

First automatic translation provider on the Internet

First half 2000:
Strong growth (+ 84%) of new activities
Significant progression of profitability
Information meeting in Paris on October 20, 2000

E-services:
+ 272%

Consolidated and audited data	1st half 2000		Fiscal year 1999	
	M FRF	M Euros	M FRF	M Euros
Revenues	29.3	4.46	45.3	6.9
Operating income	4.6	0.70	5.9	0.90
Operating margin	15.8%		12.9%	
Net income (Group share*)	3.3	0.49	4.4	0.67
Net margin	11.2%		9.7%	

**1999: Excluding reversal of provision on goodwill*

Revenues are compared to 1st half 1999. As the Group had not released results for the first half 1999, the comparison of the remaining lines of the income statement are only available with data as of December 31, 1999.

The full income statement can be found at the end of the press release.

October 16, 2000 -- SYSTRAN (Reuters:SYTN.LN, Paris SICOVAM Code: 7729) is releasing today its consolidated results for the first half 2000. They show a significant progression of profitability and confirm Systran's position as the world leading provider of Internet automatic translation.

1 –Sales: + 31%. Strong growth of the new activities: +84%

Thanks to its unique expertise in linguistic personalization services to European and US public administrations, Systran successfully positioned itself on the segment of automatic translation solutions for Internet providers and businesses. Up 84% in the first half 2000, these new activities account for 74% of the Group's consolidated revenues, against 58% at the end of 1999. They include the following two segments which show promising prospects:

- e-Services which revenues increased by 272% over the period, thanks to newly licensed Internet Portals and e-commerce sites, (among which Alis/Netscape, Amikai, Multicity, Wordlingo). Systran's software and technology make any computer application multilingual. They can be integrated into any web application and in any of the clients' environment.
- Software publishing, which is up 37%. Systran's range of products is made of software that meet the needs of individuals, translation professionals or enterprises. They can be integrated into desktop applications and into Intranet/Local Network.

Co-financed systems development is also growing. Systran's clients indeed have the possibility to co-finance the development of new applications, of which they become the first users. For example, this applies to a multilingual search engine in the medical field, to a development work on Asian languages and to another one on Central European languages.

The traditional activity of customized linguistic services to public administrations is logically declining, after a peak in 1998 and 1999.

FRF Million	June 30 2000	As % of revenues	Change 00/99	June 30 1999	1999	As % of revenues
Software publishing	9.8	34%	+ 37%	7.1	15.8	34%
E-services	7.0	24%	+ 272%	1.9	3.4	9%
Development	4.8	16%	+ 78%	2.7	6.8	15%
Revenues from new activities	21.6	74%	+ 84%	11.7	26	58%
Translation Services to Administrations	7.7	26%	-28%	10.7	19.3	42%
Consolidated revenues	29.3	100%	+ 31%	22.4	45.3	100%

2 – Significant progression of profitability

First half results show a significant growth: operating margin is nearly winning 3 points and is reaching 15.8% of revenues at June 30, 2000, after 12.9% at the end of 1999. In particular, gross margin from the new activities is registering a remarkable increase.

Net income is FRF 3.3 million (Euros 0.5 million), with a net margin of 11.2%, against 9.7% as at December 31, 1999.

These results financed the Group's expansion in the following areas :

- Sales and Marketing effort represents 13% of sales. It was dedicated to the improvement of communication in Europe and in the US. At the same time, Systran is developing its commercial network (distributors and Value Added Resellers – VARs) in Europe (especially in England and in Germany) and in Asia/Pacific (namely in Australia).
- Thanks to the Research and Development effort (10% of sales), Systran has been able to widen the range of products and tools to e-services. Systran launched a French/German software and is forecasting the launching of new linguistic pairs before the end of the year.

3 – Outlook : 40% annual growth rate of revenues by 2002

For the full year 2000, Systran is anticipating revenues in the range of FRF 60 Million and is aiming at a net income representing 10% of sales.

With the encouraging performance registered in the first half of 2000, Systran is confirming the development plan that was presented on the occasion of its listing on the Nouveau Marché of the Paris Stock Exchange, last September 14: this development plan is forecasting a 40% annual growth rate by 2002. Its recognized technological know-how and its new financial means will enable the Group to fully benefit from the acceleration of demand for automatic translation and to keep its world leadership.

Third quarter sales will be released on November 6, 2000.

Systran develops and sells automatic computer driven translation solutions for Internet, enterprises and individuals.

In 1999, the Group generated revenues of FRF 45.3 million (Euros 6.9 million), for a 12.9% operating margin and a net income of FRF 4.4 million (Euros 670 000).

Systran is listed on the Nouveau Marché of the Paris Stock Exchange since September 14, 2000.

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First half 2000 Income statement

<i>In thousands of French francs</i>	30/06/2000 (6 months)	1999 (12 months)
Revenues	29.350	45.261
Other revenues		67
Revenues from operations	29.350	45.328
Purchases and other external expenses	(10.016)	(16.587)
Taxes	-	(128)
Staff costs	(14.207)	(21.860)
EBITDA	5.127	6.753
Depreciation and other operating provisions	(482)	(879)
Operating income	4.645	5.874
Financial provisions	-	(92)
Other financial revenues and expenses	(421)	(488)
Financial income	(421)	(580)
Profit on ordinary activities	4.224	5.294
Reversal of provision on goddwill	-	98.300
Other exceptional charges	(303)	(54)
Exceptional income	(303)	98.246
Income tax	(406)	(244)
Net income from consolidated companies	3.515	103.296
Amortization of goodwill	(173)	-
Consolidated net income	3.342	103.296
Minority interests	35	564
Net income (group share)	3.307	102.732

Summarized balance sheet and cash flow statement (in Millions of French francs)

Cash flow	4
Consolidated shareholders' equity at June 30, 2000	103
<i>Capital increase, net, (IPO on the Paris Nouveau Marché, at Sep. 14, 2000)</i>	31
Pro-forma consolidated shareholders' equity at June 30, 2000	134
Net indebtedness	0
Cash position as at June 30, 2000	5

Number of shares: 9 896 250