



GROUPE BULL

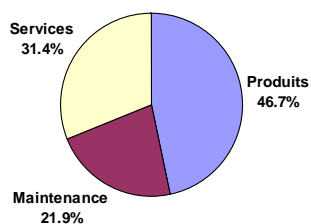
2007 HALF-YEAR REPORT

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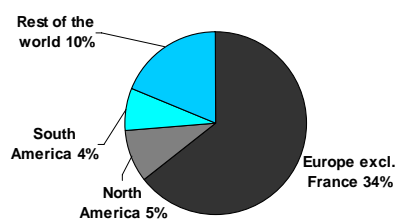
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Key figures for the first half of 2007

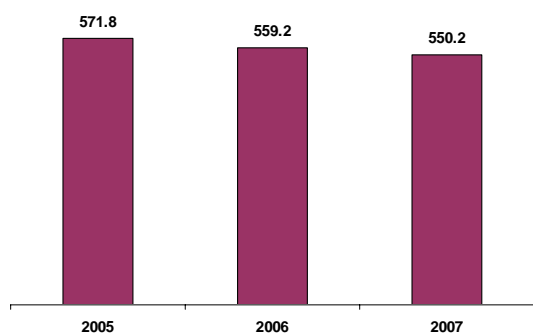
Revenue by activity



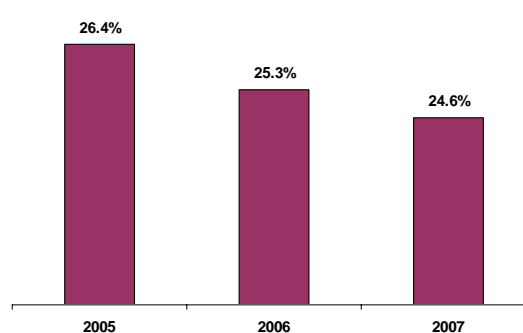
Revenue by geography



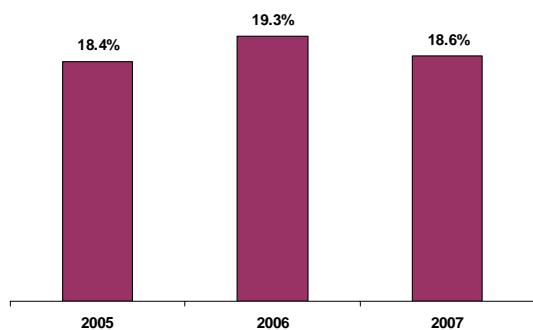
Revenue trend (million euros)



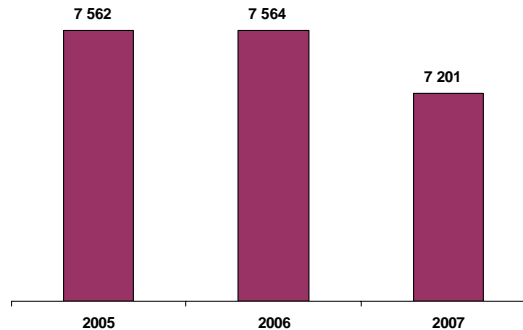
Gross margin trend (% of revenue)



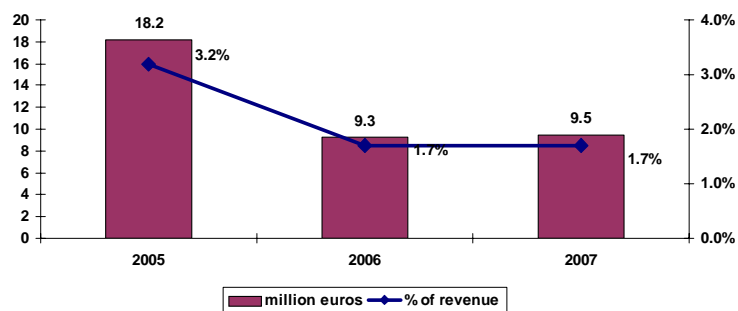
SG&A trend (% of revenue)



End of period headcount



EBIT ⁽¹⁾ trend



The 2005 figures have been drawn from the first financial statements prepared in accordance with IFRS.

(1) EBIT = Earnings before interest and taxes, other operating and financial income and expenses and share of income from associates

Group results for the first half of 2007

1. Highlights

Pursuit of strategic commitments

Bull focused resolutely on pursuing its strategy during the first half of 2007, combining the very best in IT services and open technologies, bringing together open servers, its in-depth expertise in complex infrastructures and business-critical applications, High-Performance Computing (HPC) and Open Source.

- Servers: major innovations delivering better performance for lower energy consumption;
- New successes and new partnerships confirm Bull's breakthrough in High-Performance Computing;
- Open Source dynamic consolidated.

SUMMARY OF MAIN ANNOUNCEMENTS

■ January

- Announcement of two NovaScale servers based on the first Intel quad-core processors
- Announcement of NovaForge™, a secure, collaborative application development platform based on open source.
- Partnership with SpikeSource to accelerate adoption of open source applications in the enterprise market.

■ February

- Bull, French Atomic Energy Authority (CEA), German National High Performance Computing Center (HLRS), Intel and Quadrics announce the creation of the TALOS alliance aimed at accelerating the development of high-performance computing solutions in Europe.

■ February

- Bull, Le Commissariat à l'Energie Atomique (CEA), le HLRS (Centre National de Calcul Haute Performance d'Allemagne), Intel et Quadrics annoncent la création de TALOS, alliance visant à l'accélération du développement de solutions de Calcul Haute Performance en Europe.

■ March

- State of California selects Bull Services' Business Intelligence solution to help improve health care outcomes, reduce fraud and abuse in Medicaid program leading to \$44m, four-year contract
- New price/performance record-setting Business Intelligence benchmark with NovaScale server and Microsoft® SQL Server 2005.
- Bull launches its 7i program: Seven initiatives to help businesses benefit from an open world.
- Announcement of the NovaScale® R620 Fault Tolerant server dedicated to Windows® applications.
- Bull and Miracle Machines entered into an OEM relationship to jointly address the High-Performance Computing (HPC) market in Singapore.

■ Avril

- Bull launches first initiative in its 7i program: Aligning information systems with business processes to help businesses make their information systems drivers for growth
- Bull opens a new services center dedicated to offshoring in Casashore

■ May

- Bull announces the NovaScale R422 its new HPC-designed NovaScale® server that combines high-level performance and optimum cost efficiency in an ultra-dense packaging
- Bull confirms its strategic repositioning and its ambition as European IT leader and acquires Siconet - an IT services company - in Spain while GFI Informatique acquires Bull's Portuguese subsidiary.
- Bull launches its initiative "accelerate innovation" in its 7i program to democratize high-performance computing (HPC),

■ June

- Quadrics has commissioned Bull (through its Italian distributor, Eunics) to provide a supercomputer for a high-performance computing (HPC) center that Quadrics has built for its customer Alenia Aeronautica.

- University of Reims Champagne-Ardenne chooses Bull NovaScale supercomputers to expand the university's own scientific and industrial research
- Bull and AVL together help to reduce the effectiveness of vehicle emissions
- The German federal scientific computing network –D-Grid – now features a Bull NovaScale® supercomputer to provide German higher education and research centers with new levels of computing power
- Bull has been chosen by the French government's financial information technology agency (AIFE) to supply infrastructure and security services for Chorus, its future financial management application
- With IAM Suite 8, Bull Evidian places identity and access management at the heart of business processes
- Bull is one of the European experts in HPC to launch the ParMA consortium. The key objective of the new consortium is to help the HPC community to benefit fully from the processor race.
- Bull and the University of Düsseldorf join forces to design the high-performance computing systems of the future

2. Management comments - Group results for the first half of 2007

2.1 Change in Group structure

Bull pursued its transformation during the first half of 2007, confirming its position as European leader in information technologies and services with the acquisition by GFI Informatique of Bull Portugal, a Portuguese subsidiary active in the electronic banking market, and the acquisition in Spain of Siconet, a Spanish services company specializing in consulting, systems integration, software development and technical assistance.

Created in 1992, Siconet has 400 employees at its Madrid and Barcelona sites. In 2006, Siconet generated revenue of €17.8 million, up 83%, with operating income from ordinary activities of 6% (€1 million). The company's activities are focused on five priority markets: insurance, banking, aerospace, transport and telecommunications. Widely known for the quality of its services and expertise in new open source technologies, Siconet has assembled a significant business portfolio, which includes major clients in these sectors.

Active on the electronic banking solutions market and with leading banks and financial institutions among its clients, Bull Portugal had successfully developed an activity that is no longer in line with the Group's strategic priorities. The company was sold effective March 31, 2007.

2.2 Results as of June 30, 2007

Basis of presentation

The 2007 results presented below encompass the current Group structure, including the companies acquired in 2006 such as AMG.net, HRBC, Agarik, and Address Vision. The consolidated balance sheet includes the Siconet balance sheet as of April 1, 2007, whereas that of Bull Portugal has been excluded since March 31, 2007. The income statement for the first half includes the activity of Bull Portugal for the first quarter of 2007, but does not include that of Siconet, as the company could not prepare an income statement within the deadlines of the half-year closing. Unless indicated otherwise, the 2006 figures correspond to the published figures. The restated 2006 income statement figures include the activities of companies acquired in 2006 and exclude the activities sold, such as those in Italy for the first half of 2006 and in Portugal for the second quarter of 2006.

