May 15,
2014

# FIRST QUARTER 2014 RESULTS

**IMPORTANT NOTICE:**
Financial statements unaudited and prepared under IFRS
Investors are strongly urged to read the important disclaimers at the end of this presentation

# JEAN-FRANCOIS DUBOS

Chairman of the Management Board
Chief Executive Officer

# STRATEGIC HIGHLIGHTS

- Refocus on media & content completed
  - Closing of Maroc Telecom disposal for €4.1 billion
  - SFR disposal on track, for a total value in excess of €17 billion*
- Sound financial structure restored
  - Net cash position of €5 billion end 2014 / early 2015**
- Significant cash return to shareholders announced as part of transformation
  - €1.34 billion cash distribution proposed end June 2014
  - €3.5 billion dividend and/or buyback expected in 2014/2015

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* Completion subject to consultation procedures with the employee representative bodies of Numericable, Vivendi, and SFR on the plan presented by Altice/Numericable and receipt of the authorizations from the relevant administrative authorities

** Post SFR and Maroc Telecom disposals and €1.34 billion proposed cash distribution in 2014

# DIGITAL AND EMERGING MARKETS FUELING GROWTH IN Q1 2014

- Revenues up 2.0%* and EBITA up 2.8%*

- Revenues from new growth opportunities up 7.8%*
  - ► Benefit of growing exposure to content & digital

- Revenues in fast growing markets up 7.9%*
  - ► Benefit of growing exposure to Latin America and Africa

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* Underlying growth at constant perimeter (see definition page 9) and currency

## HERVE PHILIPPE

Chief Financial Officer

# VIVENDI: KEY 2013 FIGURES*

Revenues: € 12.0 bn
Organic growth: +1.7%

Adjusted net cash end Q1 2014**:
€ 1.6 bn
BBB/Baa2 target

CFFO before capex: € 1.8 bn
Capex: €1.0 bn

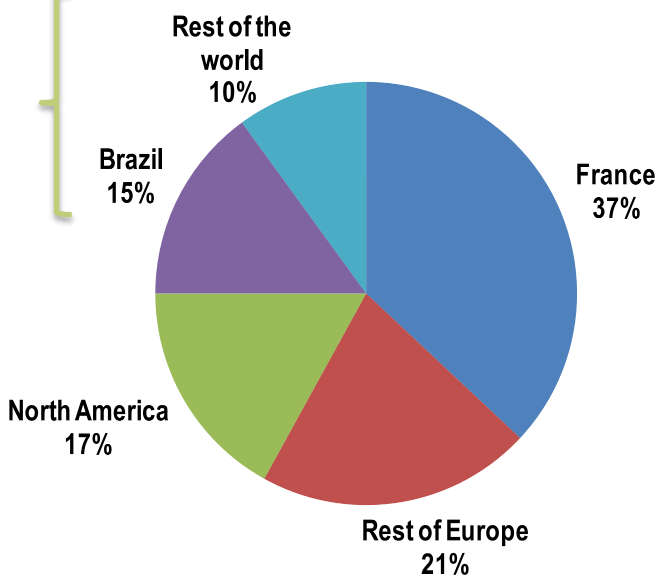
EBITDA: € 2.2 bn
EBITA: € 1.4 bn

* Except where noted
** Net cash estimated end Q1 2014 post SFR and Maroc Telecom disposals, and after €1.34 billion proposed cash distribution in 2014 and €3.5 billion dividend and/or buyback expected in 2014/2015

# VIVENDI : A LEADING PLAYER WITH A GLOBAL REACH…

***"More people consuming more content on more devices across more markets than ever"***

**25% of revenues**




FY2013 revenues, excluding SFR

- **#1** in Artists & Repertoire
- **Undisputed leadership** position in recorded music

- **#1** French audiovisual group
- **#1** European player in production, acquisition and distribution of films/series

- **High growth** broadband & pay TV operator in Brazil
- Strong presence in VoD, OTT and music distribution

**Aiming to increase exposure to fast growing markets**

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# … AND PARTICIPATING IN INNOVATIVE DIGITAL MODELS

| | | |
|---|---|---|
| STUDIO BAGEL | 60% | • Digital content producer |
| b | ~13% | • Premium headphones and music subscription service |
| POWER MUSIC CLUB | 100% | • Music streaming in Brazil |
| vevo | 47% | • All-premium music video and entertainment platform |
| CANAL PLAY | 100% | • SVOD service |
| wengo | 94% | • Online marketplace for professional services |
| Spotify | ~5% | • Music streaming service |
| digitick.com See TICKETS | 100% | • Ticketing service |
| WATCHEVER | 100% | • SVOD service |

