



Neopost

2001 Year-end results

April 2002





Neopost : the mail « facilitator »

■ Strong market positions

(installed base of franking machines in %)

Market share		
France	n°1	65%
USA	n°2	9%
UK	n°2	24%



■ 2001 key figures

- 2001 sales: euro 575 million
- 3,800 employees
- 500,000 customers

**Neopost: Europe n°1 and worldwide n°2
in mailing solutions**



Today 's agenda

- **2001: pursuing a consistent and relevant strategy**
- **2001 year-end results**
- **Sound growth dynamics**
 - Three strategic directions
 - Ascom Hasler acquisition
- **Outlook**



2001

**Pursuing a consistent and
relevant strategy**





2001: growth and profitability

- **2001 sales at euro 575 million: + 11.8%**
(10.4% excl. currency impact)
 - Balanced growth in all geographic areas
 - Growth in every business line
- **2001 EBIT* at euro 122 million: + 13.9%**
 - Margin: 21.5% (vs 21.0% in 2000)
- **2001 net result at euro 38 million: + 5.8%**
 - Excl. extraordinary items: euro 39 million (+ 36.2%)

Strong growth and profitability improvement in the core business despite a disrupted economic environment

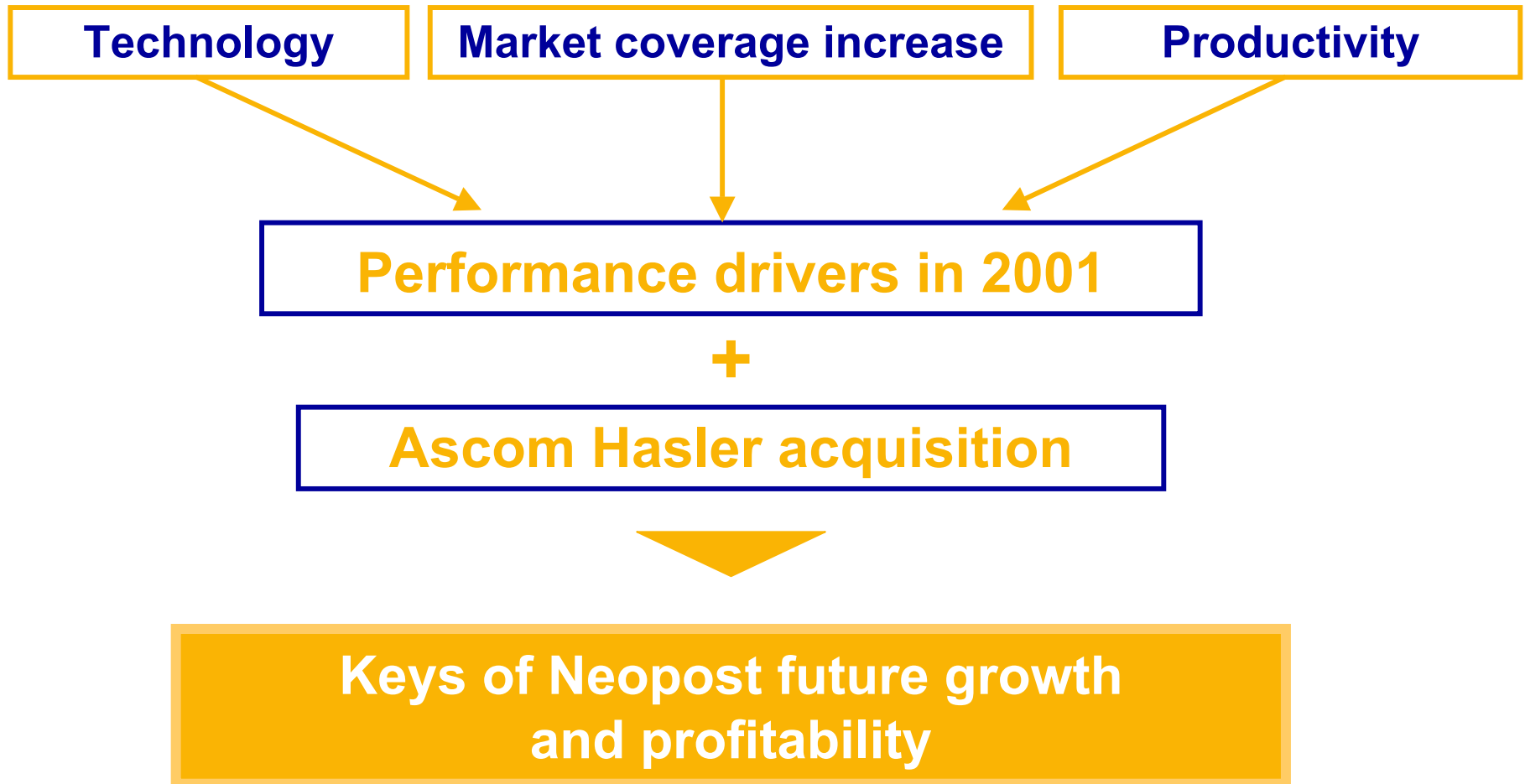


Sustained level of activity in H2 2001

- **2001 H2 sales: euro 288 million**
(+ 8.7% vs. H2 2000 excl. currency impact)
 - Despite less favorable market conditions
(economic environment, September 11 events...)
 - Despite a very high basis of comparison in H2 2000
(euro conversion + postal rate change)



Achievements which confirm the relevance of the strategy





Technology ⁽¹⁾

- **R&D: 5.7% of sales in 2001**
(4.1% in core business)
- **Renewal of the range of folders / inserters**
 - SI60 - SI68 - SI76
 - About 60% of the folders / inserters sold in 2001, launched since the beginning of 2000
