2014 HALF YEAR FINANCIAL REPORT

Financial Report and Unaudited* Condensed Financial Statements for the Half Year Ended June 30, 2014

AUGUST 28, 2014

vivendi

*The Condensed Financial Statements for the half year ended June 30, 2014 were subject to a limited review by Vivendi's Statutory Auditors. Their Report on the 2014 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 €7,416,864,702.50

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Selected key consolidated financial data

Preliminary comments:

In compliance with IFRS 5, SFR (as from the first quarter of 2014) as well as Maroc Telecom group and Activision Blizzard (as from the second quarter of 2013) have been reported in Vivendi's Consolidated Financial Statements as discontinued operations. Vivendi deconsolidated Maroc Telecom group and Activision Blizzard respectively as from May 14, 2014 and October 11, 2013, i.e., the date of their effective sale by Vivendi.

For more details on the data adjustments published with respect to fiscal year 2013, please refer to Appendix 2 to the Financial Report and to Note 18 to the Condensed Financial Statements for the half year ended June 30, 2014. These adjustments were made to all periods presented in the selected key consolidated financial data table below for data from the Consolidated Statements of Earnings and Cash Flows:

	Six months ended June 30, (unaudited)		Year ended December 31,			
	2014	2013	2013	2012	2011	2010
Consolidated data						
Revenues	5,546	5,745	11,962	11,313	10,510	10,180
EBIT	436	469	992	(704)	1,442	996
EBITA (a)	626	686	1,360	1,562	1,482	1,279
Earnings attributable to Vivendi SA shareowners	1,913	1,035	1,967	179	2,681	2,198
Adjusted net income (a)	355	359	728	667	602	710
Financial Net Debt (a)	7,884	17,435	11,097	13,419	12,027	8,073
Total equity	18,896	21,244	19,030	21,291	22,070	28,173
of which Vivendi SA shareowners' equity	18,505	18,147	17,457	18,325	19,447	24,058
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)	658	700	1,817	1,760	1,763	1,664
Capital expenditures, net (capex, net) (b)	(482)	(588)	(1,014)	(1,240)	(1,012)	(753)
Cash flow from operations (CFFO) (a)	176	112	803	520	751	911
Financial investments	(152)	(63)	(111)	(1,689)	(291)	(687)
Financial divestments	4,617	126	3,471	201	4,205	1,494
Dividends paid with respect to previous fiscal year	1,348 (c)	1,325	1,325	1,245	1,731	1,721
Per share data						
Weighted average number of shares outstanding	1,342.6	1,323.8	1,330.6	1,298.9	1,281.4	1,273.8
Adjusted net income per share	**0.26**	**0.27**	**0.55**	**0.51**	**0.47**	**0.56**
Number of shares outstanding at the end of the period (excluding treasury shares)	1,347.6	1,326.4	1,339.6	1,322.5	1,287.4	1,278.7
Equity per share, attributable to Vivendi SA shareowners	13.73	13.68	13.03	13.86	15.11	18.81
Dividends per share paid with respect to previous fiscal year	**1.00** (c)	**1.00**	**1.00**	**1.00**	**1.40**	**1.40**

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

a. The non-GAAP measures of EBITA, Adjusted net income, Financial Net Debt, and Cash flow from operations (CFFO) should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance as presented in the Consolidated Financial Statements and the related notes, or as described in this Financial Report, and Vivendi considers that they 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. Moreover, it should be noted that other companies may define and calculate these indicators differently from Vivendi thereby affecting comparability.

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

c. On June 30, 2014, Vivendi SA paid to its shareholders an ordinary distribution of €1 per share from the additional paid-in capital.

I – Financial Report for the first half of 2014

Preliminary comments:

- On August 25, 2014, the Management Board approved this Financial Report and the Unaudited Condensed Financial Statements for the half year ended June 30, 2014, which were subsequently reviewed by the Audit Committee on August 26, 2014. On August 28, 2014, the Supervisory Board reviewed the Financial Report and Unaudited Condensed Financial Statements for the half year ended June 30, 2014, as approved by the Management Board on August 25, 2014.
- The Condensed Financial Statements for the half year ended June 30, 2014 were subject to a limited review by Vivendi's Statutory Auditors. Their Report on the 2014 half year financial information follows the Condensed Financial Statements.
- The Financial Report for the first half of 2014 should be read in conjunction with the Financial Report for the year ended December 31, 2013 as published in the 2013 "Rapport annuel - Document de référence" filed on April 14, 2014 with the French *Autorité des Marchés Financiers* (the "AMF") (the "*Document de référence 2013*"). Please also refer to pages 175 through 324 of the English translation[1] of the "*Document de référence 2013*" (the "2013 Annual Report") which is available on Vivendi's website (www.vivendi.com) for informational purposes.
- In compliance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, SFR, Maroc Telecom group, and Activision Blizzard have been reported in Vivendi's Consolidated Financial Statements as discontinued operations according to the following terms:
  - **SFR:** on June 20, 2014, Vivendi entered into a definitive agreement with Altice/Numericable for the combination of SFR and Numericable. As from the first quarter of 2014, SFR has been reported in the Consolidated Statement of Earnings and Statement of Cash Flows as a discontinued operation. Moreover, its contribution to each line of Vivendi's Consolidated Statement of Financial Position as of June 30, 2014 has been grouped under the lines "assets of discontinued businesses" and "liabilities associated with assets of discontinued businesses".
  - **Maroc Telecom group:** on May 14, 2014, Vivendi deconsolidated Maroc Telecom group following the sale of its interest therein. Maroc Telecom group has been reported in the Consolidated Statement of Earnings and Statement of Cash Flows as a discontinued operation.
  - **Activision Blizzard:** on October 11, 2013, Vivendi deconsolidated Activision Blizzard as a result of the sale of 88% of its interest therein. Activision Blizzard has been reported in the Consolidated Statement of Earnings and Statement of Cash Flows as a discontinued operation.

The adjustments to data published in the 2013 Annual Report are reported in Appendix 2 to the Financial Report and in Note 18 to the Condensed Financial Statements for the half year ended June 30, 2014 and only relate to SFR.

1 Significant events

1.1 Significant events during the first half of 2014

1.1.1 Group's Governance

On June 24, 2014, Vivendi's General Shareholders' Meeting notably appointed three new Supervisory Board members: Ms. Katie Jacobs Stanton, Ms. Virginie Morgon, and Mr. Philippe Bénacin. The Supervisory Board comprises 13 members, including an employee shareholder representative, and an additional member representing the group's employees will join the Board by the end of 2014, in accordance with French law.
Vivendi's Supervisory Board, which was convened immediately following the General Shareholders' Meeting, appointed Mr. Vincent Bolloré as Chairman. The Board also appointed Mr. Pierre Rodocanachi as Vice-Chairman and Mr. Jean-René Fourtou, who had chaired the group since 2002, as Honorary Chairman. It appointed Mr. Daniel Camus as Chairman of the Audit Committee, and Mr. Philippe Bénacin as Chairman of the Corporate Governance, Nominations, and Remuneration Committee.

The Supervisory Board also appointed the members to the Management Board, which is currently comprised of: Messrs. Arnaud de Puyfontaine, who serves as Chairman, Hervé Philippe, and Stéphane Roussel.

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

1.1.2 SFR

Plan to sell SFR

On April 5, 2014, Vivendi's Supervisory Board unanimously decided to choose Altice/Numericable's offer for the sale of SFR. On June 20, 2014, following the completion of the consultation procedures with the employee representative bodies of Vivendi group and Numericable group, Vivendi entered into a definitive agreement with Altice/Numericable for the combination of SFR and Numericable, the main details of which are presented below. The completion of this transaction is subject to certain conditions, notably the receipt of the authorizations from the relevant regulatory authorities. On July 30, 2014, the French Competition Authority announced that it would carry out an in-depth review ("Phase 2 investigation"). This transaction is expected to be completed within the next months.

Cash proceeds at the completion date	€13.5 billion, subject to the sale price adjustment clause, which notably includes exceptional changes in net working capital, the amount of SFR's net debt, as well as certain restatements as contractually defined between the parties, at the date of completion of the sale. These potential adjustments may increase or decrease the cash consideration paid, depending on actual data as of the completion date. Notwithstanding the final outcome and on the basis of current estimates, the impact of the adjustments would be approximately -€450 million. This amount does not take into account Vivendi's commitment to contribute up to €200 million in the financing of the acquisition of Virgin Mobile by Numericable (please see below).
Vivendi's interest in the combined entity	20% of the publicly-listed company
Altice's interest in the combined entity	60% for Altice (free float = 20%)
Liquidity	- One year lock-up period following completion, after which Vivendi will be able to sell or distribute listed shares, without restrictions, with a right of priority for Altice (pre-emption right or right of first offer). - Subject to whether Vivendi has retained its shares, Altice will have a call option at market value (with a floor of (*)) on Vivendi's interest, exercisable in three tranches (7%, 7%, 6%) over 1-month windows starting on the 19th, 31st, and 43rd month, respectively, following completion. - Tag-along right for Vivendi in the event that Altice sells its shares.
Earn-out	Potential earn-out of €750 million if the EBITDA-Capex of the combined entity is at least equal to €2 billion during any fiscal year, ending not later than December 31, 2024.
Financing	- Total debt of €11.6 billion for the combined entity. - Initial bank commitments were refinanced on April 23, 2014, through bond issues (€7.8 billion) and bank loans (€3.8 billion).
Corporate Governance	- Minority Board representatives for Vivendi. - Veto rights on certain matters subject to Vivendi retaining a 20% interest in the combined entity.
Conditions precedent	Completion of the transaction is subject to (i) obtaining approval of the transaction by the French Competition Authority, (ii) obtaining the regulatory authorization (AMF) required for the capital increase and capital contribution operations to be implemented as part of the transaction, (iii) receiving the approval of Numericable's shareholders for the contribution of a portion of the SFR shares to Numericable, and (iv) there having been no invocation of the "Company Material Adverse Effect" clause by the banks financing the Altice/Numericable offer prior to April 30, 2015.
Commitments	Please refer to Note 6.1.3 to the Condensed Financial Statements for the first half ended June 30, 2014.

(*) Volume Weighted Average Price (VWAP) of Numericable stock price over the 20 business days before completion*, grossed-up by an annual rate of 5% during the period ranging from the closing of the transaction until the date of exercise of the call option by Altice.*

This transaction represents a total enterprise value in excess of €17 billion, or an estimated 2014 Enterprise Value/EBITDA ratio of 7.0x.

As from the first quarter of 2014, given the expected closing of this transaction, SFR was presented in the Consolidated Statement of Earnings, the Statement of Cash Flows and in the Statement of Financial Position of Vivendi as a discontinued operation.

The capital gain on the sale of SFR will be calculated as the difference between the sale price of 100% of SFR and the value of SFR's net assets, as recorded in Vivendi's Financial Statements at the completion date of the sale and will be recorded at that date, under the line "Earnings from discontinued operations". The components of the sale price are (i) the €13.5 billion, paid in cash, subject to the price adjustment clause, which notably includes exceptional changes in net working capital, the amount of SFR's net debt, as well as certain restatements as contractually defined between the parties, at the completion date of the sale, as well as (ii) the value of the remaining 20%

interest in the combined SFR/Numericable entity, estimated at €3.0 billion. The potential earn-out (€750 million) is excluded from this calculation at this stage. Based on current estimates, the impact of the adjustments of the sale price would be approximately -€450 million. SFR's net assets in Vivendi's Financial Statements at the date of sale include completed or on-going acquisitions (€200 million to finance the acquisition of Virgin Mobile by Numericable and €88 million for the acquisition of Telindus, net of cash acquired for €6 million), as well as the share of SFR's earnings up to the date of the sale (€547 million as of June 30, 2014, of which €406 million related to the discontinuation of amortization of tangible and intangible assets). Based on the foregoing and on SFR's Statement of Financial Position as of June 30, 2014, excluding the potential earn-out, the capital gain on the sale of SFR is estimated at approximately €2.4 billion (after taxes and net of costs related to the sale).

Agreement to share a part of SFR's mobile access networks

On January 31, 2014, SFR and Bouygues Telecom entered into a strategic agreement to share a part of their mobile access networks. They will roll out a new shared network in an area covering 57% of the French population. This agreement will enable both operators to improve their mobile coverage and generate significant savings over time.

The agreement is based on two principles:

- the creation of a joint company, to manage the shared base station assets; and
- entry by the operators into a RAN-sharing service agreement covering 2G, 3G, and 4G services in the shared area.

This network-sharing agreement is similar to numerous arrangements already existing in other European countries. Each operator will retain its own innovation capacity as well as complete commercial and pricing independence. The shared network agreement is expected to be completed by the end of 2017.

Acquisition of Telindus France Group

On March 28, 2014, Vivendi and Belgacom entered into an agreement following the exclusive negotiations started on February 13, 2014 pursuant to which Vivendi would acquire 100% of Belgacom's subsidiary, Telindus France Group, a leader on the French markets of telecommunication integration and networks, for an amount of €88 million, net of cash acquired for €6 million. On April 30, 2014, the transaction was completed following its approval by the French Competition Authority.

Numericable's project to acquire Virgin Mobile

On June 27, 2014, Numericable Group entered into a definitive agreement with the shareholders of Omer Telecom Limited, the holding company that operates in France under the Virgin Mobile brand, pursuant to which Numericable Group would acquire 100% of the capital of Omer Telecom Limited for an enterprise value of €325 million. The transaction is subject to approvals from the relevant regulatory authorities.

Vivendi has committed to contribute up to €200 million in financing for this acquisition and will remain bound by this commitment following the closing of the sale of SFR if the acquisition of Virgin Mobile has not been finalized.

1.1.3 Sale of Maroc Telecom group

On May 14, 2014, in accordance with the agreements entered into on November 4, 2013, Vivendi sold its 53% interest in Maroc Telecom to Etisalat and received cash proceeds in the amount for €4,138 million, after contractual price adjustment (-€49 million). The agreements included representations and warranties customary in this type of transaction, which are described in Note 6 to the Condensed Financial Statements for the first half ended June 30, 2014. At that date, Vivendi deconsolidated Maroc Telecom and recorded a capital gain of €786 million (before taxes and net of costs related to the sale) presented in "Earnings from discontinued operations" for the first half of 2014. In compliance with IAS 12, the deferred tax on capital gain (€86 million) was recognized as of June 30, 2013, the sale being considered as highly probable at that date.

1.1.4 Sale of Activision Blizzard shares

On May 22, 2014, in accordance with the agreements entered into on July 25, 2013, Vivendi sold a first tranche of 41.5 million Activision Blizzard shares, representing 5.8% in value of this company, for $852 million (€623 million), and recorded a €84 million capital gain presented in "Earnings from discontinued operations" for the first half of 2014. In total, taking into account the capital gain of €123 million recorded in 2013, Vivendi realized a capital gain of €207 million with respect to this first tranche.

Following this transaction, Vivendi owns a residual interest of 41.5 million Activision Blizzard shares, which is subject to a lock-up restriction that expires on January 7, 2015. As of June 30, 2014, this interest was revalued to reflect its current stock market value ($22.30 per share), and the unrealized capital gain of €140 million generated during the first half of 2014, was recognized in "Earnings from discontinued operations".

1.1.5 Canal+ Group

Acquisition of a 51% interest in Mediaserv

On February 13, 2014, pursuant to the approval received from the French Competition Authority, Canal+ Overseas completed the acquisition of a 51% interest in Mediaserv, an overseas telecom operator.

Broadcasting rights for sport events

During the first half of 2014, Canal+ Group was awarded broadcasting rights to the following sport events:

- the French professional Soccer League 1, for four seasons (2016-2017 to 2019-2020) : the two premium lots for an aggregate amount of €2,160 million (or €540 million per season); and
- the Champions League for three seasons (2015-2016 to 2017-2018).

On January 14, 2014, Canal+ Group was awarded broadcasting rights for the National French Rugby Championship "TOP 14" for five seasons (2014-2015 to 2018-2019). These exclusive rights related to all of the "TOP 14" matches, across all media and all territories. On July 30, 2014, the French Competition Authority suspended the agreement between Canal+ Group and the National Rugby League as from the 2015-2016 season and mandated that a new call for tenders process be organized for the four seasons (2015-2016 to 2018-2019). Canal+ Group and the National Rugby League appealed this decision before the Paris Court of Appeal. The hearing is scheduled to be held on September 4, 2014.

1.1.6 Universal Music Group (UMG)

Acquisition of Eagle Rock Entertainment Group Limited

On April 8, 2014, UMG acquired the entire issued share capital of Eagle Rock Entertainment Group Limited, an independent producer and distributor of music films and programming for DVD, television and digital media.

1.1.7 Other

Distribution to shareholders

On June 30, 2014, Vivendi SA paid to its shareholders an ordinary distribution of €1 per share from additional paid-in capital representing a total amount of €1.35 billion.

1.2 Subsequent events

The significant events that have occurred between June 30 and August 25, 2014 (the date of the Management Board meeting that approved Vivendi's Financial Statements for the half year ended June 30, 2014) were as follows:

- On August 1, 2014, UMG sold its interest in Beats to Apple for a net amount of approximately €250 million (please refer to Note 10 to the Condensed Financial Statements for the half year ended June 30, 2014); and
- On August 4, 2014, Vivendi received a binding offer from Telefonica SA to acquire GVT, its subsidiary in Brazil. Vivendi's Supervisory Board will consider the Telefonica offer at its meeting on August 28, 2014, in the best interests of its shareholders and the GVT employees, and will decide what action to take as a result.

1.3 Related party transactions

Please refer to Section 1.1.1. of this Financial Report and to Note 14 to the Condensed Financial Statements for the half year ended June 30, 2014.

2 Earnings analysis

Preliminary comments:

In compliance with IFRS 5, SFR (as from the first quarter of 2014) as well as Maroc Telecom group and Activision Blizzard (as from the second quarter of 2013) have been reported in Vivendi's Consolidated Financial Statements as discontinued operations. Vivendi deconsolidated Maroc Telecom group and Activision Blizzard respectively as from May 14, 2014 and October 11, 2013.

In practice, income and charges from these three businesses have been reported as follows:

- *their contribution until the effective divestiture, if any, to each line of Vivendi's Consolidated Statement of Earnings (before non-controlling interests) has been grouped under the line "Earnings from discontinued operations";*
- *in accordance with IFRS 5, these adjustments have been applied to all periods presented to ensure consistency of information; and*
- *their share of net income has been excluded from Vivendi's adjusted net income.*

The adjustments to data published in the 2013 Annual Report are presented in Appendix 2 to the Financial Report and in Note 18 to the Condensed Financial Statements for the half year ended June 30, 2014 and only relate to SFR.

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,		
	2014	2013 (a)	2014	2013 (a)	
Revenues	**2,824**	**2,919**	**2,824**	**2,919**	**Revenues**
Cost of revenues	(1,597)	(1,633)	(1,597)	(1,633)	Cost of revenues
Margin from operations	**1,227**	**1,286**	**1,227**	**1,286**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(806)	(883)	(806)	(883)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(63)	(18)	(63)	(18)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(89)	(109)			
Impairment losses on intangible assets acquired through business combinations	-	15			
Other income	3	28			
Other charges	(12)	(11)			
EBIT	**260**	**308**	**358**	**385**	**EBITA**
Income from equity affiliates	4	1	4	1	Income from equity affiliates
Interest	(34)	(76)	(34)	(76)	Interest
Income from investments	2	11	2	11	Income from investments
Other financial income	46	3			
Other financial charges	(24)	(128)			
Earnings from continuing operations before provision for income taxes	**254**	**119**	**330**	**321**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(88)	117	(114)	(56)	Provision for income taxes
Earnings from continuing operations	**166**	**236**			
Earnings from discontinued operations	1,413	496			
Earnings	**1,579**	**732**	**216**	**265**	**Adjusted net income before non-controlling interests**
Of which					*Of which*
Earnings attributable to Vivendi SA shareowners	**1,482**	**501**	**194**	**225**	**Adjusted net income**
Non-controlling interests	97	231	22	40	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**1.10**	**0.38**	**0.14**	**0.17**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**1.10**	**0.38**	**0.14**	**0.17**	**Adjusted net income per share - diluted (in euros)**

In millions of euros, except per share amounts.

a. Data published with respect to the second quarter of 2013 has been adjusted following the application of IFRS 5 (please refer to the preliminary comment above).

HALF YEAR

CONSOLIDATED STATEMENT OF EARNINGS	Six months ended June 30, 2014	Six months ended June 30, 2013 (a)	Six months ended June 30, 2014	Six months ended June 30, 2013 (a)	ADJUSTED STATEMENT OF EARNINGS
Revenues	**5,546**	**5,745**	**5,546**	**5,745**	**Revenues**
Cost of revenues	(3,233)	(3,272)	(3,233)	(3,272)	Cost of revenues
Margin from operations	**2,313**	**2,473**	**2,313**	**2,473**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(1,634)	(1,727)	(1,634)	(1,727)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(53)	(60)	(53)	(60)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(178)	(202)			
Impairment losses on intangible assets acquired through business combinations	-	(5)			
Other income	3	28			
Other charges	(15)	(38)			
EBIT	**436**	**469**	**626**	**686**	**EBITA**
Income from equity affiliates	(2)	(7)	(2)	(7)	Income from equity affiliates
Interest	(53)	(156)	(53)	(156)	Interest
Income from investments	2	25	2	25	Income from investments
Other financial income	86	44			
Other financial charges	(42)	(151)			
Earnings from continuing operations before provision for income taxes	**427**	**224**	**573**	**548**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(189)	127	(177)	(113)	Provision for income taxes
Earnings from continuing operations	**238**	**351**			
Earnings from discontinued operations	1,929	1,180			
Earnings	**2,167**	**1,531**	**396**	**435**	**Adjusted net income before non-controlling interests**
Of which					*Of which*
Earnings attributable to Vivendi SA shareowners	**1,913**	**1,035**	**355**	**359**	**Adjusted net income**
Non-controlling interests	254	496	41	76	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**1.42**	**0.78**	**0.26**	**0.27**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**1.42**	**0.78**	**0.26**	**0.27**	**Adjusted net income per share - diluted (in euros)**

In millions of euros, except per share amounts.

a. Data published with respect to the first half of 2013 has been adjusted following the application of IFRS 5 (please refer to the preliminary comment above).

2.2 Earnings review

For the first half of 2014, **earnings attributable to Vivendi SA shareowners** amounted to €1,913 million (or €1.42 per share), compared to €1,035 million (or €0.78 per share) for the first half of 2013, a €878 million increase (+84.8%). As a reminder, in compliance with IFRS 5, SFR (as from the first quarter of 2014) as well as Maroc Telecom group and Activision Blizzard (as from the second quarter of 2013) have been reported in Vivendi's Consolidated Financial Statements as discontinued operations. In addition, Vivendi deconsolidated Maroc Telecom group and Activision Blizzard respectively as from May 14, 2014 and October 11, 2013, i.e. the date of their effective sale by Vivendi. Therefore neither SFR, nor Maroc Telecom group, nor Activision Blizzard were included in revenues, EBIT, EBITA, and adjusted net income. Their respective contributions to earnings attributable to Vivendi SA shareowners as well as capital gains were recorded under the line "Earnings from discontinued operations".

For the first half of 2014, **adjusted net income** was €355 million (or €0.26 per share[2]), stable compared to the same period in 2013 (€359 million or €0.27 per share).

This change notably resulted from:

- a €60 million decrease in EBITA to a total of €626 million, compared to €686 million for the same period in 2013. This change mainly reflected the decline in the performances of GVT (-€26 million, primarily due to the decline in value of the Brazilian Real) and Canal+ Group (-€10 million), partially offset by Universal Music Group's good performance (+€10 million). EBITA also included restructuring costs for €65 million for the first half of 2014 (compared to €55 million for the same period in 2013). At constant

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

currency and perimeter[3], EBITA increased by €8 million (+1.2%), primarily reflecting the good performances of Universal Music Group (+€48 million) and GVT (+€6 million), offset by a decrease at Canal+ Group (-€12 million);

- a €23 million decrease in income from investments; and
- a €64 million increase in income tax expense. This change mainly reflected the increase in the current tax savings expected related to Vivendi SA's Tax Group System (+€27 million) during the first half of 2014, primarily attributable to Canal+ Group, offset by the favorable impact during the first half of 2013 of certain non-recurring items (+€56 million);

offset by :

- a €103 million decrease in interest, which primarily reflected the impact of the early redemption of bonds in the fourth quarter of 2013 pursuant to the sale of 88% of Vivendi's interest in Activision Blizzard;
- a €35 million decrease in the share of adjusted net income attributable to non-controlling interests due to the acquisition of a 20% interest in Canal+ France in November 2013; and
- a €5 million increase attributable to the change in income from equity affiliates.

