

## Annual Results 2001

February 7th, 2002 – SYSTRAN SA (Reuters : SYTN.LN, Code [Euroclear Paris : 7729](#)) today announced consolidated financial results for the year ended December 31, 2001. The company reported revenue of 8,2 M€, compared to revenue of 9,3 M€ for the same reporting period in 2000, due to the negative impact of the challenging global economy, particularly the downfall of the Internet industry and the decline throughout the technology markets. Outlook of growth in 2002.

<i>Consolidated and audited figures in M€</i>	2001	2000	Change
Revenue	8,2	9,3	(11,6%)
Operating Income	(1,2)	1,1	(203%)
<i>Operating Margin</i>	<i>(14,6%)</i>	<i>11,8%</i>	
Net Income (Group's share)	(0,5)	+0,9	(156%)
<i>Net Margin</i>	<i>(6,5%)</i>	<i>10,1%</i>	

In Millions of € (M€)	2001	as % of total	2000	as % of total	Change 01/00
Corporate Solutions	1,8	21,6	0,5	5,3	+ 257%
Portal Solutions	1,1	13,6	1,8	19,4	(38%)
Software Publishing	2,5	30,7	3,0	32,5	(16 %)
Development Contracts	0,8	10,2	1,4	15,4	(42%)
Services to Administrations	2,0	23,9	2,5	27,4	(23%)
<b>Consolidated Revenue (*)</b>	<b>8,2</b>	<b>100%</b>	<b>9,2</b>	<b>100%</b>	<b>(11,6%)</b>

(\*) including Aurora : 0,3 M€ in 2001, over a five month period.

### Enhancement of market features

Despite the global 2001 economic tribulations, SYSTRAN made great incursions into the Corporate market sector. SYSTRAN's market viability has never been greater. SYSTRAN has succeeded in penetrating the following niches:

- Acquisition and gisting of informations in multilingual environments such as Intelligence, Knowledge Management and more generally speaking Intranet applications ;
- Automated translation of "publishing" quality for Web-based customer support, CRM and eCommerce that companies must offer in the language of their clients. Autodesk (Nasdaq : ADSK) integrated a customized SYSTRAN translation solution within its Web-based technical support service. This first-ever multilingual eCRM solution received high praise from IDC for its



innovative technological approach. IDC Bulletin # 25019, June 2001, is available for review online at <http://www.systransoft.com/IDC/25019.html>

SYSTRAN is the undisputed leader in these promising markets, as underlined by IDC in Bulletin # 26459, January 2002. SYSTRAN is redefining the definition of Machine Translation Technology and is extending its use beyond the scope of translation. This report is available for review online <http://www.systransoft.com/IDC/26459.html>

### **A strong increase in sales of Corporate Solutions despite an economic slowdown which has had a negative impact on revenues**

Sales resulting from Corporate Solutions have risen, due to evolution of the market, increasing by four-fold at 1,8 M€ in 2001, as compared to 0,5 M€ in 2000. Corporations are progressively integrating multilingual functionalities into their applications. Sustained sales for customized translation solutions are realized by corporations such as Autodesk, Dalkia, Ford Motor Company, McDonald's Corporation, NEC Corporation, OneRealm, PricewaterhouseCoopers, Saint Gobain, and SONY.

Nevertheless, sales to large accounts and, in particular sales to *Portals*, have suffered from the tumultuous turns of the Internet industry and from the global economic slowdown in 2001.

For the Software Publishing business unit, download sales increased, while shrink-wrapped product sales decreased, SYSTRAN having focused efforts on download sales.

The Linguistic Services for Administrations and related development contracts business unit is affected by the same circumstances faced throughout IT industry worldwide in 2001.

