

Leading Provider of Language Translation Technologies

Annual Results 2005

- Sales of 10,113 K€ as compared with 10,189 K€ in 2004
- Operating Income of 3,352 K€ +21.5%
- Strong growth in license sales: +41.4%
- Total work orders of 3,908 K€

February 14th 2006 – SYSTRAN, the leading provider of language translation technologies today announced its consolidated financial results for the year ended December 31, 2005.

Consolidated and Audited Accounts (in K€)	2005 (IFRS)	2004 (IFRS)	Annual Change 2005 / 2004
Sales	10,113	10,189	-0.7%
Operating Income	3,352	2,758	+21.5%
%	+33.1%	+27.1%	
Net Income - Group's Share	3,061	2,679	+14.2%
%	+30.3%	+26.3%	

Total revenue for the year 2005 amounted to 10,113 K€, a slight decrease when compared with 2004. This stability does not reflect the shift that occurred in 2005 between license sales and Professional Services. As a consequence the operating margin increased to +33.1 % when compared with +27.1% for 2004.

Operating income amounted +3,352 K€ as compared with +2,758 K€ in 2004, reflecting an increase of +21.5%.

The Company's cash position rose to 10,909 K€ on December 31, 2005, as compared with 7,995 K€ on December 31, 2004.



Transfer to IFRS Accounting Standards

These financial statements represent the Company's first published financial statements compliant with the IFRS Accounting Standards (*International Financial Reporting Standards*). The Company has applied IFRS 1 standard, « First-time adoption of International Financial Reporting Standards » for the preparation of these financial statements.

A detailed description of IFRS' impact on the Company's financial statements, particularly as relates to the shareholders' equity as of June 30 and December 31, 2004, appears in the notes appended to the consolidated accounts of June 30, 2005 that have been published in the BALO. It is also described in the notes appended to the consolidated accounts of December 31, 2005

Activities - 2005

In K€	2005	In % of total	2004	In % of total	Annual Change 2005 / 2004
Software Publishing	7,785	77.0%	5,507	54.0%	+41.4%
Professional Services	2,328	23.0%	4,682	46.0%	-50.3%
Consolidated Sales	10,113	100.0%	10,189	100.0%	-0.7%

The sales generated from Software Licenses amounted to 7,785 K€, an increase of +41.4% as compared with 2004. The *Professional Services* activities declined by 50.3%, when compared to year-end 2004. This represents the positive results of SYSTRAN focusing its efforts on *Software Publishing* instead of *Professional Services*.

License Sales to *Corporate* customers amounted to 2,874 K€ versus 1,568 K€ in 2004, a sharp increase of +83.3%. This growth demonstrated the increased demand from Corporate customers with great interest in solutions offered by language translation software.

Outlook

SYSTRAN is confident that 2006 will bring tremendous innovation. After the launch of the SYSTRAN Mobile for Pocket PC product, SYSTRAN will launch a new version 6.0 for its family of Desktop products.

Version 6.0 will offer technological advances in SYSTRAN's software such as improvement in translation quality, the release of new language pairs, and additional specialized dictionaries.



Version 6.0 products will also allow users to consult with the built-in dictionary, adding a new level of versatility.

Software License sales are expected to increase throughout all markets with the release of the new version and the growth initiated in 2005 should continue in 2006.

Total work orders amounted to €3.9 M at December 31, 2005.

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™, AOL, Google™, Wanadoo, and Yahoo!®, 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

Contact

Dimitris SABATAKAKIS, Chairman & CEO
Telephone: +33 (0)1 47 96 86 86 Fax: +33 (0)1 46 98 00 59
Email: sabatakakis@systran.fr

Revenue for the first quarter 2006 ending on March 31, 2006 will be announced on April 28th, 2006.

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



<i>(In K€)</i>	Year 2005 (12 month)	Year 2004 (12 month)
Net sales	10,113	10,189
Other operating revenue	0	0
Total revenue from operations	10,113	10,189
Cost of sales and other external expenses	(2,687)	(3,507)
Taxes and duties	(104)	(81)
Wages and salaries	(4,100)	(3,366)
Depreciation and amortization (net)	(84)	(203)
Other income / (expenses)	102	(90)
Current operating income	3,238	2,942
Other operating income / (expenses)	114	(184)
Operating income	3,352	2,758
Financial income from cash activities	291	(69)
Financing expenses	(8)	(2)
Net financing cost	283	(71)
Other financing income / expenses	560	26
Profit before tax	4,195	2,713
Income tax expenses	(1,134)	(34)
Profit from operations	3,061	2,679
Minority interest	0	0
Net income / (loss) – Group's share	3,061	2,679

Earning / (loss) per share	Year 2005	Year 2004
On the basis of the average number of shares in circulation:		
- Number of common shares	9,848,095	9,833,695
- Euros per share	0.31	0.27