Breakdown of the main items from the Statement of Earnings

Revenues were €5,546 million, compared to €5,745 million for the first half of 2013 (-3.5%, or +1.3% at constant currency and perimeter[3]). Revenues were impacted in the amount of €259 million as a result of the appreciation of the euro, mainly against the U.S. dollar, Brazilian real, and Japanese yen. For a breakdown of revenues by business segment, please refer to Section 4 of this Financial Report.

EBITA was €626 million, compared to €686 million for the first half of 2013, a €60 million decrease (-8.8%, or +1.2% at constant currency and perimeter[3]). In this amount, restructuring charges and other operating charges and income amounted to a net charge of €53 million (compared to a net charge of €60 million for the first half of 2013) and notably included restructuring charges for €65 million (compared to €55 million for the first half of 2013). In Germany, Vivendi is carrying out a transformation plan of Watchever. In this respect, an exceptional provision of €48 million has been recorded as of June 30, 2014. For a breakdown of EBITA by business segment, please refer to Section 4 of this Financial Report.

EBIT was €436 million, compared to €469 million for the first half of 2013, a €33 million decrease (-7.1%). In this amount:

- amortization of intangible assets acquired through business combinations was €178 million, compared to €202 million for the first half of 2013, a €24 million decrease;
- impairment losses on intangible assets acquired through business combinations amounted to €5 million for the first half of 2013 and related to goodwill attributable to certain Universal Music Group assets available for sale; and
- other charges and income amounted to a net charge of €12 million, compared to a net charge of €10 million for the first half of 2013.

Income from equity affiliates was a €2 million charge, compared to a €7 million charge for the first half of 2013.

Interest was an expense of €53 million, compared to €156 million for the first half of 2013, a €103 million decrease (-66.0%), primarily due to the early redemption of bonds in the fourth quarter of 2013.
For the first half of 2014, interest expense on borrowings amounted to €175 million, compared to €275 million for the first half of 2013. This decrease was attributable to the decrease in the average interest rate on borrowings to 2.99% for the first half of 2014 (compared to 3.25% for the first half of 2013) and to the decrease in the average outstanding borrowings to €11.7 billion for the first half of 2014 (compared to €16.9 billion for the first half of 2013). This change reflected the impact of the early redemption of bonds for an aggregate amount of €3 billion carried out in October and November 2013, pursuant to the sale of 88% of Vivendi's interest in Activision Blizzard on October 11, 2013, as well as the impact of the redemption of the drawn bank credit facilities pursuant to the sale of Maroc Telecom on May 14, 2014. In January 2014, Vivendi also redeemed the bond issued in January 2009 (€894 million).
Moreover, as a result of the classification of SFR as a discontinued operation (in accordance with IFRS 5) from the first quarter of 2014, interest expense was presented net of the interest received by Vivendi SA on the financings granted to SFR, at market conditions, for €110 million for the first half of 2014 (compared to €111 million for the first half of 2013).
Interest income earned on cash and cash equivalents amounted to €12 million for the first half of 2014, compared to €8 million for the first half of 2013. This change was related to the increase in average cash and cash equivalents to €1.3 billion for the first half of 2014 (compared to €0.3 billion for the first half of 2013), which reflected the impact of the disposals.

Income from investments amounted to €2 million, compared to €25 million for the first half of 2013. In 2013, they included interest income paid by PLG for €16 million and the dividend paid by Beats to UMG for €8 million.

Other financial charges and income amounted to a net income of €44 million, compared to a net charge of €107 million for the first half of 2013. They mainly included a €73 million foreign exchange gain on GVT's intercompany euro loan from Vivendi, due to the appreciation of

[3] *Constant perimeter reflects the following changes in the scope of consolidation:*
- *at Canal+ Group: it excludes the impacts in 2014 of the acquisitions of Red Production Company (December 5, 2013) and of Mediaserv (February 13, 2014); and*
- *at UMG: it excludes the 2013 impacts of operating the Parlophone Label Group repertoire.*

the Brazilian Real against the Euro during the period, compared to a net foreign exchange loss of €74 million for the first half of 2013, due to the depreciation of the Brazilian Real against the Euro during the period.

Earnings from continuing operations before provision for income taxes amounted to €427 million, compared to €224 million for the first half of 2013, a €203 million increase (+90.3%).

Income taxes reported to adjusted net income was a net charge of €177 million, compared to a net charge of €113 million for the first half of 2013, a €64 million increase (+57.5%). The effective tax rate reported to adjusted net income was at 30.9% (compared to 20.4% for the same period in 2013). The income tax charge for the first half of 2013 notably reflected the favorable impact of certain non-recurring items (+€56 million). Excluding this impact, the effective tax rate reported to adjusted net income for the first half of 2013 would have been at 30.5%.
In addition, **provision for income taxes** was a net charge of €189 million, compared to a net gain of €127 million for the first half of 2013. In addition to the factors explaining the increase in income taxes reported to adjusted net income, this €316 million unfavorable impact reflected the change in deferred tax savings related to Vivendi SA's Tax Group System, which was a €35 million charge for the first half of 2014 (compared to a €104 million income for the first half of 2013, primarily related to SFR being part of Vivendi's Tax Group System). In 2014, SFR was assumed not to be part of Vivendi SA's Tax Group System, under the assumption that its sale to Altice/Numericable Group would be completed by the end of the year.

Earnings from discontinued operations (before non-controlling interests) amounted to €1,929 million, compared to €1,180 million for the first half of 2013. They included:

- with respect to Maroc Telecom group, the capital gain on its sale on May 14, 2014 (€786 million, before taxes) as well as earnings until the effective divestiture date (€406 million, before non-controlling interests), which took into account the discontinuation in the amortization of tangible and intangible assets since July 1, 2013, in compliance with IFRS 5 (+€181 million impact for the period). For the first half of 2013, Maroc Telecom group's earnings were €326 million, before non-controlling interests and before deferred taxes related to its expected sale (-€86 million);
- with respect to SFR, earnings amounted to €500 million for the first half of 2014, compared to €330 million for the first half of 2013. SFR's earnings took into account the discontinuation in the amortization of tangible and intangible assets since April 1, 2014, in compliance with IFRS 5 (+€409 million impact for the period) as well as the costs related to the expected sale; and
- with respect to Activision Blizzard, the capital gain on the divestiture of 41.5 million Activision Blizzard shares on May 22, 2014 (€84 million), the gain in value of the 41.5 million Activision Blizzard shares still owned by Vivendi as of June 30, 2014 (€140 million), as well as the dividend received by Vivendi (€12 million). For the first half of 2013, earnings from discontinued operations included Activision Blizzard's earnings (€610 million, before non-controlling interests).

Please refer to Note 6 to the Condensed Financial Statements for the first half ended June 30, 2014.

Earnings attributable to non-controlling interests amounted to €254 million, compared to €496 million for the first half of 2013, a €242 million decrease (-48.8%). This change was primarily related to the impacts of the sale of 88% of Vivendi's interest in Activision Blizzard on October 11, 2013 (-€237 million) and the acquisition of Canal+ Group's non-controlling interests on November 5, 2013 (-€48 million), offset by the increase in Maroc Telecom group's non-controlling interests until May 14, 2014 (+€29 million).

Adjusted net income attributable to non-controlling interests amounted to €41 million, compared to €76 million for the first half of 2013, a €35 million decrease resulting from the acquisition of the non-controlling interest in Canal+ Group.

The reconciliation of earnings attributable to Vivendi SA shareowners to adjusted net income is further described in Appendix 1 to this Financial Report. For the first half of 2014, this reconciliation primarily included earnings from discontinued operations (+€1,709 million, after non-controlling interests), mainly comprising the capital gains on the divestiture of Maroc Telecom group (+€786 million) and on the sale of 41.5 million Activision Blizzard shares (+€84 million), Maroc Telecom group's earnings until May 14, 2014 (+€193 million, after non-controlling interests), and SFR's earnings (+€493 million, after non-controlling interests and costs related to the sale), as well as the change in value of the 41.5 million Activision Blizzard shares still owned by Vivendi as of June 30, 2014 (+140 million). The reconciliation also included the amortization of intangible assets acquired through business combinations (-€122 million, after taxes) and other financial charges and income (+€44 million, net). For the first half of 2013, this reconciliation primarily included earnings from discontinued operations (+€754 million, after non-controlling interests), partially offset by other financial charges and income (-€107 million, net), as well as the amortization and impairment losses on intangible assets acquired through business combinations (-€143 million, after taxes).

3 Cash flow from operations analysis

Preliminary comments:

- *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) should be considered in addition to, and not as substitutes for, other GAAP measures of operating and financial performance as presented in the Consolidated Financial Statements and the related notes or as described in the Financial Report, and Vivendi considers that they are relevant indicators of the group's operating and financial performance.*
- *In compliance with IFRS 5, SFR (as from the first quarter of 2014) as well as Maroc Telecom group and Activision Blizzard (as from the second quarter of 2013) have been reported in Vivendi's Consolidated Financial Statements as discontinued operations. Vivendi deconsolidated Maroc Telecom group and Activision Blizzard respectively as from May 14, 2014 and October 11, 2013.*

  In practice, income and charges from these three businesses have been reported as follows:
  - *their contribution until the effective sale, if any, to each line of Vivendi's Consolidated Statement of Cash Flows has been grouped under the line "Cash flows from discontinued operations";*
  - *in accordance with IFRS 5, these adjustments have been applied to all periods presented to ensure consistency of information; and*
  - *their cash flow from operations (CFFO), cash flow from operations before capital expenditures (CFFO before capex, net) and cash flow from operations after interest and income taxes (CFAIT) have been excluded from Vivendi's CFFO, CFFO before capex, net and CFAIT.*

For the first half of 2014, cash flow from operations (CFFO) generated by business segments was €176 million (compared to €112 million for the same period in 2013), a €64 million increase (+57.0%). The unfavorable change in net working capital (-€59 million), especially for UMG, was more than offset by the decrease in Canal+ Group's and UMG's net content investments (+€98 million) and GVT's capital expenditures (+€105 million).

Capital expenditures, net amounted to €482 million (compared to €588 million during the first half of 2013), of which €374 million for GVT (compared to €479 million for the same period in 2013), a €105 million decrease. This change was primarily related to the change in the EUR/BRL exchange rate; at constant currency, capital expenditures for GVT amounted to €448 million during the first half of 2014.

During the first half of 2014, cash flow from operations after interest and income taxes paid (CFAIT) was €184 million, compared to €195 million for the first half of 2013, a €11 million decrease. The decrease in interests paid, net (+€103 million), primarily resulting from the early redemption of bonds in October and November 2013, pursuant to the sale of 88% of Vivendi's interest in Activision Blizzard, was more than offset by the unfavorable change in cash flows related to income tax (-€199 million), due primarily to the reimbursement received in the first half of 2013 by Vivendi SA's French Tax Group (€201 million).

(in millions of euros)		Six months ended June 30, 2014	2013 (a)	% Change
Revenues		5,546	5,745	-3.5%
Operating expenses excluding depreciation and amortization		(4,536)	(4,669)	+2.8%
EBITDA	(b)	*1,010*	*1,076*	*-6.2%*
Restructuring charges paid		(60)	(55)	-8.9%
Content investments, net		(28)	(126)	+78.1%
of which content investments paid		*(1,157)*	*(1,185)*	*+2.3%*
recoupments of advances/consumption of rights included in EBITDA		*1,129*	*1,059*	*+6.7%*
Neutralization of change in provisions included in EBITDA		(85)	(52)	-63.3%
Other cash operating items excluded from EBITDA		(7)	(35)	+80.3%
Other changes in net working capital		(176)	(117)	-50.8%
Net cash provided by operating activities before income tax paid	(c)	***654***	***691***	***-5.4%***
Dividends received from equity affiliates	(d)	2	1	+54.5%
Dividends received from unconsolidated companies	(d)	2	8	-73.1%
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)		**658**	**700**	**-6.0%**
Capital expenditures, net (capex, net)	(e)	(482)	(588)	+18.1%
of which GVT		*(374)*	*(479)*	*+22.0%*
Cash flow from operations (CFFO)		**176**	**112**	**+57.0%**
Interest paid, net	(f)	(53)	(156)	+66.0%
Other cash items related to financial activities	(f)	(3)	(24)	+87.0%
Financial activities cash payments		***(56)***	***(180)***	***+68.8%***
Payment received from the French State Treasury as part of the Vivendi SA's French Tax Group and Consolidated Global Profit Tax Systems		-	201	-100.0%
Other taxes paid		64	62	+4.4%
Income tax (paid)/received, net	(c)	***64***	***263***	***-75.5%***
Cash flow from operations after interest and income tax paid (CFAIT)		**184**	**195**	**-5.2%**

a. Data published with respect to the first half of 2013 has been adjusted following the application of IFRS 5 (please refer to the preliminary comments above).
b. EBITDA, a non-GAAP measure, is described in Section 4 of this Financial Report.
c. As presented in net cash provided by operating activities of continuing operations in the Financial Net Debt changes table (please refer to Section 5.3).
d. As presented in net cash provided by/(used for) investing activities of continuing operations in the Financial Net Debt changes table (please refer to Section 5.3).
e. Relates to cash used for capital expenditures, net of proceeds from property, plant and equipment, and intangible assets as presented in the investing activities of continuing operations in the Financial Net Debt changes table (please refer to Section 5.3).
f. As presented in net cash provided by/(used for) financial activities of continuing operations in the Financial Net Debt changes table (please refer to Section 5.3).

Cash flow from operations by business segment

(in millions of euros)	Six months ended June 30, 2014	2013	% Change	% Change at constant rate
Cash flow from operations, before capital expenditures, net (CFFO before capex, net)				
Canal+ Group	420	418	+0.6%	
Universal Music Group	6	82	-92.5%	
GVT	289	299	-3.5%	
Other	(10)	(15)		
Holding & Corporate	(47)	(84)		
Total Vivendi	**658**	**700**	**-6.0%**	
Cash flow from operations (CFFO)				
Canal+ Group	337	318	+5.9%	+5.9%
Universal Music Group	(15)	76	na	na
GVT	(85)	(180)	+52.7%	+40.5%
Other	(14)	(18)		
Holding & Corporate	(47)	(84)		
Total Vivendi	**176**	**112**	**+57.0%**	**+40.9%**

na: not applicable

4 Business segment performance analysis

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 1.2.3 to the Consolidated Financial Statements for the year ended December 31, 2013; and*
  - *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 operating segment - Please refer to Note 3 to the Consolidated Financial Statements for the year ended December 31, 2013).*

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

- *In compliance with IFRS 5, SFR (as from the first quarter of 2014) as well as Maroc Telecom group and Activision Blizzard (as from the second quarter of 2013) have been reported in Vivendi's Consolidated Financial Statements as discontinued operations.*

  In practice, income and charges from these three businesses have been reported as follows:
  - *their contribution until the effective sale, if any, to each line of Vivendi's Consolidated Statement of Earnings (before non-controlling interests) has been grouped under the line "Earnings from discontinued operations";*
  - *in accordance with IFRS 5, these adjustments have been applied to all periods presented to ensure consistency of information; and*
  - *their share of net income has been excluded from Vivendi's adjusted net income.*

  Vivendi deconsolidated Maroc Telecom group and Activision Blizzard respectively as from May 14, 2014 and October 11, 2013.

4.1 Revenues and EBITA by business segment

SECOND QUARTER

	Three months ended June 30,				
(in millions of euros)	2014	2013	% Change	% Change at constant rate	% Change at constant rate and perimeter (a)
Revenues					
Canal+ Group	1,350	1,314	+2.8%	+2.9%	+0.2%
Universal Music Group	1,019	1,145	-11.0%	-6.7%	-4.3%
GVT	434	446	-2.6%	+13.1%	+13.1%
Other	26	17			
Elimination of intersegment transactions	(5)	(3)			
Total Vivendi	**2,824**	**2,919**	**-3.3%**	**+0.9%**	**+0.6%**
EBITA					
Canal+ Group	245	247	-0.7%	-0.8%	-0.9%
Universal Music Group	97	88	+10.1%	+15.6%	+28.0%
GVT	87	97	-9.9%	+4.8%	+4.8%
Other	(66)	(22)			
Holding & Corporate	(5)	(25)			
Total Vivendi	**358**	**385**	**-6.9%**	**-2.1%**	**+0.1%**

HALF YEAR

	Six months ended June 30,				
(in millions of euros)	2014	2013	% Change	% Change at constant rate	% Change at constant rate and perimeter (a)
Revenues					
Canal+ Group	2,667	2,600	+2.6%	+2.7%	+0.7%
Universal Music Group	2,003	2,236	-10.4%	-6.0%	-3.2%
GVT	839	884	-5.1%	+12.8%	+12.8%
Other	47	33			
Elimination of intersegment transactions	(10)	(8)			
Total Vivendi	**5,546**	**5,745**	**-3.5%**	**+1.0%**	**+1.3%**
EBITA					
Canal+ Group	420	430	-2.4%	-2.5%	-2.8%
Universal Music Group	153	143	+7.0%	+14.5%	+41.9%
GVT	170	196	-13.2%	+3.3%	+3.3%
Other	(86)	(36)			
Holding & Corporate	(31)	(47)			
Total Vivendi	**626**	**686**	**-8.8%**	**-2.6%**	**+1.2%**

a. Constant perimeter reflects the following changes in the scope of consolidation:
- at Canal+ Group: it excludes the impacts in 2014 of the acquisitions of Red Production Company (on December 5, 2013) and of Mediaserv (on February 13, 2014); and
- at UMG: it excludes the 2013 impacts of operating the Parlophone Label Group repertoire.

4.2 Comments on the operating performance of business segments

Canal+ Group

Canal+ Group's revenues amounted to €2,667 million, a 0.7% increase at constant currency and perimeter (+2.6% at actual figures) compared to the first half of 2013. At the end of June 2014, Canal+ Group had a total of 15.1 million subscriptions, up 940,000 year-on-year, due to strong performances in Africa and Vietnam due in particular to the 2014 FIFA World Cup, as well as the growth of Canalplay, its video on demand offer in mainland France. Subscribers outside of mainland France now represent more than 40% of the group's portfolio following a significant increase over the last twelve months.

Revenues from pay-TV operations in mainland France declined as a result of the VAT increase from 7% to 10% on January 1, 2014. Outside of France, revenues rose sharply due to the expanding subscriber base. Advertising revenues grew thanks to an increase in the audience of D8, which is one of the leaders of the DTT channels. Studiocanal's revenues increased significantly, notably due to the success of the movies *Non-Stop* and *RoboCop*, as well as to the integration of the British production company Red.

Canal+ Group EBITA was €420 million, compared to €430 million in the first half of 2013. This change was mainly due to the impact of the VAT increase in France, partially offset by the good results in other countries.

In October, Canal+ Group will launch A+, a new 100% African channel that will expand the Canalsat offer on the African continent. With content reflecting the region's local identity and specificities, and with a view towards the future of Africa, A+ aims to become the reference channel for Francophone Africa.

Universal Music Group

Universal Music Group's (UMG) revenues were €2,003 million, down 6.0% at constant currency (-10.4% at actual currency) compared to the first half of 2013. Excluding the impact of Parlophone Label Group (divested in 2013 as part of the EMI Recorded Music acquisition remedies) and at constant currency, UMG's revenues were down 3.2% compared to the first half of 2013 due to the accelerated transformation of the recorded music industry and the phasing of key releases.

Recorded music digital sales grew 3% at constant currency and perimeter, as significant growth in subscription and streaming revenues more than offset the decline in digital download sales. However, this increase in digital sales did not fully offset the continued industry declines in physical sales.

Recorded music best sellers this half year included sales from the Disney "Frozen" soundtrack followed by carryover sales from Lorde, Katy Perry and Avicii. Top sellers in the first half of 2013 included Rihanna, Imagine Dragons, "Les Misérables" movie soundtrack and Justin Bieber. In addition, "Racine Carrée" by Stromae is the highest selling francophone album in over a decade, with global sales of over 2.5 million albums.

UMG's EBITA was €153 million, up 14.5% at constant currency (+7.0% at actual currency) compared to the first half of 2013 and up 41.9% excluding last year's contribution from the divested Parlophone Label Group's. The favorable performance reflected the overhead savings and lower restructuring costs, partially offset by lower revenues.

GVT

GVT's revenues were €839 million (BRL 2.7 billion), a 12.8% increase at constant currency (-5.1% at actual currency) compared to the first half of 2013. This performance was driven by continued growth of the core segment (retail and SME), which increased 14.2% at constant currency, including a 61.2% increase in GVT's pay-TV service revenues year-on-year. This service, which represents 13.2% of GVT's total revenues, had 772,438 subscribers as of June 30, 2014, reflecting a 52% growth compared to the same period last year.

GVT pursued its expansion in Brazil in a controlled and targeted manner. It launched its services in three additional cities in the first half of 2014 and now operates in 153 cities, versus 146 as of June 30, 2013.

During the first half of 2014, GVT expanded its Fiber to the Home (FTTH) network in key areas of the city of Rio de Janeiro. The fiber optic network based on GPON (Gigabit Passive Optical Network) already operated in key areas of Sao Paulo and Curitiba.

GVT launched "Freedom", its new innovative service that makes a fixed line available on internet-connected smartphones and tablets. Using this application, which is available on iOS and Android, its customers are able to make and receive calls from their fixed number via their mobile devices using their contractual monthly service fee for fixed telephony service.

GVT's EBITDA was €329 million (BRL1 billion), a 10.5% increase at constant currency (-7.0% at actual currency) compared to the first half of 2013. Its EBITDA margin reached 39.2% (40.9% for its telecom activities only), which is the highest margin in the Brazilian telecom operator market.

GVT's EBITA was €170 million (BRL539 million), a 3.3% increase at constant currency (-13.2% at actual currency) compared to the first half of 2013, due to an increase in amortization expenses.

Recently and for the sixth time, GVT was named one of the Best Companies to Work For by the Great Place to Work Institute. In addition, for the fifth consecutive year, the company was awarded the prize for the company with the best customer relationships in the fixed telephony and broadband sector.

Holding & Corporate

Holding & Corporate EBITA was -€31 million (compared to -€47 million for the first half of 2013), a €16 million increase, notably due to non-recurring items related to pensions.

Discontinued operation: SFR

SFR's revenues amounted to €4,909 million, a 4.7% decrease on a comparable basis (-3.9%[4] at actual perimeter) compared to the first half of 2013. The decline in revenues has decelerated: on a comparable basis, the decrease was -3.5% during the second quarter of 2014, versus -5.8% during the first quarter.

At the end of June 2014, SFR's total mobile customer base increased by 2.0%[5] compared to the end of June 2013, and reached 21.379 million. The total postpaid mobile customer base reached 18.202 million, or 85.1% of the total mobile customer base. The broadband Internet residential customer base increased by 42,500 in the first half of 2014, to 5.299 million.

Retail[6] revenues amounted to €3,215 million, down 7.3% compared to the first half of 2013.

Within the Mobile Retail market[6], the postpaid customer base decreased slightly by 17,000 in the first half of 2014 compared to December 31, 2013. As of June 30, 2014, the postpaid mobile retail customer base reached 11.364 million, a 2.2% [5,6] increase compared to the end of June 2013. SFR's total mobile retail customer base (postpaid and prepaid) reached 14.304 million.

Within the Fixed Retail market[6], the broadband Internet residential customer base in mainland France reached 5.248 million at the end of June 2014, with 39,000 net additions compared to December 31, 2013. Within the broadband Internet customer base[6], the Fiber-to-the-home (FTTH) customer base reached 238,000. The "Multi-Packs de SFR" offer increased by 400,000 customers compared to the end of June 2013 and had 2.534 million subscribers, representing 48.3% of the broadband Internet customer base.

