



## First half 2007 results

Didier Lamouche - CEO

Philippe Lederman - CFO

August 1, 2007

# Agenda

- **First half 2007 highlights & key events**
- First half 2007 business performance
- First half 2007 results
- Follow ups: Focus points & action plan
- 2007 outlook

# 1st half 2007 highlights

- At comparable structure\*, accelerating revenue growth of 4.6%
  - Q1 growth of 2.4% increases to 6.6% in Q2
  - Services momentum continues: growth rate at 2X market
  - Products revenue stable after declines in prior semesters
  - Maintenance growth for 1st time
  - Organic growth and acquisitions nearly offset loss of Bull Italy revenue
- Significant services contracts signed including Chorus (French Ministry of Finance), State of California
- Relative softness in order intake in Q2
  - but strong start to Q3
- Profitability in line with expectations
  - France services margin improves 1.5 points
- Full year outlook confirmed

\* Excludes Italy for 1H06, Portugal for 2Q06; Siconet is not included in 1H07



# 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

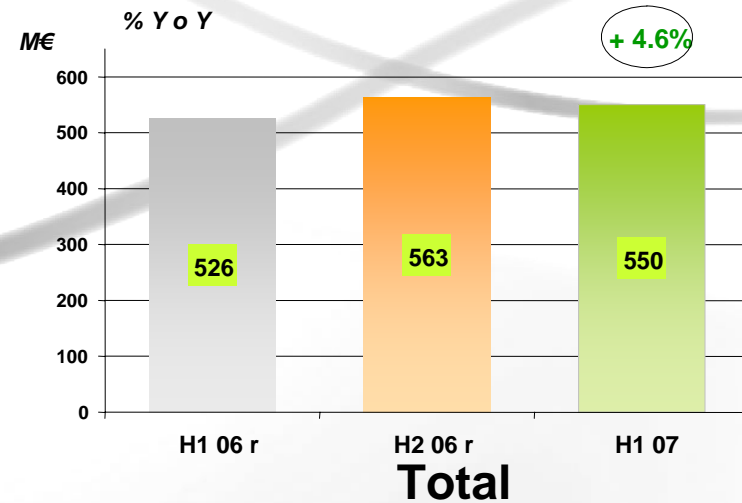
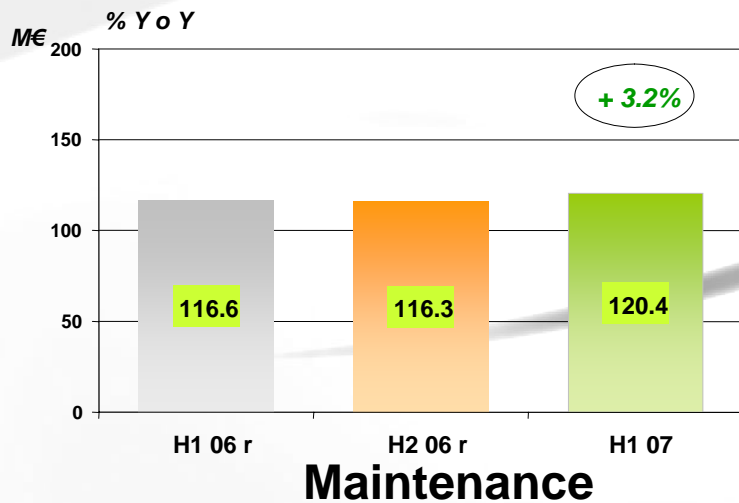
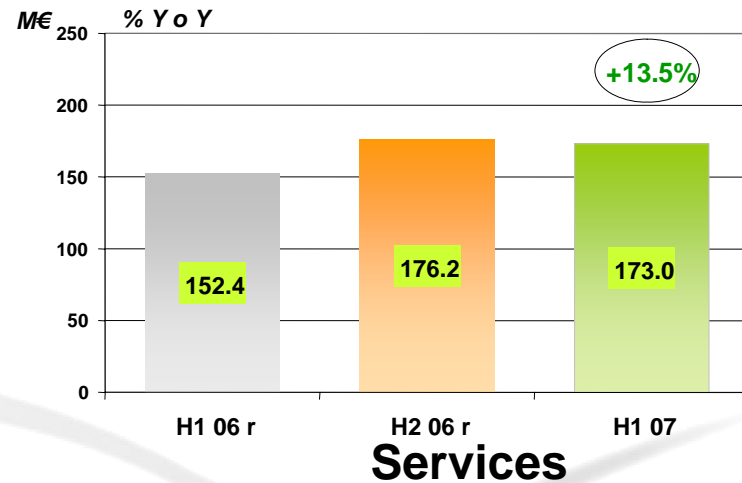
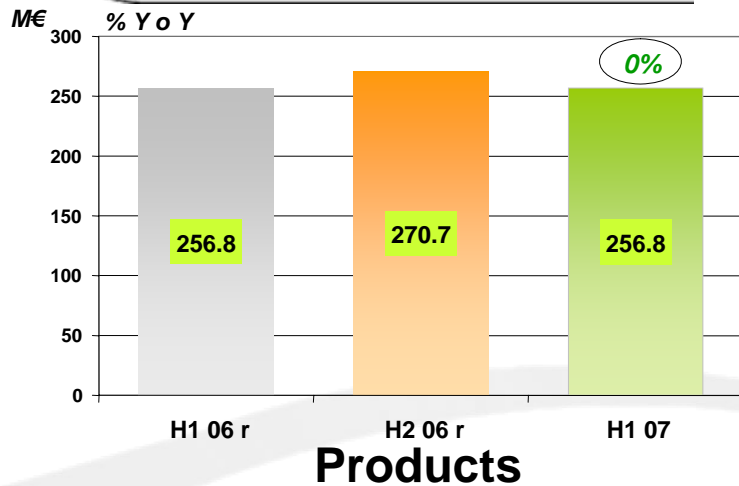


