



2006

INTERIM RESULTS

October 2006



DISCLAIMER

Safe Harbour Statement

This presentation contains forward-looking statements (made pursuant to the safe harbour provisions of the Private Securities Litigation Reform Act of 1995). By their nature, forward-looking statements involve risk and uncertainty. Forward-looking statements represent the company's judgement regarding future events, and are based on currently available information. Consequently the company cannot guarantee their accuracy and their completeness and actual results may differ materially from those the company anticipated due to a number of uncertainties, many of which the company is not aware of. For additional information concerning these and other important factors that may cause the company's actual results to differ materially from expectations and underlying assumptions, please refer to the reports filed by the company with the 'Autorité des Marchés Financiers'.



FIRST HALF 2006

- Highlights
- First half accounts
- Implementation of Neopost's model
- A promising outlook



FIRST HALF 2006 HIGHLIGHTS

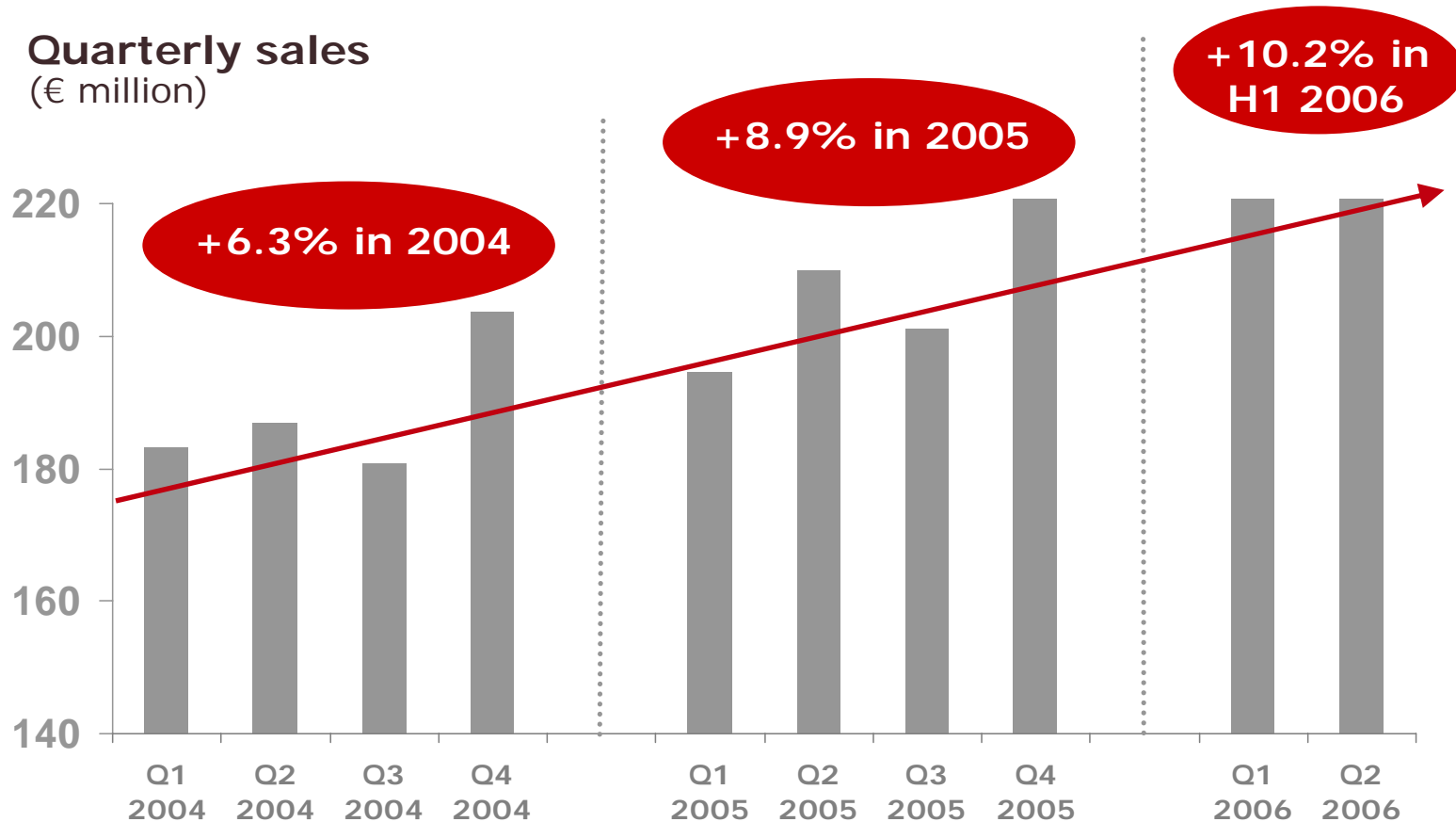
FIRST HALF 2006 HIGHLIGHTS

- Further acceleration of growth
- A new record of profitability
- Introduction of the new policy of return to shareholders

