



Architect of an Open World™

## First quarter 2010: a good start to the year for Bull

**Growth in order intake (+15.9%; +3.1% organic growth) and revenue (+9.4%; +0.6% organic growth)**

**Momentum in new offerings**

**Confirmation of the EBIT objective for 2010 in the range 35 to 40 million Euros<sup>1</sup>**

**Paris, 29 April 2010:** Bull (Euronext Paris: BULL) – expert in open, flexible and secure information systems and mission-critical systems and one of Europe's leading players in the IT industry – today announces its revenue for the first quarter of 2010.

### **Key figures for the first quarter of 2010<sup>2</sup>**

- Consolidated revenue of €273.2 million<sup>3</sup> showed an increase of 9.4% compared with the published figure for the first quarter of 2009. Like-for-like revenue, excluding the impact of the acquisition of Amesys, grew by 0.6%. Core offerings including Amesys – which now represent overall 96% of Bull's business activities – achieved growth of 13.5%; organic growth within the scope of these same activities was 4%.
- In Services and Solutions, order intake increased by 24.8% and revenue grew by 2.3 %.
- Extreme Computing and secure storage activities showed a marked commercial momentum, resulting in a 12.4% increase in revenues in the Hardware and Systems Solutions business.

Didier Lamouche, Bull's Chairman and CEO, commented:

*“Bull took on a new dimension in 2009, and our strategic investments are beginning to bear fruit. Their appropriateness is clearly demonstrated in the growing recognition for our technologies and the effectiveness of our new offerings, particularly in High-Performance Computing and secure storage infrastructures.*

*The first quarter saw us launch a number of new infrastructure solutions, including the bullx S Series which completes our family of Extreme Computing solutions and now*

---

<sup>1</sup> This objective relates to the Group's new scope of activities, following the acquisition of Amesys. It does not include the effect of purchase price allocation following the acquisition of Amesys, which will be determined during the course of the year.

<sup>2</sup> Unaudited figures. Comparaisons are made with published data from the equivalent period in the previous financial year.

<sup>3</sup> Companies acquired in 2010 contributed some €22.1 million to revenue during the first quarter of the year.



means we can meet all the demands of this market. We also unveiled novascale bullion, an enterprise server solution designed 100% by Bull and created specifically for the virtualization of mission-critical applications.

Alongside these initiatives, we have been working on integrating the Amesys group, having finalized the acquisition at a General Meeting of Bull shareholders in January.

Finally, we are confirming our target EBIT for the 2010 financial year, of between €35 and €40 million, before the effect of purchase price allocation following the acquisition of Amesys. This objective takes into account the on-going pressure we are experiencing in certain business sectors, as a result of continuing difficulties in the economic climate."

### **Business activities in the first quarter of 2010: analysis by segment of order intake and revenue**

Unless otherwise indicated, comparisons are made with published data from the equivalent period in the previous financial year.

#### ***Hardware and Systems Solutions***

The growth of Bull's Extreme Computing and secure storage offerings has driven the good performance of this business segment, with revenue growing by 12.4% to €84.0 million. The high level of orders taken in the first quarter of 2009 explains the relative decline of 10.3% in order intake for the first quarter of 2010. Nevertheless, the order book remains at an extremely satisfying level, given the significant value of orders taken in the previous quarter.

#### ***Services and Solutions***

Order intake grew by 24.8%, in particular as the result of the signing of a number of major outsourcing contracts. Revenue increased by 2.3% to €113,7 million, also benefitting from the growth in the outsourcing business, which balanced a decline in business from telecoms operators. The Group is continuing to invest in new outsourcing capacity and facilities, to further strengthen the dynamism in this sector and continue its growth.

#### ***Maintenance and PRS***

Revenue from maintenance activities fell by 6.1% to €42.2 million, as a result of a number of support contracts for proprietary servers coming to an end, as previously anticipated. Target revenue for the Maintenance business, slightly lower for the 2010 financial year than in 2009, remains in line with forecasts, thanks to the continued growth in new infrastructure services offerings.

#### ***Security and Critical Systems***

The revenues of this new business segment – currently consisting of the activities of the Amesys group following the finalization of its acquisition in January 2010 – were €22.1 million during the first quarter. The integration of Amesys continues, with the definition of a coherent commercial strategy and the building of a comprehensive, high added-value offering.