# KEY FINANCIAL METRICS Q1 2014

*Preliminary comment: in compliance with IFRS5, SFR qualifies as discontinued operations from Q1 2014 hence SFR earnings are reported as “Earnings from discontinued operations ”. This classification retrospectively applies to Statement of Earnings and Cash Flows.*

| | | % Change | % Change, yoy, at constant currency | **% Change, underlying*** |
|---|---|---|---|---|
| ▪ Revenues: | € 2,722 m | – 3.7 % | + 1.2 % | **+ 2.0 %** |
| ▪ EBITA: | € 268 m | – 11.2 % | – 3.3 % | **+ 2.8 %** |
| ▪ Adjusted Net Income: | € 161 m | + 20.1 % | | |
| ▪ Financial net debt, post Maroc Telecom disposal**: | € 7.1 bn | vs. € 13.2 bn end March 2013 | | |

* At constant perimeter (excluding impact of Parlophone Label Group disposal in 2013 and impact in 2014 of Mediaserv and Red Production Company acquisitions) and at constant currency

** Closed on May 14, 2014

# GROWTH OPPORTUNITIES UP 7.8% AND REPRESENTING 56% OF TOTAL SALES

| | Revenues in Q1 14 | % underlying growth rate |
|---|---|---|
| **REVENUES** | **2,722** | **+ 2.0%** |
| **including GROWTH OPPORTUNITIES** | **1,530** | **+ 7.8%** |
| Recorded music - Digital & Licence | 512 | + 3.2% |
| GVT Telecom | 354 | + 7.9% |
| Canal+ Pay-TV International | 297 | + 3.0% |
| Music publishing | 163 | + 5.9% |
| Studiocanal | 109 | + 23.3% |
| GVT Pay-TV | 51 | + 61.1% |
| Free-to-air TV France | 44 | + 28.9% |

**56% of sales up 7.8%**

**+ Content**
**+ Digital**
**+ Emerging markets**

# REVENUES

| *In euro millions - IFRS* | Q1 2013 | Q1 2014 | Change | Constant currency | Comparable basis and constant currency * |
|---|---|---|---|---|---|
| Canal+ Group | 1,286 | 1,317 | + 2.4% | + 2.5% | + 1.2% |
| Universal Music Group | 1,091 | 984 | - 9.8% | - 5.4% | - 2.0% |
| GVT | 438 | 405 | - 7.6% | + 12.6% | + 12.6% |
| Other | 16 | 21 | + 38.2% | + 36.8% | + 36.8% |
| Intercompany elimination | (5) | (5) | | | |
| **Total Vivendi** | **2,826** | **2,722** | **- 3.7%** | **+ 1.2%** | **+ 2.0%** |

* See definition page 9

# EBITA UP 2.8% ON A COMPARABLE BASIS

| *In euro millions - IFRS* | Q1 2013 | Q1 2014 | Change | Constant currency | Comparable basis and constant currency* |
|---|---|---|---|---|---|
| Canal+ Group | 183 | 175 | - 4.7% | - 4.7% | - 5.5% |
| Universal Music Group | 55 | 56 | + 2.0% | + 12.7% | + 72.5% |
| GVT | 99 | 83 | - 16.5% | + 1.7% | + 1.7% |
| Other | (14) | (20) | | | |
| Holding & Corporate | (22) | (26) | | | |
| **Total Vivendi** | **301** | **268** | **- 11.2%** | **- 3.3%** | **+ 2.8%** |

- Canal+ Group performance includes negative impact of Ligue 1 calendar: one more game compared to Q1 2013
- UMG profit benefits from lower overheads and restructuring costs, and is impacted by disposal of Parlophone in 2013
- GVT EBITDA up 9.5%** thanks to 12.6%** top line growth; Slower EBITA increase at +1.7%** due to accelerated D&A (increased weight of TV investments in the capex mix)
- Start-up losses at Watchever amounting to €21m. Strategic options under review

* See definition page 9
** At constant currency

# ADJUSTED P&L

| *In euro millions - IFRS* | Q1 2013 | Q1 2014 | Change | % |
|---|---|---|---|---|
| **Revenues** | **2,826** | **2,722** | **- 104** | **- 3.7%** |
| **EBITDA** | **492** | **429** | **- 63** | **- 12.8%** |
| **EBITA** | **301** | **268** | **- 33** | **- 11.2%** |
| Income from equity affiliates | (8) | (6) | + 2 | |
| Income from investments | 14 | - | - 14 | |
| Interest | (80) | (19) | + 61 | |
| Provision for income taxes | (57) | (63) | - 6 | |
| Non-controlling interests | (36) | (19) | + 17 | |
| **Adjusted Net Income** | **134** | **161** | **+ 27** | **+ 20.1%** |