While pursuing our investment strategy
to prepare for the future

FURTHER ACCELERATION OF ORGANIC GROWTH

Quarterly sales
(€ million)

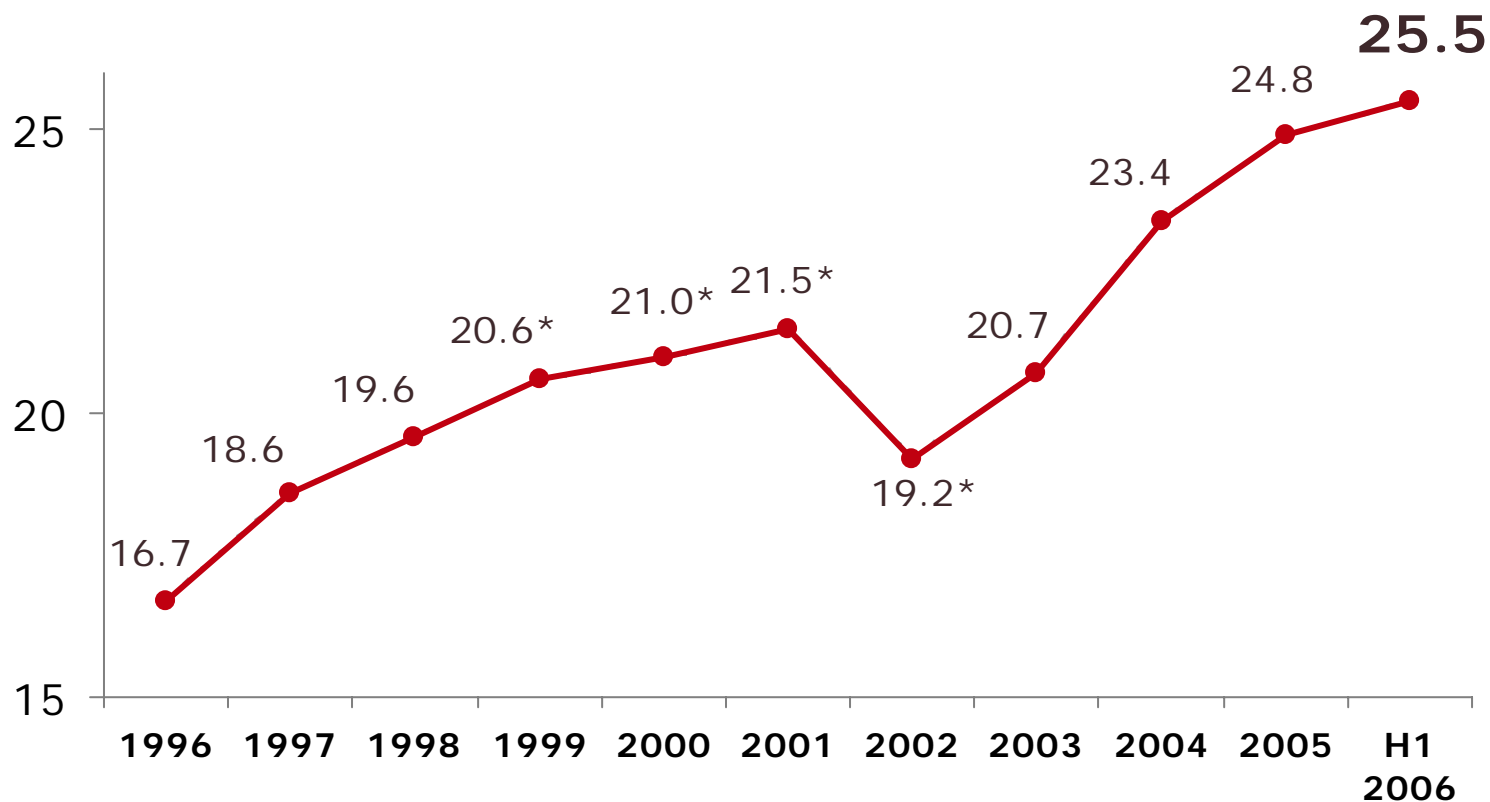


Growth significantly above the market average

A NEW RECORD OF PROFITABILITY

Current operating margin

(Current operating income / sales, %)



