

Satisfactory results for the first half of 2011, in line with medium-term objectives

- Business momentum is buoyant: order intake increased +4.4% and *book-to-bill* ratio stands at 1.06
- Revenues grew +3.6% in the first six months, and +7.4% in the second quarter
- Higher profitability, both in terms of EBIT and net income, due mainly to more proactive cost control
- Confirmation of medium-term objectives

Paris, 29 July 2011: Bull's Board of Directors met on July 28, 2011 to examine and approve the audited consolidated half-yearly accounts.

Key figures

€ millions	First six months		Variation
	2011	2010	
Consolidated order intake ¹	649.8	622.4	+4.4 %
Consolidated revenues	612.4	591.3	+3.6 %
Gross margin	137.8	131.2	+5.0%
% of revenues	22.5 %	22.2 %	
Net R&D costs	(10.9)	(8.4)	
	1.8%	1.4%	
Selling, General & Administrative costs	(110.3)	(111.6)	
	18.0%	18.9%	
EBIT ¹	14.0	10.0	
% of revenues	2.3%	1.7%	
Adjusted EBIT ²	14.0	12.9	+8.5%
Net income	7.4	(18.4)	n/s
Net cash position	204.9	199.0	+€ 5.9 m

Philippe Vannier, Bull Chairman and CEO commented: *"The first six months of 2011 have seen our management team finalise the first stage of our strategic plan, BullWay with the rolling out of the new organisation. The tangible upturn in our business and growth in revenues abroad confirm the pertinence of our strategic choices, and signal the emergence of promising synergies between the Groups's various divisions. I am especially pleased to report our success in the EUROCONTROL³ project, where our expertise in the development of mission-critical systems has proved key to the agreement. We are continuing to implement the plan in line with our objectives"*

¹ See Glossary

² The Enterprise Tax on Value Added (*Valeur Ajoutée des Entreprises - CVAE*) was not classified as tax at June 30, 2011. The CVAE amounted to €2.9 million in the first half of 2010 (unaudited figure).

³ See page 6.



Highlights of the first six months of 2011:

- Order intake grew by 4.4%; the *book-to-bill*¹ ratio stands at 1.06 for the half year,
- Consolidated revenues totalled €612.4 million, representing an increase of 3.6%, with 7.4% growth in the second quarter; at constant rates and structure⁴, revenues grew by 2.6% in the first half of 2011,
- Revenues from the Group's international business are growing steadily, and reached 42.6% of consolidated revenues,
- Gross margin increased to €137.8 million, representing 22.5 % of revenues, and an increase both in absolute value and proportion of revenues,
- R&D expenditure is increasing, reflecting the Group's sustained investment in this area; gross expenditure on R&D increased to €30.0 million, up by €2.0 million,
- EBIT stands at €14.0 million, higher than the adjusted EBIT² of €12.9 million for the same period in 2010
- Net income is a profit of €7.4 million as compared to a loss in the first six months of 2010,
- Net cash increased to €204.9 million at 30 June 2011, as compared with €199.0 million at the end of June 2010.

Outlook

The Group confirmed the medium-term objectives published on 9 December 2010 as part of its strategic development plan, BullWay 2011-2013. The implementation of this plan, launched during the first half of 2011, is progressing as expected.

⁴ Businesses acquired during 2011 contributed €5.2 million of revenue during the first half year.



Performances of each Business Line

Bull has adopted a system whereby operating profit is calculated in terms of the performance of individual Business Lines, in line with the way the enterprise is run. Some functional and transverse costs, corresponding among other things to the key account management and the international organisation, have not been allocated to the group divisions given their shared nature, destined to favour synergies in the Group as a whole.

Comparisons are established for equivalent half-years from year to year. In order to facilitate comparisons, published revenues for 2010 have been recast according to the new business segmentation that has been operating since the beginning of 2011.

Performance in the first six months of 2011 by Business Line

(in € millions)	Revenue			Operating profit		% of revenue	
	2011	2010*	% variation	2011	2010*	2011	2010*
Innovative Products	96.9	86.9	11.5%	10.2	12.0	10.5%	13.8%
Computing Solutions	388.1	369.8	4.9%	27.2	24.8	7.0%	6.7%
Business Integration Solutions	150.2	142.2	5.6%	3.5	1.2	2.3%	0.9%
Security Solutions	55.6	60.0	(7.3%)	0.0	1.1	0.0%	1.8%
Eliminations	(78.4)	(67.5)	-	-	-	-	-
Group total	612.4	591.4	3.6%	40.9	39.1	6.7%	6.6%
Unallocated functional and transverse costs	-	-	-	(26.9)	(29.1)	(4.0%)	(4.7%)
EBIT	-	-	-	14.0	10.0	2.3%	1.7%

