

**Leading Provider of Language Translation Technologies**
**Annual Results for the year 2011**

**February 10, 2012 - SYSTRAN, the leading provider of language translation technologies, today announced its consolidated financial results for the year ended December 31, 2011.**

Consolidated and Audited Accounts (in K€)	2011 (IFRS)	2010 (IFRS)	Annual Change 2011 / 2010
<b>Sales</b>	<b>10,587</b>	<b>8,934</b>	<b>+18.5%</b>
<b>Current Operating Income (Loss)</b>	<b>1,069</b>	<b>(396)</b>	<b>NA</b>
%	10.1%	NA	
<b>Net Income (Loss) - Group's Share</b>	<b>698</b>	<b>82</b>	<b>+751.2%</b>
%	6.6%	0.9%	

SYSTRAN's consolidated sales amounted to 10.6 million Euros in 2011, an increase of 18.5% as compared with 2010.

In 2011, salaries and wages increased by 24.3% to strengthen the research and development team, and grow the **Professional Services** business unit in the US. A significant portion of salaries and wages are dedicated to research and development to which the Company continues to allocate between 20% and 25% of annual sales. Other expenses decreased by 6.7%. Considering the above, current operating profit amounted to 1,069 thousand Euros as compared with a loss of 396 thousand Euros in 2010.

The operating income amounted to 841 thousand Euros as compared with a loss of 627 thousand Euros in 2010. Other operating expenses are composed of legal fees related to the Company's dispute with the European Commission. The Company recorded positive financial income from gains and interest earned on investments. Taxes are attributed to SYSTRAN Software, Inc.. Consolidated net income amounted to 698 thousand Euros versus 82 thousand Euros in 2010.

Total shareholders' equity amounted to 15.2 million Euros as compared with 14.3 million Euros as of December 31, 2010. The Company has no significant debts and the Company's net cash position amounted to 22.2 million Euros at December 31, 2011, as compared with 9.8 million Euros on December 31, 2010.



## Year 2011 Activities

Consolidated Accounts (in K€)	2011	In % of total	2010	In % of total	Annual Change 2011/2010
Software Publishing	6,138	63.0%	5,629	63.0%	+9.0%
Professional Services	4,449	37.0%	3,305	37.0%	+34.6%
<b>Consolidated Sales</b>	<b>10,587</b>	<b>100.0%</b>	<b>8,934</b>	<b>100.0%</b>	<b>+18.5%</b>

SYSTRAN's consolidated sales amounted to 10.6 million Euros in 2011, an increase of 18.5% as compared with 2010 divided between 6.1 million Euros for **Software Publishing** and 4.4 million Euros for **Professional Services**.

During the year, license sales totaled 6.1 million Euros and represent 58% of total sales. This is an increase of 9% as compared with 2010, attributable to the growth of **Desktop** and **Server Products**. In 2011 SYSTRAN distributed version 7 products across all channel sales.

**Professional Services** sales totaled 4.4 million Euros and represent 42% of total sales. This is an increase of 34.6% as compared with 2010, largely due to new orders received from the US Government.

## Outlook

In 2012 SYSTRAN plans to reinforce the sales team to develop revenue in all business segments. SYSTRAN will also launch new cloud services to complement its line of products and services for corporate customers.

As of December 31, 2011 unearned revenue from license sales amounted to 0.9 million Euros as compared with 0.7 million Euros at December 31, 2010.

As of December 31, 2011 total work orders for **Professional Services** amounted to 2.0 million Euros as compared with 2.1 million Euros at December 31, 2010. SYSTRAN also expects a decrease of **Professional Services** from the US Government this year which were exceptionally high in 2011.

## Dispute with the European Commission

The Commission has partially complied with the General Court's decision by paying SYSTRAN the amounts of 5,685,240 Euros on February 9, 2011 and 6,315,760 Euros on March 14, 2011.

However, despite the Company's repeated requests, the Commission has not paid the costs.

On March 4, 2011, the European Commission brought an appeal before the Court of Justice against the judgment of the General Court which was delivered on December 16, 2010. On May 13, 2011, SYSTRAN filed its response. The European Commission produced its reply on September 9, 2011. SYSTRAN submitted a rejoinder on October 28, 2011. On November 8, 2011, the Court informed the parties that the written procedure was closed. The Court may decide to dispense with the oral procedure in the event any of the parties do not submit an application setting out their reasons for which he wishes to be heard. SYSTRAN did not and is looking forward to receiving news from the Court.



## 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 and public agencies.

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)

Revenue for the first quarter 2012 ending on March 31, 2012 will be announced on May 4, 2012.

This Press Release is available for download at:

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

<i>(In K€)</i>	Year 2011 (12 months)	Year 2010 (12 months)	Year 2009 (12 months)
<b>Net sales</b>	<b>10 587</b>	<b>8 934</b>	<b>8 564</b>
Cost of sales and other external expenses	(2 874)	(3 189)	(3 019)
Wages and salaries	(6 860)	(5 521)	(5 020)
Taxes and duties	(224)	(207)	(228)
Depreciation and amortization (net)	(346)	(311)	(299)
Other income / (expenses) <sup>(1)</sup>	886	(102)	30
<b>Current operating income</b>	<b>1 069</b>	<b>(396)</b>	<b>28</b>
Other operating income	0	12 332	70
Other operating expenses	(228)	(12 563)	(58)
<b>Operating income</b>	<b>841</b>	<b>(627)</b>	<b>40</b>
Net cost of debt	346	130	192
Other financial income	7	86	34
Other financial expenses	(46)	(76)	(130)
<b>Net financial income</b>	<b>308</b>	<b>140</b>	<b>96</b>
<b>Profit before tax</b>	<b>1 148</b>	<b>(487)</b>	<b>136</b>
Income tax expenses <sup>(1)</sup>	(450)	569	168
<b>Profit from operations</b>	<b>698</b>	<b>82</b>	<b>304</b>
Minority interest	0	0	0
<b>Net income / (loss) – Group's share</b>	<b>698</b>	<b>82</b>	<b>304</b>
<b>Earning / (loss) per share</b>			
<i>On the basis of the average number of shares in circulation:</i>	<b>Year 2011</b>	<b>Year 2010</b>	<b>Year 2009</b>
- Number of common shares	7,845,088	8,054,870	8,940,664
- <b>Euros per share</b>	<b>0.09</b>	<b>0.01</b>	<b>0.03</b>

(1) A 1,011 thousand Euros tax credit for research activities was accounted at December 31, 2011 in other current revenues, whereas the tax credit for research was accounted for in corporate taxes in the previous financial consolidated statements.