

**Leading Provider of Language Translation Technologies**
**Annual Results for the year 2010**

March 11, 2011 - SYSTRAN, the leading provider of language translation technologies, today announced its consolidated financial results for the year ended December 31, 2010.

Consolidated and Audited Accounts (in K€)	2010 (IFRS)	2009 (IFRS)	Annual Change 2010 / 2009
<b>Sales</b>	<b>8,934</b>	<b>8,564</b>	<b>+4.3%</b>
<b>Current Operating Income (Loss)</b>	<b>-396</b>	<b>28</b>	<b>NA</b>
%	NA	NA	
<b>Net Income (Loss) - Group's Share</b>	<b>82</b>	<b>304</b>	<b>NA</b>
%	0.9%	3.5%	

SYSTRAN's consolidated sales amounted to 8.9 million Euros in 2010, an increase of 4.3% as compared with 2009.

In 2010, salaries and wages and other expenses increased respectively by 9.9% and 5.6%. Consolidated current operating loss amounted to 396 thousand Euros as compared with a profit of 28 thousand Euros in 2009. A significant share of the salaries and wages are dedicated to research and development in which the Company continues to dedicate 20 to 25% of its annual sales.

Operating loss amounted to 627 thousand Euros as compared with a profit of 40 thousand Euros in 2009. Other operating income and expenses are mainly composed of damages to be paid by the European Commission in the amount of 12 million Euros. Because the Commission brought an appeal against the December 16, 2010 General Court decision a provision was recorded for the same amount (12 million Euros). They also include non recurring expenses for 375 thousand Euros related to SYSTRAN SA moving into new offices.

The Company recorded positive financial income from gains and interest earned on investments. Taxes are attributed to SYSTRAN Software, Inc., and SYSTRAN S.A. recorded a tax-credit related to its research and development activities.

Consolidated net income amounted to 82 thousand Euros versus 304 thousand Euros in 2009.

Total shareholders' equity amounted to 14.3 million Euros as compared with 15.0 million Euros as of December 31, 2009. The Company has no significant debts and the Company's net cash position decreased to 9.8 million Euros at December 31, 2010, as compared with 11.2 million Euros on December 31, 2009.



## Year 2010 Activities

In K€	2010	In % of total	2009	In % of total	Annual Change 2010 / 2009
<b>Software Publishing</b>	<b>5,629</b>	<b>63.0%</b>	<b>5,618</b>	<b>65.6%</b>	<b>+0.2%</b>
<b>Professional Services</b>	<b>3,305</b>	<b>37.0%</b>	<b>2,946</b>	<b>34.4%</b>	<b>+12.2%</b>
<b>Consolidated Sales</b>	<b>8,934</b>	<b>100.0%</b>	<b>8,564</b>	<b>100.0%</b>	<b>+4.3%</b>

SYSTRAN's consolidated sales amounted to 8.9 million Euros in 2010, an increase of 4.3% as compared with 2009 divided between 5.6 million Euros for Software Publishing and 3.3 million Euros for Professional Services.

During the year, license sales totaled 5.6 million Euros and represent 63% of total sales. They are stable as compared with the year 2009 but it is important to note that 2009 license sales included US federal government customer upgrades to version 7. Because of these upgrades, license sales for the year 2010 increased by 28.3% compared to 2009. The increase in **Software Publishing** sales is attributed to **Server product (SYSTRAN Enterprise Server 7)** license sales to corporate customers which now represent 71.5% of total **license sales**. In 2010 **Server product** license sales to corporate customers increased by 7.7%. Notwithstanding the US federal government customer upgrades to version 7, they increased by 60.7% compared to 2009.

In December 2010, SYSTRAN launched the new version 7 of its desktop product line which had no effect on 2010 sales.

During the year, Professional Services sales totaled 3.3 million Euros and represent 37% of total sales. Professional Services sales are up 12.2% compared to 2009 thanks to new orders received from the US federal government during the second half of 2010.

## Outlook

SYSTRAN plans to develop the **Software Publishing** business in 2011. Investment will focus on commercial teams in Europe and the USA in order to develop sales to corporate customers.