- Lower interest charge mainly due to lower bond debt leading to lower average interest rate (2.8% in Q1 2014 vs. 3.3% in Q1 2013)
- Adjusted tax rate of 25% in Q1 2014
- Lower non-controlling interests following full ownership of Canal+ France since November 2013

# CONSOLIDATED BALANCE SHEET

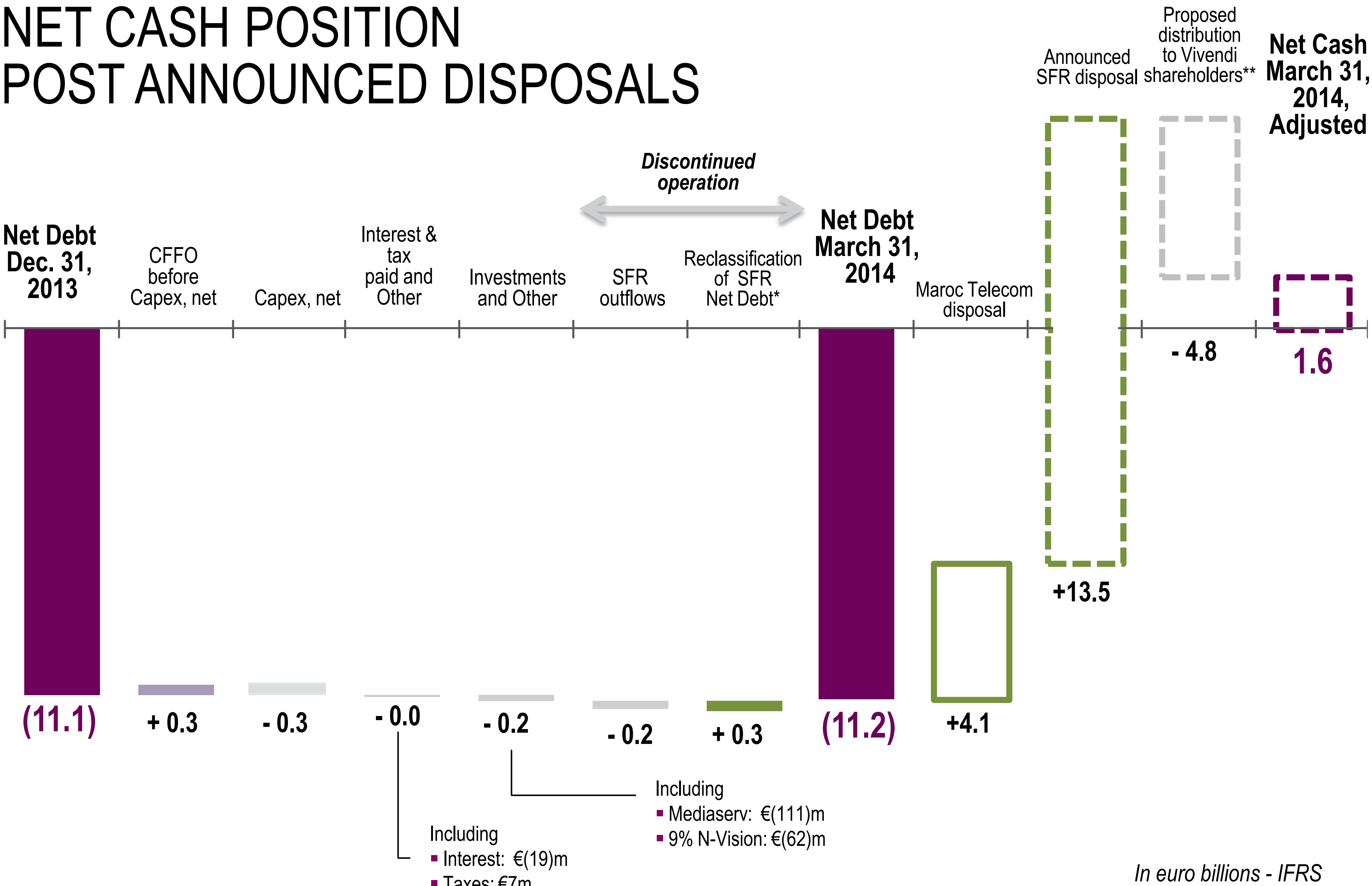
*In euro millions*

| Assets | December 31, 2013 | March 31, 2014 |
|---|---|---|
| Goodwill | 17,147 | 10,519 |
| Intangible and tangible assets | 15,619 | 7,113 |
| Equity affiliates and other investments | 1,017 | 816 |
| Net deferred tax assets | 53 | |
| Net assets held for sale | 5,211 | 17,983 |
| **Total** | **39,047** | **36,431** |

| Liabilities | December 31, 2013 | March 31, 2014 |
|---|---|---|
| Consolidated equity (1) | 19,030 | 19,623 |
| Provisions | 3,523 | 2,987 |
| Net financial debt | 11,097 | 11,242 |
| Working Capital Requirement and other | 5,397 | 2,561 |
| Net deferred tax liabilities | | 18 |
| **Total** | **39,047** | **36,431** |

