

# Press release

Lyon, October 1st, 2003



*Extending the Reach of Information*

## 2003 half-year financial statements

*Operating income in line with forecast  
Net income improves significantly*

En M€			Var.	
	H1 2003	H1 2002	M€	%
<b>Sales (1)</b>	<b>10.81</b>	<b>15.17</b>	<b>-2.73</b>	<b>-18%</b>
Operating income (loss)	-1.67	-1.10	-0.57	-52%
Interest inc. & currency exchange gains/ loss	0.25	0.12	+0.13	-38.4%
<b>Current income (loss)</b>	<b>-1.42</b>	<b>-0.98</b>	<b>-0.44</b>	<b>-45%</b>
Exceptional items	-	-0.20	+0.2	N/A
Income tax	-	-0.37	-0.37	N/A
Goodwill amortization	-0.05	-1.05	+1.00	N/A
<b>Net income (loss)</b>	<b>-1.47</b>	<b>-2.59</b>	<b>+1.12</b>	<b>+43%</b>

(1) 2002 currency exchange rates applied to 2003

*Taking into account Esker's international cost structure, monetary fluctuations have only a slight impact on the company's results; however, their effect on sales is significant. For this reason, the company presents sales fluctuations amended by monetary effects.*

Sales activity for the second quarter of 2003 was clearly affected by the slowdown in the economy in general and the enterprise software market in particular. This negative trend affected all geographies and product lines. Ongoing uncertainty regarding the state of the economy led customers to repeatedly delay projects, indicating that they are waiting for clear signs of recovery before resuming investment in information systems.

As early as late 2002, Esker anticipated a difficult start to 2003 and consequently worked to adjust its operating expenses. This effort resulted in a reduction of operating expenses by over 2 M€ (at constant exchange rates) compared with the first half of 2002 which allowed Esker to limit its operating losses to 1.67 M€ (1.1 M€ in the first six months of 2002). These results are consistent with the guideline provided in July.

As of June 30, 2003, Esker had 7.2 M€ in cash. The negative cash for the first half on the 2003 fiscal year amounted to 1.1 M€. In 2002, Esker generated positive cash flow of 0.7 M€. Esker has no financial debt and shareholders' equity is 8.7 M€. Consequently, Esker benefits from a very stable financial situation that allows the company to develop its strategy despite the current negative climate for IT investments.

Esker's objectives for 2003 remain to significantly grow its new DeliveryWare business across the globe while keeping its financial situation healthy. Given current uncertainties in the markets Esker serves, however, the company cannot give any reliable forecast with regards to its financial results for 2003. The company continues to work to control its operating expenses in order to successfully overcome a potentially longer than expected economic downturn.

## **About Esker**

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Esker Software solutions connect people and information. Providing access to enterprise host systems and enabling delivery of business information from any enterprise source to any destination, Esker solutions include:

- Esker DeliveryWare Platform
- Esker Fax™, Esker Fax for Notes, Esker VSI-FAX® and Esker VSI-FAX for Notes
- Persona® by Esker, SmarTerm® by Esker and Tun® Plus by Esker.

Esker is traded on Euronext, the French Stock Exchange (Le Nouveau Marché/ISIN: FR0000035818). With offices in North America, Europe, and Asia/Pacific, Esker has shipped over 85,000 document solutions and has a host-access installed base of more than two-million licensed users. For more information, visit <http://www.esker.com>.

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