Comments

During the first half of 2007, Group revenue reached €550.2 million, an increase of 4.6% in relation to adjusted revenue for the restated first half of 2006. This growth was primarily driven by the Services activity, but growth in the Maintenance activity should also be highlighted. The effort to stabilize and subsequently turn around the Services activity, particularly with the development of Product Related Services, has borne fruit.

However, comparison of this revenue with the June 30, 2006 published revenue (not restated) reveals a decline of 1.6%, reflecting the Group structure impact arising from the removal of Italy and Portugal as of April 1, 2007.

The companies acquired in 2006 (AMG.net, HRBC, Agarik, and Address Vision) contributed revenue of €8.9 million in the first half of 2007, compared with €1.7 million in the first half of 2006.

EBIT (*) stood at €9.5 million, in line with Group objectives for 2007. Net income amounted to €4.5 million excluding minority interests. As the Group has not modified its forecast results as they appear in the strategic plan that was revised in the fall of 2006, the deferred tax assets and the provision for the financial recovery clause, which benefits the French State and on which the restructuring aid received by Bull in January 2005 was conditional, were maintained at the June 30, 2006 level.

Consolidated net income by half-year

<i>in € millions</i>	2007	2006p	2006p
	1st Half	1st Half	Fiscal year
Revenue	550.2	559.2	1,146.5
Gross margin	135.1	141.3	284.0
% of revenue	24.6%	25.3%	24.8%
Research and development	(23.0)	(24.1)	(45.9)
% of revenue	4.2%	4.3%	4.0%
Selling and administrative expenses	(102.3)	(108.0)	(217.7)
% of revenue	18.6%	19.3%	19.0%
Exchange gains/ (losses)	(0.3)	0.0	(0.6)
EBIT (*)	9.5	9.3	19.7
% of revenue	1.7%	1.7%	1.7%
Proceeds from disposal and other operating income and expenses	4.1	3.0	(4.1)
Ex-gratia compensation	(6.4)	(16.1)	(32.9)
Share in net income/ (loss) of equity associates		1.0	0.8
Operating income/ (loss) **	7.2	(2.8)	(16.5)
Interest	(2.4)	(0.3)	(1.6)
Corporate income tax	(0.3)	(0.8)	(2.8)
Deferred taxes		(19.7)	(23.7)
Financial recovery clause		27.4	27.4
Minority interests	-	0.1	0.3
Net income/ (loss) attributable to the parent	4.5	3.9	(17.1)

(*) EBIT (Earnings before interest and taxes) represents earnings before taxes and other operating and financial income and expenses as presented in the Statement of Income.

(**) Including share in the net income/(loss) of equity associates.

p: published

The statement of income breaks down as follows.

Revenue

Revenue generated during the period amounted to €550.2 million, an increase of 4.6% in relation to adjusted revenue for the restated first half of 2006. Revenue breaks down as follows:

<i>(in € millions)</i>	2007	2006r	2006p	2006p
	1st Half	1st Half	1st Half	Fiscal Year
Products	256.8	256.8	264.8	539.6
Maintenance	120.4	116.6	123.7	247.3
Services	173.0	152.4	170.7	359.7
Total revenue	550.2	525.8	559.2	1,146.5

r: restated; p: published

Products revenue totaled €256.8 million, steady in relation to the 2006 first half restated figure, on a like-for-like basis.

The maintenance business generated revenue of €120.4 million for the first half of 2007, up 3.2% in relation to the restated first half of 2006. This growth, the first to be posted since the Group's recapitalization, confirms the relevance of the actions undertaken in 2006 and, in particular, the new worldwide organizational model and the differentiated offerings.

Services pursued its growth with revenue of €173.0 million, an increase of 13.5% on a restated basis. The strategy to boost the share of services and solutions in total Group revenue continues to be implemented.

Changes in the regional breakdown of consolidated revenue for the first half of 2007 are presented below. ROW (Rest of the World) has increased in relation to the first half of 2006, whereas Europe excluding France has declined, primarily because of Italy's removal from the Group structure.

<i>(in € millions)</i>	2007 1st Half	2006p 1st Half
Regional breakdown of revenue (%)		
France	47%	46%
Europe excluding France	34%	38%
North America	5%	5%
South America	4%	4%
ROW	10%	7%
Total	100%	100%

p: published

Gross margin

The gross margin stood at €135.1 million, representing 24.6% of revenue, compared with 25.3% for the first half of 2006 (published).

<i>(in € millions)</i>	2007 1st Half	2006p 1st Half	2006p Fiscal Year
Products	82.2	89.3	175.8
% of revenue	32.0%	33.7%	32.6%
Maintenance	33.6	34.3	69.9
% of revenue	27.9%	27.7%	28.3%
Services	19.3	17.7	38.2
% of revenue	11.2%	10.4%	10.6%
Total	135.1	141.3	284.0
% of revenue	24.6%	25.3%	24.8%

p: published

The first half of 2007 was marked by:

- a decrease in the Products gross margin in absolute value and a lower margin rate due to the revenue decrease and the change in the product mix;
- a lower Maintenance gross margin in absolute value due to the decrease in revenue offset by a higher margin rate;
- a higher Services margin rate in relation to the figure published for the first half of 2006, driven by the improved Services margin in France.

Research and development and selling and administrative expenses

<i>(in € millions)</i>	2007 1st Half	2006p 1st Half	2006p Fiscal Year
Net research and development expenses	(23.0)	(24.1)	(45.9)
% of Products and Maintenance revenue	6.1%	6.2%	5.8%
Selling and administrative expenses	(102.3)	(108.0)	(217.7)
% of revenue	18.6%	19.3%	19.0%

p: published

R&D expenditure amounted to €23.0 million.

The expenditure, slightly down at 6.1% of Products and Maintenance revenue, primarily covers development of the Group offering for HPC (High Performance Computing) servers, open source and storage solutions and security.

In terms of both absolute value and percentage of revenue, the trend in selling and administrative expenses was

favorable in the first half of 2007, with a 0.7 point improvement on the first half of 2006.

EBIT (Earnings before interest and taxes)

EBIT totaled €9.5 million, in line with the Group's revised objectives for 2007, representing 1.7% of revenue.

Net income

<i>(in € millions)</i>	2007	2006p	2006p
	1st Half	1st Half	Fiscal Year
EBIT	9,5	9,3	19,7
% of revenue	1.7%	2.8%	1.7%
Proceeds from disposal and other operating income and expenses	4.1	3.0	(4.1)
Ex-gratia compensation	(6.4)	(16.1)	(32.9)
Share in net income/ (loss) of equity associates		1.0	0.8
Interest	(2.4)	(0.3)	(1.6)
Corporate income tax	(0.3)	(0.8)	(2.8)
Deferred taxes		(19.7)	(23.7)
Financial recovery clause		27.4	27.4
Minority interests	-	0.1	(0.3)
Net income/ (loss) attributable to the parent	4.5	3.9	(17.1)

p: published

Proceeds from disposal and other non-current operating income and expenses primarily represent the capital gain on disposal of Bull Portugal and the capital gain on disposal of the Arkoon shares, an interest the Group had acquired in consideration for Evidian's transfer of the Netwall product to Arkoon in 2005. Ex-gratia compensation in France and abroad represented €6.4 million.

The net interest and the tax charges amounted to €2.4 million and €0.3 million respectively.

A breakdown of the various headings is presented in the condensed notes to the consolidated financial statements.

Cash position

Gross cash position

<i>(in € millions)</i>	2007	2006	2006
	1st Half	1st Half	Fiscal Year
Cash and cash equivalents	202.1	274.3	228.5
Other cash investments	55.3	-	50.3
Guarantee account	28.7	21.3	36.2
Total cash	286.1	295.6	315.0

In addition to the amounts recorded in cash and cash equivalents, total cash includes the following elements:

(i) investments in variable return money-market funds, which were authorized by the Board of Directors in order to optimize the management of surplus cash.

These investments represented €55.3 million at the end of June 2007. Their market value as of June 30, 2007 translated into an unrealized capital gain of €2 million.

(ii) cash not immediately available upon demand, which corresponds to guarantee deposits totaling €28.7 million as of June 30, 2007 and €36.2 million as of June 30, 2006.

The guarantee accounts represent the deposits requested by the guarantor banks of the Group companies and the guarantee account relating to receivable financing programs.

Cash flow statement

(in € millions)	2007	2006	2006
	1st Half	1st Half	Fiscal Year
EBIT	9.5	9.3	19.7
Depreciation and amortization	9.4	9.6	19.5
Investments (operating)	(8.0)	(10.4)	(21.0)
Change in working capital requirement	(24.8)	(4.7)	14.8
Interest paid	(1.3)	(0.3)	(1.7)
Corporate income tax	(0.3)	(0.8)	(2.8)
(A) Cash flow from/ (used in) ordinary activities	(15.5)	2.7	28.5
(B) Non-recurring cash flow	(20.6)	(23.9)	(37.8)
Subtotal (A) + (B)	(36.1)	(21.2)	(9.3)
Capital Increase (minority shareholders)		2.7	2.7
Increase in debt	7.1	(0.9)	6.6
Increase/ (decrease) in net cash	(29.0)	(19.4)	0

The primary differences from the table on page 17 reflect: a) restructuring and other non-recurring expenses, which are recorded as non-recurring items in the above table but appear as operating cash flow in the table on page 17, b) investments listed here under operating activities but broken down separately in the table on page 17, and c) a conversion into euros of cash flows denominated in foreign currencies using an average exchange rate for the year in the table on page 17.