### **Results 2001 include sustained investments**

SYSTRAN is seeing increased demand for multilingual technologies and, in anticipation of such, has continued to make investments in:

- Sales & Marketing expenditures in Europe and in the USA, stand at 19,5% of sales in 2001, versus 16,1% in 2000 ;
- Research & Development is 13,4% of the current sales reporting period, versus 9,7% in 2000. A tax credit for research amounting to 0,5 M€ has been recognized accordingly in 2001.

SYSTRAN achieved the restructuring plan of its Services unit to public administration activities. Related restructuring costs, already accrued during the prior accounting year, are included in the extraordinary expense during the current reporting period.

### **Outlook of growth in 2002**

SYSTRAN foresees a significant increase in sales to break-even in 2002.

For Corporate & Portal Solutions, SYSTRAN forecasts a new increase in sales in 2002. On one hand, SYSTRAN experienced certain delays during the last quarter 2001, and on the other hand, noted an important pre-sales activity.

The Software Publishing business unit will profit from the release of a major upgrade in its family of desktop products that include tangible improvements and technology innovations from SYSTRAN's R&D, during the first semester of 2002.

Linguistic Services to Administrations and development contracts should also record an increase in 2002, due to an increasing backlog.



## **ABOUT SYSTRAN**

SYSTRAN is the leading provider of the world's most scalable and modular translation architecture. SYSTRAN's expertise spans over 30 years of building customized translation solutions for large corporations, portals, ISPs, governments and public administrations through open and robust architectures

Its core technology powers revolutionary translation solutions for the Internet, PCs and network infrastructures that facilitate communication in 35 language pairs and in 21 specialized domains. SYSTRAN's technology is developed under Linux and runs on all Unix platforms, MacOS X and MS Windows.

SYSTRAN is headquartered in France and has subsidiaries in California and Luxembourg.

SYSTRAN ([Euroclear Paris code : 7729](#)) is listed on Euronext Paris, *Nouveau Marché* and is member of Euronext's Next Economy segment. AUREL-LEVEN is the French investment company appointed to trade SYSTRAN's stock on the Market.

## **CONTACTS**

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Revenue for the first quarter 2002 will be announced on April 23th, 2002.

You can download this Press Release at <http://www.systransoft.com/Investors/Press.html>



**CONSOLIDATED INCOME STATEMENT 2001**

<i>(000' Euros)</i>	2001	2000
<b>Sales</b>	<b>8 183</b>	<b>9 260</b>
Other revenues	15	26
<b>Operating revenues</b>	<b>8 198</b>	<b>9 286</b>
Purchases and other external expenses	(3 891)	(3 235)
Taxes and similar expenses	(50)	(25)
Wages and salaries	(5 137)	(4 538)
<b>Gross margin</b>	<b>(880)</b>	<b>1 488</b>
Depreciation and operating provisions (net)	(286)	(358)
<b>Operating income</b>	<b>(1 166)</b>	<b>1 130</b>
Financial provisions	3	(9)
Other financial expenses and income	214	(78)
<b>Financial income</b>	<b>217</b>	<b>(87)</b>
<b>Current profit</b>	<b>(949)</b>	<b>1 043</b>
<b>Extraordinary income</b>	<b>94</b>	<b>(203)</b>
Income taxes	344	98
<b>Net income from consolidated companies</b>	<b>(511)</b>	<b>938</b>
Goodwill amortization	(18)	
<b>Consolidated net income</b>	<b>(529)</b>	<b>938</b>
Minorities		
<b>Net income (Group share)</b>	<b>(529)</b>	<b>938</b>

<b>Net income per share flowing to Systran</b>	<b>Year 2001</b>	<b>Year 2000</b>
On the basis of the average number of shares in circulation :		
- Number of shares (net of treasury shares)	9 833 695	9 310 964
- In euros per action	(0,05)	0,09

**in M€**

<b>Consolidated Stockholders' equity as of 12/31/01</b>	<b>20,5</b>
<b>Net indebtedness</b>	<b>0</b>
<b>Cash as of 12/31/01</b>	<b>2,7</b>

Number of issued shares forming common stock : 9 896 250