vivendi

Quarterly Financial Information

Financial Report and Unaudited Condensed Financial Statements for the Nine Months Ended September 30, 2007

VIVENDI

Société anonyme with a Management Board and Supervisory Board with a share capital of €6,400,310,779.50

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Selected Key Financial Data

	Nine Months Ended September 30,				Year Ended December 31,					
Consolidated data		2007		2006		2006		2005		2004
Revenues	€	15,643	€	14,499	€	20,044	€	19,484	€	17,883
EBITA (a)		3,931		3,648		4,370		3,985		3,504
Earnings attributable to equity holders of the parent		2,104		3,423		4,033		3,154		3,767
Adjusted net income (a)		2,247		2,109		2,614		2,218		1,498
Financial Net Debt (a)		5,662		4,054		4,344		3,768		4,724
Equity		21,989		21,492		21,864		21,608		18,092
Of which attributable to equity holders of the Parent		20,033		19,582		19,912		18,769		15,449
Cash flow from operations (CFFO) (a)		3,559		3,081		4,466		4,157		4,354
Capital expenditures, net (capex, net) (b)		1,277		1,298		1,645		1,291		1,004
Financial investments		547		1,769		3,881		1,481		394
Financial divestments		(542)		(1,618)		(1,801)		(155)		(5,264)
Dividends paid in respect to previous fiscal year	€	1,387	€	1,152	€	1,152	€	689	€	-
Per share amounts										
Weighted average number of shares outstanding		1,157.7		1,152.9		1,153.4		1,149.6		1,144.4 (c)
Adjusted net income per share	**€**	**1.94**	**€**	**1.83**	**€**	**2.27**	**€**	**1.93**	**€**	**1.31**
Number of shares outstanding at the end of the period (excluding treasury shares)		1,162.6		1,154.2		1,155.7		1,151.0		1,144.9 (c)
Equity per share, attributable to equity holders of the parent	€	17.23	€	16.97	€	17.23	€	16.31	€	13.49
Dividends per share in respect to previous fiscal year	**€**	**1.20**	**€**	**1.00**	**€**	**1.00**	**€**	**0.60**	**€**	**-**

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

(a) Vivendi considers that the non-GAAP measures EBITA, Adjusted net income, Financial Net Debt, and Cash flow from operations (CFFO) are relevant indicators of the group's operating and financial performance. Each of the indicators is defined in the appropriate section of the financial report or in the notes to the Condensed Financial Statements for the nine months ended September 30, 2007. These indicators should be considered in addition to, not as a substitute for, other GAAP measures of operating and financial performances as presented in the Condensed Financial Statements and the related notes, or described in the Financial Report. Moreover it should be emphasized that other companies may define and calculate these indicators differently than Vivendi, thereby affecting comparability.

(b) Capex, net consists of capital expenditures, net of proceeds from property, plant and equipment and intangible assets.

(c) Includes notes mandatory redeemable for new Vivendi shares which matured on November 2005.

I – Financial Report for the Nine Months Ended September 30, 2007

Preliminary comments:

The Financial Report and the Unaudited Condensed Financial Statements for the nine months ended September 30, 2007 were approved by Vivendi's Management Board on November 13, 2007, and presented to the Audit Committee on this same date.

The Financial Report for the nine months ended September 30, 2007 should be read in conjunction with the Financial Report section for the year ended December 31, 2006 as published in the 2006 *Document de Référence* that was filed under number D.07-0240 with the *Autorité des marchés financiers* (AMF) on March 28, 2007 and with the Financial Report for the first half of 2007. Please also refer to our 2006 Annual Report ("the Annual Report") in English which is a translation[1] of the French "Document de Référence" for information purposes (pages 118 to 175).

1 2007 Main Developments

1.1 Main Developments for the First Nine Months of 2007

1.1.1 ACQUISITIONS/DIVESTITURES OF CONSOLIDATED COMPANIES

- **Combination of the Canal+ Group and TPS Pay-TV Activities in France**

The combination of the Canal+ Group and TPS pay-TV activities in France was completed on January 4, 2007.

A detailed description of the transaction is presented in Note 2.1 to the Consolidated Financial Statements for the year ended December 31, 2006 (from pages 198 to 201 of the Annual Report). Please refer to Note 2.1 to the Condensed Financial Statements for the nine months ended September 30, 2007 for a detailed presentation of its impact on the Condensed Financial Statements as of September 30, 2007. In particular, Vivendi accrued a dilution profit of €239 million resulting from the sale of a 10.18% equity interest in Canal+ France to Lagardère. Furthermore, considering the repayment of the advance paid to TF1 and M6 in January 2006 upon the signing of the draft combination agreement (€150 million) and the recognition of the net cash of TPS, consolidated since January 4, 2007 (€64 million), the transaction resulted in a decrease of €214 million in the Financial Net Debt.

- **Acquisition of a 51% stake in Onatel in Burkina Faso by Maroc Telecom**

In December 2006, Maroc Telecom acquired a 51% stake in Onatel, the national telecommunications operator in Burkina Faso for a purchase price of €222 million (including acquisition fees) paid in 2006. Onatel has been fully consolidated since January 1, 2007. The recognition of Onatel's net debt resulted in a €54 million increase in Financial Net Debt. Please refer to Note 2.2 to the Condensed Financial Statements for the nine months ended September 30, 2007.

- **Acquisition of a 51% stake in Gabon Telecom by Maroc Telecom**

On February 9, 2007, Maroc Telecom acquired a 51% stake in the national telecommunications operator of Gabon. Gabon Telecom has been fully consolidated since March 1, 2007. Considering the €27 million cash paid and the recognition of Gabon Telecom's net debt, this acquisition resulted in an increase of €104 million in Financial Net Debt. Please refer to Note 2.3 to the Condensed Financial Statements for the nine months ended September 30, 2007.

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

- **Acquisition of BMG Music Publishing by UMG**

On September 6, 2006, Universal Music Group (UMG) entered into an agreement with Bertelsmann AG to purchase 100% of BMG Music Publishing (BMGP). UMG paid Bertelsmann AG €1,639 million in cash on December 15, 2006. On May 25, 2007, following receipt of European Commission clearance, the acquisition was completed. BMGP has been fully consolidated since that date. Including capitalized transaction costs and the benefit of cash generated by trading as from July 1, 2006 to May 25, 2007, the acquisition price paid by UMG was €1,642 million.
As part of its ruling approving the acquisition, the European Commission has required that UMG dispose of certain rights it acquired from Bertelsmann AG in this transaction, as well as some rights UMG previously owned.
Please refer to Note 2.4 to the Condensed Financial Statements for the nine months ended September 30, 2007.

- **Acquisition of the fixed telephony and broadband activities of Télé2 France by SFR**

On October 2, 2006, SFR signed an agreement with the Tele2 AB Group to acquire the fixed telephony and broadband activities of Télé2 France. The acquisition was completed on July 20, 2007 for an enterprise value (cash and debt free) of €345 million. This transaction resulted in an increase of €322 million in Financial Net Debt, considering the net cash acquired from Télé2 France. Télé2 France, which had 350,000 broadband customers and 2.3 million fixed-line customers as of the acquisition date, reported revenues of approximately €225 million for the first half of 2007. Please refer to Note 2.5 to the Condensed Financial Statements for the nine months ended September 30, 2007.

- **Acquisition of Sanctuary Group Plc by UMG**

On June 15, 2007, UMG made an offer for the share capital of The Sanctuary Group plc ("Sanctuary"), a company listed on the London Stock Exchange. Sanctuary is an international music group encompassing recorded product, merchandising and artist services. UMG declared the offer wholly unconditional and gained control of the company on August 2, 2007, having received valid acceptances of the offer from shareholders representing 60% of the issued share capital of Sanctuary and having acquired a further 30% of the issued share capital, for a cash consideration of £13 million (€19 million). Sanctuary was de-listed from the London Stock Exchange on September 3, 2007, and pursuant to the provisions of the English Companies Act 2006, UMG acquired the remaining Sanctuary shares to obtain 100% legal ownership of the company on September 27, 2007. As a result of these transactions, UMG acquired Sanctuary for a price consideration of £119 million (€178 million), including a total cash consideration, including costs, of £50 million (€75 million) and Sanctuary's net debt of £69 million (€103 million). Sanctuary has been fully consolidated since August 2, 2007. Please refer to Note 2.6 to the Condensed Financial Statements for the nine months ended September 30, 2007.

1.1.2 ACQUISITIONS/DIVESTITURES OF INVESTMENTS

Minority stake in Amp'd. On June 1, 2007, Amp'd Mobile filed for Chapter 11 bankruptcy protection. As a result, Vivendi has written-off its 19.7% minority stake in this company ($75 million) as well as a related loan ($10 million). As of June 30, 2007, the impairment loss amounted to €65 million. On July 23, 2007, Amp'd Mobile filed for Chapter 7 bankruptcy.

1.1.3 OTHER

Dividend paid with respect to fiscal year 2006. At the Annual Shareholders' Meeting held on April 19, 2007, Vivendi's shareholders approved the Management Board's recommendations relating to the allocation of distributable earnings for fiscal year 2006. As a result, the dividend was set at €1.20 per share, representing a total distribution of €1,387 million which was paid on April 26, 2007.

Voluntary redundancy plan at the Canal+ Group level, described in Note 32 to the Consolidated Financial Statements of Vivendi for the year ended December 31, 2006 (page 273 of the 2006 Annual Report). Pursuant to the method agreement, the Works Councils issued their opinion on April 6, 2007 and the new organization is therefore being implemented. The plan could result in approximately 250 employees leaving the company.

1.2 Main Developments since September 30, 2007

Vivendi and Moroccan Caisse de Dépôt et de Gestion Group announce Agreement. On October 25, 2007, Vivendi and Moroccan Caisse de Dépôt et de Gestion Group (CDG) announced a two-phased strategic agreement: CDG will become a 0.6% shareholder of Vivendi and Vivendi will acquire 2% of the share capital of Maroc Telecom from CDG, increasing its stake in Maroc Telecom from 51% to 53%. The acquisition will take the form of an exchange of shares, with CDG receiving Vivendi shares acquired on the market. Vivendi has implemented a repurchase program of 7 118 181 shares from November 6, 2007 for a maximum duration of 15 trading days.

1.3 Transactions underway as of September 30, 2007

Acquisition plan of Debitel France and its distribution subsidiary, Videlec. On July 19, 2007, CID, a company owned 40% by SFR, signed a Share Purchase Agreement with Debitel AG to acquire Debitel France (140,000 customers), and its distribution subsidiary, Videlec (63 retail-shops). This transaction is subject to the regulatory approvals of the antitrust authorities.

2 Earnings

2.1 Consolidated Statement of Earnings and Adjusted Statement of Earnings

2007 THIRD QUARTER

CONSOLIDATED STATEMENT OF EARNINGS			**ADJUSTED STATEMENT OF EARNINGS**		
	Three Months Ended September 30,		Three Months Ended September 30,		
(In millions of euros, except per share amounts)	2007	2006	2007	2006	
Revenues	€ **5,420**	€ **4,889**	€ **5,420**	€ **4,889**	**Revenues**
Cost of revenues	(2,404)	(2,185)	(2,404)	(2,185)	Cost of revenues
Margin from operations	**3,016**	**2,704**	**3,016**	**2,704**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(1,656)	(1,435)	(1,656)	(1,435)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	(25)	31	(25)	31	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(59)	(54)			
Impairment losses of intangible assets acquired through business combinations	(2)	-			
EBIT	**1,274**	**1,246**	**1,335**	**1,300**	**EBITA**
Income from equity affiliates	76	90	76	90	Income from equity affiliates
Interest	(60)	(46)	(60)	(46)	Interest
Income from investments	1	5	1	5	Income from investments
Other financial charges and income	(128)	737			
Earnings from continuing operations before provision for income taxes	**1,163**	**2,032**	**1,352**	**1,349**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(248)	(133)	(237)	(280)	Provision for income taxes
Earnings from continuing operations	**915**	**1,899**			
Earnings from discontinued operations	-	-			
Earnings	€ **915**	€ **1,899**	€ **1,115**	€ **1,069**	**Adjusted net income before minority interests**
Attributable to :					
Equity holders of the parent	**578**	**1,561**	**721**	**731**	**Adjusted net income**
Minority interests	337	338	394	338	Minority interests
Earnings, attributable to equity holders of the parent per share - basic (in euros)	€ **0.50**	€ **1.35**	€ **0.62**	€ **0.63**	**Adjusted net income per share - basic (in euros)**
Earnings, attributable to equity holders of the parent per share - diluted (in euros)	€ **0.49**	€ **1.34**	€ **0.62**	€ **0.63**	**Adjusted net income per share - diluted (in euros)**

2007 FIRST NINE MONTHS

CONSOLIDATED STATEMENT OF EARNINGS			ADJUSTED STATEMENT OF EARNINGS		
	Nine Months Ended September 30,		Nine Months Ended September 30,		
(In millions of euros, except per share amounts)	2007	2006	2007	2006	
Revenues	**€ 15,643**	**€ 14,499**	**€ 15,643**	**€ 14,499**	**Revenues**
Cost of revenues	(6,910)	(6,649)	(6,910)	(6,649)	Cost of revenues
Margin from operations	**8,733**	**7,850**	**8,733**	**7,850**	**Margin from operations**
Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations	(4,869)	(4,222)	(4,869)	(4,222)	Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations
Restructuring charges and other operating charges and income	67	20	67	20	Restructuring charges and other operating charges and income
Amortization of intangible assets acquired through business combinations	(179)	(167)			
Impairment losses of intangible assets acquired through business combinations	(33)	-			
EBIT	**3,719**	**3,481**	**3,931**	**3,648**	**EBITA**
Income from equity affiliates	248	245	248	245	Income from equity affiliates
Interest	(124)	(161)	(124)	(161)	Interest
Income from investments	5	51	5	51	Income from investments
Other financial charges and income	(51)	218			
Earnings from continuing operations before provision for income taxes	**3,797**	**3,834**	**4,060**	**3,783**	**Adjusted earnings from continuing operations before provision for income taxes**
Provision for income taxes	(724)	518	(769)	(743)	Provision for income taxes
Earnings from continuing operations	**3,073**	**4,352**			
Earnings from discontinued operations	-	-			
Earnings	**3,073**	**4,352**	**3,291**	**3,040**	**Adjusted net income before minority interests**
Attributable to :					
Equity holders of the parent	**2,104**	**3,423**	**2,247**	**2,109**	**Adjusted net income**
Minority interests	969	929	1,044	931	Minority interests
Earnings, attributable to equity holders of the parent per share - basic (in euros)	**€ 1.82**	**€ 2.97**	**€ 1.94**	**€ 1.83**	**Adjusted net income per share - basic (in euros)**
Earnings, attributable to equity holders of the parent per share - diluted (in euros)	**€ 1.81**	**€ 2.94**	**€ 1.93**	**€ 1.81**	**Adjusted net income per share - diluted (in euros)**

Note: Beginning January 1, 2007, subscriber management and acquisition costs, as well as television distribution costs incurred by Canal+ Group, are included in selling, general and administrative expenses instead of cost of revenues. In order to provide consistent information, 2006 nine months and third quarter amounts were adjusted as follows: the margins from operations are now €7,850 million instead of €7,515 million as published in 2006 and €2,704 million instead of €2,588 million as published in 2006, respectively. Please refer to Note 1.3 to the Condensed Financial Statements for the nine months ended September 30, 2007.

