

Leading Provider of Language Translation Technologies

First Semester 2008 Interim Report

- Sales of 3,637 K€
- Operating Income of 39 K€

August 1st 2008 – SYSTRAN, the leading provider of language translation technologies today announced its consolidated financial results for the first semester ended June 30th, 2008.

Consolidated and Audited Accounts (in K€)	1st semester 2008	1st semester 2007	Annual change 2008 / 2007
Sales	3,637	5,099	- 28.7 %
Operating Income	39	785	- 95.0 %
%	+ 1.1 %	+ 15.4 %	
Net Income - Group's share	-322	525	na
%	<i>na</i>	+ 10.3 %	

Consolidated sales for the first half of the year amounted to 3,637 K€, a decrease of 28.7 % as compared with the first semester 2007. The US Dollar decline continued to have a strong negative impact. At a constant exchange rate the consolidated sales amounted to 3,932 K€.

Operating income amounted to 39 K€ as compared with 785 K€ in 2007.

Net loss amounted to 322 K€ as compared with a net profit of 525 K€ for the six first months of 2007.

The Company's cash position was 9,344 K€ on June 30th, 2008, as compared with 10,742 K€ on December 31st, 2007.

**S Activities - First Semester 2008**

In K€	1st semester 2008	In % of total	1st semester 2007	In % of total	Annual change 2008 / 2007
Software Publishing	2,927	80.5 %	4,017	78.8 %	- 27.1 %
Professional Services	710	19.5 %	1,082	21.2 %	- 34.4 %
Consolidated Sales	3,637	100.0 %	5,099	100.0 %	- 28.7 %

Sales generated from software licenses totaled 2,927 K€, a decrease of 27.1 % as compared with the first semester of 2007. This decrease is the result of a decline in sales of *Desktop* Products. For the first semester 2007, *Desktop* Products benefited from a successful new version release.

Professional Services sales amounted to 710 K€ as compared with 1,082 K€ for the same period last year, a decrease of 34.4 %. These results reflect fewer orders received from the US Federal Government during the past quarters. SYSTRAN Software, Inc. recently renewed its contract with US Federal Government and total work orders amounted to 1,596 KUSD as compared with 721 KUSD at June 30, 2007.

During the first quarter of 2008 SYSTRAN launched the new version 6 of its *Server* Products. This launch occurred at the end of the first quarter and had little impact on second quarter revenues.

S Outlook

SYSTRAN's efforts are now focused on the commercial release of the version 6 *Server* Products expected to drive revenue growth from *Corporate* customers.

Development of SYSTRAN's version 7 has commenced. The primary goal of this version is to improve translation quality with new translation engines.

Sales for the second quarter of 2008 are lower than those in the second quarter of 2007. Growth between the second and first quarters of 2008 is lower than the same period of 2007. SYSTRAN continues to face a depressed economic environment and has no visibility on the Euro / US Dollar exchange rate. Because of the combination of these factors, SYSTRAN currently expects that sales and operating income for the second half of 2008 will be similar or higher than the first semester of 2008.



About SYSTRAN

SYSTRAN is the market leading provider of language translation software products and solutions for the desktop, enterprise and Internet that facilitate communication in 52 language combinations and in 20 vertical domains. With over three decades of expertise and research and development, SYSTRAN's software is the choice of leading global corporations, portals including AltaVista™, Yahoo!®, and Microsoft®, and public agencies like the US Intelligence Community and the European Commission.

Use of SYSTRAN products and solutions enhance multilingual communication and increase user productivity and time-savings for B2E, B2B and B2C market segments as they deliver real-time language solutions for search, content management, online customer support, intra or inter company collaboration, and eCommerce.

SYSTRAN is headquartered in Paris, France with a North American office located in San Diego, California, USA.

SYSTRAN (Code ISIN FR0004109197, Bloomberg: SYST NM, Reuters: SYTN.LN) is listed on EuroNext Paris, Compartiment C. For more information, visit www.systransoft.com

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Revenue for the third quarter of 2008 will be announced on November 7th, 2008.

This Press Release is available for download at:

<http://www.systran.co.uk/translation/systran/investors/press-releases>

Half-Year financial report is available for download at:

<http://www.systran.co.uk/translation/systran/investors/financial-report/half-year>



<i>(In K€)</i>	1st semester 2008 (6 months)	1st semester 2007 (6 months)	Year 2007 (12 months)
Net sales	3,637	5,099	8,848
Other operating revenue	0		0
Total revenue from operations	3,637	5,099	8,848
Cost of sales and other external expenses	(1,304)	(1,710)	(2,990)
Taxes and duties	(94)	(77)	(189)
Wages and salaries	(2,029)	(2,355)	(4,419)
Amortization (net)	(162)	(164)	(303)
Other income / (expenses)	(4)	25	7
Current operating income	44	819	954
Other operating income / (expenses)	(5)	(34)	(37)
Operating income	39	785	917
Financial income from cash activities	(273)	107	(116)
Financing expenses	(6)	(7)	(14)
Net financing cost	(279)	100	(130)
Other financing income / expenses	(98)	(33)	(27)
Profit before tax	(338)	852	760
Income tax expenses	16	(327)	58
Profit from operations	(322)	525	818
Minority interest	0	0	0
Net income / (loss) – Group's share	(322)	525	818

Earning / (loss) per share	1st semester 2008 (6 months)	1st semester 2007 (6 months)	Year 2007 (12 months)
On the basis of the average number of shares in circulation:			
- Number of common shares	9,541,804	9,712,541	9,683,504
- Euros per share	(0.03)	0.05	0.08