



2007 annual results,
& 2008 outlook

Didier Lamouche – Chairman & CEO

Philippe Lederman - CFO

February 15, 2008

Agenda

- 2007 highlights & key events
- 2007 business performance
- 2007 annual results
- 2008 focus points
- 2008 outlook

2007 Highlights

Performance versus commitments

- **2007 EBIT commitment met:**
 - **€25m exceeds upper end of guidance range**

- **Progress on transformation commitments:**
 - Services: progressive improvement through the year
 - 35.4% of 2007 revenue vs. 30.8% of 2006 at comparable structure*
 - Gross margin improved to 12.5% in 2007
 - 13% gross margin objective met in 2H07; 6 pt improvement in France
 - Product segment still under pressure despite good Q4
 - HPC: UK, Brazil markets penetrated - win at French auto manufacturer
 - AIX/IBM partnership rejuvenated (H.V.4 development by Bull)
 - Maintenance: successful turnaround
 - 2007 revenue grew by 2%; margin maintained >28%

* Excludes Italy (divested Dec 2006) and Portugal (divested Apr 2007)

2007 Highlights

Strategic transformation execution

■ Strong sales performance in H2

- Order growth resumes after 2 semesters of decline:
 - +19.8% in 2H07 → +7.6% for FY07
- Backlog increased 15.1% yoy at year-end

■ Services

- Momentum continues @ 2 X market rate both organic and external:
 - Order growth of 16.9% for FY07 accelerated to +39.5% in H2
 - Revenue growth of +14.8% for FY07 increased to +15.5% in H2
- More strong opportunities for margin improvement remain

■ Systems based business

- Serviware acquisition – HPC offer broadened and gaining traction
- Priority for 2008: build storage business momentum

■ People/Company profile

- Central cost reduction in line with plan: SG&A: -0.7pts; # legal entities: -12%
- Divestment of non strategic assets done in good conditions (Portugal/Maine-CI*)
- 1000+ people hired - 37% of workforce has less than 3 years seniority
- Successful transformation/reskilling program in France

* Excludes Italy (divested Dec 2006) and Portugal (divested Apr 2007)

1H 2007 Key Events

Event summary

	New offers	Key Wins & Successes	Key Initiatives
January	Announcement of two NovaScale servers based on first Intel quad-core processors		Announcement of NovaForge™, collaborative application devt. platform and partnership with SpikeSource to accelerate open source applications adoption in enterprise market
February		Bull, CEA, German National HPC Center (HLRS), Intel and Quadrics create TALOS alliance to accelerate development of HPC in Europe	
March	State of California selects Bull's B.I. solution to help improve health care outcomes, reduce fraud & abuse in Medicaid program leading to \$44m, 4-year contract	New price/perf. record-setting B.I. benchmark with NovaScale server and Microsoft® SQL Server 2005	Bull launches 7i program: 7 initiatives to help businesses benefit from an open world
	Announcement of NovaScale® Fault Tolerant server dedicated to Windows® applications		Launching of QualiPSo, quality platform to foster development and use of open source software
			OEM relationship with Miracle Machines to address HPC market in Singapore
April	Integration of Bull's e-biscus solution with SAP NetWeaver® opens new horizons to customs		Bull signs agreement with Morocco to open new offshore services center
May		Bull announces breakthrough computing density and energy efficiency with new HPC R422 NovaScale server	Bull acquires Siconet in Spain and announces acquisition of Portuguese subsidiary by GFI Informatique
June		NovaScale supercomputers selected by University of Reims Champagne-Ardenne, by Quadrics for Alenia, by German federal scientific computing network, by University of Düsseldorf and by Alcan	Europe unites to foster HPC technologies with the launch of ParMA, an ITEA 2 project to exploit fully power of multi-core architectures
		Bull chosen by French government's financial information technology agency (AIFE) to supply infrastructure and security services for Chorus, its future financial management application	Signature with European Union of a 3-year frame agreement for tax application management. Potentially €20 million



2H 2007 Key Events

Event summary

	New offers	Key Wins & Successes	Key Initiatives
July	Bull to develop new (HV4) version of AIX platform for IBM/Bull	Nottingham City Council supports better services and reduces carbon footprint with Bull blade server infrastructure.	
Sept.	Announcement of the NovaScale 480 server to simplify data center management	Barnsley MBC on target for 20% savings after first 12 months of joint venture with Bull	
	Launching of data warehouse offering which makes Bull primary channel for DATAlegro in Europe		Bull Evidian positioned in Gartner's leader Quadrant for Enterprise Single Sign-On
Oct.	Launch of Bull Performance Report (BPR), a software suite to monitor and optimize virtualized infrastructures	Bull's HPC solution optimizes Alcan's research capabilities	Bull launches its "Bio Data Center" initiative to reconcile performance and flexibility with sustainable development
		A team of French researchers completed the most extensive simulation ever performed of structure formation in the Universe using Bull's supercomputer at the Research and Technology Computing Center	Bull acquires Serviware, French leader in HPC solutions integration
Nov.	Launching a new, flexible dimension to its Escala Blade servers range, with the availability of the latest version of the AIX operating system	NovaScale supercomputers selected by Brazilian federal universities to host HPC applications for the Brazil National System	
Dec.		Algérie Poste chooses Bull to upgrade its information systems, and to successfully strengthen its policy of delivering ever more innovative solutions for its customers.	Bull and partners from SYSTEM@TIC announce launch of the POPS (PetaOperations Per Second) project
	OW2 releases JOnAS 5, a new generation dynamic application platform for mission critical computing	La Poste in France chooses Bull to modernize, consolidate and secure its IT production sites	IBM and Bull expand relationship with new initiatives for the UNIX and Blade markets and celebrate 15th anniversary of relationship Evidian and Quest conclude partnership for distribution of Evidian Enterprise Single Sign On (E-SSO) software technology in the US



2007 Tangible signs of transformation

■ Growth

- Services Business → continues 2x vs mkt
- Maintenance → first year of growth for many years
- Successful acquisitions → Siconet – AMG
→ Serviware – Agarik

■ Successful growth offers taking off

- HPC → on the way to €100M annual revs
- Telco sectorial offers → 17% growth in 2007
- e-govt sectorial offers → Tax & Customs
→ Australian Post, Chorus,
State of California