(1) including non-controlling interests

# NET CASH POSITION POST ANNOUNCED DISPOSALS




*In euro billions - IFRS*

* External net debt, in compliance with IFRS 5

** €1.34 billion cash distribution (€1 per share) proposed at the AGM and €3.5 billion dividend and/or buy-back expected in 2014/2015

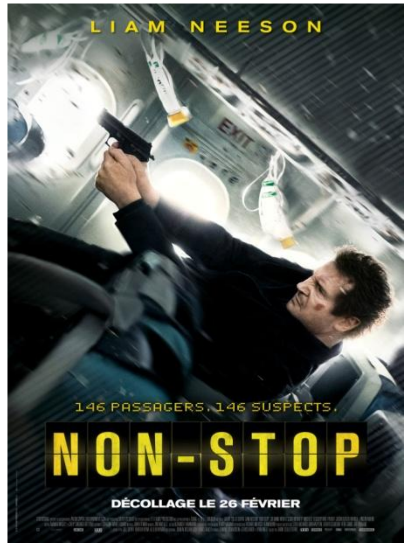
# KEY MEDIA & CONTENT SUCCESS IN Q1

© Xavier Lahache

Successful renewal of key sports rights in France: “Ligue 1” (football), “Champions’ League” and “Top 14” (rugby)

© DPPI

French pay-TV audience record: PSG-Chelsea with 45% of subscribers watching the game




StudioCanal movie: $200m+ revenues in box office


GVT Pay-TV up 55% yoy with over 700k subscribers

## UMG best sellers (selection)



CANAL+ GROUP

# SLIGHT TOP LINE GROWTH DESPITE VAT IMPACT

| *In euro millions - IFRS* | Q1 2013 | Q1 2014 | Change | Comparable basis and constant currency* |
|---|---|---|---|---|
| **Revenues** | **1,286** | **1,317** | **+ 2.4%** | **+ 1.2%** |
| Pay-TV Mainland France | 889 | 867 | - 2.5% | - 2.5% |
| Free-to-Air TV Mainland France | 34 | 44 | + 28.9% | + 28.9% |
| Pay-TV International | 281 | 297 | + 5.6% | + 3.0% |
| Studiocanal | 82 | 109 | + 33.0% | + 23.3% |
| **EBITDA** | **248** | **236** | **- 5.2%** | **- 7.1%** |
| **EBITA before transition costs** | **190** | **176** | **- 7.7%** | **- 8.4%** |
| Transition costs | (7) | (1) | | |
| **EBITA** | **183** | **175** | **- 4.7%** | **- 5.5%** |

* Excluding Mediaserv consolidated since February 13, 2014 and Red Production consolidated since December 5, 2013

** VAT applicable to subscription services in France increase from 7% to 10% as from January 1, 2014

## HIGHLIGHTS

- Success in key sports rights renegotiation:
  - Ligue 1 football rights in France secured and improved until 2020
  - Champions' League football rights secured until 2018
  - TOP 14 rugby rights in France renewed until 2019
- Revenues up 1.2% at constant currency and perimeter* :
  - Pay-TV revenues in mainland France almost flat excluding the impact of VAT rate increase**, with continued churn rate reduction
  - FTA-TV revenues picked up significantly due to audience increase following investments into programming schedule
  - International activities benefited from growing portfolio in Africa and Vietnam
  - Studiocanal: excellent performance notably thanks to *Non-Stop* and *Robocop* releases
- EBITA down €8m mainly due to temporary negative impact of Ligue 1 calendar (one more match day compared to Q1 2013) partially offset by a decrease of transitions costs

# STRONG PERFORMANCE WITH EBITA UP 72%* IN Q1

| *In euro millions - IFRS* | Q1 2013 | Q1 2014 | Change | Comparable basis and constant currency* |
|---|---|---|---|---|
| **Revenues** | **1,091** | **984** | **- 9.8%** | **- 2.0%** |
| Recorded music | 878 | 784 | - 10.7% | - 1.8% |
| Publishing | 161 | 163 | + 1.4% | + 5.9% |
| Merchandising & Other | 59 | 45 | - 24.0% | - 22.2% |
| Elimination of intersegment transactions | (8) | (9) | | |
| **EBITDA** | **101** | **80** | **- 20.9%** | **+ 5.6%** |
| ***% margin*** | ***9.3%*** | ***8.1%*** | | |
| **EBITA before restructuring and integration costs** | **86** | **66** | **- 22.9%** | **+ 8.7%** |
| Restructuring and integration costs | (31) | (10) | | |
| **EBITA** | **55** | **56** | **+ 2.0%** | **+ 72.5%** |

