

Leading Provider of Language Translation Technologies

Third Quarter 2006 Revenue Release

October 27th, 2006 - SYSTRAN, the leading provider of language translation technologies today announced its consolidated revenue for the third quarter ended September 30, 2006.

Consolidated and unaudited (in K€)	3 rd quarter			Year-to-date		
	2006	2005	Variation 2006 / 2005	2006	2005	Variation 2006 / 2005
Software Publishing	1,402	1,621	<i>(13.5)%</i>	4,352	4,943	<i>(12.0)%</i>
Professional Services	804	672	<i>+19.6%</i>	2,187	1,863	<i>+17.4%</i>
Consolidated Sales	2,206	2,293	<i>(3.8)%</i>	6,539	6,806	<i>(3.9)%</i>

Third Quarter 2006 Activities

Consolidated sales for the third quarter were 2,206 K€, a decline of 3.8% as compared with the same period last year.

Consolidated sales for the first nine months of the year were 6,539 K€, a decline of 3.9% as compared with the same period last year.

Software license revenues decreased by 12% as compared with the same period last year, and currently account for 66.6% of total consolidated sales for the first nine months of this year. This decrease is the result of the delayed release of the upcoming version 6 product line and delayed purchases from corporate customers.

Professional Services were 2,187 K€ for the first nine months, an increase of 17.4% as compared with the same period last year. This increase is due to additional contracts received from the US Federal Government and to new contracts for existing corporate customers in the USA.

During the quarter, SYSTRAN continued to develop the upcoming version 6 product line designed for Microsoft Windows Vista™ and 2007 Microsoft Office System, and increased staffing of the development, quality assurance, sales, and marketing teams.



Outlook

The version 6.0 product line designed for Microsoft Windows Vista™ and 2007 Microsoft Office System is now scheduled for release during the first quarter of 2007.

Therefore, SYSTRAN currently expects that its annual margin will be consistent with the annual margin announced on August 4th, 2006.

SYSTRAN remains confident that revenue will grow and that the operating margin will increase in 2007 due to investments in the development of the version 6.0 product line and to supplementing the sales and marketing staff.

Dispute with the European Commission

On September 28, 2006, the European Ombudsman provided his decision concerning SYSTRAN's complaint of July 28th, 2005 against the European Commission.

For more details please read the SYSTRAN press release available for download at: <http://www.systransoft.com/company/newsroom/pr/index.html>

About SYSTRAN

SYSTRAN is the market leading provider of language translation software products and solutions for the desktop, enterprise and Internet that facilitate communication in 40 language combinations and in 20 vertical domains. With over three decades of expertise and research and development, SYSTRAN's software is the choice of leading global corporations, portals including AltaVista™, Google™, Yahoo!®, and Orange, and public agencies like the US Intelligence Community and the European Commission.

Use of SYSTRAN products and solutions enhance multilingual communication and increase user productivity and time-savings for B2E, B2B and B2C market segments as they deliver real-time language solutions for search, content management, online customer support, intra or inter company collaboration, and eCommerce.

SYSTRAN is headquartered in Paris, France with a North American office located in San Diego, California, USA.

SYSTRAN (Code ISIN FR0004109197, Bloomberg: SYST NM, Reuters: SYTN.LN) is listed on EuroList Paris, *Compartiment C*, and is member of Euronext's Next Economy segment. For more information, visit www.systransoft.com

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Revenue for the fourth quarter 2006 ending on December 31st, 2006 and annual results for 2006 will be announced on February 14th, 2007.

This Press Release is available for download at:
http://www.systransoft.com/company/investors/financial_releases.html