2.2 Earnings Review

For the first nine months of 2007, **adjusted net income** totaled €2,247 million (representing adjusted net income per share of €1.94), compared to adjusted net income of €2,109 million for the first nine months of 2006 (representing adjusted net income per share of €1.83), an increase of €138 million (+6.5%).

For the first nine months of 2007, **earnings attributable to equity holders of the parent** totaled €2,104 million (representing earnings per share of €1.82), compared to earnings of €3,423 million for the first nine months of 2006 (representing earnings per share of €2.97), a decrease of €1,319 million (-38.5%). The reconciliation of earnings attributable to equity holders of the parent with adjusted net income is presented in Note 6 to the Condensed Financial Statements for the nine months ended September 30, 2007. For the first nine months of

2007, the difference mainly included the dilution profit realized on the sale of a 10.18% equity interest in Canal+ France to Lagardère[2] (+€239 million), the amortization and impairment losses of intangible assets acquired through business combinations (-€212 million before tax and minority interests) and the write-off of the minority stake in Amp'd (-€65 million). For the first nine months of 2006, it mainly included the gain resulting from the settlement of the tax dispute concerning the DuPont shares (+€921 million), the capital gain generated on the sale of the Veolia Environnement shares (+€834 million) and the capital loss incurred on the PTC shares (-€496 million).

The €138 million improvement in **adjusted net income** was primarily due to the following positive impacts:

– a €283 million increase from the strong growth in EBITA, that reflects Vivendi's business units superior performance, attributable to Canal+ Group (+€171 million, despite transition costs of €56 million), Maroc Telecom (+€160 million), Vivendi Games (+€74 million), as well as Holding & Corporate (+€66 million), despite the downturn reported by UMG (-€98 million) and SFR (-€29 million). This performance also included the positive impact of the settlement of a tax litigation (+€73 million) and the agreement to sell residual real estate assets in Germany (+€48 million) at Holding & Corporate. However, EBITA for the first nine months of 2006 also included a non-recurring gain resulting from the actions implemented as part of the management of retirement pension obligations (+€59 million) at Holding & Corporate, the recovery of a cash deposit from the TVT litigation (+€50 million), the compensation received following the Napster litigation settlement at UMG and a profit resulting from the sale of residual real estate assets in La Défense (+€32 million);

– a €3 million increase in income from equity affiliates; and

– a €37 million reduction in interest.

These positive impacts were partially offset by the following negative items:

– a €46 million decrease in income from investments;

– a €26 million increase in tax expense; and

– a €113 million increase in the share of earnings attributable to minority interests.

Breakdown of the main items of the consolidated statement of earnings

Revenues amounted to €15,643 million compared to €14,499 million for the first nine months of 2006, an increase of €1,144 million (+7.9%, representing +9.4% at constant currency).

For a breakdown of revenues by business segment, please refer to Section 4 "Revenues and EBITA by business segment".

Restructuring charges and other operating charges and income represented a net income of €67 million compared to an income of €20 million for the first nine months of 2006, representing an increase of €47 million. For the first nine months of 2007, it mainly included the favorable effect of the settlement in Vivendi S.A.'s favor of a litigation instigated by it regarding its right to deduct VAT (+€73 million) and the agreement to sell residual real estate assets in Germany (+€48 million), partially offset by restructuring expenses resulting from Canal+ Group's voluntary redundancy plan. For the first nine months of 2006, it notably included the gain resulting from the sale of residual real estate assets in La Défense (+€32 million) partly offset by restructuring expenses resulting from a voluntary redundancy plan at Maroc Telecom.

EBITA totaled €3,931 million compared to €3,648 million for the first nine months of 2006, representing an increase of €283 million (+7.8%, representing +8.9% at constant currency).

For a breakdown of EBITA by business segment, please refer to Section 4 "Revenues and EBITA by business segment".

Impairment losses of intangible assets acquired through business combinations amounted to €33 million for the first nine months of 2007 mainly corresponding to the depreciation of the TPS trade name following the marketing termination of the TPS branded program bouquet.

[2] *Please refer to Note 2.1 to the Condensed Financial Statements for the nine months ended September 30, 2007 "Combination of the Canal+ Group and TPS pay-TV activities in France".*

EBIT amounted to €3,719 million compared to €3,481 million for the first nine months of 2006, representing an increase of €238 million (+6.8%).

Income from equity affiliates totaled €248 million compared to €245 million for the first nine months of 2006, representing an increase of €3 million. Our share of income from NBC Universal represented €197 million for the first nine months of 2007 compared to €216 million for the first nine months of 2006, this decrease being related to the decline of the U.S. dollar.

Interest amounted to €124 million compared to €161 million for the first nine months of 2006, representing an improvement of €37 million. This improvement reflected the increase in interest income generated by cash and cash equivalents (+€35 million), offset by the increase of interest expense incurred on borrowings (-€23 million). Interest expense on borrowings rose due to the increase in average outstanding borrowings (€7.5 billion for the first nine months of 2007 compared to €6.4 billion for the first nine months of 2006, calculated on a daily basis), despite the decrease in the average financing rate over the period (4.14% for the first nine months of 2007 compared to 4.33% for the first nine months of 2006). This reduction in the average financing rate was mainly due to the settlement in July 2006 of outstanding swaps ($2.5 billion), which generated a financial surcharge due to the unfavorable US dollar/euro interest rate difference. Furthermore, between January 1 and May 25, 2007 the capitalization of interest relating to the acquisition of BMG Publishing amounted to €25 million.

For more information, please refer to Note 4 to the Condensed Financial Statements for the nine months ended September 30, 2007.

Income from investments totaled €5 million compared to €51 million for the first nine months of 2006, a decrease of €46 million notably due to the sale of the DuPont shares in June 2006 and Veolia Environnement shares in July 2006. Vivendi received dividends from these investments during the first nine months of 2006 of €10 million and €18 million, respectively.

Other financial charges and income represented a net charge of €51 million compared to a net income of €218 million for the first nine months of 2006, an unfavorable difference of €269 million. For the first nine months of 2007, this line item mainly included the dilution gain resulting from the entry of Lagardère into the share capital of Canal+ France (+€239 million, in addition to the dilution gain of €128 million recorded in the fourth quarter of 2006[3]), notably offset by the write-off of the minority stake in Amp'd (-€65 million), as well as the undiscounting effect of long term liabilities (-€60 million). For the first nine months of 2006, this line item principally included capital gains generated on the sales of Veolia Environnement shares (+€834 million), Sogecable shares (+€66 million) and the residual 20% stake in Ypso (+€56 million), partly offset by the capital losses incurred on the PTC shares (-€496 million) and on the sale of the DuPont shares (-€98 million), as well as by the additional provision recognized in connection with the vendor warranties given as part of the sale of Xfera in 2003 (-€49 million).

For more information, please refer to Note 4 to the Condensed Financial Statements for the nine months ended September 30, 2007.

Provision for income taxes was a net charge of €724 million compared to a net income of €518 million for the first nine months of 2006. The net income tax profit recorded in 2006 included non-recurring items adjusting previous years' income tax (+€1,186 million income versus -€30 million charges in 2007), in particular the gain related to the settlement of the DuPont litigation (+€1,019 million). Excluding the impact of these non-recurring items, the increase in income tax expense amounted to €26 million, which reflected the improvement in earnings of the group.

Earnings attributable to minority interests, mainly SFR and Maroc Telecom, as well as Canal+ France following the entry into its share capital of Lagardère, TF1 and M6 in January 2007[3], amounted to €969 million compared to €929 million for the first nine months of 2006. This increase of €40 million is notably due to higher earnings from Maroc Telecom.

2.3 Vivendi's Outlook for 2007

Vivendi confirmed its 2007 outlook for an adjusted net income expected to be above €2.7 billion.

[3] *Please refer to Note 2.1 to the Condensed Financial Statements for the nine months ended September 30, 2007 "Combination of the Canal+ Group and TPS pay-TV activities in France".*

3 Cash Flow from Operations (CFFO) and Cash Flow from Operations after Interest and Taxes (CFAIT)

Preliminary comment: *Vivendi considers that the non-GAAP measures Cash flow from operations (CFFO) and cash flow from operations after interest and taxes (CFAIT), are relevant indicators of the group's operating and financial performances. These indicators should be considered in addition to, not as substitutes for, other GAAP measures as reported in Vivendi's cash flow statement, presented within the group's Condensed Financial Statements.*

For the nine months ended September 30, 2007, cash flow from operations after interest and income tax paid (CFAIT) totaled €2,764 million (compared to €1,891 million for the nine months ended September 30, 2006), up €873 million (+46%). This improvement mainly stemmed from the increase in cash flow from operations before capital expenditures generated by businesses (+10%, to €4,836 million) and the fact that, for the first nine months of 2006, the settlement of the DuPont litigation resulted in the payment of income taxes in the amount of €521 million.

Cash flows from operations (CFFO) generated by businesses totaled €3,559 million (compared to €3,081 million for the nine months ended September 30, 2006), an increase of €478 million (+16%). This improvement reflected the increase in EBITDA (after changes in net working capital) and the control of capital expenditures partially offset by the increase in content investments. In addition, CFFO for the nine months ended September 30, 2007 included the repayment of amounts paid following the settlement of the litigation instigated by Vivendi S.A. concerning its right to deduct VAT (+€50 million). Furthermore, CFFO for the nine months ended September 30, 2006 was impacted by the payment made for the transfer of certain US pension plans by Holding & Corporate (-€143 million), partially offset by the recovery of a cash deposit by UMG with respect to the TVT litigation (+€50 million).

		Nine Months Ended September 30,		
(In millions of euros)		2007	2006	% Change
Revenues		15,643	14,499	8%
Operating expenses excluding depreciation and amortization		(10,712)	(9,868)	-9%
Sub-total EBITDA		4,931	4,631	6%
Restructuring charges paid		(60)	(41)	-46%
Content investments, net		(240)	(169)	-42%
Change in provisions included in EBITDA		(25)	(18)	-39%
Other cash operating items excluded from EBITDA		42	(1)	na*
Other changes in net working capital		(107)	(320)	67%
Net cash provided by operating activities before income tax paid	(a)	***4,541***	***4,082***	***11%***
Dividends received from equity affiliates	(b)	294	267	10%
NBC Universal		*260*	*262*	-1%
Dividends received from unconsolidated companies	(b)	1	30	-97%
Capital expenditures, net (capex, net)	(c)	(1,277)	(1,298)	2%
SFR		*(799)*	*(909)*	12%
Maroc Telecom		*(300)*	*(204)*	-47%
Cash flow from operations (CFFO)		**3,559**	**3,081**	**16%**
Interest paid	(d)	(149)	(161)	7%
Other cash items related to financial activities	(d)	(1)	46	na*
Cash impact of currency hedging		*6*	*70*	-91%
Financial activities cash payments		***(150)***	***(115)***	***-30%***
Payment received from the French State Treasury as part of the Consolidated Global Profit Tax System		603	505	19%
Income tax paid with respect to DuPont settlement with IRS (June)		-	(521)	na*
Other taxes paid		(1,248)	(1,059)	-18%
Income tax (paid) / collected	(a)	***(645)***	***(1,075)***	***40%***
Cash flow from operations after interest and income tax paid (CFAIT)		**2,764**	**1,891**	**46%**

a. As presented in operating activities of Vivendi's Statement of Cash Flows (please refer to Section 5.2).
b. As presented in investing activities of Vivendi's Statement of Cash Flows (please refer to Section 5.2).
c. Consists of capital expenditures, net of proceeds from property, plant and equipment and intangible assets as presented in investing activities of Vivendi's Statement of Cash Flows (please refer to Section 5.2).
d. As presented in financing activities of Vivendi's Statement of Cash Flows (please refer to Section 5.2).

