

**Leading Provider of Language Translation Technologies**

## Annual Results 2004

- Operating income of 3,109 K€ similar to fiscal year 2003
- Operating margin of 30.5% compared with 27.5% in 2003
- Sales of 10,189 K€: -9% compared with fiscal year 2003 (-3.5% at constant exchange rates)

February 15<sup>th</sup>, 2005 - SYSTRAN, the leading provider of language translation technologies today announced its consolidated financial results for the year ended December 31, 2004.


Consolidated and Audited Accounts (in K€)	2004	2003	Annual change 2004 / 2003
Sales	10,189	11,191	- 9%
Operating Income	3,109	3,080	+ 1%
%	+ 30.5%	+ 27.5%	
Net Income (Group's Share)	2,682	2,651	+ 1%
%	+ 26.3%	+ 23.7%	

Revenue for the year 2004 amounted to 10,189 K€, reflecting a decrease of 9% (-3.5% at constant exchange rates).

Operating income amounted to +3,109 K€, an operating margin increase of +30.5%, as compared with +27.5% for 2003.

Cash amounted to 7,995 K€ at December 31st, 2004 as compared with 7,190 K€ at December 31<sup>st</sup>, 2003.

Earnings per share are 0.27 € in 2004 similar to fiscal year 2003.

 Revenue Analysis

Consolidated and Audited Accounts (in K€)	2004	%	2003	%	Annual change 2004/ 2003
<b>Software Publishing</b>	<b>5,507</b>	<b>54.0%</b>	<b>5,474</b>	<b>48.9%</b>	<b>+0.6%</b>
Home & Small Business (HSB)	470	4.6%	601	5.4%	-21.8%
Corporate & Administrations	2,032	19.9%	2,296	20.5%	-11.5%
Resellers	1,726	16.9%	1,369	12.2%	+26.1%
Online Sales	1,279	12.6%	1,208	10.8%	+5.9%
<b>Professional Services</b>	<b>4,682</b>	<b>46.0%</b>	<b>5,717</b>	<b>51.1%</b>	<b>-18.1%</b>
Corporate & Administrations	3,273	32.1%	3,720	33.2%	-12.0%
Co-funded	1,409	13.8%	1,998	17.9%	-29.5%
<b>Consolidated Sales</b>	<b>10,189</b>	<b>100.0%</b>	<b>11,191</b>	<b>100.0%</b>	<b>-9.0%</b>

In 2004, SYSTRAN focused its efforts on finalizing its new version 5.0 product line and on executing existing service contracts.

The slow growth in *Software Publishing* is due to the delayed release of version 5.0. License sales in 2004 remained comparable with fiscal year 2003.

The *Professional Services* activities declined by 18.1% compared to year-end 2003.

The new version 5.0 product line is fully XML compliant and includes many innovative user features.

Desktop products in version 5.0 are directly integrated into Microsoft® Office Suite and also enable translations of PDF documents. In addition, version 5.0 includes the release of two new language pairs (Arabic ⇔ English and Swedish ⇔ English), raising the total number of commercially offered language pairs by SYSTRAN to 40.

Enterprise products incorporate new functionalities essential for integration in corporate networks and content management systems, such as multi-user dictionary management, the automatic import of “translation memories”, and integration with Trados and Documentum software.

 **Business Outlook**

SYSTRAN emphasized its efforts on software development during 2004 at the expense of its Professional Services activities.

The new version 5.0 will allow SYSTRAN to develop its direct sales channel as well as enhance its network of authorized resellers.

SYSTRAN expects to profit from the launch of several new eCommerce sites and new subscription-based Web services.

The inventory of work orders is totaling 1,5 M€.

 **About SYSTRAN**

SYSTRAN is the leading provider of the world's most scalable and modular translation software. SYSTRAN's expertise spans over three decades of building customized language translation solutions for global corporations, portals, governments and public administrations through open and robust architecture.

Its core technology powers language translation solutions for the Internet, PCs and network infrastructures that facilitate communication in 40 language pairs and in 20 specialized domains. SYSTRAN's technology is developed under Linux and runs on all Unix platforms, MacOS X and Microsoft Windows.

SYSTRAN is currently developing the following new language pairs: Arabic, Farsi, Hungarian, Polish, Czech, Danish, and Finnish.

SYSTRAN (Code ISIN FR0004109197, Bloomberg: SYST NM, Reuters: SYTN.LN) is listed on Euronext Paris, *Nouveau Marché*, and is a member of Euronext's Next Economy segment.

SYSTRAN is headquartered in Paris, France and has a subsidiary in California, USA.

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Revenue for the first quarter 2005 will be announced on April 28<sup>th</sup>, 2005.

This Press Release is available for download at:

[http://www.systransoft.com/company/investors/financial\\_releases.html](http://www.systransoft.com/company/investors/financial_releases.html)

<i>(in K€)</i>	<b>2004 12 months</b>	<b>2003 12 months</b>
<b>Sales</b>	<b>10,189</b>	<b>11,191</b>
Other revenues	10	10
<b>Operating revenues</b>	<b>10,199</b>	<b>11,201</b>
Purchases and other external expenses	(3,517)	(4,078)
Taxes and duties	(81)	(50)
Wages and salaries	(3,198)	(3,919)
<b>Gross profit</b>	<b>3,403</b>	<b>3,154</b>
Depreciation and operating provisions (net)	(294)	(74)
<b>Operating income</b>	<b>3,109</b>	<b>3,080</b>
Financial provisions	(129)	0
Other financial income / (expense)	84	(135)
<b>Financial profit / (loss)</b>	<b>(45)</b>	<b>(135)</b>
<b>Current profit / (loss) on ordinary activities</b>	<b>3,064</b>	<b>2,945</b>
<b>Extraordinary income / (loss)</b>	<b>(183)</b>	<b>(298)</b>
Income taxes	(199)	4
<b>Net income / (loss) from consolidated companies</b>	<b>2,682</b>	<b>2,651</b>
Goodwill amortization	0	0
<b>Consolidated net income</b>	<b>2,682</b>	<b>2,651</b>
Minorities	0	0
<b>Net income / (loss) applicable to common shares</b>	<b>2,682</b>	<b>2,651</b>
<b>Earnings per share</b>	<b>2004</b>	<b>2003</b>
on the basis of average number of shares in circulation:		
- Number of shares	9,833,695	9,833,695
- In Euros per share	0.27	0.27