Efforts to market the new version 7 **Desktop product** line and develop online and channel sales have begun. This new desktop version brings major innovations. It intelligently uses existing documents stored on PCs to learn user terminology and linguistic specificities. The SYSTRAN 7 **Desktop product** line is a productivity-enhancing tool that quickly and efficiently translates documents.

As of December 31, 2010 unearned revenue from license sales amounted to 0.7 million Euros as compared with 1.0 million Euros at December 31, 2009.

SYSTRAN also expects that **Professional Services** with US agencies will remain stable. As of December 31, 2010 total work orders for **Professional Services** amounted to 2.1 million Euros as compared with 0.8 million Euros at December 31, 2009.



## Dispute with the European Commission

On December 16<sup>th</sup>, 2010, the General Court ordered the Commission to pay SYSTRAN liquidated damages of 12,001,000 Euros. The full decision can be consulted on the Court of Justice of European Union web site: <http://curia.europa.eu>

On March 1st 2011, [SYSTRAN](#) was informed that the European Commission has brought an appeal before the Court of Justice against the General Court decision of December 16, 2010.

This appeal is limited to points of law only and the General Court decision remains enforceable. The Commission who has already partially complied with the decision by paying the sum of 5,685,240 Euros to SYSTRAN on February 9, 2010 will therefore have to pay the remaining damages as they committed to in their letter addressed to SYSTRAN dated January 19, 2011.

## About SYSTRAN

SYSTRAN is the market leading provider of language translation software products and solutions for the desktop, enterprise and Internet.

Use of SYSTRAN products and solutions enhance multilingual communication and increase user productivity. SYSTRAN delivers real-time language solutions for search, content management, online customer support, intra or inter company collaboration, and eCommerce.

With the ability to facilitate communication in 52 language combinations and in 20 vertical domains, SYSTRAN's software is the choice of leading global corporations, portals including Apple, Yahoo! and AltaVista, and public agencies such as the US Intelligence Community and the European Commission.

SYSTRAN has been pioneering advances in machine translation for over four decades. Its latest achievement, SYSTRAN Hybrid MT, combines the predictability and language consistency of rule-based machine translation with the fluency of statistical MT.

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, Compartiment C.

For more information, visit [www.systransoft.com](http://www.systransoft.com)

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Revenue for the first quarter 2011 ending on March 31, 2011 will be announced on May 6, 2011.

This Press Release is available for download at:

<http://www.systransoft.com/systran/investors/press-releases>

<i>(In K€)</i>	<b>Year 2010</b> (12 months)	<b>Year 2009</b> (12 months)	<b>Year 2008</b> (12 months)
<b>Net sales</b>	<b>8 934</b>	<b>8 564</b>	<b>7,649</b>
Cost of sales and other external expenses	(3 189)	(3 019)	(2,835)
Wages and salaries	(5 521)	(5 020)	(4,293)
Taxes and duties	(207)	(228)	(192)
Depreciation and amortization (net)	(311)	(299)	(331)
Other income / (expenses)	(102)	30	(70)
<b>Current operating income</b>	<b>(396)</b>	<b>28</b>	<b>(72)</b>
Other operating income	12 332	70	17
Other operating expenses	(12 563)	(58)	(11,881)
<b>Operating income</b>	<b>(627)</b>	<b>40</b>	<b>(11,936)</b>
Net cost of debt	130	192	420
Other financial income	86	34	867
Other financial expenses	(76)	(130)	(788)
<b>Net financial income</b>	<b>140</b>	<b>96</b>	<b>499</b>
<b>Profit before tax</b>	<b>(487)</b>	<b>136</b>	<b>(11,437)</b>
Income tax expenses	569	168	4,330
<b>Profit from operations</b>	<b>82</b>	<b>304</b>	<b>(7,107)</b>
Minority interest	0	0	0
<b>Net income / (loss) – Group's share</b>	<b>82</b>	<b>304</b>	<b>(7,107)</b>
<b>Earning / (loss) per share</b>			
<i>On the basis of the average number of shares in circulation:</i>	<b>Year 2010</b>	<b>Year 2009</b>	<b>Year 2008</b>
- Number of common shares	8,054,870	8,940,664	9,476,208
- Euros per share	<b>0.01</b>	<b>0.03</b>	<b>-0.75</b>