■ Successful sustained growth geographies

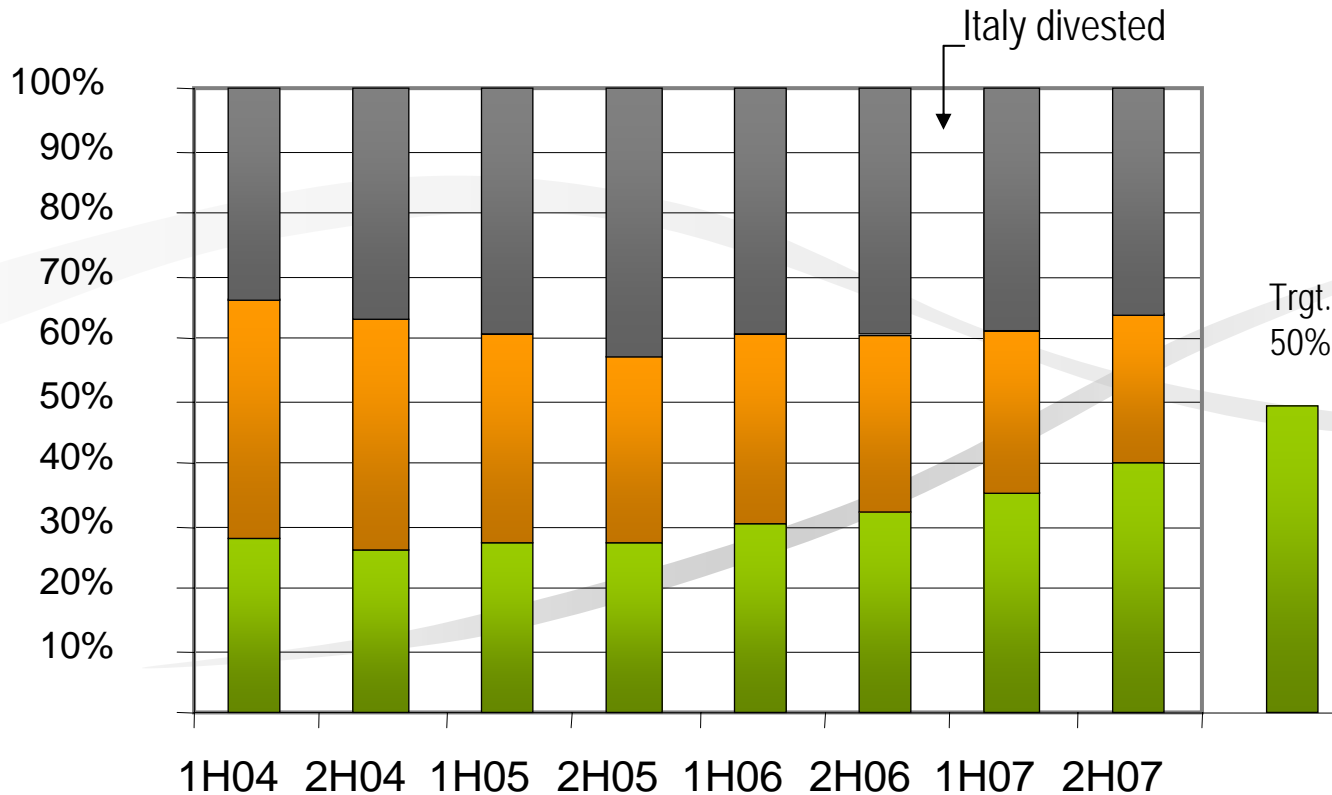
- Latin America → +30% orders
- Middle East/Africa → +20% orders

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Bull business model evolution

Service-type business accounts for now nearly 40% of sales compensating in volume traditional recurring business



Revenue type

■ "Product"

■ "Recurring"

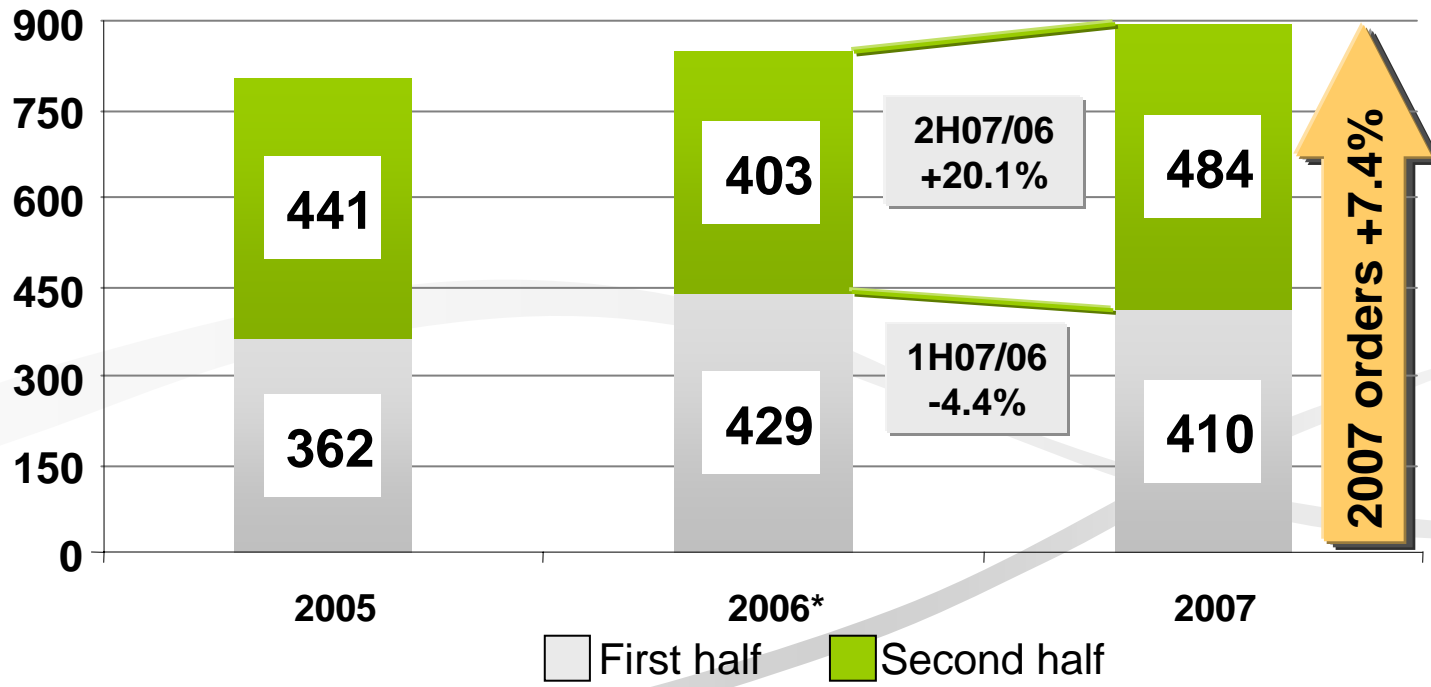
■ "Services"



Orders: soft H1 overcompensated in H2

2007 orders +7.4%

→ Orders
Revenue
Margins



First half 2007

- Challenging base (Barnsley)