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# Bull 1st Half 2007 – Revenue

## All segments growing or stable

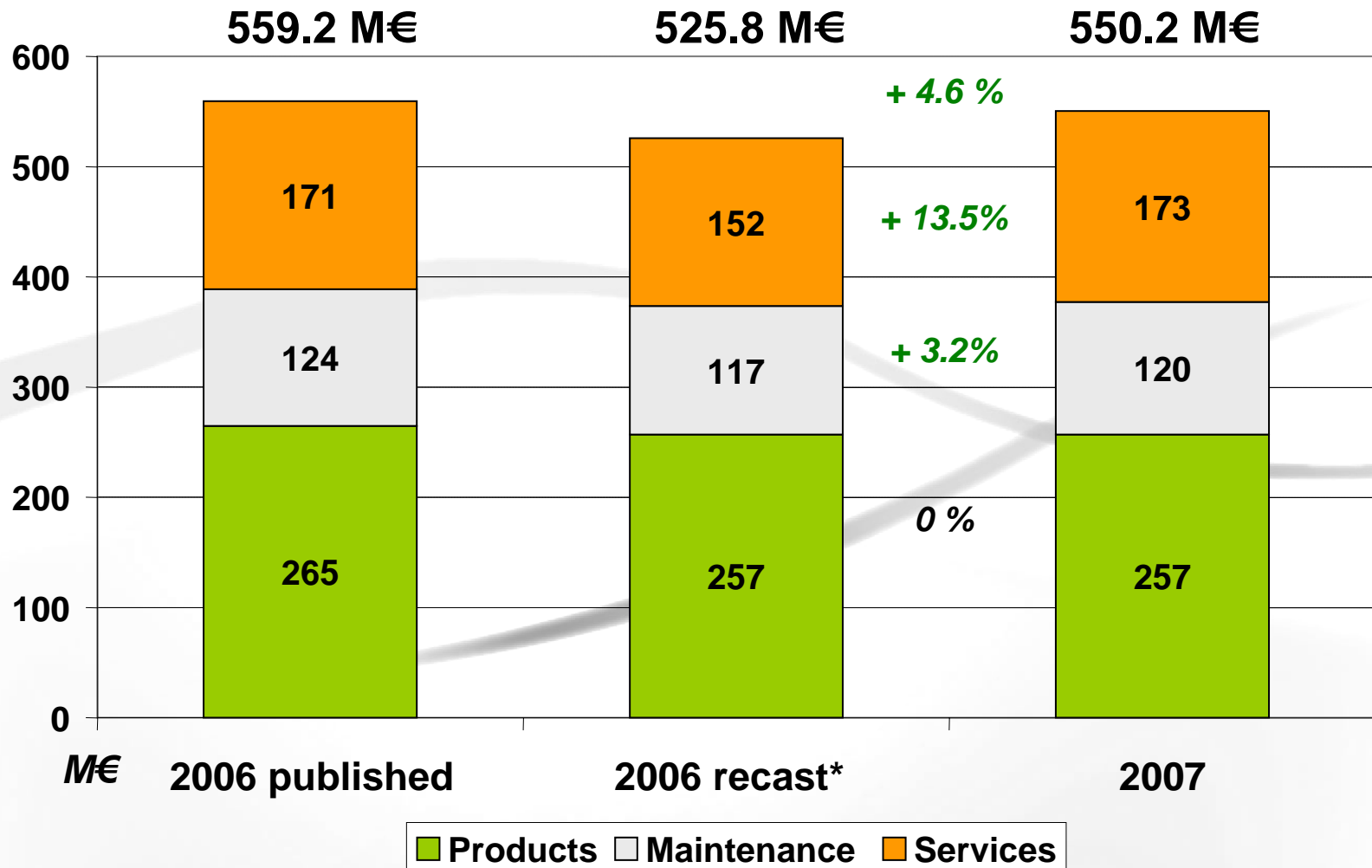


**Revenue at constant structure:  
Q1 growth of 2.4% accelerated to 6.6% in Q2**

\* Excludes Italy for 1H06, Portugal for 2Q06; Siconet is not included in 1H07



# Bull 1st Half 2007 – Revenue by activity



\* Excludes Italy for 1H06, Portugal for 2Q06; Siconet is not included in 1H07