INTRODUCTION OF THE NEW POLICY OF RETURN TO SHAREHOLDERS

- 2005 dividend: €3.00 per share
 - Yield of 3.3%*
 - Total distribution to shareholders: €94.3m
- Share buy-back
 - 746,957 shares acquired between July 2005 and July 2006
 - For an amount of €62.6m

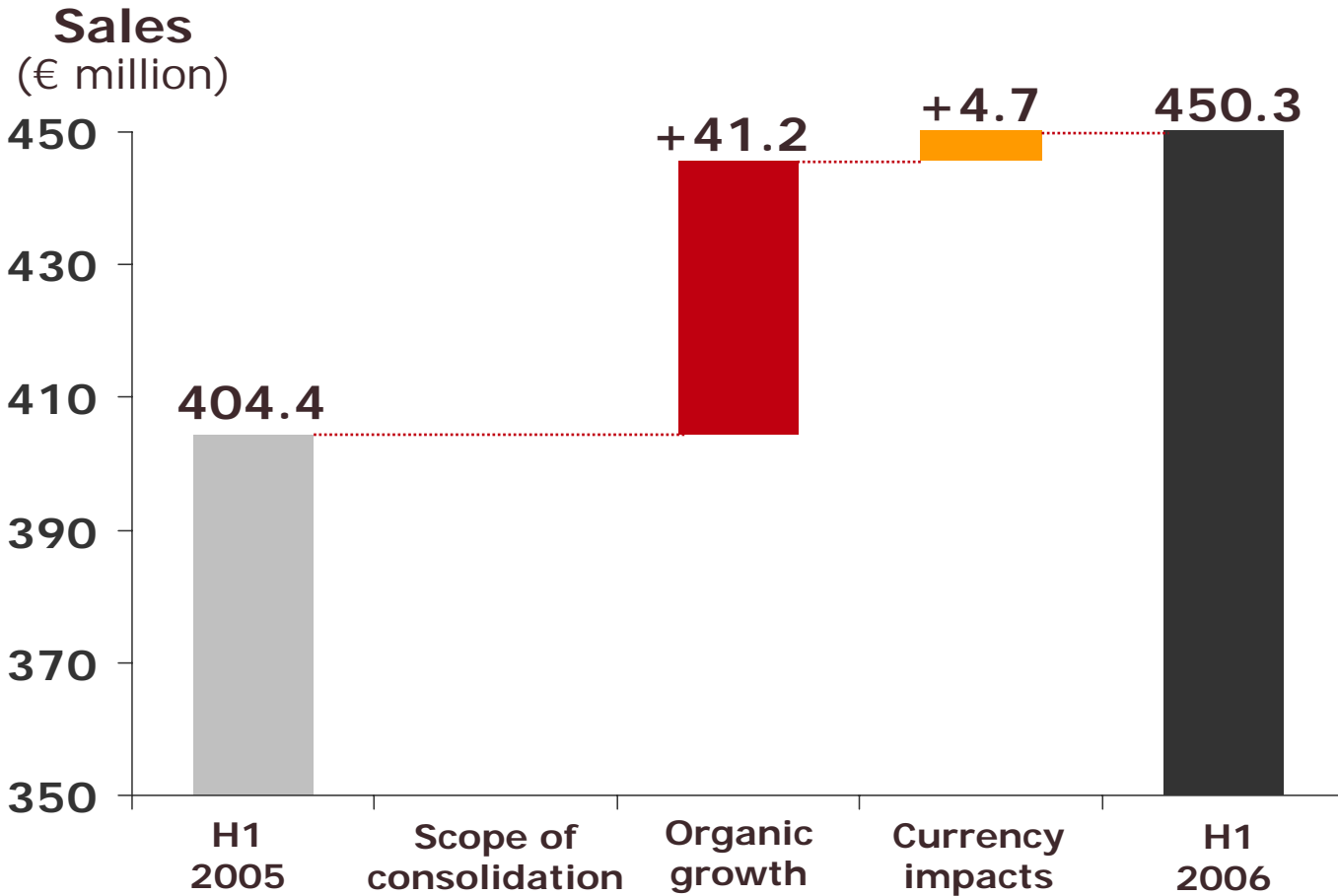
=> Total value returned to shareholders: €157m