## HIGHLIGHTS

- Revenues down 2%* due to lower recorded music and merchandising sales
- Recorded music down 1.8%* due to lower physical sales and digital downloads while subscription and streaming revenues grow significantly
  - Digital sales are 49% of total recorded music sales and subscription and streaming are 35% of digital sales
  - Asia down 2%* due to lower digital revenues in Japan
- Publishing up 5.9%* in part due to a reclassification of income from recorded music
- Merchandising & other down 22%* due to decline in touring income and license sales (unfavorable base of comparison)
- EBITDA up 5.6%* due to overhead savings
- EBITA up 72.5%* benefitting from better EBITDA and lower restructuring costs

* at constant currency and comparable basis, excluding the impact of Parlophone Label Group disposal in 2013

# TOP LINE GROWTH ACCELERATION IN Q1 2014 VS Q4 2013

| *In euro millions - IFRS* | Q1 2013 * | Q1 2014 | Change | Comparable basis and constant currency |
|---|---|---|---|---|
| **Revenues** | **438** | **405** | **- 7.6%** | **+ 12.6%** |
| Retail & SME | 397 | 372 | - 6.3% | + 14.2% |
| Telecoms | 358 | 321 | - 10.4% | + 9.2% |
| Pay-TV | 39 | 51 | + 32.1% | + 61.1% |
| Corporate & Wholesale | 41 | 33 | - 20.2% | - 2.9% |
| **EBITDA** | **176** | **158** | **- 10.2%** | **+ 9.5%** |
| *EBITDA Margin* | *40.2%* | *39.0%* | | |
| **EBITA** | **99** | **83** | **- 16.5%** | **+ 1.7%** |

## HIGHLIGHTS

- 12.6%** revenue growth mainly driven by improved performance in the Retail & SME segment in a market that remains very competitive
  - Telecom: strong commercial performance of +199k RGU*** in Q1 (up 35% yoy) leading to 6.75m LIS end Q1 2014, up 15% yoy; continued pressure on ARPU due to fierce competition
  - Pay-TV: 715k subs up 55% yoy, 3P bundle penetration now reaching 26.5% of retail broadband base
- Strong EBITDA margin rate at 39.0%, slightly impacted by higher programming costs and higher marketing costs driving Q1 commercial performance
- Targeted and controlled network rollout: +299k new homes passed in Q1 2014 vs +462k in Q1 2013

* 2013 numbers are provided on a comparable basis. Due to a new segmentation, some Corporate clients were re-classified as SME during the third quarter of 2013

** at constant currency

*** Revenue Generating Units

# SLOWDOWN OF REVENUES AND EBITDA EROSION

| *In euro millions - IFRS* | Q1 2013 | Q1 2014 | Change |
|---|---|---|---|
| **Revenues** | **2,594** | **2,443** | **- 5.8%** * |
| Retail | 1,769 | 1,611 | - 8.9% |
| B to B | 464 | 427 | - 8.0% |
| Wholesale & Other | 361 | 405 | + 12.2% |
| **EBITDA** | **702** | **625** | **- 11.0%** |
| Restructuring costs | (3) | (4) | |
| D&A and others | (372) | (367) | |
| **EBITA** | **328** | **255** | **- 22.2%** |

* -5.4% excluding regulatory impacts (impacts of mobile voice, SMS and fixed voice termination rates decrease, roaming tariff cuts and VAT)

## HIGHLIGHTS

- Slowdown of revenues erosion with revenues down 5.8% in Q1 2014 after -9.6% over 2013
- EBITDA decrease limited to half of the revenue decrease thanks to proactive transformation actions delivering savings
- Improved retail trends: revenues down 8.9% in Q1 2014 vs. -13.8% over 2013
  - 83% of mobile retail postpaid clients at end March 2014 repriced to January 2013 tariffs
  - Retail mobile subscriber base up 2.9% at end March 2014 to 11.4m due to strong commercial performance over Q4 2013; -21k net adds over Q1 mainly due to a slowdown of Red low-cost net adds; good success of 4G with over 1.4m customers to date
  - Retail fixed subscriber base up 3.2% at end March 2014; +43k net adds in Q1, o/w 56% in fiber
- BtoB revenues impacted by continued challenging economic environment
- Wholesale revenues growth driven by both mobile and fixed wholesale business

