2012 HALF YEAR FINANCIAL REPORT

Financial Report and Unaudited* Condensed Financial Statements for the Half Year Ended June 30, 2012

AUGUST 30
2012

vivendi

*The Condensed Financial Statements for the half year ended June 30, 2012 were subject to a limited review by Vivendi's Statutory Auditors. Their Report on the 2012 half year financial information follows the Condensed Financial Statements.

VIVENDI

Société anonyme with a Management Board and a Supervisory Board with a share capital of €7,156,199,517.50

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Selected key consolidated financial data

	Six months ended June 30, (unaudited)		Year ended December 31,			
	2012	2011	2011	2010	2009	2008
Consolidated data						
Revenues	14,084	14,253	28,813	28,878	27,132	25,392
EBITA (a)	2,937	3,363	5,860	5,726	5,390	4,953
Earnings attributable to Vivendi SA shareowners	1,160	2,558	2,681	2,198	830	2,603
Adjusted net income (a)	1,529	1,834	2,952	2,698	2,585	2,735
Financial Net Debt (a) (b)	14,133	13,968	12,027	8,073	9,566	8,349
Total equity (c)	21,879	20,857	22,070	28,173	25,988	26,626
of which Vivendi SA shareowners' equity (c)	19,412	18,608	19,447	24,058	22,017	22,515
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)	3,294	3,439	8,034	8,569	7,799	7,056
Capital expenditures, net (capex, net) (d)	(2,890)	(1,592)	(3,340)	(3,357)	(2,562)	(2,001)
Cash flow from operations (CFFO) (a)	404	1,847	4,694	5,212	5,237	5,055
Financial investments	(122)	(364)	(636)	(1,397)	(3,050)	(3,947)
Financial divestments	33	4,465	4,701	1,982	97	352
Dividends paid with respect to previous fiscal year	1,245	1,731	1,731	1,721	1,639 (e)	1,515
Per share amounts						
Weighted average number of shares outstanding (f)	1,286.9	1,277.7	1,281.4	1,273.8	1,244.7	1,208.6
Adjusted net income per share (f)	**1.19**	**1.44**	**2.30**	**2.12**	**2.08**	**2.26**
Number of shares outstanding at the end of the period (excluding treasury shares) (f)	1,288.5	1,278.0	1,287.4	1,278.7	1,270.3	1,211.6
Equity per share, attributable to Vivendi SA shareowners (f)	15.07	14.56	15.11	18.81	17.33	18.58
Dividends per share paid with respect to previous fiscal year	**1.00**	**1.40**	**1.40**	**1.40**	**1.40**	**1.30**

In millions of euros, number of shares in millions, data per share in euros.

a. Vivendi considers that the non-GAAP measures of EBITA, Adjusted net income, Financial Net Debt, and Cash flow from operations (CFFO) are relevant indicators of the group's operating and financial performance. Each of these indicators is defined in the appropriate section of this Financial Report or in its Appendix. These indicators should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance as disclosed in the Consolidated Financial Statements and the related notes, or as described in this Financial Report. It should be noted that other companies may define and calculate these indicators differently from Vivendi thereby affecting comparability.

b. As of December 31, 2009, Vivendi revised its definition of Financial Net Debt to include certain cash management financial assets whose features do not strictly comply with the definition of cash equivalents as defined by AMF Recommendations and by IAS 7 (in particular, these financial assets may have a maturity of up to 12 months). Considering that no investment in such assets was made prior to 2009, the retroactive application of this change in presentation would have no impact on Financial Net Debt for the relevant periods and the information presented in respect of the 2008 fiscal year is therefore consistent.

c. With effect from January 1, 2009, Vivendi voluntarily opted for early application of the revised IFRS 3 (Business Combinations) and IAS 27 (Consolidated and Separate Financial Statements). As a result, certain reclassifications have been made to the 2008 consolidated statement of changes in equity to conform to the 2009 financial statements presentation, as prescribed by revised IAS 27.

d. Relates to cash used for capital expenditures, net of proceeds from sales of property, plant and equipment, and intangible assets.

e. The dividend distribution with respect to fiscal year 2008 totaled €1,639 million, of which €904 million was paid in Vivendi shares (which had no impact on cash) and €735 million was paid in cash.

f. The number of shares, adjusted net income per share, and the equity per share, attributable to Vivendi SA shareowners have been adjusted for all periods previously published in order to reflect the dilution arising from the grant to each shareowner on May 9, 2012 of one bonus share for each 30 shares held, in accordance with IAS 33 (Earnings Per Share). The impact of this operation was not significant.

I – Financial Report for the first half of 2012

Preliminary comments:

On August 27, 2012, this Financial Report and Unaudited Condensed Financial Statements for the half year ended June 30, 2012 were approved by Vivendi's Management Board, after having considered the Audit Committee's recommendation given at its meeting held on August 27, 2012.

The Condensed Financial Statements for the half year ended June 30, 2012 were subject to a limited review by Vivendi's Statutory Auditors. Their Report on the 2012 half year financial information follows the Condensed Financial Statements.

The Financial Report for the first half of 2012 should be read in conjunction with the Financial Report for the year ended December 31, 2011 as published in the 2011"*Rapport annuel - Document de référence*" filed on March 19, 2012 with the "*Autorité des marchés financiers*" (AMF) (the "*Document de référence 2011*"). Please also refer to pages 128 through 168 of the English translation[1] of the "*Document de reference 2011*" (the "2011 Annual Report") which is available on Vivendi's website (www.vivendi.com) for informational purposes.

1 Major events

1.1 Major events for the first half of 2012

1.1.1 New financings

For a detailed description of the new financings, please refer to Section 5.4. For a detailed description of the maturity of the bonds and bank credit facilities as of June 30, 2012, please refer to Note 13 to the Condensed Financial Statements for the half year ended June 30, 2012.

1.1.2 Acquisition of 4G spectrum by SFR

In January 2012, following calls for bids of the tender offer for 4G mobile spectrum (very-high-speed Internet - LTE) carried out in 2011 and in accordance with the announcement made by the "Autorité de Régulation des Communications Electroniques et des Postes" or "Arcep" (the French telecommunications regulatory body), SFR acquired two 5 MHz duplex spectrum in the 800 MHz band for €1,065 million.

1.1.3 Corporate officers

Information on the status and composition of corporate officers and other related parties is provided in Note 14 to the Condensed Financial Statements for the half year ended June 30, 2012.

1.1.4 Other events of the period

License agreements entered into by Activision Blizzard in China

On March 20, 2012, Blizzard Entertainment, a subsidiary of Activision Blizzard, announced that it had renewed the license with NetEase for *World of Warcraft* in mainland China, adding an additional three years to the current license agreement.

On July 3, 2012, Activision Blizzard and Tencent Holdings Limited, a leading Internet services provider announced a strategic relationship to bring the Call of Duty franchise to Chinese game players. Under the multi-year agreement with Activision Publishing, Tencent has the exclusive license to operate Activision's new *Call of Duty* game in mainland China.

Acquisition by Canal+ Group of a non-controlling interest in Orange Cinema Series

On April 12, 2012, Multithématiques, a subsidiary of Canal+ Group, and Orange Cinema Series finalized their agreements and partnered in a common company, Orange Cinema Series, in which Multithématiques acquired a 33% interest and Orange Cinema Series contributed the publishing and broadcasting operations of its pay cinema channels. Canal+ Distribution has been distributing the channels of the Orange Cinema Series' package through CanalSat since April 5, 2012. On July 23, 2012, as part of the decision authorizing the combination of TPS

[1] *This translation is qualified in its entirety by reference to the "Document de référence 2011".*

group and CanalSatellite, the Competition Authority ordered Canal+ Group to sell its non-controlling interest in Orange Cinema Series or, upon failure to sell such interest, to amend certain provisions of the shareholders' agreement between Multithématiques and Orange Cinema Series.

Liberty Media Complaint

On June 25, 2012, a verdict was returned by the jury against Vivendi in a lawsuit filed by Liberty Media Corporation and certain of its subsidiaries before the U.S. District Court for the Southern District of New York. Vivendi strongly disagrees with the decision and intends to pursue all available paths of action to overturn the verdict or reduce the damages award. The jury limited the damages Vivendi may be required to pay to €765 million. Given that there is a lack of an enforceable judgment against Vivendi and that the various post-trial motions that remain pending before the Court could result in the judge deciding not to enter a judgment or to significantly alter the verdict of the jury, Vivendi has not made, at this stage, a provision related to this case. Please refer to Note 16 to the Condensed Financial Statements for the half year ended June 30, 2012.

Distributions to Vivendi SA shareowners and its subsidiaries

Dividend paid by Vivendi SA with respect to fiscal year 2011

At the Annual Shareholders' Meeting of April 19, 2012, Vivendi's shareholders approved the Management Board's recommendations relating to the allocation of distributable earnings for fiscal year 2011. As a result, the dividend payment was set at €1 per share, representing a total distribution of €1,245 million, paid in cash on May 9, 2012, following the coupon detachment on May 4, 2012.

Bonus shares granted to Vivendi SA shareowners

At its meeting held on February 29, 2012, following the Supervisory Board's recommendation, Vivendi's Management Board decided to grant to its shareowners one bonus share for each 30 shares held. This transaction resulted in the issuance on May 9, 2012, by a €229 million withdrawal from additional paid-in capital, of 41.6 million new shares with a nominal value of €5.5 each and entitlement as from January 1, 2012.

Dividends distributed by the subsidiaries

On February 9, 2012, Activision Blizzard announced that its Board of Directors declared a dividend of $0.18 per common share to its shareholders, representing $123 million (€94 million) for Vivendi, paid in cash on May 16, 2012.

At the Annual Shareholders' Meeting of April 24, 2012, Maroc Telecom group's shareholders approved the Supervisory Board's recommendations relating to the allocation of distributable earnings for fiscal year 2011. As a result, the dividend was set at MAD 9.26 per share, representing MAD 4.3 billion (€391 million) for Vivendi, paid in cash on May 31, 2012.

Activision Blizzard's stock repurchase programs

During the first half of 2012, Activision Blizzard repurchased its own common shares for €241 million ($315 million), including €42 million ($54 million) pursuant to the stock repurchase program of up to $1 billion authorized by Activision Blizzard's Board of Directors on February 2, 2012 and €199 million ($261 million) pursuant to the previous stock repurchase program. As of June 30, 2012, Vivendi held an approximate 62% non-diluted interest in Activision Blizzard (compared to an approximate 60% interest as of December 31, 2011).

1.1.5 Transactions underway as of August 27, 2012

As of August 27, 2012, the group is engaged in the acquisition of the following companies, the completion of which is subject to approval by the relevant regulatory authorities:

- **Acquisition project of EMI Recorded Music by Vivendi and Universal Music Group (UMG):** The transaction has been unconditionally cleared in New-Zealand (June 21, 2012), in Japan (July 9, 2012), and Canada (August 20, 2012). The regulatory process is ongoing in the rest of the jurisdictions. On March 23, 2012, the European Commission announced that the transaction was subject to an in-depth investigation (Phase II). The expiration of the relevant waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 of the United States passed in June 2012, and the payment of approximately £1 billion (approximately €1.25 billion) will be made, when conditions to payment have been satisfied.
- **Acquisition project of Bolloré Group's channels by Canal+ Group:** In February 2012, Canal+ Group exercised its option to acquire, in one transaction, a 100% interest in Bolloré Group's television business (the Direct 8 and Direct Star channels), in exchange for the issuance of 22.4 million Vivendi shares. Moreover, Bolloré Group committed to retain the Vivendi shares received in connection with the completion of the transaction for a minimum period of six months after closing. On July 23, 2012, the French Competition Authority cleared the acquisition of Direct 8 and Direct Star subject to commitments given by Vivendi and Canal+ Group (please refer to Note 2 to the Condensed Financial Statements for the half year ended June 30, 2012). The transaction remains subject to approval by France's Superior Audiovisual Council, which is expected in September 2012.

- **Strategic partnership project among the Canal+, ITI, and TVN groups in Poland.**

For a detailed description of these three transactions, please refer to Note 2.5 to the Consolidated Financial Statements for the year ended December 31, 2011, pages 195 to 196 of the 2011 Annual Report.

1.2 Major events since June 30, 2012

The major events that have occurred since June 30, 2012 were as follows:

- On July 3, 2012: Activision Blizzard and Tencent entered into a license agreement in China (please refer to Section 1.1.4 above);
- On July 4, 2012: Standard & Poor's announced that it placed Vivendi's long-term BBB debt and short-term A-2 debt credit rating on a negative watch (please refer to Section 5 below);
- On July 9, 2012: the acquisition project of EMI Recorded Music by Vivendi and Universal Music Group (UMG) received regulatory approval in Japan (please refer to Section 1.1.5 above);
- On July 16, 2012: the capital increase related to Vivendi's employee stock purchase plans and the grant of 50 bonus shares to the French employees of the Vivendi group took place (please refer to Note 12 to the Condensed Financial Statements for the half year ended June 30, 2012);
- On July 17, 2012: the acquisition by StudioCanal of a 100% interest in Hoyts Distribution, a company specializing in the distribution of feature films in Australia and New Zealand was announced;
- On July 23, 2012: the acquisition of Direct 8 and Direct Star was approved by the French Competition Authority (please refer to Section 1.1.5 above);
- On July 23, 2012: the French Competition Authority issued its decision on the combination between TPS group and CanalSatellite (please refer to Note 16 to the Condensed Financial Statements for the half year ended June 30, 2012);
- On August 2, 2012: Vivendi received a commitment from a syndicate of banks for a security instrument in relation to the Liberty Media litigation; and
- On August 20, 2012: the acquisition project of EMI Recorded Music by Vivendi and UMG received regulatory approval in Canada.

2 Earnings analysis

2.1 Consolidated statement of earnings and adjusted statement of earnings

SECOND QUARTER

CONSOLIDATED STATEMENT OF EARNINGS			ADJUSTED STATEMENT OF EARNINGS		
	Three months ended June 30,		Three months ended June 30,		
	2012	2011	2012	2011	
Revenues	**6,965**	**7,069**	**6,965**	**7,069**	**Revenues**
Cost of revenues	(3,337)	(3,372)	(3,337)	(3,372)	Cost of revenues
Margin from operations	**3,628**	**3,697**	**3,628**	**3,697**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(2,217)	(2,006)	(2,217)	(2,006)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(95)	(33)	(95)	(33)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(110)	(118)			
Impairment losses on intangible assets acquired through business combinations	(93)	-			
Other income	3	-			
Other charges	(34)	(10)			
EBIT	**1,082**	**1,530**	**1,316**	**1,658**	**EBITA**
Income from equity affiliates	6	(11)	6	(11)	Income from equity affiliates
Interest	(147)	(106)	(147)	(106)	Interest
Income from investments	2	3	2	3	Income from investments
Other financial income	3	2			
Other financial charges	(55)	(27)			
Earnings from continuing operations before provision for income taxes	**891**	**1,391**	**1,177**	**1,544**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(272)	(239)	(315)	(321)	Provision for income taxes
Earnings from continuing operations	**619**	**1,152**			
Earnings from discontinued operations	-	-			
Earnings	**619**	**1,152**	**862**	**1,223**	**Adjusted net income before non-controlling interests**
Of which					*Of which*
Earnings attributable to Vivendi SA shareowners	**463**	**824**	**706**	**884**	**Adjusted net income**
Non-controlling interests	156	328	156	339	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**0.36**	**0.64**	**0.55**	**0.69**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**0.36**	**0.64**	**0.55**	**0.69**	**Adjusted net income per share - diluted (in euros)**

In millions of euros, except per share amounts.

HALF YEAR

CONSOLIDATED STATEMENT OF EARNINGS	Six months ended June 30, 2012	Six months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011	ADJUSTED STATEMENT OF EARNINGS
Revenues	**14,084**	**14,253**	**14,084**	**14,253**	**Revenues**
Cost of revenues	(6,762)	(6,833)	(6,762)	(6,833)	Cost of revenues
Margin from operations	**7,322**	**7,420**	**7,322**	**7,420**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(4,262)	(3,979)	(4,262)	(3,979)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(123)	(78)	(123)	(78)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(221)	(241)			
Impairment losses on intangible assets acquired through business combinations	(93)	-			
Other income	8	1,289			
Other charges	(56)	(459)			
EBIT	**2,575**	**3,952**	**2,937**	**3,363**	**EBITA**
Income from equity affiliates	(13)	(13)	(13)	(13)	Income from equity affiliates
Interest	(286)	(207)	(286)	(207)	Interest
Income from investments	4	74	4	74	Income from investments
Other financial income	6	5			
Other financial charges	(83)	(62)			
Earnings from continuing operations before provision for income taxes	**2,203**	**3,749**	**2,642**	**3,217**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(643)	(437)	(711)	(612)	Provision for income taxes
Earnings from continuing operations	**1,560**	**3,312**			
Earnings from discontinued operations	-	-			
Earnings	**1,560**	**3,312**	**1,931**	**2,605**	**Adjusted net income before non-controlling interests**
Of which					*Of which*
Earnings attributable to Vivendi SA shareowners	**1,160**	**2,558**	**1,529**	**1,834**	**Adjusted net income**
Non-controlling interests	400	754	402	771	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**0.90**	**2.00**	**1.19**	**1.44**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**0.90**	**2.00**	**1.19**	**1.43**	**Adjusted net income per share - diluted (in euros)**

In millions of euros, except per share amounts.

Nota: Earnings attributable to Vivendi SA shareowners per share and adjusted net income per share (basic and diluted) for all periods previously published have been adjusted in order to reflect the dilution arising from the grant to each shareowner on May 9, 2012, of one bonus share for each 30 shares held, in accordance with IAS 33. The impact of this operation was not significant. Please refer to Section 1.1.4 of this Financial Report.

2.2 Earnings review

For the first half of 2012, **adjusted net income** amounted to €1,529 million (or €1.19 per share[2] compared to €1,834 million (or €1.44 per share[2]) for the first half of 2011. This €305 million decrease (-16.6%) in adjusted net income resulted primarily from:

- a €426 million decrease in EBITA to a total of €2,937 million (compared to €3,363 million for the first half of 2011). This change mainly reflected the decline in the performances of Activision Blizzard (-€261 million, due to the launch schedule for video games), SFR (-€128 million), Maroc Telecom group (-€68 million, including the €72 million cost of a voluntary redundancy plan), and Canal+ Group (-€12 million), partially offset by the operating performances of GVT (+€36 million) and Universal Music Group (+€24 million);
- a €79 million increase in interest expense, primarily resulting from the impact on the average outstanding Financial Net Debt related to the acquisition by Vivendi of Vodafone's non-controlling interest in SFR on June 16, 2011 for €7.75 billion;
- a €70 million decrease attributable to the balance of the contractual dividend paid by GE to Vivendi on January 25, 2011 as part of the completion of the sale by Vivendi of its interest in NBC Universal;
- a €99 million increase in income tax expense, primarily resulting from the €215 million decrease in current tax savings related to the Consolidated Global Profit Tax and Vivendi SA's tax group Systems. It notably included the impact of the changes in French Tax Law in the second half of 2011, i.e. the deduction for tax losses carried forward was capped at 60% of taxable income (-€87 million) and the change in the Consolidated Global Profit Tax System (-€54 million) as well as the decline in SFR's taxable income (-€73 million). This unfavorable impact was partially offset by the decline in taxable income of Activision Blizzard and Maroc Telecom group; and
- a €369 million decrease in adjusted net income attributable to non-controlling interests, mainly resulting from the acquisition in June 2011 of Vodafone's non-controlling interest in SFR (€242 million).

Breakdown of the main items from the Statement of Earnings

Revenues were €14,084 million, compared to €14,253 million for the first half of 2011 (-1.2%, or -2.3% at constant currency). For a breakdown of revenues by business segment, please refer to Section 4 of this Financial Report.

Restructuring charges and other operating charges and income amounted to a net charge of €123 million, compared to a net charge of €78 million for the first half of 2011, a €45 million increase. For the first half of 2012, they primarily included restructuring charges for €123 million, of which €72 million related to the expected cost of a voluntary redundancy plan at Maroc Telecom and €33 million incurred by UMG. For the first half of 2011, restructuring charges amounted to €64 million, of which €37 million incurred by UMG and €16 million incurred by Activision Blizzard.

EBITA was €2,937 million, compared to €3,363 million for the first half of 2011, a €426 million decrease (-12.7%, or -13.6% at constant currency). For a breakdown of EBITA by business segment, please refer to Section 4 of this Financial Report.