Second half 2007

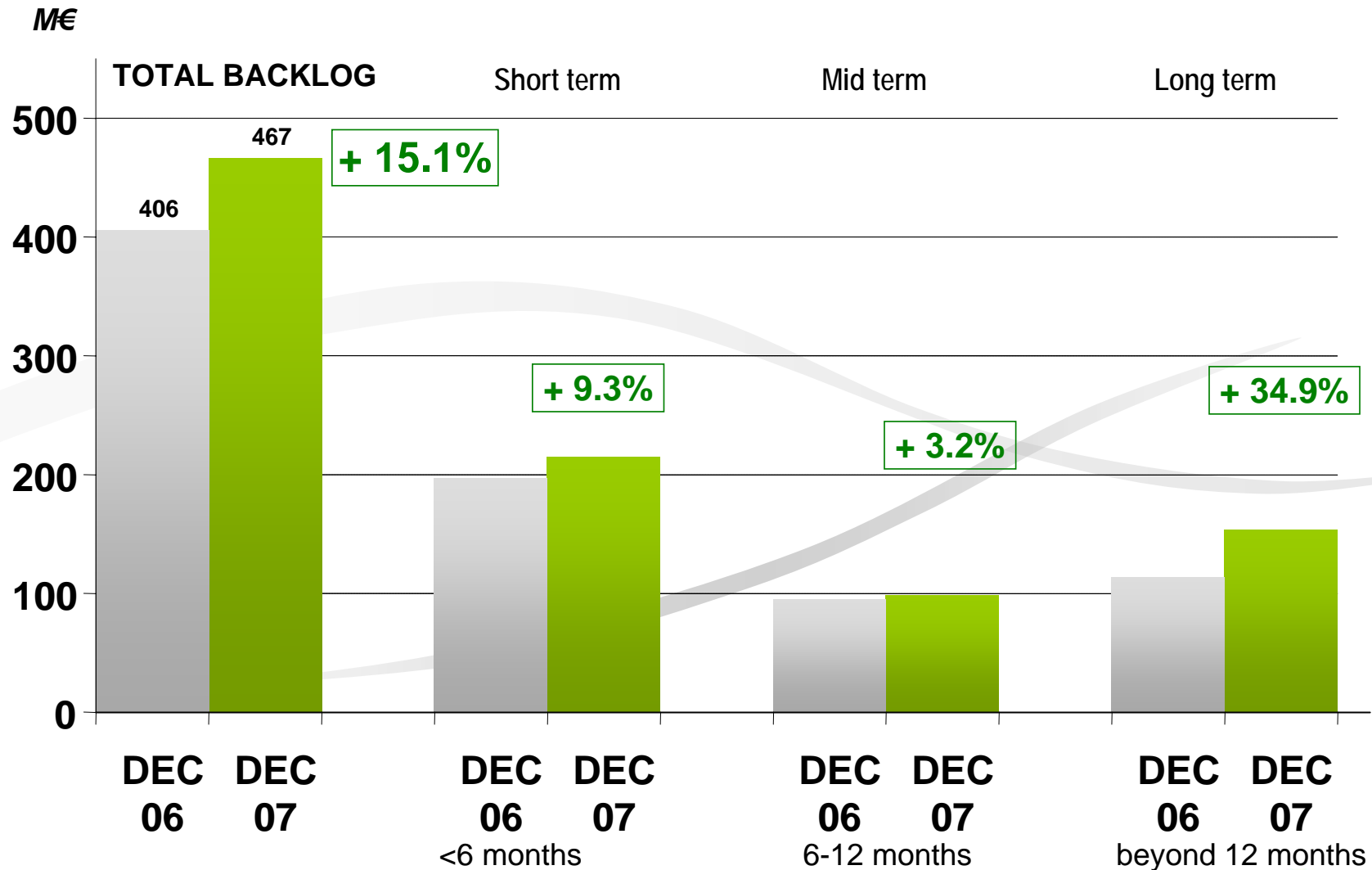
- Products: +1.2%
- Services: +39.5% (25.8% organic)

* Excludes Italy (divested Dec 2006) and Portugal (divested Apr 2007)



Strong order intake building backlog

→ Orders
Revenue
Margins

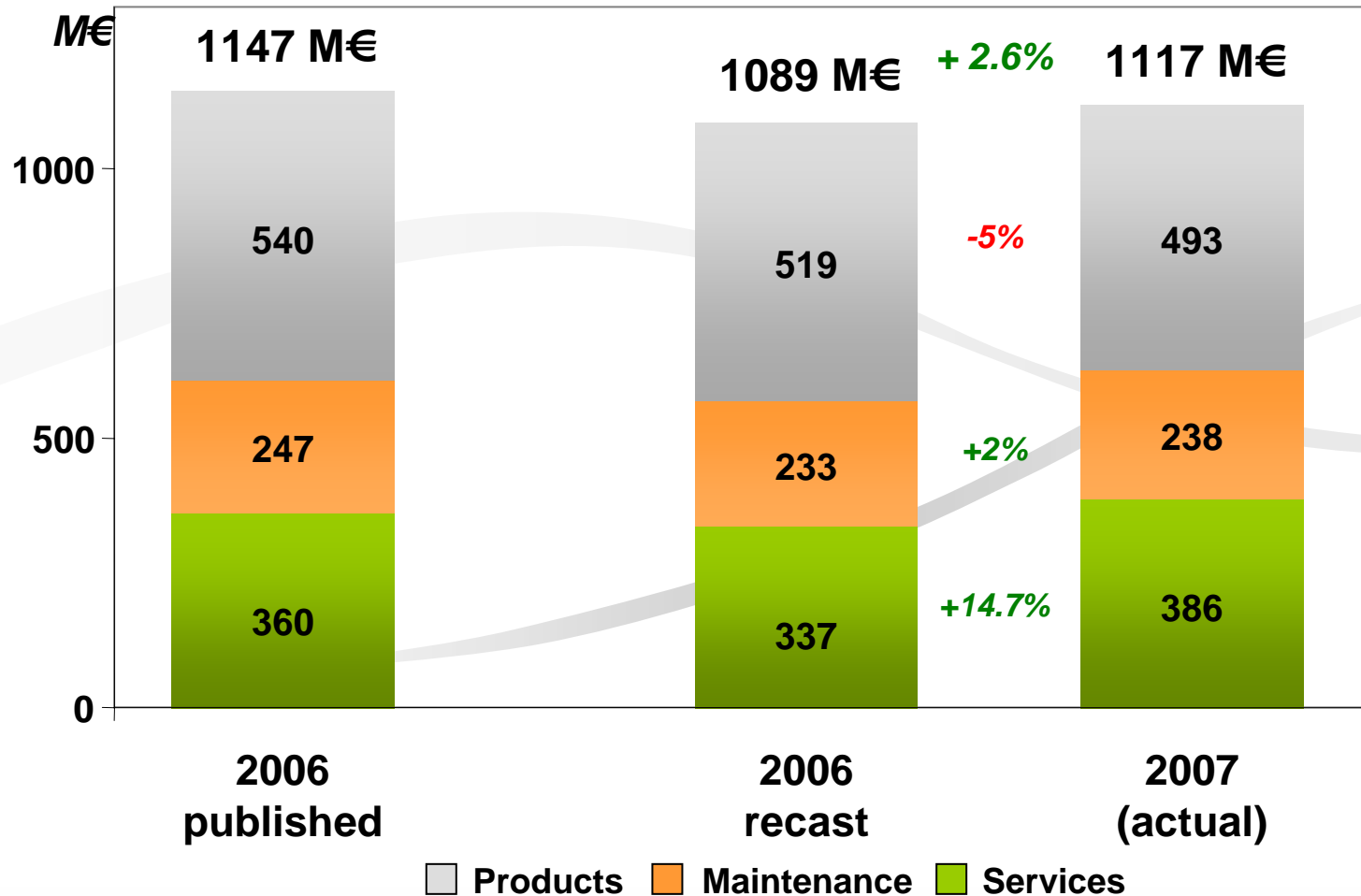


* 2006 recast without Portuga & Italy!