During the first half of 2007, the Group consumed €29 million in cash, with ordinary activities consuming €15.5 million. The change in the working capital requirement was unfavorable in the first half, primarily because of the start-up of a major system integration project in the United States and the partial delivery of a significant HPC project in France.

Net non-recurring cash flow comprised sources of €7.2 million from asset disposals, and primarily the disposal of the subsidiary Bull Portugal and the interest in Arkoon and non-recurring uses of €27.9 million, mainly €10.5 million in ex gratia compensation, acquisitions of companies in the first half of 2007 for €7.7 million, €2.7 million following a legal ruling in the Netherlands as part of a 1996 commercial litigation, and €1.7 million for the termination of a lease in England.

Net cash position

(in € millions)	June 30,	June 30,	Dec. 30,
	2007	2006	2006
Total cash	286.1	295.6	315.0
Financing of Bull SAS receivables	68.0	56.4	66.9
Financing of leased assets	13.4	17.2	14.8
Bank loans	8.4	1.6	1.0
Bonds	7.2	7.2	7.2
Total debt	97.1	82.4	89.9
Net cash position	189.0	213.2	225.1

As of June 30, 2007, Bull had net cash of €189.0 million, compared with €225.1 million at the end of 2006. The Group's debt consists mainly of a receivables factoring program in France and third-party financing backed by equipment lease agreements in France and abroad. The financing is therefore backed by Group assets. These commitments are outlined (breakdown, conditions, maturity) in the Notes to the consolidated financial statements.

3. Bull results for the first half of 2007

Bull, the Group parent company, generated a net profit of €2.9 million for the first half of 2007, compared with a €17.2 million profit for the first half of 2006.

The profit for the first half of 2007 essentially stems from:

- a €1 million contribution from the net results of Bull subsidiaries to the parent company's net income;
- €1.9 million in other revenue and expenses.

The profit for the first half of 2006 essentially stemmed from:

- a €11.2 million negative contribution from the net results of Bull subsidiaries to the parent company's net income;
- a €2.1 million negative impact from provisions on Bull treasury shares held as of June 30, 2006;
- a €27.4 million contribution from the write-back of the financial recovery clause provision;
- €3.1 million in other revenue and expenses.

After incorporating the 2007 first-half profit, Bull's shareholders' equity totaled €74.9 million, compared to €72 million as of December 31, 2006. Bull has not paid out any dividends over the past three years, and does not plan to make dividend distributions in the future, preferring instead to finance its own growth.

The results of the main Bull subsidiaries for the first half of 2007 are summarized below:

<i>(in € millions)</i>	<i>Share capital</i>	<i>Reserves</i>	<i>% of revenue</i>	<i>Net income 2006</i>	<i>% of capital held</i>	<i>Carrying value of shares held</i>
<i>Bull S.A.S consolidated</i>	36	54	337	(5)	100	84
<i>Bull International S.A.S consolidated</i>	10	47	232	10	100	66
<i>Bull International N.V. consolidated</i>	145	(494)	-	(9)	100	-
<i>Bull Data Systems, Inc. consolidated.</i>	-	34	38	5	100	48

4. Shareholding and transactions involving Bull shares

As of June 30, 2007, Bull share capital was held by France Telecom (10.1%), NEC (3%), Debeka (2%), and private investors, Bull employees and investment funds (84.9%).

Transactions carried out by Bull on its own shares

Over the first half of 2006, the share buyback program adopted by the Combined Shareholders' Meeting of May 17, 2006 and renewed at the Shareholders' Meeting of June 12, 2007 was only used in connection with the liquidity agreement implemented by Oddo Corporate Finance, which was set up on September 18, 2006. As of June 29, 2007, the liquidity account held 155,000 shares and 707,475.27 euros in cash. On initiation of the contract, the following resources had been made available in the account: 125,000 shares and 750,000 euros in cash.

Authorized share capital not issued

The Combined Shareholders' Meeting of May 17, 2006 authorized the Board of Directors to increase the share capital of the Company by up to a maximum of €300 million, through the issue of all types of marketable securities granting access to the share capital, with or without shareholder preferential subscription rights. This authorization is valid for 26 months. This authorization was not used during the first half of 2007.

The General Meeting of June 12, 2007 rejected new authorizations for a term of 18 months. Consequently, the resolutions adopted in 2006 will continue to apply until a general meeting is called to adopt the 2007 financial statements.

5. Risks and risk factors

Foreign exchange and interest rate risk

Groupe Bull is subject to exchange risks from its foreign currency transactions and the economic importance of its subsidiaries. Positions are exclusively managed at the head office by the specialized Group finance teams, based on written rules that prohibit any speculation. The analysis of these risks and the hedging policy are described in Note 20 to the consolidated financial statements.

Country risk

The Group considers that there is no material risk given the low volume of activity carried out in countries with significant political or economic instability.

Risks that could impact the Group's business

Bull is dependent on various technological cooperation agreements with its partners for its server products. The growth of Bull's activity in standard and open equipment component and software markets has resulted in the forging of partnerships to develop and refine the Company's own products.

Like its competitors, Bull therefore depends on a mixed environment of software developers, equipment suppliers and working groups. However, in a world of open systems, the commonality of platforms reduces this risk by very often offering alternatives.

Bull often depends on a single source for the supply of certain products. However, Bull manages this risk through its ability to anticipate its needs and work upstream with suppliers. In addition, Bull's forecast system fits in well with the supplier process. Moreover, Bull relies on reliable and permanent suppliers, with a recognized ability to meet demand.

There is no risk of a non-arm's length relationship in the commercial relations between the Company and its customers. Contracts satisfy the standard criteria of the profession.

Liquidity risk

Since January 15, 2005, the Company no longer has any significant short-term financial debt, aside from the receivable securitization program representing €68 million at the end of June 2007.

As of June 30, 2007, gross cash amounted to €3 million. Gross cash consists of cash in hand and on deposit. Cash equivalents are short-term, highly liquid investments that can be easily converted into a known amount of cash and which are subject to a negligible risk of change in value. Other cash investments in money-market funds which do not fall into the AMF's "euro money-market fund" category are recorded as "available-for-sale financial assets."

Share price risk

As of June 30, 2007, the Groupe Bull exposure to share price risk primarily concerns the 495,589 treasury shares. These shares were valued at the June 29, 2007 closing price of €5.15 per share. As an illustration of the risk, a 10% drop in the Bull share price relative to the June 29, 2007 closing price would have a negative impact of €255,000 on the Group's financial statements. Accordingly, the Group judged that it was not necessary to set up a share price risk management policy.

Legal risk

Bull ensures that it complies with all legal and regulatory provisions applicable to its industry as well as to its internal and external relations. The Company is not subject to any specific regulation for the conduct of its activity or to specific tax provisions that could have an impact on its financial position.

Bull's legal risks are related to its activities as an IT hardware designer, manufacturer and distributor and as an IT service provider. The legal department ensures that contractual relations with third parties, whether customers or suppliers, are reasonably managed. In general, Bull may be exposed to litigation regarding patent rights, civil liability linked to products or services, and product distribution and/or marketing.

In the normal course of business, certain Group companies are party to legal proceedings, for the most part commercial. As of December 31, 2006, there was no litigation before the courts or in arbitration or exceptional event that could have a material impact on the Group's financial position, results, activity or assets and which was not accounted for.

The various pre-litigation or litigation claims have been carefully analyzed and assessed for risk by the Group's legal counsel. The possible financial consequences are then analyzed and the results corroborated by the various legal firms with whom the Group works.

6. Recent trends and outlook

Bull confirms an EBIT objective of between €20 million and €24 million for 2007. EBIT represents earnings before taxes, other non-current operating and financial income and expenses, and share in the net income of associates.

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Statutory auditors' review report on the half-year financial information for 2007

Period from January 1, 2007 to June 30, 2007

This is a free translation into English of the statutory auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors and in accordance with the requirements of article L 232-7 of the French Commercial Code (the *Code de Commerce*), we hereby report to you on:

- the limited review of the accompanying condensed half-year consolidated financial statements of Bull, for the period from January 1, 2007 to June 30, 2007;
- the verification of information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our limited review.

We conducted our limited review in accordance with professional standards applicable in France. A limited review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that

we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRS as adopted by the European Union applicable to interim financial reporting.