In a challenging macro-economic environment, B2B[7] revenues amounted to €884 million, down 6.5% on a comparable basis (-2.2%[4] at actual perimeter) compared to the first half of 2013.

The acquisition of Telindus was completed in the second quarter of 2014. SFR will expand its presence in the related market of telecommunication integration and will provide new services to its corporate customers in addition to those offered by the SFR Business Team.

Wholesale and others[8] revenues increased by 9.8% year-on-year, at €810 million, mainly due to growth in the Wholesale business.

Excluding non-recurring items[9], SFR's EBITDA amounted to €1,302 million, an 11.4% decrease compared to the end of June 2013. Including non-recurring items, SFR's EBITDA amounted to €1,190 million.

[4] *Including Telindus revenues from May 1, 2014. On a 2013 comparable basis, SFR's revenues exclude Telindus revenues.*
[5] *First Half 2013 portfolio excludes 92k inactive lines which were cancelled in Q4 2013.*
[6] *Metropolitan market, all brands combined.*
[7] *Metropolitan market, SFR Business Team and Telindus brands.*
[8] *Mainly Wholesale revenues, SRR (SFR's subsidiary in La Réunion) revenues and elimination of intersegment operations.*
[9] *An expense of €112 million was recorded in the second quarter of 2014 as a result of recent developments in legal disputes. These developments pertain in particular to certain litigation described in the 2013 Financial Statements.*

5 Treasury and capital resources

Preliminary comment:

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

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

In May 2014, Vivendi sold its 53% interest in Maroc Telecom group for €4,138 million and sold 41.5 million Activision Blizzard shares for €623 million (please refer to Section 1.1). Vivendi used its available cash to redeem most of its drawn bank credit facilities. As of June 30, 2014, pursuant to the ordinary distribution of €1 per share from additional paid-in capital for an aggregate amount of €1.35 billion, the group has available cash and cash equivalents for an aggregate amount of €1,393 million. Vivendi SA placed €820 million, essentially in short-term bank deposits, and in July 2014 it collateralized the letter of credit, issued on March 4, 2013, relating to the appeal against the Liberty Media judgment by placing a cash deposit of €975 million in an escrow account allowing to significantly reduce the costs relating to this letter of credit.

On June 20, 2014, Vivendi entered into a definitive agreement with Altice/Numericable for the combination of SFR and Numericable. Completion of this transaction is subject to certain conditions, notably the receipt of authorizations from the relevant regulatory authorities. On July 30, 2014, the French Competition Authority announced that it that it would carry out an in-depth review (“phase 2 investigation”). This transaction is expected to be completed within the next months and the cash proceeds from the sale are expected on the completion date for an estimated amount of €12.9 billion, or €13.5 billion, net of the estimated price adjustments at this stage (-€450 million) and of Vivendi’s commitment to contribute in the financing of the acquisition of Virgin Mobile by Numericable (-€200 million), without taking into account the potential earn-out (+€750 million).

Contracts relating to bank credit facilities and letters of credit granted to Vivendi SA do not contain provisions that tie the conditions of the loan to its financial strength rating granted by rating agencies. They contain customary provisions related to events of default and the maintenance of the rating is subject to compliance with financial ratio calculated at the end of each half year (please refer to Note 13 to the Condensed Financial Statements for the first half ended June 30, 2014). Bank credit facilities granted to group companies other than Vivendi SA are intended to finance either general borrowing needs of the subsidiary or a specific project.

As a reminder, on March 4, 2013, a letter of credit for €975 million, maturing in March 2016, was issued in connection with Vivendi’s appeal against the Liberty Media judgment (please refer to Note 28 to the Consolidated Financial Statements for the year ended December 31, 2013 contained in the 2013 Annual Report (page 287). This letter of credit is guaranteed by a syndicate of fifteen international banks with which Vivendi has signed a Reimbursement Agreement which includes an undertaking by Vivendi to reimburse the banks for any amounts paid out under the letter of credit.
On July 16, 2014, Vivendi strengthened the guarantees given to the banks that are parties to the Reimbursement Agreement related, by placing a cash deposit of €975 million in an escrow account. This cash deposit could be used in priority against any claim made against Vivendi, if any, and if the banks were called with respect to the letter of credit. This deposit, which significantly reduces the letter of credit’s financing cost, will result in a €975 million increase in the group’s Financial Net Debt. Prior to the placing of this deposit, the letter of credit was recorded as an off-balance sheet financial commitment, with no impact on Vivendi’s Financial Net Debt.

After taking into account the sale of SFR, expected to be completed within the next months for €12.9 billion as well as the constitution of the €975 million cash deposit in July 2014 in connection with the appeal against the Liberty Media judgment, already taken into account by rating agencies, Vivendi’s net cash would amount to approximately €4 billion.

As of August 25, 2014, the date of the Management Board meeting that approved Vivendi’s Financial Statements for the first half ended June 30, 2014, Vivendi SA had confirmed available undrawn credit facilities in the aggregate amount of €7,140 million. Given the amount of commercial paper issued at that date, and backed to bank credit facilities for €2,930 million, these facilities were available for an aggregate amount of €4,210 million.

Given the foregoing, Vivendi believes that the cash flow generated by its operating activities, its cash available, net of amounts used to reduce Vivendi's debt, as well as funds available through undrawn bank credit facilities will be sufficient to cover expenses and investments necessary for its operations, and the service of its debt, for the last six months of the year.

(in millions of euros)	Cash and cash equivalents	Borrowings and other financial items (a)	Financial Net Debt
Financial Net Debt as of December 31, 2013	**(1,041)**	**12,138**	**11,097**
Outflows/(inflows) related to continuing operations:			
Operating activities	(718)	-	(718)
Investing activities	(3,987)	99	(3,888)
Financing activities	3,911	(2,586)	1,325
Foreign currency translation adjustments of continuing operations	(9)	46	37
Outflows/(inflows) related to continuing operations	**(803)**	**(2,441)**	**(3,244)**
Outflows/(inflows) related to discontinued operations	272	(116)	156
Reclassification of Financial Net Debt from discontinued operations as of June 30, 2014	179	(304)	(125)
Change related to discontinued operations	**451**	**(420)**	**31**
Financial Net Debt as of June 30, 2014	**(1,393)**	**9,277**	**7,884**
Constitution of a cash deposit in connection with the appeal against the Liberty Media judgment (July 2014)			975
Expected net proceeds from the sale of SFR (b)			(12,850)
Net cash position adjusted for transactions completed and in progress			**(3,991)**

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

b. Expected net proceeds from the completion of the sale of SFR which should occur within the next months. This amount takes into account the estimated price adjustments at this stage (-€450 million) and Vivendi's commitment to contribute in the financing of the acquisition of Virgin Mobile by Numericable (-€200 million) but does not take into account the potential earn-out (+€750 million).

Financial Net Debt change during the first half of 2014

As of June 30, 2014, Vivendi's Financial Net Debt amounted to €7,884 million (compared to €11,097 million as of December 31, 2013), a €3,213 million decrease.

This change notably reflected:

- proceeds from the sale of discontinued businesses during the second quarter of 2014 (€4,138 million received in cash with respect to the sale of Vivendi's 53% interest in Maroc Telecom and €623 million received with respect to the sale of 41.5 million Activision Blizzard shares);
- cash provided by operating activities of continuing operations[10] (€718 million); and
- cash received from the exercise of stock options by the executive management and employees (€145 million);

and partially offset by:

- the cash outflow related to the €1 per share distribution made to Vivendi SA shareowners (€1,348 million);
- financial investments (€249 million) primarily made by Canal+ Group for an aggregate amount of €202 million (acquisition of Mediaserv and of an additional 9% interest in N-Vision) and by UMG for an aggregate amount of €37 million;
- cash outflows related to capital expenditures from continuing operations[4] (€482 million, of which €374 million for GVT); and
- the restatement of Financial Net Debt from discontinued operations (€31 million).

[10] *Continuing operations relate to Canal+ Group, Universal Music Group, GVT, other activities, and Holding & Corporate.*

5.2 Financial Net Debt as of June 30, 2014

As of June 30, 2014, Vivendi's Financial Net Debt, in IFRS, amounted to €7,884 million. Borrowings and other financial liabilities amounted to €9,277 million (compared to €12,138 million as of December 31, 2013), a €2,861 million decrease.

The group's bonds amounted to €6,636 million (compared to €7,827 million as of December 31, 2013), a €1,191 million decrease, following the redemption in January 2014 of the bond issued in January 2009 for €894 million and the reclassification, made in compliance with IFRS 5, of SFR's €300 million bond, maturing in July 2014. The bond debt represented 71.2% of the borrowings in the group's Statement of Financial Position (compared to 64.1% as of December 31, 2013) and 93% of the bond debt was denominated in Euro.

The total amount of the group's confirmed credit facilities amounted to €7,638 million (compared to €7,629 million as of December 31, 2013). The group's aggregate amount of credit facilities neither drawn nor backed by commercial paper amounted to €5,315 million (compared to €3,648 million as of December 31, 2013).

As of June 30, 2014, Vivendi SA's total confirmed credit facilities amounted to €7,140 million (unchanged since December 31, 2013). As of June 30, 2014, these credit facilities were drawn in an amount of €152 million. Considering the €1,683 million commercial paper issued as of that date and backed to bank credit facilities, these facilities were available up to a maximum amount of €5,305 million.

The "economic" average term of the group's debt was 4.2 years as of June 30, 2014 (unchanged since December 31, 2013).

Moreover, as of June 30, 2014, the group's cash and cash equivalents amounted to an aggregate amount of €1,393 million. In this amount, Vivendi SA placed €820 million, essentially in short-term bank deposits.

(in millions of euros)	Refer to Notes to the Consolidated Financial Statements	June 30, 2014 (a)	December 31, 2013
Borrowings and other financial liabilities		9,449	12,266
of which long-term (b)	13	*7,295*	*8,737*
short-term (b)	13	*2,154*	*3,529*
Derivative financial instruments in assets (c)		(172)	(126)
Cash deposits backing borrowings (c)		-	(2)
		9,277	**12,138**
Cash and cash equivalents (b)		(1,393)	(1,041)
Financial Net Debt		**7,884**	**11,097**

a. As of June 30, 2014, in compliance with IFRS 5, Vivendi's Financial Net Debt no longer includes the external Financial Net Debt of SFR (€251 million).

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

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

5.3 Analysis of Financial Net Debt changes

(in millions of euros)	Refer to section	Six months ended June 30, 2014 — Impact on cash and cash equivalents	Impact on borrowings and other financial items	Impact on Financial Net Debt
EBIT	2	**(436)**	**-**	**(436)**
Adjustments		(422)	-	(422)
Content investments, net		28	-	28
Gross cash provided by operating activities before income tax paid		***(830)***	***-***	***(830)***
Other changes in net working capital		176	-	176
Net cash provided by operating activities before income tax paid	3	***(654)***	***-***	***(654)***
Income tax paid, net	3	(64)	-	(64)
Net cash provided by operating activities of continuing operations		**(718)**	**-**	**(718)**
Net cash provided by operating activities of discontinued operations		**(1,021)**	**-**	**(1,021)**
Operating activities		**(1,739)**	**-**	**(1,739)**
Financial investments				
Purchases of consolidated companies, after acquired cash		55	97	152
Investments in equity affiliates		68	-	68
Increase in financial assets		29	-	29
Total financial investments		***152***	***97***	***249***
Financial divestments				
Proceeds from sales of consolidated companies, after divested cash		(3,956)	-	(3,956)
of which proceeds from the sale of the 53% interest in Maroc Telecom group	1	*(4,138)*	-	*(4,138)*
Decrease in financial assets		(661)	2	(659)
of which proceeds from the sale of 41.5 million Activision Blizzard shares	1	*(623)*	-	*(623)*
Total financial divestments		***(4,617)***	***2***	***(4,615)***
Financial investment activities		**(4,465)**	**99**	**(4,366)**
Dividends received from equity affiliates		(2)	-	(2)
Dividends received from unconsolidated companies		(2)	-	(2)
Net investing activities excluding capital expenditures and proceeds from sales of property, plant, equipment and intangible assets		**(4,469)**	**99**	**(4,370)**
Capital expenditures		485	-	485
Proceeds from sales of property, plant, equipment and intangible assets		(3)	-	(3)
Capital expenditures, net	3	***482***	***-***	***482***
Net cash provided by/(used for) investing activities of continuing operations		**(3,987)**	**99**	**(3,888)**
Net cash provided by/(used for) investing activities of discontinued operations		**975**	**53**	**1,028**
Investing activities		**(3,012)**	**152**	**(2,860)**
Transactions with shareowners				
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans		(145)	-	(145)
of which exercise of stock options by executive management and employees		*(145)*	-	*(145)*
(Sales)/purchases of Vivendi SA's treasury shares		34	-	34
Distribution to Vivendi SA's shareowners (€1 per share)	1	1,348	-	1,348
Other transactions with shareowners		2	-	2
Dividends paid by consolidated companies to their non-controlling interests		18	-	18
Total transactions with shareowners		***1,257***	***-***	***1,257***
Transactions on borrowings and other financial liabilities				
Setting up of long-term borrowings and increase in other long-term financial liabilities		(194)	194	-
of which bank credit facilities		*(152)*	*152*	-
Principal payments on long-term borrowings and decrease in other long-term financial liabilities		1,666	(1,666)	-
of which bank credit facilities		*1,655*	*(1,655)*	-
Principal payments on short-term borrowings		1,141	(1,141)	-
of which bonds		*894*	*(894)*	-
commercial paper		*223*	*(223)*	-
Other changes in short-term borrowings and other financial liabilities		(15)	15	-
Non-cash transactions		-	12	12
Interest paid, net	3	53	-	53
Other cash items related to financial activities	3	3	-	3
Total transactions on borrowings and other financial liabilities		***2,654***	***(2,586)***	***68***
Net cash provided by/(used for) financing activities of continuing operations		**3,911**	**(2,586)**	**1,325**
Net cash provided by/(used for) financing activities of discontinued operations		**317**	**(168)**	**149**
Financing activities		**4,228**	**(2,754)**	**1,474**
Foreign currency translation adjustments of continuing operations		(9)	46	37
Foreign currency translation adjustments of discontinued operations		1	(1)	-
Reclassification of Financial Net Debt from discontinued operations		179	(304)	(125)
Change in Financial Net Debt		**(352)**	**(2,861)**	**(3,213)**

5.4 Changes in financings

In January 2014, Vivendi redeemed the 7.75% bond issued in January 2009, for €894 million, upon its contractual maturity.

For a detailed analysis of the bonds and bank credit facilities as of June 30, 2014, please refer to the tables of Note 13 to the Condensed Financial Statements for the first half ended June 30, 2014.

6 Litigation

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

Certain Legal Proceedings involving Vivendi or its subsidiaries (as plaintiff or defendant) are described in Note 28 to the Consolidated Financial Statements for the year ended December 31, 2013, contained in the 2013 Annual Report (pages 309-315) and in Section 3 of Chapter 1 contained in the 2013 Annual Report (pages 35-41). The following paragraphs update such disclosure through August 25, 2014, the date of the Management Board meeting held to approve Vivendi's financial statements for the first half year ended June 30, 2014.

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.

Trial of Vivendi's Former Officers in Paris

In October 2002, the financial department of the Paris Public Prosecutor's office (Parquet de Paris) launched an investigation into the publication of allegedly false or misleading information regarding the financial situation and forecasts of the Company and the publication of allegedly untrue or inaccurate financial statements for the fiscal years 2000 and 2001. Additional charges were brought in this investigation relating to purchases by the Company of its own shares between September 1, 2001 and December 31, 2001. Vivendi joined the proceedings as a civil party.

The trial took place from June 2 to June 25, 2010, before the 11th Chamber of the Paris Tribunal of First Instance (Tribunal de Grande Instance de Paris), following which the Public Prosecutor asked the Court to drop the charges against the defendants. On January 21, 2011, the Court rendered its judgment, in which it confirmed the previous recognition of Vivendi as a civil party. Messrs. Jean Marie Messier, Guillaume Hannezo, Edgar Bronfman Jr. and Eric Licoys received suspended sentences and fines. Messrs. Jean Marie Messier and Guillaume Hannezo were also ordered to pay damages to shareholders who are entitled to reparation as civil parties. The former Vivendi officers as well as some civil parties appealed the decision. The appeal proceedings were held from October 28 to November 26, 2013, before the Paris Court of Appeal. The Public Prosecutor requested a 20-month suspended prison sentence and a fine of €150,000 for Mr. Jean-Marie Messier for misuse of corporate assets and dissemination of false or misleading information, a 10-month suspended prison sentence and a fine of €850,000 for Mr. Guillaume Hannezo for insider trading, and a 10-month suspended prison sentence and a fine of €5 million for Mr. Edgar Bronfman Jr. for insider trading. In the course of the trial, a number of civil parties have submitted an application to the Paris Court of Appeal for a priority preliminary ruling on constitutionality. The application concerned the impossibility, for a civil party, to appeal a decision by a first instance court to drop charges. Since the same question is currently pending before the Constitutional Council, the Court of Appeal has stayed the proceedings with regard to the issues relating to the dropped charges, and heard oral arguments on these issues on April 8 and 9, 2014. On May 19, 2014, the Paris Court of Appeal rendered its judgment. Regarding the acts determined by the lower criminal court to constitute the dissemination of false or misleading information, the Court held that these acts did not meet the criteria for such an offense. The Court upheld the conviction against Jean-Marie Messier for misuse of corporate assets and he received a 10-month suspended sentence and a €50,000 fine. The Paris Court of Appeal also upheld the convictions against Messrs. Hannezo and Bronfman for insider trading and they received fines in the amount of €850,000 (of which €425,000 is suspended) and €5 million (of which €2.5 million is suspended), respectively. Finally, the Court set aside the lower court's order for the payment of damages (€10 per share) to certain shareholders and former shareholders of Vivendi (the "civil action"). With regard to Vivendi, the Court upheld the validity of its status as a civil party to the proceedings, exonerated it from any responsibility and voided the demand for damages brought against it by certain shareholders or former shareholders.

Actions against Activision Blizzard, Inc., its Board of Directors, and Vivendi

In August 2013, a derivative action was initiated in the Los Angeles Superior Court by an individual shareholder against Activision Blizzard, Inc. ("Activision Blizzard" or the "Company"), all of the members of its Board of Directors and against Vivendi. The plaintiff alleges that Activision Blizzard's Board of Directors and Vivendi breached their fiduciary duties by approving the divestment of Vivendi's share ownership in the Company. The plaintiff, Todd Miller, claims that the transaction would not only be disadvantageous to Activision Blizzard but that it would also confer a disproportionate advantage to a group of investors led by Robert Kotick and Brian Kelly, the Company's Chief Executive Officer and Co-Chairman of the Board, respectively, and that those breaches of fiduciary duty were aided and abetted by Vivendi.

On September 11, 2013, a second derivative action based on essentially the same allegations was initiated in the Delaware Court of Chancery by another minority shareholder of Activision Blizzard, Anthony Pacchia.

On the same day, another minority shareholder, Douglas Hayes, initiated a similar action and also requested that the closing of the sale transaction be enjoined pending approval of the transaction by Activision Blizzard's shareholders. On September 18, 2013, the Delaware Court of Chancery granted the motion enjoining the closing of the transaction. However, on October 10, 2013, the Delaware Supreme Court overturned this decision, allowing for the completion of the transaction. The case will proceed on the merits.

On November 2, 2013, the Delaware Court of Chancery consolidated the Pacchia and Hayes actions into a single action entitled In Re Activision Blizzard Inc. Securities Litigation and named Anthony Pacchia lead plaintiff.

On March 14, 2014, a similar new action was initiated in the Delaware Court of Chancery by a minority shareholder, Mark Benston. This action has been consolidated into the *In Re Activision Blizzard Inc. Securities Litigation* proceeding currently underway.

The discovery process is ongoing. Each of the defendants filed motions to dismiss certain of the complaints against them. These motions were denied by the Court on June 6, 2014. The trial is scheduled to be held in December 2014.

Parabole Réunion

In July 2007, the Group Parabole Réunion filed a legal action before the Paris Tribunal of First Instance following the termination of its rights to exclusively distribute the TPS channels in Reunion Island, Mayotte, Madagascar and Mauritius. Pursuant to a decision dated September 18, 2007, Canal+ Group was prohibited, under fine, from allowing the broadcast by third parties of these channels or those replacement channels that have substituted these channels. Canal+ Group appealed this decision. In a ruling dated June 19, 2008, the Paris Court of Appeal partially reversed the judgment and stated that these replacement channels were not to be granted exclusively if the channels were made available to third parties prior to the merger with TPS. Parabole Réunion was again unsuccessful in its claims concerning the content of the channels in question. On September 19, 2008, Parabole Réunion appealed to the French Supreme Court. On November 10, 2009, the French Supreme Court dismissed the appeal brought by Parabole Réunion. In the context of this dispute, various jurisdictions have taken the opportunity to recall that in the event of the loss of the TPS Foot channel, Canal+ Group must make available to Parabole Réunion a channel of similar attractiveness. Non-compliance with this order would result in a penalty. On September 24, 2012, Parabole Réunion filed a claim against Canal+ France, Canal+ Group and Canal+ Distribution before the enforcement magistrate of the Court of First Instance of Nanterre (Tribunal de grande instance de Nanterre) seeking enforcement of this fine (a request for such enforcement having been previously rejected by the enforcement magistrate of Nanterre, the Paris Court of Appeal and the French Supreme Court). On November 6, 2012, Parabole Réunion expanded its claim to cover the TPS Star, Cinecinema Classic, Cult and Star channels. On April 9, 2013, the enforcement magistrate dismissed in part Parabole Réunion's claim and declared the rest inadmissible. He took care to recall that Canal+ Group had no legal obligation with respect to the content or the maintaining of programming on channels made available to Parabole Réunion. Parabole Réunion filed an appeal against this judgment. On May 22, 2014, the Versailles Court of Appeal declared the appeal filed by Parabole Réunion inadmissible. Parabole Réunion filed an appeal before the French Supreme Court. At the same time, Parabole Réunion filed a second appeal against the April 9, 2013 judgment, which appeal will be argued on September 17, 2014.

In parallel, on August 11, 2009, Parabole Réunion filed a complaint against Canal+ Group before the Paris Tribunal of First Instance, requesting that the Tribunal order Canal+ Group to make available a channel with a level of attractiveness similar to that of TPS Foot in 2006 and to pay damages. On April 26, 2012, Parabole Réunion filed a complaint against Canal+ France, Canal+ Group and Canal+ Distribu tion before the Paris Tribunal of First Instance asking the Tribunal to acknowledge the failure of the companies of the Group to fulfill their contractual obligations to Parabole Réunion and their commitments to the Ministry of Economy. These two actions have been consolidated into a single action. On April 29, 2014, the Paris Tribunal of First Instance recognized the contractual liability of Canal+ Group due to the degradation of the quality of channels made available to Parabole Réunion. The Tribunal ordered an expert report on the damages suffered by Parabole Réunion, rejecting the assessment produced by the latter.

BeIN Sports against the National Rugby League and Canal+ Group

On March 11, 2014, beIN Sports lodged a complaint with the French Competition authority against Canal+ Group and the National Rugby League, challenging the award to Canal+ Group of exclusive broadcasting rights to the "TOP 14" for the 2014-2015 to 2018-2019 seasons. On July 30, 2014, the French Competition Authority imposed interim measures suspending Canal+ Group's agreement with the National Rugby League as from the 2015-2016 season and mandated that a new call for tenders process be organized. Canal+ Group and the National Rugby League appealed this decision before the Paris Court of Appeal. The hearing is scheduled to be held on September 4, 2014.

Capitol Records and EMI Music Publishing against MP3tunes

On November 9, 2007, Capitol Record and EMI Music Publishing filed a joint complaint against MP3tunes and its founder, Michael Robertson, for copyright infringement on the sideload.com and mp3tunes.com websites. The trial was held in March 2014, and, on March 19, 2014, the jury returned a verdict favorable to EMI and Capital Records. It found the defendants liable for knowingly allowing the unauthorized content on the websites. On March 26, 2014, the jury awarded damages in the amount of $41 million.