4 Revenues and EBITA by Business Segment

2007 THIRD QUARTER

(In millions of euros)	Three Months Ended September 30, 2007		2006	% Change	% Change at constant rate
Revenues					
Universal Music Group	€ 1,170	(a)	€ 1,096	6.8%	10.6%
Canal+ Group	1,077	(b)	879	22.5%	22.2%
SFR	2,311		2,196	5.2%	5.2%
Maroc Telecom	654		561	16.6%	18.1%
Vivendi Games	216		182	18.7%	25.6%
Non core operations and elimination of inter segment transactions	(8)		(25)	68.0%	68.0%
Total Vivendi	**€ 5,420**		**€ 4,889**	**10.9%**	**12.1%**
EBITA					
Universal Music Group	€ 115	(a)	€ 138	-16.7%	-13.1%
Canal+ Group	207	(b)	148	39.9%	39.4%
SFR	702		706	-0.6%	-0.6%
Maroc Telecom	313		281	11.4%	13.1%
Vivendi Games	41		24	70.8%	85.4%
Holding & Corporate	(37)		(32)	-15.6%	-17.1%
Non core operations	(6)		35	na*	na*
Total Vivendi	**€ 1,335**		**€ 1,300**	**2.7%**	**3.6%**

2007 FIRST NINE MONTHS

(In millions of euros)	Nine Months Ended September 30, 2007		2006	% Change	% Change at constant rate
Revenues					
Universal Music Group	€ 3,265	(a)	€ 3,298	-1.0%	3.3%
Canal+ Group	3,231	(b)	2,712	19.1%	19.0%
SFR	6,647		6,497	2.3%	2.3%
Maroc Telecom	1,819		1,554	17.1%	19.1%
Vivendi Games	716		478	49.8%	59.5%
Non core operations and elimination of inter segment transactions	(35)		(40)	12.5%	12.5%
Total Vivendi	**€ 15,643**		**€ 14,499**	**7.9%**	**9.4%**
EBITA					
Universal Music Group	€ 335	(a)	€ 433	-22.6%	-19.6%
Canal+ Group	509	(b)(c)	338	50.6%	50.1%
SFR	2,066		2,095	-1.4%	-1.4%
Maroc Telecom	851		691	23.2%	25.4%
Vivendi Games	160		86	86.0%	104.2%
Holding & Corporate	14		(52)	na*	na*
Non core operations	(4)		57	na*	na*
Total Vivendi	**€ 3,931**		**€ 3,648**	**7.8%**	**8.9%**

na*: not applicable

(a) Includes BMGP and Sanctuary, fully consolidated by UMG as of May 25, 2007 and August 2, 2007 respectively.
(b) Includes TPS, fully consolidated by Canal+ France as of January 4, 2007.
(c) Includes the transition costs related to the combination with TPS for €56 million.

COMMENTS ON REVENUES AND EBITA FOR CONTROLLED BUSINESS SEGMENTS

Universal Music Group (UMG) (100% Vivendi economic interest)

Revenues

Universal Music Group's (UMG's) revenues of €3,265 million declined slightly compared to the same period last year with adverse currency movements and lower product sales and license income partly offset by revenues from recent acquisitions BMG Music Publishing (BMGP) and Sanctuary[4]. Excluding these acquisitions and at constant currency, revenues were 1.5% less than the previous year in a difficult music market. This result reflects strong digital sales growth and better than market performance. Digital sales of €488 million grew 47% versus last year at constant currency, representing 15% of total revenues up from 11% last year. Best sellers included albums from Nelly Furtado, Amy Winehouse, Mika, Maroon 5, Kanye West and 50 Cent.

EBITA

UMG's EBITA of €335 million was down €98 million compared to the same period last year, which included the recovery of a cash deposit in the TVT lawsuit and the settlement of the Napster litigation. A difficult recorded music market, unfavourable currency movements and an adverse sales mix offset growth in music publishing following the acquisition of BMGP.

The Canal+ Group (100% Vivendi economic interest; Vivendi economic interest in Canal+ France: 65%)

Revenues

Canal+ Group's revenues were €3,231 million compared to €2,712 million for the first nine months of 2006. This represents a €519 million increase (+19.1%).

Revenues from pay-TV operations in France were up €551 million (+24%), mainly driven by the TPS acquisition[5], subscription portfolio growth of Canal+ and CanalSat in France and overseas territories, as well as higher advertising revenues.

At the end of the period, Canal+ Group's total subscription portfolio (Canal+ France scope) reached 10.4 million, which represented a net increase of 430,000 subscriptions compared to the combined subscriptions of Canal+ Group and TPS at the end of September 2006.

Revenues from other operations (excluding PSG, sold in June 2006) were slightly up thanks to continued subscription portfolio growth in Poland and increased advertising revenues from i>TELE, which has established itself as France's number one news network.

EBITA

Canal+ Group reported EBITA, excluding transition costs linked to the TPS merger, of €565 million compared to €338 million for the first nine months of 2006, a €227 million increase. Including transition costs (€56 million including €18 million for the third quarter), EBITA totaled €509 million.

This growth was mainly driven by the strong performance of pay-TV operations in France, which posted an EBITA growth of €220 million excluding transition costs. In addition to higher revenues thanks mainly to portfolio growth, EBITA benefited from synergies from the TPS merger, both in distribution costs (subscriber acquisition costs and management costs) and programming costs.

EBITA from other operations was also on the rise, mainly due to good performance of Canal+ in Poland.

SFR (56% Vivendi economic interest)

Revenues

SFR's revenues [6] increased by 2.3% to €6,647 million compared to the same period in 2006.

Mobile revenues increased by 1.0% to €6,539 million compared to the same period in 2006. Mobile service revenues [7] increased by 0.4% to €6,254 million.

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[4] *UMG's first nine months and third quarter of 2007 revenues included BMGP's revenues, consolidated since May 25, 2007, for a total of €129 million and €80 million, respectively and Sanctuary's revenues, consolidated since August 2, 2007, for a total of €28 million.*

[5] *Canal+ Group's 2007 revenues include TPS' revenues consolidated since January 4, 2007, when Vivendi and Canal+ Group obtained the control of TPS. For information, TPS' revenues amounted to €443 million for the first nine months of 2006 and €149 million for the third quarter of 2006.*

[6] *SFR's 2007 revenues include Télé2 France's revenues, consolidated since July 20, 2007. For information, Télé2 France's revenues amounted to €103 million for the third quarter of 2006.*

[7] *Mobile service revenues correspond to mobile revenues excluding net equipment sales revenues.*

The favorable effects of an increase in the customer base along with growth in "voice" and "data" usage and the Enterprise segment dynamism were largely offset by strong cuts on mobile voice termination rates (21%) as of January 1, 2007, and on SMS termination rates (30%) as of mid-September 2006. SFR's ARPU [8] decreased by 4.2% to €443 at the end of September 2007 (versus €463 at the end of September 2006). Excluding the impacts of regulated tariff cuts, SFR service revenues would have been up by 4%, in line with French GDP.
For the first nine months of the year, SFR added 226,000 net new customers, taking its registered customer base to 18.109 million[9], a 3.4% increase on a year-on-year basis. The contract customer base grew by 5.8% year-on-year to 11.990 million, leading to an improved customer mix of 1.5 percentage point in one year. 3G customers reached 3.5 million at the end of September 2007, compared to 2.7 million at the end of December 2006.
Despite the impact of the regulator's cut on SMS termination rates, net data revenues improved by 3.9% mainly due to interpersonal services (SMS and MMS), content (music, TV-Videos, games) and the development of mobile Internet and corporate segment operations. Net data revenues represented 13.2% of service revenues at the end of September 2007, compared to 12.8% at the end of September 2006. Number of text messages (SMS) sent by SFR customers grew by 11.7% on a year-on-year basis to 5.2 billion. Data services excluding SMS and MMS increased by 15.4% and represent now 36% of total data revenues compared to 32% in 2006.
ADSL and fixed revenues [6] reached €108 million, mainly reflecting the integration of Télé2 France as of July 20, 2007. In total, SFR has 373,000 ADSL customers and 2.219 million fixed voice customers at the end of September 2007.

EBITA

Due to the launch of the ADSL offers and the Télé2 France integration (since July 20, 2007), with total costs amounting to €30 million, SFR's EBITA decreased by €29 million (-1.4%) compared to the same period in 2006, for a total of €2,066 million.
SFR's mobile EBITA was stable to €2,096 million. This reflects the increase by 0.4 % in mobile service revenues and the strong control of costs (before acquisition and retention costs) which are offset by the 1.7 percentage point in customer acquisition and retention costs to 11.1% of mobile service revenues (due to higher volumes of post-paid recruitments and retention initiatives and to the penetration of 3G devices among SFR's customer base),along with the mobile depreciation costs increase by €30 million following years of investments in 2G and 3G/3G+ networks.
SFR's mobile EBITA before depreciation increased by €24 million to €2,746 million.

Maroc Telecom (51% Vivendi economic interest)

Revenues

Maroc Telecom's revenues [10] increased by 17.1% to €1,819 million compared to the same period last year (+9.0% at constant currency and at constant perimeter [11]).
Mobile revenues [12] grew by 23.2% to €1,266 million compared to the same period last year (+18.3% at constant currency and at constant perimeter).
Despite increased competition, the customer base [13] [14] still experienced strong growth and reached 12,838 million of customers, up 22.3% compared to September 2006 and a net increase of 2,131 million customers over the first nine months, driving the sharp evolution of mobile revenue.
With the strong increase in customer base and the decrease in access fees, the churn rate [13] reached 26.6%, increasing by 6.2 points compared to September 2006.

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[8] *ARPU (Average Revenue Per User) is calculated on a twelve-month rolling period by dividing revenues net of promotions and net of third-party content provider revenues, excluding roaming in and equipment sales, by average Arcep total customer base for the last twelve months. ARPU is calculated excluding revenues from phone directory activities (Annuaire Express).*

[9] *SFR excluding wholesale customer total base. Wholesale customer base reached 977,000 at the end of September 2007 (excluding pre-activations). As a reminder, as from January 1, 2007, VNO base is calculated excluding pre-activations.*

[10] *Maroc Telecom's 2007 revenues included Onatel, consolidated from January 1, 2007, and Gabon Télécom, consolidated from March 1, 2007.*

[11] *Constant perimeter illustrates the full consolidation of Onatel and Gabon Télécom as if these transactions had occurred at the beginning of 2006 for Onatel and on March 1, 2006 for Gabon Télécom*

[12] *Revenues linked to incoming international traffic towards Maroc Telecom mobile and to outgoing international traffic from Maroc Telecom mobile has been directly accounted for in mobile operations since January 1, 2007 whereas it was previously accounted for as transit revenue for fixed and Internet operations. Revenue evolution rates are consistent with this new presentation. This has no impact on Maroc Telecom global net revenues.*

[13] *Concerns only Morocco.*

[14] *The customer base includes prepaid customers giving or receiving a voice call during the last 3 months and not resiliated postpaid customers.*

The blended ARPU [13] [15] reached €9.8, down 8.1% at constant currency compared to the same period last year, mainly due to a strong increase of the customer base. The average price decrease of communication generated by promotional offers, in particular unlimited offers, allowed strong customer usage growth.
Fixed and Internet revenues [12] grew by 5.9% to €743 million compared to the same period last year (-5.1% at constant currency and at constant perimeter).
Fixed customer base [13] reached 1.279 million of lines, experiencing a net increase of 12,650 lines over the first nine months of 2007 due to the success of unlimited offers launched at the end of 2006. Average invoice amount is decreased by 1.7% over the same period.
The ADSL customer base [13] still experienced a strong growth, due to the active promotions policy. It reached 443,000 lines, displaying a net increase of more than 59 000 lines over the first nine months of 2007 and increasing by 29.8% compared to September 2006.

EBITA

Maroc Telecom's EBITA increased by 23.2% to €851 million compared to the first nine months of 2006 (+25.9% at constant currency and at constant perimeter).
This performance is linked to the combined effect of the revenue growth, the control of acquisition costs given the steady growth in the mobile customer base and the control of operational expenses.
Excluding 2006 accrual and 2007 reversal of exceptional provisions, Maroc Telecom's EBITA increased by 19.9% at constant currency and at constant perimeter.

Vivendi Games (100% Vivendi economic interest)

Revenues

Vivendi Games' revenues of €716 million were 49.8% above the same period last year (up 59.5% on a constant currency basis).
This strong increase is primarily driven by the continued momentum of Blizzard Entertainment's World of Warcraft, its award-winning subscription-based massively multiplayer online role-playing game (MMORPG) and the very successful first quarter 2007 release of World of Warcraft: The Burning Crusade, Blizzard Entertainment's first World of Warcraft expansion. The Chinese version was released late in the third quarter. Revenues also included initial sales of the highly rated action-strategy game World in Conflict from Sierra Entertainment, developed by their internal studio Massive Entertainment and released in the third quarter.

EBITA

Vivendi Games' EBITA (€160 million) increased 86% on the previous year (up 104.2% at constant currency). This strong growth was primarily driven by the continued momentum of Blizzard's World of Warcraft, including the very successful first quarter 2007 release of World of Warcraft: The Burning Crusade. Following the launch of the expansion pack in the first quarter of 2007, World of Warcraft's subscriber base increased to more than 9.3 million worldwide (up more than one million subscribers since December 31, 2006). EBITA also included continued development costs for the Sierra Online and Vivendi Games Mobile divisions.

Holding & Corporate

EBITA

Holding & Corporate EBITA amounted to an income of €14 million, up €66 million compared to the first nine months of 2006. This increase was primarily due to the favorable impact of the settlement in Vivendi S.A.'s favor in February 2007 of a litigation instigated by it regarding its right to deduct VAT. This resulted in the recognition of income of €73 million, comprising the repayment of amounts paid following a tax audit of €50 million and reversals of provisions recorded in respect of fiscal years open to audit of €23 million. In addition, in the first nine months of 2007, EBITA included the positive impact of the agreement to sell residual real estate assets in Germany (€48 million). In the first nine months of 2006, EBITA included a non-recurring gain resulting from actions implemented as part of the management of retirement pension obligations (€59 million).