In accordance with professional standards applicable in France, we have also verified the information given in the interim half-year management report commenting the condensed half-year consolidated financial statements subject to our limited review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Paris and Neuilly-sur-Seine, July 31, 2007

The Statutory Auditors

French original signed by

Grant Thornton

Deloitte & Associés

French member firm of

Grant Thornton International

Vincent Papazian

Albert Aidan

**Financial statements and notes
for the first half of 2007**

GROUPE BULL

**CONSOLIDATED BALANCE SHEET AS OF
June 30, 2007 and 2006, and December 31, 2006**

(in euro millions)	Notes	At June 30, 2007	At June 30, 2006	At Dec. 31, 2006
ASSETS				
Non current assets				
Intangible assets	(4)	4,3	4,3	5,3
Property, Plant and Equipment	(5)	43,0	60,4	42,7
Goodwill	(6)	37,7	20,0	25,5
Non-current financial assets	(7)	67,3	11,6	62,2
Deferred tax - assets	(23)	28,0	32,0	28,0
Total non current assets		180,3	128,3	163,7
Current assets				
Inventories	(8)	45,0	43,4	39,5
Trade receivables	(9)	235,0	255,6	248,6
Other current assets	(10)	58,9	64,5	56,2
Guarantee deposits		10,1	21,3	18,8
Cash and cash equivalents		202,1	274,3	228,5
Total current assets		551,1	659,1	591,6
Available-for-sale assets		0,5	-	1,2
TOTAL ASSETS		731,9	787,4	756,5
LIABILITIES AND SHAREHOLDERS' EQUITY				
Shareholders' equity				
Share capital	(11)	9,7	9,7	9,7
Reserves related to share capital	(12)	267,4	265,0	267,2
Reserves related to translation differences		(12,9)	(14,6)	(12,0)
Revaluation reserves		2,4	0,3	0,7
Non-distributed accumulated losses		(185,5)	(169,2)	(190,2)
Shareholders' equity		81,1	91,2	75,4
- of which Group share of shareholders' equity		81,0	91,1	75,4
- of which minority interests	(13)	0,1	0,1	-
Long-term debt	(14)	12,6	13,9	12,5
Provision for financial recovery clause	(15)	26,7	26,7	26,7
Provisions for retirement and other personnel benefits		94,3	103,8	95,4
Provisions	(16)	21,7	28,7	22,6
Non-current liabilities excluding shareholders' equity		155,3	173,1	157,2
Current liabilities				
Trade payables		161,0	166,4	189,8
Customer advances		7,4	6,2	8,9
Income taxes		3,5	3,9	3,7
Deferred income		0,8	5,3	1,0
Provisions	(17)	87,1	120,7	97,3
Other current liabilities	(18)	151,2	152,1	145,9
Short term debt and bank overdrafts	(19)	84,5	68,5	77,3
Total current liabilities		495,5	523,1	523,9
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		731,9	787,4	756,5

The accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED INCOME STATEMENT

for the first semester ended June 30, 2007 and 2006, and the year ended December 31, 2006

(in euro millions)	Notes	First half 2007	First half 2 006	Year 2 006
Ordinary activities				
Products		256,8	264,8	539,6
Maintenance		120,4	123,7	247,2
Services		173,0	170,7	359,7
Total revenue		550,2	559,2	1 146,5
Cost of products and services sold		(415,1)	(417,9)	(862,5)
Gross Margin		135,1	141,3	284,0
Research and development expenses		(23,0)	(24,1)	(46,0)
Selling expenses		(60,7)	(63,5)	(127,3)
Administrative expenses		(41,6)	(44,5)	(90,4)
Foreign exchange losses on operational flow		(0,3)	0,1	(0,6)
Earning before not current items, interests and taxes		9,5	9,3	19,7
Other operating income	(22)	4,0	3,2	2,9
Other operating expenses	(22)	(6,4)	(16,3)	(39,9)
Share in the net income of associates	(23)	0,1	1,0	0,8
OPERATING INCOME		7,2	(2,8)	(16,5)
Interest expenses		(5,9)	(4,8)	(10,1)
Interest and dividend income		3,5	4,5	8,4
Net income before tax and financial recovery clause		4,8	(3,1)	(18,2)
Income tax	(24)	(0,3)	(0,8)	(2,8)
Deferred taxes	(24)	-	(19,7)	(23,7)
Provision for financial recovery clause	(15)	-	27,3	27,3
NET INCOME		4,5	3,7	(17,4)
Of which:				
Group share		4,5	3,9	(17,1)
Minority share		-	(0,2)	(0,3)
Basic earnings per share	(25)	0,05	0,04	(0,18)
Average weighted number of shares (in thousands)		96 786,4	96 786,2	96 786,3
Fully diluted earnings per share	(25)	0,04	0,04	(0,17)
Potential number of shares (in thousands)		99 696,3	99 767,30	99 770,80

The accompanying notes are an integral part of the consolidated financial statements

GROUPE BULL

CASH FLOW STATEMENTS

for the first semester ended June 30, 2007 and 2006, and the year ended December 31, 2006

(in euro millions)

	At June 30, 2007	At June 30, 2006	At Dec. 31, 2006
Cash and cash equivalent at the beginning of the year	228,5	300,1	300,1
Net income - Group share	4,5	3,9	(17,1)
Minority interests	-	(0,2)	(0,3)
Elimination of expenses and income with no impact on cash or unrelated to operations			
. Depreciation and amortization	9,0	8,8	18,2
. Provisions	(12,3)	(14,2)	(50,5)
. Provision for financial recovery clause	-	(27,3)	(27,3)
. Interest and dividend expenses	2,4	0,3	1,7
. Deferred taxes	-	19,7	23,7
. Current taxes	(0,3)	0,8	2,8
. Estimated tax payments	(0,1)	2,5	(4,6)
. Stock options plans	0,7	1,7	3,5
. Net (gains) / losses on disposal of assets	(4,0)	(3,2)	0,3
. Share in the net income of associates	0,1	(1,3)	(0,8)
. (Increase) / Decrease of guarantee deposits	8,8	-	(3,9)
. Other transactions with no impact on cash	-	(9,3)	0,1
. Change in working capital requirements related to operations			
. Trade receivables and customer advances	12,2	26,4	35,8
. Other current assets	(3,7)	(2,4)	3,3
. Inventories and work-in-progress	(5,5)	(9,7)	(6,0)
. Trade payables, supplier advances	(19,9)	(5,3)	15,7
. Other current liabilities (*)	(0,1)	1,4	(4,6)
Total cash flow provided by / (used in) operating activities	(8,2)	(7,4)	(10,0)
Purchases of tangible assets and of other non-current assets	(7,6)	(10,4)	(20,8)
Proceeds from tangible and intangible asset disposals	4,1	5,6	20,7
Purchases of available-for-sale financial assets	(5,4)	-	(50,3)
Impact of change in scope (goodwill included)	(12,5)	(11,4)	(16,9)
Total cash flow provided by / (used in) investing activities	(21,4)	(16,2)	(67,3)
Share capital increase and premiums	-	2,7	2,7
Treasury shares	(0,4)	-	0,3
Change in medium and long-term debt	-	5,0	3,4
Change in short-term debt	7,1	(5,9)	3,0
Interest and dividend expense	(2,4)	(0,3)	(1,7)
Total cash flows provided by / (used in) financing activities	4,3	1,5	7,7
Impact of exchange rate fluctuations	(1,1)	(3,7)	(2,0)
Cash and cash equivalents at end of period	202,1	274,3	228,5
(*) of which interest paid on loans	2,9	1,7	4,0

The accompanying notes are an integral part of the consolidated financial statements

The flows of each heading in foreign currency are determined in the local currency, then translated into euro at the average rate for the year. The translation differences with the amounts used for the balance sheet and the income statement are recorded in the heading "Impact of exchange rate fluctuations", which thus includes the differences of each heading.

STATEMENT OF CHANGES IN EQUITY FOR THE 1st SEMESTER ENDED JUNE 30, 2006 and JUNE 30, 2007

(in euro millions)	Share capital	Reserves related to the share capital	Reserves related to translation differences	Revaluation reserves	Non-distributed accumulated losses	Subtotal	Minority interests	TOTAL
Balance at January 1, 2006	9,7	260,6	(12,2)	0,3	(173,1)	85,3	-	85,3
Translation differences	-	-	(2,4)	-	-	(2,4)	-	(2,4)
Total income and expenses recognized directly in shareholders'equity	-	-	(2,4)	-	-	(2,4)	-	(2,4)
Net income for the first semester	-	-	-	-	3,9	3,9	(0,2)	3,7
Total net income (loss) for the first semester	-	-	(2,4)	-	3,9	1,5	(0,2)	1,3
Capital increase (minority interests)	-	2,7	-	-	-	2,7	0,3	3,0
Share-based payments	-	1,7	-	-	-	1,7	-	1,7
Rounding	-	-	-	-	(0,1)	(0,1)	-	(0,1)
Balance at June 30, 2006	9,7	265,0	(14,6)	0,3	(169,3)	91,1	0,1	91,2
Balance at January 1, 2007	9,7	267,2	(12,0)	0,7	(190,2)	75,4	-	75,4
Translation differences	-	-	(0,9)	-	-	(0,9)	-	(0,9)
Change in the fair value of available-for-sale financial assets	-	-	-	1,7	-	1,7	-	1,7
Total income and expenses recognized directly in shareholders'equity	-	-	(0,9)	1,7	-	0,8	-	0,8
Net income for the 1st semester	-	-	-	-	4,5	4,5	-	4,5
Total net income (loss) for the first semester	-	-	(0,9)	1,7	4,5	5,3	-	5,3
Capital increase (minority interests)	-	-	-	-	-	-	0,1	0,1
Treasury shares	-	(0,4)	-	-	-	(0,4)	-	(0,4)
Share-based payments	-	0,7	-	-	-	0,7	-	0,7
Rounding	-	(0,1)	-	-	0,1	-	-	-
Balance at June 30, 2007	9,7	267,4	(12,9)	2,4	(185,6)	81,0	0,1	81,1

The accompanying notes are an integral part of the consolidated financial statements

Notes to the condensed half-year consolidated financial statements

1 – ORGANIZATION

The consolidated financial statements of Groupe Bull include the financial statements of Bull, Bull SAS, Bull International N.V., Bull Data Systems Inc. and their subsidiaries.