Tax audits

The fiscal year ended December 31, 2013 and prior years are open to tax audits by the respective tax authorities in the jurisdictions in which Vivendi has or had operations. Various tax authorities have proposed adjustments to the taxable income reported for prior years. It is not possible, at this stage of the current tax audits, to accurately assess the impact that could result from an unfavorable outcome of certain of these audits. Vivendi Management believes that these tax audits will not have a material and unfavorable impact on the financial position or liquidity of the group.

Regarding Vivendi SA, in respect of the Consolidated Global Profit Tax System, the consolidated income reported for fiscal years 2006, 2007, and 2008 is under audit by the French tax authorities. This tax audit started in January 2010. In addition, in January 2011, the French tax authorities began a tax audit on the consolidated income reported for fiscal year 2009 and in February 2013, the French tax authorities began a tax audit on the consolidated income reported for fiscal year 2010. Finally, Vivendi SA's tax group System for the years 2011 and 2012 group is under audit since July 2013. Vivendi Management believes that it has serious legal means to defend the positions it has chosen for the determination of the taxable income of the fiscal years under audit. In any event, a provision for the impact of the Consolidated Global Profit Tax System in 2011 has been accrued (€366 million), as well as a provision for the impact in relation to the use of tax credits in 2012 (€231 million). Moreover, the tax attributes recognized by Vivendi SA with respect to the fiscal years under audit, representing tax savings of €1,527 million as of December 31, 2013, were recognized in the Consolidated Statement of Financial Position for €163 million. During the first half of 2014, the audit processes continued and, at this stage, Vivendi Management does not believe that these proceedings should lead to an adjustment to the amount of provisions.

Regarding Vivendi's US tax group, the fiscal years ending December 31, 2005, 2006, and 2007 were under a tax audit. The consequences of this tax audit did not materially impact the amount of tax attributes. Vivendi's US tax group was also under audit for fiscal years ending December 31, 2008, 2009, and 2010 were also under a tax audit. This tax audit is now closed and its consequences did not materially impact the amount of tax attributes. On June 26, 2014, the American tax authorities began a tax audit for fiscal year 2011 and 2012, and on July 11, 2014, stated that they will undertake a tax audit for fiscal year 2013, after the filing of the tax return for that period, which will occur no later than September 15, 2014. Vivendi Management believes that it has serious legal means to defend the positions it has chosen for the determination of the taxable income of the fiscal years under audit.

Finally, regarding Maroc Telecom, the fiscal years ending December 31, 2005, 2006, 2007, and 2008 were under a tax audit. This tax audit is now closed following the execution of a Memorandum Agreement on December 19, 2013, effective as of December 31, 2013.

Discontinued operation: SFR

Orange against SFR and Bouygues Telecom

On April 29, 2014, Orange filed a complaint with the French Competition Authority concerning the agreement signed on January 31, 2014, between SFR and Bouygues Telecom to share a part of their mobile access networks. Orange alleges that this agreement constitutes a collusive practice, by concerted effort and horizontal agreement, between competitors. Orange is requesting an immediate suspension of the agreement's implementation.

Complaint of Bouygues Telecom against SFR and Orange in Connection with the Call Termination and Mobile Markets

Bouygues Telecom brought a claim before the French Competition Council against SFR and Orange for certain alleged unfair trading practices in the call termination and mobile markets ("price scissoring"). On May 15, 2009, the French Competition Authority (the "Authority") resolved to postpone its decision on the issue and remanded the case for further investigation. On December 13, 2010, SFR was heard on these allegations by the instructing magistrate. On August 18, 2011, SFR received a notification of grievances in which the Authority noted the existence of abusive price discrimination practices. On December 13, 2012, the Authority fined SFR €66 million. SFR has appealed this decision. The case was argued before the Paris Court of Appeal on February 20, 2014. The Paris Court of Appeal rendered a decision on June 19, 2014, in which it requested an Amicus Curiae from the European Commission on the economic and legal issues raised in this case and stayed the proceedings on the merits of the case pending the opinion to be delivered. It also dismissed SFR's procedural claims.

Following the decision of the French Competition Authority on December 13, 2012, Bouygues Telecom, OMEA and El Telecom (NRJ Mobile) brought a claim before the Paris Commercial Court against SFR for damages suffered. They are seeking damages of €623.6 million, €67.9 million and €28.6 million, respectively. According to the settlement concluded between SFR and Bouygues Telecom in June 2014, the hearing to be held on September 5, 2014 to close the conciliation proceedings will terminate this dispute between the two companies.

Complaint lodged with the French Competition Authority by Orange Réunion, Orange Mayotte, and Outremer Télécom against Société Réunionnaise du Radiotéléphone (SRR)

Orange Réunion, Orange Mayotte and Outremer Télécom notified the French Competition Authority about alleged unfair price discrimination practices implemented by SRR on the consumer market and the business market. On September 16, 2009, the French Competition Authority imposed protective measures on SRR, pending its decision on the merits.

SRR was required to end price differences that exceed the costs borne by SRR based on the network called (off-net/on-net). The French Competition Authority found that SRR had not fully complied with the order it had imposed and, on January 24, 2012, ordered SRR to pay a fine of €2 million. With regard to the proceedings on the merits, on July 31, 2013, SRR signed a statement of no contest to grievances and a letter of commitments. Accordingly, the Deputy Reporter General proposed to the College of the French Competition Authority that the fine incurred by SRR be reduced.

Following the French Competition Authority's decision of September 16, 2009, Outremer Télécom sued SRR on June 17, 2013, before the Paris Commercial Court for damages it claims to have suffered as a result of SRR's practices. On November 13, 2013, the Court stayed the proceedings until the French Competition Authority issues its decision on the merits of the case.

On June 13, 2014, the French Competition Authority issued its decision concerning the consumer market component of the complaint, imposing a sanction of €45,939,000 on SFR and its subsidiary SRR. The business market component is still being investigated by the French Competition Authority.

SFR against Orange

On April 24, 2012, SFR filed a complaint against Orange before the Paris Commercial Court for practices constituting an abuse of its dominant position in the secondary residence market. On February 12, 2014, the Paris Commercial Court ordered Orange to pay €51 million in damages.

Orange appealed this decision. On April 2, 2014, Orange also requested a suspension of the provisional execution of the Paris Commercial Court's decision. On July 4, 2014, the request was denied. The decision of the Paris Court of Appeal is expected on October 8, 2014.

Orange against SFR

On August 10, 2011, Orange filed a claim against SFR before the Paris Commercial Court. Orange asked the Court to compel SFR to stop the overflow traffic at the point of interconnection of their respective networks. On December 10, 2013, SFR was ordered to pay €22,133,512 to Orange. On January 10, 2014, SFR appealed this decision. The case will be argued before the Paris Court of Appeal on November 22, 2014.

SFR against Iliad, Free and Free mobile: unfair competition by disparagement

In June 2014, SFR filed a complaint against Iliad, Free and Free Mobile before the Commercial Court of Paris for unfair competition seeking recognition that Iliad/Free is guilty of disparaging the services of SFR at the time of the launch of Free Mobile as well as subsequently.

7 Forward looking statements – Major risks and uncertainties

Cautionary note

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 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 as well as any other approvals which may be required in connection with certain transactions and the risks described in the documents of the group filed with the French Autorité des Marchés Financiers (the "AMF") (the French securities regulator), which are also available in English on Vivendi's website (www.vivendi.com). Accordingly, we caution you against relying on 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 fiscal year 2014.

8 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 the 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

Adjusted net income, a non-GAAP measure, should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance, as presented in the Consolidated Financial Statements and the related notes or as described in the Financial Report, and Vivendi considers that it is a relevant indicator to assess the group's operating and financial performance. Vivendi Management uses adjusted net income for reporting, management, and planning purposes because it better illustrates the underlying performance of continuing operations 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, 2013.

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

	Three months ended June 30,		Six months ended June 30,	
(in millions of euros)	2014	2013	2014	2013
Earnings attributable to Vivendi SA shareowners (a)	**1,482**	**501**	**1,913**	**1,035**
Adjustments				
Amortization of intangible assets acquired through business combinations	89	109	178	202
Impairment losses on intangible assets acquired through business combinations (a)	-	(15)	-	5
Other income (a)	(3)	(28)	(3)	(28)
Other charges (a)	12	11	15	38
Other financial income (a)	(46)	(3)	(86)	(44)
Other financial charges (a)	24	128	42	151
Earnings from discontinued operations (a)	(1,413)	(496)	(1,929)	(1,180)
of which capital gain on the divestiture of Maroc Telecom group	*(786)*	-	*(786)*	-
capital gain on Activision Blizzard shares	*(224)*	-	*(224)*	-
Change in deferred tax asset related to Vivendi SA's French Tax Group and to the Consolidated Global Profit Tax Systems	(14)	(52)	35	(104)
Non-recurring items related to provision for income taxes	3	(50)	10	(43)
Provision for income taxes on adjustments	(15)	(71)	(33)	(93)
Non-controlling interests on adjustments	75	191	213	420
Adjusted net income	**194**	**225**	**355**	**359**

a. As reported in the Consolidated Statement of Earnings.

Adjusted net income per share

	Three months ended June 30,				Six months ended June 30,			
	2014		2013		2014		2013	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Adjusted net income (in millions of euros)	194	194	225	225	355	355	359	359
Number of shares (in millions)								
Weighted average number of shares outstanding (a)	1,344.5	1,344.5	1,325.1	1,325.1	1,342.6	1,342.6	1,323.8	1,323.8
Potential dilutive effects related to share-based compensation	-	6.8	-	3.6	-	7.2	-	3.6
Adjusted weighted average number of shares	**1,344.5**	**1,351.3**	**1,325.1**	**1,328.7**	**1,342.6**	**1,349.8**	**1,323.8**	**1,327.4**
Adjusted net income per share (in euros)	0.14	0.14	0.17	0.17	0.26	0.26	0.27	0.27

a. Net of treasury shares (0.5 million shares for the first half of 2014).

2. Adjustment of comparative information

In compliance with IFRS 5, SFR (as from the first quarter of 2014) as well as Maroc Telecom group and Activision Blizzard (as from the second quarter of 2013) have been reported in Vivendi's Consolidated Financial Statements as discontinued operations. Vivendi deconsolidated Maroc Telecom group and Activision Blizzard respectively as from May 14, 2014 and October 11, 2013.

In practice, income and charges from these three businesses have been reported as follows:

- their contribution until the effective divestiture, if any, to each line of Vivendi's Consolidated Statement of Earnings (before non-controlling interests) has been grouped under the line "Earnings from discontinued operations";
- their share of net income has been excluded from Vivendi's adjusted net income; and
- in accordance with IFRS 5, these adjustments have been applied to all periods presented to ensure consistency of information.

The adjustments to data published in the 2013 Annual Report are reported above only relate to SFR.

	2013			
(in millions of euros, except per share amounts)	Three months ended March 31,	Three months ended June 30,	Six months ended June 30,	Three months ended September 30,
Adjusted earnings before interest and income taxes (EBITA) (as previously published)	**629**	**762**	**1,391**	**730**
Reclassifications related to the application of IFRS 5 for SFR	- 328	- 377	- 705	- 334
Adjusted earnings before interest and income taxes (EBITA) (restated)	**301**	**385**	**686**	**396**
Adjusted net income (as previously published)	**366**	**479**	**845**	**403**
Reclassifications related to the application of IFRS 5 for SFR	- 232	- 254	- 486	- 249
Adjusted net income (restated)	**134**	**225**	**359**	**154**
Adjusted net income per share (as previously published)	**0.28**	**0.36**	**0.64**	**0.30**
Adjusted net income per share (restated)	**0.10**	**0.17**	**0.27**	**0.12**

	2013		
(in millions of euros, except per share amounts)	Nine months ended September 30,	Three months ended December 31,	Year ended December 31,
Adjusted earnings before interest and income taxes (EBITA) (as previously published)	**2,121**	**312**	**2,433**
Reclassifications related to the application of IFRS 5 for SFR	- 1,039	- 34	- 1,073
Adjusted earnings before interest and income taxes (EBITA) (restated)	**1,082**	**278**	**1,360**
Adjusted net income (as previously published)	**1,248**	**292**	**1,540**
Reclassifications related to the application of IFRS 5 for SFR	- 735	- 77	- 812
Adjusted net income (restated)	**513**	**215**	**728**
Adjusted net income per share (as previously published)	**0.94**	**0.22**	**1.16**
Adjusted net income per share (restated)	**0.39**	**0.16**	**0.55**

The Consolidated Statements of Earnings and Adjusted Statement of Earnings for December 31, 2013 and September 30, 2013 are presented below:

Year ended December 31, 2013:

CONSOLIDATED STATEMENT OF EARNINGS		ADJUSTED STATEMENT OF EARNINGS	
	Year ended December 31, 2013	Year ended December 31, 2013	
Revenues	**11,962**	**11,962**	**Revenues**
Cost of revenues	(6,878)	(6,878)	Cost of revenues
Margin from operations	**5,084**	**5,084**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(3,543)	(3,543)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(181)	(181)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(396)		
Impairment losses on intangible assets acquired through business combinations	(6)		
Other income	88		
Other charges	(54)		
EBIT	**992**	**1,360**	**EBITA**
Income from equity affiliates	(21)	(21)	Income from equity affiliates
Interest	(300)	(300)	Interest
Income from investments	66	66	Income from investments
Other financial income	51		
Other financial charges	(538)		
Earnings from continuing operations before provision for income taxes	**250**	**1,105**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(15)	(266)	Provision for income taxes
Earnings from continuing operations	**235**		
Earnings from discontinued operations	2,544		
Earnings	**2,779**	**839**	**Adjusted net income before non-controlling interests**
Of which			*Of which*
Earnings attributable to Vivendi SA shareowners	**1,967**	**728**	**Adjusted net income**
Non-controlling interests	812	111	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**1.48**	**0.55**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**1.47**	**0.55**	**Adjusted net income per share - diluted (in euros)**

Three months ended December 31, 2013:

CONSOLIDATED STATEMENT OF EARNINGS		ADJUSTED STATEMENT OF EARNINGS	
	Three months ended December 31, 2013	Three months ended December 31, 2013	
Revenues	**3,372**	**3,372**	**Revenues**
Cost of revenues	(2,016)	(2,016)	Cost of revenues
Margin from operations	**1,356**	**1,356**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(994)	(994)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(84)	(84)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(94)		
Impairment losses on intangible assets acquired through business combinations	(1)		
Other income	53		
Other charges	(6)		
EBIT	**230**	**278**	**EBITA**
Income from equity affiliates	(17)	(17)	Income from equity affiliates
Interest	(73)	(73)	Interest
Income from investments	46	46	Income from investments
Other financial income	4		
Other financial charges	(314)		
Earnings from continuing operations before provision for income taxes	**(124)**	**234**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(84)	(21)	Provision for income taxes
Earnings from continuing operations	**(208)**		
Earnings from discontinued operations	860		
Earnings	**652**	**213**	**Adjusted net income before non-controlling interests**
Of which			*Of which*
Earnings attributable to Vivendi SA shareowners	**556**	**215**	**Adjusted net income**
Non-controlling interests	96	(2)	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**0.42**	**0.16**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**0.41**	**0.16**	**Adjusted net income per share - diluted (in euros)**

Nine months ended September 30, 2013:

CONSOLIDATED STATEMENT OF EARNINGS		ADJUSTED STATEMENT OF EARNINGS	
	Nine months ended September 30, 2013	Nine months ended September 30, 2013	
Revenues	**8,590**	**8,590**	**Revenues**
Cost of revenues	(4,862)	(4,862)	Cost of revenues
Margin from operations	**3,728**	**3,728**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(2,549)	(2,549)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(97)	(97)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(302)		
Impairment losses on intangible assets acquired through business combinations	(5)		
Other income	35		
Other charges	(48)		
EBIT	**762**	**1,082**	**EBITA**
Income from equity affiliates	(4)	(4)	Income from equity affiliates
Interest	(227)	(227)	Interest
Income from investments	20	20	Income from investments
Other financial income	47		
Other financial charges	(224)		
Earnings from continuing operations before provision for income taxes	**374**	**871**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	69	(245)	Provision for income taxes
Earnings from continuing operations	**443**		
Earnings from discontinued operations	1,684		
Earnings	**2,127**	**626**	**Adjusted net income before non-controlling interests**
Of which			*Of which*
Earnings attributable to Vivendi SA shareowners	**1,411**	**513**	**Adjusted net income**
Non-controlling interests	716	113	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**1.06**	**0.39**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**1.06**	**0.39**	**Adjusted net income per share - diluted (in euros)**

Three months ended September 30, 2013:

CONSOLIDATED STATEMENT OF EARNINGS		ADJUSTED STATEMENT OF EARNINGS	
	Three months ended September 30, 2013	Three months ended September 30, 2013	
Revenues	**2,845**	**2,845**	**Revenues**
Cost of revenues	(1,590)	(1,590)	Cost of revenues
Margin from operations	**1,255**	**1,255**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(822)	(822)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(37)	(37)	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(100)		
Impairment losses on intangible assets acquired through business combinations	-		
Other income	7		
Other charges	(10)		
EBIT	**293**	**396**	**EBITA**
Income from equity affiliates	3	3	Income from equity affiliates
Interest	(71)	(71)	Interest
Income from investments	(5)	(5)	Income from investments
Other financial income	3		
Other financial charges	(73)		
Earnings from continuing operations before provision for income taxes	**150**	**323**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(58)	(132)	Provision for income taxes
Earnings from continuing operations	**92**		
Earnings from discontinued operations	504		
Earnings	**596**	**191**	**Adjusted net income before non-controlling interests**
Of which			*Of which*
Earnings attributable to Vivendi SA shareowners	**376**	**154**	**Adjusted net income**
Non-controlling interests	220	37	Non-controlling interests
Earnings attributable to Vivendi SA shareowners per share - basic (in euros)	**0.28**	**0.12**	**Adjusted net income per share - basic (in euros)**
Earnings attributable to Vivendi SA shareowners per share - diluted (in euros)	**0.28**	**0.12**	**Adjusted net income per share - diluted (in euros)**

3. Revenues and EBITA by business segment - 2014 and 2013 quarterly data

	2014	
(in millions of euros)	1st Quarter ended March 31	2nd Quarter ended June 30
Revenues		
Canal+ Group	1,317	1,350
Universal Music Group	984	1,019
GVT	405	434
Other	21	26
Elimination of intersegment transactions	(5)	(5)
Total Vivendi	**2,722**	**2,824**
EBITA		
Canal+ Group	175	245
Universal Music Group	56	97
GVT	83	87
Other	(20)	(66)
Holding & Corporate	(26)	(5)
Total Vivendi	**268**	**358**

	2013			
(in millions of euros)	1st Quarter ended March 31	2nd Quarter ended June 30	3rd Quarter ended Sept. 30	4th Quarter ended Dec. 31
Revenues				
Canal+ Group	1,286	1,314	1,257	1,454
Universal Music Group	1,091	1,145	1,162	1,488
GVT	438	446	413	412
Other	16	17	18	21
Elimination of intersegment transactions	(5)	(3)	(5)	(3)
Total Vivendi	**2,826**	**2,919**	**2,845**	**3,372**
EBITA				
Canal+ Group	183	247	217	(36)
Universal Music Group	55	88	112	256
GVT	99	97	102	107
Other	(14)	(22)	(21)	(23)
Holding & Corporate	(22)	(25)	(14)	(26)
Total Vivendi	**301**	**385**	**396**	**278**

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III - Condensed Financial Statements for the half year ended June 30, 2014

Condensed Statement of Earnings

	Note	Three months ended June 30, (unaudited) 2014	2013 (a)	Six months ended June 30, (unaudited) 2014	2013 (a)	Year ended December 31, 2013 (a)
Revenues	3	**2,824**	**2,919**	**5,546**	**5,745**	**11,962**
Cost of revenues		(1,597)	(1,633)	(3,233)	(3,272)	(6,878)
Selling, general and administrative expenses		(895)	(992)	(1,812)	(1,929)	(3,939)
Restructuring charges and other operating charges and income		(63)	(18)	(53)	(60)	(181)
Impairment losses on intangible assets acquired through business combinations		-	15	-	(5)	(6)
Other income		3	28	3	28	88
Other charges		(12)	(11)	(15)	(38)	(54)
Earnings before interest and income taxes (EBIT)		**260**	**308**	**436**	**469**	**992**
Income from equity affiliates		4	1	(2)	(7)	(21)
Interest	4	(34)	(76)	(53)	(156)	(300)
Income from investments		2	11	2	25	66
Other financial income		46	3	86	44	51
Other financial charges		(24)	(128)	(42)	(151)	(538)
Earnings from continuing operations before provision for income taxes		**254**	**119**	**427**	**224**	**250**
Provision for income taxes	5	(88)	117	(189)	127	(15)
Earnings from continuing operations		**166**	**236**	**238**	**351**	**235**
Earnings from discontinued operations	6	1,413	496	1,929	1,180	2,544
Earnings		**1,579**	**732**	**2,167**	**1,531**	**2,779**
Of which						
Earnings attributable to Vivendi SA shareowners		**1,482**	**501**	**1,913**	**1,035**	**1,967**
of which earnings from continuing operations attributable to Vivendi SA shareowners		147	199	204	281	133
earnings from discontinued operations attributable to Vivendi SA shareowners		1,335	302	1,709	754	1,834
Non-controlling interests		97	231	254	496	812
of which earnings from continuing operations		19	37	34	70	102
earnings from discontinued operations		78	194	220	426	710
Earnings from continuing operations attributable to Vivendi SA shareowners per share - basic	7	0.11	0.15	0.15	0.21	0.10
Earnings from continuing operations attributable to Vivendi SA shareowners per share - diluted	7	0.11	0.15	0.15	0.21	0.10
Earnings from discontinued operations attributable to Vivendi SA shareowners per share - basic	7	0.99	0.23	1.27	0.57	1.38
Earnings from discontinued operations attributable to Vivendi SA shareowners per share - diluted	7	0.99	0.23	1.27	0.57	1.37
Earnings attributable to Vivendi SA shareowners per share - basic	7	**1.10**	**0.38**	**1.42**	**0.78**	**1.48**
Earnings attributable to Vivendi SA shareowners per share - diluted	7	1.10	0.38	1.42	0.78	1.47

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

a. In compliance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, SFR (as from the first quarter of 2014) as well as Maroc Telecom group and Activision Blizzard (as from the second quarter of 2013) have been reported in the Consolidated Statement of Earnings as discontinued operations (please refer to Note 6).
Vivendi deconsolidated Maroc Telecom group and Activision Blizzard respectively as from May 14, 2014 and October 11, 2013.
The adjustments to data as published in the 2013 Annual Report are presented in Note 18 and only relate to SFR.