* Unaudited data

Innovative Products

Resilient business activity in the proprietary servers domain, as well as growth in our *Extreme Computing* offering have resulted in revenues of €96.9 million, an increase of 11.5% thanks notably to contracts concluded with Japan (Rokkasho – simulation of nuclear fission), Germany (Aix la Chapelle – academic research) and Spain (Banque BBVA – financial risk management). Order intake totalled €102.8 million, up by 4.6%. The *book-to-bill* ratio stands at 1.06 for the period. The operating profit for this division is €10.2 million, showing a slight decrease in volume and in rate in comparison with 2010 due to the changing business mix.

Computing Solutions

Revenues for this division are up by 4.3% for the first half year. This increase is due both to the sustained activity in the area of key offerings such as *Extreme Computing*, infrastructure or outsourcing services, the robust growth this business is currently experiencing, in particular in France and in Germany, and our recent acquisition in Egypt. Order intake rose to 105% of the division's revenues overall. Computing Solutions recorded an operating profit of €27.2 million, representing 7.0% of revenues, and an increase compared to 2010 in volume and margin rate.



Business Integration Solutions

At the end of June 2011, order intake was up 7.0% on the equivalent period in 2010. During the half year, this division notably signed a contract with the European air navigation safety organisation EUROCONTROL. The multi-year project aims to develop and test mission-critical applications. This key contract is testimony to Bull's capacity to develop mission-critical systems, and will mobilise several divisions in the Group, including those with special expertise in the domain of security. Revenues for the division were €150.2 million, representing an increase of 5.7%. Activities in France and in Morocco have for the most part driven this growth. The *book-to-bill* ratio stands at 1.08 for the period. Operating profit increased to €3.5 million, representing 2.3% of revenues, as compared with a margin that was slightly positive a year ago.

Security Solutions

New offerings from this division (Physical security, security of data, individuals and territories) continue to attract a lively interest on the part of customers in the defense and security sector. A significant upturn in order intake was recorded in the second quarter, representing an increase of +4.5%, and the *book-to-bill* ratio stood at 1.11 for the first six months. For the half year, Security Solutions orders have decreased by 7.7% in comparison with the first half of 2010. Over the last 3 months, this can be attributed to underperformance by "identification" offerings. For the half year, revenues remain down by 7.3% as compared with the first half of 2010. Due to the effect of these volumes, the operating margin for the division is at break-even, lower than in 2010..

EBIT

Once unallocated operating and transverse costs (including key account management costs, international operations...) have been taken into account along with the foreign exchange loss related to operational flows, Bull's consolidated EBIT amounts to €14.0 million, or 2.3% of revenue, increasing in comparison to 2010's adjusted EBIT (€12.9 million, 2.2% of revenue for the period).

Operating income

Operating income stood at €18.2 million for the first half of 2011, as compared with a loss of €14.2 million during the same period in 2010 (of which €9.2 million resulted from depreciation on residual goodwill for the acquisition of the company Siconet in Spain). Better cost control with regard to severance awards, as well as the reversal of provisions made for litigation that was favourably resolved..

Net income

Bull recorded a positive net income (Group share) this year: €7.4 million for the first half of 2011, compared with a loss of €18.4 million for the same period in 2010.

During the first half of 2011, net financial income is a loss of €6.2 million, this figure being higher than that recorded for the first six months of 2010. The decline is mainly due to a charge related to the discounting of the Group's tax credit. The cost of the German subsidiary's pension plan was €2.4 million, stable compared to the first half of 2010.

Taxation charges for the period amount to €4.6 million. This now includes the CVAE in the amount of €3.4 million relating to the first half of 2011.

Net cash position

As at the end of June 2011, gross cash¹ stood at €263.6 million and the net cash position¹ was €204.9 million. This figure compares with €283.2 million as at January 1, 2011 and €199.0 million at June 30, 2010.

The cash position shows, as in previous years, a strong seasonality from one half year to the next, the generation of cash being habitually stronger in the second half of the year. Seasonal variations are also marked within each six month period, with the months of June and December representing the high points for cash reserves.



In the first half of 2011, operating cashflow was negative to a level of €73.6 million as compared with a negative flow of €41.7 million during the first half of 2010. This change can be explained mainly by an increase in working capital requirements (€80.0 million) caused by the implementation of major projects and also by changes in the rules pertaining to advanced repayment of the Group's R&D tax credit (CIR, or *Credit d'Impôt Recherche*).

