

**Leading Provider of Language Translation Technologies**
**Annual Results for the year 2012**

**February 15, 2013 - SYSTRAN, the leading provider of language translation technologies, today announced its consolidated financial results for the year ended December 31, 2012.**

Consolidated and Audited Accounts (*) (in K€)	2012 (IFRS)	2011 (IFRS)	Annual Change 2012 / 2011
<b>Sales</b>	<b>10,180</b>	<b>10,587</b>	<b>- 3.8 %</b>
<b>Current Operating Income (Loss)</b>	<b>82</b>	<b>1,069</b>	<b>NA</b>
%	0,8 %	10.1 %	
<b>Net Income (Loss) - Group's Share</b>	<b>745</b>	<b>698</b>	<b>+ 6.7 %</b>
%	7.3 %	6.6 %	

(\*) On February 12, 2013 the Board of Directors approved the Financial Statements for the year 2012.

SYSTRAN's consolidated sales amounted to 10.18 million Euros in 2012, a decrease of 3.8% as compared with 2011. This decrease is for the most part due to the slowdown of the activity of SYSTRAN Software Inc., which is partially offset by the favorable impact of the Euro-US Dollar foreign exchange rate.

In 2012, salaries and wages increased by 3.3% mainly due to the expansion of the sales team in France. Consolidated other expenses increased by 6.7% and can be attributed to our US subsidiary and the negative impact of Euro-US Dollar foreign exchange rate. During this period a tax credit for research activities accounted for 774 thousand Euros versus 1,011 thousand Euros in 2012.

Considering the above, current operating profit amounted to 82 thousand Euros as compared with 1,069 thousand Euros in 2011.

The operating income amounted to 14 thousand Euros as compared with 841 thousand Euros in 2011. The Company recorded positive financial income from gains and interest earned on investments totaling 567 thousand Euros. Consolidated net income amounted to 745 thousand Euros versus 698 thousand Euros in 2011.

Total shareholders' equity amounted to 14.8 million Euros as compared with 15.2 million Euros as of December 31, 2011. The Company has no significant debts and the Company's net cash position amounted to 22.9 million Euros at December 31, 2012, as compared with 22.3 million Euros on December 31, 2011. Group debt amounts to 0.4 million Euros as compared with 0.2 million Euros as of December 31, 2011.



## Year 2012 Activities

Consolidated Accounts (in K€)	2012	In % of total	2011	In % of total	Annual Change 2012/2011
Software Publishing	5,051	49.6%	6,138	58.0%	-17.7%
Professional Services	5,129	50.4%	4,449	42.0%	+15.3%
<b>Consolidated Sales</b>	<b>10,180</b>	<b>100.0%</b>	<b>10,587</b>	<b>100.0%</b>	<b>-3.8%</b>

SYSTRAN's consolidated sales amounted to 10.2 million Euros in 2012, a decrease of 3.8% as compared with 2011, divided between 5.1 million Euros for **Software Publishing** and 5.1 million Euros for **Professional Services**.

During the year, license sales totaled 5.1 million Euros and represent 50% of total sales. This is a decrease of 18% as compared with 2011, attributable to the decline in sales of **Desktop** and **Server Products** to corporate customers and the US Government.

**Professional Services** sales totaled 5.1 million Euros and represent 50% of total sales. This is an increase of 15.3% as compared with 2011, largely due to the increase of the co-funded research and development activity in France. **Professional Services** sales to corporate customers and the US Government are increasing despite the slowdown in the US.

More than half of all sales are generated in North America. Sales are distributed as follows:

By geographical area of asset location (in thousands of Euros)	Year 2012	Year 2011
Europe	4,474	4,103
North America	5,706	6,484
<b>Total Sales</b>	<b>10,180</b>	<b>10,587</b>

## Outlook

In 2013 SYSTRAN plans to expand the sales team to develop revenue in all business segments. SYSTRAN will also launch new cloud services to complement its line of products and services for corporate customers.

As of December 31, 2012 unearned revenue from license sales amounted to 1.5 million Euros as compared with 0.9 million Euros at December 31, 2011.