2007 – Revenue by activity

Orders
 → Revenue
 Margins

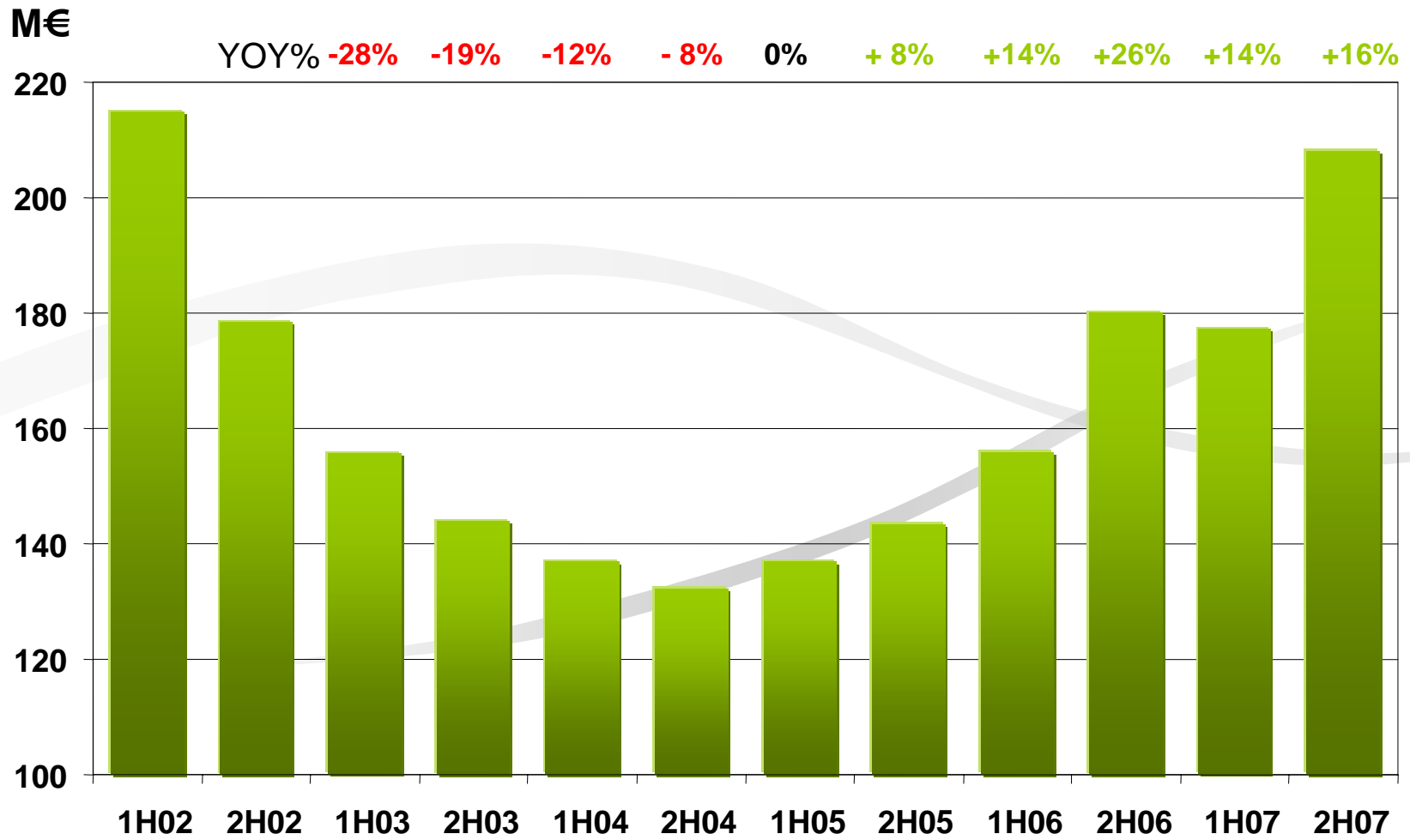


* Excludes Italy (divested Dec 2006) and Portugal (divested Apr 2007)



