

Report and Financial Statements Bull Holdings Limited

For the Year Ended 31 December 2013

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Company No. 03140641

Company information

Company registration number

03140641

Registered office

Maxted Road
Hemel Hempstead
Hertfordshire
HP2 7DZ

Directors

R de Ricou
A J Carr

Secretary

TMF Corporate Administration Services Ltd
5th Floor, 6 St Andrews Street
London, EC4A 3AE

Bankers

Barclays Bank Plc
P O Box 13
8 George Street
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TW9 1JU

Solicitors

Mayer Brown International LLP
201 Bishopsgate
London
EC2M 3AF

Auditor

Grant Thornton UK LLP
Chartered Accountants
Registered Auditor
Grant Thornton House
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Central Milton Keynes
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Strategic Report

Principal activities

The Company's principal activities are that of a holding company for investments in companies involved in selling data processing and peripheral equipment and to provide maintenance, software, systems integration and other related services.

Business Review

The Bull Group is the European leader in IT as-a Service integrator and in solutions for generating value from IT data.. With its cloud and big data positioning, the Group integrates and manages high-performance systems and end -to-end Security Solutions

Bull provides solutions enabling its customers to process all the information they possess in order to create new uses. In complete security, Bull radically enhances the value of data for organisations.

Group Bull's operational focus can be summarised into the following related areas:

- **Innovative Products, Developer of large Enterprise Servers and Supercomputers**

Innovation Products employs over 700 experts and combines three main R&D centres. Innovative products offer a wide range of high-value-added products, based on security and reliability performance criteria. These product ranges are dedicated to digital simulation and to critical-application support.

Since 2006 Bull has grown into the largest European player in HPC and Super Computers. Bull's bullx range , specifically targeting uprange, eco-efficient, ultra-dense and ultra-high-performance HPC. Standards-based and integrating the market's best open source software, bullx was designed exclusively for the implementation of highly reliable and extremely robust operating environments.

With Bull's offering of mainframes, uprange servers and Bullion it enables Bull's products to meet the needs of the business community and partners in bringing high availability, flexibility as well as allowing the complete cloud computing environment with the storage and network solutions required to meet today and tomorrows business requirements.

- **Consulting and Infrastructure Services**

Bull assists its customers design and implement new-generation, resolutely service oriented infrastructure.

Bull Advisory Service is the consultancy offer dedicated to transforming infrastructure to gear them to the Cloud. The consultant geared to the clients business needs conduct virtualization projects on all types of environments, regardless of scope or criticality, and ensures secure migration. They integrate all aspects of the client's requirements to achieve rationalisation, highly secure solutions for data storage and life cycle management.

Bull sets up end-to-end network infrastructures, including mobile, and helps its customers control and secure their environments with appropriate processes and monitoring methods.

- **The Cloud by Bull**

The most efficient cloud is one which caters for business ambitions. It is just such a cloud that drives innovation, growth and competitiveness. The different models of the cloud can all contribute to achieving these aims, and accordingly, Bull helps take advantage of them with balanced, customised scenarios:

Strategic Report (continued)

- **The private cloud:** after rationalising and virtualising the data centre, ISDs acceleration of their activities to migrate towards a secure cloud. The deployment of cloud suites is the bedrock to this transformation, prerequisite to which is industrialised production of critical applications and the introduction of new services. Bull combines all the expertise to implement industrialisation and deploy all the markets most capably cloud suites;
- **The hosted cloud:** Bull with 1,600 IT operations experts, relies on a network of highly-secure industrialised data centres to provide high-value added client-infrastructure operation services, thus meeting the challenges of quality of service, agility and security;
- **The Bull public cloud:** partnered with Numergy, Europe's first digital energy producer, offers a range of value-added digital services covering all needs, from standard to the most critical;
- **The Hybrid cloud:** with its control of cloud technology and its know-how as architect, backed by its data centre network and its partnership with Numergy, Bull is capable of managing the diversity of clouds and of its client's business requirements.

On its dedicated portal, Bull offers a fully Integrated Cloud, from infrastructure to application.