As of December 31, 2012 total work orders for **Professional Services** amounted to 1.8 million Euros as compared with 2.0 million Euros at December 31, 2011. SYSTRAN also expects a decrease of **Professional Services** from the US Government and co-funded projects in France.



## Dispute with the European Commission

On March 4, 2011, the European Commission brought an appeal before the Court of Justice against the judgment of the General Court which was delivered on December 16, 2010 (case T-19/07). On November 8, 2011, the Court informed the parties that the written procedure was closed and a hearing took place on April 19, 2012.

On November 15, 2012, the Advocate General proposed that the Court of Justice should set aside the judgment of the General Court by which that court ordered the Commission to pay SYSTRAN a lump-sum amount of 12 million Euros as compensation for the material damage sustained by it. The Advocate General proposes that the Court of Justice should, primarily, set aside the judgment of the General Court and itself give judgment in the case, declaring that the action based on non-contractual liability brought by SYSTRAN and its subsidiary is inadmissible. In the alternative, he proposes that the Court of Justice should set aside the judgment of the General Court and refer the case back to it. As of today, the Court has not provided any further information on the judgment date.

## 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 intercompany 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 and public agencies.

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)

### **Contact**

Dimitris SABATAKAKIS, Chairman & CEO  
Telephone: +33 (0)1 44 82 49 00 Fax: +33 (0)1 44 82 49 01  
Email: [sabatakakis@systran.fr](mailto:sabatakakis@systran.fr)

Revenue for the first quarter 2013 ending on March 31, 2013 will be announced on May 3, 2013.

This Press Release is available for download at:  
<http://www.systransoft.com/systran/investors/press-releases>

(In K€)	Year 2012 (12 months)	Year 2011 (12 months)	Year 2010 (12 months) Restated <sup>(1)</sup>	Year 2010 (12 months) Published
<b>Net sales</b>	<b>10 180</b>	<b>10 587</b>	<b>8 934</b>	<b>8 934</b>
Cost of sales and other external expenses	(3 272)	(2 874)	(3 189)	(3 189)
Wages and salaries	(7 089)	(6 860)	(5 521)	(5 521)
Taxes and duties	(235)	(224)	(207)	(207)
Depreciation and amortization (net)	(342)	(346)	(311)	(311)
Other income / (expenses) <sup>(2)</sup>	840	886	768	(102)
<b>Current operating income</b>	<b>82</b>	<b>1 069</b>	<b>474</b>	<b>(396)</b>
Other operating income	26	0	12 332	12 332
Other operating expenses	(94)	(228)	(12 563)	(12 563)
<b>Operating income</b>	<b>14</b>	<b>841</b>	<b>243</b>	<b>(627)</b>
Net cost of debt	528	346	130	130
Other financial income	55	7	86	86
Other financial expenses	(16)	(46)	(76)	(76)
<b>Net financial income</b>	<b>567</b>	<b>308</b>	<b>140</b>	<b>140</b>
<b>Profit before tax</b>	<b>581</b>	<b>1 148</b>	<b>383</b>	<b>(487)</b>
Income tax expenses <sup>(1)</sup>	164	(450)	(301)	569
<b>Profit from operations</b>	<b>745</b>	<b>698</b>	<b>82</b>	<b>82</b>
Minority interest	0	0	0	0
<b>Net income / (loss) – Group's share</b>	<b>745</b>	<b>698</b>	<b>82</b>	<b>82</b>
<b>Earning / (loss) per share</b>				
<i>On the basis of the average number of shares in circulation:</i>	<b>Year 2012</b>	<b>Year 2011</b>	<b>Year 2010</b>	<b>Year 2010</b>
- Number of common shares	7,663,145	7,845,088	8,054,870	8,054,870
- <b>Euros per share</b>	<b>0.10</b>	<b>0.09</b>	<b>0.01</b>	<b>0.01</b>

(1) Restated presentation of the tax credit for research activities (from «income tax expenses» to «other income »).

(2) A tax credit for research activities in the amount of 1,011 thousand Euros was accounted for at December 31, 2011 in other current revenues, whereas the tax credit for research was accounted for in corporate taxes in the previous financial consolidated statements.