Finally, non-recurring items during the first half of 2011 related to acquisitions and restructuring, generated a negative financial flow of €4.7 million, as compared with a negative flow of €44.8 million in 2010, mostly linked to Bull's acquisition of the Amesys group.

Main events during the first six months of 2011

One of the most exciting illustrations of how the Group's competencies can be mobilised to advantage is provided by the creation of the **Club NumInnov**, the first start-up of its kind established with the aim of preparing the ground for Bull's project in the framework of the *Grand Emprunt* futures investments project. This club affiliates 25 Small-to-Medium Enterprises to Bull for the purpose of presenting a joint project in the framework of a futures investment programme run by the French government. The NumInnov project aims to establish a Cloud Computing platform for the utilisation of High Performance Computing. The NumInnov club will promote development of technological collaboration in High Performance computing. Members of the NumInnov club will be able to set up technological cooperative projects with Bull, and benefit from state-of-the-art infrastructures made available by Bull at the Teratec campus located at Bruyères-le-Châtel in France.

INNOVATIVE PRODUCTS

Bull's expertise supports international research on controlled nuclear fusion

In the framework of the international Fusion For Energy (F4E) program, Bull has been selected to develop a new petaflop capacity supercomputer destined for fundamental research.

Bull will equip, maintain and run the future computing center that is to be installed in the International Fusion Energy Research Center (IFERC) at Rokkasho in Japan. F4E coordinates the European contribution to the « Broader approach » and the JAEA, Japan Atomic Energy Agency, will be the Japanese counterpart.

Bull's supercomputer in Japan:

- will allow the most advanced simulations in the domain of plasmas and materials for controlled nuclear fusion;
- will be made available to European and Japanese researchers for a period of five years, from January 2012;
- will have a power that surpasses petaflop proportions. Designed in partnership with the French Atomic Energy Authority (CEA) it will be the third machine developed by Bull that attains this level of performance;

BBVA has entrusted Bull to deliver its new supercomputer

To support the group's continued growth and help it to establish itself as a major player among the leaders in international banking, BBVA needed to significantly increase its information technology resources supporting its financial market activities. To help achieve this, Bull has supplied the bank with a flexible and modular solution that will enable BBVA to reduce the execution time of third parties for modeling mathematical scenarios, so offering better financial risk management, and a more competitive positioning in the market of complex financial products. Bull's Extreme computing solution consists of a bullx cluster delivering 41 Teraflops of power, making BBVA's supercomputer the fifth most powerful in Spain. BBVA has in this way tripled its computing resources.



COMPUTING SOLUTIONS

Bull's Trélazé data center rewarded by the European Commission for its energy performance

The seventh edition of Data Centers Europe 2011 saw Bull's data center at Trélazé awarded the prize for exceptional implementation of energy performance for data centers among 120 competitors from all over Europe. Awarded by the European Commission, this prize is in recognition of the transformation of an existing data center, at least one year old for its excellence in the implementation of energy performance practices.

The Data Center at Trélazé covers an area of more than 3,200 m², and is dedicated to Bull's outsourcing business for critical applications. The Data Center hosts applications at several levels of density, handling densities of up to 40Kw per bay, and delivering services with a very high requirement for premium service quality. This is a key data center for Bull's Cloud computing offering.

C1000 consolidates its systems with Bullion

Thanks to Bull's Novascale bullion servers, the Dutch supermarket group C1000 will be able to reduce by fifty to just four the number of machines on which its information system functions. This spectacular consolidation will enable significant savings in maintenance, surface area and power consumption, while maintaining very high levels of performance and security. Specially designed to take advantage of the most advanced VMware virtualization techniques, the bullion servers are helping prepare the ground for transforming C1000's information system into a private Cloud.

BUSINESS INTEGRATION SOLUTIONS

EUROCONTROL entrusts the development of their strategic business applications to a consortium led by Bull

The EUROCONTROL system Bull will be in charge of handles all the aircraft traffic over Europe, defining and optimizing the aircraft routes, controlling aircraft flight plans and ensuring air security all over the European sky. It is therefore a very important system dedicated to huge volumes of data, and highest security standards. Apart from development and trialing, Bull will direct a strategic transformation bureau in order to help EUROCONTROL grow its operating strategy. The total value of the contract is €43 million over the next five years, with an option to renew the contract by a further two years.

As representative of the consortium, Bull will develop an industrial approach to applications management, moving gradually away from the time and means based model towards a switchover to a fixed price model with a services catalogue.