Services revenue evolution

Orders
→ Revenue
Margins

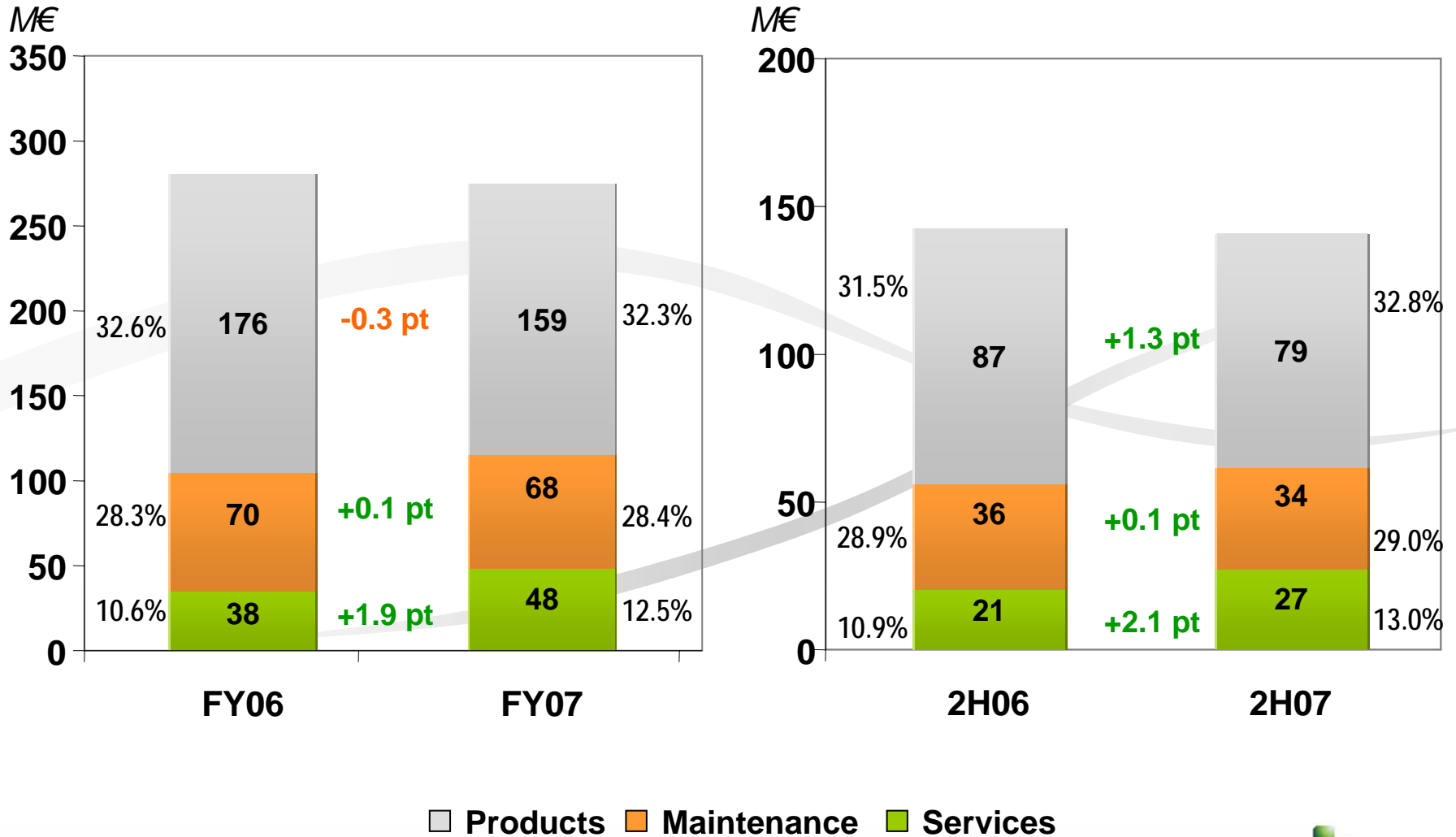


All figures exclude Italy and Portugal



2007 – Gross Margin by Activity

Orders
Revenue
➔ Margins



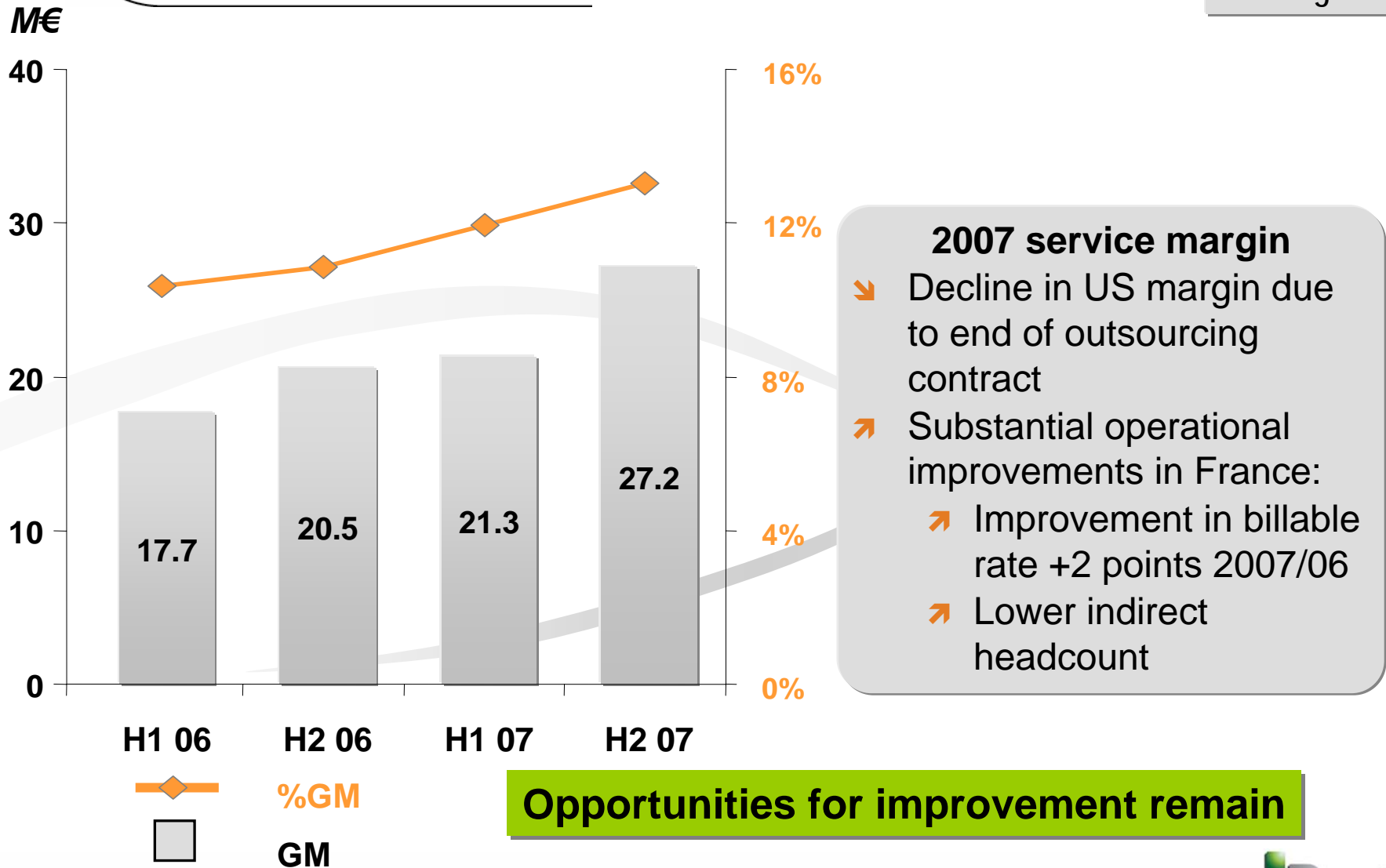
Published data



Services Gross Margin by semester

Favourable margin evolution throughout the year

Orders
Revenue
➔ Margins



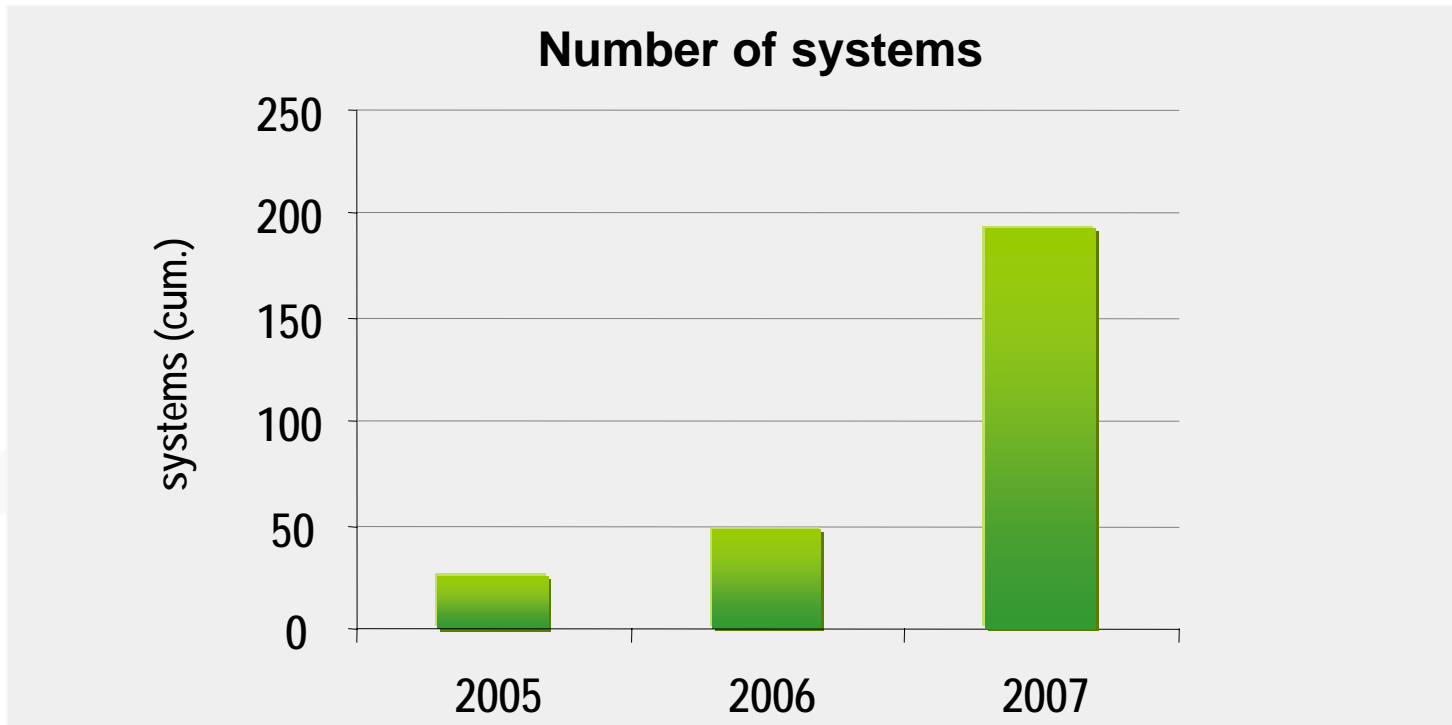
Opportunities for improvement remain

Published data

%GM
 GM



Worldwide HPC business taking off



**Bull has
delivered**



- close to 200 HPC systems
- to 100 customers
- in 15 countries
- on 3 continents
- in 4 years...



HPC: a wide range of solutions

■ Modular technology solutions

- Processor architectures: Intel Xeon and Itanium
- Operating Systems: Linux and MS Windows Compute Cluster Server
- Interconnect: Infiniband, Quadrics, Gigabit Ethernet
- Storage: Bull StoreWay, Data Direct Networks

■ Complete solution approach

- Hardware platforms
- Optimized software platform
- Large portfolio of ISVs applications

■ Extended deployment capabilities

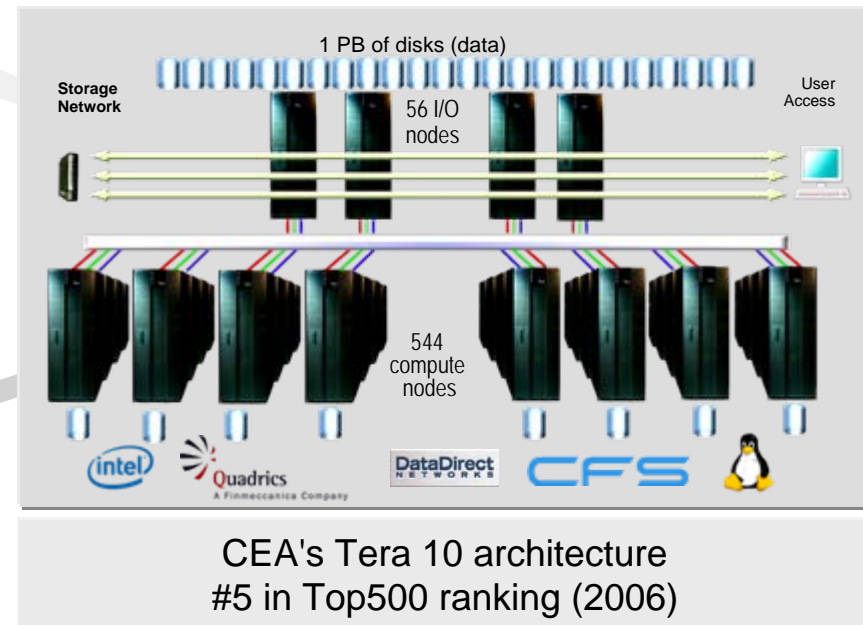
- Benchmark center
- Project management

■ Investment in new architectures

- Servers and storage
- System software

■ Skills

- Largest HPC skills team in Europe



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FY2007 - Income Statement

€ millions	2006	commitment <i>modest growth</i>	2007	
Revenue	1146.5		1117.0	→ +2.6% at comparable structure*
Gross margin	284.0		275.3	
	24.8%		24.7%	
R&D	(46.0)		(44.9)	↗ 0.7pt improvement at comparable structure*
	-4.0%		-4.0%	
SG&A	(217.7)		(205.3)	
	-19.0%		-18.4%	
of which selling expenses	(127.3)		(124.2)	→ Investment to sustain growth
of which G&A expenses	(90.4)		(81.1)	
Exchange gain/(loss)	(0.6)		(0.1)	
EBIT before non-recurring items	19.7	€22-24m	25.0	→ Better than Oct target: €22-24m