Amortization of intangible assets acquired through business combinations was €221 million, compared to €241 million for the first half of 2011, a €20 million decrease (-8.3%).

Impairment losses on intangible assets acquired through business combinations amounted to €93 million for the first half of 2012 and related to certain music catalogs of Universal Music Group classified as assets held for sale as part of the acquisition project of EMI Recorded Music.

Other income amounted to €8 million, compared to €1,289 million for the first half of 2011. For the first half of 2011, it primarily included the impact of the final settlement on January 14, 2011 of the litigation over the share ownership of PTC in Poland (€1,255 million).

Other charges amounted to €56 million, compared to €459 million for the first half of 2011. For the first half of 2011, they mainly included the capital loss incurred on January 25, 2011 on the sale of Vivendi's remaining 12.34% interest in NBC Universal (€421 million, of which €477 million related to a foreign exchange loss attributable to the decline in value of the US dollar since January 1, 2004).

EBIT was €2,575 million, compared to €3,952 million for the first half of 2011, a €1,377 million decrease (-34.8%).

Income from equity affiliates was a €13 million charge, unchanged compared to the first half of 2011.

Interest was an expense of €286 million, compared to €207 million for the first half of 2011, a €79 million increase (+38.2%).

[2] For details of the adjusted net income per share, please refer to Appendix 1 of this Financial Report.

For the first half of 2012, interest expense on borrowings amounted to €299 million, compared to €234 million for the first half of 2011, a €65 million increase (+27.8%). This change was attributable to the increase in the average outstanding borrowings to €16.5 billion for the first half of 2012 (compared to €11.8 billion for the first half of 2011), primarily resulting from the impact of the acquisition by Vivendi of Vodafone's non-controlling interest in SFR on June 16, 2011 for €7.75 billion, partially offset by the decrease in the average interest rate on borrowings to 3.63% for the first half of 2012 (compared to 3.97% for the first half of 2011).
Interest income earned on cash and cash equivalents amounted to €13 million for the first half of 2012, compared to €27 million for the first half of 2011, a €14 million decrease. This change was attributable to the decrease in average cash and cash equivalents to €3.3 billion for the first half of 2012 (compared to €5.3 billion for the first half of 2011) and to the decrease in the average income rate to 0.76% for the first half of 2012 (compared to 1.03% for the first half of 2011).

Income from investments amounted to €4 million, compared to €74 million for the first half of 2011. For the first half of 2011, it included €70 million attributable to the balance of the contractual dividend paid by GE to Vivendi on January 25, 2011 as part of the completion of the sale by Vivendi of its interest in NBC Universal.

Other financial income and charges amounted to a net charge of €77 million, compared to a net charge of €57 million for the first half of 2011.

Income taxes reported to adjusted net income was a net charge of €711 million, compared to a net charge of €612 million for the first half of 2011, a €99 million increase. This change mainly reflected the €215 million decrease in current tax savings related to the Consolidated Global Profit Tax and Vivendi SA's tax group Systems due to the changes in French Tax Law in the second half of 2011, i.e., the deduction for tax losses carried forward was capped at 60% of taxable income (-€87 million) and the change in the Consolidated Global Profit Tax System (-€54 million), as well as the decline in SFR's taxable income (-€73 million). For the first half of 2012, current tax savings related to the Consolidated Global Profit Tax and Vivendi SA's tax group Systems amounted to €209 million (compared to €424 million for the first half of 2011). This unfavorable change was partially offset by the decline in taxable income of Activision Blizzard and Maroc Telecom group. The effective tax rate reported to adjusted net income was 26.8% (compared to 18.9% for the first half of 2011).
In addition, **provision for income taxes** was a net charge of €643 million, compared to a net charge of €437 million for the first half of 2011, a €206 million increase. In addition to the items that explained the €99 million increase in income taxes reported to adjusted net income, this increase included the change in deferred tax savings related to the Consolidated Global Profit Tax and Vivendi SA's tax group Systems, which was a €11 million charge (compared to a €112 million income for the first half of 2011).

Earnings attributable to non-controlling interests amounted to €400 million, compared to €754 million for the first half of 2011. The €354 million decrease was mainly attributable to the impact of the acquisition of Vodafone's 44% interest in SFR (-€224 million) as well as the decline in the performances of Activision Blizzard (-€56 million) and SFR (-€67 million).
Adjusted net income attributable to non-controlling interests amounted to €402 million, compared to €771 million for the first half of 2011. The €369 million decrease was primarily attributable to the impact of the acquisition of Vodafone's 44% interest in SFR (-€242 million) as well as the decline in the performances of Activision Blizzard (-€59 million) and SFR (-€58 million).

For the first half of 2012, **earnings attributable to Vivendi SA shareowners** amounted to €1,160 million (or €0.90 per share), compared to €2,558 million (or €2.00 per share) for the first half of 2011, a €1,398 million decrease (-54.7%). This evolution is primarily due to a €1,255 million income recorded in the first half of 2011 related to the final settlement of a litigation over the share ownership of PTC in Poland. Furthermore, no reserve has been set up at this stage in the accounts regarding the lawsuit filed by Liberty Media Corporation, for claims arising out of the agreement entered into by Vivendi and Liberty Media in May 2002. On June 25, 2012, a jury ordered Vivendi to pay €765 million. Vivendi strongly believes there are many grounds for appeal and continues to pursue all available paths of action to overturn the verdict and reduce the damages award.

The reconciliation of earnings attributable to Vivendi SA shareowners with adjusted net income is further described in Appendix 1 of this Financial Report. For the first half of 2012, this reconciliation primarily included the amortization and impairment losses on intangible assets acquired through business combinations (-€238 million, after taxes and non-controlling interests). For the first half of 2011, this reconciliation primarily included a net gain of €1,255 million related to the final settlement on January 14, 2011 of the litigation over the share ownership of PTC in Poland, partially offset by the capital loss incurred from the sale completed on January 25, 2011 of Vivendi's remaining 12.34% interest in NBC Universal (-€421 million, of which -€477 million related to a foreign currency translation adjustment reclassified to earnings, which represented a foreign exchange loss attributable to the decline in value of the US dollar since January 1, 2004). The reconciliation also included the amortization of intangible assets acquired through business combinations (-€149 million, after taxes and non-controlling interests), and the change in the deferred tax asset related to the Consolidated Global Profit Tax System (+€112 million).

2.3 2012 Outlook

Vivendi's half year results are in line with expectations and enable to confirm the full year 2012 outlook. Annual adjusted net income should be above €2.5 billion, before the impact of the transactions announced during the second half of 2011 (cf. below) and the restructuring charges in telecom operations. As a result, Vivendi still expects to propose a dividend with respect to fiscal year 2012 representing around 45% to 55% of adjusted net income, payable in cash in 2013. In addition, Vivendi confirms its outlook of Financial Net Debt below €14 billion at year end 2012 (assuming closing by year end 2012 of the transactions announced the second half of 2011) and intends to preserve its long term debt rating at BBB stable (Standard & Poor's/Fitch) and Baa2 stable (Moody's).

These forecasts are based on each business's financial objectives, which are described below and updated if necessary:

- Activision Blizzard upgrades its 2012 guidance: Activision Blizzard expects to report EBITA around €800 million (compared to EBITA above €750 million as announced on May 14, 2012).
- UMG confirms its 2012 guidance: UMG expects to report a double digit EBITA margin in 2012, at constant perimeter (before the impact of the EMI Recorded Music acquisition announced on November 11, 2011 and subject to approvals from regulatory authorities).
- SFR confirms its 2012 guidance: SFR expects a 12% to 15% decrease in EBITDA (excluding non-recurring positive items, 2011 EBITDA amounted to €3,707 million) and cash flow from operations close to €1.7 billion (excluding the impact of 4G spectrum acquisition for €1,071 million).
- Maroc Telecom group confirms its 2012 guidance, excluding restructuring charges: Maroc Telecom group expects an EBITA margin around 38% and stable cash flow from operations compared to 2011, in Dirhams.
- GVT revises its 2012 guidance: GVT expects to report a revenue growth above 30%, at constant currency, compared to a growth in the mid-30's as announced on March 1, 2012. In parallel, GVT upgrades its EBITDA margin guidance to slightly above 40% (including the impact of pay-TV business launch), compared to an EBITDA margin around 40%, as announced on March 1, 2012. In addition, capital expenditures would amount to €1 billion and GVT's "EBITDA-Capex" is expected to reach the break-even point for telecom operations.
- Canal+ Group confirms its 2012 guidance: Canal+ Group expects to report a slight increase in EBITA at constant perimeter (excluding the impact of the transactions announced in the second half of 2011: free-to-air TV diversification in France through the acquisition of Direct 8 and Direct Star channels and consolidation of Polish pay TV market with the combination of Cyfra+ and "n"; these transactions are subject to approvals from regulatory authorities).

The 2012 financial objectives above regarding revenues, EBITA, EBITA margin rates, EBITDA, EBITDA margin, adjusted net income (ANI), as well as cash flow from operations (CFFO) and capital expenditures is based on data, assumptions, and estimates considered as reasonable by Vivendi management. They are subject to change or modification due to uncertainties related in particular to the economic, financial, competitive and/or regulatory environment. Moreover, the materialization of certain risks described in Chapter 2 of the 2011 Annual Report could have an impact on the group's operations and its capacity to achieve its 2012 outlook. Finally, Vivendi considers that the non-GAAP measures EBITA, EBITDA, ANI, CFFO, and capital expenditures are relevant indicators of the group's operating performance.

3 Cash flow from operations analysis

Preliminary comment: *Vivendi considers that the non-GAAP measures cash flow from operations (CFFO), cash flow from operations before capital expenditures (CFFO before capex, net), and cash flow from operations after interest and taxes (CFAIT) are relevant indicators of the group's operating and financial performance. These indicators should be considered in addition to, and not as substitutes for, other GAAP measures as reported in Vivendi's cash flow statement, contained in the group's Consolidated Financial Statements.*

For the first half of 2012, cash flow from operations before capital expenditures (CFFO before capex, net) generated by business segments amounted to €3,294 million (compared to €3,439 million for the first half of 2011), a €145 million decrease (-4.2%). This change notably reflected the increase in content investments (-€125 million) and the impact in January 2011 from the balance of the contractual dividend received as part of the completion of the sale of Vivendi's interest in NBC Universal (-€70 million). This change also reflected the stability of the group's EBITDA after changes in net working capital.

For the first half of 2012, capital expenditures, net amounted to €2,890 million (compared to €1,592 million for the first half of 2011), a €1,298 million increase, mainly attributable to SFR's acquisition of 4G mobile spectrum for €1,071 million. Excluding this impact, capital expenditures, net increased by €227 million (+14.3%), primarily attributable to GVT (+€192 million, of which almost €140 million related to pay-TV for the first half of 2012).

After capital expenditures, net, cash flow from operations (CFFO) generated by business segments amounted to €404 million (compared to €1,847 million generated in the first half of 2011), a €1,443 million decrease. Excluding the acquisition of mobile spectrum, CFFO generated by business segments amounted to €1,475 million (compared to €1,847 million for the first half of 2011), a €372 million decrease, reflecting in particular GVT's growth related capital expenditures.

For the first half of 2012, cash flow from operations after interest and income taxes paid (CFAIT) was a net cash outflow of -€204 million (compared to €1,099 million generated in the first half of 2011), a €1,303 million decrease, attributable to the decrease in CFFO (-€1,443 million), the increase in interest expense (-€79 million), and a foreign exchange loss attributable to the redemption in April 2012 of a $700 million bond (-€78 million), partially offset by the €264 million decrease in income taxes paid, net. This change mainly reflected the change from one fiscal year to another of the amount of income tax installments for the current fiscal year and final settlements for the previous fiscal year paid by the group's entities.

		Six months ended June 30,			
(in millions of euros)		2012	2011	Change in €	Change in %
Revenues		14,084	14,253	-169	-1.2%
Operating expenses excluding depreciation and amortization		(9,730)	(9,637)	-93	-1.0%
EBITDA	(a)	*4,354*	*4,616*	*-262*	*-5.7%*
Restructuring charges paid		(49)	(60)	+11	+18.3%
Content investments, net		(227)	(102)	-125	x 2.2
Neutralization of change in provisions included in EBITDA		(20)	(74)	+54	+73.0%
Other cash operating items excluded from EBITDA		(8)	(1)	-7	x 8.0
Other changes in net working capital		(759)	(1,014)	+255	+25.1%
Net cash provided by operating activities before income tax paid	(b)	***3,291***	***3,365***	***-74***	***-2.2%***
Dividends received from equity affiliates	(c)	2	71	-69	-97.2%
of which balance of the contractual dividend paid by GE		-	*70*	*-70*	*-100.0%*
Dividends received from unconsolidated companies	(c)	1	3	-2	-66.7%
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)		**3,294**	**3,439**	**-145**	**-4.2%**
Capital expenditures, net (capex, net)	(d)	(2,890)	(1,592)	-1,298	-81.5%
of which SFR		*(1,939)* (f)	*(832)*	*-1,107*	*x 2.3*
Maroc Telecom Group		*(271)*	*(260)*	*-11*	*-4.2%*
GVT		*(528)*	*(336)*	*-192*	*-57.1%*
Cash flow from operations (CFFO)		**404**	**1,847**	**-1,443**	**-78.1%**
Interest paid, net	(e)	(286)	(207)	-79	-38.2%
Other cash items related to financial activities	(e)	(66)	(21)	-45	x 3.1
of which gains/(losses) on currency transactions		*(42)*	*(3)*	*-39*	*x 14.0*
Financial activities cash payments		***(352)***	***(228)***	***-124***	***-54.4%***
Payment received from the French State Treasury as part of the Consolidated Global Profit Tax and Vivendi SA's French Tax Group Systems		536	586	-50	-8.5%
Other taxes paid		(792)	(1,106)	+314	+28.4%
Income tax (paid)/received, net	(b)	***(256)***	***(520)***	***+264***	***+50.8%***
Cash flow from operations after interest and income tax paid (CFAIT)		**(204)**	**1,099**	**-1,303**	**na***

na*: not applicable.

a. EBITDA, a non-GAAP measure, is described in Section 4.2 of this Financial Report.

b. As presented in operating activities of Vivendi's Statement of Cash Flows (please refer to Section 5.3).

c. As presented in investing activities of Vivendi's Statement of Cash Flows (please refer to Section 5.3).

d. Relates to cash used for capital expenditures, net of proceeds from property, plant and equipment, and intangible assets as presented in investing activities of Vivendi's Statement of Cash Flows (please refer to Section 5.3).

e. As presented in financing activities of Vivendi's Statement of Cash Flows (please refer to Section 5.3).

f. SFR's capital expenditures notably included the cash payment related to 4G mobile spectrum for €1,071 million during the first half of 2012.

Cash flow from operations by business segment

	Six months ended June 30,		
(in millions of euros)	2012	2011	Change in %
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)			
Activision Blizzard	245	240	+2.1%
Universal Music Group	126	80	+57.5%
SFR	1,549	1,781	-13.0%
Maroc Telecom Group	761	680	+11.9%
GVT	271	260	+4.2%
Canal+ Group	417	404	+3.2%
NBC Universal dividends	-	70	-100.0%
Holding & Corporate	(80)	(66)	-21.2%
Non-core operations and others	5	(10)	na*
Total Vivendi	**3,294**	**3,439**	**-4.2%**
Cash flow from operations (CFFO)			
Activision Blizzard	225	222	+1.4%
Universal Music Group	102	58	+75.9%
SFR	(390)	949	na*
Maroc Telecom Group	490	420	+16.7%
GVT	(257)	(76)	x 3.4
Canal+ Group	312	283	+10.2%
NBC Universal dividends	-	70	-100.0%
Holding & Corporate	(80)	(67)	-19.4%
Non-core operations and others	2	(12)	na*
Total Vivendi	**404**	**1,847**	**-78.1%**

na*: not applicable.

4 Business segment performance analysis

4.1 Revenues and EBITA by business segment

SECOND QUARTER

(in millions of euros)	Three months ended June 30, 2012	2011	% Change	% Change at constant rate
Revenues				
Activision Blizzard	837	796	+5.2%	-6.2%
Universal Music Group	961	982	-2.1%	-7.9%
SFR	2,834	3,064	-7.5%	-7.5%
Maroc Telecom Group	687	689	-0.3%	-1.8%
GVT	421	353	+19.3%	+27.9%
Canal+ Group	1,238	1,200	+3.2%	+3.5%
Non-core operations and others, and elimination of intersegment transactions	(13)	(15)	na*	na*
Total Vivendi	**6,965**	**7,069**	**-1.5%**	**-3.2%**
EBITA				
Activision Blizzard	177	331	-46.5%	-52.3%
Universal Music Group	88	86	+2.3%	-0.1%
SFR	552	675	-18.2%	-18.2%
Maroc Telecom Group	190	265	-28.3%	-29.8%
GVT	107	97	+10.3%	+18.4%
Canal+ Group	247	230	+7.4%	+8.5%
Holding & Corporate	(44)	(22)	x 2.0	x 2.0
Non-core operations and others	(1)	(4)	na*	na*
Total Vivendi	**1,316**	**1,658**	**-20.6%**	**-21.6%**

HALF YEAR

(in millions of euros)	Six months ended June 30, 2012	2011	% Change	% Change at constant rate
Revenues				
Activision Blizzard	1,731	1,857	-6.8%	-13.6%
Universal Music Group	1,922	1,863	+3.2%	-1.0%
SFR	5,761	6,120	-5.9%	-5.9%
Maroc Telecom Group	1,363	1,361	+0.1%	-0.8%
GVT	853	682	+25.1%	+31.4%
Canal+ Group	2,470	2,392	+3.3%	+3.7%
Non-core operations and others, and elimination of intersegment transactions	(16)	(22)	na*	na*
Total Vivendi	**14,084**	**14,253**	**-1.2%**	**-2.3%**
EBITA				
Activision Blizzard	572	833	-31.3%	-35.6%
Universal Music Group	156	132	+18.2%	+15.3%
SFR	1,113	1,241	-10.3%	-10.3%
Maroc Telecom Group	463	531	-12.8%	-13.7%
GVT	223	187	+19.3%	+25.3%
Canal+ Group	483	495	-2.4%	-2.0%
Holding & Corporate	(69)	(42)	-64.3%	-65.3%
Non-core operations and others	(4)	(14)	na*	na*
Total Vivendi	**2,937**	**3,363**	**-12.7%**	**-13.6%**

na*: not applicable.

4.2 Comments on the operating performance of business segments

Preliminary comments:

- *Vivendi Management evaluates the performance of Vivendi's business segments and allocates the necessary resources to them based on certain operating performance indicators, notably the non-GAAP measures EBITA (Adjusted Earnings Before Interest and Income Taxes) and EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization):*
  - *The difference between EBITA and EBIT consists of the amortization of intangible assets acquired through business combinations, the impairment of goodwill and other intangibles acquired through business combinations and EBIT's "other charges" and "other income" as defined in Note 1.2.1 to the Consolidated Financial Statements for the year ended December 31, 2011.*
  - *As defined by Vivendi, EBITDA is calculated as EBITA as presented in the Adjusted Statement of Earnings, before depreciation and amortization of tangible and intangible assets, restructuring charges, gains/(losses) on the sale of tangible and intangible assets and other non-recurring items (as presented in the Consolidated Statement of Earnings by each operating segment - Please refer to Note 3 to the Condensed Financial Statements for the half year ended June 30, 2012).*

  Moreover, it should be noted that other companies may define and calculate EBITA and EBITDA differently from Vivendi, thereby affecting comparability.

- *The Vivendi group operates through six businesses at the heart of the worlds of content, platforms and interactive networks. As of June 30, 2012, Vivendi's ownership interest in each of these businesses was as follows: Activision Blizzard: 62%,; Universal Music Group (UMG): 100%,; SFR: 100%,; Maroc Telecom group: 53%,; GVT: 100%,; and Canal+ Group: 100% (Canal+ Group holds an 80% interest in Canal+ France).*

Activision Blizzard

For the first six months, Activision Blizzard had the top three best-selling games in North America and Europe at retail[3] with *Skylanders Spyro's Adventures®, Call of Duty: Modern Warfare® 3* and *Diablo® III*. Released on May 15, 2012, *Diablo III* set a new industry launch record[4] for PC games with, as of the first 24 hours, more than 3.5 million copies sold and more than 4.7 million gamers altogether[5]. *Diablo III* was also the #1 best-selling[4] PC game for the first six months of 2012.