As of June 30, 2007, Bull share capital was held by France Telecom (10.1%), NEC (3%), Debeka (2%), and private investors, Bull employees and investment funds (84.9%).

Bull, the Group parent company, is a société anonyme, whose registered office is in France, rue Jean Jaurès - Les Clayes sous Bois (78340). It is listed on the Eurolist Compartment[✓] B of the Euronext Stock Exchange. The consolidated financial statements for the first half ended on June 30, 2007 were approved by the Board of Directors on July 31, 2007.

2 – ACCOUNTING POLICIES FOR THE HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the half-year ended June 30, 2007 have been prepared in accordance with IAS 34, *Interim financial reporting*. The accounting policies adopted for the preparation of the consolidated financial statements for the half-year ended June 30, 2007 are in accordance with those applied by the Group as of December 31, 2006, as described in the 2006 annual report.

The new regulations published by the IASB, whose application is mandatory in 2007, are as follows:

- IFRS 7: *Financial Instruments: Disclosures*
- Amendment to IAS 1: *Presentation of Financial Statements – Capital Disclosures*
- IFRIC 7:– *Financial Reporting in Hyperinflationary Economies*
- IFRS 8: *Operating Segments*
- IFRIC 8: *Scope of IFRS 2 – Share-based Payment*
- IFRIC 9: *Reassessment of Embedded Derivatives*
- IFRIC 10: *Interim Financial Reporting and Impairment*

These standards had no material impact on the Group. IFRS 7 and the IAS 1 amendment were not applied to the accompanying financial statements insofar as they are condensed financial statements prepared in accordance with IAS 34.

The new optional regulations published by the IASB are as follows:

- IFRIC 11 : *IFRS 2 – Group and Treasury Share Transactions* (mandatory application for annual periods beginning on or after March 1, 2007)

The Group chose not to proceed with the early application of this interpretation.

On the balance sheet date of the accompanying financial statements, the following standards and interpretations had been issued but not yet adopted by the European Union:

- IFRS 8 : *Operating Segments*
- IFRIC 12 : *Service Concession Arrangements*
- IAS 23 revised : *Borrowing Costs*

Groupe Bull is currently analyzing the practical consequences of these standards and interpretations and the impact of their application on the financial statements.

In the absence of standards or interpretations applicable to a specific transaction, Groupe Bull management uses its judgment to define and apply the accounting methods necessary to obtain relevant and reliable information, to ensure the financial statements:

- give a true picture of the Group's financial situation, financial performance and cash flows,
- reflect the economic substance of transactions,
- are neutral,
- are prudent,
- are complete in all material aspects.

Use of estimates

To prepare the Groupe Bull consolidated financial statements management must use assumptions and make estimates that have an impact on the amounts appearing in the financial statements relating to assets and liabilities, income and expenses, and contingent assets or liabilities, as well as in the notes to the condensed half-year consolidated financial statements. The Group regularly makes estimates, in particular as regards doubtful receivables, the impairment of inventories and work-in-progress, the carrying amount of equity interests and of intangible assets and property, plant and equipment, deferred tax assets (see Note 22), the financial recovery clause granted to the French State (see Note 15), restructuring, retirement obligations, contingent liabilities and litigation. The Group basis its estimates on past experience and on various other assumptions that it deems reasonable in light of the circumstances and that are the basis of the evaluation of assets and liabilities whose carrying amount is not readily determinable from other sources.

As a result of the uncertainties inherent in any evaluation process, it is therefore possible that, at the time the related transactions are completed, actual results may differ from such estimates and have an impact on the financial statements for future periods. The estimates used are explained in the corresponding notes.

Seasonality

Half-yearly revenue for each of the last four years has been relatively balanced. In each half-year, the last month is stronger than the five previous months. Operating expenses are generally spread evenly over the year.

3- Change in Group structure

Bull pursued its transformation during the first half of 2007, confirming its position as European leader in information technologies and services with the acquisition by GFI Informatique of Bull Portugal, a Portuguese subsidiary active in the electronic banking market, and the acquisition in Spain of Siconet, a Spanish services company specializing in consulting, systems integration, software development and technical assistance.

Created in 1992, Siconet has 400 employees at its Madrid and Barcelona sites. In 2006, Siconet generated revenue of €17.8 million, up 83%, with operating income from ordinary activities of 6% (€1 million). The Siconet activities are focused on five priority markets: insurance, banking, aerospace, transport and telecommunications. Widely known for the quality of its services and expertise in of new "Open source" technologies, Siconet has assembled a significant business portfolio, which includes major clients in these sectors.

Active on the electronic banking solutions market and with major banks and financial institutions among its clients, Bull Portugal had successfully developed an activity that is no longer in line with the Group's strategic priorities. The company was sold with effect from March 31, 2007.

4 – INTANGIBLE ASSETS

<i>(in € millions)</i>	Jan 1, 2007	Additions Amortization	Disposals Reversals	Translation differences	June 30, 2007
Capitalized development costs	11,4	0.3	(0.1)	-	11.6
Other intangible assets	0.7	0.1	-	-	0.8
Amortization and impairment	(6.8)	(1.4)	0.1	-	(8.1)
Intangible assets, net	5.3	(1.0)	-	-	4.3

5 – PROPERTY, PLANT AND EQUIPMENT

NATURE OF AND MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

<i>(in € millions)</i>	Jan 1, 2007	Additions Depreciation	Disposals Reversals	Translation differences	June 30, 2007
Land, buildings, machinery and equipment	227.1	8.0	(2.6)	-	232.5
Rental equipment	17.5	0.3	(0.6)	(0.1)	17.1
Depreciation and impairment	(201.9)	(8.0)	3.1	0.2	(206.6)
Total	42.7	0.3	(0.1)	0.1	43.0

6 – GOODWILL

Goodwill by entity breaks down as follows:

<i>(in € millions)</i>	June 30, 2007	30.06.2006	31.12.2006
Bull HN Information Systems Inc. (United States)	2.2	2.2	2.2
Bull International N.V. (Netherlands)	6.1	6.1	6.1
Bull S.A.S. (France)	1.4	1.4	1.4
HRBC (France)	3.3	3.3	3.3
AMG Net (Poland)	7.1	7.1	7.1
Agarik (France)	5.4	-	5.4
Siconet (Spain)	12.2	-	-
Total	37.7	20.0	25.5

Goodwill is defined as the residual difference between the acquisition cost of the shares of an acquired business and the percentage interest of the owner company in its equity after recognition of the fair value of the identifiable assets and liabilities of the acquired business on the acquisition date.

Pursuant to this valuation principle, the Group recognized:

- at the end of April 2006 : goodwill in the amount of €3.3 million on the full acquisition of HRBC (France) and €7.1 million on the full acquisition of AMG Net (Poland);
- at the beginning of July : goodwill of €5.4 million on the full acquisition of the service company Agarik (France);
- during the first half of 2007: goodwill valued at €12.2 million on the €13.1 million purchase price of Siconet in Spain, of which €6 million was paid on acquisition and €7.1 million is to be paid subsequently. The acquisition took place on April 1.

In accordance with IAS 36, goodwill is subject to impairment tests annually and periodically, in the event of an adverse trend in certain indicators, to determine any impairment. As of June 30, 2007, no impairment had been recognized.

7 – NON-CURRENT FINANCIAL ASSETS

<i>(in € millions)</i>	Jan 1, 2007	Acquisitions	Disposals	Value adjustments (equity)	Value adjustments (Net income)	June 30, 2007
Available-for-sale financial assets						
Money market funds	50.3	45.9	(42.6)	1.7	-	55.3
Other	1.6	0.1	-	-	(0.3)	1.4
Loans and advances	5.7	-	-	-	-	5.7
Interests in associates	3.4	-	0.2	-	0.1	3.7
Advance payments to pension funds	1.2	-	-	-	-	1.2
Total	62.2	46.0	(42.4)	1.7	(0.2)	67.3

Available-for-sale financial assets: Available-for-sale financial assets consist mainly of the following securities: Keynectis

(14.3%) valued at €0.6 million, Safelayer (15%) valued at €0.5 million and Sun Microsystems valued at €0.3 million. The decrease in this line item in relation to the end of 2006 is primarily due to the recognition of a K€0.3 impairment loss on the Keynectis securities.

Loans and advances: Loans and advances consist mainly of housing loans to employees.

Interests in associates: as of June 30, 2007, this heading primarily consisted mainly of interests in the French companies Bull Finance (48.6%) and Séres (34.0%), as was the case at the end of December 2006.