	1.7%		2.2%	

EBIT exceeds October guidance of €22-24m

Published data except * Excludes Italy (divested Dec 2006) and Portugal (divested Apr 2007)



FY2007 - Income Statement

€millions	2006	2007	
EBIT before non-recurring items	19.7	25.0	
	1.7%	2.2%	
Other income	(3.3)	3.7	→ Proceeds of asset sales
Restructuring	(32.9)	(18.7)	→ ~€5m more than guidance to accelerate group transformation
EBIT after non-recurring items	(16.5)	9.9	
Financial Income	(1.7)	(2.4)	
Tax	(2.8)	(2.9)	
CRMF adjustment	27.3	-	
DTA adjustment	(23.7)	-	
Net Income before minority interests	(17.4)	4.6	
Minority interests	0.3	-	
Net Income (Group share)	(17.1)	4.6	

**Second half 2007:
Accelerated restructuring**

Published data



FY2007 – Cashflow statement

€millions	2006	2007
EBIT	19.7	25.0
Depreciation (excl. goodwill)	19.5	21.8
Working capital	14.8	(23.8)
Operational capex	(21.0)	(16.9)
Net financial charges	(1.7)	(1.3)
Taxes	(2.8)	(2.9)
Operating cash flow	28.5	2.0
Cash restructuring	(23.8)	(14.4)
Exceptional resources	20.1	7.3
Non-recurring cash out	(31.3)	(27.4)
Exceptional cash flow	(35.1)	(34.6)
Total cash flow	(6.6)	(32.6)
Gross cash at start of period	315.0	315.0
Gross cash at end of period	315.0	332.2

Growth in services and solutions

Growth in services increases WCR

Published data



Balance Sheet December 31, 2007

€ millions	1 Jan. 2007	31 Dec. 2007
Fixed Assets	86.6	94.8
Cash management & other fin. Assets (A)	86.5	44.2
Trade + Other Working capital	(95.5)	(75.0)
Deferred Taxes	28.0	28.0
Cash & Cash Equivalents (B)	228.5	288.0
Assets	334.1	380.0
Shareholders' Equity	75.5	76.7
Minority Interests	-	0.1
Reserves & Long Term Liabilities	142.2	137.0
CRMF	26.7	26.7
Other Financial Debt	89.7	139.5
<i>Of which Short Term Debt</i>	<i>77.4</i>	<i>127.3</i>
Equity & Liabilities	334.1	380.0