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[15] *ARPU (Average Revenue Per User) is defined as revenues from incoming and outcoming calls and data services, net of promotions and excluding roaming in and equipment sales, divided by average prepaid and postpaid customer base over the period.*

5 Treasury and Capital Resources

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

5.1 Synthesis of Financial Net Debt changes

As of September 30, 2007, Financial Net Debt amounted to €5,662 million, compared to €4,344 million as of December 31, 2006.

(In millions of euros)	September 30, 2007	December 31, 2006
Borrowings and other financial liabilities	€ 8,011	€ 7,315
Long-term (a)	*6,201*	*4,714*
Short-term (a)	*1,810*	*2,601*
Derivative financial instruments in assets (b)	*(48)*	(52)
Collateralized cash received from Lagardère (b)	-	(469)
Cash deposits backing borrowings (b)	*(55)*	(50)
	7,908	**6,744**
Cash and cash equivalents (a)	(2,246)	(2,400)
Financial Net Debt	**€ 5,662**	**€ 4,344**

a. As presented in the Consolidated Statement of Financial Position
b. Are included in the Financial Assets item of the Consolidated Statement of Financial Position

For the first nine months of 2007, Financial Net Debt increased by €1,318 million, mainly due to the adverse impact of non-cash activities (€1,164 million).

- Net cash used during the period amounted to €154 million, reflecting net cash provided by operating activities in the amount of €3,896 million, more than offset by net cash used for investing activities (€987 million, including €1,277 million due to capital expenditures, net) and net cash used for financing activities (€3,059 million, including the dividend paid by Vivendi S.A. to its shareholders in the amount of €1,387 million, the dividends paid by the consolidated subsidiaries to their minority shareholders amounting to €1,048 million and the repayment net of borrowings amounting to €613 million).
- Non-cash activities impacting Financial Net Debt amounted to €1,164 million. These mainly included the recognition of the put options granted to TF1 and M6 on their 15% interest in Canal+ France[16] (€1,018 million), the elimination of the cash received from Lagardère (€469 million; see above table) that was deducted from Financial Net Debt as of December 31, 2006, the inclusion of the financial debt of recently acquired companies (€271 million), and the net decrease in borrowings (€613 million).

[16] *See Note 2.1 to the Condensed Financial Statements for the nine months ended September 30, 2007 "Combination of the Canal+ Group and TPS pay-TV activities in France."*

(In millions of euros)	Cash and cash equivalents	Borrowings and other (a)	Impact on financial net debt
Financial Net Debt as of December 31, 2006	**€ (2,400)**	**€ 6,744**	**€ 4,344**
Outflows/(inflows) generated by:			
Operating activities	(3,896)	-	(3,896)
Investing activities	987	747	1,734
Financing activities	3,059	419	3,478
Foreign currency translation adjustments	4	(2)	2
Change in financial net debt over the period	154	1,164	1,318
Financial Net Debt as of September 30, 2007	**(2,246)**	**7,908**	**5,662**

a. "Other" comprises commitments to purchase minority interests, derivative financial instruments and cash deposits backing borrowings.

5.2 Analysis of Financial Net Debt changes

(In millions of euros)		Refer to section	Nine Months Ended September 30, 2007 Impact on cash and cash equivalents	Impact on borrowings and other	Impact on Financial Net Debt
EBIT		2	(3,719)	-	(3,719)
Adjustments			(1,169)	-	(1,169)
Content investments, net			240	-	240
Gross cash provided by operating activities before income tax paid			***(4,648)***	***-***	***(4,648)***
Other changes in net working capital			107	-	107
Net cash provided by operating activities before income tax paid		3	***(4,541)***	***-***	***(4,541)***
Income tax paid		3	645	-	645
Operating activities	**A**		**(3,896)**	**-**	**(3,896)**
Financial investments					
Purchases of consolidated companies, after acquired cash			379	271	650
Consolidation of TPS by Groupe Canal+ (January)		1.1.1	*(81)*	*17*	*(64)*
Consolidation of Onatel by Maroc Telecom (January)		1.1.1	*(6)*	*60*	*54*
Acquisition of Gabon Telecom by Maroc Telecom (February)		1.1.1	*24*	*80*	*104*
Acquisition of Télé2 France by SFR (July)		1.1.1	*320*	*2*	*322*
Acquisition of Sanctuary by UMG (August)		1.1.1	*61*	*108*	*169*
Purchases of investments in equity affiliates			71	-	71
Increase in financial assets			97	(1)	96
Total financial investments			***547***	***270***	***817***
Financial divestments					
Proceeds from sales of consolidated companies, after divested cash			(413)	469	56
Unwinding of the cash collateral related to the creation of Canal+ France (January)		1.1.1	*(469)*	*469*	*-*
Vendor warranty related to the divestiture of Xfera in 2003 (July)			*(71)*	*-*	*(71)*
Sales of investments in equity affiliates			(11)	8	(3)
Decrease in financial assets			(118)	-	(118)
Repayment of the advance paid to TF1 and M6 related to the creation of Canal+ France (January)		1.1.1	*(150)*	*-*	*(150)*
Total financial divestments			***(542)***	***477***	***(65)***
Financial investment activities			**5**	**747**	**752**
Dividends received from equity affiliates		3	(294)	-	(294)
NBC Universal			(260)	-	(260)
Dividends received from unconsolidated companies		3	(1)	-	(1)
Investing activities excluding capital expenditures and proceeds from sales of property, plant, equipment and intangible assets, net			**(290)**	**747**	**457**
Capital expenditures			1,299	-	1,299
Proceeds from sales of property, plant, equipment and intangible assets			(22)	-	(22)
Capital expenditures, net		3	***1,277***	***-***	***1,277***
Investing activities	**B**		**987**	**747**	**1,734**

Table continued on next page.

For further information about net cash provided by operating activities before income tax paid, income tax paid and capital expenditures, net, please refer to Section 3 "Cash Flows from Operations (CFFO) and Cash Flow from Operations after Interest and Taxes (CFAIT)" above.

Table continued from previous page

		Nine Months Ended September 30, 2007		
(In millions of euros)	Refer to section	Impact on cash and cash equivalents	Impact on borrowings and other	Impact on Financial Net Debt
Transaction with shareholders				
Net proceeds from issuance of common shares		(131)	-	(131)
Exercise of stock-options by executive management and employees		*(100)*	-	*(100)*
Capital increase subscribed by employees in connection with the stock purchase plan		*(31)*	-	*(31)*
(Sales) purchases of treasury shares		(8)	-	(8)
Dividends paid by Vivendi SA, €1.20 per share (April)		1,387	-	1,387
Dividends paid by consolidated companies to their minority shareholders		1,048	-	1,048
SFR		*710*	-	*710*
Maroc Telecom		*303*	-	*303*
Total dividends and other transactions with shareholders		***2,296***	***-***	***2,296***
Transactions on borrowings and other financial liabilities				
Setting up of long-term borrowings and increase in other long-term financial liabilities		(460)	460	-
Principal payments on long-term borrowings and decrease in other financial liabilities		148	(148)	-
Principal payments on short-term borrowings		1,107	(1,107)	-
Other changes in short-term borrowings and other short-term financial liabilities		(182)	182	-
Non cash transactions		-	1,032	1,032
Put options granted to TF1 and M6 on their interest in Canal+ France		-	*1,018*	*1,018*
Interest paid	3	149	-	149
Other cash items related to financial activities	3	1	-	1
Total transactions on borrowings and other financial liabilities		***763***	***419***	***1,182***
Financing activities	**C**	**3,059**	**419**	**3,478**
Foreign currency translation adjustments	**D**	4	(2)	2
Change in Financial Net Debt	**A+B+C+D**	**154**	**1,164**	**1,318**

6 FORWARD LOOKING STATEMENTS

This report contains forward-looking statements with respect to the financial condition, results of operations, business, strategy and plans of Vivendi. 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 risk that Vivendi will not be able to obtain the necessary regulatory approvals in connection with certain transactions as well as the risks described in the 2006 Document de Référence of the Group filed with the *Autorité des marchés financiers* (French securities regulator) and which is also available in English on Vivendi's web site (www.vivendi.com). The present forward-looking statements are made as of the date of the present report and 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.

7 DISCLAIMER

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

II CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007 (Unaudited)

Condensed Statement of Earnings

	Note	Three Months Ended September 30, (unaudited) 2007	Three Months Ended September 30, (unaudited) 2006	Nine Months Ended September 30, (unaudited) 2007	Nine Months Ended September 30, (unaudited) 2006	Year Ended December 31, 2006
Revenues		**€ 5,420**	**€ 4,889**	**€ 15,643**	**€ 14,499**	**€ 20,044**
Cost of revenues		(2,404)	(2,185)	(6,910)	(6,649)	(9,636)
Selling, general and administrative expenses		(1,715)	(1,489)	(5,048)	(4,389)	(6,266)
Restructuring charges and other operating charges and income		(25)	31	67	20	5
Impairment losses of intangible assets acquired through business combinations		(2)	-	(33)	-	-
Earnings before interest and income taxes (EBIT)		**1,274**	**1,246**	**3,719**	**3,481**	**4,147**
Income from equity affiliates		76	90	248	245	337
Interest	4	(60)	(46)	(124)	(161)	(203)
Income from investments	4	1	5	5	51	54
Other financial charges and income	4	(128)	737	(51)	218	311
Earnings from continuing operations before provision for income taxes		**1,163**	**2,032**	**3,797**	**3,834**	**4,646**
Provision for income taxes	5	(248)	(133)	(724)	518	547
Earnings from continuing operations		**915**	**1,899**	**3,073**	**4,352**	**5,193**
Earnings from discontinued operations		-	-	-	-	-
Earnings		**915**	**1,899**	**3,073**	**4,352**	**5,193**
Attributable to :						
Equity holders of the parent		**578**	**1,561**	**2,104**	**3,423**	**4,033**
Minority interests		337	338	969	929	1,160
Earnings from continuing operations, attributable to the equity holders of the parent per share - basic	7	€ 0.50	€ 1.35	€ 1.82	€ 2.97	€ 3.50
Earnings from continuing operations, attributable to the equity holders of the parent per share - diluted	7	€ 0.49	€ 1.34	€ 1.81	€ 2.94	€ 3.47
Earnings, attributable to the equity holders of the parent per share - basic	7	**€ 0.50**	**€ 1.35**	**€ 1.82**	**€ 2.97**	**€ 3.50**
Earnings, attributable to the equity holders of the parent per share - diluted	7	€ 0.49	€ 1.34	€ 1.81	€ 2.94	€ 3.47
Adjusted net income	6	**€ 721**	**€ 731**	**€ 2,247**	**€ 2,109**	**€ 2,614**
Adjusted net income per share - basic	7	**€ 0.62**	**€ 0.63**	**€ 1.94**	**€ 1.83**	**€ 2.27**
Adjusted net income per share - diluted	7	€ 0.62	€ 0.63	€ 1.93	€ 1.81	€ 2.25

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

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

Condensed Statement of Financial Position

(In millions of euros)	Note		September 30, 2007 (unaudited)		December 31, 2006
ASSETS					
Goodwill		€	16,537	€	13,068
Non-current content assets			2,022		2,120
Other intangible assets			2,541		2,262
Property, plant and equipment			4,635		4,379
Investments in equity affiliates			6,692		7,032
Non-current financial assets			1,158		3,164
Deferred tax assets			1,995		1,484
Non-current assets			**35,580**		**33,509**
Inventories			456		358
Current tax receivables			32		617
Current content assets			1,210		842
Trade accounts receivable and other			4,908		4,489
Short-term financial assets			142		833
Cash and cash equivalents			2,246		2,400
Current assets			**8,994**		**9,539**
TOTAL ASSETS		**€**	**44,574**	**€**	**43,048**
EQUITY AND LIABILITIES					
Share capital		€	6,400	€	6,364
Additional paid-in capital			7,321		7,257
Treasury shares			(33)		(33)
Retained earnings and other			6,345		6,324
Equity, attributable to Vivendi S.A.'s shareholders			**20,033**		**19,912**
Minority interests			1,956		1,952
Total equity			**21,989**		**21,864**
Non-current provisions			1,804		1,388
Long-term borrowings and other financial liabilities			6,201		4,714
Deferred tax liabilities			975		1,070
Other non-current liabilities			1,144		1,269
Non-current liabilities			**10,124**		**8,441**
Current provisions			434		398
Short-term borrowings and other financial liabilities			1,810		2,601
Trade accounts payable and other			9,785		9,297
Current tax payables			432		447
Current liabilities			**12,461**		**12,743**
Total liabilities			**22,585**		**21,184**
Contractual obligations and other commitments	9		-		-
TOTAL EQUITY AND LIABILITIES		**€**	**44,574**	**€**	**43,048**