The share in net income of associates representing Groupe Bull interests is included in the Statement of Income under the heading "Share in the net income/(loss) of associates."

Advance payments to pension funds: advance payments were made to pension funds in Ireland, where the value of funded plan assets exceeds discounted obligations to employees.

8 – INVENTORIES AND WORK-IN-PROGRESS

<i>(in € millions)</i>	June 30, 2007	June 30, 2006	Dec. 31, 2006
Finished goods	47.2	40.6	34.8
Work-in-progress, raw materials and supplies	17.7	18.7	24.8
Spare parts	23.9	32.3	25.5
Provision for impairment	(43.8)	(48.2)	(45.6)
Total	45.0	43.4	39.5

9 – TRADE RECEIVABLES

Equipment rental contracts

Non-terminable, medium-term rental contracts recognized as sales at the discounted present value of future minimum rental payments receivable, are non-material. Usually, such rental contracts are entered into for an initial period of one to two years during which they cannot be terminated.

Equipment rental contracts financed through external financing are recognized according to the criteria contained in IAS 17, IAS 32 and IAS 39. The receivables assigned as part of said contracts are recorded in trade receivables in the amount of the outstanding rental payments.

Construction contracts

Bull performs systems integration contracts in several countries which are recognized according to the percentage of completion method. For contracts performed in France, which constitute the majority of significant systems integration contracts, the percentage of completion is determined based on costs incurred for the work performed. All other contracts are recognized according to the contractually defined milestones method, which evidences the completion of a portion of the work.

The French contracts break down as follows:

<i>(in € millions)</i>	June 30, 2007	June 30, 2006	Dec. 31, 2006
	Total	Total	Total
• Revenue from contracts recognized as income	22.1	39.7	64.7
• For contracts in progress at the end of the period:			
a) Total costs incurred and income recognized (less recognized losses)	83.0	89.1	78.4
b) Gross amount owed by customers for work under the contract	9.9	19.3	7.9
c) Gross amount owed to customers for work under the contract	(1.3)	(1.3)	(1.5)
d) Advances received	-	-	-

Assignment of trade receivables

In France, the receivable securitization contract initiated on January 15, 2003 was replaced on December 18, 2006 by a receivable assignment program as part of a non-notified factoring contract with recourse.

The financing obtained as of June 30, 2007 amounted to €68.0 million (including €18.6 million paid to the guarantee account), compared to €66.9 million as of December 31, 2006 (including €17.4 million paid to the guarantee account). These amounts were recorded under short-term borrowings in current liabilities.

Under the rental contracts referred to above, the review of certain receivables assigned in France and other European countries in light of IAS 32 and IAS 39 criteria, led to the recognition of the amount of the assigned receivables on the asset side of the balance sheet. A current and non-current financial liability was recognized for the consideration received.

Value of trade receivables

The net carrying amount of trade receivables reported in the balance sheet reflects their market value and breaks down as follows:

<i>(in € millions)</i>	Total	Due in > 1 year	Due > 1 year (*)
As of June 30, 2007			
Gross value	243.8	234.9	8.9
Impairment	(8.8)	(8.7)	(0.1)
Net value	235.0	226.2	8.8
As of Dec. 31, 2006			
Gross value	257.8	248.9	8.9
Impairment	(9.2)	(9.1)	(0.1)
Net value	248.6	239.8	8.8
As of 06.30.2006			
Gross value	266.9	253.8	13.1
Impairment	(11.3)	(11.3)	-
Net value	255.6	242.5	13.1

(*)Trade receivables due in more than one year include invoices payable by the client in one year or more, typically the portion due in more than one year of the receivables deriving from non-terminable medium-term rental contracts and the portion exceeding one year of the receivables assigned with recourse.

10 – OTHER CURRENT ASSETS

<i>(in € millions)</i>	June 30, 2007	June 30, 2006	Dec. 31, 2006
R&D financing receivables	2.8	4.6	2.6
Tax receivables	5.0	3.7	5.7
Employee-related receivables	2.0	1.5	1.4
Deposits and guarantees paid	4.7	13.6	6.9
Deposits on Bull SAS receivables financing	13.6	-	15.3
Other operating receivables	12.7	20.8	9.6
Prepaid expenses	18.1	20.3	14.7
Total	58.9	64.5	56.2

Deposits on Bull SAS receivables financing are for the receivables assignment contract entered into by Bull SAS at the end of 2006 (see Note 9 – Trade receivables).

11 – SHARE CAPITAL

As of June 30, 2007, Bull's share capital consisted of 96,786,335 shares with a par value of €0.10 each.

All shares issued are fully paid up.

As of June 30, 2007, Bull held 495,589 treasury shares, representing a market value of €2.6 million.

12 – RESERVES RELATED TO THE SHARE CAPITAL

At the end of June 2007, reserves related to the share capital amounted to €267.4 million, compared to €267.2 million at the end of December 2006. The increase in value breaks down as follows

- €0.7 million under the 2004 share subscription plan, reserved for Group employees, with the exception of employees who participated in the "Shareholders and Partners" plan;
- €(0.4) million in treasury shares purchased in 2007, as part of a liquidity agreement set up in September 2006.

13 - MINORITY INTERESTS

Minority interests concern the 8% interest in Evidian France acquired by NEC on January 31, 2007, subsequent to a share capital increase.

14 – BORROWINGS AND NON-CURRENT FINANCIAL LIABILITIES

<i>(in € millions)</i>	June 30, 2007	June 30, 2006	Dec. 31, 2006
BREAKDOWN BY TYPE			
Oceane bond issues	0.2	0.2	0.2
NEC bond issue	7.0	7.0	7.0
Financing via rental receivables	5.3	6.1	5.1
Bank loans	0.1	0.6	0.2
Total	12.6	13.9	12.5
BREAKDOWN BY CURRENCY			
Euro	11.0	10.3	9.5
Pound sterling	1.6	0.6	3.0
Total	12.6	13.9	12.5

Oceane bond issues

As of June 30, 2007, the bond issue comprises 58,629 Oceanes issued in May 2000, with a par value of €15.75, redeemable on January 1, 2033 and bearing annual interest of 0.1%. These bonds represent the portion of the 11,495,396 shares initially issued and not converted into capital, following the public exchange offer initiated in June - July 2004 and completed in March 2005.

Bond issues - NEC

On January 31, 2006, NEC Corporation subscribed for a bond issue convertible into shares of €6,998,420 issued by Evidian France (par value per bond: €1). The bond issue is recorded in full in financial liabilities and can be converted into 15,415,020 Evidian France shares at a price of €0.454 per share. The bonds bear interest at market rates (one-year EURIBOR + 0.75 basis points).

The entire bond issue shall be automatically converted into shares 10 days after approval by the General Meeting of Shareholders of the 2008 parent company financial statements if:

- Evidian generates cumulative EBIT ("current income excluding exceptional gains and losses" as defined by the terms of the December 28, 2006 agreement) of €5 million in 2007 and 2008, and
- Evidian generates positive EBIT for 2007 alone (operating income used to calculate EBIT shall be adjusted to exclude the impact of the NEC products business).

Failing automatic conversion, the bonds shall be redeemable in full on January 31, 2011. Evidian may redeem the bonds on one occasion at any time, at its discretion.

15 - PROVISION FOR THE FINANCIAL RECOVERY CLAUSE

On February 20, 2004, the French State notified the European Commission that it intended to grant restructuring aid to Bull, subject to a financial recovery clause. After obtaining the Commission's authorization on December 1, 2004, the French State granted aid of €517 million on January 14, 2006. The terms and conditions of the financial recovery clause are as follows:

Bull agreed to pay the French State, over an eight-year period beginning on January 1, 2006 and ending on December 31, 2012, an amount equal to 23.5% of the portion of Bull's EBIT that exceeds €10 million as calculated each year on the basis of the financial statements for such years. Such payment must be made each year after approval of the financial statements for the fiscal year by the Annual General Meeting and is applicable provided all the following three criteria are met:

- 1) EBIT for the given fiscal year is equal to or higher than €10 million;
- 2) cash flow from operations of a given fiscal year is equal to or higher than €10 million;
- 3) Bull's consolidated equity, after application of the financial recovery clause during a fiscal year, does not fall below €10 million.

If, for a given fiscal year, any of the above three criteria are not met, no amount shall be due by Bull under the financial recovery clause for that fiscal year.

In addition, Bull may, on its own initiative and at any time, as from the approval of the 2004 financial statements by the Annual General Meeting of shareholders, proceed with the early buy-out of the financial recovery clause under defined terms and conditions. Similarly, if Bull is the target of a takeover attempt, the French State may, as from the approval of the 2004 financial statements, ask Bull to redeem the financial recovery clause early.

At the June 30, 2007 closing, the amount of the financial recovery clause remained unchanged on the position at June 30, 2006, when the 2008 Horizon Plan was updated and presented to the Board of Directors' meeting of October 18, 2006,

No payment was made with respect to 2006 and the first half of 2007.

