Company Number: 03140641

BULL HOLDINGS LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2002

DIRECTORS AND OFFICERS

DIRECTORS

Mr G G Pellissier
Mr M J Dunk
Mr L Rispo

SECRETARY

Mawlaw Secretaries Limited

COMPANY NUMBER

03140641

REGISTERED OFFICE

Computer House
Great West Road
Brentford
Middlesex
TW8 9DH

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
London

BANKERS

National Westminster Bank plc
100 Brentford High Street
Brentford
Middlesex
TW8 8AY

DIRECTORS' REPORT

The directors present their report and the audited financial statements of Bull Holdings Limited for the year ended 31 December 2002.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The Company's principal activity during the year continues to be that of a holding company for investments in companies involved in selling data processing, business services and systems and in providing maintenance, software, systems integration and other business support services.

On 16 April 2002, the remaining elements of the Integris business (including the Managed Services business) were transferred by Bull Information Systems Limited to Steria Limited. This is disclosed further in note 17.

GOING CONCERN

The ultimate parent company has confirmed its intention to provide the support for the Company as necessary for at least twelve months from the signing of these financial statements. As described in Note 1, this commitment is made in the context of the successful outcome of the ultimate parent company's restructuring plans. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

RESULTS AND DIVIDENDS

The Company has made a profit for the year amounting to £169,000 (2001: loss £47,022,000). No dividend is recommended (2001: £nil).

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

DIRECTORS

The following directors who served throughout the year, except as noted were:

Mr D S Ahluwalia	(resigned 16 April 2002)
Mr G J McNeil	(resigned 16 April 2002)
Mr R E Guppy	(resigned 16 April 2002
Mr E Pradier	(resigned 16 April 2002)
Mr C Manivel	(resigned 16 April 2002)
Mr J Weber	(resigned 16 April 2002)
Mr P S E Bonelli	(appointed 16 April 2002 deceased 1 April 2004)
Mr G G Pellissier	(appointed 16 April 2002)
Mr M J Dunk	(appointed 16 April 2002)
Mr L Rispo	(appointed 16 April 2002)

None of the directors had any interests in the shares of the Company or any other group company requiring disclosure under the Companies Act 1985.

ANNUAL GENERAL MEETING

The Company has resolved that no accounts and reports shall be laid before the Company at its General Meeting and that the company shall dispense with the holding of the Annual General Meeting in accordance with Sections 252 and 366A of the Companies Act 1985.

AUDITORS

The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte & Touche LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 386(2) of the Companies Act 1985.

By order of the Board

Mawlaw Secretaries Limited
Secretary

19 MAY 2004

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BULL HOLDINGS LIMITED

We have audited the financial statements of Bull Holdings Limited for the year ended 31 December 2002 which comprise the profit and loss account, the balance sheet and related notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 AUDITORS

As described in the statement of directors' responsibilities, the Company's directors' are responsible for preparation the financial statements, in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

BASIS OF OPINION

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental uncertainty regarding going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 to the financial statements, concerning the Company's financial position and its funding requirements. In accordance with auditing standards, our opinion is not qualified in this respect, but in view of the significance of this matter and the uncertainty that results, we consider that it should be drawn to your attention.

OPINION

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 December 2002, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

20 May 2004

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2002

	Notes	2002 £'000	2001 £'000
Administrative expenses		-	(318)
Other operating income		5	3,910
OPERATING PROFIT	4	5	3,592
Income from fixed asset investments	5	-	53
Amounts written off investments	8	-	(50,667)
Profit on disposal of business	8,17	164	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		169	(47,022)
Tax on profit/(loss) on ordinary activities	6	-	-
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR	12	169	(47,022)

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
31 December 2002

	Notes	2002 £'000	2001 £'000
FIXED ASSETS			
Investments	8	**55,760**	55,760
CURRENT ASSETS			
Debtors	9	**95**	94
Cash at bank and in hand		-	1
		95	95
CREDITORS			
Amounts falling due within one year	10	**(82,687)**	(82,856)
NET CURRENT LIABILITIES		**(82,592)**	(82,761)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(26,832)**	(27,001)
CAPITAL AND RESERVES			
Called up share capital	11	**85,000**	85,000
Profit and loss account	12	**(111,832)**	(112,001)
SHAREHOLDERS' DEFICIT	13	**(26,832)**	(27,001)
SHAREHOLDERS' DEFICIT			
Equity shareholders' deficit		**(71,832)**	(72,001)
Non-equity shareholders' funds		**45,000**	45,000
		(26,832)	(27,001)

Approved by the Board on 19th May 2004.
Signed on its behalf by:

Mr M J Dunk
Director

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2002

1. GOING CONCERN

The financial statements of the company have been prepared on the going concern basis as the ultimate parent company, Groupe Bull has confirmed that it will provide continued financial support However, there are a number of uncertainties regarding the recapitalisation plan of Groupe Bull and the continuing support from the French Government, which are set out below.