Bull opens a dedicated Business Intelligence service center

Bull's SAP Service Center in the Rhône Alps region of France is a prime example of the industrialization and specialization initiative Bull Business Integration Solutions has embarked on in the framework of the Group's BullWay plan. It aims to serve Bull's customers and offers an optimized production capacity for developing and maintaining Decisional Information Systems. Composed mainly of highly experienced consultants, the BI SAP Service Center recruits a proportion of its staff from new graduates, who find they can quickly progress in terms of expertise gained, and are then eminently employable in the framework of ambitious and innovating projects in a prestige environment.

SECURITY SOLUTIONS

CARMAT and BULL announce the development of a portable device designed for artificial heart recipients

This portable energy supply and communication device can be used in the home or when traveling by the first recipients of CARMAT's artificial heart. Under the terms of this agreement, Amesys (a subsidiary of the Bull Group) will develop a portable power supply affording patients greater mobility in their day-to-day lives. The equipment is extremely ergonomic, and allows patients to live at home. This system will be available by early 2012, in order to be available for the home discharge of the early, clinical phase recipients of the CARMAT artificial heart.



Glossary:

Purchase Price Allocation (PPA): A proportion of the purchase price for the Amesys group is allocated to intangible assets to be amortized as part of EBIT.

The **book-to-bill** ratio is the ratio between order intake and the revenues for the period.

Clause de Retour à Meilleure Fortune (CRMF) or profit sharing agreement: in respect of a restructuring grant awarded by the French government, Bull agreed in 2004 to make annual payments to the French State a portion of Pre-tax profits (EBT) for the accounting periods 2005-2012, on condition that: (i) the Pre-tax profits (EBT) for the exercise were considered to be higher than or equal to €10m; (ii) the cash flow generated by the operations for the exercise was higher than or equal to €10m; (iii) shareholders' equity would not fall below €10m through application of the CRMF for any exercise. If any of these three criteria were not fulfilled, no payment was due for the period. Please refer to Bull's annual report for a full description of the CRMF.

CVAE: the *Cotisation sur la Valeur Ajoutée des Entreprises* is the tax on added value paid by companies.

EBIT: Earnings before interest and taxes, non-operating and non-recurring items and contribution of equity affiliates.

Financial debt: Financing related to receivables sold with recourse, bank loans and bonds, leases and rentals, and derivative instruments.

Capital expenditure: Acquisition of assets by Bull for its own account or for the account of customers of managed services or outsourcing contracts

The **operating margin** for each Business Line corresponds to earnings before interest and taxes, other operating products and charges, other financial gains and losses, contributions from equity affiliates, and allocation of functional and transverse costs.

Order intake represents the firm commitment to purchasing defined in customer contracts signed during the half-year, and in addition the estimated valuation for the period of contracts with tacit renewal, or contracts that have an undefined expiration point.

Gross cash corresponds to cash, cash equivalents (including monetary OPCVM), deposits and guarantee accounts.

The **net cash position** corresponds to the gross cash position minus the financial debt.

About Bull

Bull is Information Technology company, dedicated to helping Corporations and Public Sector organizations optimize the architecture, operations and the financial return on their Information Systems and their mission-critical related businesses.

Bull focuses on open and secure systems, and as such is the only European-based company offering expertise in all the key elements of the IT value chain.

For more information visit: <http://www.bull.com>

Investor Relations:

Bull: Peter Campbell - Telephone: +33 (0)1 58 04 04 23 – peter.campbell@bull.net

Press relations:

Bull: Barbara Coumaros - Telephone: +33 (0)6 85 52 84 84 – barbara.coumaros@bull.net

Key dates

- 29 October 2011: revenue for the third quarter 2011



Key figures for the first six months of 2011

<i>(in € millions)</i>	Innovative Products	Computing Solutions	Business Integration Solutions	Security Solutions	Functional and transverse costs *	Total
Order intake	102.8	405.6	161.6	61.7		
Inter-Business Line orders	(72.5)	(3.0)	(4.2)	(2.2)		
Consolidated order intake	30.3	402.6	157.4	59.5		649.8
Revenues	96.9	388.1	150.2	55.6		
Inter-Business Line Revenues	(69.0)	(3.3)	(3.6)	(2.5)		
Consolidated revenues	27.9	384.7	146.7	53.1		612.4
Operating profit	10.2	27.2	3.5	0.0	(26.9)	14.0
% of revenue**	10.5%	7.0%	2.3%	0%		2.3%
						Proceeds from the sales of assets and other products and operating costs 4.2
						Operating Income 18.2
						Financial income (6.2)
						Taxes (4.6)
						Net income, group share 7.4

- of which key account management, international organisation, Forex gains/losses on operating flows
- ** as a percentage of total revenue for each Business Line, and of consolidated revenues for the Group

Numbers may not add up precisely to the total, due to rounding.