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, 2013
	2014	2013	2014	2013	
Earnings	**1,579**	**732**	**2,167**	**1,531**	**2,779**
Actuarial gains/(losses) related to employee defined benefit plans, net	(1)	(1)	(1)	(3)	(23)
Items not reclassified to profit or loss	**(1)**	**(1)**	**(1)**	**(3)**	**(23)**
Foreign currency translation adjustments	268	(500)	330	(25)	(1,429)
Unrealized gains/(losses), net	4	6	8	26	58
of which hedging instruments	*(32)*	*6*	*(41)*	*24*	*(21)*
assets available for sale	*36*	-	*49*	*2*	*79*
Other impacts, net	2	11	19	12	15
Items to be subsequently reclassified to profit or loss	**274**	**(483)**	**357**	**13**	**(1,356)**
Charges and income directly recognized in equity	**273**	**(484)**	**356**	**10**	**(1,379)**
Total comprehensive income	**1,852**	**248**	**2,523**	**1,541**	**1,400**
of which					
Total comprehensive income attributable to Vivendi SA shareowners	**1,754**	**29**	**2,274**	**1,032**	**789**
Total comprehensive income attributable to non-controlling interests	98	219	249	509	611

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

Condensed Statement of Financial Position

(in millions of euros)	Note	June 30, 2014 (unaudited)	December 31, 2013
ASSETS			
Goodwill	8	10,640	17,147
Non-current content assets	9	2,499	2,623
Other intangible assets		391	4,306
Property, plant and equipment		3,350	7,541
Investments in equity affiliates		300	446
Non-current financial assets	10	713	654
Deferred tax assets		652	733
Non-current assets		**18,545**	**33,450**
Inventories		107	330
Current tax receivables		560	627
Current content assets	9	888	1,149
Trade accounts receivable and other		2,313	4,898
Current financial assets	10	22	45
Cash and cash equivalents		1,393	1,041
		5,283	**8,090**
Assets held for sale	6	679	1,078
Assets of discontinued businesses	6	18,749	6,562
Current assets		**24,711**	**15,730**
TOTAL ASSETS		**43,256**	**49,180**
EQUITY AND LIABILITIES			
Share capital		7,413	7,368
Additional paid-in capital		5,127	8,381
Treasury shares		(5)	(1)
Retained earnings and other		5,970	1,709
Vivendi SA shareowners' equity		**18,505**	**17,457**
Non-controlling interests		391	1,573
Total equity		**18,896**	**19,030**
Non-current provisions	11	2,755	2,904
Long-term borrowings and other financial liabilities	13	7,295	8,737
Deferred tax liabilities		693	680
Other non-current liabilities		138	757
Non-current liabilities		**10,881**	**13,078**
Current provisions	11	326	619
Short-term borrowings and other financial liabilities	13	2,154	3,529
Trade accounts payable and other		4,968	10,416
Current tax payables		272	79
		7,720	**14,643**
Liabilities associated with assets held for sale		-	-
Liabilities associated with assets of discontinued businesses	6	5,759	2,429
Current liabilities		**13,479**	**17,072**
Total liabilities		**24,360**	**30,150**
TOTAL EQUITY AND LIABILITIES		**43,256**	**49,180**

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) 2014	2013 (a)	Year ended December 31, 2013 (a)
Operating activities				
EBIT	3	436	469	992
Adjustments		422	465	919
Including amortization and depreciation of tangible and intangible assets		*486*	*519*	*1,014*
Content investments, net		(28)	(126)	(148)
Gross cash provided by operating activities before income tax paid		***830***	***808***	***1,763***
Other changes in net working capital		(176)	(117)	(3)
Net cash provided by operating activities before income tax paid		***654***	***691***	***1,760***
Income tax paid, net		64	263	102
Net cash provided by operating activities of continuing operations		***718***	***954***	***1,862***
Net cash provided by operating activities of discontinued operations	6	***1,021***	***1,565***	***3,378***
Net cash provided by operating activities		**1,739**	**2,519**	**5,240**
Investing activities				
Capital expenditures	3	(485)	(606)	(1,047)
Purchases of consolidated companies, after acquired cash		(55)	(36)	(42)
Investments in equity affiliates		(68)	-	-
Increase in financial assets		(29)	(27)	(69)
Investments		***(637)***	***(669)***	***(1,158)***
Proceeds from sales of property, plant, equipment and intangible assets	3	3	18	33
Proceeds from sales of consolidated companies, after divested cash		3,956	-	2,739
Disposal of equity affiliates		-	-	8
Decrease in financial assets		661	126	724
Divestitures		***4,620***	***144***	***3,504***
Dividends received from equity affiliates		2	1	3
Dividends received from unconsolidated companies		2	8	54
Net cash provided by/(used for) investing activities of continuing operations		***3,987***	***(516)***	***2,403***
Net cash provided by/(used for) investing activities of discontinued operations	6	***(975)***	***(957)***	***(3,590)***
Net cash provided by/(used for) investing activities		**3,012**	**(1,473)**	**(1,187)**
Financing activities				
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans		145	38	195
Sales/(purchases) of Vivendi SA's treasury shares		(34)	(4)	-
Distribution to Vivendi SA's shareowners		(1,348)	(1,325)	(1,325)
Other transactions with shareowners		(2)	(1)	(1,046)
Dividends paid by consolidated companies to their non-controlling interests		(18)	(18)	(34)
Transactions with shareowners		***(1,257)***	***(1,310)***	***(2,210)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	13	194	3,614	2,490
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	13	(1,666)	(1,896)	(1,910)
Principal payment on short-term borrowings	13	(1,141)	(801)	(5,188)
Other changes in short-term borrowings and other financial liabilities	13	15	55	34
Interest paid, net	4	(53)	(156)	(300)
Other cash items related to financial activities		(3)	(24)	(341)
Transactions on borrowings and other financial liabilities		***(2,654)***	***792***	***(5,215)***
Net cash provided by/(used for) financing activities of continuing operations		***(3,911)***	***(518)***	***(7,425)***
Net cash provided by/(used for) financing activities of discontinued operations	6	***(317)***	***24***	***1,007***
Net cash provided by/(used for) financing activities		**(4,228)**	**(494)**	**(6,418)**
Foreign currency translation adjustments of continuing operations		9	(23)	(48)
Foreign currency translation adjustments of discontinued operations	6	(1)	5	(44)
Change in cash and cash equivalents		**531**	**534**	**(2,457)**
Reclassification of discontinued operations' cash and cash equivalents	6	**(179)**	**(3,690)**	**(396)**
Cash and cash equivalents				
At beginning of the period		**1,041**	**3,894**	**3,894**
At end of the period		**1,393**	**738**	**1,041**

a. In compliance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, SFR (as from the first quarter of 2014) as well as Maroc Telecom group and Activision Blizzard (as from the second quarter of 2013) have been reported in the Consolidated Statement of Cash Flows as discontinued operations (please refer to Note 6).
Vivendi deconsolidated Maroc Telecom group and Activision Blizzard respectively as from May 14, 2014 and October 11, 2013.
The adjustments to data as published in the 2013 Annual Report are presented in Note 18 and only relate to SFR.

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

Condensed Statements of Changes in Equity

Six months ended June 30, 2014 (unaudited)

(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, 2013	**1,339,610**	**7,368**	**8,381**	**(1)**	**15,748**	**5,236**	**184**	**(2,138)**	**3,282**	**19,030**
Attributable to Vivendi SA shareowners	***1,339,610***	***7,368***	***8,381***	***(1)***	***15,748***	***3,604***	***185***	***(2,080)***	***1,709***	***17,457***
Attributable to non-controlling interests	-	-	-	-	-	***1,632***	***(1)***	***(58)***	***1,573***	***1,573***
Contributions by/distributions to Vivendi SA shareowners	***8,184***	***45***	***(3,254)***	***(4)***	***(3,213)***	***1,985***	-	-	***1,985***	***(1,228)***
Vivendi SA's stock repurchase program	-	-	-	(34)	(34)	-	-	-	-	(34)
Allocation of Vivendi SA's 2013 result	-	-	(2,004)	-	(2,004)	2,004	-	-	2,004	-
Distribution to Vivendi SA's shareowners (€1 per share)	-	-	(1,348)	-	(1,348)	-	-	-	-	(1,348)
Capital increase related to Vivendi SA's share-based compensation plans	*8,184*	45	98	30	173	(19)	-	-	(19)	154
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	-	-	-	-	-	***2***	-	-	***2***	***2***
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	***8,184***	**45**	**(3,254)**	**(4)**	**(3,213)**	**1,987**	-	-	**1,987**	**(1,226)**
Contributions by/distributions to non-controlling interests	-	-	-	-	-	***(104)***	-	-	***(104)***	***(104)***
of which dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(104)	-	-	(104)	(104)
Changes in non-controlling interests that result in a gain/(loss) of control	-	-	-	-	-	***(1,329)***	-	-	***(1,329)***	***(1,329)***
of which sale of the 53% interest in Maroc Telecom group	-	-	-	-	-	(1,329)	-	-	(1,329)	(1,329)
Changes in non-controlling interests that do not result in a gain/(loss) of control	-	-	-	-	-	***2***	-	-	***2***	***2***
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	-	-	-	-	-	**(1,431)**	-	-	**(1,431)**	**(1,431)**
Earnings	-	-	-	-	-	***2,167***	-	-	***2,167***	***2,167***
Charges and income directly recognized in equity	-	-	-	-	-	***18***	***8***	***330***	***356***	***356***
TOTAL COMPREHENSIVE INCOME (C)	-	-	-	-	-	**2,185**	**8**	**330**	**2,523**	**2,523**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***8,184***	***45***	***(3,254)***	***(4)***	***(3,213)***	***2,741***	***8***	***330***	***3,079***	***(134)***
Attributable to Vivendi SA shareowners	*8,184*	*45*	*(3,254)*	*(4)*	*(3,213)*	*3,921*	*7*	*333*	*4,261*	*1,048*
Attributable to non-controlling interests	-	-	-	-	-	*(1,180)*	*1*	*(3)*	*(1,182)*	*(1,182)*
BALANCE AS OF JUNE 30, 2014	***1,347,794***	**7,413**	**5,127**	**(5)**	**12,535**	**7,977**	**192**	**(1,808)**	**6,361**	**18,896**
Attributable to Vivendi SA shareowners	***1,347,794***	***7,413***	***5,127***	***(5)***	***12,535***	***7,525***	***192***	***(1,747)***	***5,970***	***18,505***
Attributable to non-controlling interests	-	-	-	-	-	***452***	-	***(61)***	***391***	***391***

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

Six months ended June 30, 2013 (unaudited)

(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 JANUARY 01, 2013	***1,323,962***	**7,282**	**8,271**	**(25)**	**15,528**	**6,346**	**126**	**(709)**	**5,763**	**21,291**
Attributable to Vivendi SA shareowners	***1,323,962***	***7,282***	***8,271***	***(25)***	***15,528***	***3,529***	***129***	***(861)***	***2,797***	***18,325***
Attributable to non-controlling interests	**-**	**-**	**-**	**-**	**-**	***2,817***	***(3)***	***152***	***2,966***	***2,966***
Contributions by/distributions to Vivendi SA shareowners	***2,773***	***15***	***21***	***20***	***56***	***(1,308)***	**-**	**-**	***(1,308)***	***(1,252)***
Vivendi SA's stock repurchase program	-	-	-	(4)	(4)	-	-	-	-	(4)
Dividends paid by Vivendi SA (€1 per share)	-	-	-	-	-	(1,325)	-	-	(1,325)	(1,325)
Capital increase related to Vivendi SA's share-based compensation plans	*2,773*	15	21	24	60	17	-	-	17	77
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	**-**	**-**	**-**	**-**	**-**	***42***	**-**	**-**	***42***	***42***
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	***2,773***	**15**	**21**	**20**	**56**	**(1,266)**	**-**	**-**	**(1,266)**	**(1,210)**
Contributions by/distributions to non-controlling interests	**-**	**-**	**-**	**-**	**-**	***(424)***	**-**	**-**	***(424)***	***(424)***
of which dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(424)	-	-	(424)	(424)
Changes in non-controlling interests that result in a gain/(loss) of control	**-**	**-**	**-**	**-**	**-**	***(3)***	**-**	**-**	***(3)***	***(3)***
Changes in non-controlling interests that do not result in a gain/(loss) of control	**-**	**-**	**-**	**-**	**-**	***49***	**-**	**-**	***49***	***49***
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	**-**	**-**	**-**	**-**	**-**	**(378)**	**-**	**-**	**(378)**	**(378)**
Earnings	**-**	**-**	**-**	**-**	**-**	***1,531***	**-**	**-**	***1,531***	***1,531***
Charges and income directly recognized in equity	**-**	**-**	**-**	**-**	**-**	***9***	***26***	***(25)***	***10***	***10***
TOTAL COMPREHENSIVE INCOME (C)	**-**	**-**	**-**	**-**	**-**	**1,540**	**26**	**(25)**	**1,541**	**1,541**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***2,773***	***15***	***21***	***20***	***56***	***(104)***	***26***	***(25)***	***(103)***	***(47)***
Attributable to Vivendi SA shareowners	*2,773*	*15*	*21*	*20*	*56*	*(231)*	*23*	*(26)*	*(234)*	*(178)*
Attributable to non-controlling interests	-	-	-	-	-	*127*	*3*	*1*	*131*	*131*
BALANCE AS OF JUNE 30, 2013	***1,326,735***	**7,297**	**8,292**	**(5)**	**15,584**	**6,242**	**152**	**(734)**	**5,660**	**21,244**
Attributable to Vivendi SA shareowners	***1,326,735***	***7,297***	***8,292***	***(5)***	***15,584***	***3,298***	***152***	***(887)***	***2,563***	***18,147***
Attributable to non-controlling interests	**-**	**-**	**-**	**-**	**-**	***2,944***	**-**	***153***	***3,097***	***3,097***

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

Year ended December 31, 2013

(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 JANUARY 01, 2013	***1,323,962***	**7,282**	**8,271**	**(25)**	**15,528**	**6,346**	**126**	**(709)**	**5,763**	**21,291**
Attributable to Vivendi SA shareowners	***1,323,962***	***7,282***	***8,271***	***(25)***	***15,528***	***3,529***	***129***	***(861)***	***2,797***	***18,325***
Attributable to non-controlling interests	**-**	**-**	**-**	**-**	**-**	***2,817***	***(3)***	***152***	***2,966***	***2,966***
Contributions by/distributions to Vivendi SA shareowners	***15,648***	***86***	***110***	***24***	***220***	***(1,296)***	**-**	**-**	***(1,296)***	***(1,076)***
Dividends paid by Vivendi SA (€1 per share)	-	-	-	-	-	(1,325)	-	-	(1,325)	(1,325)
Capital increase related to Vivendi SA's share-based compensation plans	*15,648*	86	110	24	220	29	-	-	29	249
of which Vivendi Employee Stock Purchase Plans (July 25 , 2013)	*12,286*	*68*	*81*	-	*149*	-	-	-	-	*149*
Changes in Vivendi SA's ownership interest in its subsidiaries that do not result in a loss of control	**-**	**-**	**-**	**-**	**-**	***(581)***	**-**	**-**	***(581)***	***(581)***
of which acquisition of Lagadère Group's non-controlling interest in Canal+ France	-	-	-	-	-	(636)	-	-	(636)	(636)
CHANGES IN EQUITY ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS (A)	***15,648***	**86**	**110**	**24**	**220**	**(1,877)**	**-**	**-**	**(1,877)**	**(1,657)**
Contributions by/distributions to non-controlling interests	**-**	**-**	**-**	**-**	**-**	***(431)***	**-**	**-**	***(431)***	***(431)***
of which dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(431)	-	-	(431)	(431)
Changes in non-controlling interests that result in a gain/(loss) of control	**-**	**-**	**-**	**-**	**-**	***(1,273)***	**-**	**-**	***(1,273)***	***(1,273)***
of which sale of 88% of the ownership interest in Activision Blizzard	-	-	-	-	-	(1,272)	-	-	(1,272)	(1,272)
Changes in non-controlling interests that do not result in a gain/(loss) of control	**-**	**-**	**-**	**-**	**-**	***(300)***	**-**	**-**	***(300)***	***(300)***
of which acquisition of Lagadère Group's non-controlling interest in Canal+ France	-	-	-	-	-	(387)	-	-	(387)	(387)
CHANGES IN EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (B)	**-**	**-**	**-**	**-**	**-**	**(2,004)**	**-**	**-**	**(2,004)**	**(2,004)**
Earnings	**-**	**-**	**-**	**-**	**-**	***2,779***	**-**	**-**	***2,779***	***2,779***
Charges and income directly recognized in equity	**-**	**-**	**-**	**-**	**-**	***(8)***	***58***	***(1,429)***	***(1,379)***	***(1,379)***
TOTAL COMPREHENSIVE INCOME (C)	**-**	**-**	**-**	**-**	**-**	**2,771**	**58**	**(1,429)**	**1,400**	**1,400**
TOTAL CHANGES OVER THE PERIOD (A+B+C)	***15,648***	***86***	***110***	***24***	***220***	***(1,110)***	***58***	***(1,429)***	***(2,481)***	***(2,261)***
Attributable to Vivendi SA shareowners	*15,648*	*86*	*110*	*24*	*220*	*75*	*56*	*(1,219)*	*(1,088)*	*(868)*
Attributable to non-controlling interests	-	-	-	-	-	*(1,185)*	*2*	*(210)*	*(1,393)*	*(1,393)*
BALANCE AS OF DECEMBER 31, 2013	***1,339,610***	**7,368**	**8,381**	**(1)**	**15,748**	**5,236**	**184**	**(2,138)**	**3,282**	**19,030**
Attributable to Vivendi SA shareowners	***1,339,610***	***7,368***	***8,381***	***(1)***	***15,748***	***3,604***	***185***	***(2,080)***	***1,709***	***17,457***
Attributable to non-controlling interests	**-**	**-**	**-**	**-**	**-**	***1,632***	***(1)***	***(58)***	***1,573***	***1,573***

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

Notes to the Condensed Financial Statements

On August 25, 2014, 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, 2014, which were subsequently reviewed by the Audit Committee on August 26, 2014. On August 28, 2014, the Supervisory Board reviewed the Financial Report and Unaudited Condensed Financial Statements for the half year ended June 30, 2014, as approved by the Management Board on August 25, 2014.

The Unaudited Condensed Financial Statements for the half year ended June 30, 2014 should be read in conjunction with the audited Consolidated Financial Statements of Vivendi for the year ended December 31, 2013, as published in the "*Rapport annuel - Document de référence*" filed on April 14, 2014 with the French "*Autorité des marchés financiers*" (AMF) (the "*Document de référence 2013*"). Please also refer to pages 210 to 324 of the English translation[1] of the "*Document de référence 2013*" (the "2013 Annual Report") which is available on Vivendi's website (www.vivendi.com).

Note 1 Accounting policies and valuation methods

1.1 Interim Financial Statements

Vivendi's interim Condensed Financial Statements for the first half of 2014 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, except as described in paragraph 1.2 below, Vivendi has applied the same accounting methods used in its Consolidated Financial Statements for the year ended December 31, 2013 (please refer to Note 1 "Accounting policies and valuation methods" presented in the Financial Statements from pages 220 to 235 of the 2013 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 pre-tax earnings. 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, if necessary, for any non-recurring events which occurred over the period.

1.2 New IFRS applicable as of January 1, 2014

Vivendi applied from the first quarter of 2014 IFRIC 21 interpretation - *Levies*, issued by the International Financial Reporting Interpretation Committee (IFRIC) on May 20, 2013, endorsed by the EU on June 13, 2014 and published in the EU Official Journal on June 14, 2014. IFRIC 21 clarifies the treatment of certain levies, in accordance with IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets*.

IFRIC 21 specifically addresses the accounting of a liability to pay a levy imposed by public authorities on entities in accordance with legislation (i.e., laws or regulations), except for income tax and value-added taxes. Applying this interpretation has led to the modification, where necessary, of the analysis of the obligating event triggering recognition of the liability. This interpretation, which mandatorily applies to accounting periods beginning on or after January 1, 2014, and retrospectively as from January 1, 2013, had no material impact on Vivendi's Financial Statements.

In addition and as a reminder, in the Condensed Financial Statements for the first quarter of 2013, Vivendi voluntary opted for the early application, with retrospective effect as from January 1, 2012, of the standards relating to the principles of consolidation: IFRS 10 - *Consolidated Financial Statements*, IFRS 11 - *Joint Arrangements*, IFRS 12 - *Disclosure of Interests in Other Entities*, IAS 27 - *Separate Financial Statements*, and IAS 28 - *Investments in Associates and Joint Ventures*, the effect of which are described in Note 1 to the Consolidated Financial Statements for the year ended December 31, 2013 – pages 220 to 235 of the 2013 Annual Report. The application of these standards had no material impact on Vivendi's Financial Statements.

[1] *This translation is qualified in its entirety by reference to the "Document de référence 2013".*

Note 2 Major changes in the scope of consolidation

2.1 Plan to sell SFR and sale of Maroc Telecom group

Please refer to Note 6.

2.2 Acquisition of a 51% interest in Mediaserv by Canal+ Group

On February 13, 2014, pursuant to the approval received from the French Competition Authority, Canal+ Overseas completed on the acquisition of a 51% interest in Mediaserv, an overseas telecom operator.

2.3 Acquisition of Eagle Rock Entertainment Group Limited by Universal Music Group

On April 8, 2014, UMG acquired the entire issued share capital of Eagle Rock Entertainment Group Limited, an independent producer and distributor of music films and programming for DVD, television and digital media.

Note 3 Segment data

Pursuant to IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations,* Vivendi's interests in SFR, Maroc Telecom group, and Activision Blizzard, which, as of June 30, 2014, were discontinued operations are no longer reported in segment data:

- on June 20, 2014, Vivendi entered into a definitive agreement with Altice/Numericable for the combination of SFR and Numericable;
- on May 14, 2014, Vivendi deconsolidated Maroc Telecom group following the sale of its interest therein;
- on October 11, 2013, Vivendi deconsolidated Activision Blizzard as a result of the sale of 88% of its interest therein;
- the previously published Statement of Earnings were adjusted to ensure consistency of information; and
- as of June 30, 2014, SFR assets and liabilities were reclassified as unallocated assets in the Statement of Financial Position. As of December 31, 2013, Maroc Telecom Group's assets and liabilities were reclassified as unallocated assets.

The adjustments to data published in the 2013 Annual Report are presented in Note 18 and only relate to SFR.