### ***Fulfillment and Third-Party Products***

The fall in revenue from Fulfillment and Third-Party Products (€11.3 million, representing a fall of 40.7%) continues to reflect the Group's deliberate refocusing on selling Bull's own, higher added-value offerings. Bull will continue to be highly selective when it comes to deciding which orders to take in this area of its business.

### **Group financial position**

The Group's financial position is healthy. The acquisition of the Amesys group was settled partly in cash, resulting in a cash payment of €32 million during the quarter, and in part by a capital increase in favour of Amesys' owners, thus increasing equity by €85 million.

Bull's cash position demonstrates a similar pattern to previous years, in line with the level of business activity, which is generally weaker at the beginning of the year.

### **Outlook for 2010**

**The Group confirms its outlook published in February 2010** for target EBIT (see glossary) in the range €35 and €40 million for the 2010 financial year. This objective relates to the Group's new scope of activities, following the acquisition of Amesys. It does not include the effect of purchase price allocation following the acquisition of Amesys, which will be determined during the course of the year.

Target EBIT for the second half of the year is higher than for the first six months. The key factors that should enable Bull to achieve its objective will be to improve margins in the Services & Solutions business, to grow sales in Extreme Computing and to successfully integrate Amesys into the Group.

--==--

### **Key highlights for the first quarter of 2010**

During the first three months of 2010, Bull confirmed the commercial dynamism that characterized 2009 and, as a result, it has succeeded in consolidating its new dimension as a major European player in the digital economy. Further proof of the Group's dynamism is that, having brought some 650 new employees on board in 2009, it has announced the continuation of this recruitment campaign in 2010, with the plan to recruit a further 600 people, 250 of them in France.



## 1. Hardware-related systems solutions

The expertise that Bull has developed in Extreme Computing has led to breakthrough innovations in terms of computing power and eco-efficiency. Today, Bull is not only continuing on this trajectory by offering a new supercomputer architecture to complement its existing offering, but also by incorporating these technological advances into its enterprise server ranges. The result is that Bull is back in force in the enterprise computing market with a range of powerful servers built using the same 'Formula 1' technologies used in its intensive parallel computing machines.

Bull has enhanced its **bullx** supercomputers, to offer one of the most comprehensive and high-performing ranges of systems available on the Extreme Computing market.

Bull has introduced new-generation nodes into its **bullx** family, designed and developed by its R&D teams to meet the demands of even the most memory-hungry applications and reduce the complexity of large-scale computing infrastructures. In addition, the Group has also stepped up a gear with its blade systems, by equipping them with the latest Intel® Xeon® 5600 processors. A year after the successful launch of its first **bullx** system – named as the world's best supercomputer in 2009 – unlimited innovation with no compromises has never been a more realistic prospect for the worlds of business and research.

**Ilion Animation Studios, the producer of the movie Planet 51**, chose Bull to design and update its server farm dedicated to graphics rendering. When it comes to computer-aided activities, designing a 3D animated movie is one of the most compute-intensive tasks in terms of computing power and hardware resources.

With **novascale bullion**™, Bull is back in force in the high-end enterprise server market

Bull has effectively combined reliability and flexibility with **novascale bullion**™, a 16-socket server that is unique in this marketplace, designed specifically for the virtualization of organizations' mission-critical applications. With this move, the Group has also launched the world's first server to feature a native VMware hypervisor. With **novascale bullion**™, Bull offers enterprises a major step towards private Cloud computing.

Customers including **Freudenberg IT** in Germany and **MSA** in France have already chosen **novascale bullion**™ to run their critical applications.

With its new **novascale gcos** system, Bull has also reaffirmed its position as a leader in open mainframe-class systems designed to protect organizations' investments in their information capital and help them to grow.

Combining Extreme Computing technologies, and technologies to support mission-critical applications, the **novascale gcos 9010** system is the world's first mainframe natively equipped with an Open Source database for intensive production. The new **novascale gcos** systems mean that mainframes can now enter the world of private Cloud computing.

The **Caisse Nationale d'Allocations Familiales (CNAF)** – the 'family branch' of the



French social security system, which manages benefit payments for some 37 million people – has chosen to adopt the new **novascale gcos 9010** servers, to form the backbone of the majority of its new IT production infrastructure.

## **2. Systems integration and business solutions**

### A strategic collaboration agreement between Bull and Microsoft focused on interoperability

Under this agreement, teams from Bull and Microsoft will be collaborating in many different areas to further enhance synergies and interoperability between Microsoft software environments and third-party solutions, particularly Open Source and Unix solutions, where Bull is one of the main contributors and integrators in Europe. The new agreement encompasses co-operation in infrastructure virtualization, critical applications and Extreme Computing.