Cashflow

	First half	
	2011	2010
(€ millions)		
EBIT ⁵	14.0	10.0
Depreciation ⁵ (including PPA)	10.3	8.7
Capital investments ⁵	(6.6)	(13.9)
Variation in working capital requirement	(80.0)	(41.6)
Financial charges	(6.2)	(4.1)
Taxes	(5.1)	(0.8)
Operating cashflow	(73.6)	(41.7)
Non recurring cashflow	(4.7)	(44.8)
Total cashflow	(78.3)	(86.5)
Gross cash ⁵ position	263.6	247.9
Net cash ⁵ position	204.9	199.0

Geographic breakdown of revenues

(€ millions)	First half 2011	First half 2010	Variation
France	351.5	344.7	+2.0%
Europe excluding France	177.6	176.5	+0.6%
Rest of the world	83.3	70.2	+18.7%
Total	612.4	591.4	+3.6%

Numbers may not add up precisely to the total, due to rounding.

Geographic breakdown of consolidated revenues for the first half of 2011 has changed only slightly compared with 2010. Strong growth in international markets with good potential, such as South America, as well as the business resulting from the finalized acquisition in Egypt, explain the increase in the share of revenues achieved outside Europe.

⁵ See glossary



Summary consolidated financial statements

- Consolidated income statement

	€ millions		<u>First six months</u>	
	2011		2010	
Revenues	612.4		591.3	
Gross margin	137.8	22.5%	131.2	22.2 %
R&D expenses	(10.8)		(8.4)	
Selling, General and Administrative expenses	(110.3)		(111.6)	
Forex gain/loss	(2.6)		(1.2)	
EBIT ⁶	14.0	2.3%	10.0	1.7 %
Other operating income	8.0		-	
Other operating expenses*	(4.6)		(23.8)	
Share in the net income of associated enterprises	0.8		(0.4)	
Operating income	18.2	3.0%	(14.2)	n/s
Forex gain/loss on financial income	(0.0)		1.0	
Financial income	(6.2)		(4.1)	
Taxes **	(4.6)		(1.1)	
Net income	7.4		(18.4)	
Minority interests	-		-	-
Net income : Group share	7.4	1.2%	(18.4)	n/s

* Includes the 2010 CRMF adjustment

** Includes the 2011 CVAE (€3.4 million)

⁶ See glossary



- **Simplified consolidated balance sheet**

€ millions

30 June

	2011		2010
Tangible and intangible assets	77.2		78.9
Goodwill	132.0		129.7
Non-current financial assets	14.6		13.5
Deferred taxes	15.3		15.2
Non-current assets	239.1		237.3
Inventory	70.3		64.9
Accounts receivable	161.3		154.9
Other current assets	97.2		81.6
Guarantee deposits	15.0		17.5
Cash and cash equivalents	225.4		199.4
Current assets	569.2		518.3
Total assets	808.3		755.6
Shareholders' equity – Group share	198.3		164.4
Minority interests	0.7		0.1
Non-current reserves liabilities	181.1		175.7
<i>of which CRMF</i>	12.8		18.4
Current reserves and liabilities	428.2		415.4
Total liabilities	808.3		755.6

* Financial debt amounted to €58.7 million euros at end June 2011 and 49.6 million euros at end June 2011. Short-term borrowings stood at €18.5 million at 30 June 2010 and at €6.7 million at 30 June 2011.



Appendix

Published quarterly revenues with external customers for the years 2011 and 2010 (unaudited data)

€ millions		Q1	Q2	Q3	Q4	Full year
2011	Innovative Products	10.4	17.5	-	-	-
	Computing Solutions	166.6	218.1	-	-	-
	Business Integration Solutions	69.3	77.3	-	-	-
	Security Solutions	24.5	28.7	-	-	-
	Total	270.8	341.6	-	-	-
2010	Innovative Products	13.6	12.5	-	-	-
	Computing Solutions	165.2	202.2	-	-	-
	Business Integration Solutions	66.1	73.3	-	-	-
	Security Solutions	28.4	30.1	-	-	-
	Total	273.2	318.1	-	-	-

Numbers may not add up precisely to the total, due to rounding.

Disclaimer

This Press release contains, and is based on, forward-looking information and statements that are subject to risks and uncertainties that could cause expected results to differ. Although Bull believes that its expectations and the information in this Press release are based on reasonable assumptions at the time they were made, it can give no assurance that those expectations will be achieved, nor that the expected results will be as presented in the Press release. Neither Bull nor any other company within the Bull Group is making any representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the information in the Press release, and neither Bull, any other company within the Bull Group nor any of their directors, officers or employees will have any liability to you or any other persons resulting from your use of the information in the Press release.