# CONCLUSION

- Vivendi now positioned as a Media & Content group
- Good Q1 2014 earnings
- Organic growth opportunities: content, digital, fast growing markets

→ **Vivendi is poised for future growth**

# APPENDICES

# APPENDICES

Details of Business Operations

CANAL+ GROUP

| *In '000* | Mar. 31, 2013 | Mar. 31, 2014 | Change |
|---|---|---|---|
| **Group individual subscribers** | **10,169** | **10,419** | **+ 250** |
| Mainland France | 6,037 | 6,037 | - |
| International | 4,132 | 4,382 | + 250 |
| Poland | 2,455 | 2,185 | - 270 |
| Overseas | 480 | 486 | + 6 |
| Africa | 735 | 1,107 | + 372 |
| Vietnam | 462 | 604 | + 142 |

| *In '000* | Mar. 31, 2013 | Mar. 31, 2014 | Change |
|---|---|---|---|
| **Group subscriptions** | **14,345** | **14,593** | **+ 248** |
| Mainland France* | 9,538 | 9,438 | - 100 |
| International | 4,807 | 5,155 | + 348 |

| Mainland France | Q1 2013 | Q1 2014 | Change |
|---|---|---|---|
| Churn per subscriber (%)** | 14.5% | 14.3% | - 0.2 pt |
| ARPU per subscriber (€)*** | 43.5 € | 44.0 € | + 0.5 € |

| FTA TV **** | Q1 2013 | Q1 2014 | Change |
|---|---|---|---|
| D8 rating share | 3.1% | 3.2% | + 0.1 pt |
| D17 rating share | 1.2% | 1.1% | - 0.1 pt |
| i>Tele rating share | 0.8% | 0.8% | - |
| **Total** | **5.1%** | **5.1%** | **-** |

* Individual and collective subscriptions with commitment and without commitment (Canal+, CanalSat, CanalPlay)
** Churn per individual subscriber with commitment
*** Net ARPU per individual subscriber with commitment
**** Source: Médiamétrie - Population aged 4 and over

UNIVERSAL MUSIC GROUP

| *In euro millions - IFRS* | Q1 2014 | Comparable basis and constant currency |
|---|---|---|
| Recorded music | 784 | - 1.8% |
| Physical | 273 | - 10.0% |
| Digital | 383 | + 5.9% |
| License and Other | 129 | - 4.1% |
| Music Publishing | 163 | + 5.9% |
| Merchandising and Other | 45 | - 22.2% |
| Intercompany elimination | (9) | |
| **Total Revenues** | **984** | **- 2.0%** |

| Recorded Music Revenues | Q1 2013 | Q1 2014 |
|---|---|---|
| Europe | 38% | 39% |
| North America | 41% | 41% |
| Asia | 13% | 12% |
| Rest of the world | 9% | 8% |

| Recorded music : Best Sellers* | |
|---|---|
| **Q1 2013** | **Q1 2014** |
| Les Miserables | Frozen |
| Justin Bieber | Lorde |
| Rihanna | Masaharu Fukuyama |
| Bon Jovi | Katy Perry |
| Lil Wayne | Avicii |

## 2014 UPCOMING RELEASES**

Mariah Carey
Sam Smith
Lana Del Rey
Tiesto
5 Seconds Of Summer
Nicki Minaj
Maroon 5
Tsuyoshi Nagabuchi
Lady Gaga & Tony Bennett
Taylor Swift
Avicii
Rihanna
Chimène Badi
Take That
The Beatles
Lil Wayne
U2

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* Physical and digital album / track / DVD sales
** This is a selected release schedule, subject to change

| In '000 | Mar. 31, 2013 | Mar. 31, 2014 | Change |
|---|---|---|---|
| **Retail & SME - Homes passed** | **9,557** | **10,747** | **+ 12.5%** |
| **Retail & SME - Revenue Generating Units** | **6,335** | **7,469** | **+ 17.9%** |
| **Telecom** | **5,875** | **6,754** | **+ 15.0%** |
| Voice | 3,569 | 4,047 | + 13.4% |
| Broadband Internet | 2,306 | 2,707 | + 17.4% |
| *Proportion of offers ≥ 10 Mbps* | *82%* | *87%* | *+ 5 pts* |
| **Pay-TV** | **460** | **715** | **+ 55.4%** |

| In BRL millions - IFRS | 1Q 2013 | 1Q 2014 | Change |
|---|---|---|---|
| **Total Revenues** | **1,165** | **1,312** | **+ 12.6%** |
| **Retail & SME** | **1,055** | **1,205** | **+ 14.2%** |
| Voice | 606 | 654 | + 7.8% |
| Broadband Internet | 345 | 386 | + 11.7% |
| Pay-TV | 103 | 165 | + 61.1% |
| **Corporate & Wholesale** | **110** | **107** | **- 2.9%** |