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

Condensed Statement of Cash Flows

(In millions of euros)	Note	Nine Months Ended September 30, (unaudited) 2007	2006	Year Ended December 31, 2006
Operating activities				
EBIT		€ 3,719	€ 3,481	€ 4,147
Adjustments	8	1,169	1,090	1,703
Content investments, net		(240)	(169)	(111)
Gross cash provided by operating activities before income tax paid		***4,648***	***4,402***	***5,739***
Other changes in net working capital		(107)	(320)	67
Net cash provided by operating activities before income tax paid		***4,541***	***4,082***	***5,806***
Income tax paid		(645)	(1,075)	(1,381)
Net cash provided by operating activities		**3,896**	**3,007**	**4,425**
Investing activities				
Capital expenditures		(1,299)	(1,321)	(1,690)
Purchases of consolidated companies, after acquired cash	2	(379)	(1,014)	(1,022)
Investments in equity affiliates		(71)	(509)	(724)
Increase in financial assets		(97)	(246)	(2,135)
Investments		***(1,846)***	***(3,090)***	***(5,571)***
Proceeds from sales of property, plant, equipment and intangible assets		22	23	45
Proceeds from sales of consolidated companies, after divested cash		413	18	7
Disposals of equity affiliates		11	24	42
Decrease in financial assets		118	1,576	1,752
Divestitures		***564***	***1,641***	***1,846***
Dividends received from equity affiliates		294	267	271
Dividends received from unconsolidated companies		1	30	34
Net cash provided by (used for) investing activities		**(987)**	**(1,152)**	**(3,420)**
Financing activities				
Net proceeds from issuance of common shares		131	41	60
Sales (purchases) of treasury shares		8	17	16
Dividends paid by Vivendi S.A. to its shareholders		(1,387)	(1,152)	(1,152)
Dividends and reimbursements of contribution of capital paid by consolidated companies to their minority shareholders		(1,048)	(1,034)	(1,034)
Dividends and other transactions with shareholders		***(2,296)***	***(2,128)***	***(2,110)***
Setting up of long-term borrowings and increase in other long-term financial liabilities		460	300	1,919
Principal payment on long-term borrowings and decrease in other long-term financial liabilities		(148)	(221)	(576)
Principal payment on short-term borrowings		(1,107)	(652)	(723)
Other changes in short-term borrowings and other financial liabilities		182	223	178
Interest paid		(149)	(161)	(203)
Other cash items related to financial activities		(1)	49	36
Transactions on borrowings and other financial liabilities		***(763)***	***(462)***	***631***
Net cash provided by (used for) financing activities		**(3,059)**	**(2,590)**	**(1,479)**
Foreign currency translation adjustments		(4)	(26)	(28)
Change in cash and cash equivalents		**(154)**	**(761)**	**(502)**
Cash and cash equivalents				
At beginning of the period		**2,400**	**2,902**	**2,902**
At end of the period		**€ 2,246**	**€ 2,141**	**€ 2,400**

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

Condensed Statement of Changes in Equity

Nine Months Ended September 30, 2007 (unaudited)

	Attributable to Vivendi S.A. shareholders										
	Common shares				Retained earnings and other						
(In millions of euros, except number of shares)	Number of shares (In thousands)	Amount	Additional paid-in capital	Treasury shares	Retained earnings	Net unrealized gains (losses)	Foreign currency translation adjustments	Total	**Equity, attributable to equity holders of the parent**	Minority interests	**Total equity**
BALANCE AS OF DECEMBER 31, 2006	**1,157,034**	**€ 6,364**	**€ 7,257**	**€ (33)**	**€ 7,907**	**€ 96**	**€ (1,679)**	**€ 6,324**	**€ 19,912**	**€ 1,952**	**€ 21,864**
Dividends paid by Vivendi S.A. (€1.2 per share)	-	-	-	-	(1,387)	-	-	(1,387)	**(1,387)**	-	**(1,387)**
Exercise of stock options	6,683	37	63	-	-	-	-	-	**100**	-	**100**
Employee Stock Purchase Plan (July 18, 2007)	1,276	6	25	-	-	-	-	-	**31**	-	**31**
Treasury shares cancellation	(1,300) (a)	(7)	(24)	31	-	-	-	-	**-**	-	**-**
Other transactions with shareholders	-	-	-	(31)	31	-	-	31	**-**	-	**-**
Dividends and other transactions with Vivendi S.A. shareholders	**6,659**	**36**	**64**	**-**	**(1,356)**	**-**	**-**	**(1,356)**	**(1,256)**	**-**	**(1,256)**
Dividends	-	-	-	-	-	-	-	-	**-**	(850)	**(850)**
Other transactions with minority interests	-	-	-	-	-	-	-	-	**-**	(105)	**(105)**
Transactions with minority interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(955)**	**(955)**
Earnings	-	-	-	-	2,104	-	-	2,104	**2,104**	969	**3,073**
Charges and income directly recognized in equity	-	-	-	-	(2)	2	(727)	(727)	**(727)**	(10)	**(737)**
Total recognized charges and income for the period	**-**	**-**	**-**	**-**	**2,102**	**2**	**(727)**	**1,377**	**1,377**	**959**	**2,336**
Total changes over the period	**6,659**	**36**	**64**	**-**	**746**	**2**	**(727)**	**21**	**121**	**4**	**125**
BALANCE AS OF SEPTEMBER 30, 2007	**1,163,693**	**€ 6,400**	**€ 7,321**	**€ (33)**	**€ 8,653**	**€ 98**	**€ (2,406)**	**€ 6,345**	**€ 20,033**	**€ 1,956** (b)	**€ 21,989**

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

(a) This cancellation results from the conversion of the former ADS option plans into SAR plans in May 2006.
(b) Includes cumulative foreign currency translation adjustments of -€48 million.

Nine Months Ended September 30, 2006 (unaudited)

(In millions of euros, except number of shares)	Common shares: Number of shares (In thousands)	Common shares: Amount	Additional paid-in capital	Treasury shares	Retained earnings and other: Retained earnings	Retained earnings and other: Net unrealized gains (losses)	Retained earnings and other: Foreign currency translation adjustments	Retained earnings and other: Total	**Equity, attributable to equity holders of the parent**	Minority interests	**Total equity**
	Attributable to Vivendi S.A. shareholders										
BALANCE AS OF DECEMBER 31, 2005	**1,153,477**	**€ 6,344**	**€ 6,939**	**€ (60)**	**€ 5,349**	**€ 899**	**€ (702)**	**€ 5,546**	**€ 18,769**	**€ 2,839**	**€ 21,608**
Dividends paid by Vivendi S.A. (€1.0 per share)	-	-	-	-	(1,152) (a)	-	-	(1,152)	**(1,152)**	-	**(1,152)**
Other transactions with shareholders	2,154 (b)	12	42	25	(46) (c)	-	-	(46)	**33**	-	**33**
Dividends and other transactions with Vivendi S.A. shareholders	**2,154**	**12**	**42**	**25**	**(1,198)**	**-**	**-**	**(1,198)**	**(1,119)**	**-**	**(1,119)**
Acquisition of an additional 7.7% stake in USHI	-	-	-	-	-	-	-	-	**-**	(832)	**(832)**
Dividends	-	-	-	-	-	-	-	-	**-**	(1,034)	**(1,034)**
Other transactions with minority interests	-	-	-	-	-	-	-	-	**-**	4	**4**
Transactions with minority interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,862)**	**(1,862)**
Earnings	-	-	-	-	3,423	-	-	3,423	**3,423**	929	**4,352**
Charges and income directly recognized in equity	-	-	-	-	7	(829)	(669)	(1,491)	**(1,491)**	4	**(1,487)**
Total recognized charges and income for the period	**-**	**-**	**-**	**-**	**3,430**	**(829)**	**(669)**	**1,932**	**1,932**	**933**	**2,865**
Total changes over the period	**2,154**	**12**	**42**	**25**	**2,232**	**(829)**	**(669)**	**734**	**813**	**(929)**	**(116)**
BALANCE AS OF SEPTEMBER 30, 2006	**1,155,631**	**€ 6,356**	**€ 6,981**	**€ (35)**	**€ 7,581**	**€ 70**	**€ (1,371)**	**€ 6,280**	**€ 19,582**	**€ 1,910** (d)	**€ 21,492**

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

(a) Includes €5 million paid to shareholders of Vivendi Exchangeco (former Seagram shareholders).

(b) Corresponds to capital increases subscribed by employees in connection with the stock purchase plan (€30 million for approximately 1.5 million shares) or stock option plans (€10 million for approximately 0.7 million shares)

(c) Includes the counterpart of the share-based compensation cost related to equity-settled instruments for the period (€34 million) and the reclassification of the estimated value of the vested rights as of May 15, 2006 of the ADS option plans, converted into SAR plans in liabilities, as non-current provisions (-€67 million).

(d) Includes cumulative foreign currency translation adjustments of -€25 million.

Year Ended December 31, 2006

(In millions of euros, except number of shares)	Attributable to Vivendi S.A. shareholders									Minority interests	Total equity
	Common shares		Additional paid-in capital	Treasury shares	Retained earnings and other				Equity, attributable to equity holders of the parent		
	Number of shares (In thousands)	Amount			Retained earnings	Net unrealized gains (losses)	Foreign currency translation adjustments	Total			
BALANCE AS OF DECEMBER 31, 2005	**1,153,477**	**€ 6,344**	**€ 6,939**	**€ (60)**	**€ 5,349**	**€ 899**	**€ (702)**	**€ 5,546**	**€ 18,769**	**€ 2,839**	**€ 21,608**
Dividends paid by Vivendi S.A. (€1.0 per share)	-	-	-	-	(1,152) (a)	-	-	(1,152)	**(1,152)**	-	**(1,152)**
Repayment of Vivendi Exchangeco shares	-	-	278	-	(278)	-	-	(278)	**-**	-	**-**
Other transactions with shareholders	3,557	20	40	27	(14) (b)	-	-	(14)	**73**	-	**73**
Dividends and other transactions with Vivendi S.A. shareholders	**3,557**	**20**	**318**	**27**	**(1,444)**	**-**	**-**	**(1,444)**	**(1,079)**	**-**	**(1,079)**
Acquisition of an additional 7.7% stake in USHI	-	-	-	-	-	-	-	-	**-**	(832)	**(832)**
Dividends and reimbursements of contribution of capital paid by subsidiaries to minority interests	-	-	-	-	-	-	-	-	**-**	(1,232)	**(1,232)**
Other transactions with minority interests	-	-	-	-	-	-	-	-	**-**	22	**22**
Transactions with minority interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,042)**	**(2,042)**
Earnings	-	-	-	-	4,033	-	-	4,033	**4,033**	1,160	**5,193**
Charges and income directly recognized in equity	-	-	-	-	(31)	(803)	(977)	(1,811)	**(1,811)**	(5)	**(1,816)**
Total recognized charges and income for the period	**-**	**-**	**-**	**-**	**4,002**	**(803)**	**(977)**	**2,222**	**2,222**	**1,155**	**3,377**
Total changes over the period	**3,557**	**20**	**318**	**27**	**2,558**	**(803)**	**(977)**	**778**	**1,143**	**(887)**	**256**
BALANCE AS OF DECEMBER 31, 2006	**1,157,034**	**€ 6,364**	**€ 7,257**	**€ (33)**	**€ 7,907**	**€ 96**	**€ (1,679)**	**€ 6,324**	**€ 19,912**	**€ 1,952** (c)	**€ 21,864**

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

(a) Includes €5 million paid to shareholders of Vivendi Exchangeco (former Seagram shareholders).

(b) Includes the counterpart of the share-based compensation cost related to equity-settled instruments for the period (€53 million) and the reclassification of the estimated value of the vested rights as of May 15, 2006 of the ADS option plans, converted into SAR plans in liabilities, as non-current provisions (-€67 million). Please refer to Note 21 "Share-based compensation plans" to the Consolidated Financial Statements for the year ended December 31, 2006 (from pages 240 to 246 of the 2006 Annual Report).

(c) Includes cumulative foreign currency translation adjustments of -€36 million.

Statement of Recognized Charges and Income

(In millions of euros)	Nine Months Ended September 30, 2007 (unaudited): Charges and income recorded over the period	Nine Months Ended September 30, 2007 (unaudited): Attributable to Vivendi S.A.'s shareholders	Nine Months Ended September 30, 2007 (unaudited): Attributable to Minority interests	Nine Months Ended September 30, 2006 (unaudited): Charges and income recorded over the period	Nine Months Ended September 30, 2006 (unaudited): Attributable to Vivendi S.A.'s shareholders	Nine Months Ended September 30, 2006 (unaudited): Attributable to Minority interests	Year Ended December 31, 2006: Charges and income recorded over the period	Year Ended December 31, 2006: Attributable to Vivendi S.A.'s shareholders	Year Ended December 31, 2006: Attributable to Minority interests
Net Income	**€ 3,073**	**€ 2,104**	**€ 969**	**€ 4,352**	**€ 3,423**	**€ 929**	**€ 5,193**	**€ 4,033**	**€ 1,160**
Foreign currency translation adjustments	**(739)**	**(727)** (a)	**(12)**	**(703)**	**(669)** (a)	**(34)**	**(1,021)**	**(977)** (a)	**(44)**
Assets available for sale	(16)	(16)	-	(847)	(847)	-	(847)	(847)	-
Valuation gains/(losses) taken to equity	*(16)*	*(16)*	-	*(7)*	*(7)*	-	*(7)*	*(7)*	-
Transferred to profit or loss on divestiture	-	-	-	*(840)*	*(840)*	-	*(840)*	*(840)*	-
Cash flow hedges	22	19	3	2	(1)	3	25	20	5
Tax	(2)	(1)	(1)	18	19	(1)	23	24	(1)
Unrealized gains (losses)	**4**	**2** -	**2**	**(827)**	**(829)**	**2**	**(799)**	**(803)**	**4**
Charges and income directly recorded in equity related to equity affiliates	4	4	-	13	13		5	5	-
Other	(6)	(6)	-	30	(6)	36	(1)	(36)	35
Other impacts on retained earnings	**(2)**	**(2)**	**-**	**43**	**7**	**36**	**4**	**(31)**	**35**
Charges and income directly recognized in equity	**(737)**	**(727)**	**(10)**	**(1,487)**	**(1,491)**	**4**	**(1,816)**	**(1,811)**	**(5)**
TOTAL RECOGNIZED CHARGES AND INCOME OVER THE PERIOD	**€ 2,336**	**€ 1,377**	**€ 959**	**€ 2,865**	**€ 1,932**	**€ 933**	**€ 3,377**	**€ 2,222**	**€ 1,155**

(a) Includes changes in foreign currency translation adjustments relating to the investment in NBC Universal of -€361 million for the first nine months of 2007, -€473 million for the first nine months of 2006 and -€662 million for the full year 2006.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

On November 13, 2007, the Management Board approved the Financial Report and the Condensed Financial Statements for the nine months ended September 30, 2007 which were presented to the Audit Committee on this same date.