- **Widening of the range of digital mailing systems**
 - Launch of the IJ75
 - About 75% of mailing systems delivered in 2001 are digital

Innovation as a growth booster



Technology (2)

■ Logistics Systems

(Shipping and tracking of parcels)

- Growth > 20% in 2001
- Consolidation of position in France
- New openings outside France: UK and Spain
- Loop One acquisition

**Potential for growth and high level
of synergies**



Technology ⁽³⁾

■ e-postage

- Simply Packages project discontinued
- Online and core businesses brought together
- Simply Postage:
 - 35 employees
 - 20,000 PROmail installed in the US
 - Kiosks and APC operational (launch pending USPS decision)
 - EBIT loss under control
- IBI (Information Based Indicia): the new standard in the US

**Technological convergence
between core and online businesses**



Market coverage increase

- **Broadening of the OEM agreement with Francotyp Postalia**
(folders / inserters)
- **Reinforcement of sales team**
 - 100 additional sales people (UK, Italy, US ...)

- **Acquisition of distributors**

Belgium
January 2001

Ireland
January 2002

- **Record growth in new markets**

Italy
2001 sales: + 134%

Netherl./Belgium
2001 sales > + 20%

Portugal
Contract euro 1.0 M (Q4 2001)

Source for future growth



Productivity

- **Gross margin improvement**
 - Constant efforts of industrial rationalization
 - Gross margin*: from 71.4% in 2000 to 72.2% in 2001
- **Operating expenses under control (excl. R&D) in the core business**
Despite the cost of setting up:
 - 1 ERP in 2 subsidiaries
 - 1 CRM in 3 subsidiaries

Further operating margin improvement



2001 year-end results

(12 months ended 31 January 2002)

