

Press Release



Extending the Reach of Information

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Esker announces strong first-half revenues

Provisional non-audited half-year results as of June 30, 2001, meet stated objectives

24 September 2001 – Lyon, France – Today, Esker announced sales of 15.8 million euros for the first half of 2001, an increase of 3.2 percent over the same period last year. In accordance with French Law, this posted growth included revenues from the acquisition of VSI (V-Systems Inc.), finalized in October 2000, as if the acquisition had been made on January 1, 2000. Without VSI revenues factored in, Esker sales rose 23.4 percent compared to the same period in 2000.

With these positive results, Esker has achieved its stated objectives for the first half of 2001. In view of the fact that Esker's activity is traditionally seasonal, with a stronger second half, sales for year 2001 are on target to reach the stated objective of 33 million euros and a break-even operating profit. For the year 2002, Esker projects a return to profitability of 4 to 5 percent of revenues. (These goals do not take into account the tragic events that recently occurred in the United States, as their possible impact is currently not measurable.)

Fueling Esker's success was the Intelligent Information Delivery product line, which grew nearly 27 percent. This product line includes Pulse, Esker's multi-channel document server launched in February 2001, whose sales in just five months have contributed considerably to Esker's growth. Pulse has enjoyed success with large enterprises needing to replace costly, large-volume distribution of documents with more immediate, less-expensive electronic delivery.

These positive commercial results allowed the company to improve its financial results significantly. Operating income increased by over 80 percent, limiting Esker's half-year loss to approximately 700,000 euros compared with a loss of 3.6 million euros for the first half of 2000. Pre-tax loss as of June 30, 2001, was also reduced dramatically, despite the booking of significant non-operating expenses such as mark-to-market accounting for treasury stock held by the company (260,000 euros approximately) and amortization of goodwill (140,000 euros). Pre-tax loss as of June 30, 2001, was limited to about 1.2 million euros, compared with a loss of 4.2 million euros for the same period in 2000.

Esker will announce its final first-half financial results on October 8, 2001, at its meeting with the financial community in Paris.

A strong financial condition

With 15 years of uninterrupted profitability prior to 2000, Esker accounts for nearly 14.8 million euros in shareholder equity with no financial debt. Moreover, excluding treasury stock,

the company benefits from 7.4 million euros of cash as of June 30, 2001 (7.5 million euros as of December 31, 2000), or close to 2.2 euros per share.

A strategy for the future

Five months after its launch, Pulse is already installed in over forty large accounts worldwide, including Valéo, Cofinoga, Imerys, C&S Wholesale Grocers, Union Bank of California, Reliant Energy, Pacific Century Cyberworks, Schneider National, Tab Limited, Toronto Mutual Life, South Carolina State Ports Authority, Rexel, and Experian. Esker also concluded strategic partnership agreements with major players in the document delivery sector such as Cincom Systems, Mobius Management Systems (Nasdaq:MOBI), La Poste (the French national postal service), and ZixIt Corporation (Nasdaq:ZIXI). This partnership strategy should accelerate during the second half of 2001 and throughout the year 2002, reinforcing the lead already taken by Esker in this fast growing market.

About Esker

Esker Software solutions enable intelligent access to and delivery of core business information from any data source, in any format, to any recipient. Organizations use Esker software to streamline information exchange, open new channels of communication, and achieve business objectives with new levels of speed and efficiency. Esker extends the reach of information technologies and shortens the distance between people and information. The company's products include:

- **Pulse™, VSI-FAX™, VSI-FAX® for Notes, and Faxgate® for Intelligent Information Delivery™**
- **SmarTerm®, Tun®Plus, Persona®, Corridor for Active Server™, and Corridor Wireless for host access**

The company was founded in 1985 and is traded on the French Stock Exchange (Le Nouveau Marché: 3581). In 2000, it reported sales of 27.4 million euros (about \$25.9 million). Esker's operations span North America, South America, Europe, and Asia/Pacific with about 300 employees and an installed base of two million licensed users worldwide. For more information, visit:

<http://www.esker.com>.

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