Consolidated Statements of Earnings

Three months ended June 30, 2014

(in millions of euros)	Canal+ Group	Universal Music Group	GVT	Other operations	Holding & Corporate	Eliminations	**Total Vivendi**
External revenues	1,346	1,019	434	25	-	-	2,824
Intersegment revenues	4	-	-	1	-	(5)	-
Revenues	**1,350**	**1,019**	**434**	**26**	**-**	**(5)**	**2,824**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(1,046)	(895)	(263)	(41)	(3)	5	(2,243)
Charges related to share-based compensation plans	2	-	-	-	(2)	-	-
EBITDA	**306**	**124**	**171**	**(15)**	**(5)**	**-**	**581**
Restructuring charges	-	(10)	-	(48)	(1)	-	(59)
Gains/(losses) on sales of tangible and intangible assets	1	(1)	(1)	-	-	-	(1)
Other non-recurring items	(2)	(3)	-	(1)	1	-	(5)
Depreciation of tangible assets	(43)	(13)	(77)	(1)	-	-	(134)
Amortization of intangible assets excluding those acquired through business combinations	(17)	-	(6)	(1)	-	-	(24)
Adjusted earnings before interest and income taxes (EBITA)	**245**	**97**	**87**	**(66)**	**(5)**	**-**	**358**
Amortization of intangible assets acquired through business combinations	(1)	(82)	(6)	-	-	-	(89)
Impairment losses on intangible assets acquired through business combinations	-	-	-	-	-	-	-
Other income							3
Other charges							(12)
Earnings before interest and income taxes (EBIT)							**260**
Income from equity affiliates							4
Interest							(34)
Income from investments							2
Other financial income							46
Other financial charges							(24)
Provision for income taxes							(88)
Earnings from discontinued operations							1,413
Earnings							**1,579**
Of which							
Earnings attributable to Vivendi SA shareowners							**1,482**
Non-controlling interests							97

Three months ended June 30, 2013

(in millions of euros)	Canal+ Group	Universal Music Group	GVT	Other operations	Holding & Corporate	Eliminations	**Total Vivendi**
External revenues	1,312	1,144	446	17	-	-	2,919
Intersegment revenues	2	1	-	-	-	(3)	-
Revenues	**1,314**	**1,145**	**446**	**17**	**-**	**(3)**	**2,919**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(988)	(1,005)	(267)	(38)	(25)	3	(2,320)
Charges related to share-based compensation plans	(7)	(4)	(1)	(1)	(2)	-	(15)
EBITDA	**319**	**136**	**178**	**(22)**	**(27)**	**-**	**584**
Restructuring charges	-	(27)	-	-	(2)	-	(29)
Gains/(losses) on sales of tangible and intangible assets	-	11	-	-	-	-	11
Other non-recurring items	(13)	(6)	(1)	2	4	-	(14)
Depreciation of tangible assets	(44)	(26)	(75)	-	-	-	(145)
Amortization of intangible assets excluding those acquired through business combinations	(15)	-	(5)	(2)	-	-	(22)
Adjusted earnings before interest and income taxes (EBITA)	**247**	**88**	**97**	**(22)**	**(25)**	**-**	**385**
Amortization of intangible assets acquired through business combinations	(2)	(93)	(14)	-	-	-	(109)
Impairment losses on intangible assets acquired through business combinations	-	15	-	-	-	-	15
Other income							28
Other charges							(11)
Earnings before interest and income taxes (EBIT)							**308**
Income from equity affiliates							1
Interest							(76)
Income from investments							11
Other financial income							3
Other financial charges							(128)
Provision for income taxes							117
Earnings from discontinued operations							496
Earnings							**732**
Of which							
Earnings attributable to Vivendi SA shareowners							**501**
Non-controlling interests							231

Six months ended June 30, 2014

(in millions of euros)	Canal+ Group	Universal Music Group	GVT	Other operations	Holding & Corporate	Eliminations	**Total Vivendi**
External revenues	2,659	2,002	839	46	-	-	5,546
Intersegment revenues	8	1	-	1	-	(10)	-
Revenues	**2,667**	**2,003**	**839**	**47**	**-**	**(10)**	**5,546**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(2,123)	(1,797)	(510)	(81)	(25)	10	(4,526)
Charges related to share-based compensation plans	(2)	(2)	-	-	(6)	-	(10)
EBITDA	**542**	**204**	**329**	**(34)**	**(31)**	**-**	**1,010**
Restructuring charges	-	(16)	-	(48)	(1)	-	(65)
Gains/(losses) on sales of tangible and intangible assets	1	(1)	(1)	-	-	-	(1)
Other non-recurring items	(3)	(7)	-	(1)	1	-	(10)
Depreciation of tangible assets	(86)	(27)	(145)	(1)	-	-	(259)
Amortization of intangible assets excluding those acquired through business combinations	(34)	-	(13)	(2)	-	-	(49)
Adjusted earnings before interest and income taxes (EBITA)	**420**	**153**	**170**	**(86)**	**(31)**	**-**	**626**
Amortization of intangible assets acquired through business combinations	(2)	(163)	(12)	(1)	-	-	(178)
Impairment losses on intangible assets acquired through business combinations	-	-	-	-	-	-	-
Other income							3
Other charges							(15)
Earnings before interest and income taxes (EBIT)							**436**
Income from equity affiliates							(2)
Interest							(53)
Income from investments							2
Other financial income							86
Other financial charges							(42)
Provision for income taxes							(189)
Earnings from discontinued operations							1,929
Earnings							**2,167**
Of which							
Earnings attributable to Vivendi SA shareowners							**1,913**
Non-controlling interests							254

Six months ended June 30, 2013

(in millions of euros)	Canal+ Group	Universal Music Group	GVT	Other operations	Holding & Corporate	Eliminations	**Total Vivendi**
External revenues	2,595	2,234	884	32	-	-	5,745
Intersegment revenues	5	2	-	1	-	(8)	-
Revenues	**2,600**	**2,236**	**884**	**33**	**-**	**(8)**	**5,745**
Operating expenses excluding amortization and depreciation as well as charges related to share-based compensation plans	(2,024)	(1,993)	(529)	(66)	(45)	8	(4,649)
Charges related to share-based compensation plans	(9)	(6)	(1)	(1)	(3)	-	(20)
EBITDA	**567**	**237**	**354**	**(34)**	**(48)**	**-**	**1,076**
Restructuring charges	-	(53)	-	-	(2)	-	(55)
Gains/(losses) on sales of tangible and intangible assets	(6)	11	-	-	-	-	5
Other non-recurring items	(20)	(11)	(1)	1	3	-	(28)
Depreciation of tangible assets	(82)	(41)	(146)	(1)	-	-	(270)
Amortization of intangible assets excluding those acquired through business combinations	(29)	-	(11)	(2)	-	-	(42)
Adjusted earnings before interest and income taxes (EBITA)	**430**	**143**	**196**	**(36)**	**(47)**	**-**	**686**
Amortization of intangible assets acquired through business combinations	(2)	(173)	(26)	(1)	-	-	(202)
Impairment losses on intangible assets acquired through business combinations	-	(5)	-	-	-	-	(5)
Other income							28
Other charges							(38)
Earnings before interest and income taxes (EBIT)							**469**
Income from equity affiliates							(7)
Interest							(156)
Income from investments							25
Other financial income							44
Other financial charges							(151)
Provision for income taxes							127
Earnings from discontinued operations							1,180
Earnings							**1,531**
Of which							
Earnings attributable to Vivendi SA shareowners							**1,035**
Non-controlling interests							496

Statement of Financial Position

(in millions of euros)	Canal+ Group	Universal Music Group	GVT	Other operations	Holding & Corporate	SFR	**Total Vivendi**
June 30, 2014							
Segment assets (a)	7,384	8,154	5,232	248	205	-	21,223
incl. investments in equity affiliates	*230*	*70*	-	-	-	-	*300*
Unallocated assets (b)							22,033
Total Assets							**43,256**
Segment liabilities (c)	2,261	2,386	483	171	2,886	-	8,187
Unallocated liabilities (d)							16,173
Total Liabilities							**24,360**
Increase in tangible and intangible assets	70	23	302	4	-	-	399
Capital expenditures, net (capex, net) (e)	83	21	374	4	-	-	482
December 31, 2013							
Segment assets (a)	7,500	8,256	4,674	251	154	18,304	39,139
incl. investments in equity affiliates	*220*	*74*	-	-	-	*152*	*446*
Unallocated assets (b)							10,041
Total Assets							**49,180**
Segment liabilities (c)	2,631	2,600	548	78	2,926	5,913	14,696
Unallocated liabilities (d)							15,454
Total Liabilities							**30,150**
Increase in tangible and intangible assets	213	54	776	8	1	1,665	2,717
Capital expenditures, net (capex, net) (e)	211	26	769	8	-	1,610	2,624

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, as well as cash and cash equivalents. As of June 30, 2014, they also include SFR's assets, in the process of being discontinued, for €18,749 million, as well as the remaining 41.5 million Activision Blizzard shares held by Vivendi, valued at €679 million. As of December 31, 2013, they included Maroc Telecom group's assets for €6,562 million and 83 million Activision Blizzard shares, valued at €1,078 million.

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, as well as current tax payables. As of June 30, 2014, they also included liabilities associated with SFR's assets, in the process of being discontinued, for €5,759 million (excluding financial liabilities owed to Vivendi SA). As of December 31, 2013, they included liabilities associated with assets of Maroc Telecom group for €2,429 million.

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

Note 4 Interest

(in millions of euros)	Note	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013	Year ended December 31, 2013
(Charge)/Income						
Interest expense on borrowings	13	*(89)*	*(140)*	*(175)*	*(275)*	*(532)*
Interest income on SFR's loans	6	*48*	*60*	*110*	*111*	*212*
Interest expense net of borrowings		(41)	(80)	(65)	(164)	(320)
Interest income from cash and cash equivalents		7	4	12	8	20
Interest from continuing operations		**(34)**	**(76)**	**(53)**	**(156)**	**(300)**
Fees and premiums on borrowings and credit facilities issued/redeemed and early unwinding of hedging derivative instruments		(2)	(3)	(5)	(8)	(202)
		(36)	**(79)**	**(58)**	**(164)**	**(502)**

Note 5 Income taxes

(in millions of euros)	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013		Year ended December 31, 2013
(Charge)/Income						
Impact of the Vivendi SA's French Tax Group and Consolidated Global Profit Tax Systems	38	58	15	127	(a)	254
Other components of the provision for income taxes	(126)	59	(204)	-		(269)
Provision for income taxes	**(88)**	**117**	**(189)**	**127**		**(15)**

a. For the first half of 2013, this mainly related to the current and deferred tax savings associated with SFR as part of Vivendi SA's Tax Group System. In 2014, SFR was considered to no longer be part of Vivendi's Tax Group System, under the assumption that its sale to Altice/Numericable would be completed by the end of the year.

Note 6 Discontinued operations

In compliance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, SFR, Maroc Telecom group, and Activision Blizzard have been reported in Vivendi's Consolidated Financial Statements as discontinued operations according to the following terms:

- **SFR:** on June 20, 2014, Vivendi entered into a definitive agreement with Altice/Numericable for the combination of SFR and Numericable. As from the first quarter of 2014, SFR has been reported in the Consolidated Statement of Earnings and the Statement of Cash Flows as a discontinued operation. Moreover, its contribution to each line of Vivendi's Consolidated Statement of Financial Position as of June 30, 2014 has been grouped under the lines "Assets of discontinued businesses" and "Liabilities associated with assets of discontinued businesses".
- **Maroc Telecom group:** on May 14, 2014, Vivendi deconsolidated Maroc Telecom group following the sale of its interest therein. Maroc Telecom group has been reported in the Consolidated Statement of Earnings and Statement of Cash Flows as a discontinued operation. Moreover, its contribution to each line of Vivendi's Consolidated Statement of Financial Position as of December 31, 2013 has been grouped under the lines "Assets of discontinued businesses" and "Liabilities associated with assets of discontinued businesses".
- **Activision Blizzard:** on October 11, 2013, Vivendi deconsolidated Activision Blizzard as a result of the sale of 88% of its interest therein. Activision Blizzard has been reported in the Consolidated Statement of Earnings and Statement of Cash Flows as a discontinued operation.
  - On May 22, 2014, in accordance with the agreements entered into on July 25, 2013, Vivendi sold a first tranche of 41.5 million Activision Blizzard shares, representing 5.8% in value of this company, for $852 million (€623 million) and recorded a €84 million capital gain, presented for the first half of 2014 in "Earnings from discontinued operations". In total, taking into account the capital gain of €123 million recorded in 2013, Vivendi realized a capital gain of €207 million with respect to this first tranche.
  - Following this transaction, Vivendi owns a residual interest of 41.5 million Activision Blizzard shares, which is subject to a lock-up restriction that expires on January 7, 2015. As of June 30, 2014, this interest was revalued to reflect its current stock market value ($22.30 per share) and the unrealized capital gain of €140 million that was generated during the first half of 2014 was recognized in "Earnings from discontinued operations".
  - For the first half of 2013, earnings from Activision Blizzard amounted to €610 million. Please refer to Note 7.1 to the Consolidated Financial Statements for the year ended December 31, 2013, pages 252 to 254 of the 2013 Annual Report.

6.1 Plan to sell SFR

On April 5, 2014, Vivendi's Supervisory Board unanimously decided to choose Altice/Numericable's offer for the sale of SFR. On June 20, 2014, following the completion of the consultation procedures with the employee representative bodies of Vivendi group and Numericable group, Vivendi entered into a definitive agreement with Altice/Numericable for the combination of SFR and Numericable, the main details of which are presented below. The completion of this transaction is subject to certain conditions, notably the receipt of the authorizations from the relevant regulatory authorities. On July 30, 2014, the French Competition Authority announced that it would carry out an in-depth review ("Phase 2 investigation"). This transaction is expected to be completed within the next months.

Cash proceeds at the completion date	€13.5 billion, subject to the sale price adjustment clause, which notably includes exceptional changes in net working capital, the amount of SFR's net debt, as well as certain restatements as contractually defined between the parties, at the date of completion of the sale. These potential adjustments may increase or decrease the cash consideration paid, depending on actual data as of the completion date. Notwithstanding the final outcome and on the basis of current estimates, the impact of the adjustments would be approximately -€450 million. This amount does not take into account Vivendi's commitment to contribute up to €200 million in the financing of the acquisition of Virgin Mobile by Numericable (please see below).
Vivendi's interest in the combined entity	20% of the publicly-listed company
Altice's interest in the combined entity	60% for Altice (free float = 20%)
Liquidity	- One year lock-up period following completion, after which Vivendi will be able to sell or distribute listed shares, without restrictions, with a right of priority for Altice (pre-emption right or right of first offer). - Subject to whether Vivendi has retained its shares, Altice will have a call option at market value (with floor (*)) on Vivendi's interest, exercisable in three tranches (7%, 7%, 6%) over 1-month windows starting on the 19th, 31st, and 43rd month, respectively, following completion. - Tag-along right for Vivendi in the event that Altice sells its shares.
Earn-out	Potential earn-out of €750 million if the EBITDA-Capex of the combined entity is at least equal to €2 billion during any fiscal year, ending not later than December 31, 2024.
Financing	- Total debt of €11.6 billion for the combined entity. - Initial bank commitments were refinanced on April 23, 2014, through bond issues (€7.8 billion) and bank loans (€3.8 billion).
Corporate Governance	- Minority Board representatives for Vivendi. - Veto rights on certain matters subject to Vivendi retaining a 20% interest in the combined entity.
Conditions precedent	Completion of the transaction is subject to (i) obtaining approval of the transaction by the French Competition Authority, (ii) obtaining the regulatory authorization (AMF) required for the capital increase and capital contribution operations to be implemented as part of the transaction, (iii) receiving the approval of Numericable's shareholders for the contribution of a portion of the SFR shares to Numericable; and (iv) there having been no invocation of the "Company Material Adverse Effect" clause by the banks financing the Altice/Numericable offer prior to April 30, 2015.
Commitments	Please refer to Note 6.1.3.

(*) Volume Weighted Average Price (VWAP) of Numericable stock price over the 20 business days before closing, grossed-up by an annual rate of 5% during the period ranging from the closing of the transaction until the date of exercise of the call option by Altice.

This transaction represents a total enterprise value in excess of €17 billion, or an estimated 2014 Enterprise Value/EBITDA ratio of 7.0x.

As from the first quarter of 2014, given the expected closing of this transaction, SFR was presented in the Consolidated Statement of Earnings, the Statement of Cash Flows and in Statement of Financial Position of Vivendi as a discontinued operation. The data presented below relates to the contribution of the operating segment "SFR", which includes SFR S.A. and its subsidiaries, as well as the interest held by Vivendi, through the company SIG 50, in the telecommunication products and services distribution operations.

The capital gain on the sale of SFR will be calculated as the difference between the sale price of 100% of SFR and the value of SFR's net assets, as recorded in Vivendi's Financial Statements at the completion date of the sale and will be recorded at that date, under the line "Earnings from discontinued operations". The components of the sale price are (i) the €13.5 billion, paid in cash, subject to the price adjustment clause, which notably includes exceptional changes in net working capital, the amount of SFR's net debt, as well as certain restatements as contractually defined between the parties, at the completion date of the sale, as well as (ii) the value of the remaining 20% interest in the combined SFR/Numericable entity, estimated at €3.0 billion. The potential earn-out (€750 million) is excluded from this calculation at this stage. Based on current estimates, the impact of the adjustments of the sale price would be approximately -€450 million. SFR's net assets in Vivendi's Financial Statements at the date of sale include completed or on-going acquisitions (€200 million to finance the acquisition of Virgin Mobile by Numericable and €88 million for the acquisition of Telindus, net of cash acquired for €6 million), as well as the share of SFR's earnings up to the date of the sale (€547 million as of June 30, 2014, of which €406 million related to the discontinuation of amortization of tangible and intangible assets). Based on the foregoing and on SFR's Statement of Financial Position as of June 30, 2014, excluding the potential earn-out, the capital gain on the sale of SFR is estimated at approximately €2.4 billion (after taxes and net of costs related to the sale).

6.1.1 Contributions of the "SFR" operating segment

Statement of Earnings

SFR	Three months ended June 30,		Six months ended June 30,		Year ended
(in millions of euros)	2014	2013	2014	2013	December 31, 2013
Revenues	2,466	2,514	4,909	5,108	10,199
EBITDA	565	768	1,190	1,470	2,766
Adjusted earnings before interest and income taxes (EBITA)	168	377	423	705	1,073
EBITA after discontinuation of amortization (a)	560	377	815	705	1,073
Earnings before interest and income taxes (EBIT)	558	360	795	671	(1,427)
Earnings before provision for income taxes	505	292	669	543	(1,689)
Provision for income taxes	(45)	(115)	(115)	(213)	(315)
SFR's earnings	**460**	**177**	**554**	**330**	**(2,004)**
Of which attributable to Vivendi SA shareowners	455	174	547	326	(2,010)
Costs related to the sale of SFR	(54)	-	(54)	-	-
Earnings from discontinued operations	**406**	**177**	**500**	**330**	**(2,004)**
Of which attributable to Vivendi SA shareowners	401	174	493	326	(2,010)
non-controlling interests	5	3	7	4	6

a. In compliance with IFRS 5, Vivendi discontinued the amortization of SFR's tangible and intangible assets as from April 1, 2014.

SFR's earnings notably included interest paid by SFR on the amount of loans granted by Vivendi SA (€110 million for the first half of 2014, €111 million for the first half of 2013 and €212 million for full-year 2013).

Statement of Financial Position

SFR (in millions of euros)	June 30, 2014
Goodwill	6,799
Intangible assets	3,984
Property, plant and equipment	4,656
Trade accounts receivable and other	2,595
Cash and cash equivalents	156
Other	559
Assets of discontinued businesses	**18,749**
Provisions	429
Borrowings and other financial liabilities	5,082
of which Borrowings from Vivendi (a)	*4,675*
Trade accounts payable and other	4,400
Other	523
Liabilities	**10,434**
Borrowings from Vivendi (a)	(4,675)
Liabilities associated with assets of discontinued businesses	**5,759**
	12,990

a. SFR borrowings from Vivendi are composed of :
- a current account advance granted in June 2011. As of June 30, 2014, this line, mainly denominated in euros, was drawn for €3,475 million; and
- a loan granted in December 2011 for €1,200 million, with a 1 month Euribor +0.825% interest rate, maturing in June 2015.

Statement of Cash Flows

SFR (in millions of euros)	Six months ended June 30, 2014	Six months ended June 30, 2013	Year ended December 31, 2013
Operating activities			
Gross cash provided by operating activities before income tax paid	1,113	1,474	2,565
Other changes in net working capital	(271)	(594)	(305)
Net cash provided by SFR's operating activities	**718**	**596**	**1,961**
Investing activities			
Capital expenditures, net	(814)	(833)	(1,610)
Other	(15)	(10)	(28)
Net cash provided by/(used for) SFR's investing activities	**(829)**	**(843)**	**(1,638)**
Financing activities			
Dividends paid to non-controlling interests	(1)	(2)	(3)
Interest paid, net on SFR's financings	(6)	(9)	(16)
Interest paid on borrowings from Vivendi	(110)	(111)	(212)
Other transactions on borrowings and other financial liabilities	(67)	293	(46)
Net cash provided by/(used for) SFR's financing activities excluding intersegment transactions	**(184)**	**171**	**(277)**
Dividends paid to Vivendi	-	(982)	(982)
Transactions with Vivendi on borrowings and other financial liabilities	57	1,054	1,063
Net cash provided by/(used for) SFR's financing activities	**(127)**	**243**	**(196)**
Change in SFR's cash and cash equivalents	**(238)**	**(4)**	**127**
SFR's cash and cash equivalents			
At beginning of the period	**394**	**267**	**267**
At end of the period	**156**	**263**	**394**

6.1.2 Commitments

As of June 30, 2014, excluding the agreement to share mobile access networks (see below), the aggregate net amount of SFR's commitments amounted to €3,083 million (compared to €3,058 million as of December 31, 2013) and mainly consisted of:

- off-balance sheet commercial commitments for a net amount of €1,023 million (compared to €939 million as of December 31, 2013). This amount included commitments related to tangible and intangible assets. It also included the "Oise THD" ("Oise Very High Speed Internet") agreement SFR entered into on March 27, 2014, within the framework of its public service outsourcing activity since 2004 in the Oise department, for the operating and marketing of 280,000 FTTH outlets for an aggregate amount of €125 million over 15 years ; and
- off-balance sheet operating leases and subleases for a net amount of €1,755 million (compared to €1,790 million) as of December 31, 2013, mainly related to offices and technical premises.

Agreement to share a part of SFR's mobile access networks

On January 31, 2014, SFR and Bouygues Telecom entered into strategic network sharing agreement. They will roll out a new shared network in an area covering 57% of the French population. This agreement will enable both operators to improve their mobile coverage and generate significant savings over time.

The agreement is based on two principles:

- the creation of a joint company, to manage the shared base station assets; and
- the entry by the operators into a RAN-sharing service agreement covering 2G, 3G, and 4G services in the shared area.

This network-sharing agreement is similar to numerous arrangements already existing in other European countries. Each operator will retain its own innovative capacity as well as complete commercial and pricing independence. The shared network agreement is expected to be completed by the end of 2017.

This agreement represents given commitments for approximately €1,800 million and received commitments for approximately €2,260 million, representing a net commitment received by SFR of approximately €460 million, which applies over the entire duration of the long-term agreement.

Litigation

A description of litigation in which SFR is a party (plaintiff or defendant) is presented in Note 16.

6.1.3 Other information on SFR

Acquisition of Telindus France Group

On March 28, 2014, Vivendi and Belgacom entered into an agreement following the exclusive negotiations started on February 13, pursuant to which Vivendi would acquire 100% of Belgacom's subsidiary, Telindus France Group, a leader on the French markets of telecommunication integration and networks, for an amount of €88 million, net of cash acquired for €6 million. On April 30, 2014, the transaction was completed following its approval by the French Competition Authority.

Numericable's project to acquire Virgin Mobile

On June 27, 2014, Numericable Group entered into a definitive agreement with the shareholders of Omer Telecom Limited, the holding company that operates in France under the Virgin Mobile brand, pursuant to which Numericable Group would acquire 100% of the capital of Omer Telecom Limited for an enterprise value of €325 million. The transaction is subject to approvals from the relevant regulatory authorities.

Vivendi has committed to contribute up to €200 million in financing for this acquisition and will remain bound by this commitment following the closing of the sale of SFR if the acquisition of Virgin Mobile has not been finalized.

Guarantees related to the sale of Maroc Telecom group

Vivendi has agreed to counter-guarantee SFR for any amount that could be claimed by Etisalat or any third party other than Etisalat in relation with the sale of its interest in Maroc Telecom:

- With respect to the sale agreement signed with Etisalat, this commitment will expire at the expiry of the right to appeal from Etisalat against Vivendi and SFR, i.e. on May 14, 2018; and
- This commitment, which also covers any amount that SFR may be required to pay to any third-party other than Etisalat, will expire in the absence of any request from Numericable within the applicable statutes of limitations.

6.2 Sale of Maroc Telecom group

On May 14, 2014, in accordance with the agreements entered into on November 4, 2013, Vivendi sold its 53% interest in Maroc Telecom to Etisalat and received cash proceeds in the amount for €4,138 million, after contractual price adjustment (-€49 million). The agreements included representations and warranties customary in this type of transaction (please see below). At that date, Vivendi deconsolidated Maroc Telecom and recorded a capital gain of €786 million (before taxes and net of costs related to the sale) presented in "Earnings from discontinued operations" for the first half of 2014. In compliance with IAS 12, the deferred tax on capital gain (€86 million) was recognized as of June 30, 2013, the sale being considered as highly probable at that date.

The main terms of the sale are the following:

- Vivendi provided certain customary representations and warranties to Etisalat relating to SPT (the holding company of Maroc Telecom group), Maroc Telecom and its subsidiaries. Vivendi also granted a number of specific guarantees;
- the amount of any compensation due by Vivendi for indemnifiable losses sustained by Maroc Telecom or one of its subsidiaries was determined in proportion to the percentage of ownership held indirectly by Vivendi in the relevant company on the closing date (i.e., 53% for Maroc Telecom);
- Vivendi's overall indemnification obligation was capped at 50% of the initial sale price, and this threshold was increased to 100% in respect of claims related to SPT;
- the indemnification commitments provided by Vivendi, other than those regarding taxes and SPT, will remain in effect for a 24-month period following completion of the transaction (May 2016). Claims for indemnity related to tax matters must be made by January 15, 2018. The indemnity related to SPT remains in effect until the end of a 4-year period following the closing (May 2018); and
- to guarantee the payment of any specific indemnity referenced above, Vivendi delivered a bank guarantee to Etisalat in the amount of €247 million, expiring on February 15, 2018. On July 8, 2014, Vivendi received a discharge of this guarantee in the amount of €229 million.

6.2.1 Statement of Earnings

Given the deconsolidation of Maroc Telecom group on May 14, 2014, the line "Earnings from discontinued operations" takes into account Maroc Telecom group until that date.