# Bull 1st Half 2007 – Revenue by Geography

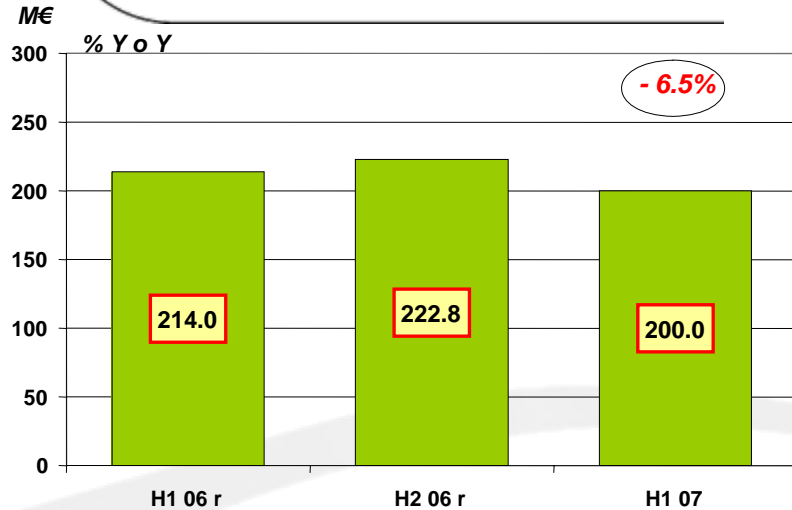
<i>(M. Euros)</i>	<b>1st Half 06 (Published)</b>		<b>1st Half 06 (Recasted)</b>		<b>1st Half 07 (Actual)</b>	
<b>France</b>	259	46%	262	50%	259	47%
<b>Western Europe without France</b>	172	31%	135	26%	142	26%
<b>ECE</b>	43	8%	43	8%	44	8%
<b>USA</b>	27	5%	27	5%	29	5%
<b>South America</b>	21	4%	21	4%	22	4%
<b>ROW</b>	37	7%	37	7%	54	10%
<b>Total</b>	559	100%	526	100%	550	100%

