

2011 FIRST QUARTER SALES IN LINE WITH THE BUSINESS PLAN FOR THE YEAR

- Sales were up 3.8% at constant exchange rates
- Strong growth in North America

2011 OUTLOOK UNCHANGED:

- 2% to 4% sales growth expected at constant exchange rates
- Current operating margin¹ expected to be between 25.5% and 26% of sales

Paris, 31 May 2011

Neopost, the European leader and the world's number-two supplier of mailroom solutions, today announced consolidated sales of €234.2 million for the first quarter of the 2011 financial year (ended 30 April 2011), an increase of 3.2% compared with the first quarter of 2010. At constant exchange rates, sales increased 3.8%.

Denis Thiery, Chairman and Chief Executive Officer of Neopost, stated: *"Our investments in North America, in Scandinavia and in the export division are bearing fruit. North America and the segment "Rest of the World" continued to drive growth in the first quarter of 2011, while conditions remained tough in our three major European markets. Overall, sales were fully in line with the plans made at the beginning of the year."*

Sales evolution by geographic region

€ million	Q1 2011	Q1 2010	Change	Change at constant exchange rates
North America	97.8	92.2	+ 6.1%	+ 9.3%
France	59.8	61.6	- 2.9%	- 2.9%
UK	28.0	27.4	+ 2.0%	+ 0.0%
Germany	16.6	17.1	- 2.9%	- 3.1%
Rest of the world	32.0	28.7	+ 11.7%	+ 8.2%
Total	234.2	227.0	+ 3.2%	+ 3.8%

(Unaudited figures)

¹ Current operating profit / sales

North America

The Group's positive momentum continues in North America. This market remains Neopost's main growth driver, with first quarter 2011 sales increasing by 9.3% at constant exchange rates compared with the first quarter of 2010. This sharp increase is due to the streamlining of our operations, new and competitive product ranges, and favourable market conditions as a large number of contracts signed at the time of the 2006 decertification programmes in the USA and Canada come to an end (decertification echo effect).

France

First quarter 2011 sales were down 2.9% compared with the first quarter of 2010. This decline is due notably to a decrease in recurring revenue in the wake of weak equipment placements over the last few years. However, the quality of the business backlog, in particular at Neopost ID, allows us to forecast a better second quarter.

UK

First quarter 2011 sales were flat at constant exchange rates compared with the first quarter of 2010. This improving trend should be confirmed in the next quarters.

Germany

Germany is a country where sales performance varies more sharply from one quarter to the next depending on equipment sales. First quarter 2011 sales were down 3.1% at constant exchange rates compared with the first quarter of 2010. However, the business activity is satisfactory, which means we can look forward with confidence to the next few quarters.

Rest of the World

At constant exchange rates, first quarter 2011 sales increased 8.2% compared with the first quarter of 2010. This strong growth was mainly due to the successful integration last year of distributors acquired in 2009 in Scandinavia and good momentum in export activity in particularly in Russia and India.

Breakdown of sales by business line and activity

€ million	Q1 2011	Q1 2010	Change	Change at constant exchange rates
Equipment sales	70.4	66.0	+ 6.8%	+ 7.2%
Recurring revenues	163.8	161.0	+ 1.7%	+ 2.4%
Total	234.2	227.0	+ 3.2%	+ 3.8%

(Unaudited figures)

Equipment sales grew strongly, increasing by 7.2% at constant exchange rates in the first quarter of 2011. This was mainly due to the success of the IS mailing system range against a favourable decertification echo background in North America. Recurring revenue grew by 2.4% at constant exchange rates. In the first quarter of 2011, recurring revenue accounted for 69.9% of total Group sales.

€ million	Q1 2011	Q1 2010	Change	Change at constant exchange rates
Mailing systems	163.5	158.9	+ 2.9%	+ 3.7%
Document and logistics systems	70.7	68.1	+ 3.9%	+ 4.0%
Total	234.2	227.0	+ 3.2%	+ 3.8%

(Unaudited figures)

At constant exchange rates, mailing system sales increased by 3.7% thanks to the success of the IS range and favourable market conditions, particularly in North America. Mailing systems accounted for 69.8% of total Group sales.

Document and logistics system sales continue to grow: sales were up 4.0% thanks to the competitiveness of our products and services.

Results and financial situation

In the first quarter, current operating margin was in line with expectations for the whole of 2011.

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

Outlook unchanged

2011 is developing as anticipated. As a result, Neopost is maintaining its sales growth target unchanged at 2% to 4% at constant exchange rates.

The Group also confirms that in 2011 it expects current operating margin to be between 25.5% and 26% of sales.

Denis Thiery concludes: ***"North America will continue to drive Neopost's growth while the situation is expected to improve in Europe. Good momentum will continue in equipment sales. We therefore look forward to the coming quarters with confidence."***

Agenda

The AGM will be held in Paris on 5 July 2011. Sales for the second quarter of 2011 will be published on 1 September 2011 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 5,500 employees and annual sales of €966 million in 2010. 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.

For further information, please contact:**Gaële LE MEN, Investor Relations Officer****Tel: +33 1 45 36 31 39****Fax: +33 1 45 36 30 30****E-mail : g.le-men@neopost.com****Fabrice BARON, DDB Financial****Tel: +33 1 53 32 61 27****Fax: +33 1 53 32 61 00****E-mail : fabrice.baron@ddbfinancial.fr****Or visit our website: www.neopost.com**