The unaudited Condensed Financial Statements for the nine months ended September 30, 2007 should be read in conjunction with the audited Consolidated Financial Statements of Vivendi for the year ended December 31, 2006, as published in the 2006 "*Document de Référence*" that was filed under number D.07-0240 with the "*Autorité des marchés financiers*" (AMF) on March 28, 2007 ("the 2006 *Document de Référence*") and with the unaudited Condensed Financial Statements for the first half of 2007. Please also refer to our 2006 Annual Report ("the Annual Report") in English which is a translation[1] of the French "Document de Référence" for information purposes (from pages 176 to 273)

Note 1. Accounting Policies and Valuation Methods

1.1. Interim Financial Statements

The Condensed Financial Statements of Vivendi for the first nine months of 2007 are presented and have been prepared based on the provisions of IAS 34 "Interim financial reporting" as approved by the European Union (EU). As a result, Vivendi applied the same accounting methods used for the Consolidated Financial Statements for the year ended December 31, 2006 (please refer to Note 1 "Accounting policies and valuation methods" presented in those financial statements (from pages 186 to 198 of the Annual Report)) and the following provisions were applied:

- Provisions for income taxes have been calculated on the basis of the estimated effective annual tax rate applied to the pre-tax earnings adjusted for any items subjected to a lower tax rate. However, where a lower tax rate is applicable, the current rate has been used for the calculation. 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.

- Compensation costs recorded for stock options, employee benefits and profit-sharing have been included on a pro rata basis of the estimated cost for the year, adjusted for non-recurring events which occurred over the period, if necessary.

1.2. New IFRS applicable as of January 1, 2007

Vivendi applies IFRIC 10 "Interim Financial Reporting and Impairment" which was adopted by the EU on June 1, 2007 and published in the Official Journal of the EU on June 2, 2007. IFRIC 10 clarifies that impairment losses on goodwill and certain financial assets ("available for sale" equity investments and unquoted equity instruments measured at cost) that are recognized in an interim financial statement must not be reversed in subsequent interim or annual financial statements.
The other new IFRS applicable as of January 1, 2007, as described in Note 1.5 to the Consolidated Financial Statements of Vivendi for the year ended December 31, 2006 (pages 197 and 198 of the 2006 Annual Report), were not applicable to the period.

1.3. Changes in the Presentation

Changes in the presentation of costs for the Canal+ Group beginning January 1, 2007.
Beginning January 1, 2007, in order to be consistent with the accounting practices of other business segments, subscriber management and acquisition costs, as well as television distribution costs incurred by Canal+ Group, are included in selling, general and administrative expenses instead of cost of revenues. Pursuant to IAS 1, Vivendi has applied these presentation changes to all the periods presented in these financial statements. The reclassified costs amounted to €335 million, €116 million and €510 million, respectively, for the first nine months of 2006, the third quarter of 2006 and the year ended December 31, 2006.

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

Note 2. Changes in the Scope of Consolidation for the First Nine Months of 2007

2.1. Combination of the Canal+ Group and TPS pay-TV Activities in France

The combination of the Canal+ Group and TPS pay-TV activities in France was completed on January 4, 2007. At that date, TF1 and M6 contributed TPS in exchange for 15% of Canal+ France (9.9% and 5.1%, respectively). On the same date, Lagardère transferred to Canal+ France its 34% stake in CanalSatellite in exchange for 10.18% of Canal+ France. As a result of the completion of this contribution and the €469 million cash consideration paid by Lagardère in December 2006, Lagardère holds a 20% interest in Canal+ France. Details of these transactions and the preliminary transactions that occurred during the fourth quarter of 2006 are presented in Note 2.1 to the Consolidated Financial Statements for the year ended December 31, 2006 as published in the 2006 Annual Report (from pages 198 to 201).

These transactions can be summarized as follows:

- TF1 and M6 contributed 100% of TPS in exchange for 15% of Canal+ France. From an accounting standpoint, this contribution is treated as the acquisition by Vivendi and Canal+ Group of 85% of TPS and the sale of 15% of Canal+ France to TF1 and M6 (including the additional investment in CanalSatellite, purchased at the same time from Lagardère, see below).

- Lagardère contributed its 34% equity interest in CanalSatellite and a cash consideration of €469 million, in exchange for 20% of Canal+ France. From an accounting standpoint, this transaction is considered as the acquisition of minority interests in CanalSatellite, over which Canal+ France exercises full control, and the sale of 20% of Canal+ France to Lagardère (including TPS, purchased at the same time from TF1 and M6, see above).

- In addition, Vivendi, Canal+ Group, Lagardère, TF1 and M6 entered into other agreements, such as put options granted by Vivendi and Canal+ Group to TF1 and M6 on their 15% stake in Canal+ France, a call option granted by Vivendi and Canal+ Group to Lagardère for a 14% stake in Canal+ France as well as some other contractual commitments which are not recorded in the statement of financial position, as indicated below.

As a result of the completion of these transactions, Vivendi and Canal+ Group hold an aggregate 65% of Canal+ France, Lagardère holds 20%, TF1 holds 9.9% and M6 holds 5.1%. Canal+ France encompasses all the pay-TV activities of Canal+ Group and TPS in France.

The effect of the combination on the condensed financial statements for the nine months ended September 30, 2007 can be summarized as follows:

- Acquisition of 85% of TPS from TF1 and M6

Canal+ France fully consolidates TPS since January 4, 2007, on which date TF1 and M6 contributed to Canal+ France 100% of TPS Gestion, a company which wholly owns TPS. From this date, Vivendi and Canal+ Group can exercise their shareholders' rights and therefore have the power to govern the financial and operational policies of TPS to obtain benefits from its operations. Accordingly, Vivendi and Canal+ Group exercise full control over TPS from January 4, 2007.

TF1 and M6 contributed to Canal+ France 100% of the share capital of TPS Gestion, a company which wholly owns TPS SNC. Such contribution was valued at €900 million for 100% of TPS.

The purchase price of 85% of TPS (€787 million) was determined on the basis of the fair value of the TPS shares contributed by TF1 and M6, plus the costs directly attributable to the acquisition. In accordance with the accounting standards applicable to business combinations, Canal+ France has performed a preliminary allocation of the purchase price, in order to determine the fair value of identifiable assets acquired and liabilities incurred or assumed, based on analyses and appraisals performed by Canal+ France. The final allocation of the purchase price will be completed within the 12-month period prescribed by accounting standards and may significantly differ from the preliminary allocation, which can be summarized as follows:

(in millions of euros)		January 4, 2007
Net carrying value of TPS before business combination:		
Long-lived assets and content assets (a)	€	112
Cash and cash equivalents		81
Net working capital		(210)
Provisions		(88)
Other liabilities		(13)
Carrying value of TPS' assets and liabilities (A)		**(118)**
Fair value adjustments of TPS' assets and liabilities incurred and assumed as at combination date (preliminary):		
Customer list (b)		150
TPS trade name (c)		25
Assumed liabilities related to broadcasting rights and fair value adjustments to other long-term contracts (d)		(484)
Deferred tax assets, net		123
Total fair value adjustments of TPS' assets and liabilities incurred and assumed (preliminary) (B)		**(186)**
Fair value of TPS' assets and liabilities incurred and assumed (C = A + B)	**€**	**(304)**
Fair value of TPS' net assets acquired by Vivendi from TF1 and M6 (85% x C)		**(258)**
Preliminary goodwill arising on the acquisition of 85% of TPS from TF1 and M6 (e)		1,045
Purchase price of 85% of TPS	**€**	**787**

a. Primarily includes property, plant and equipment for a net carrying amount of €58 million, including decoders for €42 million, and content assets for €43 million.
b. The fair value of the customer list has been assessed using the "Income Approach", on the basis of the discounted value of expected revenues attributable to existing customers at the acquisition date. The present value of the estimated future cash flows has been determined using a discount rate of return that considers the relative risk of achieving these cash flows and the time value of money. This discount rate is consistent with the rate used by Vivendi for the purpose of evaluating similar businesses of Canal+ Group. This asset classified in "other intangible assets" is amortized over 5 years, based on the churn rate used for valuation purposes.
c. The TPS trade name has been valued based on the "royalty relief" method, which involves assessing the royalties that would have been paid to third parties for the use of the trade name had Vivendi not owned it. The present value of the estimated future cash flows has been determined using a discount rate of return consistent with the rate used by Vivendi for the purpose of evaluating similar businesses of Canal+ Group. Given the fact that the TPS branded program bouquet will no longer be marketed under the TPS trade name, the latter was fully written down as of June 30, 2007.
d. Corresponds to liabilities incurred in connection with the business combination and mainly relating to "broadcasting rights" as well as the fair value adjustment of other long-term contractual commitments.
e. The residual goodwill reflects the expected synergies of costs and revenues.

- Sale of 15% interest in Canal+ France to TF1 and M6

In consideration for the contribution of 85% of TPS to Vivendi, TF1 and M6 received a 15% interest (9.9% and 5.1%, respectively) in Canal+ France (Canal+ Group's pay-TV activity in France, including the additional interest in CanalSatellite purchased at the same time from Lagardère) and were granted put options on this interest by Vivendi (see below).
In accounting terms, the sale by Vivendi of this 15% interest in Canal+ France generated a dilution gain of €156 million, which breaks down as the positive difference between the amount allocated to this interest, considering the exchange parity, and its carrying amount. However, this capital gain was directly offset against the goodwill recorded for the put options granted to TF1 and M6. Vivendi generated this gain on an interest for which it continues to bear the risks relating to its amount, since it has undertaken to buy it back from the assignees at a floor price corresponding to its amount adopted as a reference with respect to the combination with TPS.

- Acquisition by Canal+ France from Lagardère of its 34% in CanalSatellite

Lagardère Active contributed to Canal+ France its 24% interest in CanalSatellite and 100% of its interest in Lagardère Television Holdings S.A., which owns 10% of CanalSatellite's share capital. This contribution of assets was valued at €891 million and paid for in Canal+ France shares (10.18%), these shares added to the shares acquired on December 19, 2006, give Lagardère, 20% of the share capital of Canal+ France, after taking into account all the contributions (including TPS). In accounting terms, the acquisition of the 34% stake in CanalSatellite, a company controlled by Canal+ France, is a purchase of minority interests which resulted in the recognition of goodwill in the amount of €564 million.

- Sale of 20% of Canal+ France to Lagardère

Lagardère's purchase of 20% of Canal+ France took place in two stages: (1) on December 19, 2006, the sale to Lagardère Active of 9.82% of Canal+ France (without TPS and with 66% of CanalSatellite, but based on the exchange parity of the combination completed on January 4, 2007) for €469 million in cash and (2) on January 4, 2007, the contribution to Lagardère Active of 10.18% of Canal+ France (including TPS) in consideration for 34% of CanalSatellite.
From an accounting standpoint, the sale of 9.82% of Canal+ France generated a capital gain of €128 million in the 2006 consolidated net income. The 10.18% dilution of Canal+ Group in Canal+ France resulted in a dilution gain of €239 million in consolidated net income for the first nine months of 2007. The impact of this transaction on the value of TPS in Vivendi's consolidated financial statements breaks down as follows:

(in millions of euros)	Acquisition from TF1 and M6 (85%)	Divestiture to Lagardère (20%)	Upon completion of the transactions, as of January 4, 2007 (65%)
Fair value of TPS' net asset acquired	€ (258)	€ 61	€ (197)
Preliminary goodwill arising on the acquisition of TPS	1,045	(241)	804
Purchase price of TPS	**€ 787**	**€ (180)**	**€ 607**

- TF1's and M6's put options

Both TF1 and M6 were granted a put option by Vivendi on their shares in Canal+ France. These options are exercisable in February 2010 at fair market value, to be determined by a third-party expert, with a floor of €1,130 million for 15% of Canal+ France (corresponding to a valuation of €7.5 billion for 100% of Canal+ France). This commitment of Vivendi to purchase minority interests was accounted for in long-term financial liabilities on January 4, 2007 for its present value, i.e. €1,001 million, mainly against negative minority interests for €87 million and goodwill for €1,088 million. After deduction of the €156 million dilution gain recorded by Vivendi in connection with the sale of the 15% interest in Canal+ France to TF1 and M6 (see above), goodwill as of January 4, 2007 amounted to €932 million. The subsequent change in this commitment was recorded in financial liabilities by adjusting the amount of goodwill. As of September 30, 2007, the present value of this commitment amounted to € 1,018 million.

- Other items

The repayment of the €150 million advance paid by Vivendi in January 2006 to TF1 and M6, as well as the unwinding of the €469 million cash collateral established in December 2006, were completed on January 4, 2007.

In addition, this combination has generated the following contractual commitments, which are not recorded in the statement of financial position:

- Lagardère's call option

Lagardère was granted a call option by Canal+ Group pursuant to which Lagardère may increase to 34% the level of its equity interest in Canal+ France. The option is exercisable in October 2009 at fair market value, to be determined by an expert (the exercise price will be the same as the exercise price of the put options held by TF1 and M6 if one and/or the other is exercised) with a floor of €1,055 million for 14% of Canal+ France (corresponding to a valuation of €7.5 billion for 100% of Canal+ France). If Lagardère decides to exercise such call option, the transaction would take place following the exercise (or failing that, the lapse) of the put options held by TF1 and M6. As of September 30, 2007, the present value of this commitment amounted to €950 million.

