (Shape-Base Pricing) but then thought that an upturn of the US activity would occur, in relation with the first effects of the December 2008 decertification. Considering the disappointing orders taken in the past few weeks, this does not seem to be the case and the Group foresees that, given the decline in the US economy, the situation could last until the end of the fiscal year.

In other markets, business levels are in line with expectations and 2007 guidance remains unchanged.

In this situation, Neopost believes that excluding currency impacts, total sales should be up 2% in 2007. The Group reminds that 2006 activity, boosted in particular by American and Canadian decertifications and Pricing in Proportion in the UK is a very demanding base of comparison. In 2007, current operating margins should remain stable at around 26% of sales, i.e. the level reached in 2006.

For 2008, the Group should experience more dynamic growth thanks to the 2008 decertification deadline in the US and to good market conditions in Europe linked to postal deregulation. However, the Group is likely to be impacted by the continuing economic slowdown in the US and a weak level of the US dollar. As a whole, excluding PFE acquisition¹, the 1 billion euro landmark should not be reached in 2008. Neopost believes however to be in a position to further increase its current operating margin in 2008 excluding the PFE acquisition.

On a mid term horizon, market conditions stay favourable thanks to technical evolution and deregulation in Europe. The Neopost business model will continue to generate top line growth as well as productivity improvements with:

- the evolution towards the high-end in franking machines and folders/inserters;
- the development of financial services;
- the development of online services;
- the optimising of the distribution;
- and targeted acquisitions.

The Group has sound fundamentals i.e. a strong level of recurring revenues, a strong cash flow generation, a balanced breakdown of sales between North America and Europe, as well as a control over currency impacts on margins. These solid fundamentals allow Neopost to consider the future with confidence.

Forthcoming events

Sales figures for Q3 2007 will be published after the market closes on 4 December 2007.

¹ Acquisition announced on 25 September 2007, pending the approval of the relevant regulatory authorities.

ABOUT NEOPOST

NEOPOST IS THE EUROPEAN LEADER and number two world-wide supplier of mailing solutions. It has a direct presence in 14 countries, with more than 4,900 employees and annual sales of €918.5 million in 2006. Its products and services are sold in more than 90 countries, and the Group has become 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 Eurolist by Euronext Paris. Its market capitalisation is €3.1 billion.

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