In assessing going concern, the directors of Bull Holdings Limited have considered the following statements given by Groupe Bull Executive Management in their published annual report dated 30 April 2004.

"Treatment of the French government advance

In the second half of 2002, Groupe Bull reported an operating profit and confirmed its profit-making capacity in 2003 with a net income of EUR 4 million. In addition, the Groupe also generated a total cash flow of EUR 55 million in 2003, including cash flow from operations of EUR 67 million and cash flow used for non-recurring events of EUR 12 million, thus demonstrating its internal financing ability.

2003 Closing

The assessment of the Groupe's ability to continue as a going concern as of December 31, 2003 depends on the following issues:

- The treatment of the advance granted by the French government constituting rescue aid and approved by the European Commission on November 13, 2002,
- The treatment of bonds convertible and/or exchangeable for shares, the redemption of which was scheduled for January 1, 2005 in the initial issue contract,
- The completion of the recapitalization process as chosen by the Board of Directors on November 20, 2003, the implementation of which was approved by the Board of Directors on March 31, 2004.

The principles behind the plan to ensure the Groupe's ability to continue as a going concern and the recapitalization of stockholders' equity were approved by the Bull Board of Directors on November 20, 2003, upon adoption of the "Stockholders and Partners" recapitalization plan. The effective implementation of this plan was approved by the Board of Directors' meeting of March 31, 2004.

The French government advance, including accrued interest, amounted to EUR 491 million as of December 31, 2003. This loan, which initially was to be fully repaid on June 17, 2003, will be processed in several phases:

- Notification in February 2004 by the French government to the European Commission of plans to grant Bull restructuring aid in the amount of EUR 517 million, to be paid on December 31, 2004 at the earliest, including a financial recovery clause that provides for the collection of 23.5% of the Company's consolidated current income before taxes over a period of 8 years as from 2005, with an annual deductible of EUR 10 million;
- Conversion as of March 31, 2004 of the French government advance into a fixed-term subordinated loan, bearing interest at 5.23% until the end of 2004, and 0.3% until January 2033, the final repayment date, thus removing the short-term liquidity risk for Bull. This loan is subordinated to the contribution of at least 80% of the outstanding bonds convertible and/or exchangeable for shares to the exchange offer;

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2002

1. GOING CONCERN (continued)

- Repayment of this loan by Bull, upon approval by the European Commission of the restructuring aid;
- Payment of the restructuring aid by the French government, as of December 31, 2004 at the earliest, following the repayment of the fixed-term subordinated loan.

The restructuring aid shall only be paid following the repayment of the fixed-term subordinated loan, and the approval by the European Commission.

Following preliminary discussions with the European Commission, the French government representative on the Bull Board of Directors announced that he was "confident that the proposed aid would comply with EC regulations and that the Commission would make a formal decision following a quick review within a maximum period of six months."

Before the French government actually grants this aid, Bull can seek a short-term bridging loan.

The Commission has made a preliminary assessment of the proposed aid, according to the EC guidelines on government aids and the restructuring of companies in financial difficulty. Within this context, it should examine in greater detail:

- Whether the plan guarantees a return to profitability for Bull, considering the Company's financial position which seems to have improved recently;
- Whether any unwarranted distortion of competition has been avoided;
- Whether the aid is limited to the required minimum and does not give the company excess cash resources.

Treatment of bonds convertible and/or exchangeable for shares

The General Meeting of holders of bonds convertible and/or exchangeable for shares on December 11, 2003 approved, with a majority of over 95%, the resolutions proposed by the Board of Directors, amending the following terms and conditions of the issue contract:

- extension of the redemption date to January 1, 2033;
- setting of the annual interest rate at 0.1%, effective as from January 1, 2004;
- setting of the redemption value at 100% of the nominal amount (compared to an initial redemption value of between 116.5% and 117.5% of the nominal amount) or EUR 15.75.