- Shareholders' Agreement between Vivendi, TF1 and M6, strategic agreements between Vivendi, Canal+ Group, Lagardère and Lagardère Active, dated as of January 4, 2007: refer to Note 19.4 "Shareholders' Agreements" to the Unaudited Condensed Financial Statements for the first half of 2007.

- Commitments undertaken by Vivendi and Canal+ Group in connection with the authorization of the combination, pursuant to the merger control regulations, by a decision of the French Minister of the Economy, Finance and Industry: see Note 2.1 to the Consolidated Financial Statements for the year ended December 31, 2006 (from pages 198 to 201 in the 2006 Annual Report).

- Vendor warranties received from TF1 and M6

Canal+ Group and Vivendi received vendor warranties from TF1 and M6 capped at €113 million.

2.2. Acquisition of a 51% Stake in Onatel in Burkina Faso by Maroc Telecom

In December 2006, following the completion of a bidding process, Maroc Telecom acquired a 51% stake in Onatel, the national telecommunications operator in Burkina Faso, for a purchase price of €222 million (including acquisition fees). Onatel has been fully consolidated since January 1, 2007. The allocation of the purchase price will be finalized within the 12-month period prescribed by accounting standards and the final goodwill may significantly differ from the preliminary goodwill as presented below:

(in millions of euros)	January 1, 2007	
Net assets acquired	€	41
Preliminary goodwill		181
Purchase price	**€**	**222**

2.3. Acquisition of a 51% Stake in Gabon Telecom by Maroc Telecom

On February 9, 2007, Maroc Telecom acquired a 51% stake in Gabon Telecom S.A., the national telecommunications operator of Gabon. Gabon Telecom has been fully consolidated since March 1, 2007. The allocation of the purchase price will be finalized within the 12-month period prescribed by accounting standards and the final goodwill may significantly differ from the preliminary goodwill as presented below:

(in millions of euros)	March 1, 2007	
Net assets acquired	€	22
Preliminary goodwill		5
Purchase price	**€**	**27**

2.4. Acquisition of BMG Music Publishing by UMG

On September 6, 2006, Universal Music Group (UMG) entered into an agreement with Bertelsmann AG to purchase 100% of BMG Music Publishing (BMGP). UMG paid Bertelsmann AG €1,639 million in cash on December 15, 2006. On May 25, 2007, following receipt of European Commission clearance, the acquisition was completed. BMGP has been fully consolidated since that date. Including capitalized transaction costs and the benefit of cash generated by trading as from July 1, 2006 to May 25, 2007, the acquisition price paid by UMG was €1,642million.

In accordance with the accounting standards applicable to business combinations, UMG has begun to determine the fair value of identifiable assets acquired and liabilities incurred or assumed. The major asset acquired was the catalogue of music publishing rights and writers' contracts and UMG has initiated an evaluation with external appraisers to determine the fair value of these rights and contracts. In the meantime, the difference between the purchase price and the fair values of those net assets acquired which have been evaluated has been accounted for as goodwill, which amounted to €1,649 million. The allocation of the purchase price will be performed within the 12-month period prescribed by accounting standards.

As part of its ruling approving the acquisition, the European Commission has required that UMG dispose of certain rights it acquired from Bertelsmann AG in this transaction, as well as some rights UMG previously owned.

2.5. Acquisition of the fixed telephony and broadband activities of Télé2 France by SFR

On October 2, 2006, SFR signed an agreement with the Tele2 AB Group to acquire the fixed telephony and broadband activities of Télé2 France. The acquisition was completed on July 20, 2007 for an enterprise value (cash and debt free) of €345 million. From an accounting standpoint, the purchase price amounted to €367 million (including acquisition costs). The preliminary goodwill amounted to €289 million. The allocation of the purchase price will be completed within the 12-month period prescribed by accounting standards and the final allocation may significantly differ from that amount.

2.6. Acquisition of Sanctuary Group Plc by UMG

On June 15, 2007, UMG made an offer for the share capital of The Sanctuary Group plc ("Sanctuary"), a company listed on the London Stock Exchange. Sanctuary is an international music group encompassing recorded product, merchandising and artist services. UMG declared the offer wholly unconditional and gained control of the company on August 2, 2007, having received valid acceptances of the offer from shareholders representing 60% of the issued share capital of Sanctuary and having acquired a further 30% of the issued share capital, for a cash consideration of £13 million (€19 million). Sanctuary was de-listed from the London Stock Exchange on September 3, 2007, and pursuant to the provisions of the English Companies Act 2006, UMG acquired the remaining Sanctuary shares to obtained 100% legal ownership of the company on September 27, 2007. As a result of these transactions, UMG acquired Sanctuary for a price consideration of £119 million (€178 million), including a total cash consideration, including costs, of £50 million (€75 million) and Sanctuary's net debt of £69 million (€103 million). Sanctuary has been fully consolidated since August 2, 2007. The preliminary goodwill amounted to €197 million. The allocation of the purchase price will be completed within the 12-month period prescribed by accounting standards and the final allocation may significantly differ from that amount.

Note 3. Segment Data

The group operates through five different entertainment businesses: Universal Music Group, the Canal+ Group, SFR, Maroc Telecom, and Vivendi Games.

Condensed Statement of Earnings

Nine Months Ended September 30, 2007 (In millions of euros)	Universal Music Group	Canal+ Group	SFR	Maroc Telecom	Vivendi Games	Holding & Corporate	Non core operations	Eliminations	**Total Vivendi**
External revenues	€ 3,256	€ 3,209	€ 6,642	€ 1,810	€ 716	€ -	€ 10	€ -	€ 15,643
Inter-segments revenues	9	22	5	9	-	-	-	(45)	-
Revenues	**€ 3,265**	**€ 3,231**	**€ 6,647**	**€ 1,819**	**€ 716**	**€ -**	**€ 10**	**€ (45)**	**€ 15,643**
Operating expenses excluding amortization and depreciation	(2,879)	(2,557)	(3,923)	(762)	(517)	(97)	(22)	45	(10,712)
Sub-total (EBITDA)	**€ 386**	**€ 674**	**€ 2,724**	**€ 1,057**	**€ 199**	**€ (97)**	**€ (12)**	**€ -**	**€ 4,931**
Restructuring charges	(17)	(29)	-	9	1	(1)	(1)	-	(38)
Gains (losses) on tangible and intangible assets	1	(1)	(16)	11	(1)	-	(1)	-	(7)
Other non recurring items	-	-	(1)	-	-	117	16	-	132
Depreciation of tangible assets	(35)	(90)	(381)	(181)	(31)	(4)	(6)	-	(728)
Amortization of intangible assets excluding those acquired through business combinations	-	(45)	(260)	(45)	(8)	(1)	-	-	(359)
Adjusted earnings before interest and income taxes (EBITA)	**€ 335**	**€ 509**	**€ 2,066**	**€ 851**	**€ 160**	**€ 14**	**€ (4)**	**€ -**	**€ 3,931**
Amortization of intangible assets acquired through business combinations	(139)	(23)	-	(17)	-	-	-	-	(179)
Impairment losses of intangible assets acquired through business combinations	-	(25)	(8)	-	-	-	-	-	(33)
Earnings before interest and income taxes (EBIT)	**€ 196**	**€ 461**	**€ 2,058**	**€ 834**	**€ 160**	**€ 14**	**€ (4)**	**€ -**	**€ 3,719**
Income from equity affiliates									248
Interest									(124)
Income from investments									5
Other financial charges and income									(51)
Provision for income taxes									(724)
Earnings from discontinued operations									-
Earnings									**€ 3,073**
Attributable to :									
Equity holders of the parent									**2,104**
Minority interests									969

Income from equity affiliates mainly includes the group's share in earnings of NBC Universal (€197 million), an investment allocated to the Holding & Corporate business segment.

Nine Months Ended September 30, 2006 (In millions of euros)	Universal Music Group	Canal+ Group	SFR	Maroc Telecom	Vivendi Games	Holding & Corporate	Non core operations	Eliminations	**Total Vivendi**
External revenues	€ 3,287	€ 2,668	€ 6,495	€ 1,547	€ 478	€ -	€ 24	€ -	€ 14,499
Inter-segments revenues	11	44	2	7	-	-	-	(64)	-
Revenues	**€ 3,298**	**€ 2,712**	**€ 6,497**	**€ 1,554**	**€ 478**	**€ -**	**€ 24**	**€ (64)**	**€ 14,499**
Operating expenses excluding amortization and depreciation	(2,818)	(2,255)	(3,781)	(645)	(367)	(43)	(23)	64	(9,868)
Sub-total (EBITDA)	**€ 480**	**€ 457**	**€ 2,716**	**€ 909**	**€ 111**	**€ (43)**	**€ 1**	**€ -**	**€ 4,631**
Restructuring charges	(10)	1	-	(30)	(2)	(1)	-	-	(42)
Gain (losses) on tangible and intangible assets	-	9	(12)	-	1	1	-	-	(1)
Other non recurring items	1	(1)	1	-	(1)	(3)	67	-	64
Depreciation of tangible assets	(38)	(78)	(376)	(149)	(18)	(5)	(11)	-	(675)
Amortization of intangible assets excluding those acquired through business combinations	-	(50)	(234)	(39)	(5)	(1)	-	-	(329)
Adjusted earnings before interest and income taxes (EBITA)	**€ 433**	**€ 338**	**€ 2,095**	**€ 691**	**€ 86**	**€ (52)**	**€ 57**	**€ -**	**€ 3,648**
Amortization of intangible assets acquired through business combinations	(149)	-	-	(18)	-	-	-	-	(167)
Impairment losses of intangible assets acquired through business combinations	-	-	-	-	-	-	-	-	-
Earnings before interest and income taxes (EBIT)	**€ 284**	**€ 338**	**€ 2,095**	**€ 673**	**€ 86**	**€ (52)**	**€ 57**	**€ -**	**€ 3,481**
Income from equity affiliates									245
Interest									(161)
Income from investments									51
Other financial charges and income									218
Provision for income taxes									518
Earnings from discontinued operations									-
Earnings									**€ 4,352**
Attributable to :									
Equity holders of the parent									**3,423**
Minority interests									929

Note 4. Financial Charges and Income

4.1. Interest

(In millions of euros)	Nine Months Ended September 30, 2007	Nine Months Ended September 30, 2006	Year Ended December 31, 2006
Interest expense on borrowings	€ (233)	€ (210)	€ (286)
Capitalized interest relating to the acquisition of BMG Publishing	25	-	3
Interest income from cash and cash equivalents	84	49	80
Interest at nominal rate	**€ (124)**	**€ (161)**	**€ (203)**
Impacts of amortized cost on borrowings (a)	*(21)*	*(16)*	*(26)*
Interest at effective rate	***€ (145)***	***€ (177)***	***€ (229)***

(a) Impact of amortized cost on borrowings is recorded under "other financial charges" (please refer to Note 4.3 hereafter). This impact represents the difference between the interest at nominal rate and the interest at effective rate.

4.2. Income from Investments

(In millions of euros)	Nine Months Ended September 30, 2007	Nine Months Ended September 30, 2006	Year Ended December 31, 2006
Dividends received from non consolidated companies	€ 1	€ 36	€ 36
Interest income from loans to equity affiliates and other financial receivables	4	15	18
Income from investments	**€ 5**	**€ 51**	**€ 54**

4.3. Other financial Charges and Income

(In millions of euros)	Nine Months Ended September 30, 2007		Nine Months Ended September 30, 2006		Year Ended December 31, 2006	
Other capital gain on the divestiture of businesses	€ 255	(a)	€ 58		€ 189	
Downside adjustment on the divestiture of businesses	(27)		(87)		(104)	
Other capital gain on financial investments	2		909	(b)	932	(b)
Downside adjustment on financial investments	(184)	(c)	(597)	(d)	(631)	(d)
Financial components of employee benefits	(22)		(25)		(32)	
Impacts of amortized cost on borrowings	(21)		(16)		(26)	
Change in derivative instruments	9		10		24	
Effect of undiscounting liabilities	(60)	(e)	(10)		(15)	
Other	(3)		(24)		(26)	
Other financial charges and income	**€ (51)**		**€ 218**		**€ 311**	

(a) Includes the dilution profit (€239 million) linked to the sale of a 10.18% equity interest in Canal+ France to Lagardère (please refer to Note 2.1).

(b) Includes the capital gain on the residual 5.3% stake in Veolia Environnement for €834 million.

(c) Includes write-off of the 19.7% minority stake in Amp'd ($75 million) as well as a related loan ($10 million) for a total amount of €65 million. Amp'd filed for Chapter 11 bankruptcy protection on June 1, 2007. On July 23, 2007, Amp'd Mobile filed for Chapter 7 bankruptcy.

(d) Includes the capital loss incurred on the PTC shares (€496 million). Please refer to Note 2.4 "Stake in PTC" and 15.1 "Changes in Available-for-sale Securities" to the Consolidated Financial Statements for the year ended December 31, 2006 (from pages 202 and 203, and 229, respectively of the 2006 Annual Report).

(e) Corresponds mainly to the effect of undiscounting of liabilities related to the combination of the Canal+ Group and pay-TV activities in France. Indeed, as prescribed by accounting principles, when the effect of the time value of money is material, the amount for which financial assets or liabilities (mainly trade accounts receivable and payable, as well as provisions) are recorded on the balance sheet shall be the present value of the expected income or expenses, respectively. At each subsequent period-end, the present value of such financial assets or liabilities is adjusted to take into consideration the passage of time.