- **IT Management: Supervision, Unified Maintenance, High Availability**
To guaranteed levels of service, Bull offers support and maintenance for its own products, as well as multi-vendor and multi-publisher services, ranging from occasional services to continuity-of-service solutions with round-the-clock remote monitoring and response.
- **Outsourcing**
Once their IT systems have been engineered and built, companies face the challenge of day-to-day hosting and operations. Bull provides flexible, modular support to help its customers outsource some or all of their IT, allowing them to focus better on their business priorities.

Bull is an expert service provider with the ability to run and provide everyday support for individual applications or complete IT systems within a contractual and organisational framework.

High Performance Computing; As Europe's leading provider of High Performance Computing, Bullx systems enables our customers to accelerate their numerical, algorithmic and fluid dynamic calculations faster with greater certainty.

These outlined capabilities complement each other and create a powerful and unique offering. The target market for these offers is large and medium-sized organisations in both the Public and Commercial Sectors. Bull is uniquely positioned to offer end to end solutions based upon 81 years of experience from infrastructure and platform services through to application management and security.

Bull is a European leader in IT as-a-Service integration and in solutions for generating value from IT data. With its cloud and big data positioning, the Group integrates and manages high-performance systems and end-to-end Security Solutions.

Bull provides solutions enabling its customers to process all the information they possess in order to create new uses. In complete security, Bull radically enhances the value of data for organizations .

The Bull Group is particularly successful in the public sector, healthcare, finance, telecommunications,

Strategic Report (continued)

manufacturing, and the defence industry. The Group has one main production facility, three main R&D centres, and sales and service centres and a network of distributors and partners covering almost 50 countries.

Future developments in the business

Bull's excellence in collaborative ventures is regularly acclaimed, as In support of this innovation policy backed by strong partnerships, in 2013 by CA Technologies, in recognition of the added value of Bull invests sizably in test and operation platforms, technical support. Bull services, with the Business Transformation EMEA Partner or R&D. award, or by EMC which, in 2013, awarded Bull the title "2012 EMC Unified Best Partner of the Year".

"ONE BULL": STRATEGIC PLAN 2014-2017

On January 20, 2014, Bull presented "One Bull", its strategic plan for 2014 to 2017, with which the Group aims to double its EBIT margin to 7% in 2017, and become the trusted operator in enterprise data. With this aim in view, the "One Bull" plan will mobilise the Group's entire resources to develop solutions and services enabling businesses to exploit the full value of the information they produce and use.

The "One Bull" plan hinges on three drivers aimed at an unprecedented development of the Group's competitiveness and on the plan's completion, to restore the Group to a sustainably profitable growth path:

1. Refocusing activities to take on the challenges of the cloud and big data. The core business is shifting to the management of high-performance systems and secure processing systems, and the generation of value from the IT data underpinning the new uses. This policy choice entails:

- Large-scale optimization of the operating units, which will henceforth be focused on generating value and synergy gains for these global offers. This will entail grouping activities into two segments: "Data Infrastructure" and "Data management" for the Integration, Security and Cloud activities. This will enhance the visibility of Bull's business positioning, and will assure its recognition as the trusted operator in enterprise data;
- Greater centralization of Research and Development investment, which is the core element of the added value in Bull's offers. This sustainable investment drive, to which the company devotes over 6% of its revenue, spearheads the long-term competitiveness of the business, particularly in the fields of HPC and security. This investment will be bolstered by a new iBull investment program, managed in open mode, and designed to foster innovation internally and facilitate upstream financing of third-party innovation projects exclusively focused on Bull's existing and future areas of expertise.

2. Improved efficiency:

- Through the introduction of an economy plan to generate €30 million per year within 30 months. This target will be met by simplifying the organization to hinge around two activity segments, a single sales organization, a substantial reduction in the number of operating units and the geographical grouping-together of Bull's worldwide presence around five regional clusters;
- Through the enhancement of its operating performance in project execution via the institution of lightweight management structures, markedly improved resource utilization rates and the coming to full operating strength of the service centres.

Strategic Report (continued)

3. An overhaul of the agreement unifying its staff.

- The commitment of Bull's staff – the plan's keystone – will be furthered through a series of initiatives geared to encouraging flexible working patterns and working time, fostering skills development, strengthening of expertise, job and geographical mobility, career development and the emergence of young talent. This unprecedented investment, with its prime reliance on internal skills, will go hand-in-hand with the institution of practices designed to make Bull a benchmark employer in high technology.