Maroc Telecom Group	Three months ended June 30,		Six months ended June 30,		Year ended
(in millions of euros)	2014	2013	2014	2013	December 31, 2013
Revenues	328	656	969	1,300	2,559
EBITDA	179	376	530	755	1,453
Adjusted earnings before interest and income taxes (EBITA)	122	262	360	535	984
EBITA after discontinuation of amortization (a)	180	262	531	535	1,215
Earnings before interest and income taxes (EBIT)	180	255	531	521	1,202
Earnings before provision for income taxes	176	248	527	508	1,169
Provision for income taxes	(40)	(89)	(121)	(182)	(386)
Maroc Telecom group's earnings	**136**	**159**	**406**	**326**	**783**
Capital gain on the divestiture of Maroc Telecom group	786	-	786	-	-
Earnings from discontinued operations	**922**	**159**	**1,192**	**326**	**783**
Of which attributable to Vivendi SA shareowners	849	64	979	141	348
non-controlling interests	73	95	213	185	435

a. As from July 1, 2013, in compliance with IFRS 5, Vivendi discontinued the amortization of Maroc Telecom group's tangible and intangible assets.

6.2.2 Statement of Cash Flows

Given the deconsolidation of Maroc Telecom group on May 14, 2014, the Statement of Cash Flows for the fiscal year 2014 took into account Maroc Telecom group until March 31, 2014.

Maroc Telecom Group	1st Quarter ended March 31,		Year ended
(in millions of euros)	2014	2013	December 31, 2013
Operating activities			
Gross cash provided by operating activities before income tax paid	345	372	1,448
Net cash provided by Maroc Telecom group's operating activities	**302**	**330**	**1,110**
Investing activities			
Capital expenditures, net	(146)	(128)	(434)
Other	-	5	5
Net cash provided by/(used for) Maroc Telecom group's investing activities	**(146)**	**(123)**	**(429)**
Financing activities			
Dividends paid to non-controlling interests	(20)	(5)	(328)
Other transactions with non-controlling interests	(12)	-	-
Transactions on borrowings and other financial liabilities	(100)	(208)	(42)
Net cash provided by/(used for) Maroc Telecom group's financing activities	**(132)**	**(213)**	**(370)**
Foreign currency translation adjustments	(2)	2	(1)
Change in Maroc Telecom group's cash and cash equivalents	**22**	**(4)**	**310**
Maroc Telecom group's cash and cash equivalents			
At beginning of the period	**396**	**86**	**86**
At end of the period	**418** (a)	**82**	**396** (a)

a. Includes a €310 million dividend distribution with respect to fiscal year 2012.

Note 7 Earnings per share

	Three months ended June 30,				Six months ended June 30,				Year ended December 31, 2013	
	2014		2013		2014		2013			
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Earnings (in millions of euros)										
Earnings from continuing operations attributable to Vivendi SA shareowners	147	147	199	199	204	204	281	281	133	133
Earnings from discontinued operations attributable to Vivendi SA shareowners	1,335	1,335	302	301	1,709	1,709	754	751	1,834	1,831
Earnings attributable to Vivendi SA shareowners	1,482	1,482	501	500	1,913	1,913	1,035	1,032	1,967	1,964
Number of shares (in millions)										
Weighted average number of shares outstanding (a)	1,344.5	1,344.5	1,325.1	1,325.1	1,342.6	1,342.6	1,323.8	1,323.8	1,330.6	1,330.6
Potential dilutive effects related to share-based compensation	-	6.8	-	3.6	-	7.2	-	3.6	-	4.7
Adjusted weighted average number of shares	**1,344.5**	**1,351.3**	**1,325.1**	**1,328.7**	**1,342.6**	**1,349.8**	**1,323.8**	**1,327.4**	**1,330.6**	**1,335.3**
Earnings per share (in euros)										
Earnings from continuing operations attributable to Vivendi SA shareowners per share	0.11	0.11	0.15	0.15	0.15	0.15	0.21	0.21	0.10	0.10
Earnings from discontinued operations attributable to Vivendi SA shareowners per share	0.99	0.99	0.23	0.23	1.27	1.27	0.57	0.57	1.38	1.37
Earnings attributable to Vivendi SA shareowners per share	1.10	1.10	0.38	0.38	1.42	1.42	0.78	0.78	1.48	1.47

a. Net of treasury shares (0.5 million shares for the first half of 2014).

Note 8 Goodwill

(in millions of euros)	June 30, 2014	December 31, 2013
Goodwill, gross	22,938	31,539
Impairment losses	(12,298)	(14,392)
Goodwill	**10,640**	**17,147**

Changes in goodwill

(in millions of euros)	December 31, 2013	Business combinations	Divestitures in progress or completed	Changes in foreign currency translation adjustments and other	June 30, 2014
Canal+ Group	4,464	53	-	2	4,519
Universal Music Group	4,100	5	-	34	4,139
GVT	1,676	-	-	118	1,794
Other operations	185	-	-	3	188
SFR	6,722	77	(6,799)	-	-
Total	**17,147**	**135**	**(6,799)**	**157**	**10,640**

Vivendi assessed whether as of June 30, 2014, there was any indication that any of its cash generating units ("CGU") or groups of CGU may be impaired at that date. Vivendi Management concluded that there were no triggering events that would indicate any reduction in the value of any CGU or groups of CGU, compared to December 31, 2013. In addition, Vivendi will perform an annual impairment test of the carrying value of goodwill and other intangible assets during the fourth quarter of 2014.

Note 9 Content assets and commitments

9.1 Content assets

(in millions of euros)	June 30, 2014			December 31, 2013
	Content assets, gross	Accumulated amortization and impairment losses	Content assets	Content assets
Film and television costs	5,768	(4,960)	808	803
Sports rights	83	-	83	380
Music catalogs and publishing rights	7,049	(5,230)	1,819	1,960
Advances to artists and repertoire owners	670	-	670	621
Merchandising contracts and artists services	26	(19)	7	8
Content assets	**13,596**	**(10,209)**	**3,387**	**3,772**
Deduction of current content assets	(910)	22	(888)	(1,149)
Non-current content assets	**12,686**	**(10,187)**	**2,499**	**2,623**

9.2 Contractual content commitments

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

(in millions of euros)	Minimum future payments as of	
	June 30, 2014	December 31, 2013
Film and television rights	216	208
Sports rights (a)	50	402
Music royalties to artists and repertoire owners	1,537	1,614
Creative talent, employment agreements and others	108	111
Content liabilities	**1,911**	**2,335**

a. The decrease in the amount recorded for sports rights in the Statement of Financial Position is mainly due to the consumption of broadcasting rights related to the French professional Soccer League 1 for the 2013-2014 season.

Off-balance sheet commitments given/(received)

(in millions of euros)	Minimum future payments as of	
	June 30, 2014	December 31, 2013
Film and television rights (a)	2,183	2,383
Sports rights	3,810 (b)	1,350
Creative talent, employment agreements and others	778	754
Given commitments	**6,771**	**4,487**
Film and television rights (a)	(164)	(179)
Sports rights	(16)	(10)
Creative talent, employment agreements and others	not available	
Received commitments	**(180)**	**(189)**
Total net	**6,591**	**4,298**

a. As of June 30, 2014, provisions recorded in connection with film and television broadcasting rights were €94 million (€71 million as of December 31, 2013).

b. Notably includes Canal+ Group broadcasting rights for the following sport events:
- the French professional Soccer League 1 for two seasons (2014-2015 and 2015 -2016) for €854 million and the four seasons (2016-2017 to 2019-2020) for €2,160 million that were awarded on April 4, 2014 for the two premium lots; and
- the Champions Soccer League for three seasons (2015-2016 to 2017-2018) awarded on April 11, 2014 for one lot.

These commitments will be recognized in the Statement of Financial Position either upon the start of every season or upon first significant payment.

Note 10 Financial assets

(in millions of euros)	June 30, 2014		December 31, 2013
Available-for-sale securities (a)	430		360
Derivative financial instruments	172		126
Other loans and receivables	127	(b)	206
Cash deposits backing borrowings	-		2
Other financial assets	6		5
Financial assets	**735**		**699**
Deduction of current financial assets	(22)		(45)
Non-current financial assets	**713**		**654**

a. Available-for-sale securities notably included securities held by UMG in Spotify for €145 million (compared to €143 million as of December 31, 2013) and in Beats for €243 million (compared to €161 million as of December 31, 2013). As of June 30, 2014, the fair value of its interest in Beats was revalued, taking into account the amount of the sale to Apple, completed on August 1, 2014 for a net amount of approximately €250 million. The net capital gain is estimated at approximately €170 million and will be recorded in the Consolidated Statement of Earnings for the third quarter of 2014.

b. On July 16, 2014, Vivendi collateralized the letter of credit related to the appeal against the Liberty Media judgment, by placing a cash deposit of €975 million in an escrow account (please refer to Note 13).

Note 11 Provisions

(in millions of euros)	Note	December 31, 2013	Addition	Utilization	Reversal	Business combinations	Divestitures, changes in foreign currency translation adjustments and other	June 30, 2014
Employee benefits (a)		674	13	(32)	(14)	4	(47)	598
Restructuring costs		156	64	(95)	-	-	(44)	81
Litigations	16	1,379	58	(77)	(23)	3	(87)	1,253
Losses on onerous contracts		128	1	(18)	(1)	-	-	110
Contingent liabilities due to disposal (b)		24	6	-	-	-	(1)	29
Cost of dismantling and restoring sites (c)		75	-	(1)	-	-	(57)	17
Other (d)		1,087	36	(37)	(27)	2	(68)	993
Provisions		**3,523**	**178**	**(260)**	**(65)**	**9**	**(304)**	**3,081**
Deduction of current provisions		(619)	(114)	125	43	(5)	244	(326)
Non-current provisions		**2,904**	**64**	**(135)**	**(22)**	**4**	**(60)**	**2,755**

a. Includes employee deferred compensations as well as provisions for defined employee benefit plans (€528 million as of June 30, 2014 and €619 million as of December 31, 2013), but excludes employee termination reserves recorded under restructuring costs.

b. Certain commitments given in relation to divestitures give rise to provisions. These provisions are not significant and the amount is not disclosed because such disclosure could be prejudicial to Vivendi.

c. GVT is required to dismantle and restore each technical network site following termination of a site lease.

d. Notably includes provisions for litigations for which the nature and amount are not detailed because such disclosure could be prejudicial to Vivendi.

Note 12 Share-based compensation plans

12.1 Impact on the Consolidated Statement of Earnings

(in millions of euros) Charge/(Income)	Note	Six months ended June 30, 2014	 2013	Year ended December 31, 2013
Stock options, performance shares and bonus shares		*9*	*9*	*16*
Employee stock purchase plans		-	*8*	*9*
Stock Appreciation Rights (SAR)		-	-	*1*
Vivendi stock instruments	12.2	9	17	26
UMG equity unit plan		1	3	5
Charge/(Income) related to share-based compensation plans	3	**10**	**20**	**31**
Equity-settled instruments		*9*	*17*	*25*
Cash-settled instruments		*1*	*3*	*6*

12.2 Plans granted by Vivendi

During the first half of 2014, no significant share-based compensation plan was granted by Vivendi.

Operations on outstanding equity-settled instruments since January 1, 2014:

	Stock options				Performance shares	
	Number of outstanding stock options		Weighted average strike price of outstanding stock options		Number of outstanding performance shares	
	(in thousands)		(in euros)		(in thousands)	
Balance as of December 31, 2013	**52,835**		**19.7**		**5,344**	
Granted	-		na		380	
Exercised	(8,242)	(a)	17.4		(1,501)	
Forfeited	(717)		17.5		-	
Cancelled (b)	(415)		13.3		(331)	
Adjusted (c)	2,435		19.1		183	
Balance as of June 30, 2014	**45,896**	(d)	**19.2**		**4,075**	(e)
Exercisable as of June 30, 2014	**43,289**		**19.6**		**-**	
Acquired as of June 30, 2014	**43,300**		**19.6**		**649**	

na: not applicable.

a. As of the dates of exercise of the options, the weighted average share price for Vivendi shares was €19.56.

b. At its meeting of February 21, 2014, after review by the Human Resources Committee, the Supervisory Board approved the level of satisfaction of objectives for the cumulative fiscal years 2012 and 2013 for the performance share plans and the last stock option plan granted in 2012. It confirmed that not all the criteria that had been set were satisfied for fiscal year 2013. The final grant of the 2012 performance share and stock option plans represents 88% of the original grant. Consequently, 335,784 stock options and 239,207 performance shares granted in 2012 were cancelled.

c. In accordance with legal requirements, the number and strike price of stock options, as well as the number of performance shares were adjusted to take into account the impact, on the beneficiaries of the €1 per share distribution to the shareholders made by a deduction from additional paid-in capital, which distribution was approved on June 24, 2014 by the General Shareholders' Meeting. This adjustment had no impact on the share-based compensation expenses relating to the relevant stock option and performance share plans.

d. The total intrinsic value of outstanding stock options was €41 million and their weighted-average remaining contractual life was 3.6 years.

e. The weighted-average remaining period before delivering performance shares was 1.3 years.

Note 13 Borrowings and other financial liabilities

(in millions of euros)	June 30, 2014 Total	June 30, 2014 Long-term	June 30, 2014 Short-term	December 31, 2013 Total	December 31, 2013 Long-term	December 31, 2013 Short-term
Bonds	6,636	6,636	-	7,827	6,633	1,194
Bank credit facilities (drawn confirmed)	640	543	97	2,075	2,014	61
Commercial paper issued	1,683	-	1,683	1,906	-	1,906
Bank overdrafts	159	-	159	143	-	143
Accrued interest to be paid	180	-	180	186	-	186
Other	20	8	12	73	53	20
Nominal value of borrowings	**9,318**	7,187	2,131	**12,210**	8,700	3,510
Cumulative effect of amortized cost and reevaluation due to hedge accounting	39	39	-	8	8	-
Commitments to purchase non-controlling interests	62	58	4	22	22	-
Derivative financial instruments	30	11	19	26	7	19
Borrowings and other financial liabilities	**9,449**	**7,295**	**2,154**	**12,266**	**8,737**	**3,529**

13.1 Bonds

(in millions of euros)	Interest rate (%) nominal	Interest rate (%) effective	Maturity	June 30, 2014	Maturing before June 30, 2015	2016	2017	2018	2019	Maturing after June 30, 2019	December 31, 2013
€750 million (July 2013)	2.375%	2.51%	Jan-19	750	-	-	-	-	750	-	750
€700 million (December 2012)	2.500%	2.65%	Jan-20	700	-	-	-	-	-	700	700
$650 million (April 2012)	3.450%	3.56%	Jan-18	70	-	-	-	70	-	-	69
$800 million (April 2012)	4.750%	4.91%	Apr-22	190	-	-	-	-	-	190	189
€1,250 million (January 2012)	4.125%	4.31%	Jul-17	1,250	-	-	-	1,250	-	-	1,250
€500 million (November 2011)	4.875%	5.00%	Nov-18	500	-	-	-	-	500	-	500
€1,050 million (July 2011)	4.750%	4.67%	Jul-21	1,050	-	-	-	-	-	1,050	1,050
€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
$700 million (April 2008)	6.625%	6.85%	Apr-18	176	-	-	-	176	-	-	175
€300 million - SFR (July 2009)	5.000%	5.05%	Jul-14	-	-	-	-	-	-	-	300
€1,120 million (January 2009)	7.750%	7.69%	Jan-14	- (a)	-	-	-	-	-	-	894
Nominal value of bonds				**6,636**	-	-	1,250	1,496	1,250	2,640	**7,827**

a. Redemption in January 2014 of the bond issued in January 2009, with a 7.75% coupon, for €894 million.

13.2 Bank credit facilities

(in million of euros)	Maturity	Maximum amount	June 30, 2014	Maturing before June 30, 2015	2016	2017	2018	2019	Maturing after June 30, 2019	December 31, 2013
€1.5 billion revolving facility (March 2013)	Mar-18	1,500	-	-	-	-	-	-	-	205
€1.5 billion revolving facility (May 2012)	May-17	1,500	-	-	-	-	-	-	-	-
€1.1 billion revolving facility (January 2012)	Jan-17	1,100	-	-	-	-	-	-	-	-
€40 million revolving facility (January 2012)	Jan-15	40	-	-	-	-	-	-	-	-
€5.0 billion revolving facility (May 2011)										
tranche C: €2.0 billion	May-16	2,000	152	-	152	-	-	-	-	975
€1.0 billion revolving facility (September 2010)	Sep-15	1,000	-	-	-	-	-	-	-	475
GVT - BNDES	-	461	461	81	91	91	64	63	71	391
Canal+ Group - VSTV	-	37	27	16	11	-	-	-	-	29
Drawn confirmed bank credit facilities			**640**	**97**	**254**	**91**	**64**	**63**	**71**	**2,075**
Undrawn confirmed bank credit facilities			6,998	50	2,848	2,600	1,500	-	-	5,554
Total of group's bank credit facilities			**7,638**	**147**	**3,102**	**2,691**	**1,564**	**63**	**71**	**7,629**
Commercial paper issued (a)			1,683	1,683						1,906

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

Vivendi SA's syndicated bank credit facilities (€7.1 billion as of June 30, 2014) 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] not exceeding 3 over a twelve-month rolling period 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, 2014, Vivendi SA was in compliance with these financial covenants.

Vivendi SA's bank credit facilities, when drawn, bear variable interest rates. The renewal of these bank credit facilities, when drawn, is contingent upon the issuer reiterating certain representations regarding its ability to comply with its financial obligations with respect to their loan contracts.

The credit facilities granted to GVT by the BNDES (€461 million as of June 30, 2014) contain a change in control trigger and are subject to certain financial covenants pursuant to which GVT is required at the end of each half year to comply with at least three of the following financial covenants: (i) a ratio of equity to total asset greater than or equal to 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, 2014, GVT was in compliance with its covenants.

Moreover, on March 4, 2013, a letter of credit for €975 million (maturing in March 2016) was issued in connection with Vivendi's appeal against the Liberty Media judgment (please refer to Note 28 to the Consolidated Financial Statement for the year ended December 31, 2013 - page 287 of the 2013 Annual Report). This letter of credit is guaranteed by a syndicate of fifteen international banks with which Vivendi has signed a Reimbursement Agreement which includes an undertaking by Vivendi to reimburse the banks for any amounts paid out under the letter of credit.
On July 16, 2014, Vivendi strengthened the guarantees given to the banks that are parties to the Reimbursement Agreement by placing a cash deposit of €975 million in an escrow account. This cash deposit could be used in priority against any claim made against Vivendi, if any, and if the banks were called with respect to the letter of credit in connection with Vivendi's appeal against the Liberty Media judgment. This deposit, which significantly reduces the financing cost of the letter of credit, will result in a €975 million increase in the group's Financial Net Debt, and is already taken into account by rating agencies. Prior to the placing of this deposit, the letter of credit was recorded as an off-balance sheet financial commitment, with no impact on Vivendi's Financial Net Debt.

13.3 Credit ratings

In April 2014, the rating agencies Standard & Poor's and Moody's improved Vivendi's outlook from negative to stable and confirmed their BBB/Baa2 rating on Vivendi's debt.
In May 2014, the rating agency Fitch Ratings confirmed Vivendi's BBB rating on its long-term debt, with a stable outlook.

As of August 25, 2014, the date of the Management Board meeting that approved the Condensed Financial Statements for the first half year ended June 30, 2014, 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* debt	BBB	
		Short-term *corporate* debt	A-2	Stable
		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

[2] As of June 30, 2014, defined as Vivendi's Financial Net Debt.
[3] As of June 30, 2014, defined as Vivendi's modified EBITDA, including SFR, plus dividends received from unconsolidated companies.

Note 14 Transactions with related parties

The main related parties were those companies over which Vivendi exercises an exclusive or joint control, and companies over which Vivendi exercises a significant influence, as well as non-controlling interests that, as of June 30, 2014, exercise significant influence on group affiliates i.e., TVN, which owns 32% of nc+ (a subsidiary of Canal+ Group), as well as the group's corporate officers (please refer to Section 1.1.1 of the 2014 half year Financial Report for an update on the corporate officers) and companies, which are related to them, in particular Havas Group.

Certain subsidiaries of Havas Group render services to Vivendi and its subsidiaries at arm's length conditions: during the first half of 2014, Havas Group entered into transactions with Canal+ Group in connection with media space for its customers' advertising campaigns for an aggregate amount of €45 million and developed advertising campaigns for Canal+ Group for €7 million. Canal+ Group entered into transactions with Havas Group in connection with media space for its advertising campaigns for Canal+, Canalsat, and Canalplay for €32 million, and paid €4 million to Havas Group with respect to this service. Moreover, the services rendered by Havas Group to SFR (advertising and fees) represented an operating charge of €7 million during the first half of 2014.

Note 15 Commitments

15.1 Contractual obligations and commercial commitments

(in millions of euros)	Note	June 30, 2014	December 31, 2013
Contractual content commitments	9	6,591	4,298
Commercial commitments		1,253	2,209
Operating leases and subleases		830	2,700
Commitments not recorded in the consolidated statement of financial position		**8,674**	**9,207**

Off-balance sheet commercial commitments

	Minimum future payments as of	
(in millions of euros)	June 30, 2014	December 31, 2013
Satellite transponders	639	686
Investment commitments	247 (a)	1,078
Other	560	732
Given commitments	**1,446**	**2,496**
Satellite transponders	(190)	(159)
Other	(3)	(128)
Received commitments	**(193)**	**(287)**
Net total (b)	**1,253**	**2,209**

a. Includes the fund set up by Vivendi with Bertelsmann in December 2013, which is dedicated to investing €23 million in educational activities over the next five years.

b. The decrease in the amount of off-balance sheet commercial commitments was notably related to SFR whose sale by Vivendi is in progress (€939 million as of December 31, 2013): please refer to Note 6.

Off-balance sheet operating leases and subleases

	Minimum future leases as of	
(in millions of euros)	June 30, 2014	December 31, 2013
Buildings	798	2,695
Other	32	221
Leases	**830**	**2,916**
Buildings	-	(216)
Subleases	**-**	**(216)**
Net total (a)	**830**	**2,700**

a. The decrease in the amount of off-balance sheet operating leases and subleases was notably related to SFR whose sale by Vivendi is in progress (€1,790 million as of December 31, 2013): please refer to Note 6.

15.2 Share purchase and sale commitments

On June 20, 2014, Vivendi committed itself in the combination of SFR and Numericable following the definitive agreement entered into with Altice / Numericable (please refer to Note 6).

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

- On May 14, 2014, in accordance with the agreements entered into in November 2013, Vivendi sold its 53% interest in Maroc Telecom group to Etisalat. The sale agreements include representations and warranties customary in this type of transaction (please refer to Note 6).
- On December 23, 2013, the French State Council annulled, with a delayed effect as from July 1, 2014, the French Competition Authority's approval of the acquisition of the Direct 8 and Direct Star channels (renamed D8 and D17, respectively), which had been approved on July 23, 2012. On January 15, 2014, Vivendi and Canal+ Group submitted a new notification to the French Competition Authority. On April 2, 2014, the French Competition Authority reapproved the transaction, subject to compliance with commitments given by Vivendi and Canal+ Group. These commitments are similar to the ones contained in the previous 2012 authorization except for an additional commitment relating to the acquisition of broadcasting rights of second and third windows for French films. All commitments are binding for a period of five years starting July 23, 2012. In 2017, the French Competition Authority will have the opportunity to request a renewal of these commitments for the same duration, if deemed necessary, after a new competitive analysis.

Note 16 Litigation

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

Certain Legal Proceedings involving Vivendi or its subsidiaries (as plaintiff or defendant) are described in Note 28 to the Consolidated Financial Statements for the year ended December 31, 2013, contained in the 2013 Annual Report (pages 309-315) and in Section 3 of Chapter 1 contained in the 2013 Annual Report (pages 35-41). The following paragraphs update such disclosure through August 25, 2014, the date of the Management Board meeting held to approve Vivendi's financial statements for the first half year ended June 30, 2014.

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.

Trial of Vivendi's Former Officers in Paris

In October 2002, the financial department of the Paris Public Prosecutor's office (Parquet de Paris) launched an investigation into the publication of allegedly false or misleading information regarding the financial situation and forecasts of the Company and the publication of allegedly untrue or inaccurate financial statements for the fiscal years 2000 and 2001. Additional charges were brought in this investigation relating to purchases by the Company of its own shares between September 1, 2001 and December 31, 2001. Vivendi joined the proceedings as a civil party.