These amendments shall only become effective upon:

- Approval by the General Stockholders' Meeting of the common stock transactions
- Acceptance of the terms and conditions governing the French government loan by the French government and the European Commission

In approving the initial restructuring phase of the loan, the bondholders accepted a significant reduction in its economic value, by around 90%.

In the second phase, they will be given the opportunity to accept a public exchange offer that will be performed in conjunction with the common stock increase provided in the Bull recapitalization plan based on the following terms and conditions:

- Principally, an exchange parity of 20 new shares for 1 bond convertible and/or exchangeable for shares,
- Alternatively, an exchange parity of 16 new shares and 16 new stock subscription warrants for 1 bond (compared to 8 warrants initially proposed), each bond conferring entitlement to subscribe to a share at the subscription price defined for the common stock increase on the market, i.e. EUR 0.1 per share. This parity amendment was approved by the Bull Board of Directors' meeting of March 31, 2004.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2002

1. GOING CONCERN (continued)

Recapitalization by "stockholders and partners"

The reinforcement of the Bull financial position will be bolstered by the common stock increase of EUR 44.25 million, with retention of preferential subscription rights for current stockholders, who may subscribe to 13 new shares at a price of EUR 0.1 per share in consideration for 5 old shares. Certain current stockholders and new partners, investors or customers have undertaken to participate in this common stock increase.

These transactions will be submitted for approval at the next Combined Stockholders' Meeting of May 25, 2004. Subject to the authorizations required by the French Securities Regulator, these transactions will commence in June 2004, and if necessary, prior to the approval of the European Commission.

Based on these commitments and perspectives, the Board of Directors, showing confidence in the completion of the recapitalization plan, approved the consolidated financial statements of the Groupe and its subsidiaries drawn up on a going concern basis, in which the methods used to value assets and liabilities have not been changed.

In order to enable the pursuit of Groupe Bull negotiations with investors likely to participate in the recapitalization plan, the French Government will not demand repayment of this advance before the finalization of these negotiations, which should take place before the end of the year.

On this basis, and taking into account the turnaround in the second half of 2002 (posting of a positive operating margin), as well as Executive Management's confidence in the measures taken to rebuild capital, the consolidated financial statements of Groupe Bull and the financial statements of its subsidiaries have been drawn up on a going concern basis and the methods used to value assets and liabilities have not been changed"

Despite the uncertainties relating to the success of the recapitalisation plan as set out above and to the continued turnaround of the Groupe Bull operating results in 2004, the directors of Bull Holdings Limited believe that sufficient funding will be in place for the twelve months from the date of signing of the financial statements. As such, the financial statements do not include any adjustments, which would result from a withdrawal of support by the ultimate parent company or their inability to provide such support for the twelve months from the date of signing of the financial statements.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom accounting standards.

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. The Company is not required to prepare group accounts as the ultimate parent is in the European Union and prepares consolidated accounts.

Investment income

Investment income comprises dividends and interest and is accounted for on a receivable basis.

2. ACCOUNTING POLICIES (continued)

Investments

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

Deferred taxation

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currencies

Transactions of UK companies 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 with in the profit and loss account.

3. DIRECTORS AND EMPLOYEES

No director received any emoluments in respect of his position as director of the Company during the year (2001: £nil). The Company has no employees.

4. OPERATING PROFIT

The audit fee is borne by Bull Information Systems Limited, a subsidiary company, for the current and preceding year.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2002

5. INVESTMENT INCOME

	2002 £'000	2001 £'000
Dividends from subsidiary companies	-	53

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of tax charge on ordinary activities:

	2002 £'000	2001 £'000
Deferred tax		
Timing differences, origination and reversal	(2,079)	-
Adjustments to the estimated recoverable amounts of deferred tax assets arising in previous years	1,725	-
Adjustment in respect of prior years	354	-
	-	-

Factors affecting tax charge for the current period:

The tax assessed for the period is higher/lower than that resulting from applying the standard rate of corporation tax in the UK: 30% (last period: 30%).

The differences are explained below:

	2002 £'000	2001 £'000
Profit on ordinary activities before tax	169	(47,022)
Tax at 30% thereon:	(51)	14,107
Effects of:		
Expenses not deductible for tax purposes	-	(15,200)
Utilisation of tax losses	1	-
Utilisation of capital losses brought forward	50	-
Loss not utilised in the period	-	(95)
Non taxable income	-	1,188
Current tax charge for period	-	-

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2002

7. DEFERRED TAXATION

No provision for deferred taxation has been made during the year.