16 – NON-CURRENT PROVISIONS

<i>(in € millions)</i>	June 30, 2007	June 30, 2006	Dec. 31, 2006
Rent for unoccupied premises	1.5	8.5	1.5
Tax risks	13.2	10.0	13.1
Research and development financing risks	1.2	2.9	1.2
Restructuring prior to 2002	2.8	2.8	2.8
Miscellaneous	3.0	4.5	4.0
Total	21.7	28.7	22.6

17 – CURRENT PROVISIONS

<i>(in € millions)</i>	June 30, 2007	June 30, 2006	Dec. 31, 2006
Restructuring prior to 2002	1.6	1.8	1.6
Employee-related expenses and similar expenses	8.2	22.1	13.6
Customer claims	2.4	3.7	2.4
Product warranties	4.0	4.0	3.6
Other contingencies and losses for products and services sold	9.3	18.5	12.9
Defined benefit pension plans	22.5	23.2	22.5
Miscellaneous	39.1	47.4	40.7
Total	87.1	120.7	97.3

18 – OTHER CURRENT LIABILITIES

<i>(in € millions)</i>	June 30, 2007	June 30, 2006	Dec. 31, 2006
Taxes other than income	2.8	3.2	2.4
Payroll	32.5	33.4	37.6
Other personnel costs	48.2	51.4	45.4
Purchase invoice accruals	67.7	64.1	60.5
Total	151.2	152.1	145.9

19 – BORROWINGS AND CURRENT FINANCIAL LIABILITIES

<i>(in € millions)</i>	June 30, 2007	June 30, 2006	Dec. 31, 2006
BREAKDOWN BY TYPE			
Financing via rental receivables	8.2	11.0	7.4
Receivables assignment program	68.0	56.4	66.9
Bank loans	7.2	0.9	2.4
Bank overdrafts	1.1	0.2	0.6
Total	84.5	68.5	77.3
BREAKDOWN BY CURRENCY			
Euro	79.5	65.7	72.7
Pound sterling	4.0	2.8	4.6
Other	1.0	-	-
Total	84.5	68.5	77.3

20- MANAGEMENT OF FINANCIAL INSTRUMENT RELATED RISK

CURRENCY RISK

Groupe Bull is exposed to currency risks on transactions denominated in foreign currency and as a result of financial relations between entities, particularly with the parent company.

These treasury transactions are coordinated by the Group Treasury Department and governed by specific authorization and internal control procedures.

Excluding a few exceptional cases, subsidiaries' transactions are denominated in their local currency. Currency risk is, therefore, primarily borne by the parent company, Bull.

The Groupe uses hedging instruments to reduce its exposure to currency risks: outright spot and forward purchases and sales of foreign currency, and trading swaps. Hedges are recognized as trading transactions. The gains or losses resulting from the valuation at fair value of currency hedges are systematically recognized in the income statement.

Currency risk exposure arises as a result of the Group's trading and financial foreign exchange position.

Currency risk exposure related to foreign currency denominated sales and purchases:

This risk arises as a result of the difference between foreign currency-denominated commercial purchases and sales and is recognized at the invoicing stage.

It should be noted that, as an exception to the rule, the trading foreign exchange position of Bull S.A., which is responsible for raw material and component supply purchases, is recognized on a budgetary basis (projected net purchase flows in USD).

Currency risk exposure in respect of financial positions:

Entities holding loans, borrowings and/or financial instruments denominated in a currency other than their functional currency have a financial foreign exchange position. This involves mainly the Bull parent company and, to a much lesser extent, certain Bull Group companies..

All internal structural loans/borrowings, with no fixed maturity, between Bull and the entities with foreign operating currencies, are excluded from this position.

Hedging instruments are used with the sole aim of reducing Groupe Bull's overall exposure to foreign exchange risk in order to maintain it within predefined limits. Liquidity and counterparty risk can be considered extremely limited, given the type of hedging instruments used and the choice of leading counterparties.

In 2006, hedging transactions were entered into with respect to the Group's net overall position (all entities taken together) and exceptionally the risk generated by a commercial agreement for major supplies in US dollars.

Group exposure to currency risks after hedging of the foreign exchange position (trading and financial positions) is as follows (the amounts in parentheses correspond to net liabilities in foreign currencies):

INTEREST RATE RISK

Floating-rate financial liabilities consist of financing from receivables assignment programs. Floating-rate financial assets consist of short-term cash investments, whatever their form.

21- CREDIT RISK CONCENTRATION

Excluding amounts owed by related companies, no single customer represents over 10% of total trade receivables.

22- OTHER OPERATING INCOME AND EXPENSES

“Other operating income and expenses” of a non-recurring nature comprise the following headings:

<i>(in € millions)</i>	First half 2007	First half 2006	Fiscal year 2006
OTHER OPERATING INCOME			
Gains on disposals of property and long-term investments (*)	4.0	3.2	2.9
Total	4.0	3.2	2.9
OTHER OPERATING EXPENSES			
Ex gratia compensation	(6.4)	(16.1)	(32.8)
Loss on disposal of Italian businesses	-	-	(6.3)
Miscellaneous	-	(0.2)	(0.8)
Total	(6.4)	(16.3)	(39.9)

(*) Gains on disposals of property and long-term investments break down as follows:

- During the first half of 2007, total net capital gains of €4.0 million, including €2.7 million realized on the sale of Bull Portugal, €0.9 million realized on the sale of Arkoon securities, €0.3 million realized on the closure of Ingénico Russie and €0.1 million realized on the sale of real estate assets in France.
- During the first half of 2006, primarily a net capital gain of €3.1 million realized on a real estate sale in France;

23- SHARE IN THE NET INCOME OF ASSOCIATES

The share in the net income of associates of €0.1 million concerns Bull Finance and Séres (see Note 7: Non-current financial assets).

24- CORPORATE INCOME TAX

Groupe Bull is liable to various corporate income taxes based on legislation existing in the countries in which it operates.

Bull is not part of a worldwide tax consolidation group and only French companies are consolidated for tax purposes, with the exception of Evidian and Serrib and Maine CI.

The corporate income tax charge breaks down as follows:

<i>(in € millions)</i>	First half 2007	First half 2006	Fiscal year 2006
Taxes payable	0.3	0.8	2.8
Deferred tax income	-	-	
Corporate income tax	0.3	0.8	2.8

Deferred tax assets and liabilities break down as follows:

<i>(in € millions)</i>	First half 2007	First half 2006	Fiscal year 2006
Deferred tax assets	28.0	32.0	28.0
Deferred tax liabilities	-	-	
Net deferred taxes	28.0	32.0	28.0

Tax audits at Bull SA and Bull SAS

In 2006, almost all of the Bull entities in France were subjected to tax audits covering the years 2000 to 2005. The audits confirmed the research tax credits taken by Bull SAS for 2003, 2004, and 2005. They also resulted in tax adjustment proposals, most of which are contested by the company.

Provisions were recorded in the 2006 financial statements for the tax adjustment proposals that are likely to have an impact on cash.

Deferred taxes

As a result of the downgrading of the Horizon 2008 Plan, as part of the preparation of the summarized consolidated financial statements at June 30, 2006, it was decided to reduce deferred tax assets by €19.7 million because of the projected taxable income of the Group's main entities. Consequently, deferred tax assets fell to €32 million. Deferred tax assets were reduced to €28 million at December 31, 2006, as a result of the disposal of the Italian businesses.

This amount is retained in the accounts as of June 30, 2007

25- EARNINGS PER SHARE

<i>(in € millions)</i>	First half 2007	First half 2006	First half 2005
Net income (Group share)	4.5	3.9	(17.1)
Number of ordinary shares (in thousands)	96,786.4	96,786.2	96,786.3
Basic earnings per share	0.05	0.04	(0.18)
Number of ordinary and potential shares (in thousands)	99,696.3	99,967.3	99,770.8
Diluted earnings per share	0.04	0.04	(0.17)

26- STOCK SUBSCRIPTION PLANS

The Group set up stock option plans in 1998, 2000, 2001, 2004, 2005 and 2006. The breakdown of the plans granted from 1998 to 2006 is presented in the 2006 annual report in Note 28 to the consolidated financial statements.

Summary of options that can be exercised as of June 30, 2007

Summary of share subscription plans as of June 30, 2007 (shares with a par value €0.1)						
	1998 plans	2000 plans	2001 plan	2004 plan	2005 plans	2006 plans
Residual options that can be exercised	839	109,738	-	1,292,168	1,336,250	165,000
- - by company officers	-	-	-	100,000	-	100,000
- - by members of the Operational Committee	-	-	-	100,000	385,000	120,000

27- TRANSACTIONS WITH ASSOCIATES

<i>(in € millions)</i>	First half 2007	First half 2006	Fiscal year 2006
Transactions with NEC			
Sales	1.3	1.0	1.6
Accounts payable	4.6	6.5	9.2
Accounts receivable	1.0	1.3	1.3
Transactions with Debeka			
Sales	11.0	4.2	17.0
Accounts receivable	0.2	1.0	2.3
Transactions with France Telecom			
Sales	17.9	22.5	40.7
Accounts payable	1.3	3.0	0.8
Accounts receivable	11.1	8.5	10.3

28- OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments, received or given as of June 30, 2007, break down as follows:

<i>(in € millions)</i>	June 30, 2007	June 30, 2006	Dec. 31, 2006
Lease commitments (as of December 31)	87.5	96.1	87.5
Deposits, endorsements and guarantees given			
- performance guarantees	12.9	20.2	12.0
- bid bonds	2.0	2.1	2.6
- advance return guarantee	1.9	3.6	0.9
- tax and customs guarantees	0.5	0.4	0.5
- withholding guarantees	1.7	1.7	1.7
- other guarantees	1.4	0.7	1.2
Equipment repurchases	1.2	1.9	1.4
Total	109.1	126.7	107.8

Lease commitments

Minimum rental commitments undertaken by Groupe Bull under non-terminable long-term leases, mainly involving real estate, are only identified exhaustively once a year. These commitments amounted to €87.5 million as of December 31, 2006 and break down as follows:

<i>(in € millions)</i>	
2007	14.4
2008	13.1
2009	9.7
2010	6.9
2011	6.0
2012 and following years	37.4
Total	87.5

Other off-balance sheet commitments

In addition to lease commitments and commitments given in connection with long and medium-term debt, the Groupe Bull companies have made contractual commitments in the ordinary course of business amounting to €21.6 million as of June 30, 2007, compared to €20.3 million as of December 31, 2006 and €30.6 million as of June 30, 2006.