100% of the increase in shareholders' equity in 2005 was returned to shareholders between July 2005 and July 2006



2006 FIRST HALF ACCOUNTS

VERY STRONG ORGANIC GROWTH

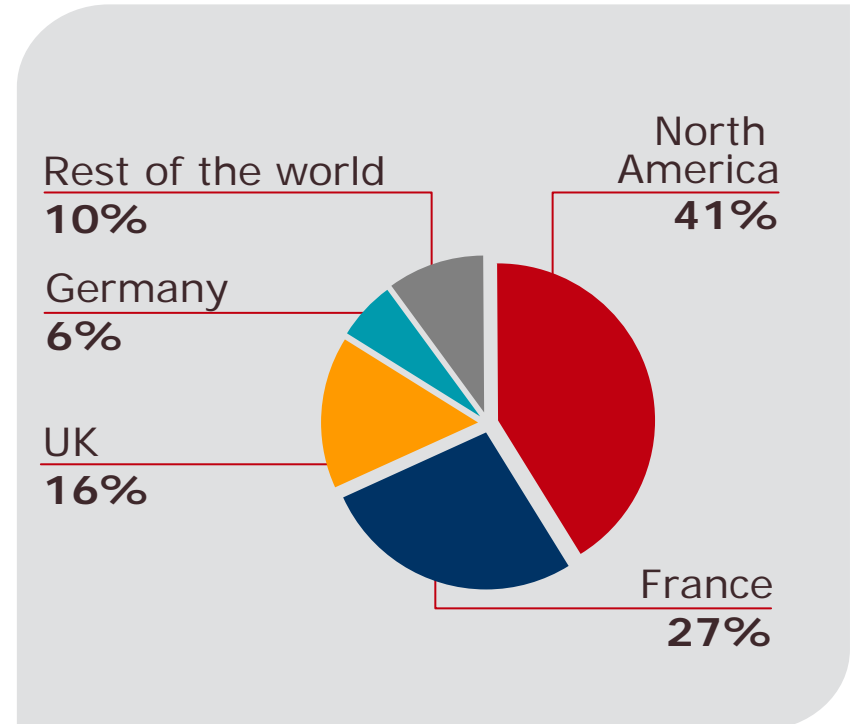
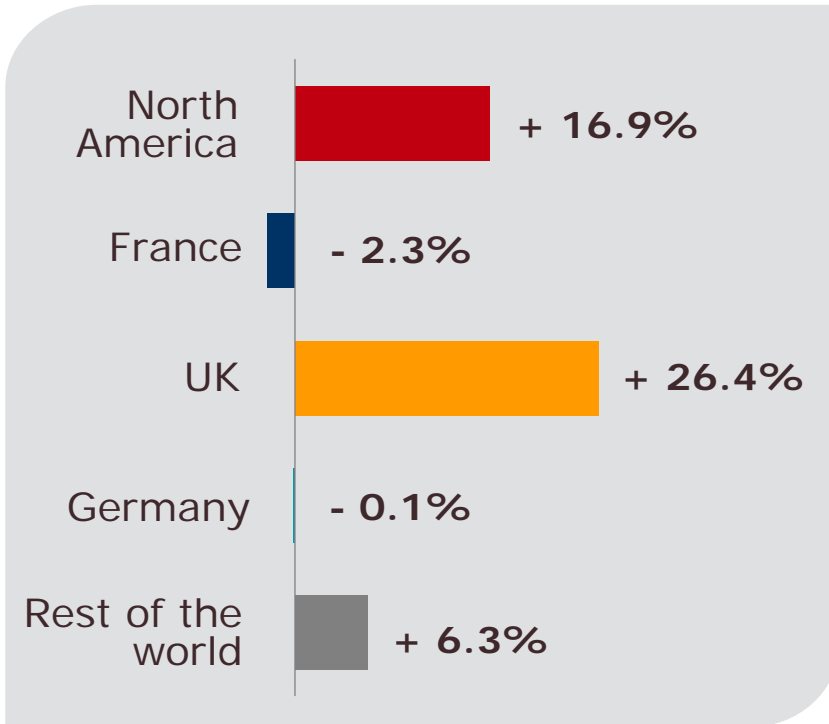