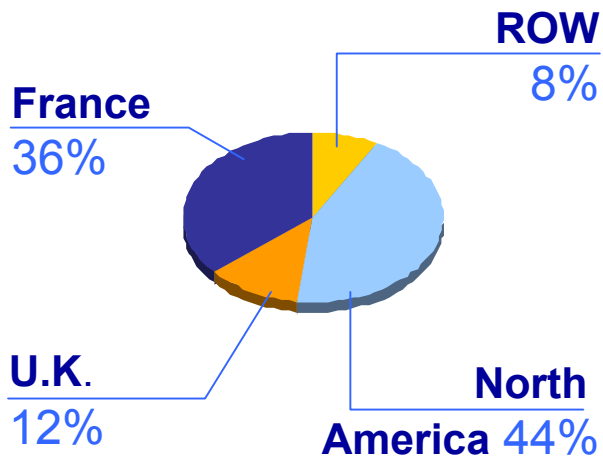




Sales: Growth in all geographical areas

2000

Euro 514.4 million



+ 11.8%

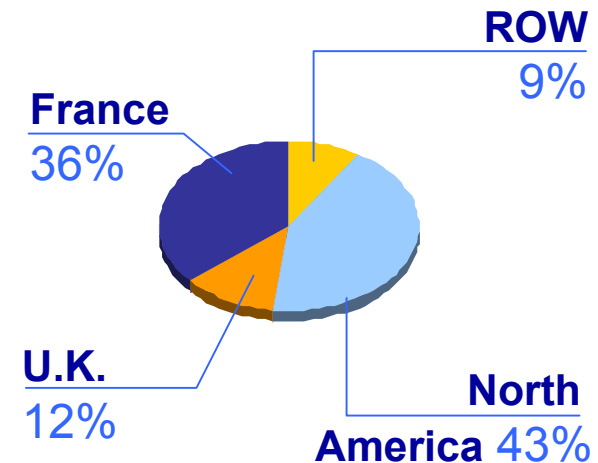
**+10.4% at comparable
exchange rate**



N. America	+ 8.5%
France	+ 10.2%
U.K.	+ 13.3%
R. of the world	+ 36.1%

2001

Euro 575.0 million





Sales: Balanced growth per business line

2000

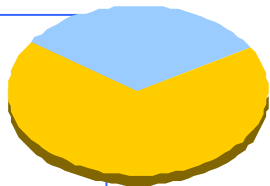
Euro 514.4 million

Document and Logistics
Systems

31%

Mailing Systems

69%



Document and
Logistics Systems

+10.4%

Mailing Systems

+12.4%

2001

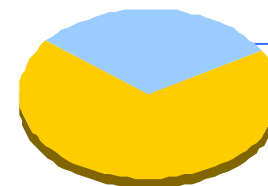
Euro 575.0 million

Document and Logistics
Systems

31%

Mailing Systems

69%





Sales: High proportion of recurring revenues

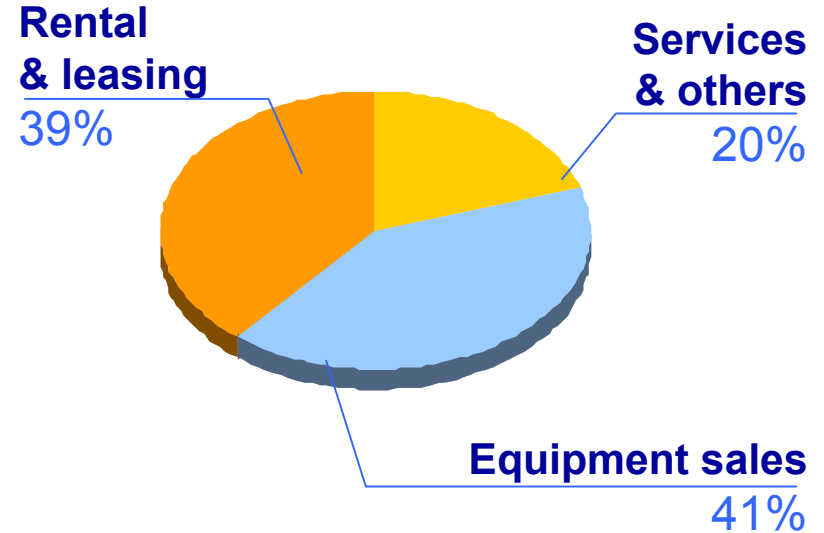
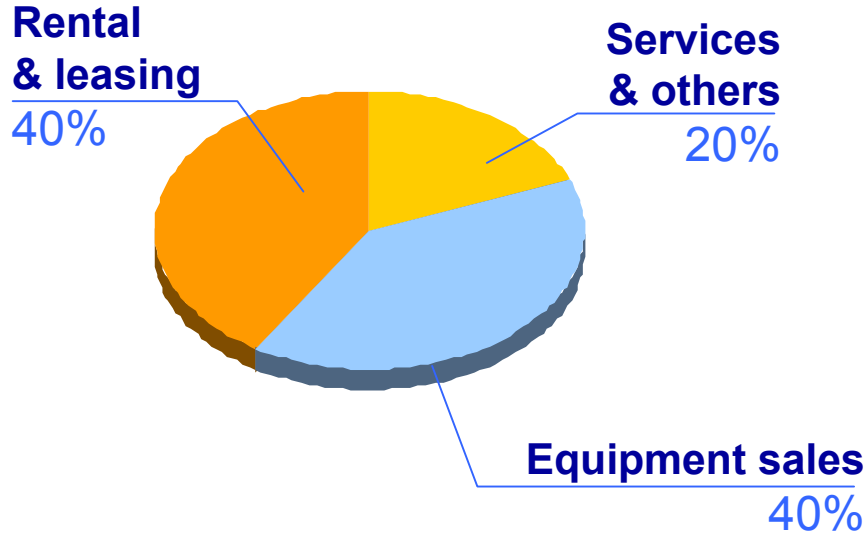
2000