Due to accounting principles that require that revenues and related cost of sales associated with games with an online component be deferred over the estimated customer service period, the majority of revenues associated with *Diablo III* were deferred, and will be recognized in future quarters. Therefore, Activision Blizzard's IFRS revenues were down 6.8% at €1,731 million (-13.6% at constant currency) compared to first half 2011.

World of Warcraft subscription revenues were lower due to a lower subscriber level and lower catalogue sales from Cataclysm (launched in the fourth quarter of 2010). Moreover, revenues related to *Call of Duty* digital offerings and catalogue were lower compared to the same period last year. The continued strong performance of *Skylanders* partially offset these impacts.

EBITA was €572 million, a 31.3% decrease (-35.6% at constant currency). The balance of the deferred operating margin was €655 million as of June 30, 2012, compared to €378 million as of June 30, 2011.

For the second half of the year, Activision Blizzard expects a strong sales level due to its product slate which includes the launch of *World of Warcraft®: Mists of Pandaria™* on September 25, *Skylanders Giants™* on October 19 and *Call of Duty: Black Ops II* on November 13.

The full year EBITA outlook for Activision Blizzard has been upgraded to around €800 million (compared to the previous forecast of above €750 million), due to better-than-expected second quarter results.

[3] *According to NPD, Chart-Track and GfK.*
[4] *According to Activision Blizzard internal estimates and the NPD Group, Chart-Track and GfK.*
[5] *More than 1.2 million players received Diablo III as part of signing up the World of Warcraft Annual Pass promotion.*

Universal Music Group (UMG)

During first half 2012, Universal Music Group (UMG)'s recorded music best sellers included new releases from Justin Bieber, Madonna, Nicki Minaj and Les Enfoirés bolstered by the breakthrough success of new artists such as Lana Del Rey and Gotye.

UMG's revenues were €1,922 million, a 3.2% increase compared to first half 2011. Higher revenues were driven by increased music publishing revenues and improved recorded music sales in North America. It was also due to favorable currency movements. Revenues were down 1.0% at constant currency. An 8.9% increase in digital sales and higher license income almost offset the falling demand for physical product and lower merchandising revenues. First half 2011 also benefited from the success of Lady Gaga's *Born This Way* album.

UMG's EBITA was €156 million, an 18.2% increase compared to first half 2011 (+15.3% at constant currency), driven by continued cost management and an improved product mix. EBITA margin increased 1.0 percentage point compared to first half 2011, from 7.1% to 8.1%.

UMG's activities during second half 2012 should benefit from the sales of new albums from The Killers, No Doubt, Robbie Williams, Rolling Stones, Taylor Swift, Florent Pagny, Girls Generation, Diana Krall, Eros Ramazzotti, and Alejandro Sanz.

SFR

SFR's revenues[6] amounted to €5,761 million, a 5.9% decrease compared to first half 2011 due to progressive price cuts caused by the new competitive environment and to several price cuts imposed by the regulators[7]. Excluding the impact of these regulatory decisions, revenues decreased by 1.7%.

Mobile[8] revenues amounted to €3,881 million, an 8.8% decrease compared to first half 2011. Mobile service[9] revenues decreased by 8.6% to €3,663 million. Excluding the impact of regulated price cuts, mobile service revenues decreased by 2.0%.
In second quarter 2012, SFR's postpaid mobile customer base returned to growth with 122,000 net additions due to the good performance of Enterprise and M to M, and the improving trend of Residential customer recruitments. SFR reacted quickly to the evolution of the French market:

- On January 19, regarding low-cost offers, with the adjustment of the Red range;
- On February 2, regarding SFR's core range, with tariff adjustments on the "Formules Carrées"; and
- On June 5, with the launch of Buzz Mobile (low-cost calls to worldwide destinations) followed by the launch of a new prepaid range.

At the end of June 2012, SFR's postpaid mobile customer base reached 16.414 million, a 2.3% increase year-on-year. The customer mix (the percentage of the number of postpaid customers in the total customer base) amounted to 79.0%, a 2.8 percentage points increase year-on-year. SFR's total mobile customer base reached 20.790 million. Mobile Internet usage continued to develop, with 46% of SFR customers being equipped with a smartphone (compared to 34% at the end of June 2011) and a 2.9% increase in mobile data revenues compared to first half 2011.

Broadband Internet and fixed[8] revenues amounted to €1,981 million, a 1.0% decrease compared to first half 2011 and a 0.2 % decrease excluding the impact of regulated price cuts. Excluding regulatory impacts, broadband Internet mass market revenues increased by 1.6%.

At end of June 2012, the active broadband Internet residential customer base totaled 5.016 million, with 22,000 net additions in the second quarter of 2012 and an accelerated penetration of the convergent quadruple play offer ("Multi-Pack de SFR"), with 1.6 million customers at the end of June 2012.

SFR's EBITDA was €1,848 million, a 5.0% decrease compared to first half 2011 and its EBITA was €1,113 million, a 10.3% decrease compared to first half 2011.

SFR is preparing an adjustment plan of its cost structure. This plan aims to achieve annual operating cost savings of around €500 million by the end of 2014, in addition to a significant decrease in variable costs. In order to preserve future growth perspectives, SFR plans to maintain an investment level of €1.4-€1.5 billion per year, in particular in mobile broadband (4G).

[6] *Following the disposal of 100% of Débitel France SA to La Poste Télécom SAS, Débitel France SA has been excluded from the consolidation perimeter since March 1, 2011, with a customer base of 290,000.*

[7] *Tariff cuts imposed by regulatory decision:*

i) 33% decrease in mobile voice termination regulated price on July 1, 2011 and a 25% additional decrease on January 1, 2012;

ii) 25% decrease in SMS termination regulated price on July 1, 2011;

iii) roaming tariff cuts; and

iv) 40% decrease in fixed voice termination regulated price on October 1, 2011.

[8] *Mobile revenues, broadband Internet, and fixed revenues are determined as revenues before elimination of intersegment operations within SFR.*

[9] *Mobile service revenues are determined as mobile revenues excluding revenues from equipment sales.*

Maroc Telecom group

Maroc Telecom group's revenues were €1,363 million, stable at +0.1% compared to first half 2011 (-0.8% at constant currency), due to lower revenues in Morocco, in a competitive environment of persistent price cuts in the mobile segment, offset by the solid growth in the sub-Saharan African countries. The group's overall customer base showed solid momentum and reached over 31 million customers at the end of June 2012, a 13.7% increase mainly due to the 37% growth in the international customer base, year-on-year.

Activities in Morocco generated revenues of €1,067 million, a 4.3% decrease compared to first half 2011 (-5.3% at constant currency). This change reflected the lower mobile call-termination rates on inbound mobile revenues, intentionally lower revenues from mobile handset sales in order to reduce acquisition costs, and the decrease in fixed revenues. Outgoing mobile revenues increased slightly, as a result of a 40% rise in usage.

In sub-Saharan Africa, Maroc Telecom group generated revenues of €313 million, a 22.3% increase compared to first half 2011 (+21.7% at constant currency). This performance resulted from very strong growth in mobile customer bases (+39%) and higher customer usage.

Maroc Telecom group's EBITDA amounted to €751 million, a 3.0% increase compared to first half 2011 (+2.0% at constant currency). This increase is supported by Morocco and sub-Saharan Africa. EBITDA margin of the group increased to reach 55.1%, up 1.5 percentage point compared to first half 2011.

Maroc Telecom group's EBITA amounted to €463 million, a 12.8% decrease compared to first half 2011 (-13.7% at constant currency). A €72 million restructuring provision was accounted for following the initiation of a voluntary redundancy plan in Morocco in June 2012. Excluding the restructuring provision, EBITA amounted to €535 million, a 0.8% increase (-0.4% at constant currency), representing a 39.3% margin, a 0.3 percentage point increase.

On the basis of recent market evolutions and to the extent that no new major event would interfere with the group's activities, the Maroc Telecom group maintains its guidance and forecasts, excluding restructuring charges, for an EBITA margin of approximately 38% and stable cash flow from operations (CFFO) in local currency[10] compared to 2011.

GVT

GVT's revenues reached €853 million, a 25.1% increase compared to first half 2011 (+31.4% at constant currency); excluding the impact of change in VAT policy, revenues increased by 42% at constant currency. Broadband service revenues increased by 16.7% (+22.4% at constant currency) and voice service revenues increased by 26.2% (+32.4% at constant currency) compared to first half 2011.

As a result of commercial efforts and geographical network expansion, GVT's lines in service (LIS)[11] reached over 7.414 million (a 41.1% increase year-on-year). Regarding total Broadband LIS, customer's base profile with speed equal to or higher than 15 Mbps reached 40.7%, compared to 24.0% for first half 2011. GVT expanded its coverage to 11 additional cities during first half 2012 and ended the second quarter covering 130 cities.

GVT's EBITDA was €346 million, a 21.4% increase compared to first half 2011 (+27.3% at constant currency) and EBITDA margin reached 40.6%. Excluding the costs related to the pay-TV service, telecom EBITDA margin reached 43.1%, representing a 0.9 percentage point increase year-on-year.

GVT's EBITA was €223 million, a 19.3% increase compared to first half 2011 (+25.3% at constant currency).

Through its hybrid pay-TV service combining broadcasting of channels via satellite and interactive services via IPTV (Internet Protocol TV), GVT already acquired around 203,000 subscribers as of June 30, 2012. During second quarter of 2012, GVT achieved a market share of 11% net adds of the entire Brazilian pay-TV market (keeping in mind that GVT markets its services only in its network deployment areas).

GVT's capital expenditures amounted to €528 million, a 57.1% increase compared to first half 2011, of which almost €140 million related to pay-TV. Capital expenditure is essentially related to pay-TV service development, expansion and network deployment.

For the full year, GVT revenues growth guidance is now above 30's at constant currency, versus mid-30's previously, and the group increases its EBITDA margin outlook slightly above 40% (including the impact of pay TV launch), versus around 40% previously.

[10] *At around MAD 11.5 billion.*
[11] *Excluding pay-TV.*

Canal+ Group

Canal+ Group’s revenues were €2,470 million compared to €2,392 million for first half 2011, a 3.3% increase year-on-year.

Canal+ France’s revenues, which include Canal+ Group pay-TV operations in mainland France, French overseas territories and Africa, were up 2.3% and reached €2,064 million, driven by subscription portfolio growth, higher advertising revenues, and despite an increase in the VAT rate (€20 million impact). Canal+ France portfolio recorded a net growth of almost 350,000 subscriptions compared to the end of June 2011, with almost 140,000 subscriptions from Africa.

Revenues from all other Canal+ Group activities also grew strongly, thanks particularly to a positive momentum at StudioCanal, as well as to a strong increase of its pay-TV activities in Vietnam.

Canal+ Group’s EBITA was €483 million compared to €495 million for first half 2011. The results of mainland France were impacted by seasonal effects.

Holding & Corporate

Holding & Corporate EBITA was -€69 million, compared to -€42 million for the first half of 2011, a €27 million decrease, notably due to higher litigation charges in the first half of 2012 and several positive one-off items in 2011.

5 Treasury and capital resources

Preliminary comment: *Vivendi considers Financial Net Debt, a non-GAAP measure, to be a relevant indicator in measuring the group's indebtedness. Financial Net Debt should be considered in addition to, and not as a substitute for, other GAAP measures reported on the Consolidated Statement of Financial Position, as well as other measures of indebtedness reported in accordance with GAAP. Vivendi Management uses Financial Net Debt for reporting and planning purposes, as well as to comply with certain debt covenants.*

5.1 Summary of Vivendi's exposure to credit and liquidity risks

Vivendi's financing policy consists of incurring long-term debt, mainly in bond and banking markets, at a variable or fixed rate, in euros or in US dollars, depending on general corporate needs and market conditions. In this context, in 2012, Vivendi pursued its policy of disintermediation, having recourse in priority to the bond market by issuing two euro-denominated bonds for a total amount of €1,550 million in January and April 2012 and one US dollar-denominated bond for $2,000 million in April 2012. Vivendi also sought to diversify its investor base by issuing on the American bond market and pursued its policy of maintaining the "economic" average term of the group's debt above 4 years. In addition, Vivendi has a Euro Medium Term Notes program on the Luxembourg Stock Exchange, which is systematically renewed each year, in order to take advantage of every euro bond market opportunity. To comply with the rating agencies' new prudential regulations regarding liquidity management, Vivendi arranges to the extent possible, the refinancing of all expiring bank credit facilities or bonds one year in advance.

As of June 30, 2012:

- The group's bond debt amounted to €11,284 million (compared to €9,276 million as of December 31, 2011). During the first half of 2012, Vivendi issued bonds in euros and in dollars for a total amount of €3,058 million and redeemed bonds for €600 million expired in February 2012 and for $700 million (€448 million) early redeemed in April/May 2012. Please refer to Section 5.4 below. The group's bond debt represented 65% of the Financial Position's borrowings (compared to 59% as of December 31, 2011), and the group's objective is to increase this ratio to above 70%.
- As a result of the disintermediation policy, the total amount of the group's confirmed credit facilities amounted to €9,095 million (compared to €12,081 million as of December 31, 2011), of which €4,263 million was neither drawn nor backed by commercial paper (compared to €6,635 million as of December 31, 2011).
- Vivendi SA's and SFR's total confirmed credit facilities amounted to €8,340 million as of June 30, 2012 (compared to €11,242 million as of December 31, 2011). The maturity of these credit facilities is greater than one year. These credit facilities were drawn for €1,050 million as of June 30, 2012. Considering the €3,320 million commercial paper issued at that date and backed to bank credit facilities, these facilities were available up to €3,970 million.
- The short-term borrowings notably included issued commercial paper as well as drawn credit facilities with maturities of less than one year. The "economic" average term of the group's debt was 4.7 years (compared to 4.0 years as of December 31, 2011).
- On July 4, 2012, Standard & Poor's announced that it placed the BBB long-term debt and the A-2 short-term debt rating, which is used as a reference for the issuance program of commercial paper, on credit watch negative. At the same time, Moody's and Fitch maintained their stable outlook rating for Vivendi's long-term debt (Baa2 and BBB, respectively). Vivendi reaffirmed its commitment to such credit rating. As a reminder, no financial covenant is dependent upon Vivendi's debt rating. As of June 30, 2012 Vivendi was in compliance with all its covenants (please refer to Note 13 to the Condensed Financial Statements of the half year ended June 30, 2012).

As of August 27, 2012:

- After the redemption in July 2012, at maturity, of SFR's €1 billion bond, by drawing on available credit facilities and by issuing commercial paper, the group has available confirmed credit facilities, net of commercial paper (€3.2 billion), amounting to €4 billion net, of which €3.7 billion is attributable to Vivendi SA and SFR. This amount included €2 billion in swinglines.
- After taking into account the payment of approximately £1 billion (approximately €1.25 billion) for the acquisition of EMI Recorded Music, that will be made when conditions to payment have been satisfied, the group would have approximately €2.8 billion available confirmed credit facilities, net of commercial paper, of which approximately €2.5 billion attributable to Vivendi SA and SFR.
- In addition, if the Liberty Media verdict were to be entered into the record by the judge (please refer to Note 16 to the Condensed Financial Statements of the half year ended June 30, 2012), in order to appeal, Vivendi would be required to post a security

instrument in favor of an American court. On August 2, 2012, Vivendi obtained a firm and definitive commitment from a syndicate of banks to issue the security instrument in favor of the court if and when a judgment is entered.

Taking into account the foregoing, Vivendi considers that the cash flows generated by its operating activities, its cash and cash equivalents as well as the amounts available through its current bank credit facilities or the bank commitments received for the security instrument in connection with a possible appeal against the Liberty Media judgment will be sufficient to cover its operating expenses and capital expenditure, service its debt, cover any potential consequences that may arise from the Liberty Media litigation, as well as to finance its investment projects underway for the remaining six months of 2012.

5.2 Financial Net Debt changes

As of June 30, 2012, Vivendi's Financial Net Debt amounted to €14,133 million (compared to €12,027 million as of December 31, 2011), a €2,106 million increase. This change notably reflected the cash payments related to capital expenditures (€2,890 million, of which €1,071 million paid by SFR related to 4G mobile spectrum), interest (€286 million), dividends, paid notably to shareowners of Vivendi SA (€1,245 million), of Maroc Telecom SA (€345 million), and of Activision Blizzard (€62 million), and Activision Blizzard's stock repurchase program (€241 million), offset by net cash generated by operating activities of business segments (€3,035 million).

(in millions of euros)	June 30, 2012	December 31, 2011
Borrowings and other financial liabilities	17,404	15,710
of which long-term (a)	*11,862*	*12,409*
short-term (a)	*5,542*	*3,301*
Cash management financial assets (b) (c)	(313)	(266)
Derivative financial instruments in assets (b)	(149)	(101)
Cash deposits backing borrowings (b)	(6)	(12)
	16,936	**15,331**
Cash and cash equivalents (a)	(2,803)	(3,304)
of which Activision Blizzard	*(2,229)*	*(2,448)*
Financial Net Debt	**14,133**	**12,027**

a. As presented in the Consolidated Statement of Financial Position.

b. Included in the Financial Assets items of the Consolidated Statement of Financial Position.

c. Relates to Activision Blizzard's US treasuries and government agency securities, with a maturity exceeding three months.

(in millions of euros)	Cash and cash equivalents	Borrowings and other financial items (a)	Impact on Financial Net Debt
Financial Net Debt as of December 31, 2011	**(3,304)**	**15,331**	**12,027**
Outflows/(inflows) generated by:			
Operating activities	(3,035)	-	(3,035)
Investing activities	2,976	(44)	2,932
Financing activities	597	1,676	2,273
Foreign currency translation adjustments	(37)	(27)	(64)
Change in Financial Net Debt over the period	501	1,605	2,106
Financial Net Debt as of June 30, 2012	**(2,803)**	**16,936**	**14,133**

a. "Other financial items" include commitments to purchase non-controlling interests, derivative financial instruments (assets and liabilities), cash deposits backed on borrowings, as well as cash management financial assets.

5.3 Analysis of Financial Net Debt changes

(in millions of euros)		Refer to section	Six months ended June 30, 2012 Impact on cash and cash equivalents	Impact on borrowings and other financial items	Impact on Financial Net Debt
EBIT		2	**(2,575)**	**-**	**(2,575)**
Adjustments			(1,702)	-	(1,702)
Content investments, net			227	-	227
Gross cash provided by operating activities before income tax paid			***(4,050)***	***-***	***(4,050)***
Other changes in net working capital			759	-	759
Net cash provided by operating activities before income tax paid		3	***(3,291)***	***-***	***(3,291)***
Income tax paid, net		3	256	-	256
Operating activities	**A**		**(3,035)**	**-**	**(3,035)**
Financial investments					
Purchases of consolidated companies, after acquired cash			32	(13)	19
Investments in equity affiliates			3	-	3
Increase in financial assets			87	(54)	33
Total financial investments			***122***	***(67)***	***55***
Financial divestments					
Proceeds from sales of consolidated companies, after divested cash			(5)	-	(5)
Disposal of equity affiliates			(5)	-	(5)
Decrease in financial assets			(23)	23	-
Total financial divestments			***(33)***	***23***	***(10)***
Financial investment activities			**89**	**(44)**	**45**
Dividends received from equity affiliates			(2)	-	(2)
Dividends received from unconsolidated companies			(1)	-	(1)
Net investing activities excluding capital expenditures and proceeds from sales of property, plant, equipment and intangible assets			**86**	**(44)**	**42**
Capital expenditures			2,897	-	2,897
Proceeds from sales of property, plant, equipment and intangible assets			(7)	-	(7)
Capital expenditures, net		3	***2,890***	***-***	***2,890***
Investing activities	**B**		**2,976**	**(44)**	**2,932**
Transactions with shareowners					
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans			-	-	-
(Sales)/purchases of Vivendi SA's treasury shares			-	-	-
Dividends paid by Vivendi SA (€1 per share)			1,245	-	1,245
Other transactions with shareowners			227	-	227
of which stock repurchase program of Activision Blizzard			*241*	-	*241*
Dividends paid by consolidated companies to their non-controlling interests			457	-	457
of which Maroc Telecom SA			*345*	-	*345*
Activision Blizzard			*62*	-	*62*
Total transactions with shareowners			***1,929***	***-***	***1,929***
Transactions on borrowings and other financial liabilities					
Setting up of long-term borrowings and increase in other long-term financial liabilities			(4,178)	4,178	-
of which bonds			*(3,058)*	*3,058*	-
bank credit facilities			*(1,050)*	*1,050*	-
Principal payments on long-term borrowings and decrease in other long-term financial liabilities			4,192	(4,192)	-
of which bank credit facilities			*4,176*	*(4,176)*	-
Principal payments on short-term borrowings			1,461	(1,461)	-
of which bonds			*1,048*	*(1,048)*	-
bank credit facilities			*271*	*(271)*	-
commercial paper			*40*	*(40)*	-
Other changes in short-term borrowings and other financial liabilities			(3,159)	3,159	-
of which commercial paper			*(2,831)*	*2,831*	-
Non-cash transactions			-	(8)	(8)
Interest paid, net		3	286	-	286
Other cash items related to financial activities		3	66	-	66
Total transactions on borrowings and other financial liabilities			***(1,332)***	***1,676***	***344***
Financing activities	**C**		**597**	**1,676**	**2,273**
Foreign currency translation adjustments	D		(37)	(27)	(64)
Change in Financial Net Debt	**A+B+C+D**		**501**	**1,605**	**2,106**

5.4 New financings set up during the first half of 2012

Bonds

In January 2012, Vivendi set up a €1,250 million bond, with a 5.5-year maturity and a 4.125% coupon, and an effective rate of 4.31%.