Gross Cash
(A) + (B) = €32.2m

Published data

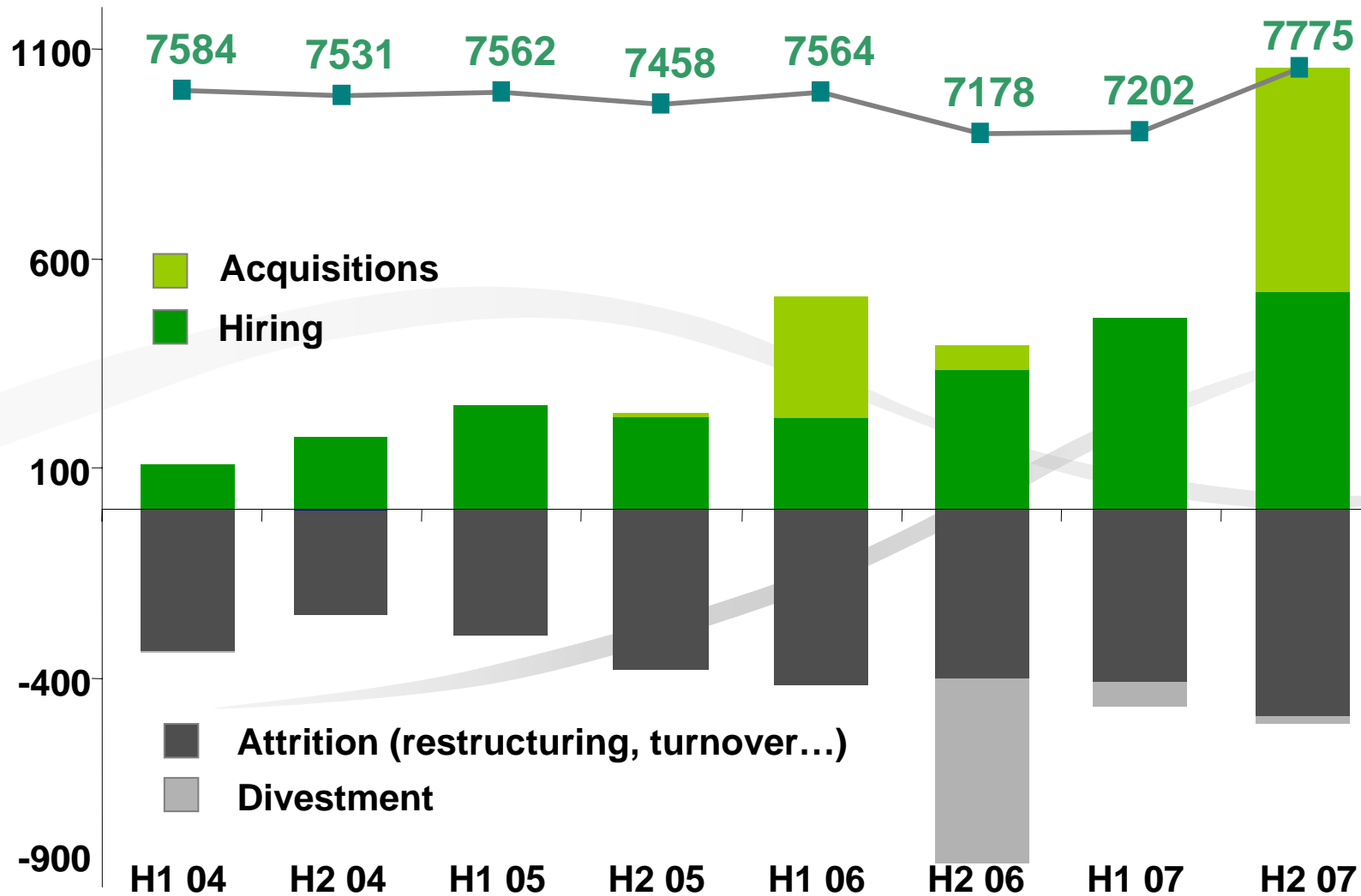


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Headcount evolution shows accelerated transformation

37% of employees have less than 3 years seniority in Bull



2008 Operational Priorities: accelerate our transformation towards solution-based offers

- Consolidate our mature server offer
 - GCOS
 - Escala
 - NovaScale
- Boost our "Product Solutions" offer
 - HPC
 - Focus on technology, R&D
 - Increase sales coverage and win large European deals
 - Storage Solutions
 - Aggressively ramp revenues
 - Focus organization/hiring
- Services business: gross margin +2 pts
 - Improve processes, focus on value-add offerings
 - Industrialise with near/offshore methodologies & tools

Transforming business model calls for new business segmentation

- Growth product offerings becoming **hardware integration solutions**
 - HPC solutions are servers + storage + network + software + design/integration/delivery
 - Storage solutions are disks + network + Internet + software + design/integration/delivery
- Fulfillment & third-party hardware is opportunistic and geared towards customer satisfaction
- Service & solutions activity reporting
 - should better reflect integrated nature of Bull offers
 - will improve comparability with competitors

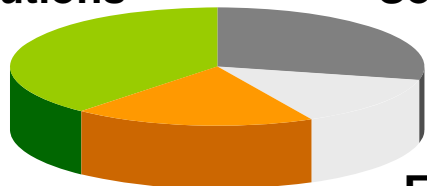
Better portrayal of Bull activities



New segmentation

**Services
& Solutions**

**Hardware & systems
Solutions**



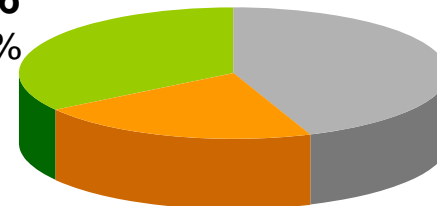
**Maintenance
& PRS**

**Fulfillment
& 3rd Party Products**

Prior breakdown

Services

386
35%



Maintenance
238
21%

Products

493
44%

■ **Services & solutions**

- Services activities (consulting, integration, outsourcing)
- Bull & 3rd party software products and licences included in solutions & integration contracts

■ **Hardware & systems solutions**

- Mature server offerings (GCOS, Escala, NovaScale)
- Increasing integration-oriented hardware solutions content (HPC, storage)

■ **Maintenance & PRS**

- Traditional maintenance
- Growth offerings around product related services

■ **Fulfillment & third party products**

- Non-Bull hardware supplied opportunistically to specific customer specs



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2008 Outlook

- Objectives for 2008 are to continue to grow the company, grow, improve profitability, improve focus and stimulate innovation
... with caution given current environment
- Initial full year objective for EBIT before restructuring and exceptional items: €23-27 million
- 2008 to be back end loaded:
 - Revenue and EBIT targets are higher for H2 than H1
 - First half revenue objective: flat compared to 2007