Growth of 10.2%
at constant exchange rates

ABILITY TO TAKE FULL ADVANTAGE OF MARKET OPPORTUNITIES

Change H1 2006 / H1 2005 *

H1 2006 Sales: €450.3m

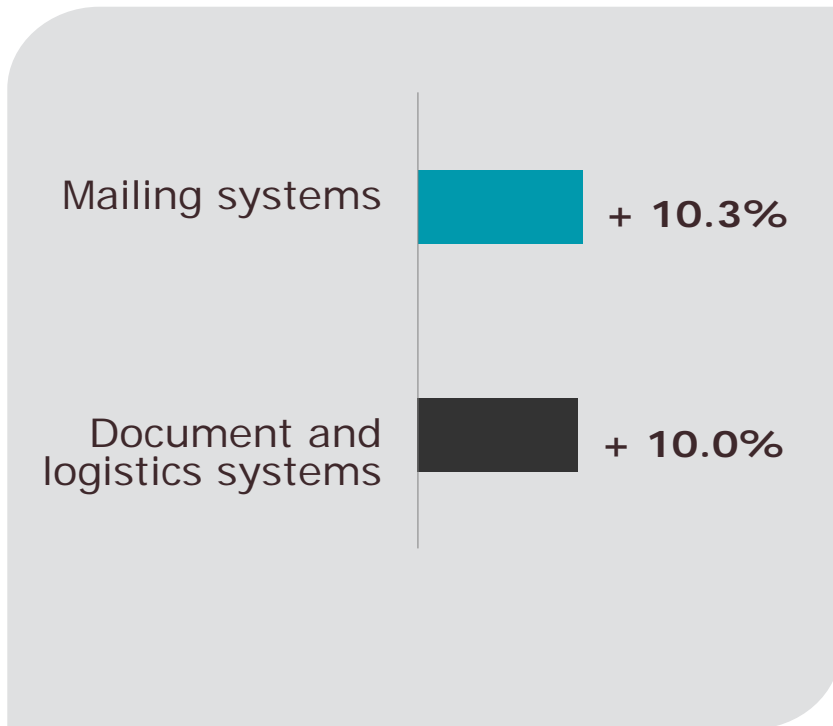


Very high basis of comparison in France, Germany and the Rest of the world in H1 2005