\* Excludes Italy for 1H06, Portugal for 2Q06; Siconet is not included in 1H07

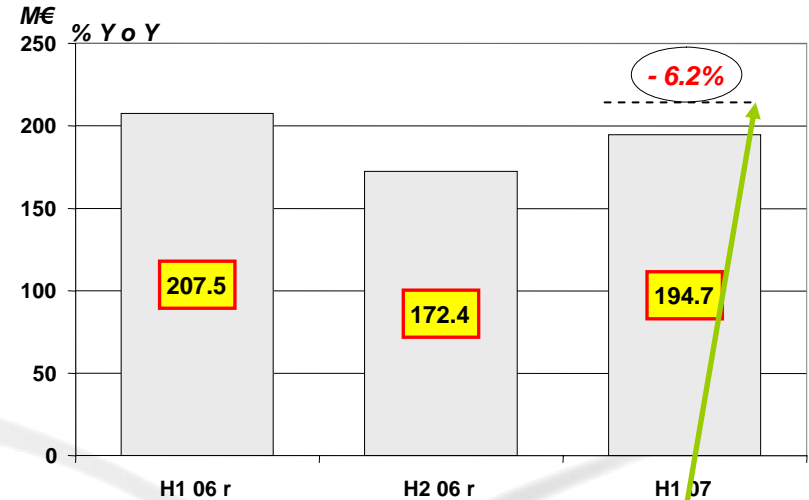


# Bull 1st Half 2007 – Orders

Difficult comparison: challenging 2006 base



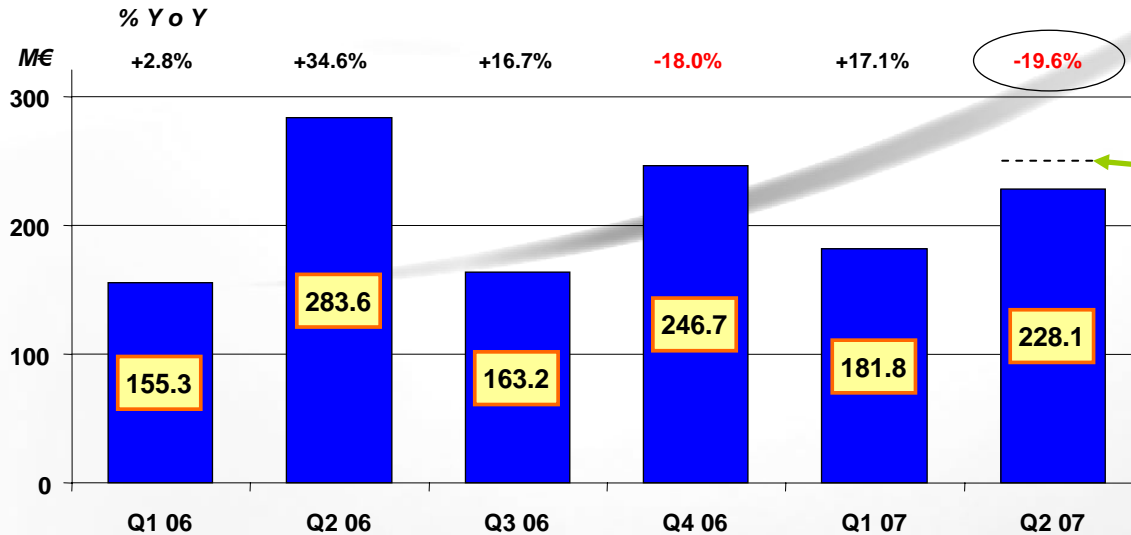
**Products** - recast\*



**Services** - recast\*

Does not include  
€20m frame agreement  
with EU

**Total**  
Published data

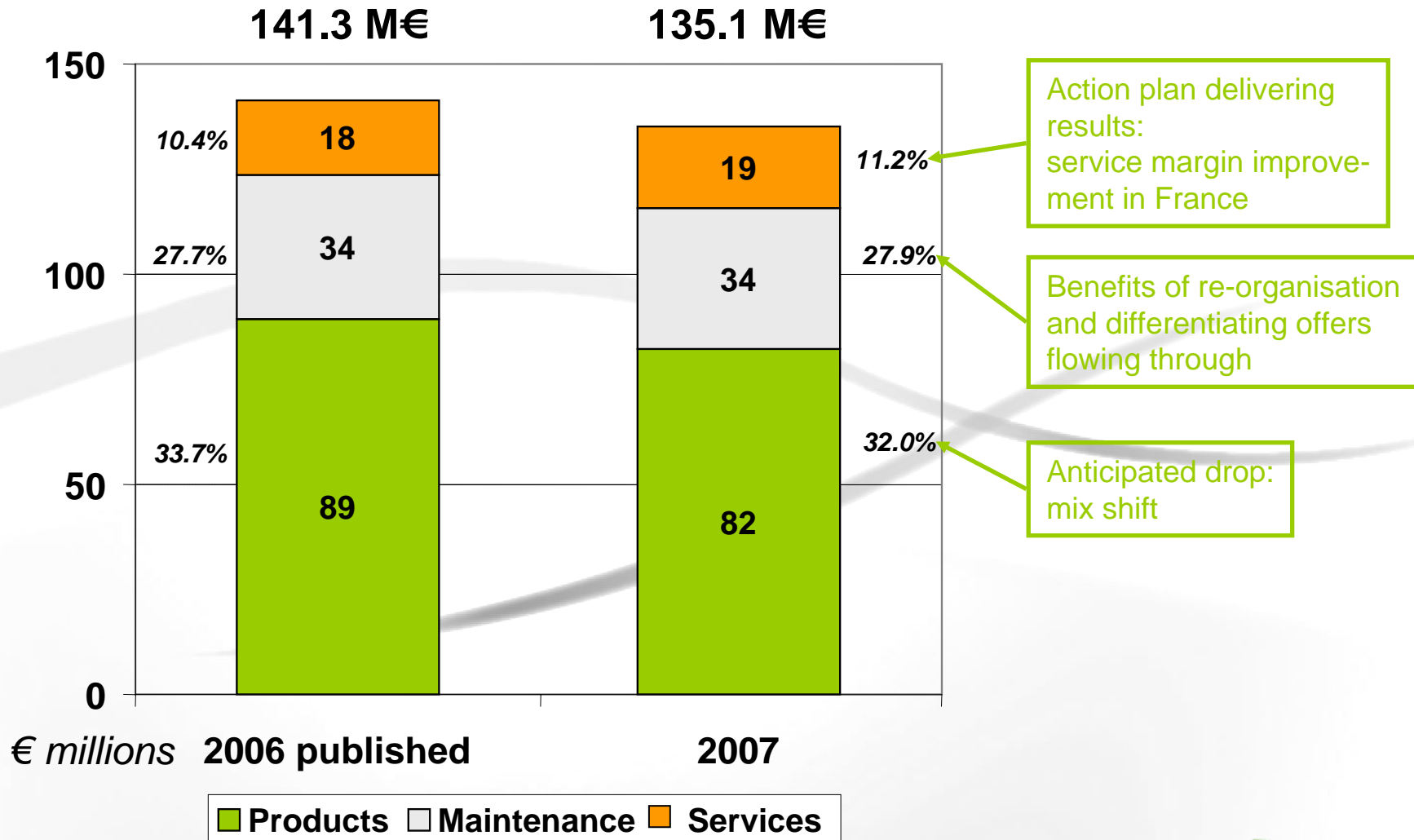


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# Bull 1st Half 2007 - Gross Margin by activity

## Mix evolution



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# 1st Half 2007 - Income Statement

As published / €millions	1H06	2H06	1H07
Revenue	559.2	587.4	550.2
Gross margin	141.3	142.7	135.1
	25.3%	24.3%	24.6%
R&D	(24.1)	(21.9)	(23.0)
	-4.3%	-3.7%	-4.2%
SG&A	(108.0)	(109.7)	(102.3)
	-19.3%	-18.7%	-18.6%
Exchange gain/(loss)	(0.1)	(0.7)	(0.3)
EBIT before non-recurring items	9.3	10.5	9.5
	1.7%	1.8%	1.7%

Growth at comparable structure\*:  
1H07: +4.6%

Italy impact  
plus cost reduction

Revenue growth at constant structure:  
+2.4% in Q1; +6.6% in Q2  
EBIT in line with commitment

\* Excludes Italy for 1H06, Portugal for 2Q06; Siconet is not included in 1H07



# 1st Half 2007 - Income Statement

As published / €millions	1H06	2H06	1H07
EBIT before non-recurring items	9.3	10.5	9.5
	1.6%	1.7%	1.7%
Other income	4.0	(7.3)	4.1
Restructuring	(16.1)	(16.8)	(6.4)
EBIT after non-recurring items	(2.8)	(13.6)	7.2
Financial Income	(0.3)	(1.4)	(2.4)
Tax	(0.8)	(2.0)	(0.3)
CRMF adjustment	27.4	-	-
Deferred Tax Assets adjustment	(19.7)	(4.0)	-
Net Income before minority interests	3.7	(21.1)	4.5
Minority interests	0.2	-	-
Net Income (Group share)	3.9	(21.1)	4.5