Deferred taxation unprovided in the financial statements is set out below:

	Amount unprovided	
	2002	2001
	£'000	£'000
Losses	-	(1,725)

In 2001 the company had an unprovided deferred tax asset of £1,725k relating to losses brought forward. In 2002 these losses were utilised against chargeable gains transferred in from Bull Information Systems Limited. Losses carried forward as at 31 December 2002 were nil.

8. FIXED ASSET INVESTMENTS

	Shares in group undertakings £'000
Cost:	
At 1 January 2002 and 31 December 2002	161,050
Provisions:	
At 1 January 2002 and 31 December 2002	105,290
Net book value:	
At 31 December 2001 and 31 December 2002	55,760

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.

Investment	Country of incorporation	Proportion of ordinary shares and voting rights held
Bull Information Systems Limited	Great Britain	100%
Bull N.D. Holdings Limited	Great Britain	100%
E-Intelligence Consultants Limited	Great Britain	100%

On 31 March 2002 an investment of 52 £1 shares in NewDeal IT Services Limited was transferred to Steria Limited in line with the disposal of the Integris Managed Services business, as described in note 17. The consideration received was the sterling equivalent of euro 260,000 giving rise to a gain of the sterling equivalent of euro 260,000.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2002

9. DEBTORS

	2002 £'000	2001 £'000
Amounts due by subsidiary undertakings	**95**	53
Other debtors	**-**	41
	95	94

10. CREDITORS: Amounts falling due within one year

	2002 £'000	2001 £'000
Amounts owed to parent undertaking	**19,831**	20,000
Amounts owed to subsidiary undertakings	**62,856**	62,856
	82,687	82,856

11. SHARE CAPITAL

	2002 £'000	2001 £'000
Authorised:		
Equity shares		
40,000,000 ordinary shares of £1 each	**40,000**	40,000
45,000,000 redeemable preference shares of £1 each	**45,000**	45,000
	85,000	85,000
Called up, allotted and fully paid:		
Equity shares		
40,000,000 ordinary shares of £1 each	**40,000**	40,000
45,000,000 redeemable preference shares of £1 each	**45,000**	45,000
	85,000	85,000

The redeemable preference shares of £1 each are redeemable, at the option of the Company, in full, at £1 per share, on, or on any date after, 30 September 2000, provided that the preference shares are fully paid up or credited as fully paid at such date. The preference share do not entitle the holders to participate in the profits of the company but upon winding-up, these preference shares have priority over the ordinary shares with regard to any assets available for the distribution. The preference shares do not entitle the shareholders to vote at general meetings except in connection with any default in payment of redemption monies, any winding-up or any matter affecting the rights of the preference shares.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2002

12. STATEMENT OF MOVEMENTS IN RESERVES	Profit and loss account £'000
At 1 January 2002	(112,001)
Profit for the financial year	169
At 31 December 2002	**(111,832)**

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT	2002 £'000	2001 £'000
Profit/(Loss) for the financial year	**169**	(47,022)
Decrease in shareholders' funds	**169**	(47,022)
Opening shareholders (deficit)/funds	**(27,001)**	20,021
Closing shareholders' deficit	**(26,832)**	(27,001)

14. CONTINGENT LIABILITIES

Guarantees and commitments given by the Company in the normal course of business at 31 December 2002 amount to £Nil (2001: £12,245,000).

15. RELATED PARTY TRANSACTION

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 Bull group companies.

16. ULTIMATE PARENT COMPANY

The Company's immediate parent company is Bull International SA, a company incorporated in France. The company's ultimate parent company is Bull International SA, a company incorporated in France. Copies of both company's accounts can be obtained from Groupe Bull Communications Department, 69 Route de Versailles, 78434 Louveciennes, Cedex, France.

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

17. SALE OF BUSINESS

On 31 March 2002, the Integris Managed Services business within Bull Information Systems Limited being that element of the Integris business remaining after the sale to Steria of the Systems Integration business on 28 December 2001, was also sold to Integris Limited (now renamed Steria Limited) as part of the Groupe Bull restructuring exercise. The shares held by the Company in NewDeal IT Services Limited were transferred, also on 31 March 2002, to Integris Holdings Limited (now renamed Steria Holdings Limited) as part of that transaction (see note 8).