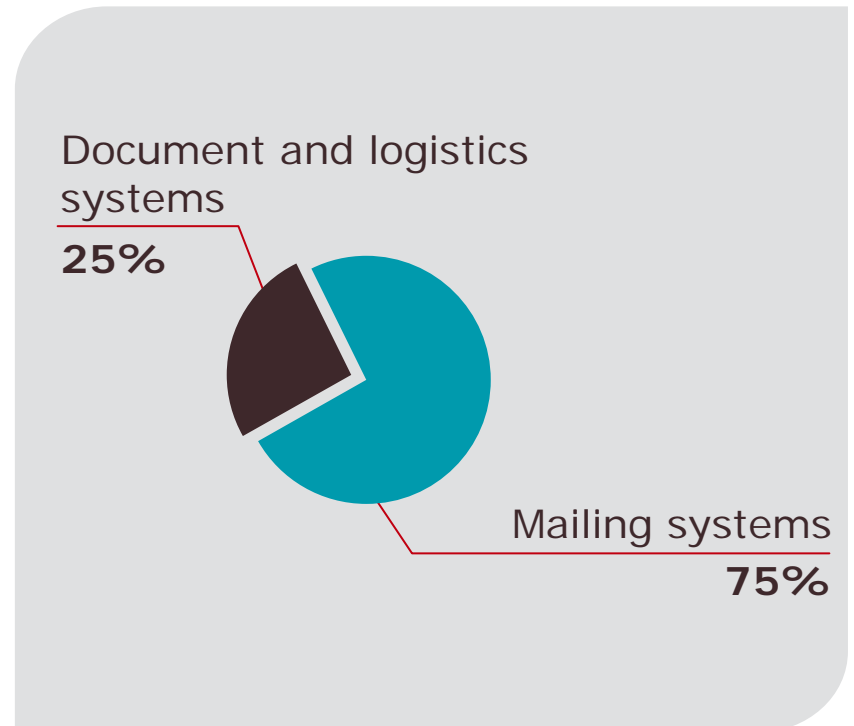
* At constant exchange rates

WELL-BALANCED GROWTH

Change H1 2006 / H1 2005 *



H1 2006 Sales: €450.3m

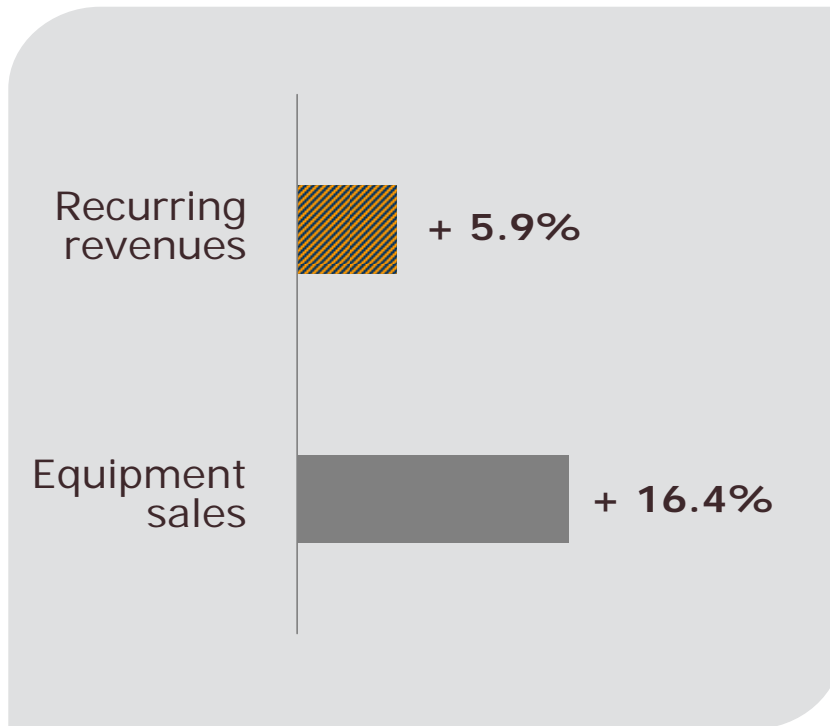


Successful cross selling policy

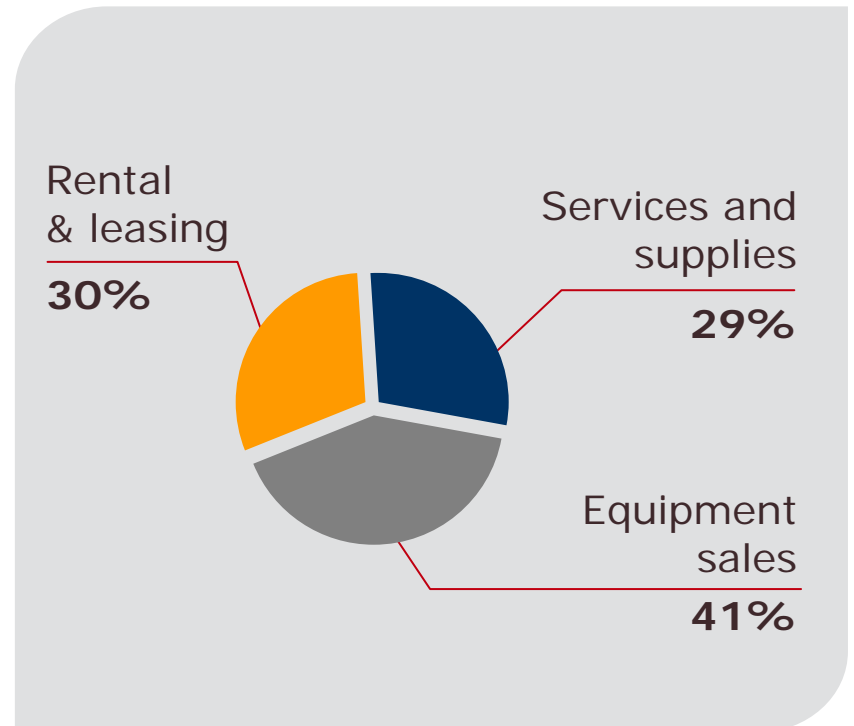
* At constant exchange rates

STRONG GROWTH IN EQUIPMENT SALES

Change H1 2006 / H1 2005 *



H1 2006 Sales: €450.3m



Today's equipment sales are tomorrow's recurring revenues

FURTHER IMPROVEMENT IN PROFITABILITY

- Volume growth
- Product mix (shift to more high-end products)
- Increased revenues from supplies
- Cross selling
- Currency impacts under control