In April 2012, Vivendi made the following transactions in the bond markets:

- a $2 billion bond issue consisting of the following three tranches:
  - $550 million with a 2.4% coupon maturing in April 2015 and an effective rate of 2.50%. A USD-EUR foreign currency hedge (cross-currency swap) was set up to hedge this tranche with a rate of 1.3082 USD/EUR, or a €420 million counter value at maturity;
  - $650 million, with a 3.450% coupon maturing in January 2018 and an effective rate of 3.56%; and
  - $800 million, with a 4.750% coupon maturing in April 2022 and an effective rate of 4.91%.

  This bond notably allowed the early redemption, through a tender offer, of the $700 million bond, with an initial scheduled maturity in April 2013.
- a €300 million tap issue on the €750 million bond maturing in July 2021, with a 4.750% coupon. This transaction increased the total amount of the bond to €1,050 million, with an effective rate of 4.67% (compared to 4.90% as of December 31, 2011).

Bank credit facilities

- In January 2012, Vivendi set up a €1.1 billion bank credit facility with a 5-year maturity, early refinancing the €1.5 billion credit facility with an initial scheduled maturity in December 2012 and a €0.5 billion SFR syndicated loan with an initial scheduled maturity in March 2012; and
- In May 2012, Vivendi set up a €1.5 billion bank credit facility maturing in May 2017, which early refinanced two credit facilities for a total amount of €3 billion (the €2 billion credit facility set up in August 2006, maturing in August 2013 for €1.7 billion and in August 2012 for €0.3 billion, as well as the €1 billion credit facility set up in February 2008, maturing in February 2013).

In addition, in June 2012, Vivendi increased the maximum amount authorized by the Banque de France regarding Vivendi SA's commercial paper program from €3 billion to €4 billion.

For a detailed description of the group's bonds and bank credit facilities as of June 30, 2012, please refer to Note 13 to the Condensed Financial Statements for the half year ended June 30, 2012.

5.5 Available bank credit facilities as of August 27, 2012

As of August 27, 2012, the date of Vivendi's Management Board meeting that approved the Financial Statements for the half year ended June 30, 2012, the group had confirmed bank credit facilities in the amount of €9.1 billion, of which €1.9 billion were drawn. Considering the amount of commercial paper issued at this date, and backed on bank credit facilities for €3.2 billion, these facilities were available for an aggregate amount of €4 billion.

6 Forward-looking statements - Major risks and uncertainties

Cautionary note regarding forward-looking statements

This Financial Report contains forward-looking statements with respect to Vivendi's financial condition, results of operations, business, strategy, plans, and outlook of Vivendi, including projections regarding the payment of dividends as well as the impact of certain transactions. Although Vivendi believes that such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside Vivendi's control, including, but not limited to, the risks related to antitrust and other regulatory approvals in connection with certain transactions and any potential consequences that may arise from the Liberty Media litigation as well as the risks described in the documents of the group filed with the *Autorité des Marchés Financiers* (AMF) (the French securities regulator), which are available in English on Vivendi's website (www.vivendi.com). Accordingly, readers of this Financial Report are cautioned against relying on any of these forward-looking statements. These forward-looking statements are made as of the date of this Financial Report. Vivendi disclaims any intention or obligation to provide, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Major risks and uncertainties for the remaining six months of the fiscal year

Vivendi is not aware of any risks or uncertainties other than those mentioned above for the remaining six months of the 2012 fiscal year. For a description of Vivendi's 2012 outlook, please refer to Section 2.3 "2012 Outlook" of this Financial Report.

7 Other Disclaimers

Unsponsored ADRs

Vivendi does not sponsor an American Depositary Receipt (ADR) facility in respect of its shares. Any ADR facility currently in existence is "unsponsored" and has no ties whatsoever to Vivendi. Vivendi disclaims any liability in respect of any such facility.

Translation

This Financial Report is an English translation of the French version of such report and is provided for informational purposes only. This translation is qualified in its entirety by the French version, which is available on the company's website (www.vivendi.com). In the event of any inconsistencies between the French version of this Financial Report and the English translation, the French version will prevail.

II - Appendices to the Financial Report: Unaudited supplementary financial data

1. Adjusted net income

Vivendi considers adjusted net income, a non-GAAP measure, to be a relevant indicator of the group's operating and financial performance. Vivendi Management uses adjusted net income because it illustrates the underlying performance of continuing operations more effectively by excluding most non-recurring and non-operating items. Adjusted net income is defined in Note 1.2.3 to the Consolidated Financial Statements for the year ended December 31, 2011.

Reconciliation of earnings attributable to Vivendi SA shareowners to adjusted net income

(in millions of euros)	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
Earnings attributable to Vivendi SA shareowners (a)	**463**	**824**	**1,160**	**2,558**
Adjustments				
Amortization of intangible assets acquired through business combinations	110	118	221	241
Impairment losses on intangible assets acquired through business combinations (a)	93	-	93	-
Other income (a)	(3)	-	(8)	(1,289)
Other charges (a)	34	10	56	459
Other financial income (a)	(3)	(2)	(6)	(5)
Other financial charges (a)	55	27	83	62
Change in deferred tax asset related to the Consolidated Global Profit Tax and to Vivendi SA's French Tax Group Systems	5	(56)	11	(112)
Non-recurring items related to provision for income taxes	9	10	16	19
Provision for income taxes on adjustments	(57)	(36)	(95)	(82)
Non-controlling interests on adjustments	-	(11)	(2)	(17)
Adjusted net income	**706**	**884**	**1,529**	**1,834**

a. As presented in the Consolidated Statement of Earnings.

Adjusted net income per share

	Three months ended June 30,				Six months ended June 30,			
	2012		2011		2012		2011	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Adjusted net income (in millions of euros)	706	706 (a)	884	883 (a)	1,529	1,528 (a)	1,834	1,831 (a)
Number of shares (in millions)								
Weighted average number of shares outstanding (b) (c)	1,286.9	1,286.9	1,277.7	1,277.7	1,286.9	1,286.9	1,277.7	1,277.7
Potential dilutive effects related to share-based compensation	-	0.9	-	2.5	-	1.2	-	3.0
Adjusted weighted average number of shares	**1,286.9**	**1,287.8**	**1,277.7**	**1,280.2**	**1,286.9**	**1,288.1**	**1,277.7**	**1,280.7**
Adjusted net income per share (in euros) (b)	0.55	0.55	0.69	0.69	1.19	1.19	1.44	1.43

a. Includes only the potential dilutive effect related to employee stock option plans and restricted stock plans for Activision Blizzard in a non-significant amount.

b. The weighted-average number of shares and adjusted net income per share have been adjusted for all periods previously published in order to reflect the dilution arising from the grant to each shareowner on May 9, 2012 of one bonus share for each 30 shares held, in accordance with IAS 33. The impact of this operation was not significant. Please refer to Section 1.1.4 of the Financial Report above.

c. Net of treasury shares (363 thousand shares as of June 30, 2012).

2. Reconciliation of Activision Blizzard's revenues and EBITA[1]

As reported below, the reconciliation of Activision Blizzard's revenues and EBITA to IFRS as of June 30, 2012 and June 30, 2011 is based on:

- Activision Blizzard's data prepared in compliance with U.S. GAAP standards, in US dollars, contained in its Form 10-Q for the half year ended June 30, 2012 and non-GAAP measures published by Activision Blizzard on August 2, 2012; and
- data relating to Activision Blizzard established in accordance with IFRS standards, in euros, as published by Vivendi in its Unaudited Condensed Financial Statements for the half year ended June 30, 2012.

Non-GAAP measures of Activision Blizzard

Activision Blizzard provides net revenues, net income (loss), earnings (loss) per share, operating margin data and guidance both including (in accordance with US GAAP) and excluding (non-GAAP) certain items. The non-GAAP financial measures exclude the following items, as applicable in any given reporting period:

i. the change in deferred net revenues and related costs of sales with respect to certain of the company's online-enabled games;
ii. expenses related to equity-based compensation;
iii. expenses related to restructuring charges;
iv. impairment of intangible assets acquired through business combinations and goodwill;
v. the amortization of intangibles acquired through business combinations; and
vi. the income tax adjustments associated with any of the above items.

Revenues reconciliation:

	Three months ended June 30, (unaudited)		Six months ended June 30, (unaudited)	
	2012	2011	2012	2011
Non-GAAP Net Revenues (in millions of dollars)	**1,054**	**699**	**1,641**	**1,454**
Elimination of non-GAAP adjustments:				
Changes in deferred net revenues (a)	21	447	606	1,141
Net Revenues in U.S. GAAP (in millions of dollars), as published by Activision Blizzard	**1,075**	**1,146**	**2,247**	**2,595**
Elimination of U.S. GAAP vs. IFRS differences:	*na**	*na**	*na**	*na**
Net Revenues in IFRS (in millions of dollars)	**1,075**	**1,146**	**2,247**	**2,595**
Dollar to euro translation:				
Net Revenues in IFRS (in millions of euros), as published by Vivendi	**837**	**796**	**1,731**	**1,857**
of which				
Activision	550	483	1,199	1,154
Blizzard	250	269	446	604
Distribution	37	44	86	99

na*: not applicable.

[1] *Note: For a definition of EBITA, please refer to Section 4.2 of this Financial Report*

EBITA reconciliation:

	Three months ended June 30, (unaudited)		Six months ended June 30, (unaudited)	
	2012	2011	2012	2011
Non-GAAP Operating Income/(Loss) (in millions of dollars)	**300**	**165**	**390**	**384**
Elimination of non-GAAP adjustments:				
Changes in deferred net revenues and related cost of sales (a)	(40)	332	407	838
Equity-based compensation expense	(31)	(20)	(52)	(43)
Restructuring charges	-	(3)	-	(22)
Amortization of intangibles acquired through business combinations	(2)	(7)	(5)	(16)
Operating Income/(Loss) in U.S. GAAP (in millions of dollars), as published by Activision Blizzard	**227**	**467**	**740**	**1,141**
Elimination of U.S. GAAP vs. IFRS differences:	(2)	7	-	7
Operating Income/(Loss) in IFRS (in millions of dollars)	**225**	**474**	**740**	**1,148**
Elimination of items excluded from EBITA:				
Amortization of intangibles acquired through business combinations	2	7	5	16
Other	-	(5)	-	(2)
EBITA in IFRS (in millions of dollars)	**227**	**476**	**745**	**1,162**
Dollar to euro translation:				
EBITA in IFRS (in millions of euros), as published by Vivendi	**177**	**331**	**572**	**833**
of which				
Activision	95	193	415	552
Blizzard	82	138	157	281
Distribution	-	-	-	-

a. Relates to the impact of the change in deferred net revenues and related costs of sales with respect to certain of the company's online-enabled games. As of June 30, 2012, both in U.S. GAAP and IFRS:

- the change in deferred net revenues resulted in the recognition of net revenues for $606 million (€462 million) and, after taking into account related costs of sales, the recognition of margin from operations for $405 million (€308 million); and
- the deferred net revenues balance in the Statement of Financial Position amounted to $905 million (€724 million), compared to $1,472 million (€1,139 million) as of December 31, 2011 and $601 million (€425 million) as of June 30, 2011. After taking into account related costs of sales, the deferred margin balance in the Statement of Financial Position amounted to $819 million (€655 million), compared to $1,181 million (€913 million) as of December 31, 2011 and $533 million (€378 million) as of June 30, 2011.

3. Revenues and EBITA by business segment - 2012 and 2011 quarterly data

(in millions of euros)	2012 1st Quarter ended March 31	2012 2nd Quarter ended June 30
Revenues		
Activision Blizzard	894	837
Universal Music Group	961	961
SFR	2,927	2,834
Maroc Telecom Group	676	687
GVT	432	421
Canal+ Group	1,232	1,238
Non-core operations and others, and elimination of intersegment transactions	(3)	(13)
Total Vivendi	**7,119**	**6,965**
EBITA		
Activision Blizzard	395	177
Universal Music Group	68	88
SFR	561	552
Maroc Telecom Group	273	190
GVT	116	107
Canal+ Group	236	247
Holding & Corporate	(25)	(44)
Non-core operations and others	(3)	(1)
Total Vivendi	**1,621**	**1,316**

(in millions of euros)	2011 1st Quarter ended March 31	2011 2nd Quarter ended June 30	2011 3rd Quarter ended Sept. 30	2011 4th Quarter ended Dec. 31
Revenues				
Activision Blizzard	1,061	796	533	1,042
Universal Music Group	881	982	979	1,355
SFR	3,056	3,064	3,017	3,046
Maroc Telecom Group	672	689	698	680
GVT	329	353	395	369
Canal+ Group	1,192	1,200	1,171	1,294
Non-core operations and others, and elimination of intersegment transactions	(7)	(15)	(16)	(3)
Total Vivendi	**7,184**	**7,069**	**6,777**	**7,783**
EBITA				
Activision Blizzard	502	331	118	60
Universal Music Group	46	86	112	263
SFR	566	675	644	393
Maroc Telecom Group	266	265	302	256
GVT	90	97	112	97
Canal+ Group	265	230	237	(31)
Holding & Corporate	(20)	(22)	(17)	(41)
Non-core operations and others	(10)	(4)	(5)	(3)
Total Vivendi	**1,705**	**1,658**	**1,503**	**994**

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III - Condensed Financial Statements for the half year ended June 30, 2012

Condensed Statement of Earnings

	Note	Three months ended June 30, (unaudited)		Six months ended June 30, (unaudited)		Year ended December 31, 2011
		2012	2011	2012	2011	
Revenues	3	**6,965**	**7,069**	**14,084**	**14,253**	**28,813**
Cost of revenues		(3,337)	(3,372)	(6,762)	(6,833)	(14,391)
Selling, general and administrative expenses		(2,327)	(2,124)	(4,483)	(4,220)	(8,911)
Restructuring charges and other operating charges and income		(95)	(33)	(123)	(78)	(161)
Impairment losses on intangible assets acquired through business combinations		(93)	-	(93)	-	(397)
Other income	4	3	-	8	1,289	1,385
Other charges	4	(34)	(10)	(56)	(459)	(656)
Earnings before interest and income taxes (EBIT)		**1,082**	**1,530**	**2,575**	**3,952**	**5,682**
Income from equity affiliates		6	(11)	(13)	(13)	(18)
Interest	5	(147)	(106)	(286)	(207)	(481)
Income from investments		2	3	4	74	75
Other financial income		3	2	6	5	14
Other financial charges		(55)	(27)	(83)	(62)	(167)
Earnings from continuing operations before provision for income taxes		**891**	**1,391**	**2,203**	**3,749**	**5,105**
Provision for income taxes	6	(272)	(239)	(643)	(437)	(1,378)
Earnings from continuing operations		**619**	**1,152**	**1,560**	**3,312**	**3,727**
Earnings from discontinued operations		-	-	-	-	-
Earnings		**619**	**1,152**	**1,560**	**3,312**	**3,727**
Of which						
Earnings attributable to Vivendi SA shareowners		**463**	**824**	**1,160**	**2,558**	**2,681**
Non-controlling interests		156	328	400	754	1,046
Earnings from continuing operations attributable to Vivendi SA shareowners per share - basic	7	0.36	0.64	0.90	2.00	2.09
Earnings from continuing operations attributable to Vivendi SA shareowners per share - diluted	7	0.36	0.64	0.90	2.00	2.09
Earnings attributable to Vivendi SA shareowners per share - basic	7	**0.36**	**0.64**	**0.90**	**2.00**	**2.09**
Earnings attributable to Vivendi SA shareowners per share - diluted	7	0.36	0.64	0.90	2.00	2.09

In millions of euros, except per share amounts, in euros.

Nota: Earnings attributable to Vivendi SA shareowners per share (basic and diluted) have been adjusted for all periods previously published in order to reflect the dilution arising from the grant to each shareowner on May 9, 2012, of one bonus share for each 30 shares held, in accordance with IAS 33. The impact of this operation was not significant.

The accompanying notes are an integral part of the Condensed Financial Statements.

Condensed Statement of Comprehensive Income

(in millions of euros)	Three months ended June 30, (unaudited)		Six months ended June 30, (unaudited)		Year ended December 31, 2011
	2012	2011	2012	2011	
Earnings	**619**	**1,152**	**1,560**	**3,312**	**3,727**
Foreign currency translation adjustments	**299**	**80**	**75**	**(180)**	**182**
of which transferred to profit or loss as part of the sale of NBC Universal interest	-	-	-	*477*	*477*
Assets available for sale	-	-	7	2	15
Cash flow hedge instruments	21	(10)	30	16	78
Net investment hedge instruments	-	-	-	21	21
Tax	(2)	(3)	-	(10)	(24)
Unrealized gains/(losses)	**19**	**(13)**	**37**	**29**	**90**
Other impacts, net	**1**	**-**	**-**	**13**	**12**
Charges and income directly recognized in equity	**319**	**67**	**112**	**(138)**	**284**
Total comprehensive income	**938**	**1,219**	**1,672**	**3,174**	**4,011**
of which					
Total comprehensive income attributable to Vivendi SA shareowners	**730**	**888**	**1,245**	**2,467**	**2,948**
Total comprehensive income attributable to non-controlling interests	208	331	427	707	1,063

The accompanying notes are an integral part of the Condensed Financial Statements.

Condensed Statement of Financial Position

(in millions of euros)	Note	June 30, 2012 (unaudited)	December 31, 2011
ASSETS			
Goodwill	8	25,070	25,029
Non-current content assets	9	2,490	2,485
Other intangible assets		5,279	4,329
Property, plant and equipment		9,256	9,001
Investments in equity affiliates		118	135
Non-current financial assets	10	467	394
Deferred tax assets		1,454	1,421
Non-current assets		**44,134**	**42,794**
Inventories		563	805
Current tax receivables		381	542
Current content assets	9	820	1,066
Trade accounts receivable and other		6,057	6,730
Current financial assets	10	539	478
Cash and cash equivalents		2,803	3,304
		11,163	**12,925**
Assets held for sale		31	-
Current assets		**11,194**	**12,925**
TOTAL ASSETS		**55,328**	**55,719**
EQUITY AND LIABILITIES			
Share capital		7,089	6,860
Additional paid-in capital		7,995	8,225
Treasury shares		(8)	(28)
Retained earnings and other		4,336	4,390
Vivendi SA shareowners' equity		**19,412**	**19,447**
Non-controlling interests		2,467	2,623
Total equity		**21,879**	**22,070**
Non-current provisions	11	1,515	1,569
Long-term borrowings and other financial liabilities	13	11,862	12,409
Deferred tax liabilities		690	728
Other non-current liabilities		825	864
Non-current liabilities		**14,892**	**15,570**
Current provisions	11	624	586
Short-term borrowings and other financial liabilities	13	5,542	3,301
Trade accounts payable and other		11,895	13,987
Current tax payables		496	205
		18,557	**18,079**
Liabilities associated with assets held for sale		-	-
Current liabilities		**18,557**	**18,079**
Total liabilities		**33,449**	**33,649**
TOTAL EQUITY AND LIABILITIES		**55,328**	**55,719**

The accompanying notes are an integral part of the Condensed Financial Statements.

