

Press Release

Lyon, March 17, 2003



Extending the Reach of Information

2002 Annual Results : Esker achieves balanced operational income

*H2 current profit : 7% of sales
Positive cash flow for the second consecutive year*

Million of Euros	2002			2001	Change %
	H2	H1	Total		
Net sales	15.13	14.69	29.82	32.31	-7.7%
E.B.I.T.	+0.80	-1.07	-0.27	-1.26	+78.8%
Interest Income	+0.21	+0.12	+0.33	0.29	+13.2%
Current income	+1.01	-0.95	+0.06	-0.97	+106.5%
Exceptional Items	-0.63	-0.20	-0.83	-0.77	N/A
Income Taxes	-0.16	-0.37	-0.52	-0.18	N/A
Amortization of Goodwill	-0.08	-1.05	-1.12	-0.27	N/A
Net Result	+0.15	-2.56	-2.41	-2.19	-9.9%
Cash flow	+1.34	+0.40	+1.74	+1.27	+37.0%

Esker DeliveryWare Solutions improve growth, traditional products remain resilient

Esker's 2002 results and future success are based on three product families: Esker DeliveryWare Solutions, Esker Fax Server Solutions, and Esker Host Access Solutions. The company's growth driver is its DeliveryWare line of solutions, providing automation and digitization of business documents. The success of Esker DeliveryWare was re-confirmed in 2002, with sales over €2.8M (10% of company sales) representing a growth rate of 73% compared to 2001.

Sales of Esker Fax Server Solutions, providing production fax from enterprise information system as well as desktop fax, improved by 6% in 2002, representing 40% of company sales. Esker's traditional Host Access Solutions declined by 18%, affected by the general economic climate of high-tech markets worldwide. Overall, at a constant currency exchange, Esker sales declined 4.9%.

With a balance of sales shifting from traditional products to growth products, Esker is well positioned to benefit from technical and sales investments made in the electronic document market.

Profitability regained while maintaining strategic investment levels

With over €1 million in operating profit in H2 2002, representing 7% of total sales for the semester, Esker achieved significant positive results. As a result, Esker also reached current profitability for the whole of 2002 for the first time since 1999. Contributing to these positive results was the company's adjustment of operational costs to current market conditions. As improving 2002 sales demonstrate, these cost reductions did not affect necessary development and marketing of new products. By optimizing its cost structure to reinvest in successful new products, Esker has positioned itself to benefit from continued growth for years to come.

Responsible accounting policy takes into account the actual state of markets

Applying the latest COB recommendations, Esker has established a policy to systematically review the development of its intangible assets (goodwill) and deferred income tax assets. The analysis of acquisition goodwill appearing in the consolidated balance sheet led the company to account for an exceptional amortization of €849K in its annual accounts. After accounting for this depreciation, the net book value of goodwill maintained on the balance sheet totals €691K, pertaining primarily to new products.

The company also decided, through responsible accounting, not to uphold in its assets any deferred income taxes. This led to an additional tax charge of €392K. In addition, two new cost reduction plans were introduced in H2 2002 to enable the company to prepare for an uncertain economic climate in 2003.

These decisions reinforce Esker's capacity to achieve positive results in the future by lightening its intangible assets and reducing its cost structure.

Exceptional charges recorded in relation to the decisions described above did not affect the company's cash level. At the close of the 2002 financial year, after taking into account a net positive cash flow of €0.7M, treasury reached over €8.4M.

Outlook for 2003

Esker's objectives for 2003 are to ensure profitability through strong growth of Esker DeliveryWare Solutions and maintenance of its traditional product lines. To achieve these objectives, the company has launched a professional consulting and services offering built around Esker DeliveryWare and has established sales teams in all subsidiaries dedicated to this growth product line.

Esker believes that it has benefited from experience acquired in 2002 to ensure success with Esker DeliveryWare in the years to come and is optimistic about 2003. Nevertheless, the uncertain economic and political situation at present prevents a more detailed outlook. The company's 2002 restructuring and its excellent financial health will enable Esker to persist in the event of an unfavorable economic climate.

About Esker

Esker Software solutions enable intelligent access to and delivery of core business information. Organizations use Esker software to streamline information exchange, open new channels of communication, and achieve business objectives with new levels of speed and efficiency. The company's products include:

- ◆ Esker DeliveryWare Platform
- ◆ Esker Fax™, 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/Euroclear : 3581). With offices in North America, Europe, and Asia-Pacific, Esker has shipped over 85,000 document servers and has a host-access installed base of two-million licensed users.



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