

**Leading Provider of Information and Translation Technologies****Erratum : Annual Results 2003**

- Sales of € 11.191 K : + 34 % compared with fiscal year 2002
- Operating income of € 3.080 K compared with a loss of € (766) K in 2002
- Increase of consolidated cash position to € 7.190 K

February 13th, 2004 – SYSTRAN, the leading provider of information and translation technologies, today announced its consolidated financial results for the year ended December 31st, 2003. Due to the increase in sales and the results of the restructuring implemented in 2002, the net income for the year 2003 is € 2.651 K.

 **Sales, Operating Margin and Cash Position Increases in 2003**

Consolidated and Audited Accounts (in K€)	2003 published	2002 pro forma	2002 published	Annual change 2003 / 2002 pro forma
Sales	11.191	8.365	8.238	+ 33.78 %
Operating Income	3.080	(466)	(766)	ns
%	27.52%	-5.57%	-9.30%	
Net Income (Group's Share)	2.651	(1,279)	(1.563)	ns
%	23.69%	-15.29%	-18.97%	

* Pro forma financial statements for the year 2002, reflect the impact of the accounting changes for annual licenses and download sales, and are listed in order to provide a comparison between 2003 and 2002.

Sales for the year 2003 amounted to € 11.191 K, reflecting a 33.78% increase compared to the same reporting period in 2002. At constant exchange rates, Sales rose by +47.37%.



Operating income for 2003 amounted to € +3.080 K, resulting in an operating margin of 27,52% compared with a loss of € (766) K as reported in the same period last year.

Cash amounted to € 7.190 K as of December 31st, 2003, an increase of € 5.491 K compared with the same reporting period in 2002.

Earnings per share are € 0.27 in 2003 compared with a reported loss of € (0.16) per share in 2002.

2003 Revenue Analysis

Consolidated and Audited Accounts (in K€)	2003	%	2002 pro forma	%	2002 published	%	Annual change 2003 / 2002 pro forma
Software Publishing	5.474	48.91%	4 463	53.35%	4.336	52.63%	22.65%
Home & Small Business (HSB)	601	5.37%	261	3.12%	261	3.17%	130.27%
Corporate	1.981	17.70%	1 768	21.14%	1.468	17.82%	12.05%
Resellers	1.369	12.23%	1 596	19.08%	1.596	19.37%	-14.22%
Online Sales	1.208	10.79%	838	10.02%	1.011	12.27%	44.15%
Administrations	315	2.81%	-	-	-	-	ns
Professional Services	5.717	51.09%	3 902	46.65%	3.902	47.37%	46.54%
Corporate	1.873	16.74%	1 401	16.75%	1.401	17.01%	33.69%
Administrations	1.847	16.50%	1 551	18.54%	1.551	18.83%	19.08%
Co-funded	1.997	17.85%	950	11.36%	950	11.53%	110.32%
Consolidated sales	11.191	100.00%	8 365	100.00%	8.238	100.00%	33.78%

Software Publishing revenues increased by 22.65%, compared with fiscal year 2002, due to the increase of download sales and the direct sales to *Home & Small Business* and *Corporate* customers. Sales from Resellers decreased in the fourth quarter as a result of announcing the new version 5.0 product release.

Earnings from Professional Services continue to expand as revenue increased by 46.54% compared with last year. Positive results are due to new orders received from *Corporate* customers, as well as *Administrations* and *Co-funded contracts*.

Sales from licenses and professional services to *Corporate* customers and *Administrations* rose in 2003 by +21.6% and + 39.4% respectively, compared with the same reporting period in 2002. In addition, *Co-funded contracts* increased by +110.32% in this same period.

During 2003, SYSTRAN launched new products (SYSTRAN WebTranslator) and new language pairs on the market (English<>Dutch, French<>Dutch, French<>Italian, French<>Portuguese).

ANVAR (Agence Nationale de Valorisation de la Recherche) awarded SYSTRAN with the title of « Innovative Company ». This qualifies SYSTRAN for FCPI funding (*Fonds Commun de Placement dans l'Innovation*) – a French venture-fund dedicated to making investments in innovative companies.



Business Outlook

SYSTRAN 5.0 will be launched during the second quarter of 2004 and as a result, sales should increase in all customer categories.

SYSTRAN 5.0 is based on a new XML architecture which will enhance the translation quality in all language pairs. It integrates a new generation of document filters that enables a better handling of all formats. This architecture allows for more interaction between the user and the translation engines (richer user dictionaries, interactive disambiguation).

This increased capability of customizing the software, and subsequently improving translation quality constitutes the core of SYSTRAN strategy on the *Corporate* market.

SYSTRAN 5.0 also includes new features like, PDF translation, Translation Memory or integrated spell-check.

As of December 31st, 2003, unearned revenue on annual licenses amounted to € 0.9 M.

The Professional Services business unit maintains a significant inventory of work orders, as follows: € 0.6 M for *Corporate* customers, € 1.4 M for *Administrations*, and € 1.5 M for *Co-funded* contracts.



About SYSTRAN

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

Its core technology powers translation solutions for the Internet, PCs and network infrastructures that facilitate communication in 40 language pairs and in 20 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 a subsidiary in California, USA.

SYSTRAN (Bloomberg: SYST NM, Reuters: SYTN.LN, Code ISIN FR0004109197) is listed on Euronext Paris, *Nouveau Marché*, and is member of Euronext's Next Economy segment.

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Revenue for the first quarter 2004 ending on March 31st, 2004 will be announced on April 29th, 2004.

This Press Release is available for download at :
www.systransoft.com/Investors/Press.html



<i>(in K€)</i>	2003	2002
	(12 months)	(12 months)
Sales	11.191	8.238
Other revenues	10	33
Operating revenues	11.201	8.271
Purchases and other external expenses	(4.078)	(3.528)
Taxes and duties	(50)	(59)
Wages and salaries	(3.919)	(4.958)
Gross profit	3.154	(274)
Depreciation and operating provisions (net)	(74)	(492)
Operating income	3.080	(766)
Financial provisions	0	0
Other financial income / (expense)	(135)	(54)
Financial profit / (loss)	(135)	(54)
Current profit/ (loss) on ordinary activities	2.945	(820)
Extraordinary income / (loss)	(298)	(834)
Income taxes	4	113
Net income / (loss) from consolidated companies	2.651	(1.541)
Goodwill amortization	0	(22)
Consolidated net income	2.651	(1.563)
Minorities	0	0
Net income / (loss) applicable to common shares	2.651	(1.563)

Earning / (loss) per share	Year 2003	Year 2002
On the basis of the average number of shares in circulation :		
- Number of common shares	9.833.695	9.833.695
- Euros per share	0,27	(0,16)