PRESS INFORMATION

Bull : 2004 results

EBIT : + € 41.1 million, Net Profit: € 10.8 million
Recapitalisation completed

February 11th, 2005 : On February 10th, the Board of Directors of Bull met , headed by Didier Lamouche, Chairman and Chief Executive Officer and in the presence of Gervais Pellissier, Vice-President of the Board of Directors. The Board examined the financial statements for the full year 2004 which confirm the success of the turnaround and recapitalisation plan of the Company.

The Board members paid homage to Pierre Bonelli, extending their recognition to his tremendous professionalism and reminding the success of the three steps turnaround plan that he had initiated in 2002 (restructuration, operational turnaround and recapitalisation) and praised what Gervais Pellissier and his team achieved until January 31st, 2005.

2004 Results

The revenue, in line with expectations, reached € 1,139 million against € 1,265 million in 2003, showing a stabilisation of the turnover during the second year half compared to the first half of 2004. The gross margin[1] amounted to € 315 million, representing 27.6% of revenues against 26.9% in 2003.

SG&A expenses reached € 220 against € 238.8 million in 2003, representing 19.3% of the revenues, R&D expenses having been maintained at 4.7% of the turnover.

Earnings before tax, financial expenses, goodwill amortization and exceptional items, (EBIT[2]) amount to € 41.1 million, i.e. 3.6% of the revenue. Bull confirms its profitability during five consecutive semesters.

Financial expenses amount to € 30.8 million, of which € 25.9 million are related to capitalised interest expenses on the French State loan.

The Group net result (excluding exceptional items related to the recapitalisation) is a profit of € 10.8 million to be compared to € 4.1 million in 2003.

Once taken into account the items related to the financial restructuring of the Group, the net profit is € 554,5 million.

After the completion of the recapitalisation process, Bull's net cash position amounts to € 237 million while the consolidated net equity reached € 58.4 million.

The free cash flow[3] generated by Bull in 2004 amounts to € 67.8 million against 55.2 million in 2003.

[1] Gross margin is the difference between the revenue and cost of products and services sold
[2] EBIT is the operating profit +/- gain or loss on foreign exchange.
[3] The free cash flow is the operating cash flow +/- exceptional items, excluding the financial restructuring impact.

Operations

In 2004, Bull continued the implementation of its strategy and consolidated its sales presence in several areas.

In the server field, Bull strengthened its GCOS installed base through the renewal of its GCOS7 and GCOS8 ranges and focused its developments on the design and production of high range servers for networked infrastructures and high performance computing. In 2004, Bull was chosen by the CEA to supply Europe's most powerful supercomputer intended for simulation of the French nuclear program. In the same way, NovaScale servers were at the heart of the world first cryptography with the SHA-0 code breaking. In Spain, the Castilla La Mancha University and the European Parallelism Centre selected NovaScale servers to host their high performance computing applications.

During 2004, Bull also reinforced its commercial dynamics through technological and commercial partnerships representing a strong development potential. After the agreement signed with Kraftway in Russia, OEM agreements were signed in China and Brazil for sale of the NovaScale range.

In 2004, Bull also announced the Bull NovaScale 6000 and 9000 models, reference platforms for Microsoft Windows® and Linux® applications infrastructures. These new servers also run GCOS8, Bull's operating system, reflecting Bull's strategy aiming at the deployment of its GCOS systems on standard and open servers in order to offer its customers a sure economic evolution.

In the commercial field, Bull enriched its Intel® Itanium® applications portfolio with large software vendors.

On the UNIX market, Bull boosted its Escala range (Power/AIX) with the announcement of high-end servers based on Power5 technology and also significantly increased sales in this field.

Bull continued to actively take part in the Open Source movement in particular through it commitment in the ObjectWeb consortium, which welcomed new members amongst which, large industrial companies.