“One Bull” is a plan devised to substantially improve performance, for which the sources lie primarily within Bull itself. For the effective deployment of its initiatives and in order to assure achievement of the targets set by the Group as a body, three “One Bull” internal transformation programs, each corresponding to one of the performance drivers, are being instituted, with regular performance measurement and alignment of team targets accordingly. For further details of the total activities covered by the plan these can be obtained by accessing the Group web site, www.bull.com/investors

The phased improvement in the Group Bull's business's competitiveness should generate a combined total operating cash flow for the period of some €200 million.

Bull UK will continue to leverage Group Bull's capability and strategy and make relevant these offers for the UK market. As a leader in mission critical systems, Bull will continue to serve customers with uniquely secure infrastructures.

Principal risks and uncertainties

The main risks facing the directors of the company are those facing the subsidiary companies, which are currently outside of their sphere of control or influence and are dependent upon the economic climate of the operating environment. These can be split into two main areas.

The first is the current rate of growth in the commercial sectors and the availability of funds to Bull's customer base to fund capital expenditure.

The second is the cost of IT equipment which is linked to the dollar rate. As the pound strengthens the cost of purchasing IT equipment will increase and further impact the performance of the company.

Financial key performance indicators

The company has reviewed the performance and net asset position of its subsidiary, which gave rise to the impairment booked in the period



A J Carr
Director

14 June 2014

Report of the directors

The directors present their annual report and the audited financial statements for the year ended 31 December 2013.

Results and dividends

The company made a loss for the year before tax amounting to £475k (2012: profit of £476k). No dividend is recommended (2012: £nil).

The directors consider the state of the company's affairs to be satisfactory.

Directors and their interests

The following directors served throughout the year, except as noted.

R de Ricou

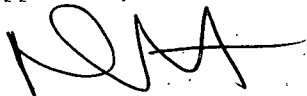
A J Carr

None of the directors had any interests in the shares of the Company or any group company.

Auditor

Grant Thornton UK LLP offer themselves for appointment of auditors.

Approved by the Board and signed on its behalf by



On behalf of TMF Corporate Administration Services Limited

19 June 2014

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

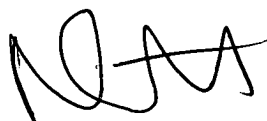
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at anytime the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

BY ORDER OF THE BOARD



On behalf of TMF Corporate Administration Services Limited
Secretary



Independent auditor's report to the members of Bull Holdings Limited

We have audited the financial statements of Bull Holdings Limited for the year ended 31 December 2013 which comprise the principal accounting policies, the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Bull Holdings Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

GR Thornton

Steve Robinson
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes

18 July 2014

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards (United Kingdom Generally Accepted Accounting Practice).

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

Going concern

The Company's business activities are set out in the Strategic Report on page 3 and the Director's Report on page 4. As set out in note 6, the company is financed by loans of £62.6m due to subsidiary undertakings which is repayable on demand.

The Company has access to considerable financial resources from its ultimate parent company, Bull SA. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After considering the financial position of the company, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

Cash flow statement

The company has not prepared a statement of cash flows as permitted by FRS 1 (Revised 1996) on the basis that it is a fully owned subsidiary of Bull SA, incorporated in France, and the consolidated financial statements are publicly available.

Consolidation

These financial statements contain information about Bull Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. In accordance with s400 of the Companies Act 2006, the Company is not required to prepare group accounts as the ultimate parent is in the European Union and prepares consolidated accounts.

Investments

Investments held as fixed assets are stated at cost less provision for impairment.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Principal accounting policies (continued)

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt within the profit and loss account.

Profit and loss account

		2013	2012
	Note	£'000	£'000
Other operating income		-	-
Other expenses		-	-
Operating Profit		<u>-</u>	<u>-</u>
Revaluation of investment	3	(475)	476
(Loss)/Profit on ordinary activities before taxation		<u>(475)</u>	<u>476</u>
Tax on (loss)/profit on ordinary activities	4	-	-
Retained (loss)/profit for the financial year	8	<u>(475)</u>	<u>476</u>

All amounts relate to continuing operations.