■ Recurring revenues

2001

Euro 514.4 million

Euro 575.0 million





Operating margin improvement

<i>In euro million</i>	2001		2000	
	Excl. Neopost Online	Incl. Neopost Online	Excl. Neopost Online	Incl. Neopost Online
Sales	569 + 11.3%	575 + 11.8%	511	514
EBITDA as % of sales	164 + 9.7% 28.9%	129 + 11.9% 22.4%	150 29.3%	115 22.4%
EBIT as % of sales	122 + 13.9% 21.5%	83 + 19.9% 14.5%	108 21.0%	70 13.5%

Exchange rates

Euro / GBP

0.62

0.61

Euro / USD

0.89

0.92



Operating expenses under control, increase in R&D spending

<i>Core business (as % of sales)</i>	2001	2000
Gross Margin	72.2	71.4
R&D	4.1	3.3
Marketing and sales	25.7	26.1
Administration	12.0	12.1
Service and others	8.9	8.9
Total operating expenses	50.7	50.4
EBIT	21.5	21.0

	46.6%	<div style="display: flex; align-items: center; justify-content: center;"> { <table border="0" style="text-align: center;"> <tr> <td style="border-bottom: 1px solid black;">25.7</td> <td style="border-bottom: 1px solid black;">26.1</td> </tr> <tr> <td style="border-bottom: 1px solid black;">12.0</td> <td style="border-bottom: 1px solid black;">12.1</td> </tr> <tr> <td style="border-bottom: 1px solid black;">8.9</td> <td style="border-bottom: 1px solid black;">8.9</td> </tr> <tr> <td style="border-bottom: 1px solid black;">50.7</td> <td style="border-bottom: 1px solid black;">50.4</td> </tr> </table> } </div>	25.7	26.1	12.0	12.1	8.9	8.9	50.7	50.4	47.1%
25.7	26.1										
12.0	12.1										
8.9	8.9										
50.7	50.4										



Strong net income growth excl. extraordinary items

<i>In euro million</i>	2001			2000		
	Excl. Neopost Online	Neopost Online	Total	Excl. Neopost Online	Neopost Online	Total
Sales	569	6	575	511	3	514
EBIT	122	(39)	83	108	(38)	70
Net financial income	(15)	(4)	(19)	(20)	(3)	(23)
Goodwill amortization	(4)	--	(4)	(4)	--	(4)
Extraordinary income	--	(1)	(1)	8	--	8
Taxes	(38)	17	(21)	(31)	16	(15)
Net income	65	(27)	38	61	(25)	36
	+6.7%		+ 5.8%			
Net income excl. extraordinary items	65	(26)	39	54	(25)	29
	+21.1%		+36.2%			



Cash flow improvement despite high level of capex

2001

2000

<i>In euro million</i>	2001		2000	
	Excl. Neopost Online	Incl. Neopost Online	Excl. Neopost Online	Incl. Neopost Online
EBITDA	164	129	150	115
Capex	(63)	(68)	(47)	(54)
Net change in w / c	43	29	(9)	(24)
Taxes	(39)	(21)	(31)	(15)
Free cash flow from operations	105	69	63	22
Net change in leasing	(13)	(13)	(21)	(21)
Free cash flow (*)	92	56	42	1



