

**Leading Provider of Language Translation Technologies**
**2010 Revenue Release**

**February 11th, 2011 - SYSTRAN, the leading provider of language translation technologies, today announced its consolidated revenue for the year ended December 31, 2010.**


**Annual results 2010**

On December 16<sup>th</sup>, 2010, the General Court of the European Union ruled that liquidated damages and interest amounting to 12,001,000 Euros must be paid to SYSTRAN. The approval of annual accounts by the board has been postponed and the annual results will be published on March 11<sup>th</sup>, 2011.


**Year 2010 Activities**

SYSTRAN's consolidated sales amounted to 8.9 million Euros in 2010, an increase of 4.3% as compared with 2009 divided between 5.6 million Euros for Software Publishing and 3.3 million Euros for Professional Services.

Consolidated and unaudited (in K€)	4 <sup>th</sup> quarter			Year-to-date		
	2010	2009	Variation 2010 / 2009	2010	2009	Variation 2010 / 2009
<b>Software Publishing</b>	<b>1,316</b>	<b>917</b>	+ 43.5 %	<b>5,629</b>	<b>5,618</b>	+ 0.2 %
<b>Professional Services</b>	<b>1,121</b>	<b>622</b>	+ 80.2 %	<b>3,305</b>	<b>2,946</b>	+ 12.2 %
<b>Consolidated Sales</b>	<b>2,437</b>	<b>1,539</b>	+ 58.3 %	<b>8,934</b>	<b>8,564</b>	+ 4.3 %

During the year, license sales totaled 5.6 million Euros and represent 63% of total sales. They are stable as compared with the year 2009 but it is important to note that 2009 license sales included US federal government customer upgrades to version 7. In spite of these upgrades, license sales for the year 2010 increased by 28.3% compared to 2009. The increase in **Software Publishing** sales is attributed to **Server product (SYSTRAN Enterprise Server 7)** license sales to corporate customers which now represent 71.5% of total **license sales**. In 2010 **Server product** license sales to corporate customers increased by 7.7%. Notwithstanding the US federal government customer upgrades to version 7, they increased by 60.7% compared to 2009.

In December 2010, SYSTRAN launched the new version 7 of its desktop product line which had no effect on 2010 sales.

During the year, Professional Services sales totaled 3.3 million Euros and represent 37% of total sales. Professional Services sales are up 12.3% compared to 2009 thanks to new orders received from the US federal government during the second half of 2010.



## Outlook

For 2010, the current operating income will be negative, but the consolidated net income will be positive.

SYSTRAN plans to develop the **Software Publishing** business in 2011. Investment will focus on commercial teams in Europe and the USA in order to develop **Server product** license sales to corporate customers.

Efforts to market the new version 7 **Desktop product** line and develop online and channel sales have begun. This new desktop version brings major innovations. It intelligently uses existing documents stored on PCs to learn user terminology and linguistic specificities. The SYSTRAN 7 **Desktop product** line is a productivity-enhancing tool that quickly and efficiently translates documents.

## Dispute with the European Commission

On December 16<sup>th</sup>, 2010, the General Court ordered the Commission to pay SYSTRAN liquidated damages of 12,001,000 Euros.

*In a press release issued on the same day, the General Court declared that “Consequently, by granting the right to carry out work which necessarily entailed an alteration of elements of the Systran Unix version of the Systran software which are within the EC-Systran Unix version, without first obtaining the consent of the Systran group, the Commission acted unlawfully by infringing the general principles common to the law of the Member States applicable to copyright and know-how. That wrongful act, which is a sufficiently serious breach of the copyright and know-how held by the Systran group in the Systran Unix version of the Systran software, gives rise to non-contractual liability on the part of the European Union.*

*As regards the damage, the General Court rules that liquidated damages and interest amounting to €12 001 000 must be paid to Systran to compensate it for the damage suffered as a result of the Commission’s unlawful conduct, namely:*

- €7 million corresponding to the total fees which would have been payable between 2004 and 2010 if the Commission had requested permission to use Systran’s intellectual property rights in order to carry out the work specified in the call for tenders, which requires access to and alteration of elements of the Systran Unix version reproduced in the EC-Systran Unix version;*
- €5 million as compensation for the effect which the Commission’s conduct might have had on Systran’s turnover in the years 2004 to 2010, and more widely on the development of that company;*
- €1 000 as compensation for non-material damage.*

*In addition, the General Court observes that it is for the Commission to draw all appropriate conclusions in order to ensure that Systran’s rights in the Systran Unix version are taken into account as concerns the work relating to the EC-Systran Unix version. If they are not taken into account, given that the damage for which compensation is awarded in this case holds only for the period from 2004 to the date of delivery of this judgment, Systran would be entitled to bring before the General Court a*

*fresh action seeking damages in respect of the further damage it might suffer.*

*Lastly, the General Court adds that the publication of this press release is also a form of non-pecuniary compensation for the non-material damage caused by the harm to Systran’s reputation as a result of the Commission’s unlawful conduct. “*

The full text of the press release can be downloaded at: [http://curia.europa.eu/jcms/jcms/Jo2\\_16799](http://curia.europa.eu/jcms/jcms/Jo2_16799).

The full decision can be consulted on the Court of Justice of European Union web site: <http://curia.europa.eu>



## About SYSTRAN

SYSTRAN is the market leading provider of language translation software products and solutions for the desktop, enterprise and Internet.

Use of SYSTRAN products and solutions enhance multilingual communication and increase user productivity. SYSTRAN delivers real-time language solutions for search, content management, online customer support, intra or inter company collaboration, and eCommerce.

With the ability to facilitate communication in 52 language combinations and in 20 vertical domains, SYSTRAN's software is the choice of leading global corporations, portals including Apple, Yahoo! and AltaVista, and public agencies such as the US Intelligence Community and the European Commission.

SYSTRAN has been pioneering advances in machine translation for over four decades. Its latest achievement, SYSTRAN Hybrid MT, combines the predictability and language consistency of rule-based machine translation with the fluency of statistical MT.

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](http://www.systransoft.com)

### **Contact**

Dimitris SABATAKAKIS, Chairman & CEO

Telephone: +33 (0)1 44 82 49 00 Fax: +33 (0)1 44 82 49 01

Email : [sabatakakis@systran.fr](mailto:sabatakakis@systran.fr)

Annual results for 2010 will be announced on March 11th, 2011.

This Press Release is available for download at:

<http://www.systransoft.com/systran/investors/press-releases>