

Annual Results for the year 2013

February 14, 2014 – SYSTRAN today announced its consolidated financial results for the year ended December 31, 2013.

Consolidated and Audited Accounts (*) (in K€)	2013 (IFRS)	2012 (IFRS)	Annual Change 2013 / 2012
Sales	10,722	10,180	+ 5.3%
Current Operating Income (Loss)	980	82	+ 1095%
%	9.1%	0,8%	
Net Income (Loss) - Group's Share	579	745	- 22.3%
%	5.4%	7.3%	

(*) On February 12, 2014 SYSTRAN's Board of Directors approved the Financial Statements for the year 2013.

SYSTRAN's consolidated sales amounted to 10.72 million Euros in 2013, an increase of 5.3% as compared with 2012 due to higher **Software Publishing** sales in both Europe and USA.

During 2013, salaries and wages and other expenses decreased respectively by 5.9% and 2.8%. During this period a tax credit for research activities accounted for 759 thousand Euros versus 774 thousand Euros in 2012.

The current operating profit amounted to 980 thousand Euros as compared with 82 thousand Euros in 2012.

The operating income amounted to 35 thousand Euros as compared with 14 thousand Euros in 2012 due to a provision recorded to cover the risks related to the dispute with the European Commission.

Financial income amounted to 452 thousand Euros.

Consolidated net income amounted to 579 thousand Euros as compared with 745 thousand Euros in 2012.

Total shareholders' equity amounted to 15.3 million Euros as compared with 14.8 million Euros as of December 31, 2012. The Company's cash position amounted to 13.7 million Euros at December 31, 2013, as compared with 22.9 million Euros on December 31, 2012, due to the reimbursement of the 12 million Euros to the European Commission.

Total group debt amounts to 0.98 million Euros as compared with 0.39 million Euros as of December 31, 2012.



Year 2013 Activities

Consolidated Accounts (in K€)	2013	In % of total	2012	In % of total	Annual Change 2013/2012
Software Publishing	6,929	64.6%	5,051	49.6%	+37.2%
Professional Services	3,793	35.4%	5,129	50.4%	-26.0%
Consolidated Sales	10,722	100.0%	10,180	100.0%	+5.4%

SYSTRAN's consolidated sales amounted to 10.7 million Euros in 2013, an increase of 5.4% as compared with 2012, divided between 6.9 million Euros for **Software Publishing** and 3.8 million Euros for **Professional Services**.

During the year, license sales amounted to 6.9 million Euros and represent 64.6% of total sales, an increase of 37.2% as compared with 2012. This growth is due to higher license sales in both Europe and USA - mainly to the US Government.

Professional Services sales totaled to 3.8 million Euros a decrease of -26.0% as compared with 2012 and represent 35.4% of total sales. This is, largely due to the decrease of the orders coming from the US Government.

More than half of all sales are generated in North America. Sales are distributed as follows:

By geographical area of asset location (in thousands of Euros)	Year 2013	Year 2012
Europe	4,877	4,474
North America	5,845	5,706
Total Sales	10,722	10,180

Outlook

In 2014 SYSTRAN plans to expand 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, 2013 unearned revenue from license sales amounted to 1.0 million Euros as compared with 1.5 million Euros at December 31, 2012.

As of December 31, 2013 total work orders for **Professional Services** amounted to 2 million Euros as compared with 1.8 million Euros at December 31, 2012. SYSTRAN expects a decrease of **Professional Services** from the US Government and co-funded projects in France.



Tender offer project by CSLI

By a press release issued on December 20, 2013 SYSTRAN announced that:

- Management and principal shareholders have entered into an agreement with CSLI Co. Ltd., a Korean company, for the sale of all of their shares in SYSTRAN, representing approximately 35.79% of SYSTRAN's share capital, at the price of €5 per share.
- This transaction remains subject to standard conditions precedent, including the prior administrative authorizations, in France and in USA, under the control of foreign investments.
- According to the regulations of the French *Autorité des Marchés Financiers* (AMF), CSLI will file a tender offer for all of the remaining shares at the same price of €5 per share shortly after the transaction. The tender offer is expected to take place during first semester 2014 under the current timetable.

Dispute with the European Commission

On April 18, 2013, the European Court of Justice set aside the judgment of the European General Court ordering the European Commission to pay SYSTRAN a lump-sum amount of 12 million Euros as compensation for the material damage sustained by it.

SYSTRAN S.A. and SYSTRAN Luxembourg will have to pay the cost incurred by the European Commission before the European Court of Justice and also before the European General Court.

SYSTRAN reimbursed the amount of 12,001,000 Euros to the European Commission and has recorded a provision for risks, corresponding to the cost incurred by the European Commission before the European Courts.

Following this decision dated April 18, 2013, SYSTRAN has lodged a new action against the European Commission in front of the Luxembourg Court. An assignment has been delivered to the European Commission on June 19, 2013. In this case Nr 157000, the District Court of Luxembourg (Eighth Chamber) informed the European Commission that it has to deliver its memorandum on February 18, 2014.

On the other hand, the European Commission has claimed for compensatory interests, based on 12,001,000 Euros which have been reimbursed to the Commission. SYSTRAN has recorded a provision to cover the risk of paying these interests. But SYSTRAN has disputed this claim for compensatory interests and has lodged an action for annulment in front of the General Court of the European Union. In this case T-481/13-14, the European Commission delivered its response on November 28, 2013. SYSTRAN delivered its reply on January, 21 2014.



About SYSTRAN

SYSTRAN is the market historic 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 intercompany 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 rulebased 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

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Revenue for the first quarter 2014 ending on March 31, 2014 will be announced on May 7, 2014.

This Press Release is available for download at:
<http://www.systransoft.com/systran/investors/press-releases>

<i>(In K€)</i>	Year 2013 (12 months)	Year 2012 (12 months)	Year 2011 (12 months)
Net sales	10 722	10 180	10 587
Cost of sales and other external expenses	(3 181)	(3 272)	(2 874)
Wages and salaries	(6 672)	(7 089)	(6 860)
Taxes and duties	(262)	(235)	(224)
Depreciation and amortization (net)	(318)	(342)	(346)
Other income / (expenses) ⁽²⁾	691	840	886
Current operating income	980	82	1 069
Other operating income	12 001	26	0
Other operating expenses	(12 946)	(94)	(228)
Operating income	35	14	841
Net cost of debt	385	528	346
Other financial income	77	55	7
Other financial expenses	(10)	(16)	(46)
Net financial income	452	567	308
Profit before tax	487	581	1 148
Income tax expenses ⁽¹⁾	92	164	(450)
Profit from operations	579	745	698
Minority interest	0	0	0
Net income / (loss) – Group's share	579	745	698
Earning / (loss) per share	Year 2013	Year 2012	Year 2011
<i>On the basis of the average number of shares in circulation:</i>			
- Number of common shares	7,153,604	7,663,145	7,845,088
- Euros per share	0.08	0.10	0.09