Condensed Statement of Cash Flows

(in millions of euros)	Note	Six months ended June 30, (unaudited) 2012	2011	Year ended December 31, 2011
Operating activities				
EBIT	3	2,575	3,952	5,682
Adjustments		1,702	529	2,590
Including amortization and depreciation of tangible and intangible assets		*1,601*	*1,435*	*3,441*
other income		*(8)*	*(1,289)*	*(1,385)*
other charges		*56*	*459*	*656*
Content investments, net	9	(227)	(102)	(13)
Gross cash provided by operating activities before income tax paid		***4,050***	***4,379***	***8,259***
Other changes in net working capital		(759)	(1,014)	(307)
Net cash provided by operating activities before income tax paid		***3,291***	***3,365***	***7,952***
Income tax paid, net		(256)	(520)	(1,090)
Net cash provided by operating activities		**3,035**	**2,845**	**6,862**
Investing activities				
Capital expenditures	3	(2,897)	(1,601)	(3,367)
Purchases of consolidated companies, after acquired cash		(32)	(93)	(210)
Investments in equity affiliates		(3)	(39)	(49)
Increase in financial assets		(87)	(232)	(377)
Investments		***(3,019)***	***(1,965)***	***(4,003)***
Proceeds from sales of property, plant, equipment and intangible assets	3	7	9	27
Proceeds from sales of consolidated companies, after divested cash		5	35	30
Disposal of equity affiliates		5	2,877	2,920
Decrease in financial assets		23	1,553	1,751
Divestitures		***40***	***4,474***	***4,728***
Dividends received from equity affiliates		2	71	79
Dividends received from unconsolidated companies		1	3	3
Net cash provided by/(used for) investing activities		**(2,976)**	**2,583**	**807**
Financing activities				
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans		-	7	151
Sales/(purchases) of Vivendi SA's treasury shares		-	(37)	(37)
Dividends paid by Vivendi SA to its shareowners		(1,245)	(1,731)	(1,731)
Other transactions with shareowners		(227)	(8,099)	(7,909)
Dividends and reimbursements of contribution of capital paid by consolidated companies to their non-controlling interests		(457)	(1,116)	(1,154)
Transactions with shareowners		***(1,929)***	***(10,976)***	***(10,680)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	13	4,178	6,298	6,045
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	13	(4,192)	(1,194)	(452)
Principal payment on short-term borrowings	13	(1,461)	(813)	(2,451)
Other changes in short-term borrowings and other financial liabilities	13	3,159	1,177	597
Interest paid, net	5	(286)	(207)	(481)
Other cash items related to financial activities		(66)	(21)	(239)
Transactions on borrowings and other financial liabilities		***1,332***	***5,240***	***3,019***
Net cash provided by/(used for) financing activities		**(597)**	**(5,736)**	**(7,661)**
Foreign currency translation adjustments		37	(102)	(14)
Change in cash and cash equivalents		**(501)**	**(410)**	**(6)**
Cash and cash equivalents				
At beginning of the period		**3,304**	**3,310**	**3,310**
At end of the period		**2,803**	**2,900**	**3,304**

The accompanying notes are an integral part of the Condensed Financial Statements.

Condensed Statements of Changes in Equity

Six months ended June 30, 2012 (unaudited)

(in millions of euros, except number of shares)	Capital: Common shares: Number of shares (in thousands)	Capital: Common shares: Share capital	Capital: Additional paid-in capital	Capital: Treasury shares	Capital: Subtotal	Retained earnings and other: Retained earnings	Retained earnings and other: Net unrealized gains/(losses)	Retained earnings and other: Foreign currency translation adjustments	Retained earnings and other: Subtotal	Total equity
BALANCE AS OF DECEMBER 31, 2011	***1,247,263***	**6,860**	**8,225**	**(28)**	**15,057**	**7,094**	**23**	**(104)**	**7,013**	**22,070**
Attributable to Vivendi SA shareowners	***1,247,263***	***6,860***	***8,225***	***(28)***	***15,057***	***4,641***	***23***	***(274)***	***4,390***	***19,447***
Attributable to non-controlling interests	-	-	-	-	-	***2,453***	-	***170***	***2,623***	***2,623***
Contributions by/distributions to Vivendi SA shareowners	***41,575***	***229***	***(230)***	***20***	***19***	***(1,217)***	-	-	***(1,217)***	***(1,198)***
Vivendi SA's stock repurchase program	-	-	-	-	-	-	-	-	-	-
Dividends paid by Vivendi SA (€1 per share)	-	-	-	-	-	(1,245)	-	-	(1,245)	(1,245)
Grant of one bonus share for each 30 shares held (May 9, 2012)	*41,575*	229	(230)	-	(1)	-	-	-	-	(1)
Capital increase related to Vivendi SA's share-based compensation plans	-	-	-	20	20	28	-	-	28	48
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	-	-	-	-	-	***(82)***	-	-	***(82)***	***(82)***
of which Activision Blizzard's stock repurchase program	-	-	-	-	-	(110)	-	-	(110)	(110)
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	***41,575***	**229**	**(230)**	**20**	**19**	**(1,299)**	-	-	**(1,299)**	**(1,280)**
Contributions by/distributions to non-controlling interests	-	-	-	-	-	***(477)***	-	-	***(477)***	***(477)***
of which dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(477)	-	-	(477)	(477)
Changes in non-controlling interests that do not result in a gain/(loss) of control	-	-	-	-	-	***(106)***	-	-	***(106)***	***(106)***
of which Activision Blizzard's stock repurchase program	-	-	-	-	-	(131)	-	-	(131)	(131)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	-	-	-	-	-	**(583)**	-	-	**(583)**	**(583)**
Earnings	-	-	-	-	-	***1,560***	-	-	***1,560***	***1,560***
Charges and income directly recognized in equity	-	-	-	-	-	-	***37***	***75***	***112***	***112***
TOTAL COMPREHENSIVE INCOME (C)	-	-	-	-	-	**1,560**	**37**	**75**	**1,672**	**1,672**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***41,575***	***229***	***(230)***	***20***	***19***	***(322)***	***37***	***75***	***(210)***	***(191)***
Attributable to Vivendi SA shareowners	*41,575*	*229*	*(230)*	*20*	*19*	*(139)*	*37*	*48*	*(54)*	*(35)*
Attributable to non-controlling interests	-	-	-	-	-	*(183)*	-	*27*	*(156)*	*(156)*
BALANCE AS OF JUNE 30, 2012	***1,288,838***	**7,089**	**7,995**	**(8)**	**15,076**	**6,772**	**60**	**(29)**	**6,803**	**21,879**
Attributable to Vivendi SA shareowners	***1,288,838***	***7,089***	***7,995***	***(8)***	***15,076***	***4,502***	***60***	***(226)***	***4,336***	***19,412***
Attributable to non-controlling interests	-	-	-	-	-	***2,270***	-	***197***	***2,467***	***2,467***

The accompanying notes are an integral part of the Condensed Financial Statements.

Six months ended June 30, 2011 (unaudited)

(in millions of euros, except number of shares)	Capital: Common shares – *Number of shares* (in thousands)	Capital: Common shares – Share capital	Capital: Additional paid-in capital	Capital: Treasury shares	Capital: Subtotal	Retained earnings and other: Retained earnings	Retained earnings and other: Net unrealized gains/(losses)	Retained earnings and other: Foreign currency translation adjustments	Retained earnings and other: Subtotal	Total equity
BALANCE AS OF DECEMBER 31, 2010	***1,237,337***	**6,805**	**8,128**	**(2)**	**14,931**	**13,595**	**(67)**	**(286)**	**13,242**	**28,173**
Attributable to Vivendi SA shareowners	***1,237,337***	***6,805***	***8,128***	***(2)***	***14,931***	***9,620***	***(47)***	***(446)***	***9,127***	***24,058***
Attributable to non-controlling interests	-	-	-	-	-	***3,975***	***(20)***	***160***	***4,115***	***4,115***
Contributions by/distributions to Vivendi SA shareowners	***308***	***2***	***3***	***(26)***	***(21)***	***(1,705)***	-	-	***(1,705)***	***(1,726)***
Vivendi SA's stock repurchase program	-	-	-	(37)	(37)	-	-	-	-	(37)
Dividends paid by Vivendi SA (€1.40 per share)	-	-	-	-	-	(1,731)	-	-	(1,731)	(1,731)
Capital increase related to Vivendi SA's share-based compensation plans	*308*	2	3	11	16	26	-	-	26	42
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	-	-	-	-	-	***(6,180)***	***(11)***	-	***(6,191)***	***(6,191)***
of which acquisition of Vodafone's non-controlling interest in SFR	-	-	-	-	-	(6,038)	(11)	-	(6,049)	(6,049)
Activision Blizzard's stock repurchase program	-	-	-	-	-	(167)	-	-	(167)	(167)
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	***308***	**2**	**3**	**(26)**	**(21)**	**(7,885)**	**(11)**	-	**(7,896)**	**(7,917)**
Contributions by/distributions to non-controlling interests	-	-	-	-	-	***(711)***	-	-	***(711)***	***(711)***
of which dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(511)	-	-	(511)	(511)
interim dividend to Vodafone pursuant to the acquisition of its non-controlling interest in SFR	-	-	-	-	-	(200)	-	-	(200)	(200)
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	-	***14***	-	-	***14***	***14***
Changes in non-controlling interests that do not result in a gain/(loss) of control	-	-	-	-	-	***(1,887)***	***11***	-	***(1,876)***	***(1,876)***
of which acquisition of Vodafone's non-controlling interest in SFR	-	-	-	-	-	(1,712)	11	-	(1,701)	(1,701)
Activision Blizzard's stock repurchase program	-	-	-	-	-	(194)	-	-	(194)	(194)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	-	-	-	-	-	**(2,584)**	**11**	-	**(2,573)**	**(2,573)**
Earnings	-	-	-	-	-	***3,312***	-	-	***3,312***	***3,312***
Charges and income directly recognized in equity	-	-	-	-	-	***13***	***29***	***(180)***	***(138)***	***(138)***
TOTAL COMPREHENSIVE INCOME (C)	-	-	-	-	-	**3,325**	**29**	**(180)**	**3,174**	**3,174**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***308***	***2***	***3***	***(26)***	***(21)***	***(7,144)***	***29***	***(180)***	***(7,295)***	***(7,316)***
Attributable to Vivendi SA shareowners	*308*	*2*	*3*	*(26)*	*(21)*	*(5,316)*	*10*	*(123)*	*(5,429)*	*(5,450)*
Attributable to non-controlling interests	-	-	-	-	-	*(1,828)*	*19*	*(57)*	*(1,866)*	*(1,866)*
BALANCE AS OF JUNE 30, 2011	***1,237,645***	**6,807**	**8,131**	**(28)**	**14,910**	**6,451**	**(38)**	**(466)**	**5,947**	**20,857**
Attributable to Vivendi SA shareowners	***1,237,645***	***6,807***	***8,131***	***(28)***	***14,910***	***4,304***	***(37)***	***(569)***	***3,698***	***18,608***
Attributable to non-controlling interests	-	-	-	-	-	***2,147***	***(1)***	***103***	***2,249***	***2,249***

The accompanying notes are an integral part of the Condensed Financial Statements.

Year ended December 31, 2011

(in millions of euros, except number of shares)	Capital					Retained earnings and other				Total equity
	Common shares		Additional paid-in capital	Treasury shares	Subtotal	Retained earnings	Net unrealized gains/(losses)	Foreign currency translation adjustments	Subtotal	
	Number of shares (in thousands)	Share capital								
BALANCE AS OF DECEMBER 31, 2010	***1,237,337***	**6,805**	**8,128**	**(2)**	**14,931**	**13,595**	**(67)**	**(286)**	**13,242**	**28,173**
Attributable to Vivendi SA shareowners	***1,237,337***	***6,805***	***8,128***	***(2)***	***14,931***	***9,620***	***(47)***	***(446)***	***9,127***	***24,058***
Attributable to non-controlling interests	**-**	**-**	**-**	**-**	**-**	***3,975***	***(20)***	***160***	***4,115***	***4,115***
Contributions by/distributions to Vivendi SA shareowners	***9,926***	***55***	***97***	***(26)***	***126***	***(1,690)***	**-**	**-**	***(1,690)***	***(1,564)***
Vivendi SA's stock repurchase program	-	-	-	(37)	(37)	-	-	-	-	(37)
Dividends paid by Vivendi SA (€1.40 per share)	-	-	-	-	-	(1,731)	-	-	(1,731)	(1,731)
Capital increase related to Vivendi SA's share-based compensation plans	*9,926*	55	97	11	163	41	-	-	41	204
of which Vivendi Employee Stock Purchase Plans (July 21, 2011)	*9,372*	*52*	*91*	-	*143*	-	-	-	-	*143*
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	**-**	**-**	**-**	**-**	**-**	***(5,983)***	***(12)***	**-**	***(5,995)***	***(5,995)***
of which acquisition of Vodafone's non-controlling interest in SFR	-	-	-	-	-	(6,037)	(12)	-	(6,049)	(6,049)
Activision Blizzard's stock repurchase program	-	-	-	-	-	(231)	-	-	(231)	(231)
sale of Activision Blizzard shares	-	-	-	-	-	236	-	-	236	236
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	***9,926***	**55**	**97**	**(26)**	**126**	**(7,673)**	**(12)**	**-**	**(7,685)**	**(7,559)**
Contributions by/distributions to non-controlling interests	**-**	**-**	**-**	**-**	**-**	***(721)***	**-**	**-**	***(721)***	***(721)***
of which dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(521)	-	-	(521)	(521)
interim dividend to Vodafone pursuant to the acquisition of its non-controlling interest in SFR	-	-	-	-	-	(200)	-	-	(200)	(200)
Changes in non-controlling interests that result in a gain/(loss) of control	**-**	**-**	**-**	**-**	**-**	***10***	**-**	**-**	***10***	***10***
Changes in non-controlling interests that do not result in a gain/(loss) of control	**-**	**-**	**-**	**-**	**-**	***(1,856)***	***12***	**-**	***(1,844)***	***(1,844)***
of which acquisition of Vodafone's non-controlling interest in SFR	-	-	-	-	-	(1,713)	12	-	(1,701)	(1,701)
Activision Blizzard's stock repurchase program	-	-	-	-	-	(271)	-	-	(271)	(271)
sale of Activision Blizzard shares	-	-	-	-	-	78	-	-	78	78
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	**-**	**-**	**-**	**-**	**-**	**(2,567)**	**12**	**-**	**(2,555)**	**(2,555)**
Earnings	**-**	**-**	**-**	**-**	**-**	***3,727***	**-**	**-**	***3,727***	***3,727***
Charges and income directly recognized in equity	**-**	**-**	**-**	**-**	**-**	***12***	***90***	***182***	***284***	***284***
TOTAL COMPREHENSIVE INCOME (C)	**-**	**-**	**-**	**-**	**-**	**3,739**	**90**	**182**	**4,011**	**4,011**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***9,926***	***55***	***97***	***(26)***	***126***	***(6,501)***	***90***	***182***	***(6,229)***	***(6,103)***
Attributable to Vivendi SA shareowners	*9,926*	*55*	*97*	*(26)*	*126*	*(4,979)*	*70*	*172*	*(4,737)*	*(4,611)*
Attributable to non-controlling interests	-	-	-	-	-	*(1,522)*	*20*	*10*	*(1,492)*	*(1,492)*
BALANCE AS OF DECEMBER 31, 2011	***1,247,263***	**6,860**	**8,225**	**(28)**	**15,057**	**7,094**	**23**	**(104)**	**7,013**	**22,070**
Attributable to Vivendi SA shareowners	***1,247,263***	***6,860***	***8,225***	***(28)***	***15,057***	***4,641***	***23***	***(274)***	***4,390***	***19,447***
Attributable to non-controlling interests	**-**	**-**	**-**	**-**	**-**	***2,453***	**-**	***170***	***2,623***	***2,623***

The accompanying notes are an integral part of the Condensed Financial Statements.

Notes to the Condensed Financial Statements

On August 27, 2012, during a meeting held at Vivendi's headquarters, the Management Board approved the Financial Report and the unaudited Condensed Financial Statements for the half year ended June 30, 2012, after having considered the Audit Committee's recommendation given at its meeting held on August 27, 2012.

The unaudited Condensed Financial Statements for the half year ended June 30, 2012 should be read in conjunction with the audited Consolidated Financial Statements of Vivendi for the year ended December 31, 2011, as published in the 2011 "*Rapport annuel - Document de référence*" filed on March 19, 2012 with the "*Autorité des marchés financiers*" (AMF) (the "*Document de référence 2011*"). Please also refer to pages 169 to 264 of the English translation[1] of the "*Document de référence 2011*" (the "2011 Annual Report") which is available on Vivendi's website (www.vivendi.com) for informational purposes.

Note 1 Accounting policies and valuation methods

1.1 Interim financial statements

The Condensed Financial Statements of Vivendi for the first half of 2012 are presented and have been prepared in accordance with IAS 34 *Interim Financial Reporting* as endorsed in the European Union (EU) and published by the International Accounting Standards Board (IASB). As a result, Vivendi has applied the same accounting methods used in its Consolidated Financial Statements for the year ended December 31, 2011 (please refer to Note 1 "Accounting policies and valuation methods" presented in the financial statements from pages 178 to 193 of the 2011 Annual Report) and the following provisions were applied:

- provisions for income taxes have been calculated on the basis of the estimated effective annual tax rate applied to the pre-tax earnings of the period. The assessment of the annual effective tax rate takes into consideration notably the recognition of anticipated deferred tax assets for the full year which were not previously recognized; and
- compensation costs recorded for stock options, employee benefits and profit-sharing have been included on a pro rata basis of the estimated cost for the year, adjusted for any non-recurring events which occurred over the period, if necessary.

1.2 New IFRS standards and interpretations applicable as of January 1, 2012

The new IFRS standards and interpretations applicable as of January 1, 2012, described in Note 1.6 "New IFRS Standards and IFRIC Interpretations that have been published but are not yet effective" of Vivendi's audited Consolidated Financial Statements for the year ended December 31, 2011 (page 193 of the 2011 Annual Report), and applicable to the first half of 2012, had no material impact on Vivendi's Financial Statements.

[1] *This translation is qualified in its entirety by reference to the "Document de référence 2011".*

Note 2 Major changes in the scope of consolidation

2.1 Acquisition by Canal+ Group of a non-controlling interest in Orange Cinema Series

On April 12, 2012, Multithématiques, a subsidiary of Canal+ Group, and Orange Cinema Series finalized their agreements and partnered in a common company, Orange Cinema Series, in which Multithématiques acquired a 33% interest and Orange Cinema Series contributed the publishing and broadcasting operations of its pay cinema channels. Canal+ Distribution has been distributing the channels of the Orange Cinema Series' package through CanalSat since April 5, 2012. On July 23, 2012, as part of the combination of TPS group and CanalSatellite, the Competition Authority ordered Canal+ Group to sell its non-controlling interest in Orange Cinema Series or, upon failure to sell such interest, to amend certain provisions of the shareholder agreement between Multithématiques and Orange Cinema Series.

2.2 Transactions underway as of August 27, 2012

As of August 27, 2012, the group is engaged in the acquisition of the following companies, the realization of which is subject to approval by the relevant regulatory authorities:

- **Acquisition project of EMI Recorded Music by Vivendi and Universal Music Group (UMG):**

  The transaction has been unconditionally cleared in New-Zealand (June 21, 2012), in Japan (July 9, 2012), and Canada (August 20, 2012). The regulatory process is on-going in the rest of the jurisdictions. On March 23, 2012, the European Commission announced that the transaction is subject to an in-depth investigation (Phase II).

  The expiration of the relevant waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 of the United States passed in June 2012, and the payment of approximately £1 billion (approximately €1.25 billion) will be made when conditions to payment have been satisfied.

- **Acquisition project of Bolloré Group's channels by Canal+ Group:**

  In February 2012, Canal+ Group exercised its option to acquire, in one transaction, a 100% interest in Bolloré Group's television business (the Direct 8 and Direct Star channels), in exchange for the issuance of 22.4 million Vivendi shares. Moreover, Bolloré Group committed to retain the Vivendi shares received in connection with the completion of the transaction for a minimum period of six months after closing.

  On 23 July 2012, the Competition Authority cleared the acquisition of Direct 8 and Direct Star subject to commitments given by Vivendi and Canal+ Group. These commitments relate to the restrictions regarding the acquisition of rights for American movies and television series from certain American studios and for French movies, the separate negotiation of rights for pay-TV and free-to-air movies and television series, the limitation regarding the acquisition by Direct 8 and Direct Star of French catalog movies from StudioCanal, and the transfer of rights to broadcast major sports events on free-to-air channels through a competitive bidding process. These commitments are made for a 5-year period, renewable once if the competitive analysis performed by the Competition Authority renders it necessary.