### Cloud Maker, a Cloud computing offering designed by Bull subsidiary Agarik

The first concrete outcome from this partnership is the launch of Cloud Maker by Bull's subsidiary Agarik, a Cloud computing offering that enables users to adjust their service levels to their business demands and monitor the operation of their platforms in real time. The Bull Cloud Maker offering uses the Microsoft Hyper-V hypervisors, which enables both Linux and Windows virtual machines to be run side by side. With Cloud Maker, Bull has launched the first commercial offering to use the Open Source code made available by Microsoft in July 2009 for optimizing Linux virtual machines running under Hyper-V.

### Phil@poste awards Bull the contract to integrate its commercial management system, as the first stage of a comprehensive information systems modernization program

The expertise that Bull is providing to Phil@poste – the division responsible for all the French Post Office's philatelic activities – will enable it to rationalize and modernize its commercial management, with end-to-end control and simplified business processes. To meet the needs of this extremely specialized and high-volume market (three billion stamps are sold every year...), Phil@poste is undertaking a massive overhaul of its information system, to facilitate interfacing and interoperability with other applications, and to implement new functions in line with changing needs. Commercial management in particular has to adapt to the multitude of customer requirements, whether from individuals or businesses.

## **3. Infrastructure services and outsourcing**

### A major pan-European outsourcing contract with PaperlinX

Bull has signed a major pan-European outsourcing contract with PaperlinX Europe, one of the largest distributors of paper, sign & display products and packaging materials in Europe. The outsourcing services provided by Bull will enable PaperlinX to reduce costs, raise its service levels and focus on its core activities. Bull will be



responsible for the Data Center operations of PaperlinX, as well as the desktop management and helpdesk activities for some 4,500 users.

*A conference call to discuss this press release will be held on April 29, 2010, at 13:30 Paris time. The call will be hosted by Philippe Lederman, Bull's chief financial officer.*

*The dial-in number is +33 (0)1 7099 3208. A presentation will be available for download from Bull's website <http://www.bull.com>*

--==--

#### **Glossary:**

**EBIT:** Earnings before Interest and Taxes, non-operating and non-recurring items and contribution of equity affiliates.

#### **About Bull**

Bull is an Information Technology company, dedicated to helping Corporations and Public Sector organizations optimize the architecture, operations and the financial return of 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 contact:**

Bull: Peter Campbell: Tel: +33 (0)1 58 04 04 23– [peter.campbell@bull.net](mailto:peter.campbell@bull.net)

#### **Press Relations contact:**

Bull: Barbara Coumaros: Tel: +33 (0)6 85 52 84 84 – [barbara.coumaros@bull.net](mailto:barbara.coumaros@bull.net)

#### **Financial Calendar**

- 16 June 2010: Annual General Meeting of shareholders
- 29 July 2010: 2010 half-year results
- 28 October 2010: Third quarter 2010 revenue



Revenue evolution by business segment (unaudited data):

First quarter				
€ millions	2009	2010		Variation
Revenue, of which	249.8	273.2	100%	+9.4%
<i>Services and Solutions</i>	111.1	113.7	41.6%	+2.3%
<i>Hardware and Systems Solutions</i>	74.7	84.0	30.7%	+12.4%
<i>Maintenance</i>	45.0	42.2	15.4%	-6.1%
<i>Security and Critical Systems</i>	-	22.1	8.1%	n/a
<i>Third-Party Products</i>	19.0	11.3	4.1%	-40.7%

Numbers may not add up to 100% due to rounding.

Geographic breakdown of revenue (unaudited data):

First quarter			
€ millions	2009	2010	Variation
France	131.7	165.8	+25.9%
Europe excluding France	86.2	77.8	-9.7%
Rest of the world	31.9	29.6	-7.2%
Total	249.8	273.2	+9.4%

Numbers may not add up to 100% due to rounding.

The strong growth in revenue from France, the Group's largest market, is a result of the Amesys's contribution as well as 10% in this country. The economic crisis has had a particularly marked impact in Central European countries, and to a lesser extent in some Western European countries.

#### Disclaimer

This Press release includes and is based, inter alia, 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 were based upon reasonable assumptions at the time when they were made, it can give no assurance that those expectations will be achieved or that the expected results will be as set out in this 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.