No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

Balance sheet

		2013	2012
	Note	£'000	£'000
Fixed assets			
Investments	3	<u>64,909</u>	<u>65,384</u>
Creditors: amounts falling due within one year	6	<u>(62,601)</u>	<u>(62,601)</u>
Net current liabilities		<u>(62,601)</u>	<u>(62,601)</u>
Net assets		<u>2,308</u>	<u>2,783</u>
Capital and reserves			
Called-up share capital	7	105,000	105,000
Profit and loss account	8	<u>(102,692)</u>	<u>(102,217)</u>
Shareholders' funds	9	<u>2,308</u>	<u>2,783</u>

The financial statements of Bull Holdings Limited (registered number 03140641) were approved by the Board of Directors on 19 June 2014 and are signed on their behalf by:



A J Carr
 Director

Notes to the financial statements

1 Directors and employees

No director received any emoluments in respect of his position as director of the Company during the year (2012: £nil). The Company had no employees in either year.

2 Audit fee

The audit fee is £1,000 (2012: £1,000) is borne by Bull Information Systems Limited, a subsidiary company. Non audit fees concerning tax services were £500 (2012: £500).

3 Fixed asset investments

	Shares in group undertakings £'000
Cost	
At 1 January 2013 and 31 December 2013	161,000
Provisions	
At 1 January 2013	(95,616)
Revaluation 2013	(475)
At 31 December 2013	(96,091)
Net book value	
At 31 December 2013	64,909
At 31 December 2012	65,384

The Company's investments include, at a cost of £150,000,000, 100% of the issued share capital of Bull Information Systems Limited, a company incorporated in Great Britain and involved in the sale of data processing and management information systems and in the provision of maintenance, software systems integration, outsourcing and other customer and business support services. During the 2001 financial year, the directors reviewed the value of the investment for impairment and concluded that £105,240,000 should be provided against. In subsequent years the financial position of the subsidiaries has improved and the provision reviewed on an annual basis. In 2013, the provision was increased to £96,091,000.

The principal activities of Bull Information Systems Limited is the sale of data processing and peripheral equipment and to provide maintenance, software, systems integration and other related services. Bull ND Holdings operates as a holding company for investments in companies involved in the same operations as Bull Information Systems Limited.

Investment	Country of incorporation	Proportion of ordinary shares and voting rights held
Bull Information Systems Limited	Great Britain	100%
Bull ND Holdings Limited	Great Britain	100%

Notes to the financial statements (continued)

4 Tax on (loss)/profit on ordinary activities

The tax assessed for the year results from applying the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%).

The differences are explained below:

	2013 £'000	2012 £'000
(Loss)/Profit on ordinary activities before tax	(475)	476
Standard tax rate for period as percentage of profits	(110)	117
Effects of:		
Income/Expenses not subject to tax	110	(117)
Current year charge	-	-

5 Deferred taxation

No provision for deferred taxation has been made during the year.
There is no unprovided deferred taxation in the financial statements.

6 Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Amounts owed to subsidiary undertakings	62,601	62,601
	<u>62,601</u>	<u>62,601</u>

This amount is repayable on demand and no interest is payable.

7 Called up share capital

	2012 £'000	2011 £'000
Authorised:		
Equity shares		
105,000,000 ordinary shares of £1 each	105,000	105,000
	<u>105,000</u>	<u>105,000</u>
Called up, allotted and fully paid:		
Equity shares		
105,000,000 ordinary shares of £1 each	105,000	105,000
	<u>105,000</u>	<u>105,000</u>

Notes to the financial statements (continued)

8 Profit and loss account

	£'000
At 1 January 2013	(102,217)
Result for the year	(475)
At 31 December 2013	<u>(102,692)</u>

9 Reconciliation of movement in shareholders' deficit

	2013 £'000	2012 £'000
Opening shareholders' funds	2,783	2,307
(Loss)/Profit for financial year	(475)	476
Closing shareholders' funds	<u>2,308</u>	<u>2,783</u>

10 Related party transactions

The company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard 8 "Related Party Transactions" not to disclose related party transactions with group companies.

11 Ultimate parent company

The Company's ultimate parent company is Bull SA, a company incorporated in France. Copies of both companies' accounts can be obtained from Bull Communications Department, Rue Jean Jaures, B P 68-78340, Les Clayes-sous-Bois, France.

The smallest and largest group into which the company's accounts are consolidated is that headed by Bull SA, the company's ultimate parent.