

# NEWS RELEASE

*For Immediate Release*

## **Neopost Announces the Acquisition of Ascom Hasler, Ascom's Mailing Systems Division**

**Neopost to add 33 percent to its revenues and grow its global market share  
from 15 percent to 25 percent**

Hayward, Calif., October 23, 2001- Neopost, the European leader and number two worldwide supplier of mailing, addressing, document handling and logistics systems, today announces the acquisition of the number three worldwide supplier of mailing systems: Ascom Hasler, the Mailing Systems Division of the Swiss group Ascom.

The acquisition price has been set at 359 million Swiss Francs (around 222 million USD), subject to final adjustments at closing. The completion of the transaction is still subject to governmental authorizations.

Based on 2000 figures, the combined revenues of Neopost and Ascom Hasler represent 684 million Euros<sup>1</sup> (around 628 million USD).

Commenting on this major acquisition, Jean-Paul Villot, Neopost chairman and chief executive officer, said: *"This transaction is in line with our clearly stated intention to play a leading role in the restructuring of our industry. The acquisition of Ascom Hasler represents a strategic step in our international expansion: it reinforces our market positions in the world's key markets, the USA, Canada and the UK, and brings direct distribution in the German market. It will add 33 percent to our revenues. Neopost and Ascom Hasler are a perfect match."*

Over the past 20 years, Ascom Hasler has achieved a strong business record, growing from one percent worldwide market share in 1980 to ten percent in 2000. Ascom Hasler's net revenues in 2000 were 170 million Euros<sup>1</sup> (around 156 million USD), with an EBITDA margin of 20.6 percent<sup>1</sup>.

*"We are pleased to welcome on board Ascom Hasler's 1,000 employees. We are also very keen to work with Ascom Hasler's talented international management team. We share the same challenges and growth culture,"* added Mr Villot.

Patrick Nangle, chief executive officer of Ascom Hasler said: *"This is very good news for our division. We are very excited by the opportunity of further developing our business*

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<sup>1</sup> Ascom Hasler's revenues are restated excluding exceptional and non core items, applying Neopost depreciation policy.

*together with the management of Neopost. The combination of our operations reinforces Neopost as the firmly established worldwide number two player with clear competitive advantages and a strong ambition.”*

### **The Enlarged Neopost Group: A Strong Starting Point and Significant Potential Synergies**

The acquisition of Ascom Hasler provides significant potential synergies in commercial, industrial and operational areas.

The combined group will service more than 750,000 clients, who will be offered the full range of Neopost mailing, addressing, document handling and logistics systems.

The integration of Ascom Hasler within Neopost will allow the combined group to realize production gains of 30 to 40 percent from volume effects.

Neopost and Ascom Hasler will join their efforts in research and development, leading to stronger potential innovation and economies of scale.

Other economies of scale will exist in marketing and sales, support, rental and leasing, maintenance and services.

All of these synergies will ultimately allow the combined business to reach a higher level of profitability.

### **An Accretive Transaction**

The acquisition price of 359 million Swiss Francs (around 222 million USD) represents 1.4 times Ascom Hasler 2000 revenues<sup>1</sup> and 6.8 times Ascom Hasler 2000 EBITDA<sup>1</sup>.

Financed by cash and acquisition debt, this acquisition shall be accretive as soon as synergies are realized.

Provided that the required authorizations are granted, the acquisition should be completed before year-end. Ascom Hasler should be consolidated within Neopost as of the beginning of fiscal year 2002 (February 1, 2002).

Advisors to Neopost are Schroder Salomon Smith Barney and Cleary, Gottlieb, Steen & Hamilton.

### **About Neopost**

Neopost Inc. is a subsidiary of the Neopost Group, the second largest provider of mailing, addressing, document handling and logistics systems worldwide. Neopost's products are sold in 70 countries, with primary operations in the world's top mailing markets including the United States, Canada, France, and the United Kingdom.

Neopost Inc. is headquartered in Hayward, CA, where the North American corporate offices, customer service, and product development departments are located. Local sales and support are available throughout North America.

Neopost's innovations include the first electronic postage meter, the first postage meter and scale system providing automatic meter setting from the scale, and the first compact desktop folder inserter. Other innovations include Neopost's No Deposit Postage-On-Call®, the first remote meter resetting system not requiring prepayments; and the Neopost Price Protection Program®, which guarantees a fixed cost for the life of the contract and provides one monthly or quarterly payment. Neopost's unique Load 'N Go mode, featured in its SI68 and SI72 folder inserters, automatically detects which feeders have paper, then adjusts settings such as fold type, fold length, envelope size, paper length and paper thickness. Load 'N Go virtually eliminates operator adjustments and the need to program every job. Most recently, Neopost introduced the IJ25, the first stand-alone digital postage meter to comply with the United States Postal Service's Information-Based Indicia Program (IBIP) for simultaneous metering and barcode generation.

Neopost's history dates back to the 1920s when the organization's founders introduced the first postage meters in Europe. Over the years, the company has continued to serve as a leader in the design and manufacture of modular mailing systems, addressing systems, postage meters, electronic postage scales, and e-postage products.

Neopost is located online at [www.neopostinc.com](http://www.neopostinc.com).

### **About Ascom Hasler**

Ascom Hasler is the Mailing Systems business unit of the internationally active Ascom Group.

Founded in 1923, Ascom Hasler is the number 3 supplier worldwide of mailing systems, with a reputation for quality and a strong presence in North America, Germany and the UK.

Advanced technologies, intelligent design and exceptional operator convenience help Ascom Hasler customers to save time and cut expenses. Whether the volume of mail is small or very large, a wide variety of products with a modular concept deliver the matching solution. Ascom Hasler has developed a new range of digital franking products and is also proposing a range of software applications enabling efficient management of the mailroom.

The business unit had a revenue of 170 million Euros in 2000<sup>1</sup> (around 156 million USD), with an EBITDA margin of 20.6 percent<sup>1</sup>.

Headquartered in Berne (Switzerland) with operations in USA, Canada, UK, Germany, Belgium, Netherlands, Austria, Italy, Spain, Japan and Australia, the business unit employs 1,000 people.

### **About Ascom**

Ascom is an internationally active Swiss high-tech group with more than 10,000 employees worldwide and revenues of approximately 3 billion Swiss Francs (around 2 billion USD). As a major systems integrator with a strong technology base and leader in the home market Switzerland, Ascom's strengths lie in the building and operation of secure, highly reliable networks and the integration of voice and data. As Number 3 in the transport revenue systems market, Ascom already holds a leading global position. Worldwide the company is among the leading suppliers of power supply systems and products. In addition, Ascom achieves peak technological performance in data and voice transmission via the electricity supply grid (Powerline Communications). With the building and operation of highly complex infrastructures in the telecoms and IT sectors, Ascom creates the basis for a networked world of tomorrow.

Ascom is listed on the Swiss Stock Exchange.

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