Relevance of Neopost's model



RECORD CURRENT OPERATING MARGIN OF 25.5%

In € million

	H1 2005	H1 2006	Change %
Sales	404	450	+11.3%
Gross margin <i>As % of sales</i>	307 75.8%	344 76.5%	+12.3%
EBITDA <i>As % of sales</i>	126 31.2%	146 32.4%	+15.6%
Current operating income <i>As % of sales</i>	99 24.5%	115 25.5%	+16.2%

Improvements in gross margin
and in productivity



A 19% INCREASE IN NET INCOME

In € million

	H1 2005	H1 2006	Change %
Sales	404	450	+11.3%
Current operating income	99	115	+16.2%
Results of disposals and others	1	1	
Operating income	100	116	
Financial results	(5)	(6)	
Taxes	(31)	(33)	
Results of associated companies	1	0	
Net income	65	77	+19.1%
<i>As % of sales</i>	<i>16.0%</i>	<i>17.1%</i>	



WORKING CAPITAL REQUIREMENTS UNDER CONTROL

In € million

	H1 2005	H1 2006	Change %
Inventories	50	61	+21.0%
Trade receivables	138	136	-1.7%
Prepaid income	(112)	(125)	+10.9%
Other payables and receivables	(268)	(258)	-4.0%
Total excluding leasing	(192)	(186)	-3.5%

A temporary increase in inventories
to supply the US and UK markets



STRONG CASH FLOW GENERATION

In € million

H1 2005	H1 2006
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EBITDA	126	146
Capex (net of disposals)	(40)	(53)
Change in working capital	(9)	(5)
Taxes	(31)	(33)
Cash from operations	46	55
Changes in loans to leasing	(8)	10
Cash flow*	38	65

Recurring cash flow

INCREASE OF GEARING

In € million

	H1 2005	FY 2005	H1 2006
Financial debt excluding leasing	312	299	374
Cash and marketable securities	(97)	(113)	(105)
Short-term loans to leasing	(97)	(85)	(75)
Net financial debt excluding leasing	118	101	194
Leasing debt	88	105	136
Short-term leasing debt from operations	97	85	75
Total leasing debt	185	190	211
Total net debt	303	291	405
Shareholders' equity	462	514	462
<i>Net debt / shareholders' equity</i>	65.6%	56.5%	87.6%

Will and ability to finance investment
and return value to shareholders





IMPLEMENTATION OF NEOPOST'S MODEL

NEOPOST'S MODEL

- Taking advantage of technological changes
- Increasingly moving towards the high end
- Expanding service offering
- Optimizing distribution



**Sources of
recurring and
profitable
growth**

The 2006 first half performance illustrates
the relevance of this model



TECHNOLOGICAL DEVELOPMENTS HAVE SIGNIFICANT IMPACT (1/2)

- Renewal of installed bases and recruitment of new clients:
Neopost is well placed
 - Reduction in the life span of franking machines and folder-inserters
 - Lower proportion of digital franking machines within Neopost's installed base
 - Neopost has a recent product range, using the latest technologies and matching market needs
 - Effective and responsive sales teams
 - In first half 2006
 - Decertifications in USA & Canada => North American sales up 16.9%
 - Change of postal rating system in the UK
 - 'Echo' effect from the 2001/2002 decertification in the UK
- } => UK sales up 26.4%

Neopost is taking full advantage
of favourable environment



TECHNOLOGICAL DEVELOPMENTS HAVE SIGNIFICANT IMPACT (2/2)

- The shift in installed bases towards new technologies allows:
 - Expansion of sales of supplies
 - Offering of new functionalities

- First half 2006:
 - Growth in sales of supplies
 - ▶ Sales of supplies up 19%, representing 11.4% of total sales
 - ▶ Double-digit growth set to continue
 - Launch of online services
 - ▶ Completed in the USA
 - ▶ In preparation in the UK and France