| In '000 | 1Q 2013 | 1Q 2014 | Change |
|---|---|---|---|
| **Retail & SME - New Net Adds (NNA)** | **202** | **271** | **+ 34.2%** |
| **Telecom** | **148** | **199** | **+ 34.5%** |
| Voice | 81 | 113 | + 39.5% |
| Broadband Internet | 67 | 86 | + 28.4% |
| **Pay-TV** | **54** | **72** | **+ 33.3%** |

| In BRL per month - IFRS | 1Q 2013 | 1Q 2014 | Change |
|---|---|---|---|
| **Revenue by Line - Voice** | **60.2** | **57.1** | **- 5.1%** |
| **Revenue by Line - Broadband Internet** | **50.4** | **48.2** | **- 4.4%** |
| **Revenue by Package - Pay-TV** | **77.0** | **79.9** | **+ 3.7%** |

Note : 2013 numbers are provided on a comparable basis. Due to a new segmentation, some Corporate clients were re-classified as SME during the third quarter of 2013

## APPENDICES

Details for Discontinued Operations

| MOBILE - GROUP DATA * | Q1 2013 | Q1 2014 | Change |
|---|---|---|---|
| Mobile Customers (in '000)* | 20,626 | 21,293 | + 3.2% |
| Acquisition costs (in €m) | 109 | 101 | (8) |
| Retention costs (in €m) | 144 | 123 | (21) |

| RETAIL SEGMENT ** | Q1 2013 | Q1 2014 | Change |
|---|---|---|---|
| **MOBILE** | | | |
| Customers (in '000) *** | 14,684 | 14,387 | - 2.0% |
| Postpaid clients (in '000) *** | 11,042 | 11,360 | + 2.9% |
| Proportion of smartphones (% of customers) | 56.6% | 66.0% | + 9 pts |
| 12-month rolling Mobile ARPU (by month)**** | € 27.2 | € 23.5 | - 13.6% |
| **BROADBAND INTERNET** | | | |
| Broadband Internet customer base (in '000) | 5,092 | 5,252 | + 3.2% |
| o.w. FTTH customers (in '000) | 141 | 221 | + 56.3% |
| o.w. quadruple-play customers ("Multipack") (% of customers) | 38.4% | 47.3% | + 9 pts |
| 12-month rolling Broadband Internet ARPU (by month) | € 33.0 | € 32.3 | - 2.1% |

* Including customers to all SFR group's brands, in Retail and B2B segments in mainland France and La Reunion Island. Q1 2013 portfolio excludes 92k inactive lines which have been cancelled in Q4 13

** Retail segment in Mainland France

*** Q1 2013 portfolio excludes 92k inactive lines which have been cancelled in Q4 13

**** Including mobile terminations. ARPU (Average Revenue Per User) is defined as revenues over the last 12 months, net of promotions and net of third-party content provider revenues, excluding roaming in revenues and equipment sales, divided by the average ARCEP total customer base for the last 12 months.

| *In euro millions - IFRS* | Q1 2013 | Q1 2014 | Change |
|---|---|---|---|
| **Revenues** | 644 | 641 | - 0.4% |
| **EBITDA** | 379 | 351 | - 7.5% |

## HIGHLIGHTS (in Dirhams)

- Renewal of slight growth in revenues (+0.4%)
- Strong growth in customer bases: +16.5%, to 39 million customers
- Steady fixed-line growth in Morocco (+5.3%), thanks to growth in customer bases for fixed lines (+9.2%) and broadband (+22.7%)
- Steady growth in subsidiaries: revenues and EBITDA up 11.4% and 8.4% respectively on a like-for-like basis, attributable to the 35% expansion of customer bases
- Group consolidated EBITDA down by 6.8%
- Continuation of the modernization programs for the fixed-line and mobile networks in Morocco and in the subsidiaries.