Improved capital structure

<i>In euro million</i>	31 Jan. 02	31 Jan. 01	31 Jan. 00
Financial debt excluding leasing	303	301	282
Cash and marketable securities	(112)	(79)	(68)
Short term loan to leasing	(28)	(34)	(17)
Net financial debt excl. leasing	163	188	197
Leasing debt	103	77	75
Leasing debt short term from operations	28	34	17
Total leasing debt	131	111	92
Net financial debt	294	299	289
Shareholders ' equity	253	219	180
Debt / equity ratio	1.2	1.4	1.6



Neopost

Sound growth dynamics





Continuity in strategy ⁽¹⁾

■ Technology

At the end of 2002:

- All products available would have been launched in less than 2 years (new systems: IJ35, IJ45, IJ85, SI92)
- 100% of Mailing Systems will be digital, IBI compatible and ink jet
- Logistics Systems:
 - Broadening the offer in France
 - Adapting the model outside France
 - Loop One technology used worldwide



Continuity in strategy (2)

■ Geographical coverage

- Organic growth
- OEM contracts
- Acquisitions

■ Productivity

- ERP
- CRM
- Manufacturing in China (sub-contracted)



Ascom Hasler

A major acquisition:

Sales increase by 36%

**Worldwide market share
from 15% to 25%**

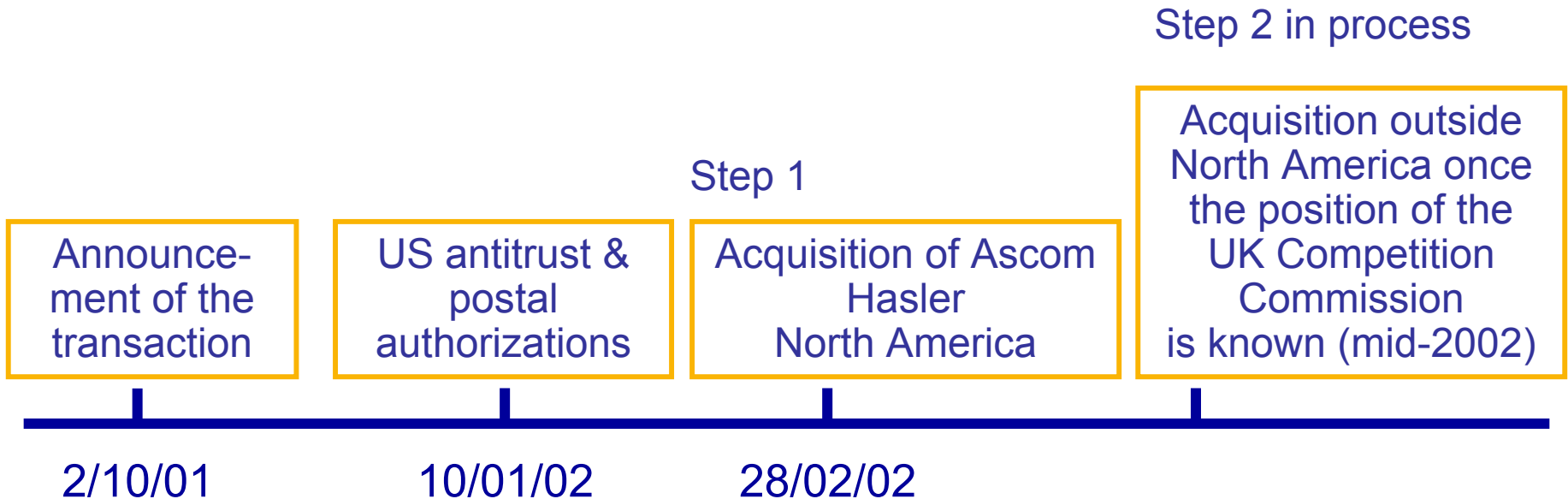
**Geographic
complementarity**

Synergies to develop

**High potential for growth
and productivity improvement**



Ascom Hasler : acquisition process



Step 1: 60% of the acquisition completed
Additional sales of about euro 120 million in 2002