  The transaction remains subject to approval by France's Superior Audiovisual Council, which is expected in September 2012.

- **Strategic partnership project among the Canal+, ITI, and TVN groups in Poland.**

For a detailed description of these three transactions, please refer to Note 2.5 to the Consolidated Financial Statements for the year ended December 31, 2011, pages 195 to 196 of the 2011 Annual Report.

Note 3 Segment data

The Vivendi group comprises six businesses operating at the heart of the worlds of content, platforms, and interactive networks: Activision Blizzard, Universal Music Group, SFR, Maroc Telecom group, GVT, and Canal+ Group.

Statement of Earnings

Three months ended June 30, 2012

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	GVT	Canal+ Group	Holding & Corporate	Non-core operations and others	Eliminations	**Total Vivendi**
External revenues	837	959	2,826	677	421	1,232	-	13	-	6,965
Intersegment revenues	-	2	8	10	-	6	-	1	(27)	-
Revenues	**837**	**961**	**2,834**	**687**	**421**	**1,238**	**-**	**14**	**(27)**	**6,965**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(588)	(840)	(1,891)	(314)	(251)	(924)	(33)	(15)	27	(4,829)
Charges related to share-based compensation plans	(22)	(3)	(25)	(1)	(1)	(6)	(4)	-	-	(62)
EBITDA	**227**	**118**	**918**	**372**	**169**	**308**	**(37)**	**(1)**	**-**	**2,074**
Restructuring charges	(1)	(12)	(8)	(72)	-	-	(6)	1	-	(98)
Gains/(losses) on sales of tangible and intangible assets	-	-	-	-	(1)	-	-	-	-	(1)
Other non-recurring items	1	(7)	1	(1)	-	(1)	-	-	-	(7)
Depreciation of tangible assets	(16)	(11)	(194)	(88)	(55)	(37)	(1)	(1)	-	(403)
Amortization of intangible assets excluding those acquired through business combinations	(34)	-	(165)	(21)	(6)	(23)	-	-	-	(249)
Adjusted earnings before interest and income taxes (EBITA)	**177**	**88**	**552**	**190**	**107**	**247**	**(44)**	**(1)**	**-**	**1,316**
Amortization of intangible assets acquired through business combinations	(2)	(71)	(17)	(6)	(13)	(1)	-	-	-	(110)
Impairment losses on intangible assets acquired through business combinations	-	(93)	-	-	-	-	-	-	-	(93)
Other income										3
Other charges										(34)
Earnings before interest and income taxes (EBIT)										**1,082**
Income from equity affiliates										6
Interest										(147)
Income from investments										2
Other financial income										3
Other financial charges										(55)
Provision for income taxes										(272)
Earnings from discontinued operations										-
Earnings										**619**
Of which										
Earnings attributable to Vivendi SA shareowners										**463**
Non-controlling interests										156

Three months ended June 30, 2011

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	GVT	Canal+ Group	Holding & Corporate	Non-core operations and others	Eliminations	**Total Vivendi**
External revenues	797	979	3,062	677	353	1,195	-	6	-	7,069
Intersegment revenues	(1)	3	2	12	-	5	-	1	(22)	-
Revenues	**796**	**982**	**3,064**	**689**	**353**	**1,200**	**-**	**7**	**(22)**	**7,069**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(414)	(865)	(2,024)	(321)	(205)	(912)	(20)	(10)	22	(4,749)
Charges related to share-based compensation plans	(15)	(3)	(18)	-	(1)	(6)	(2)	(1)	-	(46)
EBITDA	**367**	**114**	**1,022**	**368**	**147**	**282**	**(22)**	**(4)**	**-**	**2,274**
Restructuring charges	(2)	(16)	(4)	-	-	-	(2)	-	-	(24)
Gains/(losses) on sales of tangible and intangible assets	-	1	2	-	(1)	(2)	-	-	-	-
Other non-recurring items	-	(1)	-	-	-	1	2	-	-	2
Depreciation of tangible assets	(13)	(12)	(213)	(79)	(45)	(32)	-	-	-	(394)
Amortization of intangible assets excluding those acquired through business combinations	(21)	-	(132)	(24)	(4)	(19)	-	-	-	(200)
Adjusted earnings before interest and income taxes (EBITA)	**331**	**86**	**675**	**265**	**97**	**230**	**(22)**	**(4)**	**-**	**1,658**
Amortization of intangible assets acquired through business combinations	(5)	(67)	(17)	(6)	(15)	(8)	-	-	-	(118)
Impairment losses on intangible assets acquired through business combinations	-	-	-	-	-	-	-	-	-	-
Other income										-
Other charges										(10)
Earnings before interest and income taxes (EBIT)										**1,530**
Income from equity affiliates										(11)
Interest										(106)
Income from investments										3
Other financial income										2
Other financial charges										(27)
Provision for income taxes										(239)
Earnings from discontinued operations										-
Earnings										**1,152**
Of which										
Earnings attributable to Vivendi SA shareowners										**824**
Non-controlling interests										328

Six months ended June 30, 2012

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	GVT	Canal+ Group	Holding & Corporate	Non-core operations and others	Eliminations	**Total Vivendi**
External revenues	1,731	1,919	5,748	1,345	853	2,460	-	28	-	14,084
Intersegment revenues	-	3	13	18	-	10	-	2	(46)	-
Revenues	**1,731**	**1,922**	**5,761**	**1,363**	**853**	**2,470**	**-**	**30**	**(46)**	**14,084**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(1,037)	(1,695)	(3,886)	(610)	(506)	(1,866)	(55)	(32)	46	(9,641)
Charges related to share-based compensation plans	(38)	(8)	(27)	(2)	(1)	(7)	(6)	-	-	(89)
EBITDA	**656**	**219**	**1,848**	**751**	**346**	**597**	**(61)**	**(2)**	**-**	**4,354**
Restructuring charges	(1)	(33)	(11)	(72)	-	-	(6)	-	-	(123)
Gains/(losses) on sales of tangible and intangible assets	-	-	-	-	(1)	-	-	-	-	(1)
Other non-recurring items	1	(6)	3	(2)	-	(1)	(1)	-	-	(6)
Depreciation of tangible assets	(31)	(24)	(421)	(169)	(111)	(75)	(1)	(1)	-	(833)
Amortization of intangible assets excluding those acquired through business combinations	(53)	-	(306)	(45)	(11)	(38)	-	(1)	-	(454)
Adjusted earnings before interest and income taxes (EBITA)	**572**	**156**	**1,113**	**463**	**223**	**483**	**(69)**	**(4)**	**-**	**2,937**
Amortization of intangible assets acquired through business combinations	(4)	(141)	(33)	(13)	(28)	(1)	-	(1)	-	(221)
Impairment losses on intangible assets acquired through business combinations	-	(93)	-	-	-	-	-	-	-	(93)
Other income										8
Other charges										(56)
Earnings before interest and income taxes (EBIT)										**2,575**
Income from equity affiliates										(13)
Interest										(286)
Income from investments										4
Other financial income										6
Other financial charges										(83)
Provision for income taxes										(643)
Earnings from discontinued operations										-
Earnings										**1,560**
Of which										
Earnings attributable to Vivendi SA shareowners										**1,160**
Non-controlling interests										400

Six months ended June 30, 2011

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	GVT	Canal+ Group	Holding & Corporate	Non-core operations and others	Eliminations	**Total Vivendi**
External revenues	1,857	1,859	6,117	1,341	682	2,385	-	12	-	14,253
Intersegment revenues	-	4	3	20	-	7	-	2	(36)	-
Revenues	**1,857**	**1,863**	**6,120**	**1,361**	**682**	**2,392**	**-**	**14**	**(36)**	**14,253**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(900)	(1,663)	(4,155)	(631)	(396)	(1,792)	(38)	(26)	36	(9,565)
Charges related to share-based compensation plans	(31)	(7)	(20)	(1)	(1)	(7)	(4)	(1)	-	(72)
EBITDA	**926**	**193**	**1,945**	**729**	**285**	**593**	**(42)**	**(13)**	**-**	**4,616**
Restructuring charges	(16)	(37)	(9)	-	-	-	(2)	-	-	(64)
Gains/(losses) on sales of tangible and intangible assets	-	1	2	-	(1)	(2)	-	-	-	-
Other non-recurring items	-	(1)	-	3	-	1	2	-	-	5
Depreciation of tangible assets	(26)	(24)	(414)	(154)	(89)	(66)	-	-	-	(773)
Amortization of intangible assets excluding those acquired through business combinations	(51)	-	(283)	(47)	(8)	(31)	-	(1)	-	(421)
Adjusted earnings before interest and income taxes (EBITA)	**833**	**132**	**1,241**	**531**	**187**	**495**	**(42)**	**(14)**	**-**	**3,363**
Amortization of intangible assets acquired through business combinations	(11)	(137)	(34)	(13)	(30)	(16)	-	-	-	(241)
Impairment losses on intangible assets acquired through business combinations	-	-	-	-	-	-	-	-	-	-
Other income										1,289
Other charges										(459)
Earnings before interest and income taxes (EBIT)										**3,952**
Income from equity affiliates										(13)
Interest										(207)
Income from investments										74
Other financial income										5
Other financial charges										(62)
Provision for income taxes										(437)
Earnings from discontinued operations										-
Earnings										**3,312**
Of which										
Earnings attributable to Vivendi SA shareowners										**2,558**
Non-controlling interests										754

Statement of Financial Position

(in millions of euros)	Activision Blizzard	Universal Music Group	SFR	Maroc Telecom Group	GVT	Canal+ Group	Holding & Corporate	Non-core operations and others	**Total Vivendi**
June 30, 2012									
Segment assets (a)	3,825	7,365	20,850	6,124	4,947	7,131	205	212	50,659
Unallocated assets (b)									4,669
Total Assets									**55,328**
Segment liabilities (c)	1,195	2,592	3,532	1,714	581	2,355	2,829	61	14,859
Unallocated liabilities (d)									18,590
Total Liabilities									**33,449**
Increase in tangible and intangible assets	21	24	1,771	181	509	85	-	3	2,594
Capital expenditures, net (capex, net) (e)	20	24	1,939	271	528	105	-	3	2,890

Additional operating segment data is presented in Note 8 “Goodwill” and Note 9 “Content assets and commitments”.

a. Segment assets include goodwill, content assets, other intangible assets, property, plant and equipment, investments in equity affiliates, financial assets, inventories, and trade accounts receivable and other.

b. Unallocated assets include deferred tax assets, current tax receivables, cash and cash equivalents as well as assets held for sale.

c. Segment liabilities include provisions, other non-current liabilities, and trade accounts payable.

d. Unallocated liabilities include borrowings and other financial liabilities, deferred tax liabilities, current tax payables as well as liabilities associated with assets held for sale.

e. Relates to cash used for capital expenditures, net of proceeds from sales of property, plant and equipment, and intangible assets.

Note 4 EBIT

Other charges and income

For the first half of 2012, EBIT's other charges and income were a net charge of €48 million (compared to a net income of €830 million for the first half of 2011). For the first half of 2011, they primarily included a net income of €1,255 million related to the final settlement on January 14, 2011 of the litigation over the share ownership of PTC in Poland, partially offset by the capital loss incurred on the sale on January 25, 2011 of Vivendi's remaining 12.34% interest in NBC Universal (-€421 million).

Note 5 Interest

	Three months ended June 30,		Six months ended June 30,		Year ended
(in millions of euros)	2012	2011	2012	2011	December 31, 2011
(Charge)/Income					
Interest expense on borrowings	(154)	(121)	(299)	(234)	(529)
Interest income from cash and cash equivalents	7	15	13	27	48
Interest	**(147)**	**(106)**	**(286)**	**(207)**	**(481)**
Fees and premium on borrowings and credit facilities issued/redeemed and early unwinding of hedging derivative instruments	*(5)*	*(2)*	*(8)*	*(4)*	*(52)*
	(152)	***(108)***	***(294)***	***(211)***	***(533)***

Note 6 Income taxes

	Three months ended June 30,		Six months ended June 30,		Year ended
(in millions of euros)	2012	2011	2012	2011	December 31, 2011
(Charge)/Income					
Impact of the Consolidated Global Profit Tax and Vivendi SA's French Tax Group Systems	95	275	198	536	436
Other components of the provision for income taxes	(367)	(514)	(841)	(973)	(1,814)
Provision for income taxes	**(272)**	**(239)**	**(643)**	**(437)**	**(1,378)**

As a reminder, the changes in French Tax Law enacted during the second half of 2011 terminated the Consolidated Global Profit Tax System as from September 6, 2011. In addition, the deduction for tax losses carried forward is now capped at 60% of taxable income.

Note 7 Earnings per share

	Three months ended June 30,				Six months ended June 30,				Year ended December 31, 2011	
	2012		2011		2012		2011			
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Earnings attributable to Vivendi SA shareowners (in millions of euros)	463	463 (a)	824	823 (a)	1,160	1,159 (a)	2,558	2,555 (a)	2,681	2,678 (a)
Number of shares (in millions)										
Weighted average number of shares outstanding (b) (c)	1,286.9	1,286.9	1,277.7	1,277.7	1,286.9	1,286.9	1,277.7	1,277.7	1,281.4	1,281.4
Potential dilutive effects related to share-based compensation	-	0.9	-	2.5	-	1.2	-	3.0	-	2.4
Adjusted weighted average number of shares	**1,286.9**	**1,287.8**	**1,277.7**	**1,280.2**	**1,286.9**	**1,288.1**	**1,277.7**	**1,280.7**	**1,281.4**	**1,283.8**
Earnings attributable to Vivendi SA shareowners per share (in euros) (b)	0.36	0.36	0.64	0.64	0.90	0.90	2.00	2.00	2.09	2.09

Earnings from discontinued operations are not applicable over the presented periods. Therefore, the caption "earnings from continuing operations attributable to Vivendi SA shareowners" relates to earnings attributable to Vivendi SA shareowners.

a. Only includes the potential dilutive effect related to employee stock option and restricted stock plans of Activision Blizzard for a non-material amount.

b. The weighted-average number of shares and earnings attributable to Vivendi SA shareowners per share have been adjusted for all periods previously published in order to reflect the dilution arising from the grant to each shareowner on May 9, 2012 of one bonus share for each 30 shares held, in accordance with IAS 33. The impact of this operation was not significant. Please refer to Section 1.1.4 of the 2012 half year Financial Report.

c. Net of treasury shares (363 thousand shares as of June 30, 2012).

Note 8 Goodwill

(in millions of euros)	June 30, 2012	December 31, 2011
Goodwill, gross	38,100	37,776
Impairment losses	(13,030)	(12,747)
Goodwill	**25,070**	**25,029**

Changes in goodwill

(in millions of euros)	December 31, 2011	Impairment losses	Business combinations	Divestitures, changes in foreign currency translation adjustments and other	June 30, 2012
Activision Blizzard	2,309	-	-	77	2,386
of which Activision	*2,265*	-	-	*75*	*2,340*
Blizzard	*44*	-	-	*2*	*46*
Universal Music Group	4,114	(85) (a)	-	135	4,164
SFR	9,152	-	-	-	9,152
Maroc Telecom Group	2,413	-	-	15	2,428
of which Maroc Telecom SA	*1,795*	-	-	*14*	*1,809*
subsidiaries	*618*	-	-	*1*	*619*
GVT	2,222	-	-	(110)	2,112
Canal+ Group	4,648	-	2	1	4,651
of which Canal+ France	*4,309*	-	-	-	*4,309*
StudioCanal	*192*	-	*2*	*1*	*195*
Non-core operations and others	171	(1)	6	1	177
Total	**25,029**	**(86)**	**8**	**119**	**25,070**

a. Relates to impairment losses related to certain music catalogs of Universal Music Group classified as assets held for sale as part of the acquisition project of EMI Recorded Music.

Goodwill impairment test

In compliance with accounting standards, Vivendi performs an annual impairment test on the value of goodwill in the fourth quarter of each fiscal year, except for GVT, for which the test is undertaken in the second quarter of each fiscal year. In addition, Vivendi re-examines the value of goodwill whenever events or changes in the economic environment indicate a risk of impairment of goodwill.

As of June 30, 2012, given the market environment, Vivendi re-examined the value of SFR's goodwill. In addition, Vivendi assessed whether there was any indication, as of June 30, 2012, that the value of another Cash Generating Unit (CGU) or group of CGU may be impaired at that date. Vivendi Management concluded that, compared to December 31, 2011, no event had triggered a reduction in the value of goodwill associated with Activision Blizzard, UMG, Maroc Telecom, and Canal+ Group. Vivendi will re-examine the value of goodwill in the fourth quarter of 2012, except for that of GVT.

Regarding Canal+ Group, in particular the potential consequences arising from the decision of the French Competition Authority related to the undertakings given by the group in connection with the combination of TPS group and Canal Satellite, considering that the group is challenging the French Competition Authority's analysis and the merits of the injunctions imposed, and since the appeal is still under consideration, the decision of July 23, 2012 (please refer to Note 16) had no impact as of June 30, 2012.

Regarding SFR and GVT, with no change in the methods of valuation used each year, Vivendi tested the value of goodwill. Vivendi ensured that the recoverable amount exceeded their carrying values (including goodwill). For a description of the methods used for the impairment test, please refer to Note 1.3.5.7 to the Consolidated Financial Statements for the year ended December 31, 2011 (page 187 of 2011 Annual Report). As of June 30, 2012, the test for goodwill impairment was undertaken on the basis of an internal valuation of the recoverable amounts. The discounted value of future cash flows was assessed using projected cash flows consistent with the latest forecasts prepared by SFR and GVT. As a result, Vivendi's Management concluded that the recoverable amounts of SFR and GVT exceeded their carrying value as of June 30, 2012.

The following table presents the key assumptions used for the determination of recoverable amounts as well as the sensitivity of recoverable amounts of SFR and GVT.

	June 30, 2012					
	Discount rate		Perpetual growth rate		Cash flows
	Applied rate (in %)	Change in the discount rate in order for the recoverable amount to be equal to the carrying amount (in number of points)	Applied rate (in %)	Change in the perpetual growth rate in order for the recoverable amount to be equal to the carrying amount (in number of points)	Change in cash flows in order for the recoverable amount to be equal to the carrying amount (in %)
SFR	7.00%	+2.41 pts	1.00%	-5.23 pts	-30%
GVT	10.91%	+2.51 pts	4.00%	-6.25 pts	-36%

	December 31, 2011				
	Discount rate		Perpetual growth rate		Cash flows
	Applied rate (in %)	Change in the discount rate in order for the recoverable amount to be equal to the carrying amount (in number of points)	Applied rate (in %)	Change in the perpetual growth rate in order for the recoverable amount to be equal to the carrying amount (in number of points)	Change in cash flows in order for the recoverable amount to be equal to the carrying amount (in %)
SFR	7.00%	+2.49 pts	1.00%	-4.74 pts	-32%
GVT (a)	11.54%	+1.64 pt	4.00%	-3.41 pts	-25%

a. As of June 30, 2011, Vivendi tested the value of goodwill allocated to GVT, on the basis of an internal valuation of the recoverable amount of GVT. As a result, Vivendi Management concluded that the recoverable amount of GVT exceeded its carrying value as of June 30, 2011. After this date, no triggering event occurred that required the performance of an impairment test regarding GVT as of December 31, 2011.

Note 9 Content assets and commitments

9.1 Content assets

(in millions of euros)	June 30, 2012			December 31, 2011
	Content assets, gross	Accumulated amortization and impairment losses	Content assets	Content assets
Internally developed franchises and other games content assets	505	(330)	175	156
Games advances	116	-	116	91
Music catalogs and publishing rights	6,556	(5,001)	1,555	1,677
Advances to artists and repertoire owners	578	-	578	515
Merchandising contracts and artists services	26	(14)	12	13
Film and television costs	5,260	(4,489)	771	720
Sports rights	103	-	103	379
Content assets	**13,144**	**(9,834)**	**3,310**	**3,551**
Deduction of current content assets	(837)	17	(820)	(1,066)
Non-current content assets	**12,307**	**(9,817)**	**2,490**	**2,485**

9.2 Contractual content commitments

Commitments given recorded in the Statement of Financial Position: content liabilities

	Minimum future payments as of	
(in millions of euros)	June 30, 2012	December 31, 2011
Games royalties	13	28
Music royalties to artists and repertoire owners	1,337	1,398
Film and television rights	215	235
Sports rights (a)	93	438
Creative talent, employment agreements and others	48	49
Total content liabilities	**1,706**	**2,148**

a. The decrease in the amount recorded for sports rights in the Statement of Financial Position is mainly due to the consumption of the broadcasting rights related to the French professional Soccer League 1 for the 2011-2012 season.