In the security arena, with a renewed offer, in particular in the area of Identity and Access Management, Bull won significant commercial success in 2004: Globecast, the worldwide leader in satellite services chose OpenMaster to manage the quality of service of its high availability network. In Germany, T-Com, one of the leading landline telephone operators in Europe, chose Bull for its SSO infrastructure and management of identities and access of 100,000 users. Lastly, Bull administers and supervises the quality of service of the French inter-banking network and secures the virtual platform used by Dassault-Aviation to design the Falcon 7X aircraft.

On the geographical level, Bull marked good performance from the US, Spain, Benelux and Eastern Europe counties.

In services, Bull's activities were marked by an 8% growth in orders when compared to 2003. In addition, Bull has gained new outsourcing contracts, among them the hosting of a help desk at Atlantica, Crédit Agricole Group or the outsourcing of scientific servers and workstations at Onera. Bull also reinforced its presence in infrastructure services through important new contracts for the deployment of IT infrastructure projects within large French groups, amongst which EDF.

2004 was also the year with boosting integration projects in decisional and deployment of large telecommunications billing projects deployment abroad. Outside France, Bull ensured the refurbishment of the IT systems of six of the ten new entrants to the European Union. Bull also furthered its development in Eastern Europe, as shown by the modernisation contract of the Bulgarian tax system.

Recapitalisation completed

In 2004, the last and essential steps of the recapitalisation process were completed.

The market operations launched in June 2004 (capital increase, and Oceane bonds public exchange offer) were successfully carried out allowing Bull to raise € 61 million.

On December 1st , 2004 the European Commission approved the restructuring aid amounting to Bull.
On January 14th, 2004 the French State paid to Bull a restructuring aid amounting to € 517 million. This aid is combined to a profit sharing agreement under the terms of which Bull will pay the French State 23.5% of the consolidated profit before tax exceeding € 10 million for a 8 year period.

The payment of this aid was subject to Bull's prior reimbursement of a shareholder advance of the same amount (capital & interests) which had been granted by the French State in 2001 and 2002, and converted in March 2004 into a subordinated loan. This reimbursement took place in January 2005.

The recapitalisation of Bull is now completed. Bull has definitely restored its financial structure and net equity.

Perspectives

For the 1st semester of 2005, Bull's ambition is to maintain its operational profitability, as achieved over the past 2 years. Bull targets an EBIT objective similar to the one of 2004 2nd half, i.e. € 18 million.

In a context of moderate growth and in conjunction with the evolution of its management team, the revenues of the first semester of 2005 are expected to reach an amount of approximately € 560 million.

Didier Lamouche added: "during the 1st semester, we will implement an action plan clearly dedicated to growth. The foundations of this plan will be the identification of strategic market opportunities as applied to the Group's strengths and the implementation of a renewed operational structure fully dedicated to a strong execution".

Didier Lamouche also underlined his confidence in Bull, in its great talents in numerous areas as well as in its unique competence network to regain the rank it deserves in the information technology market.

(M. Euros)	**2004**	**2003**
Bookings	**1183**	**1158**
Revenue	**1139**	**1265**
Gross Margin	**315**	**340**
% Revenue	*27.6%*	*26.9%*
R&D	**(54)**	**(60.5)**
% Revenue	*4.7%*	*4.8%*
SG&A	**(220)**	**(238.8)**
% Revenue	*19.3%*	*18.9%*
Exchange Gain/Loss	0.4	(0.3)
EBIT	**41.1**	**40.7**
% Revenue	*3.6%*	*3.2%*
Interests	(30.8)	(47.6)
Goodwill/Taxes	(8.6)	(15.2)
Capital Gains & Others	**9.0**	**26.2**
Net Income ***w/o financial restructuring impact***	**10.8**	**4.1**
Differed Tax Assets	51.7	
Financial gains (OCEANES)	29.9	
Restructuring Aid (exceptional product)	517.0	
Reserve for Profit Sharing Agreement	(54.0)	
PSDD costs	(0.8)	
Net income	**554.5**	

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