Confidence in achievement of step 2



Ascom Hasler North America: Integration process

■ North America

- Two distribution networks (Neopost/Hasler)
- A unified range of products
- Shared infrastructure and back office

■ Rest of the world: plans to be put in place after merger

- Plan towards a unified product range → ready
- Integration plan → ready

■ Synergies

- Confirmed target: bring the whole Group to 20-22% EBIT margin within two years



Ascom Hasler

2001 *	North America	Rest of the world	Total
Sales	131	76	207
EBITDA	35	14	49
<i>EBITDA margin</i>	26.8%	18.4%	23.7%
EBIT	14	8	22
<i>EBIT margin</i>	10.7%	10.5%	10.6%
Employees	400	600	1,000

* Figures restated to be in accordance with Neopost accounting policy



Ascom Hasler North America: Impact on Neopost ⁽¹⁾

- Acquisition price: euro 132.5 million

EV/EBITDA	Share price*	Market cap.	Enterprise Value	EV / revenues 2001	2001
Pitney Bowes (\$)	41.8	10,093 M	13,662 M	3.3	10.4
SECAP** (euro)			221 M	2.4	9.0
Neopost (euro)	36.3	1,100 M	1,394 M	2.4***	8.5***
Ascom					
Hasler North America (euro)			132.5 M	1.0	3.8

* As of 31 January 2001

** Based on 2000 figures

*** Excl. Neopost Online



Ascom Hasler North America: Impact on Neopost (2)

- **Group financing / debt structure :**
 - Additional debt: \$ 88 M / euro 101 million
 - New debt / equity ratio: 1.7
 - Financial interests linked to the acquisition (on a yearly basis): euro 8 million

- **Goodwill :**
 - About euro 115 million, or euro 2 million of yearly amortization



Integration of the whole Ascom Hasler

- Amount of synergies

R&D
~ euro 10 million

Industrial
~ euro 8 million

Back-office
~ euro 4 million

- EBIT margin target for Ascom Hasler

20 to 22% in 2004, only on cost optimization
--

- Impact on Neopost net income

Non material in 2002

Euro 10/15 million on a yearly basis after synergies are developed
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Neopost

Outlook





Outlook 2002

■ Sustained growth

- No euro conversion effect
- Priority to Ascom Hasler integration
- Confidence in sales force dynamism and success of products

Organic growth should be around 5%
(excluding currency impacts)

**Impact of Ascom Hasler North America:
sales of about euro 120 million (11 months in 2002)**



Outlook 2002

■ Strong increase in net income

- Decrease of operating losses of Internet activities (from US\$ 35 million to less than US\$ 10 million)
- Steady increase in core business productivity
- Ascom Hasler impact non material

**Net income
between euro 55 and 60 million in 2002**



Appendices





Consolidated balance sheet

ASSETS

In euro million

	31 Jan. 02	31 Jan. 01	31 Jan. 00
Goodwill	160	139	140
Intangible fixed assets	184	185	186
Tangible fixed assets	140	124	129
Financial assets	5	7	5
A / R lease	187	147	124
Inventories and WIP	34	37	32
Trade receivables	141	131	108
Cash and marketable securities	112	79	68
Other	33	29	17
Total	996	878	809



Consolidated balance sheet (suite)

LIABILITIES AND SHAREHOLDERS' EQUITY

In euro million

	31 Jan. 02	31 Jan. 01	31 Jan. 00
Shareholders' equity	253	219	180
Provisions	28	12	20
Financial debt	303	301	282
Leasing debt	103	77	75
Advanced billings	122	114	109
Other current liabilities	187	155	143
Total	996	878	809



Working capital requirements

<i>In euro million</i>	31 Jan. 02	31 Jan. 01	31 Jan. 00
Inventories and WIP	34	37	32
Trade receivables	141	131	108
Advanced billings	(122)	(114)	(109)
Other payables and receivables	(154)	(126)	(126)
Working capital	(101)	(72)	(95)