Generation of additional, recurring revenues

MOVING TOWARDS THE HIGH END

- Franking machines: a higher opportunity for Neopost
 - Low penetration of the high end segment (recent initiative)
 - Target: 25% market share
 - In **first half 2006**: 75% increase in the number of high end franking machines produced compared to first half 2005
- Folders/inserters: additional source of growth
 - Cross selling opportunities boosted by Neopost's presence in large mail-rooms
 - In **first half 2006**: sales of document systems grew at the same rate as sales of mailing systems

Opportunities to increase sales
and boost cross selling



DEVELOPPING FINANCIAL SERVICES

- Leasing: a programme in full expansion for Neopost
 - Efficient marketing tool and very profitable recurring revenues
 - Target: a €500m portfolio by 2009
 - Continued very strong growth in **first half 2006**: portfolio up 19% year-on-year, in line with the Group's target, and sales up 17%
 - Double-digit growth in both the portfolio and sales set to continue

- Postage financing: a new initiative for Neopost
 - Launched in **June 2006**, and warmly welcomed by clients
 - Target: 2% of Group sales in 2010

Additional profitable and recurring
revenues per customer



OPTIMIZING DISTRIBUTION

- Target: Improving market coverage
- Nearly 30% of sales made through independent distributors
- **Since 1 February 2006** in Europe:
 - Acquisition of two local distributors in Italy
 - Acquisition of a distributor of address printers in the Netherlands
- **Since 1 February 2006** in the USA:
 - Acquisition of 8 new dealers in the following states:
 - ▶ Oregon, Tennessee, Alabama, Indiana, Texas, Michigan, Massachusetts
 - Disposal of territories in Georgia and Ohio
 - At 31 July 2006, 30% of the US market is covered by a single distribution channel, from 24% at 31 January 2006

Improvement in commercial effectiveness



PROFITABILITY

- Expansion of higher-margin businesses
 - High end
 - Leasing
 - Postage financing
 - Online services
- Optimization of distribution
 - Strengthening commercial effectiveness
- Specific productivity programmes
 - Merger of the customer services of Satas and Neopost France effective from 1 June
 - Centralisation of leasing back offices under way in Europe
 - Supply chain optimisation under way

Further potential improvements
in operating profitability



PROMISING OUTLOOK

PROMISING OUTLOOK

■ Outlook for 2006

- Excellent first half
- Postal rate change in France in the second half
- Organic sales growth close to 10% for the full year
- Current operating margin target for 2006 raised: above 25.5% (from above 25%)

■ Outlook for 2008

- Increased confidence in the target of €1bn sales (at current €/ \$ exchange rate) and a current operating margin of 26%

■ Beyond 2008

- Market is likely to remain active
- Most of the current initiatives (shift towards the high end, services and distribution) will take overall 4 to 6 years to reach their full potential





APPENDICES

CONSOLIDATED BALANCE SHEETS (1/2)

Assets

In € million

	H1 2006	H1 2005
Goodwill	526	503
Fixed intangible assets	51	43
Fixed tangible assets	138	135
Financial investments	15	8
Other long term assets	4	5
Leasing receivables	350	295
Deferred tax assets	47	47
Inventory	61	50
Trade receivables	136	138
Other short-term assets	26	24
Financial securities	5	2
Cash and marketable securities	105	95
TOTAL	1,464	1,345

CONSOLIDATED BALANCE SHEETS (2/2)

Liabilities

In € million

H1 2006	H1 2005
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Shareholders' equity	462	462
Provisions	55	53
Long-term financial debt	179	181
Leasing debt	136	87
Short-term financial debt	195	129
Deferred tax liabilities	28	27
Prepaid income	125	112
Financial securities	0	2
Other short-term liabilities	284	292
TOTAL	1,464	1,345

SHARE BUY-BACKS AND DIVIDEND PAYMENTS

In € million

	July 2003	July 2004	July 2005	July 2006
Net income (n-1)	70	83	104	138
Stock options exercised	0	1	4	12
Convertible bonds	0	0	135	0
Impact on equity	70	84	243	150
Ordinary dividend	30	38	48	69
Special dividend	0	0	64	25
Share buy-backs	0	0	71	63
Return to shareholders	30	38	183	157
Number of shares (million)*	30.3	30.3	30.9	31.5

2% of capital repurchased in 2005 / 2006