Investor Information

Analyst coverage & financial calendar

■ Analyst coverage

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■ Next events

1Q08 Revenue

May 2008

AGM

14 May 2008

1H08 Results

August 2008

■ Investor Relations

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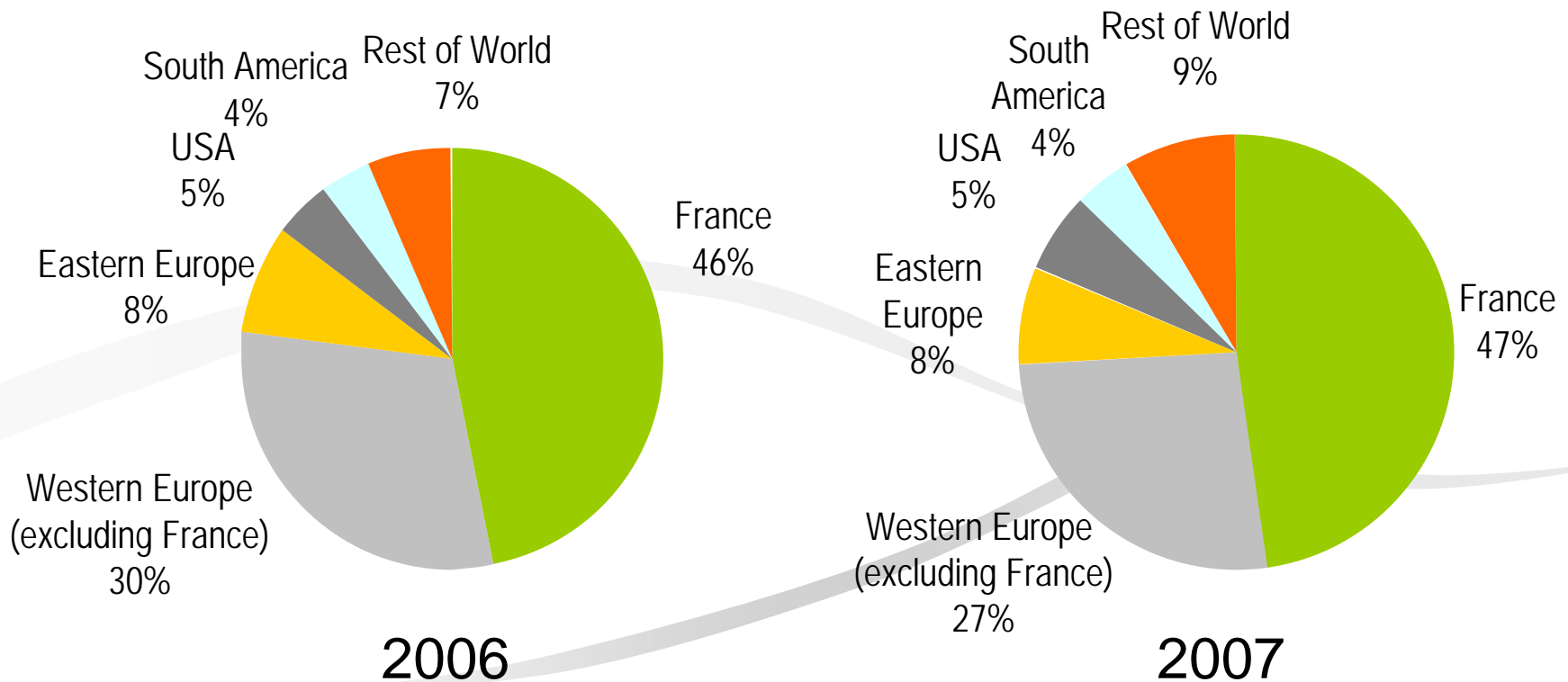
+33 (0) 1 3080 3236





Supplemental charts

2007 revenue by geography



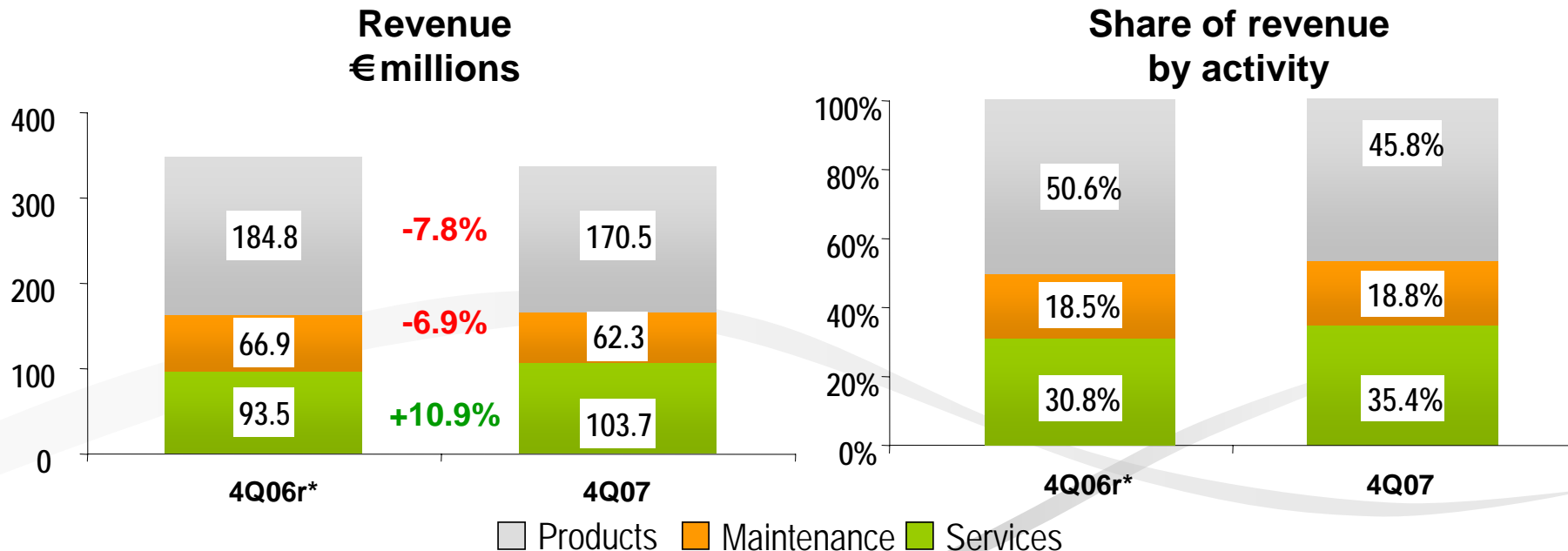
Geographic breakdown stable except:

- Western Europe decline reflects exit from Italy & Portugal
- RoW growth coming from N. Africa & Mid East

Published data



4Q07 Business performance: Revenue



Service business momentum continues:

- share of sales above 35% in line with objective to rebalance revenues
- revenue growth significantly above market rate for 10th consecutive quarter

* Excludes Italy (divested Dec 2006) and Portugal (divested Apr 2007)

