

**Leading Provider of Language Translation Technologies**

## Annual Results 2007

- **Consolidated Sales of 8,848 K€**
- **Operating Income of 917 K€**
- **Net Income of 818 K€**

February 14<sup>th</sup> 2008 – SYSTRAN, the leading provider of language translation technologies today announced its consolidated financial results for the year ended December 31, 2007.

Consolidated and Audited Accounts (in K€)	2007 (IFRS)	2006 (IFRS)	Annual Change 2007 / 2006
<b>Sales</b>	<b>8,848</b>	<b>9,342</b>	<b>-5.3%</b>
<b>Operating Income</b>	<b>917</b>	<b>1,234</b>	<b>-25.7%</b>
%	+10.4%	+13.2%	
<b>Net Income - Group's Share</b>	<b>818</b>	<b>1,085</b>	<b>-24.6%</b>
%	+9.2%	+11.6%	

During 2007, SYSTRAN total sales amounted to 8.85 million Euros, a decrease of 5.3% as compared with 2006. Consolidated net income for the year amounted to 0.82 million Euros versus 1.08 million Euros in 2006. This decrease is a result of a decline in US sales and foreign exchange adjustments.

During the year, labor expenses were stable and other expenses decreased. As a result, margins narrowed and operating income amounted to 0.92 million Euros as compared with 1.23 million Euros in 2006.

The financial income was unable to offset the losses on the foreign exchange rate. As a result, the net financial income is negative.

The Company's cash position increased to 10.7 million Euros as of December 31, 2007, as compared with 10.1 million Euros on December 31, 2006.



## Activities - 2007

In K€	2007	In % of total	2006	In % of total	Annual Change 2007 / 2006
<b>Software Publishing</b>	<b>6,933</b>	78.4%	<b>6,236</b>	66.8%	<b>+11.2%</b>
<b>Professional Services</b>	<b>1,915</b>	21.6%	<b>3,106</b>	33.2%	<b>-38.3%</b>
<b>Consolidated Sales</b>	<b>8,848</b>	100.0%	<b>9,342</b>	100.0%	<b>-5.3%</b>

At a constant exchange rate total sales would have been slightly higher than sales reported in 2006. **Software Publishing** sales amounted to 6.93 million Euros, an increase of 11.2% as compared with 2006. The **Professional Services** activities decreased by 38.3% when compared to 2006. The increase in **Software Publishing** sales is attributable to a growth of 39.3% of **Desktop Products** sales.

## Outlook

SYSTRAN's efforts are now focused on the release of its version 6 Server Products and Online Services solutions. These forthcoming releases should translate into revenue growth from **Corporate** customers.

Development of SYSTRAN's new version 7 has commenced. The primary goal is to improve translation quality with new translation engines.

## Dispute with the European Commission

On October 31<sup>st</sup>, 2007, SYSTRAN filed its response to the European Commission with the Court of First Instance of the European Communities. The European Commission has sent its rejoinder by the end of January 2008. The written procedure is now completed and the oral procedure will take place in 2008.

## 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 52 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™, Yahoo!®, and Microsoft®, 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 EuroNext Paris, *Compartment C*. For more information, visit [www.systransoft.com](http://www.systransoft.com)



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Revenue for the first quarter 2008 ending on March 31<sup>st</sup>, 2008 will be announced on May 9<sup>th</sup>, 2008.

This Press Release is available for download at:

<http://www.systransoft.com/index/About-Systran/Investors/Financial-Releases>



<i>(In K€)</i>	<b>Year 2007</b> (12 months)	<b>Year 2006</b> (12 months)
<b>Net sales</b>	<b>8,848</b>	<b>9,342</b>
Other operating revenue	0	0
<b>Total revenue from operations</b>	<b>8,848</b>	<b>9,342</b>
Cost of sales and other external expenses	(2,990)	(3,187)
Taxes and duties	(189)	(239)
Wages and salaries	(4,419)	(4,454)
Depreciation and amortization (net)	(303)	(269)
Other income / (expenses)	7	20
<b>Current operating income</b>	<b>954</b>	<b>1,173</b>
Other operating income / (expenses)	(37)	61
<b>Operating income</b>	<b>917</b>	<b>1,234</b>
Financial income from cash activities	(116)	215
Financial expenses	(14)	(1)
<b>Net financial income</b>	<b>(130)</b>	<b>214</b>
Other financial income / expenses	(27)	(195)
<b>Profit before tax</b>	<b>760</b>	<b>1,253</b>
Income tax expenses	58	(168)
<b>Profit from operations</b>	<b>818</b>	<b>1,085</b>
Minority interest	0	0
<b>Net income / (loss) – Group's share</b>	<b>818</b>	<b>1,085</b>

<b>Earning / (loss) per share</b>	<b>Year 2007</b>	<b>Year 2006</b>
On the basis of the average number of shares in circulation:		
- Number of common shares	9,683,504	9,868,439
- <b>Euros per share</b>	<b>0.08</b>	<b>0.11</b>