The services business, and in particular facilities management, is conducted with commitments as to duration that may result in the payment of indemnities.

The Company has not made any commitment to buy back minority interests in its subsidiaries.

Exceptional events and disputes

The Group is not aware of any disputes or arbitration proceedings that have recently had or may have a material impact on the financial position, business, assets or earnings of Bull or Groupe Bull subsidiaries.

29- BREAKDOWN OF GROUP BUSINESS BY REGION

Groupe Bull is an international IT group based in Europe with operations in more than 100 countries. The companies of the Group market a wide range of computer hardware, administration software and IT services for scientific, industrial, commercial and business applications in the public and private sectors.

The Group manages and controls its operations according to primary reporting by region and secondary reporting by business line, as set forth below.

Since January 1, 2002, only gross margin is broken down by business line. Operating costs are now tracked by sales structure within the regional entities.

Breakdown of Group business by region

The place of invoicing determines the regional location. The "Rest of the World" column does not include any material segment.

In accordance with IAS 34, only the primary reporting segment is presented below:

1st half 2007 (in €millions)	France	Europe	Rest of world	Eliminations	Consolidated
Revenue					
Sales outside of Group	259.2	185.5	105.5	-	550.2
Less: between regions	56.8	2.7	8.7	(68.2)	-
Revenue by region	316.0	188.2	114.2	(68.2)	550.2
Net income					
Operating income/(loss) by region	23.4	14.3	7.3	(13.2)	31.8
Unallocated Group expenses	-	-	-	-	(24.6)
Operating income/(loss)	-	-	-	-	7.2
Interest expense	-	-	-	-	(5.9)
Interest and dividend income	-	-	-	-	3.5
Income tax	-	-	-	-	(0.3)
Net income	-	-	-	-	4.5

1st half 2006 (in €millions)	France	Europe	Rest of World	Eliminations	Consolidated
Revenue					
Sales outside of Group	258.7	215.0	85.5	-	559.2
Less: between regions	70.6	3.0	9.2	(82.8)	-
Revenue by region	329.3	218.0	94.7	(82.8)	559.2
Net income					
Operating income/(loss) by region	27.8	(2.7)	(6.2)	7.8	26.7
Unallocated Group expenses	-	-	-	-	(29.5)
Operating income/(loss)	-	-	-	-	(2.8)
Interest expense	-	-	-	-	(4.8)
Interest and dividend income	-	-	-	-	4.5
Income tax	-	-	-	-	(0.8)
Deferred taxes	-	-	-	-	(19.7)
Provision for financial recovery clause	-	-	-	-	27.3
Net income	-	-	-	-	3.7

Fiscal year 2006 (in €millions)	France	Europe	Rest of World	Eliminations	Consolidated
Revenue					
Sales outside of Group	531.8	443.0	171.7	-	1 146.5
Less: between regions	144.6	6.8	17.5	(168.9)	-
Revenue by region	676.4	449.8	189.2	(168.9)	1 146.5
Net income					
Operating income/(loss) by region	61.5	4.8	10.4	(19.9)	56.8
Unallocated Group expenses	-	-	-	-	(73.3)
Operating income/(loss)	-	-	-	-	(16.5)
Interest expense	-	-	-	-	(10.1)
Interest and dividend income	-	-	-	-	8.4
Income tax	-	-	-	-	(2.8)
Deferred taxes	-	-	-	-	(23.7)
Provision for financial recovery clause	-	-	-	-	27.3
Net income	-	-	-	-	(17.4)

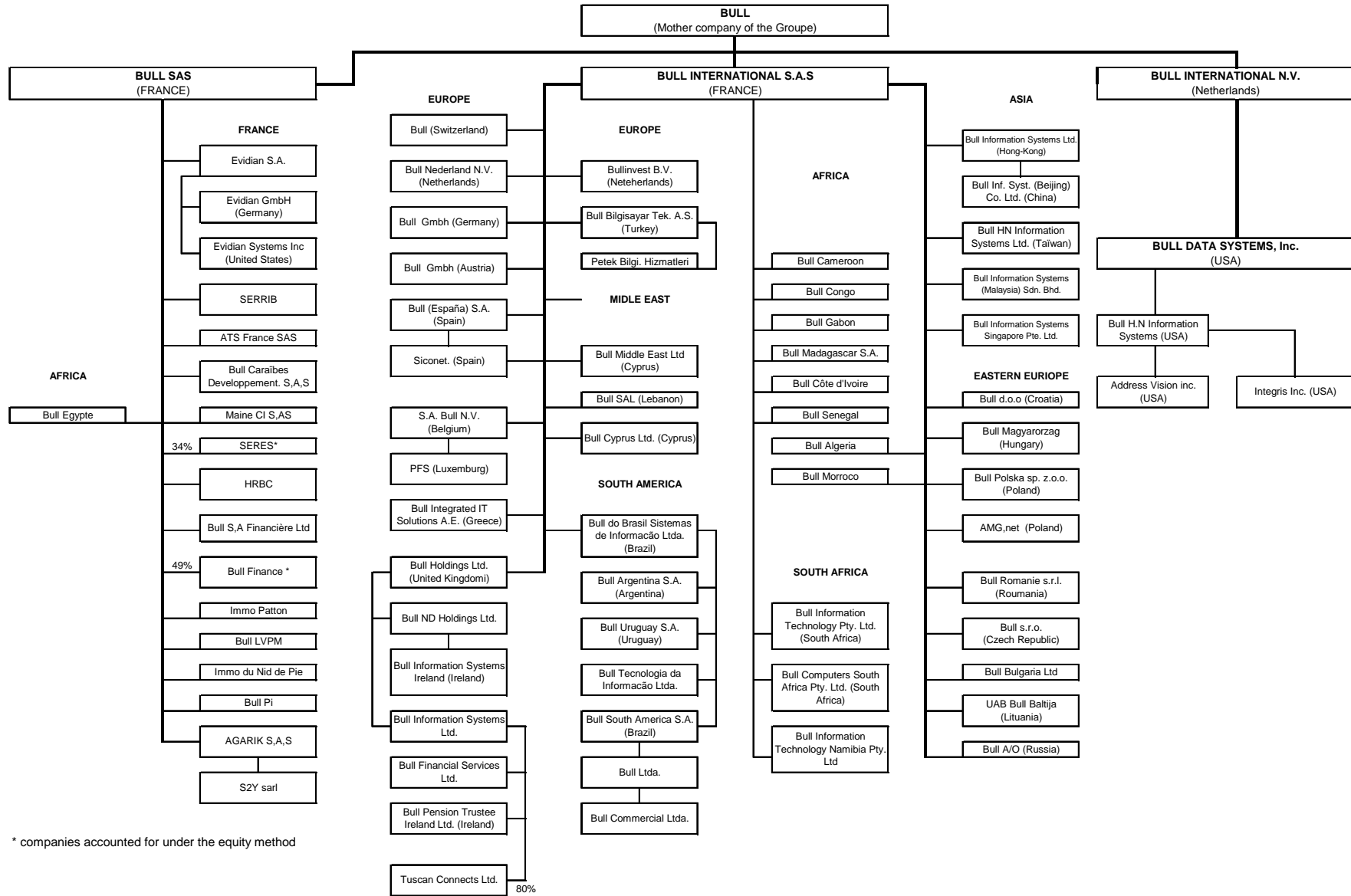
Certification by the individual responsible for the condensed half-year report

PERSON RESPONSIBLE FOR THE CONDENSED HALF-YEAR REPORT

Didier Lamouche, Chairman and CEO of Bull S.A., the Groupe Bull parent company, assumes responsibility for the condensed half-year report.

"I the undersigned, Didier Lamouche, Chairman and Chief Executive Officer of Bull SA, the parent company of Groupe Bull, hereby certify that to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and present a true and fair view of the assets, financial position and results of Bull S.A. and its consolidated subsidiaries and that the half-year report fairly presents the key events which occurred during the first six months of the financial year and their impact on the half-year financial statements, the main risks and principal uncertainties for the remaining six months of the fiscal year and the principal transactions with related parties."

Didier Lamouche
Chairman & Chief Executive Officer
Bull S.A., parent company of Groupe Bull





Limited liability company (*Société Anonyme*) with a share capital of €9,678,639.70

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