Off balance sheet commitments given/(received)

	Minimum future payments as of	
(in millions of euros)	June 30, 2012	December 31, 2011
Film and television rights (a)	2,195	2,143
Sports rights	2,117 (b)	2,052
Creative talent, employment agreements and others	963	1,009
Total given	**5,275**	**5,204**
Film and television rights	(104)	(85)
Sports rights	(9)	(15)
Creative talent, employment agreements and others	not available	
Other	(268)	(63)
Total received	**(381)**	**(163)**
Total net	**4,894**	**5,041**

a. In connection with these rights, the amount of provisions recorded was €121 million as of June 30, 2012 (€153 million as of December 31, 2011).

b. Notably includes the rights to broadcast the French professional Soccer League 1 awarded to Canal+ Group for the 2012-2013 to 2015 -2016 seasons (€1,708 million). These commitments will be recognized in the Statement of Financial Position upon the start of every season or upon initial payment.

Note 10 Financial assets

(in millions of euros)	June 30, 2012	December 31, 2011
Cash management financial assets (a)	313	266
Other loans and receivables (b)	374	340
Derivative financial instruments	149	101
Available-for-sale securities	127	125
Cash deposits backing borrowings	6	12
Other financial assets	37	28
Financial assets	**1,006**	**872**
Deduction of current financial assets	(539)	(478)
Non-current financial assets	**467**	**394**

a. Relates to US treasuries and government agency securities, with a maturity exceeding three months, held by Activision Blizzard for $391 million as of June 30, 2012 (compared to $344 million as of December 31, 2011).

b. Notably includes a €120 million loan granted by Canal+ Group to ITI Group in December 2011 in connection with the partnership involving Polish pay-TV.

Note 11 Provisions

(in millions of euros)	Note	December 31, 2011	Addition	Utilization	Reversal	Divestitures, changes in foreign currency translation adjustments and other	June 30, 2012
Employee benefits		507	25	(33)	(4)	32	527
Restructuring costs		48	107 (a)	(41)	-	(7)	107
Litigations	16	479	25	(21)	(24)	-	459
Losses on onerous contracts		237	1	(56)	(8)	-	174
Contingent liabilities due to disposal		41	-	-	-	-	41
Cost of dismantling and restoring sites		70	-	(1)	-	2	71
Other		773	36	(36)	(19)	6	760
Provisions		**2,155**	**194**	**(188)**	**(55)**	**33**	**2,139**
Deduction of current provisions		(586)	(121)	50	44	(11)	(624)
Non-current provisions		**1,569**	**73**	**(138)**	**(11)**	**22**	**1,515**

a. Notably includes a €72 million provision recognized by Maroc Telecom following the launch of a voluntary redundancy plan in Morocco in June 2012. This provision covered the cost of all expected departures in connection with this plan.

Note 12 Share-based compensation plans

12.1 Impacts on the Consolidated Statement of Earnings

(in millions of euros)		Six months ended June 30,		Year ended
Charge/(Income)	Note	2012	2011	December 31, 2011
Stock options and performance shares		*16*	*13*	*28*
"Stock appreciation rights" and "restricted stock units"		*(1)*	*(1)*	*(5)*
Employee stock purchase plans		*32*	*25*	*25*
Vivendi stock instruments	12.2	47	37	48
Activision Blizzard stock instruments	12.3	42	36	67
UMG employee equity unit plan		4	4	7
Subtotal (including Activision Blizzard's capitalized costs)		**93**	**77**	**122**
equity-settled instruments		*90*	*74*	*120*
cash-settled instruments		*3*	*3*	*2*
(-) Activision Blizzard's capitalized costs (a)		(4)	(5)	7
Charge/(Income) related to share-based compensation plans	3	**89**	**72**	**129**

a. During the first half of 2012, €8 million were capitalized (compared to €10 million for the first half of 2011), and €4 million were amortized (compared to €5 million for the first half of 2011), representing a net impact of €4 million (compared to €5 million for the first half of 2011).

12.2 Plans granted by Vivendi

Information on plans granted during the first half of 2012

During the first half of 2012, Vivendi set up equity settled stock option and performance share plans, irrespective of the tax residence of the beneficiaries, as well as stock purchase plans for its employees and retirees (employee stock purchase and leveraged plans). For a detailed description of the plans and their respective accounting treatment, please refer to Notes 1.3.10 and 21 to the Consolidated Financial Statements for the year ended December 31, 2011 contained in the 2011 Annual Report (page 192 and 229 through 236, respectively).

Stock option and performance share plans

Similar to the plans granted in 2011, the main features of the plans granted during the first half of 2012 were as follows:

- stock options vest at the end of a three-year period and expire at the end of a ten-year period (with a 6.5 year expected term); and
- performance shares vest at the end of a two-year period and become available at the end of a four-year period.

On April 17, 2012, 2,514 thousand stock options and 1,818 thousand performance shares were granted:

- with a 2.35% risk-free interest rate, the fair value of each option granted was €0.96; and
- after taking into account a 7.1% discount for non-transferability of the share price at grant date, the fair value of each granted performance share was €9.80.

Grant date	April 17, 2012
Data at grant date:	
Option strike price (in euros)	13.63
Share price (in euros)	12.53
Expected volatility	27%
Expected dividend yield	7.98%
Performance conditions achievement rate (a)	100%

a. Beginning in 2012, for both performance shares and stock options, the objectives underlying the performance conditions are assessed once on a cumulative basis at the expiry of a two-year period. Their definitive grant is effective upon the satisfaction of the following new performance conditions:

- internal indicator (70%): the cumulative EBITA margin for 2012 and 2013; and
- external indicators (30%), the performance of Vivendi shares between January 1, 2012 and December 31, 2013 compared to a basket of indices: Europe Stoxx 600 Telecommunications (70%) and a range of Media values (30%).

In accordance with legal provisions, the number and strike price of stock options, as well as the number of performance shares in connection with outstanding plans, were adjusted to take into account the impact, for beneficiaries, of one bonus share granted on May 9, 2012 to each shareowner for each 30 shares held by a withdrawal from additional paid in capital. This adjustment had no impact on share-based compensation expense related to the relevant stock option and performance share plans.

In addition, on July 16, 2012, Vivendi's Management Board decided to grant 50 bonus shares to the employees of all the group's French subsidiaries (i.e. 16,000 employees). The 50 bonus shares per beneficiary will be issued at the end of a two-year period, i.e., July 17, 2014, subject to the employee being in active employment at this date and without any performance conditions.

Employee stock purchase and leveraged plans

Grant date	June 25, 2012
Subscription price (in euros)	10.31
Maturity (in years)	5
Data at grant date:	
Share price (in euros)	13.57
Discount to face value	24.02%
Expected dividend yield	7.37%
Risk-free interest rate	1.37%
5-year interest rate	6.51%
Repo rate	0.36%

Under the employee stock purchase plans, 2,108 thousand shares were subscribed on June 25, 2012. After taking into account a 15.3% discount for non-transferability to the share price on the date of grant, the fair value per subscribed share was €1.2.

Under the leveraged plans, virtually all employees and retirees of Vivendi and its French and foreign subsidiaries were entitled to subscribe for Vivendi shares through a reserved share capital increase, while obtaining a discounted subscription price, and to ultimately receive the capital gain (calculated pursuant to the terms and conditions of the plan) corresponding to 10 shares for one subscribed share. A financial institution mandated by Vivendi hedges this transaction.
On June 25, 2012, 9,845 thousand shares were subscribed under the leveraged plans. After taking into account a 1.5% discount for non-transferability following the leveraged impact, the fair value per subscribed share was €3.1.

Therefore, stock purchase and leveraged plans resulted in a capital increase totaling €127 million on July 19, 2012 (including issue premium).

Activity since January 1, 2012 under active plans

Equity-settled instruments

	Stock options			Performance shares	
	Number of stock options outstanding		Weighted average strike price of stock options outstanding	Number of performance shares outstanding	
	(in thousands)		(in euros)	(in thousands)	
Balance as of December 31, 2011	**49,907**		**21.5**	**2,961**	
Granted	2,514		13.6	1,818	
Exercised	-		na*	(979)	
Cancelled	(273)		18.2	(90)	
Adjusted	1,710		20.4	125	
Balance as of June 30, 2012	**53,858**	(a)	**19.8**	**3,835**	(b)
Exercisable as of June 30, 2012	**43,257**		**21.3**	**-**	
Acquired as of June 30, 2012	**43,286**		**21.3**	**224**	

na*: not applicable.

a. The total intrinsic value of outstanding stock options was €9 million and their weighted-average remaining contractual life amounted to 4.8 years.

b. The weighted-average remaining period before issuing shares under performance shares was 1.7 years.

12.3 Plans granted by Activision Blizzard

Information on stock option and restricted stock plans granted during the first half of 2012

The main features of the plans granted during the first half of 2012 were as follows:

- stock options expire at the end of a 10-year period (with a 8.2-year expected term as of June 30, 2012); and
- restricted stocks vest at the end of a 3-year period.

Weighted-average data at grant date: (a)	
Option strike price (in US dollars)	11.76
Share price (in US dollars)	11.76
Expected volatility	42.90%
Expected dividend yield	1.53%
Performance conditions achievement rate	na*

na*: not applicable.

a. Relates to the weighted-average by number of instruments for each grant during the half year ended June 30, 2012.

During the first half of 2012, 946 thousand options and 11,222 thousand restricted stocks were granted. The weighted-average fair values of the granted instruments were $4.41 per option (with a 1.57% risk-free interest rate) and $12.21 per restricted stock.

Activity since January 1, 2012 under active plans

	Stock options			Restricted stocks	
	Number of stock options outstanding		Weighted average strike price of stock options outstanding	Number of restricted stocks outstanding	
	(in thousands)		(in US dollars)	(in thousands)	
Balance as of December 31, 2011	**53,162**		**11.1**	**17,139**	
Granted	946		11.8	11,222	
Exercised	(3,289)	(a)	7.0	(590)	
Forfeited	(204)		12.5	(588)	
Cancelled	(302)		16.2	-	
Balance as of June 30, 2012	**50,313**	(b)	**11.4**	**27,183**	(c)
Exercisable as of June 30, 2012	**35,420**		**11.0**	**-**	
Acquired as of June 30, 2012	**35,420**		**11.0**	**-**	

a. The weighted-average share price for Activision Blizzard shares on the date the options were exercised was $12.33.

b. The total intrinsic value of outstanding stock options was $73 million and their weighted-average remaining contractual life was 6.3 years.

c. Under restricted stocks, the weighted-average remaining period before issuing shares was 1.7 years.

Note 13 Borrowings and other financial liabilities

(in millions of euros)	June 30, 2012			December 31, 2011		
	Total	Long-term	Short-term	Total	Long-term	Short-term
Bonds	11,284	10,284	1,000	9,276	7,676	1,600
Bank credit facilities (drawn confirmed)	1,512	1,426	86	4,917	4,558	359
Commercial paper issued	3,320	-	3,320	529	-	529
Bank overdrafts	117	-	117	163	-	163
Accrued interest to be paid	301	-	301	200	-	200
Other	848	138	710	621	173	448
Nominal value of borrowings	**17,382**	11,848	5,534	**15,706**	12,407	3,299
Cumulative effect of amortized cost and reevaluation due to hedge accounting	5	5	-	(12)	(8)	(4)
Commitments to purchase non-controlling interests	9	9	-	11	10	1
Derivative financial instruments	8	-	8	5	-	5
Borrowings and other financial liabilities	**17,404**	**11,862**	**5,542**	**15,710**	**12,409**	**3,301**

13.1 Bonds

(in millions of euros)	Interest rate (%)		Maturity	June 30, 2012		Maturing before June 30,					Maturing after June 30, 2017	December 31, 2011
	nominal	effective				2013	2014	2015	2016	2017		
$550 million (April 2012)	2.400%	2.50%	Apr-15	420	(a)	-	-	420	-	-	-	-
$650 million (April 2012)	3.450%	3.56%	Jan-18	520		-	-	-	-	-	520	-
$800 million (April 2012)	4.750%	4.91%	Apr-22	640		-	-	-	-	-	640	-
€1,250 million (January 2012)	4.125%	4.31%	Jul-17	1,250		-	-	-	-	-	1,250	-
€500 million (November 2011)	3.875%	4.04%	Nov-15	500		-	-	-	500	-	-	500
€500 million (November 2011)	4.875%	5.00%	Nov-18	500		-	-	-	-	-	500	500
€1,000 million (July 2011)	3.500%	3.68%	Jul-15	1,000		-	-	-	1,000	-	-	1,000
€1,050 million (July 2011)	4.750%	4.67%	Jul-21	1,050	(b)	-	-	-	-	-	1,050	750
€750 million (March 2010)	4.000%	4.15%	Mar-17	750		-	-	-	-	750	-	750
€700 million (December 2009)	4.875%	4.95%	Dec-19	700		-	-	-	-	-	700	700
€500 million (December 2009)	4.250%	4.39%	Dec-16	500		-	-	-	-	500	-	500
€300 million - SFR (July 2009)	5.000%	5.05%	Jul-14	300		-	-	300	-	-	-	300
€1,120 million (January 2009)	7.750%	7.69%	Jan-14	894		-	894	-	-	-	-	894
$700 million (April 2008)	6.625%	6.85%	Apr-18	560		-	-	-	-	-	560	541
€700 million (October 2006)	4.500%	5.47%	Oct-13	700		-	700	-	-	-	-	700
€1,000 million - SFR (July 2005)	3.375%	4.14%	Jul-12	1,000	(c)	1,000	-	-	-	-	-	1,000
$700 million (April 2008)	5.750%	6.06%	Apr-13	-	(d)	-	-	-	-	-	-	541
€600 million (February 2005)	3.875%	3.94%	Feb-12	-		-	-	-	-	-	-	600
Nominal value of bonds				**11,284**		1,000	1,594	720	1,500	1,250	5,220	**9,276**

a. A USD-EUR foreign currency hedge (cross-currency swap) was set up to hedge this tranche denominated in US dollar and issued in April 2012 with a 1.3082 USD/EUR rate, or a €420 million counter value at maturity. As of June 30, 2012, the counter value of this bond converted at the closing rate amounted to €440 million.

b. In April 2012, this bond was increased by €300 million.

c. This bond was redeemed at maturity in July 2012.

d. In April/May 2012, this bond was early redeemed through a tender offer.

The bonds denominated in euro are listed on the Luxembourg Stock Exchange.

The bonds denominated in US dollar were converted into euro based on the closing rate, i.e. 1.25 euro/dollar as of June 30, 2012 (compared to 1.29 euro/dollar as of December 31, 2011).

Bonds issued by the group contain customary provisions related to events of default, negative pledge and, rights of payment (pari-passu ranking). In addition, bonds issued by Vivendi SA contain a change in control trigger if, as a result of any such event, the long-term rating of Vivendi SA is downgraded below investment grade status (Baa3/BBB-).

13.2 Bank credit facilities

(in million of euros)	Maturity	Maximum amount	June 30, 2012	Maturing before June 30, 2013	2014	2015	2016	2017	Maturing after June 30, 2017	December 31, 2011
€1.5 billion revolving facility (May 2012)	May-17	1,500 (a)	-	-	-	-	-	-	-	-
€1.1 billion revolving facility (January 2012)	Jan-17	1,100 (b)	-	-	-	-	-	-	-	-
€40 million revolving facility (January 2012)	Jan-15	40	-	-	-	-	-	-	-	-
€5.0 billion revolving facility (May 2011)										
tranche B: €1.5 billion	May-14	1,500	725	-	725	-	-	-	-	725
tranche C: €2.0 billion	May-16	2,000	-	-	-	-	-	-	-	410
€1.0 billion revolving facility (September 2010)	Sep-15	1,000	325	-	-	-	325	-	-	-
€1.2 billion revolving facility - SFR (June 2010)	Jun-15	1,200	-	-	-	-	-	-	-	-
€2 billion revolving facility (February 2008)	-	- (a)	-	-	-	-	-	-	-	890
€2 billion revolving facility (August 2006)										
- initial credit line	-	- (a)	-	-	-	-	-	-	-	271
- extended credit line	-	- (a)	-	-	-	-	-	-	-	1,729
Securitization program - SFR (March 2011)	-	- (c)	-	-	-	-	-	-	-	422
GVT - BNDES	-	613	320	32	35	53	58	58	84	299
Maroc Telecom - MAD 3 billion loan	Jul-14	122	122	54	54	14	-	-	-	149
Canal+ Group - Vietnam	Feb-14	20	20	-	20	-	-	-	-	22
Drawn confirmed bank credit facilities			**1,512**	**86**	**834**	**67**	**383**	**58**	**84**	**4,917**
Undrawn confirmed bank credit facilities			7,583	-	775	1,242	2,726	2,651	189	7,164
Total of group's bank credit facilities			**9,095**	**86**	**1,609**	**1,309**	**3,109**	**2,709**	**273**	**12,081**
Commercial paper issued (d)			3,320	3,320						529

a. In May 2012, Vivendi set up a €1.5 billion syndicated bank credit facility maturing in May 2017, early refinancing of two credit facilities for a total amount of €3 billion (the €2 billion credit facility of August 2006 maturing in August 2013 for €1.7 billion and in August 2012 for €0.3 billion as well as the €1 billion credit facility of February 2008, maturing in February 2013).

b. In January 2012, Vivendi set up a €1.1 billion bank credit facility with a 5-year maturity, early refinancing the €1.5 billion credit facility initially maturing in December 2012 and SFR's €0.5 billion syndicated loan initially maturing in March 2012.

c. SFR's securitization program was terminated in June 2012.

d. The commercial paper is backed to confirmed bank credit facilities. It is recorded as short-term borrowing on the Consolidated Statement of Financial Position.

Bank credit facilities of Vivendi SA and SFR when drawn bear interest at floating rates.

Vivendi SA's syndicated bank credit facilities (€7.1 billion as of June 30, 2012) contain customary provisions related to events of default and covenants relating to negative pledge, divestiture and merger transactions. In addition, at the end of each half year, Vivendi SA is required to comply with a financial covenant of Proportionate Financial Net Debt[2] to Proportionate EBITDA[3] over a twelve-month rolling period not exceeding 3 for the duration of the loans. Non-compliance with this covenant could result in the early redemption of the facilities if they were drawn, or their cancellation. As of June 30, 2012, Vivendi SA complied with these financial covenants.

SFR's bank credit facility (€1.2 billion as of June 30, 2012) contains customary default, negative pledge, and merger and divestiture covenants. In addition, the facility is subject to a change in SFR's control provision. Moreover, at the end of each half year, SFR must comply with the following two financial covenants: (i) a ratio of Financial Net Debt to consolidated EBITDA over a twelve-month rolling period not exceeding 3.5; and (ii) a ratio of consolidated earnings from operations (consolidated EFO) to consolidated net financing costs (interest) equal to or greater than 3. Non-compliance with these financial covenants could result in the early redemption of the loan. As of June 30, 2012, SFR complied with these financial covenants.

The renewal of Vivendi SA's and SFR's confirmed bank credit facilities when they are drawn is contingent upon the issuer reiterating certain representations regarding its ability to comply with its financial obligations with respect to loan contracts.

The credit facilities granted to GVT by the BNDES (BRL 1,800 million as of June 30, 2012) contain a change in control trigger and are subject to certain financial covenants pursuant to which GVT is required to comply at the end of each half year with at least three of the following financial covenants: (i) a ratio of equity to total asset equal to or higher than 0.40 (0.35 for the credit facilities granted in November 2011); (ii) a ratio of Financial Net Debt to EBITDA not exceeding 2.50; (iii) a ratio of current financial liabilities to EBITDA not exceeding 0.45; and (iv) a ratio of EBITDA to net financial expenses of at least 4.00 (3.50 for the credit facilities granted in November 2011). As of June 30, 2012, GVT was in compliance with its covenants.

[2] Defined as the difference between Vivendi's Financial Net Debt and the share of Financial Net Debt attributable to non-controlling interests of Activision Blizzard and Maroc Telecom group.

