

Press Release

Lyon, March 17, 2004



Extending the Reach of Information

Esker 2003 Annual Results

En M€	2003	2002	Variation (M€)	Fluctuation at Constant Currency Exchange Rates ⁽¹⁾
Sales	22.58	29.82	- 7.24	- 4.51
Operating Expenses	25.12	30.09	- 4.97	- 2.34
Operating Income	- 2.54	- 0.27	- 2.27	- 2.17
Current Income	- 2.34	0.06	- 2.40	- 2.33
Net Income	- 3.06	- 2.41	- 0.65	- 0.63

(1) 2002 exchange rates applied to 2003 figures

Taking into account Esker's international cost structure, monetary fluctuations have only a slight affect on the company's results, but their effect on sales and expenses taken as line items is significant. For this reason, Esker presents fluctuations amended by monetary effects.

Esker's final results for the 2003 fiscal year confirm the forecast made with the publication of the 2003 annual sales results in January 2004.

The year 2003 was marked by a particularly dull second and third quarter for the group's markets, regardless of product line or geographic zone. These difficulties may be attributed to the international environment that encouraged many enterprises to defer all investment while waiting clarification of the economic outlook. The enterprise software market, where Esker operates, was particularly affected during this period.

Despite unfavorable market conditions, the revenue generated by the Esker DeliveryWare Solutions product line increased by almost 30%¹ to reach €3.4M. The increased revenue for this same product line was 80%¹ in the United States. Esker DeliveryWare Platform is software that enables enterprises to automate and eliminate paper-based business processes. The significant growth in this product line in 2003 confirms Esker's strategy since 2001.

Taking into account the decrease in the Esker Fax Solutions product line (-6%¹) and also Esker Host Access Solutions (-30%¹), sales for Esker's 2003 fiscal year decreased by 15%¹. The clear recovery noted in Q4 2003 did not compensate for decline in the middle of the year, which directly impacted the company's results.

¹ At constant exchange rates

The cost reduction initiatives decided and implemented in 2002 and 2003 allowed the company to offset about half of the reduction in sales. The 2003 operating income, however, shows a €2.5M loss for the year.

After taking into account a positive financial result of €0.2M, an exceptional loss of €0.35M, and an expense of €0.33M for goodwill amortization (including an exceptional depreciation of €0.2M), the net results amount to -€3.06M

A healthy financial situation

On December 31st, 2003, Esker's shareholders' equity amounted to €7M. The company has no financial debt and has about €5.4M in cash available to finance its business.

2004 Outlook

Although the improvements noted in Q4 2003 require confirmation, the year 2004 starts with favorable prospects. The strong growth of the Esker DeliveryWare Solutions product line should be confirmed, even accelerated, at the beginning of the financial year. A durable economic recovery would equally impact favorably on the other product lines of the group, thus improving its financial results.

About Esker

Esker develops communications software that optimizes the transmission and usage of information, within companies and commercial partners. Founded in 1985, Esker is traded on Euronext, the French Stock Exchange (Le Nouveau Marché/ISIN: FR0000035818). In 2002, Esker achieved a turnover of €29.7M, with more than half of turnover in the United States. Esker is active in North America, South America, Europe, and the Asia/Pacific zone. The company employs over 300 staff and has more than two million registered users worldwide. Esker is the most international European software vendor, with over 90% of its sales resulting from exports.

Esker market offerings are divided into three product lines:

- Esker DeliveryWare Platform (automated delivery of business documents)
- 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.

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