

Annual Results 2002

- Sales**

+0,7% compared to year-end 2001

+33,6% compared to the 2nd semester 2001

- Operating income in the 2nd semester: +15% of sales**

February 7th, 2003 – SYSTRAN SA (Reuters : SYTN.LN, Code [Euroclear Paris : 7729](#)) today announced consolidated financial results for the year ended December 31, 2002. The company reported revenue of 8,24 M€, compared to revenue of 8,18 M€ for the same reporting period in 2001.

2002 Accounts

<i>Consolidated and unaudited figures in M€</i>	2 nd semester 2002	2002	2001	Change
Revenue	5,09	8,24	8,18	+0,7%
Operating Income	+0,76	(0,77)	(1,17)	+34,2%
%	+14,93%	(9,17%)	(14,30%)	
Net Income (Group's Share)	+0,32	(1,56)	(0,53)	-195,5%
%	+6%	(18%)	6%	

The second semester displayed the commercial success of the new version release, 4.0, and the increase of both corporate sales and co-funded projects.

Operating income for the second semester amounts to +0,76 M€, reducing the loss for the year at (0,77) M€, compared with (1,53) M€ for the first semester of 2002.

The restructuring costs engaged in 2002 at the cost of 0,83 M€, affected the group's operating income.



The activity in 2002

In Millions of Euros (M€)	2nd semester 2002	as % of total	2002	as % of total	2001	as % of total	Change 2002/2001
Corporate Solutions & Portal Solutions	1,6	31,6%	3,0	36,6%	2,9	35,4%	3,4%
Software Publishing	1,7	34,5%	2,8	34,1%	2,5	30,5%	12,0%
Development Contracts	0,8	14,8%	0,9	11,0%	0,8	9,8%	12,5%
Services to Administrations	1,0	19,1%	1,5	18,3%	2	24,4	-25,0%
Consolidated Revenue	5,1	100	8,24	100	8,18	100	+0,7%

The increase in Corporate Sales compensates the downturn in the Internet Portals business segment.

Good renewal rates of corporate licenses constitute recurrent revenue, which demonstrates the overall client adoption of SYSTRAN solutions and products.

The release of SYSTRAN Version 4.0 positively impacts the sales of the Software Publishing segment.

The release of version 4.0 for the entire range of SYSTRAN products increased the sales during second semester.

New Development Contracts

Sales of development contracts grew as a result of 7 new contracts.

Group restructuring and new organization employed

After the closing of the subsidiary Aurora, during the second semester 2002, SYSTRAN continued its restructuring plan by reducing the number of personnel. The restructuring costs have been applied in total in the 2002 accounts.

SYSTRAN's reorganization focused on two business units driven by the market evolution, strongly affected by the decline in Portal Sales and the increase in Corporate Sales.

- Software Publishing
- Professional Services



New representation of sales

SYSTRAN shall distinguish four new client profiles for sales in the above noted segments:

- **Home & Small Business** (HSB) for software sales through resellers, online sales and direct sales.
- **Corporate** for corporate accounts.
- **Administrations** for the European and US administrations.
- **Co-funded** for Co-funded projects.

In Millions of Euros (M€)	2002 (Unaudited)	%
Software Publishing	4,1	50 %
HSB	2,7	33%
Corporate	1,3	17%
Professional Services	4,1	50%
Corporate	1,2	15%
Administrations	1,5	18%
Co-Funded	0,9	11%
Professional Services – Aurora	0,5	6%
Total	8,2	100%

2003 Outlook

The evolution of the Corporate market combined with the restructuring plan imposed during 2002, provide an encouraging outlook for 2003 and subsequent years.

The ever-growing adoption of translation software by Fortune 500 corporations managing multilingual content will increase the sales of the Corporate business segment.

This segment include the group's backlog of 3,2 M€, of which 1,9 M€ is derived from new customers.

An proactive policy for publishing new products and developing new language pairs should allow for growth in the Software Publishing segment.

The new procedures with US distributors and the newly signed partnership with Voilà and Wanadoo have already translated into an increase of sales of this activity.

Development contracts are projected to generate a turnover of 2,2 M€ en 2003.

In 2003, the Company expects to benefit from the recovery of business and the cost reductions resulting from the restructuring plan enforced in 2002.



ABOUT SYSTRAN

SYSTRAN is the leading provider of the world's most scalable and modular translation architecture. SYSTRAN's expertise spans over 30 years of building customized translation solutions for large corporations, portals, ISPs, governments and public administrations through open and robust architectures

Its core technology powers revolutionary translation solutions for the Internet, PCs and network infrastructures that facilitate communication in 36 language pairs and in 20 specialized domains. SYSTRAN's technology is developed under Linux and runs on all Unix platforms, MacOS X and MS Windows.

SYSTRAN is headquartered in France and has subsidiaries in California and in Luxembourg.

SYSTRAN ([Euroclear Paris code : 7729](#)) is listed on Euronext Paris, *Nouveau Marché* and is a member of Euronext's Next Economy segment. AUREL-LEVEN is the French investment company appointed to trade SYSTRAN's stock on the Market.

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Revenue for the first quarter 2003 will be announced on April 23rd, 2003.

You can download this Press Release at <http://www.systransoft.com/Investors/Press.html>



CONSOLIDATED INCOME STATEMENT 2002

<i>(000' Euros)</i>	2002	2001
Sales	8 238	8 183
Other revenues	33	15
Operating revenues	8 271	8 198
Purchases and other external expenses	(3 528)	(3 891)
Taxes and similar expenses	(59)	(50)
Wages and salaries	(4 958)	(5 137)
Gross margin	(274)	(880)
Depreciation and operating provisions (net)	(492)	(286)
Operating income	(766)	(1 166)
Financial provisions		3
Other financial expenses and income	(54)	214
Financial income	(54)	217
Current profit	(820)	(949)
Extraordinary income	(834)	94
Income taxes	113	344
Net income from consolidated companies	(1 541)	(511)
Goodwill and amortization	(22)	(18)
Consolidated net income	(1 563)	(529)
Minorities		
Net income (Group share)	(1 563)	(529)

Net income per share flowing to Systran	Year-End 2002	Year-End 2001
On the basis of the average number of shares in circulation:		
- Number of shares (net of treasury shares)	9 833 695	9 833 695
- Euros per share	(0,16)	(0,05)