## APPENDICES

Detailed Vivendi Financial Results

# EBITDA

| *In euro millions - IFRS* | Q1 2013 | Q1 2014 | Change | Constant currency | Comparable basis and constant currency |
|---|---|---|---|---|---|
| Canal+ Group | 248 | 236 | - 5.2% | - 5.2% | - 7.1% |
| Universal Music Group | 101 | 80 | - 20.9% | - 14.3% | + 5.6% |
| GVT | 176 | 158 | - 10.2% | + 9.5% | + 9.5% |
| Other | (12) | (19) | | | |
| Holding & Corporate | (21) | (26) | | | |
| **Total Vivendi** | **492** | **429** | **- 12.8%** | **- 4.5%** | **- 1.6%** |

# INTEREST

| *In euro millions (except where noted) – IFRS* | **Q1 2013** | **Q1 2014** |
|---|---|---|
| **Interest** | **(80)** | **(19)** |
| Interest expense on borrowings | (135) | (86) |
| *Average interest rate on borrowings (%)* | *3.27%* | *2.83%* |
| *Average outstanding borrowings (in euro billions)* | *16.4* | *12.2* |
| Interest income from Vivendi S.A. loan to SFR | 51 | 62 |
| Interest income from cash and cash equivalents | 4 | 5 |
| *Average interest income rate (%)* | *4.56%* | *2.60%* |
| *Average amount of cash equivalents (in euro billions)* | *0.4* | *0.8* |

# INCOME TAXES

| *In euro millions – IFRS* | Q1 2013<br>Adjusted Net Income | Q1 2013<br>Net income | Q1 2014<br>Adjusted Net Income | Q1 2014<br>Net income |
|---|---|---|---|---|
| Tax savings related to the Vivendi SA's French Tax Group and Consolidated Global Profit Tax Systems | 17 | 69 | 26 | (23) |
| Tax charge | (74) | (59) | (89) | (78) |
| **Provision for income taxes** | **(57)** | **10** | **(63)** | **(101)** |
| ***Effective tax rate*** | ***24.6%*** | | ***25.4%*** | |
| **Taxes reimbursement** | **63** | | **7** | |

# CONSOLIDATED P&L

| *In euro millions - IFRS* | Q1 2013 | Q1 2014 | Change | % |
|---|---|---|---|---|
| **Revenues** | **2,826** | **2,722** | **-104** | **- 3.7%** |
| **EBITA** | **301** | **268** | **-33** | **- 11.2%** |
| Amortization and impairment losses on intangible assets acquired through business combinations | (113) | (89) | | |
| Other income & charges | (27) | (3) | | |
| **EBIT** | **161** | **176** | **15** | **+ 9.2%** |
| Income from equity affiliates | (8) | (6) | | |
| Interest | (80) | (19) | | |
| Other financial income and charges | 18 | 22 | | |
| Income from investments | 14 | - | | |
| Provision for income taxes | 10 | (101) | | |
| Earnings from discontinued operations | 684 | 516 | | |
| Non-controlling interests | (265) | (157) | | |
| **Net Income, group share** | **534** | **431** | **-103** | **- 19.3%** |

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## APPENDICES

Glossary & Disclaimer

# GLOSSARY

**Adjusted earnings before interest and income taxes (EBITA):** As defined by Vivendi, EBITA corresponds to EBIT (defined as the difference between income and charges that do not result from financial activities, equity affiliates, discontinued operations and tax) before the amortization of intangible assets acquired through business combinations and the impairment losses on goodwill and other intangibles acquired through business combinations, and other income and charges related to financial investing transactions and to transactions with shareowners (except if directly recognized in equity).

**Adjusted earnings before interest, income taxes and amortization (EBITDA):** As defined by Vivendi, EBITDA corresponds to 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.

**Adjusted net income (ANI)** includes the following items: EBITA, income from equity affiliates, interest, income from investments, as well as taxes and non-controlling interests related to these items. It does not include the following items: the amortization of intangible assets acquired through business combinations, the impairment losses on goodwill and other intangible assets acquired through business combinations, other income and charges related to financial investing transactions and to transactions with shareowners (except if directly recognized in equity), other financial charges and income, earnings from discontinued operations, provisions for income taxes and adjustments attributable to non-controlling interests, as well as non-recurring tax items (notably the changes in deferred tax assets pursuant to the Vivendi SA' s tax group and Consolidated Global Profit Tax Systems and reversal of tax liabilities relating to risks extinguished over the period).

**Cash flow from operations (CFFO):** Net cash provided by operating activities after capital expenditures net, dividends received from equity affiliates and unconsolidated companies and before income taxes paid.

**Capital expenditures net (Capex, net):** Cash used for capital expenditures, net of proceeds from sales of property, plant and equipment, and intangible assets.

**Financial net debt:** Financial net debt is calculated as the sum of long-term and short-term borrowings and other long-term and short-term financial liabilities as reported on the Consolidated Statement of Financial Position, less cash and cash equivalents as reported on the Consolidated Statement of Financial Position as well as derivative financial instruments in assets, cash deposits backing borrowings, and certain cash management financial assets (included in the Consolidated Statement of Financial Position under "financial assets").

The percentages of change are compared to the same period of the previous accounting year, unless otherwise stated.

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