Portugal impact

In line with guidance

Improving

# 1st Half 2007 - Cash Flow Statement

## Anticipated increase in working capital

€millions	1H06	1H07	
EBIT	9.3	9.5	
Depreciation (excl. Goodwill)	9.6	9.4	
Working capital	(4.7)	(24.8)	Anticipated increase: US integration contract; HPC France partial delivery
Operational capex	(10.4)	(8.0)	
Net financial charges	(0.3)	(1.3)	
Taxes	(0.8)	(0.3)	
<b>Operating cash flow</b>	<b>2.7</b>	<b>(15.5)</b>	
Cash restructuring	(16.2)	(10.5)	
Exceptional resources	9.9	7.2	
Non-recurring cash out	(14.9)	(17.4)	o/w €10.7m for acquisitions
<b>Exceptional cash flow</b>	<b>(21.2)</b>	<b>(20.6)</b>	
<b>Total cash flow</b>	<b>(18.5)</b>	<b>(36.1)</b>	
Cash at start of period	315.0	315.0	
<b>Cash at end of period</b>	<b>295.6</b>	<b>286.1</b>	Gross Cash position

# Balance Sheet June 30, 2007

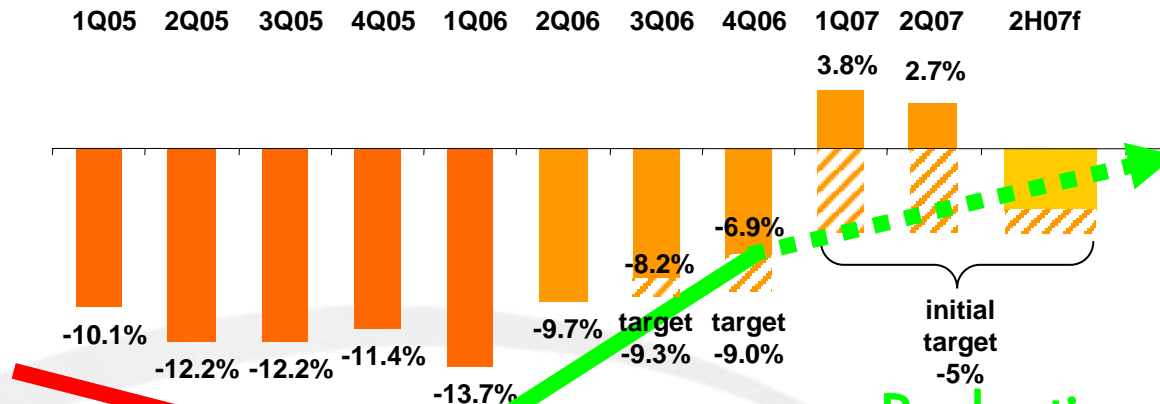
€millions	1 Jan. 2007	30 Jun. 2007
Fixed Assets	86.6	97.4
Cash management & other fin. Assets (A)	86.5	73.9
Trade Working capital	145.3	151.4
Other working capital	(240.8)	(218)
Deferred Taxes	28.0	28.0
Cash & Cash Equivalents (B)	228.5	212.1
<b>Assets</b>	<b>334.1</b>	<b>344.9</b>
Shareholders' Equity	75.5	81.0
Minority Interests	-	-
Reserves & Long Term Liabilities	142.2	140.1
CRMF	26.7	26.7
Other Financial Debt	89.7	97.1
Of which Short Term Debt	77.4	84.5
<b>Equity &amp; Liabilities</b>	<b>334.1</b>	<b>344.9</b>

Gross Cash  
(A) + (B) = €286m

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# Follow up: Maintenance Recovery 3-4 quarters ahead of plan



Reduction of revenue decline to be sustained in 2007

- Continue to improve performance of Maintenance
  - New value added offering gaining traction
  - Seeing benefits of reorganization

Follow up:

## Open server solutions & Service margin improvement

### ■ Open servers & server solution

- New P6-based (Escala) offer released May '07: first shipments in Q4
- HPC: Flagship contract delivered ahead of time
- HPC: competitiveness of new Woodcrest-based offer demonstrated

### ■ France Service margin

- 1.5 point improvement in gross margin thanks to:
- 3 point improvement in utilization rate
- Reduction in indirect headcount

Confident for further improvement in H2



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## 2007 outlook confirmed

- Full year objective for EBIT before restructuring and exceptional items: €20-24 million

# Investor Information

## Analyst coverage & financial calendar

### ■ Analyst coverage

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### ■ Next events

#### **3Q07 Revenue**

October 2007

#### **FY07 Results**

February 2008

### ■ Investor Relations

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