The trial took place from June 2 to June 25, 2010, before the 11th Chamber of the Paris Tribunal of First Instance (Tribunal de Grande Instance de Paris), following which the Public Prosecutor asked the Court to drop the charges against the defendants. On January 21, 2011, the Court rendered its judgment, in which it confirmed the previous recognition of Vivendi as a civil party. Messrs. Jean Marie Messier, Guillaume Hannezo, Edgar Bronfman Jr. and Eric Licoys received suspended sentences and fines. Messrs. Jean Marie Messier and Guillaume Hannezo were also ordered to pay damages to shareholders who are entitled to reparation as civil parties. The former Vivendi officers as well as some civil parties appealed the decision. The appeal proceedings were held from October 28 to November 26, 2013, before the Paris Court of Appeal. The Public Prosecutor requested a 20-month suspended prison sentence and a fine of €150,000 for Mr. Jean-Marie Messier for misuse of corporate assets and dissemination of false or misleading information, a 10-month suspended prison sentence and a fine of €850,000 for Mr. Guillaume Hannezo for insider trading, and a 10-month suspended prison sentence and a fine of €5 million for Mr. Edgar Bronfman Jr. for insider trading. In the course of the trial, a number of civil parties have submitted an application to the Paris Court of Appeal for a priority preliminary ruling on constitutionality. The application concerned the impossibility, for a civil party, to appeal a decision by a first instance court to drop charges. Since the same question is currently pending before the Constitutional Council, the Court of Appeal has stayed the proceedings with regard to the issues relating to the dropped charges, and heard oral arguments on these issues on April 8 and 9, 2014. On May 19, 2014, the Paris Court of Appeal rendered its judgment. Regarding the acts determined by the lower criminal court to constitute the dissemination of false or misleading information, the Court held that these acts did not meet the criteria for such an offense. The Court upheld the conviction against Jean-Marie Messier for misuse of corporate assets and he received a 10-month suspended sentence and a €50,000 fine. The Paris Court of

Appeal also upheld the convictions against Messrs. Hannezo and Bronfman for insider trading and they received fines in the amount of €850,000 (of which €425,000 is suspended) and €5 million (of which €2.5 million is suspended), respectively. Finally, the Court set aside the lower court's order for the payment of damages (€10 per share) to certain shareholders and former shareholders of Vivendi (the "civil action"). With regard to Vivendi, the Court upheld the validity of its status as a civil party to the proceedings, exonerated it from any responsibility and voided the demand for damages brought against it by certain shareholders or former shareholders.

Actions against Activision Blizzard, Inc., its Board of Directors, and Vivendi

In August 2013, a derivative action was initiated in the Los Angeles Superior Court by an individual shareholder against Activision Blizzard, Inc. ("Activision Blizzard" or the "Company"), all of the members of its Board of Directors and against Vivendi. The plaintiff alleges that Activision Blizzard's Board of Directors and Vivendi breached their fiduciary duties by approving the divestment of Vivendi's share ownership in the Company. The plaintiff, Todd Miller, claims that the transaction would not only be disadvantageous to Activision Blizzard but that it would also confer a disproportionate advantage to a group of investors led by Robert Kotick and Brian Kelly, the Company's Chief Executive Officer and Co-Chairman of the Board, respectively, and that those breaches of fiduciary duty were aided and abetted by Vivendi.

On September 11, 2013, a second derivative action based on essentially the same allegations was initiated in the Delaware Court of Chancery by another minority shareholder of Activision Blizzard, Anthony Pacchia.

On the same day, another minority shareholder, Douglas Hayes, initiated a similar action and also requested that the closing of the sale transaction be enjoined pending approval of the transaction by Activision Blizzard's shareholders. On September 18, 2013, the Delaware Court of Chancery granted the motion enjoining the closing of the transaction. However, on October 10, 2013, the Delaware Supreme Court overturned this decision, allowing for the completion of the transaction. The case will proceed on the merits.

On November 2, 2013, the Delaware Court of Chancery consolidated the Pacchia and Hayes actions into a single action entitled In Re Activision Blizzard Inc. Securities Litigation and named Anthony Pacchia lead plaintiff.

On March 14, 2014, a similar new action was initiated in the Delaware Court of Chancery by a minority shareholder, Mark Benston. This action has been consolidated into the *In Re Activision Blizzard Inc. Securities Litigation* proceeding currently underway.

The discovery process is ongoing. Each of the defendants filed motions to dismiss certain of the complaints against them. These motions were denied by the Court on June 6, 2014. The trial is scheduled to be held in December 2014.

Parabole Réunion

In July 2007, the Group Parabole Réunion filed a legal action before the Paris Tribunal of First Instance following the termination of its rights to exclusively distribute the TPS channels in Reunion Island, Mayotte, Madagascar and Mauritius. Pursuant to a decision dated September 18, 2007, Canal+ Group was prohibited, under fine, from allowing the broadcast by third parties of these channels or those replacement channels that have substituted these channels. Canal+ Group appealed this decision. In a ruling dated June 19, 2008, the Paris Court of Appeal partially reversed the judgment and stated that these replacement channels were not to be granted exclusively if the channels were made available to third parties prior to the merger with TPS. Parabole Réunion was again unsuccessful in its claims concerning the content of the channels in question. On September 19, 2008, Parabole Réunion appealed to the French Supreme Court. On November 10, 2009, the French Supreme Court dismissed the appeal brought by Parabole Réunion. In the context of this dispute, various jurisdictions have taken the opportunity to recall that in the event of the loss of the TPS Foot channel, Canal+ Group must make available to Parabole Réunion a channel of similar attractiveness. Non-compliance with this order would result in a penalty. On September 24, 2012, Parabole Réunion filed a claim against Canal+ France, Canal+ Group and Canal+ Distribution before the enforcement magistrate of the Court of First Instance of Nanterre (Tribunal de grande instance de Nanterre) seeking enforcement of this fine (a request for such enforcement having been previously rejected by the enforcement magistrate of Nanterre, the Paris Court of Appeal and the French Supreme Court). On November 6, 2012, Parabole Réunion expanded its claim to cover the TPS Star, Cinecinema Classic, Cult and Star channels. On April 9, 2013, the enforcement magistrate dismissed in part Parabole Réunion's claim and declared the rest inadmissible. He took care to recall that Canal+ Group had no legal obligation with respect to the content or the maintaining of programming on channels made available to Parabole Réunion. Parabole Réunion filed an appeal against this judgment. On May 22, 2014, the Versailles Court of Appeal declared the appeal filed by Parabole Réunion inadmissible. Parabole Réunion filed an appeal before the French Supreme Court. At the same time, Parabole Réunion filed a second appeal against the April 9, 2013 judgment, which appeal will be argued on September 17, 2014.

In parallel, on August 11, 2009, Parabole Réunion filed a complaint against Canal+ Group before the Paris Tribunal of First Instance, requesting that the Tribunal order Canal+ Group to make available a channel with a level of attractiveness similar to that of TPS Foot in 2006 and to pay damages. On April 26, 2012, Parabole Réunion filed a complaint against Canal+ France, Canal+ Group and Canal+ Distribution before the Paris Tribunal of First Instance asking the Tribunal to acknowledge the failure of the companies of the Group to fulfill their contractual obligations to Parabole Réunion and their commitments to the Ministry of Economy. These two actions have been consolidated into a single action. On April 29, 2014, the Paris Tribunal of First Instance recognized the contractual liability of Canal+ Group due to the degradation of the quality of channels made available to Parabole Réunion. The Tribunal ordered an expert report on the damages suffered by Parabole Réunion, rejecting the assessment produced by the latter.

BeIN Sports against the National Rugby League and Canal+ Group

On March 11, 2014, beIN Sports lodged a complaint with the French Competition authority against Canal+ Group and the National Rugby League, challenging the award to Canal+ Group of exclusive broadcasting rights to the "TOP 14" for the 2014-2015 to 2018-2019 seasons. On July 30, 2014, the French Competition Authority imposed interim measures suspending Canal+ Group's agreement with the National Rugby League as from the 2015-2016 season and mandated that a new call for tenders process be organized. Canal+ Group and the National Rugby League appealed this decision before the Paris Court of Appeal. The hearing is scheduled to be held on September 4, 2014.

Capitol Records and EMI Music Publishing against MP3tunes

On November 9, 2007, Capitol Record and EMI Music Publishing filed a joint complaint against MP3tunes and its founder, Michael Robertson, for copyright infringement on the sideload.com and mp3tunes.com websites. The trial was held in March 2014, and, on March 19, 2014, the jury returned a verdict favorable to EMI and Capital Records. It found the defendants liable for knowingly allowing the unauthorized content on the websites. On March 26, 2014, the jury awarded damages in the amount of $41 million.

Tax audits

The fiscal year ended December 31, 2013 and prior years are open to tax audits by the respective tax authorities in the jurisdictions in which Vivendi has or had operations. Various tax authorities have proposed adjustments to the taxable income reported for prior years. It is not possible, at this stage of the current tax audits, to accurately assess the impact that could result from an unfavorable outcome of certain of these audits. Vivendi Management believes that these tax audits will not have a material and unfavorable impact on the financial position or liquidity of the group.

Regarding Vivendi SA, in respect of the Consolidated Global Profit Tax System, the consolidated income reported for fiscal years 2006, 2007, and 2008 is under audit by the French tax authorities. This tax audit started in January 2010. In addition, in January 2011, the French tax authorities began a tax audit on the consolidated income reported for fiscal year 2009 and in February 2013, the French tax authorities began a tax audit on the consolidated income reported for fiscal year 2010. Finally, Vivendi SA's tax group System for the years 2011 and 2012 group is under audit since July 2013. Vivendi Management believes that it has serious legal means to defend the positions it has chosen for the determination of the taxable income of the fiscal years under audit. In any event, a provision for the impact of the Consolidated Global Profit Tax System in 2011 has been accrued (€366 million), as well as a provision for the impact in relation to the use of tax credits in 2012 (€231 million). Moreover, the tax attributes recognized by Vivendi SA with respect to the fiscal years under audit, representing tax savings of €1,527 million as of December 31, 2013, were recognized in the Consolidated Statement of Financial Position for €163 million. During the first half of 2014, the audit processes continued and, at this stage, Vivendi Management does not believe that these proceedings should lead to an adjustment to the amount of provisions.

Regarding Vivendi's US tax group, the fiscal years ending December 31, 2005, 2006, and 2007 were under a tax audit. The consequences of this tax audit did not materially impact the amount of tax attributes. Vivendi's US tax group was also under audit for fiscal years ending December 31, 2008, 2009, and 2010 were also under a tax audit. This tax audit is now closed and its consequences did not materially impact the amount of tax attributes. On June 26, 2014, the American tax authorities began a tax audit for fiscal year 2011 and 2012, and on July 11, 2014, stated that they will undertake a tax audit for fiscal year 2013, after the filing of the tax return for that period, which will occur no later than September 15, 2014. Vivendi Management believes that it has serious legal means to defend the positions it has chosen for the determination of the taxable income of the fiscal years under audit.

Finally, regarding Maroc Telecom, the fiscal years ending December 31, 2005, 2006, 2007, and 2008 were under a tax audit. This tax audit is now closed following the execution of a Memorandum Agreement on December 19, 2013, effective as of December 31, 2013.

Discontinued operation: SFR

Orange against SFR and Bouygues Telecom

On April 29, 2014, Orange filed a complaint with the French Competition Authority concerning the agreement signed on January 31, 2014, between SFR and Bouygues Telecom to share a part of their mobile access networks. Orange alleges that this agreement constitutes a collusive practice, by concerted effort and horizontal agreement, between competitors. Orange is requesting an immediate suspension of the agreement's implementation.

Complaint of Bouygues Telecom against SFR and Orange in Connection with the Call Termination and Mobile Markets

Bouygues Telecom brought a claim before the French Competition Council against SFR and Orange for certain alleged unfair trading practices in the call termination and mobile markets ("price scissoring"). On May 15, 2009, the French Competition Authority (the "Authority") resolved to postpone its decision on the issue and remanded the case for further investigation. On December 13, 2010, SFR was heard on these allegations by the instructing magistrate. On August 18, 2011, SFR received a notification of grievances in which the Authority noted the existence of abusive price discrimination practices. On December 13, 2012, the Authority fined SFR €66 million. SFR has appealed this decision. The case was argued before the Paris Court of Appeal on February 20, 2014. The Paris Court of Appeal rendered a decision on June 19, 2014, in which it requested an Amicus Curiae from the European Commission on the economic and legal issues raised in this case and stayed the proceedings on the merits of the case pending the opinion to be delivered. It also dismissed SFR's procedural claims.

Following the decision of the French Competition Authority on December 13, 2012, Bouygues Telecom, OMEA and El Telecom (NRJ Mobile) brought a claim before the Paris Commercial Court against SFR for damages suffered. They are seeking damages of €623.6 million, €67.9 million and €28.6 million, respectively. According to the settlement concluded between SFR and Bouygues Telecom in June 2014, the hearing to be held on September 5, 2014 to close the conciliation proceedings will terminate this dispute between the two companies.

Complaint lodged with the French Competition Authority by Orange Réunion, Orange Mayotte, and Outremer Télécom against Société Réunionnaise du Radiotéléphone (SRR)

Orange Réunion, Orange Mayotte and Outremer Télécom notified the French Competition Authority about alleged unfair price discrimination practices implemented by SRR on the consumer market and the business market. On September 16, 2009, the French Competition Authority imposed protective measures on SRR, pending its decision on the merits.

SRR was required to end price differences that exceed the costs borne by SRR based on the network called (off-net/on-net). The French Competition Authority found that SRR had not fully complied with the order it had imposed and, on January 24, 2012, ordered SRR to pay a fine of €2 million. With regard to the proceedings on the merits, on July 31, 2013, SRR signed a statement of no contest to grievances and a letter of commitments. Accordingly, the Deputy Reporter General proposed to the College of the French Competition Authority that the fine incurred by SRR be reduced.

Following the French Competition Authority's decision of September 16, 2009, Outremer Télécom sued SRR on June 17, 2013, before the Paris Commercial Court for damages it claims to have suffered as a result of SRR's practices. On November 13, 2013, the Court stayed the proceedings until the French Competition Authority issues its decision on the merits of the case.

On June 13, 2014, the French Competition Authority issued its decision concerning the consumer market component of the complaint, imposing a sanction of €45,939,000 on SFR and its subsidiary SRR. The business market component is still being investigated by the French Competition Authority.

SFR against Orange

On April 24, 2012, SFR filed a complaint against Orange before the Paris Commercial Court for practices constituting an abuse of its dominant position in the secondary residence market. On February 12, 2014, the Paris Commercial Court ordered Orange to pay €51 million in damages.

Orange appealed this decision. On April 2, 2014, Orange also requested a suspension of the provisional execution of the Paris Commercial Court's decision. On July 4, 2014, the request was denied. The decision of the Paris Court of Appeal is expected on October 8, 2014.

Orange against SFR

On August 10, 2011, Orange filed a claim against SFR before the Paris Commercial Court. Orange asked the Court to compel SFR to stop the overflow traffic at the point of interconnection of their respective networks. On December 10, 2013, SFR was ordered to pay €22,133,512 to Orange. On January 10, 2014, SFR appealed this decision. The case will be argued before the Paris Court of Appeal on November 22, 2014.

SFR against Iliad, Free and Free mobile: unfair competition by disparagement

In June 2014, SFR filed a complaint against Iliad, Free and Free Mobile before the Commercial Court of Paris for unfair competition seeking recognition that Iliad/Free is guilty of disparaging the services of SFR at the time of the launch of Free Mobile as well as subsequently.

Note 17 Subsequent events

The significant events that have occurred between June 30 and August 25, 2014 (the date of the Management Board meeting that approved Vivendi's Financial Statements for the first half ended June 30, 2014) were as follows:

- On August 1, 2014, UMG sold its interest in Beats to Apple for a net amount of approximately €250 million (please refer to Note 10); and
- On August 4, 2014, Vivendi received a binding offer from Telefonica SA to acquire GVT, its subsidiary in Brazil. Vivendi's Supervisory Board will consider the Telefonica offer at its meeting on August 28, 2014, in the best interests of its shareholders and the GVT employees, and will decide what action to take as a result.

Note 18 Adjustment of comparative information

In compliance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, SFR, Maroc Telecom group and Activision Blizzard have been reported in Vivendi's Consolidated Financial Statements as discontinued operations according to the following terms:

- **SFR**: on June 20, 2014, Vivendi entered into a definitive agreement with Altice/Numericable for the combination of SFR and Numericable. As from the first quarter of 2014, SFR has been reported in the Consolidated Statement of Earnings and Statement of Cash Flows as a discontinued operation. Moreover, its contribution to each line of Vivendi's Consolidated Statement of Financial Position as June 30, 2014 has been grouped under the lines "Assets of discontinued businesses" and "Liabilities associated with assets of discontinued businesses".
- **Maroc Telecom group**: on May 14, 2014, Vivendi deconsolidated Maroc Telecom group following the sale of its interest therein. Maroc Telecom group has been reported in the Consolidated Statement of Earnings and Statement of Cash Flows as a discontinued operation. Moreover, its contribution to each line of Vivendi's Consolidated Statement of Financial Position as of December 31, 2013 has been grouped under the lines "Assets of discontinued businesses" and "Liabilities associated with assets of discontinued businesses".
- **Activision Blizzard**: on October 11, 2013, Vivendi deconsolidated Activision Blizzard as a result of the sale of 88% of its interest therein. Activision Blizzard has been reported in the Consolidated Statement of Earnings and Statement of Cash Flows as a discontinued operation.

The adjustments made to data previously published in the 2013 Annual Report are presented below and relate only to SFR.

18.1 Adjustments made to the Consolidated Statement of Earnings

	2013			
(in millions of euros)	Three months ended March 31,	Three months ended June 30,	Six months ended June 30,	Three months ended September 30,
Earnings before interest and income taxes (EBIT) (as previously published)	**472**	**668**	**1,140**	**610**
Reclassifications related to the application of IFRS 5 for SFR	- 311	- 360	- 671	- 317
Earnings before interest and income taxes (EBIT) (restated)	**161**	**308**	**469**	**293**

	2013		
(in millions of euros)	Nine months ended September 30,	Three months ended December 31,	Year ended December 31,
Earnings before interest and income taxes (EBIT) (as previously published)	**1,750**	**(2,185)**	**(435)**
Reclassifications related to the application of IFRS 5 for SFR	- 988	+ 2,415	+ 1,427
Earnings before interest and income taxes (EBIT) (restated)	**762**	**230**	**992**

18.2 Adjustments made to the Statement of Cash Flows

(in millions of euros)	Six months ended June 30, 2013 Published	Reclassifications related to IFRS 5 (a)	Restated	Year ended December 31, 2013 Published	Reclassifications related to IFRS 5 (a)	Restated
Operating activities						
EBIT	1,140	- 671	469	(435)	+ 1,427	992
Adjustments	1,268	- 803	465	4,911	- 3,992	919
Content investments, net	(126)	-	(126)	(148)	-	(148)
Gross cash provided by operating activities before income tax paid	***2,282***	***- 1,474***	***808***	***4,328***	***- 2,565***	***1,763***
Other changes in net working capital	(711)	+ 594	(117)	(308)	+ 305	(3)
Net cash provided by operating activities before income tax paid	***1,571***	***- 880***	***691***	***4,020***	***- 2,260***	***1,760***
Income tax paid, net	(21)	+ 284	263	(197)	+ 299	102
Net cash provided by operating activities of continuing operations	***1,550***	***- 596***	***954***	***3,823***	***- 1,961***	***1,862***
Net cash provided by operating activities of discontinued operations	***969***	***+ 596***	***1,565***	***1,417***	***+ 1,961***	***3,378***
Net cash provided by operating activities	**2,519**	**-**	**2,519**	**5,240**	**-**	**5,240**
Investing activities						
Capital expenditures	(1,441)	+ 835	(606)	(2,674)	+ 1,627	(1,047)
Purchases of consolidated companies, after acquired cash	(36)	-	(36)	(43)	+ 1	(42)
Investments in equity affiliates	-	-	-	(2)	+ 2	-
Increase in financial assets	(47)	+ 20	(27)	(106)	+ 37	(69)
Investments	***(1,524)***	***+ 855***	***(669)***	***(2,825)***	***+ 1,667***	***(1,158)***
Proceeds from sales of property, plant, equipment and intangible assets	20	- 2	18	50	- 17	33
Proceeds from sales of consolidated companies, after divested cash	10	- 10	-	2,748	- 9	2,739
Disposal of equity affiliates	-	-	-	8	-	8
Decrease in financial assets	126	-	126	727	- 3	724
Divestitures	***156***	***- 12***	***144***	***3,533***	***- 29***	***3,504***
Dividends received from equity affiliates	1	-	1	3	-	3
Dividends received from unconsolidated companies	8	-	8	54	-	54
Net cash provided by/(used for) investing activities of continuing operations	***(1,359)***	***+ 843***	***(516)***	***765***	***+ 1,638***	***2,403***
Net cash provided by/(used for) investing activities of discontinued operations	***(114)***	***- 843***	***(957)***	***(1,952)***	***- 1,638***	***(3,590)***
Net cash provided by/(used for) investing activities	**(1,473)**	**-**	**(1,473)**	**(1,187)**	**-**	**(1,187)**
Financing activities						
Net proceeds from issuance of common shares in connection with Vivendi SA's share-based compensation plans	38	-	38	195	-	195
Sales/(purchases) of Vivendi SA's treasury shares	(4)	-	(4)	-	-	-
Dividends paid by Vivendi SA to its shareowners	(1,325)	-	(1,325)	(1,325)	-	(1,325)
Other transactions with shareowners	(1)	-	(1)	(1,046)	-	(1,046)
Dividends paid by consolidated companies to their non-controlling interests	(20)	+ 2	(18)	(37)	+ 3	(34)
Transactions with shareowners	***(1,312)***	***+ 2***	***(1,310)***	***(2,213)***	***+ 3***	***(2,210)***
Setting up of long-term borrowings and increase in other long-term financial liabilities	3,814	- 200	3,614	2,491	- 1	2,490
Principal payment on long-term borrowings and decrease in other long-term financial liabilities	(1,904)	+ 8	(1,896)	(1,923)	+ 13	(1,910)
Principal payment on short-term borrowings	(717)	- 84	(801)	(5,211)	+ 23	(5,188)
Other changes in short-term borrowings and other financial liabilities	75	- 20	55	31	+ 3	34
Interest paid, net	(276)	+ 120	(156)	(528)	+ 228	(300)
Other cash items related to financial activities	(27)	+ 3	(24)	(349)	+ 8	(341)
Transactions on borrowings and other financial liabilities	***965***	***- 173***	***792***	***(5,489)***	***+ 274***	***(5,215)***
Net cash provided by/(used for) financing activities of continuing operations	***(347)***	***- 171***	***(518)***	***(7,702)***	***+ 277***	***(7,425)***
Net cash provided by/(used for) financing activities of discontinued operations	***(147)***	***+ 171***	***24***	***1,284***	***- 277***	***1,007***
Net cash provided by/(used for) financing activities	**(494)**	**-**	**(494)**	**(6,418)**	**-**	**(6,418)**
Foreign currency translation adjustments of continuing operations	(23)	-	(23)	(48)	-	(48)
Foreign currency translation adjustments of discontinued operations	5	-	5	(44)	-	(44)
Change in cash and cash equivalents	**534**	**-**	**534**	**(2,457)**	**-**	**(2,457)**
Reclassification of cash and cash equivalents from discontinued operations	**(3,690)**	**-**	**(3,690)**	**(396)**	**-**	**(396)**
Cash and cash equivalents						
At beginning of the period	**3,894**	**-**	**3,894**	**3,894**	**-**	**3,894**
At end of the period	**738**	**-**	**738**	**1,041**	**-**	**1,041**

a. Only relates to SFR (please refer to Note 6).

IV - Statement on 2014 half year Condensed Financial Statements

This is a free translation into English of the Statement on the 2014 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 of 2014 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 that 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,

Arnaud de Puyfontaine

V - Statutory auditors' review report on 2014 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, 2014, 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.

II. Specific verifications

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, 2014

Statutory Auditors'

KPMG Audit
A department of KPMG S.A.

Baudouin Griton
Partner

ERNST & YOUNG ET AUTRES

Jean-Yves Jégourel
Partner