

First automatic translation provider on the Internet

Half year interim report as of June 30th, 2001

Consolidated revenue remain stable, due to a strong increase in sales of Corporate solutions which offset the slow-down in sales to Portals.

July, 26th, 2001 -- SYSTRAN (Reuters : SYTN.LN, Euroclear Paris code : 7729) today announced its consolidated results for the 1st semester 2001. They reflect a strong increase in sales to businesses in spite of an economic slowdown in the Internet industry, especially in the USA, which has had a negative impact on 1st semester revenue and profitability.

audited and consolidated accounts	1st semester 2001		1st semester 2000		Change
	M FF	M Euros	M FF	M Euros	
Sales	28.7	4.37	29.3	4.47	(2.0%)
Operating income	(2.0)	(0.30)	4.7	0.72	(142%)
<i>Operating margin</i>	(7%)		13%		
Net Income Group share	1.8	0.27	3.3	0.50	(45.4%)
<i>Net margin</i>	6%		11%		


In millions of French Francs	1 st sem. 2001	as % of total	1 st sem. 2000	as % of total	Change 01/00
Software publishing	9.2	32.1	9.8	33.4	(6 %)
Corporate solutions (*)	5.1	17.8	0.9	3.1	+ 466%
Portal solutions (*)	2.7	9.4	6.1	20.8	(56%)
Development contracts	3.8	13.2	4.8	16.4	(21%)
Services to administrations	7.9	27.5	7.7	26.3	+2%
Consolidated sales	28.7	100%	29.3	100%	(2.0%)

(*) also named e-Services



 Sales of *Corporate* solutions to businesses have been multiplied by 5 at 5.1 MFRF, against 0.9 MFRF as at 1st semester 2000. Sales are supported by the strong demand from companies which include progressively multilingual issues in their applications. As of today, e-commerce, technical support, CRM, technological intelligence and Knowledge Management must be processed real-time in several languages. Recently, Autodesk integrated SYSTRAN's technology in its technical support service, available on-line on its website. IDC (International Data Corporation) stressed this major innovation on a recent report available on <http://www.systransoft.com/IDC/>

Sales of Portal solutions have suffered from the global slowdown representative of this business segment, especially in the USA.

 SYSTRAN has carried on Sales & Marketing expenditures in Europe and in the USA, on the segment of Corporate solutions. Expenditures stand at 19.2% of sales during 1st semestre 2001, versus 13.3% during 1^{er} semester 2000.

Research & Development was 11.5 % of the current period revenue, versus 9.9% en 2000. A tax credit for research amounting to 2.7 MFRF has been recognized accordingly as of June 30th, 2001.

SYSTRAN achieved the most of the restructuring plan of its services to administrations activities. Related restructuring costs, already accrued during the prior accounting year, are included in extraordinary income during the current interim period.

Due to the current demand for its products along with sales and technical investments incurred during the current period, SYSTRAN expects to perform an increase in sales during the second semester. Management's goal of annual increase in revenue is of 15% for 2001, for a net income in excess of 10% of sales.

About SYSTRAN

SYSTRAN is the leader in automatic translation applications and technologies for more than 30 years, as it 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 specialty domains. Technology is developed in Linux and is available for sale in all Unix flavours and Windows platforms. SYSTRAN continues to develop new systems, among with : Hungarian, Polish, Czech, Swedish, Danish and Finnish.

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

Contact

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Revenue for 3rd quarter will be released by October 22nd 2001.

This press release can be downloaded at : www.systransoft.com/Investors/Press.html



INCOME STATEMENT FOR 1st SEMESTER 2001

(in thousand French francs)

	June 2001 6 months	June 2000 6 months	Year 2000 12 months
Sales	28 695	29 350	60 741
Other revenues	3		169
Operating revenues	28 698	29 350	60 910
Purchases and other external expenses	(14 059)	(10 016)	(21 221)
Taxes and similar expenses	(86)	-	(161)
Wages and salaries	(15 742)	(14 207)	(29 765)
Gross margin	(1 189)	5 127	9 763
Depreciation and operating provisions (net)	(812)	(482)	(2 347)
Operating income	(2 001)	4 645	7 416
Financial provisions	19	-	(61)
Other financial expenses and income	1 157	(421)	(510)
Financial income	1 176	(421)	(571)
Current profit	(825)	4 224	6 845
Extraordinary expenses and profits	613	(303)	(1 334)
Extraordinary income	613	(303)	(1 334)
Income taxes	1 964	(406)	645
Net income from consolidated companies	1 752	3 515	6 156
Goodwill amortization		(173)	
Consolidated net income	1 752	3 342	6 156
Minorities		35	-
Net income (Group share)	1 752	3 307	6 156

Net income per share flowing to Systran	1st sem 2001	1st sem 2000	Year 2000 (12 months)
	(6 months)	(6 months)	
On the basis of the average number of shares in circulation :			
- Number of shares (net of treasury shares)	9.843.106	9.090.000	9.310.964
- In French francs per share	0,18	0,36	0,66

In Millions FRF

Stockholders equity as of 6/30/01	139,7
Net indebtedness	0
Cash position as of 6/30/01	26,2

Number of shares : 9 896 250