[3] Defined as the difference between Vivendi's modified EBITDA and modified EBITDA attributable to non-controlling interests of Activision Blizzard and Maroc Telecom group, plus dividends received from entities that are not consolidated.

13.3 Credit ratings

As of August 27, 2012, the date of the Management Board meeting that approved the Financial Statements for the first half of 2012, the credit ratings of Vivendi were as follows:

Rating agency	Rating date	Type of debt	Ratings	Outlook
Standard & Poor's	July 27, 2005	Long-term *corporate* credit rating	BBB	Credit watch negative (a)
		Short-term *corporate* credit rating	A-2	
		Senior unsecured debt	BBB	
Moody's	September 13, 2005	Long-term senior unsecured debt	Baa2	Stable
Fitch Ratings	December 10, 2004	Long-term senior unsecured debt	BBB	Stable

a. On July 4, 2012, Standard & Poor's announced that it placed Vivendi’s long-term rating and short-term debt rating on credit watch negative.

Note 14 Transactions with related parties

14.1 Corporate officers

At a meeting held on June 28, 2012, the Supervisory Board terminated Mr. Jean-Bernard Lévy’s term of office as Chairman of the Management Board. After having considered the recommendation of the Corporate Governance and Nominating Committee and the Chairman of the Human Resources Committee, the Supervisory Board determined that, in accordance with the provisions approved by the Shareholders’ Meeting of April 30, 2009, the conditions for Mr. Jean-Bernard Lévy to receive severance pay were met. This severance package amounts to 16 months of fixed and variable compensation (six months’ pay plus one additional month’s pay for each year of service within the group after 2002), which totals €3,888,000. Mr. Jean-Bernard Lévy, in accordance with the provisions approved by the Shareholders’ Meeting of April 30, 2009, retains the rights to all of his stock options and performance shares, subject to the satisfaction of the relevant performance conditions attached thereto.

At a meeting held on June 28, 2012, the Supervisory Board terminated the terms of office of the following Management Board members: Mr. Abdeslam Ahizoune, Mr. Amos Genish, Mr. Lucian Grainge, and Mr. Bertrand Meheut. It also appointed Mr. Jean-François Dubos as Chairman of the Management Board.

The Management Board is currently composed of Mr. Jean-François Dubos and Mr. Philippe Capron.

In addition, as a reminder, on March 26, 2012, Mr. Frank Esser resigned from his offices as Chairman and Chief Executive Officer (CEO) of SFR and as member of Vivendi’s Management Board. On June 29, 2012, Mr. Stéphane Roussel was appointed CEO of SFR.

14.2 Other related parties

The group has not entered into or amended any other significant transactions with related parties during the first half of 2012.

Note 15 Commitments

15.1 Contractual obligations and commercial commitments

(in millions of euros)	Note	June 30, 2012	December 31, 2011
Contractual content commitments	9	4,894	5,041
Commercial commitments		2,640	3,568
Operating leases and subleases		2,637	2,589
Commitments not recorded in the consolidated statement of financial position		**10,171**	**11,198**

Off balance sheet commercial commitments

	Minimum future payments as of		
(in millions of euros)	June 30, 2012	December 31, 2011	
Satellite transponders	856	677	
Investment commitments	1,536	2,522	(a)
Other	481	614	
Given commitments	**2,873**	**3,813**	
Satellite transponders	(155)	(144)	
Other	(78)	(101)	
Received commitments	**(233)**	**(245)**	
Net total	**2,640**	**3,568**	

a. Notably included €1,065 million regarding 4G spectrum (very-high-speed Internet – LTE) granted to SFR by the "Autorité de Régulation des Communications Electroniques et des Postes" or "Arcep" (the French Telecommunications Regulatory Body) on December 22, 2011 and paid in January 2012.

Off balance sheet operating leases and subleases

	Minimum future leases as of	
(in millions of euros)	June 30, 2012	December 31, 2011
Buildings	2,504	2,409
Other	200	221
Leases	**2,704**	**2,630**
Buildings	(67)	(41)
Subleases	**(67)**	**(41)**
Net total	**2,637**	**2,589**

15.2 Share purchase and sale commitments

- Share purchase and sale commitments: for a detailed description of the main transactions underway as of August 27, 2012, please refer to Note 2; and
- Lagardère's liquidity right regarding its non-controlling interest in Canal+ France: on March 26, 2012, Lagardère again decided to exercise its liquidity right for 2012.

15.3 Contingent assets and liabilities subsequent to given or received commitments related to the divestiture or acquisition of shares

- Commitments made by Vivendi and Canal+ Group with respect to the acquisition of Bolloré Group's channels: please refer to Note 2; and
- Inquiry regarding the implementation of undertakings given by Canal+ Group in connection with the combination of TPS group and Canal Satellite: please refer to Note 16.

Note 16 Litigation

Vivendi is subject to various lawsuits, arbitrations and governmental, administrative or other proceedings (collectively "Legal Proceedings") in the normal course of its business.

Certain Legal Proceedings involving Vivendi or its subsidiaries (as plaintiff or defendant) are described in Note 27 to the Consolidated Financial Statements for the year ended December 31, contained in the 2011 Annual Report (pages 256 to 261) and in Section 3 of Chapter 2 contained in the 2011 Annual Report (pages 60 to 64). The following paragraphs update such disclosure through August 27, 2012, the date of the Management Board meeting held to approve Vivendi's financial statements for the six months ended June 30, 2012.

To the company's knowledge, there are no Legal Proceedings or any facts of an exceptional nature (including, to the company's knowledge, any pending or threatened proceedings) in which it is a defendant, which may have or have had in the recent past a significant effect on the company and on its group's financial position, profit, business and property, other than those described herein.

Securities Class Action in the United States

Since July 18, 2002, sixteen claims have been filed against Vivendi, Messrs. Messier and Hannezo in the United States District Court for the Southern District of New York and in the United States District Court for the Central District of California. On September 30, 2002, the New York court decided to consolidate these claims under its jurisdiction into a single action entitled *In re Vivendi Universal S.A. Securities Litigation*.

The plaintiffs allege that, between October 30, 2000 and August 14, 2002, the defendants violated certain provisions of the US Securities Act of 1933 and US Securities Exchange Act of 1934, particularly with regard to financial communications. On January 7, 2003, the plaintiffs filed a consolidated class action suit that may benefit potential groups of shareholders.

On March 22, 2007, the Court decided, concerning the procedure for certification of the potential claimants as a class ("class certification"), that persons from the United States, France, England and the Netherlands who purchased or acquired shares or American Depositary Receipts (ADRs) of Vivendi (formerly Vivendi Universal SA) between October 30, 2000 and August 14, 2002, could be included in the class.

Following the class certification decision of March 22, 2007, a number of individual cases were filed against Vivendi on the same grounds as the class action. On December 14, 2007, the judge issued an order consolidating the individual actions with the securities class action for purposes of discovery. On March 2, 2009, the Court deconsolidated the Liberty Media action from the class action. On August 12, 2009, the Court issued an order deconsolidating the individual actions from the class action.

On January 29, 2010, the jury returned its verdict. It found that 57 statements made by Vivendi between October 30, 2000 and August 14, 2002, were materially false or misleading and were made in violation of Section 10(b) of the Securities Exchange Act of 1934. Plaintiffs had alleged that those statements were false and misleading because they failed to disclose the existence of an alleged "liquidity risk" which reached its peak in December 2001. However, the jury concluded that neither Mr. Jean-Marie Messier nor Mr. Guillaume Hannezo were liable for the alleged misstatements. As part of its verdict, the jury found that the price of Vivendi's shares was artificially inflated on each day of the class period in an amount between €0.15 and €11.00 per ordinary share and $0.13 and $10.00 per ADR, depending on the date of purchase of each ordinary share or ADR. Those figures represent approximately half the amounts sought by the plaintiffs in the class action. The jury also concluded that the inflation of the Vivendi share price fell to zero in the three weeks following the September 11, 2001, tragedy, as well as on stock exchange holidays on the Paris or New York markets (12 days) during the class period.

On June 24, 2010, the US Supreme Court, in a very clear statement, ruled, in the Morrison v. National Australia Bank case, that American securities law only applies to "the purchase or sale of a security listed on an American stock exchange", and to "the purchase or sale of any other security in the United States."

In a decision dated February 17, 2011 and issued on February 22, 2011, the Court, in applying the "Morrison" decision, confirmed Vivendi's position by dismissing the claims of all purchasers of Vivendi's ordinary shares on the Paris stock exchange and limited the case to claims of French, American, British and Dutch purchasers of Vivendi's ADRs on the New York Stock Exchange. The Court denied Vivendi's post-trial motions challenging the jury's verdict. The Court also declined to enter a final judgment, as had been requested by the plaintiffs, saying that to do so would be premature and that the process of examining individual shareholder claims must take place before a final judgment could be issued. On March 8, 2011, the plaintiffs filed a petition before the Second Circuit Court of Appeals seeking to appeal the decision rendered on February 17, 2011. On July 20, 2011, the Court of Appeals denied the petition and dismissed the claim of purchasers who acquired their shares on the Paris stock exchange.

In a decision dated January 27, 2012 and issued on February 1, 2012, the Court, in applying the Morrison decision, also dismissed the claims of the individual plaintiffs who purchased ordinary shares of the company on the Paris stock exchange.

In a decision dated July 5, 2012, the Court denied a request by the plaintiffs to expand the class to nationalities other than those covered by the certification decision dated March 22, 2007. The judge also indicated that the claims process would commence during the second half of 2012. During this process, Vivendi will have the opportunity to challenge the merits of shareholder claims.

Vivendi believes that it has solid grounds for an appeal at the appropriate times. Vivendi intends to challenge, among other issues, the plaintiffs' theories of causation and damages and, more generally, certain decisions made by the judge during the conduct of the trial. Several aspects of the verdict will also be challenged.

On the basis of the verdict rendered on January 29, 2010, and following an assessment of the matters set forth above, together with support from studies conducted by companies specializing in the calculation of class action damages and in accordance with the accounting principles described in Notes 1.3.1 (Use of Estimates) and 1.3.8 (Provisions) to the Consolidated Financial Statements for the year ended December 31, 2011, contained in the 2011 Annual Report (pages 180 and 190). Vivendi made a provision on December 31, 2009, in an amount of €550 million in respect of the damages that Vivendi might have to pay to plaintiffs. Vivendi re-examined the amount of the reserve related to the Securities class action litigation in the United States, given the District Court for the Southern District of New York decision on February 17, 2011, which followed the US Supreme Court's decision on June 24, 2010 in the Morrison case. Using the same methodology and the same valuation experts as in 2009, Vivendi re-examined the amount of the reserve and set it at €100 million as of December 31, 2010, in respect of the damages, if any, that Vivendi might have to pay solely to shareholders who have purchased ADRs in the United States. Consequently, as of December 31, 2010, Vivendi recognized a €450 million reversal of reserve, compared to an accrual of €550 million as of December 31, 2009.

Vivendi considers that this provision and the assumptions on which it is based may require further amendment as the proceedings progress and, consequently, the amount of damages that Vivendi might have to pay the plaintiffs could differ from the current estimate. As is permitted by current accounting standards, no details are given of the assumptions on which this estimate is based, because their disclosure at this stage of the proceedings could be prejudicial to Vivendi.

Complaint of Liberty Media Corporation

On March 28, 2003, Liberty Media Corporation and certain of its affiliates filed suit against Vivendi and Jean-Marie Messier and Guillaume Hannezo in the District Court for the Southern District of New York for claims arising out of the agreement entered into by Vivendi and Liberty Media relating to the formation of Vivendi Universal Entertainment in May 2002. The plaintiffs allege that the defendants violated certain provisions of the US Securities Act of 1933 and US Exchange Act of 1934. The case had been consolidated with the securities class action for pre-trial purposes but was subsequently deconsolidated on March 2, 2009 for purposes of trial. The judge granted Liberty Media's request that they be permitted to avail themselves of the verdict rendered by the securities class action jury with respect to Vivendi's liability (theory of "collateral estoppel").

The Liberty Media jury returned its verdict on June 25, 2012. It found Vivendi liable to Liberty Media for making certain false or misleading statements and for breaching several representations and warranties contained in the parties' agreement and awarded damages to Liberty Media in the amount of €765 million. Vivendi has filed certain post-trial motions challenging the jury's verdict, including motions requesting that the Court set aside the jury's verdict for lack of evidence and order a new trial. The parties have until September 4, 2012 to file all responsive briefs relating to these motions. At this stage, the jury's verdict does not constitute an enforceable judgment against Vivendi since the judge must first rule on the post-trial motions and then, if appropriate, enter the jury's verdict which would then allow Vivendi to appeal. We believe we have strong grounds upon which to base an appeal.

Given that there is a lack of an enforceable judgment against Vivendi and that the various post-trial motions that remain pending before the Court could result in the judge deciding not to enter a judgment or to significantly alter the verdict of the jury, Vivendi has not made, at this stage, a provision related to this case. Vivendi will reassess the need for a provision as the proceedings progress and new elements are brought to Vivendi's attention.

LBBW et al against Vivendi

On March 4, 2011, twenty-six institutional investors from Germany, Canada, Luxemburg, Ireland, Italy, Sweden, Belgium and Austria filed a complaint against Vivendi with the Paris Commercial Court seeking to obtain damages for losses they allegedly incurred as a result of four financial communications issued by Vivendi in October and December 2000, September 2001 and April 2002. Then on April 10 and on April 23, 2012, two similar complaints were filed against Vivendi: the first one by a US pension fund, the Public Employee Retirement System of Idaho and the other by six German and British institutional investors. Finally, on August 8, 2012, the British Columbia Investment Management Corporation also filed a complaint against Vivendi on the same basis.

SFR against Free

On May 21, 2012, Free filed a complaint against SFR with the Paris Commercial Court. Free is challenging SFR 's model of subsidizing mobile phone purchases through what Free calls "concealed" consumer loans and claims this constitutes an unfair and deceptive trade practice.

Inquiry into the implementation of certain undertakings given in connection with the combination of CanalSatellite and TPS

The French Competition Authority opened an inquiry regarding the implementation of certain undertakings given by Vivendi and Canal+ Group in connection with the combination of TPS and CanalSatellite.

On September 20, 2011, the French Competition Authority rendered a decision in which it established that Canal+ Group had not complied with certain undertakings – some it considered essential – on which depended the decision authorizing, in 2006, the acquisition of TPS and CanalSatellite by Vivendi and Canal+ Group. As a consequence, the French Competition Authority withdrew the merger authorization, requiring Vivendi and Canal+ Group to re-notify the transaction to the French Competition Authority within one month. Furthermore, the Authority ordered Canal+ Group to pay a €30 million fine.

On October 24, 2011, the operation was re-notified to the French Competition Authority. On July 23, 2012, the Competition Authority issued its decision on this new notification. It authorizes the acquisition of TPS and CanalSatellite by Vivendi and Group Canal +, subject to compliance with 11 injunctions. These injunctions are primarily focused on the acquisition of film rights from American studios and French producers, the participation of Canal+ Group in Orange Cinema series, the distribution of premium channels and non-linear services (video on demand and subscription video on demand).

Vivendi and Canal+ Group challenged the analysis conducted by the French Competition Authority and the merits of the injunctions imposed. Canal+ Group intends to apply to the French Council of State for a suspension and cancellation of the decision.

On November 4, 2011, Vivendi and Canal+ Group filed an appeal before the French Council of State against the French Competition Authority's decision dated September 20, 2011. They have also raised two priority issues concerning the constitutionality of this decision that the French Council of State, in view of their serious nature, forwarded, by a decision dated July 17, 2012, to the French Constitutional Council.

FBT & Eminem against UMG

On May 21, 2007, FBT (the label owned by Eminem) filed suit against UMG claiming breach of contract in connection with the production of an album and requesting that the court order additional payment of royalties for on-line sales of music downloads and ringtones. On March 6, 2009, the Los Angeles Court dismissed FBT's claims and FBT appealed. The Court of Appeal overturned the lower court's decision. On March 21, 2011, the U.S. Supreme Court, without ruling on the merits of the case, refused to hear an appeal from UMG, which is within its judicial discretion. In a decision dated June 27, 2012, the Court allowed FBT and Eminem to broaden the scope of their complaint and challenge the calculation of royalties on music downloads outside the United States. A trial relating to damages will be held in the first half of 2013.

Studio Infinity Ward, subsidiary of Activision Blizzard

After concluding an internal human resources inquiry into breaches of contract and insubordination by two senior employees at Infinity Ward, Activision Blizzard terminated the employment of Jason West and Vince Zampella on March 1, 2010. On March 3, 2010, West and Zampella filed a complaint against Activision Blizzard in the Los Angeles Superior Court for breach of contract and wrongful termination. On April 9, 2010, Activision Blizzard filed a cross complaint against West and Zampella, asserting claims for breach of contract and fiduciary duty. In addition, 38 current and former employees of Infinity Ward filed a complaint against Activision Blizzard in the Los Angeles Superior Court on April 27, 2010 for breach of contract and violation of the Labor Code of the State of California. On July 8, 2010, an amended complaint was filed which added a further seven plaintiffs. They claim that the company failed to pay bonuses and other compensation allegedly owed to them.

On December 21, 2010, Activision Blizzard filed a consolidated cross complaint to add Electronic Arts as a party, the discovery having shown the complicity of Electronic Arts in the case. The Los Angeles Court, following Activision Blizzard's request, agreed to transfer the case to the Complex Division. The trial is scheduled to take place on May 29, 2012. An adverse outcome in this trial could have a material impact on Activision Blizzard's financial results. On May 31, 2012, the parties entered into a settlement agreement that ended this dispute.

Note 17 Subsequent events

The major events that have occurred since June 30, 2012 were as follows:

- On July 3, 2012: Activision Blizzard and Tencent entered into a license agreement in China (please refer to Section 1.1.4 above);
- On July 4, 2012: Standard & Poor's announced that it placed Vivendi's long-term BBB debt and short-term A-2 debt credit rating on a negative watch;
- On July 9, 2012: the acquisition project of EMI Recorded Music by Vivendi and Universal Music Group (UMG) received regulatory approval in Japan (please refer to Note 2);
- On July 16, 2012: the capital increase related to Vivendi's employee stock purchase plans and the grant of 50 bonus shares to the French employees of the Vivendi group took place (please refer to Note 12);
- On July 17, 2012: the acquisition by StudioCanal of a 100% interest in Hoyts Distribution, a company specializing in the distribution of feature films in Australia and New Zealand was announced;
- On July 23, 2012: the acquisition of Direct 8 and Direct Star was approved by the French Competition Authority (please refer to Note 2);
- On July 23, 2012: the French Competition Authority issued its decision on the combination between TPS group and CanalSatellite (please refer to Note 16);
- On August 2, 2012: Vivendi received a commitment from a syndicate of banks for a security instrument in relation to the Liberty Media litigation; and
- On August 20, 2012: the acquisition project of EMI Recorded Music by Vivendi and UMG received regulatory approval in Canada.

IV - Statement on 2012 half year Condensed Financial Statements

This is a free translation into English of the Statement on the 2012 half year Condensed Financial Statements issued in French and is provided solely for the convenience of English speaking readers.

I state, to my knowledge, that the Condensed Financial Statements for the first half year of 2012 were prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and results of operations of Vivendi and all the companies included in its consolidation scope, and that the half year management report, contained in the first part of this Financial Report, presents a fair view of the significant events which occurred during the first six months of the fiscal year and their impact on the half year financial statements, of the main related party transactions and of the major risks and uncertainties for the remaining six months of the fiscal year.

Chairman of the Management Board

Jean-François Dubos

V - Statutory auditors' review report on 2012 half year financial information

To the Shareholders,

Following our appointment as statutory auditors by your General Shareholders' Meetings and in accordance with article L.451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Vivendi S.A for the period from January 1st to June 30, 2012, and
- the verification of information contained in the half-year financial report.

These condensed half-yearly consolidated financial statements are the responsibility of your Management Board. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – the standard of the IFRS as adopted by the European Union applicable to interim financial statements.

Without qualifying our conclusion, we draw your attention to Note 16, to the condensed half-yearly consolidated financial statements, which provide a description of Management's assessment of the verdict rendered by the jury in connection with the « Liberty Media Corporation » procedure and the accounting treatment adopted.

II. Specific verification

We have also verified information given in the half-year financial report in respect of the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Paris La Défense, August 28, 2012

Statutory Auditors'

KPMG Audit
A department of KPMG S.A.

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