Note 5. Income Taxes

(In millions of euros)	Nine Months Ended September 30, 2007		Nine Months Ended September 30, 2006	Year Ended December 31, 2006
Provision for income taxes:				
Impact of the Consolidated Global Profit Tax System	€ 397	(a)	€ 447	€ 561
DuPont shares litigation settlement	-		1,019	1,082
Other components of the provision for income taxes	(1,121)		(948)	(1,096)
Provision for income taxes	**€ (724)**		**€ 518**	**€ 547**

(a) Corresponding to 75% of the expected tax savings relating to the 2008 fiscal year.

Note 6. Reconciliation of Earnings, attributable to Equity Holders of the Parent and adjusted Net Income

(In millions of euros)	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006	Nine Months Ended September 30, 2007	Nine Months Ended September 30, 2006	Year Ended December 31, 2006
Earnings, attributable to equity holders of the parent (a)	**€ 578**	**€ 1,561**	**€ 2,104**	**€ 3,423**	**€ 4,033**
Adjustments					
Amortization of intangible assets acquired through business combinations	59	54	179	167	223
Impairment losses of intangible assets acquired through business combinations (a)	2	-	33	-	-
Other financial charges and income (a)	128	(737)	51	(218)	(311)
Earnings from discontinued operations (a)	-	-	-	-	-
Deferred tax asset related to the Consolidated Global Profit Tax System	2	(3)	6	(10)	43
Non recurring items related to provision for income taxes	30	(120)	30	(1,186) (b)	(1,284) (b)
Provision for income taxes on adjustments	(21)	(24)	(81)	(65)	(83)
Minority interests in adjustments	(57)	-	(75)	(2)	(7)
Adjusted net income	**€ 721**	**€ 731**	**€ 2,247**	**€ 2,109**	**€ 2,614**

(a) As presented in the condensed statement of earnings.

(b) Corresponds mainly to the reversal of tax liabilities relating to risks extinguished over the period.

Note 7. Earnings per Share

	Three Months Ended September 30, 2007 Basic	2007 Diluted	2006 Basic	2006 Diluted	Nine Months Ended September 30, 2007 Basic	2007 Diluted	2006 Basic	2006 Diluted	Year Ended December 31,2006 Basic	Diluted
Earnings (in millions of euros)										
Earnings, attributable to the equity holders of the parent	€ 578	€ 578	€ 1,561	€ 1,561	€ 2,104	€ 2,104	€ 3,423	€ 3,423	€ 4,033	€ 4,033
Adjusted net income	€ 721	€ 721	€ 731	€ 731	€ 2,247	€ 2,247	€ 2,109	€ 2,109	€ 2,614	€ 2,614
Number of shares (in millions)										
Weighted average number of shares outstanding restated (a)	1,162.3	1,162.3	1,154.0	1,154.0	1,157.7	1,157.7	1,152.9	1,152.9	1,153.4	1,153.4
Potential dilutive effect related to share-based compensation	-	7.5	-	9.4	-	7.7	-	9.5	-	9.0
Adjusted weighted average number of shares	1,162.3	1,169.8	1,154.0	1,163.4	1,157.7	1,165.4	1,152.9	1,162.4	1,153.4	1,162.4
Earnings per share (in euros)										
Earnings, attributable to the equity holders of the parent per share	€ 0.50	€ 0.49	€ 1.35	€ 1.34	€ 1.82	€ 1.81	€ 2.97	€ 2.94	€ 3.50	€ 3.47
Adjusted net income per share	€ 0.62	€ 0.62	€ 0.63	€ 0.63	€ 1.94	€ 1.93	€ 1.83	€ 1.81	€ 2.27	€ 2.25

Earnings from discontinued operations are not applicable over presented periods. Therefore, earnings from continuing operations, attributable to the equity holders of the parent correspond to earnings, attributable to the equity holders of the parent.

(a) Net of treasury shares (1,129,564 shares as of September 30, 2007).

Note 8. Adjustments to the Condensed Statement of Cash Flows

(In millions of euros)	Nine Months Ended September 30, 2007	Nine Months Ended September 30, 2006	Year Ended December 31, 2006
Items related to operating activities with no cash impact			
Amortization and depreciation of tangible and intangible assets	€ 1,300	€ 1,171	€ 1,580
Change in provision, net	(135)	(80)	80
Gains (losses) on tangible and intangible assets	(3)	(2)	11
Items related to investing and financing activities			
Proceeds from sales of property, plant, equipment and intangibles assets	7	1	32
Adjustments	**€ 1,169**	**€ 1,090**	**€ 1,703**

Note 9. Contractual Obligations and Other Commitments

The following note should be read in conjunction with Note 29 "Contractual obligations and contingent assets and liabilities" to the Consolidated Financial Statements for the year ended December 31, 2006 (from pages 261 to 268 of the 2006 Annual Report), and its update as of June 30, 2007, disclosed in Note 19 "Contractual Obligations and Other Commitments" to the Unaudited Financial Statements for the first half of 2007.

The main contractual or amended commitments undertaken during the third quarter ended September 30, 2007 and their impact on the Condensed Financial Statements are described below.

Contingent Assets: The international arbitration tribunal-ICSID rules in favour of Vivendi in Tucuman (Argentina) dispute. On August, 20, 2007, the International Centre for Settlement of Investment Disputes (ICSID) ruled in favor of Vivendi and its Argentinian subsidiary, Compañía de Aguas del Aconquija (CAA), in a dispute risen in 1996 and related to a water concession of the Argentine Province of Tucuman. The concession started in 1995 and was completed in 1997. The tribunal awarded Vivendi and CAA an aggregate amount of $105 million for damages plus interest and costs.

Transaction underway as of September 30, 2007: Acquisition plan of Debitel France and its distribution subsidiary, Videlec. On July 19, 2007, CID, a company owned 40% by SFR, signed a Share Purchase Agreement with Debitel AG to acquire Debitel France (140,000 customers), and its distribution subsidiary, Videlec (63 retail-shops). This transaction is subject to the regulatory approvals of the antitrust authorities.

Note 10. Litigations

Vivendi is subject to various litigations, arbitrations or administrative proceedings in the normal course of its business.

Some litigation in which Vivendi or its subsidiaries are defendants are described in the 2006 "*Document de Référence*" (from pages 268 to 272 of the 2006 Annual Report). The following paragraphs update those disclosures through November 13, 2007, day of the Management Board meeting held to approve Vivendi's financial statements for the nine months ended on September 30, 2007.

To the Company's knowledge, there are no legal or arbitration proceedings or any facts of an exceptional nature 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.

AMF Investigation in Connection with the Issuance of Mandatorily Redeemable Notes (ORA) in November 2002

On January 18, 2005, Vivendi was served with a notice of complaint issued by the AMF following the inquiry made into observed movements in the Vivendi share price at the time of the issuance of notes mandatorily redeemable for new shares of Vivendi in November 2002. On June 7, 2007, the Sanctions Commission of the AMF decided to clear Vivendi.

Securities Class Action in the United States

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

The plaintiffs allege that, between October 30, 2000 and August 14, 2002, the defendants violated certain provisions of the US Securities Act of 1933 and US Securities Exchange Act of 1934. On January 7, 2003, they filed a consolidated class action suit that may benefit potential groups of shareholders. Damages of unspecified amount are claimed. Vivendi contests these allegations.

Fact discovery and depositions closed on June 30, 2007.

In parallel with these proceedings, the Court, on March 22, 2007, has decided, concerning the procedure for certification of the potential claimants as a class ("class certification"), that the persons from the United States, France, England and the Netherlands who purchased or acquired shares or ADS of Vivendi (formerly Vivendi Universal SA) between October 30, 2000 and August 14, 2002, could be included in the class. On April 9, 2007, Vivendi filed an appeal against this decision. On May 8, 2007, the United States Court of Appeals for the Second

Circuit denied both Vivendi's and some other plaintiffs' petitions seeking review of the district court's decision with respect to class certification. On August 6, 2007, Vivendi filed a petition with the Supreme Court of the United States for a Writ of Certiori seeking to appeal the Second Circuit's decision on class certification. On October 9, 2007, the Supreme Court denied the petition.

Following the March 22, 2007 order, a number of individual cases have recently been filed against Vivendi by plaintiffs who were excluded from the certified class.

Elektrim Telekomunikacja

As of today, Vivendi is a 51% shareholder in each of Telco and Carcom, companies organized under and existing under the laws of Poland which own, either directly and indirectly, 51% of the capital of Polska Telefonia Cyfrowa Sp. Z.o.o. (PTC), one of the primary mobile telephone operators in Poland. These shareholdings are the subject of several litigation proceedings the most recent developments are described below:

Declaratory proceedings before the Polish Courts

In December 2004, following the Vienna Award, Telco initiated proceedings on the merits with the intention of obtaining a declaratory judgment confirming that it is the rightful owner of the PTC shares. On May 22, 2007, Telco's request was dismissed. Telco filed an appeal against this decision.

Proceedings before the Trade and Companies Registry of Warsaw

Further to the decision of January 18, 2007 of the Polish Supreme Court, Telco has filed with the KRS a motion to be re-registered as shareholder of PTC. On May 11, 2007, Telco's motion was dismissed on the basis that an uncertainty remains on Telco's rights on the PTC shares. On August 21, 2007, the Warsaw Court of Appeal confirmed the decision rendered on May 11, 2007.

Arbitration proceedings in Vienna

On June 12, 2007, Deutsche Telekom (DT) lodged an arbitration claim in Vienna against Vivendi, VTI, Carcom and Elektrim Autoinvest. DT alleged that a fault was committed by the defendants which opposed to the implementation in Poland of the Vienna Award and claimed for a minimum of €1.2 billion damages.

On July 5, 2007, DT lodged an arbitration claim against Carcom, alleging that Carcom breached the PTC Shareholders' agreement by supporting Telco and opposing to the implementation in Poland of the Vienna Award and claimed for a call option on the Carcom shareholding in PTC (1.9%).

Bankruptcy of Elektrim

On August 10, 2007, Elektrim requested that the Regional Tribunal of Warsaw place it under bankruptcy protection. On August 21, 2007, such request was granted by the court.

Demand from T-Mobile

By letter dated August 28, 2007, T-Mobile Deutschland demanded that Telco pay €3.5 billion compensation for the damages suffered as a result of alleged tortuous acts committed by Telco in connection with the litigation regarding PTC shares.
Telco considers that T-Mobile's allegations are without any merit and intends to challenge them.

Bankruptcy proceedings against Elektrim Telekomunikacja

On October 22, 2007, Elektrim requested that the Commercial Tribunal of Warsaw place Elektrim Telekomunikacja (Telco) under bankruptcy protection. Elektrim demanded the payment of several debts for a total amount of €60 million. Telco is currently analysing the appropriate actions to be taken following such request.

French Competition Council – Mobile Telephone Market

On December 1, 2005, the French Competition Council issued an order against French mobile telephone operators in respect of the operation of the mobile telephone market, principally during the period 2000-2002. The resulting fine paid by SFR amounted to €220 million was entered in SFR's accounts as an expense and was paid during the 2005 fiscal year. On February 9, 2006, SFR appealed this order. On December 12, 2006, the Paris Court of Appeal confirmed the French Competition Council's order and dismissed the claim brought by UFC-QUE CHOISIR association to have the case submitted to the Public Prosecutor.

On January 11, 2007, SFR, as well as Bouygues Telecom and Orange, appealed this decision before the French Supreme Court (Cour de Cassation). On June 29, 2007, the Commercial Chamber of the French Supreme Court partially reversed the decision rendered by the Court of appeal which recognized an illegal agreement due to exchange of information between 1997 and 2003 and imposed financial penalties on this basis. The French Supreme Court remanded the case to the Paris Court of Appeal otherwise composed.

SFR is involved in contentious proceedings connected with this order brought by customers and consumer associations before the Commercial Court of Paris. Since SFR is challenging the merits of these proceedings, it is not in a position to determine the potential impact of their outcome.

Furthermore, SFR is involved in other contentious proceedings commenced in connection with competition law, proceedings which are often common with other telephone operators. The management of SFR is not in a position to determine the potential impact of the outcome of these proceedings and, consequently, has made no provision in its accounts in this respect.

Claim against a former Seagram subsidiary

A former Seagram subsidiary, divested in December 2001 to Diageo PLC and Pernod Ricard SA, as well as those companies and certain of their subsidiaries, were sued by the Republic of Colombia and certain of its political subdivisions before the United States District Court for the Eastern District of New York, for alleged unlawful practices claimed to have had an anti-competitive effect in Colombia. Vivendi is not a party to this litigation. Diageo and Pernod Ricard have demanded indemnification from Vivendi with respect to its former Seagram subsidiary and Vivendi has reserved its rights with respect to the indemnity demand. The defendants have denied that they have any liability for any of the claims asserted in the complaint.

Note 11. Subsequent Events

The main events having occurred since September 30, 2007 were as follows:

Vivendi and Moroccan Caisse de Dépôt et de Gestion Group announce Agreement. On October 25, 2007, Vivendi and Moroccan Caisse de Dépôt et de Gestion Group (CDG) announced a two-phased strategic agreement: CDG will become a 0.6% shareholder of Vivendi and Vivendi will acquire 2% of the share capital of Maroc Telecom from CDG, increasing its stake in Maroc Telecom from 51% to 53%. The acquisition will take the form of an exchange of shares, with CDG receiving Vivendi shares acquired on the market. Vivendi has implemented a repurchase program of 7 118 181 shares from November 6, 2007 for a maximum duration of 15 trading days.