

First automatic translation provider on the Internet

- **3rd quarter revenue and outlook**

October 22, 2001 -- SYSTRAN (Reuters: SYTN.LN, Euroclear Paris: 7729) today released its consolidated sales for the nine month period ending September 30th, 2001. Sales decreased by 7% compared with the first nine month period of last year.

Reinforced market fundamentals despite a decrease of 7% in revenue

(000) FRF	Q3		Year-to-date	
	2001	2000	2001	2000
Software Publishing	2.677	4.863	11.862	14.662
Corporate Solutions	3.297	213	8.427	1.141
Portals Solutions	1.780	1.538	4.469	7.673
Development	1.077	2.906	4.867	7.692
Linguistic Services for Administrations	3.347	4.744	11.249	12.446
Consolidated Revenues	12.178	14.264	40.874	43.614

Revenues for third quarter 2001

Software Publishing: download sales increased by 37% while shrink-wrapped product sales decreased by 43%. SYSTRAN reduced expenses for promotion and marketing for this segment in an effort to focus on download sales and Corporate Solutions.

Corporate Solutions: sales resulting from Corporate Solutions increased by seven-fold at 8,4 MFRF, as compared with 1,1 MFRF for the corresponding period in 2000. This confirms SYSTRAN's strong breakthrough into this new market segment since the beginning of the year.

Following the success of the Autodesk web-based multilingual technical support solution, SYSTRAN has developed a dedicated commercial offering of multilingual technical support for Customer Relationship Management applications.

This quarter, the sales level of Portal solutions remained stable from last year to this year, following the decrease in sales for this segment in the first half of this year.

Linguistic Services for Administrations: sales from this segment decreased as compared with last year, as was announced at the beginning of the year.

Aurora, the French Linux and Open Source Integrator acquired by SYSTRAN in August of this year, contributed 1,5 MFRF to the consolidated sales effort.

Outlook

Considering the slowdown in sales of shrink-wrapped products and the current market climate, the goals for revenues have been adjusted to 59 MFRF (-3% compared with 2000), as compared with 70 MFRF (+15% compared with 2000). The expected net income for 2001 should reach 1 MFRF (1,7% of sales), instead of 7 MFRF (10% of sales) as stated previously.

Nevertheless, the cycle for acquisition of new clients remains high. Since October 1st 2001, SYSTRAN recorded orders of 450,000 € from new customers resulting from recurring licenses to be delivered before the end of the year.

In the United States, the Department of Defense has demonstrated renewed confidence in SYSTRAN by completing a new five-year framework-contract amounting to USD 7 Million.

ABOUT SYSTRAN

SYSTRAN is the leader in automatic translation applications and technologies for more than 30 years. It has developed customized products and services for the European Commission, the US Government and corporations.

SYSTRAN's technology can be interfaced at all levels of Internet infrastructures. It allows for broader communication with more than 35 language pairs and 21 special domains. SYSTRAN's technology is developed in Linux and is available for sale in all Unix flavours and Windows platforms. SYSTRAN continues to develop new systems, such as: Hungarian, Polish, Czech, Swedish, Danish, and Finnish.

In 2000, SYSTRAN's sales amounted to 60.7 million FF (€ 9.3 millions), for an operating margin of 12,2% and a net income of 6,1 million FF (€ 0,94 millions).

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

SYSTRAN (Euroclear Paris code : 7729) is listed on Euronext Paris, *Nouveau Marché*.

For the latest information, visit www.systransoft.com.

CONTACTS

Frédéric BURBAND, Chief Financial Officer

Telephone: +33 (0)1 39 34 97 99 Fax: +33 (0)1 34 12 20 01

Email : burband@systran.fr

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