

Paris, August 28, 2014

**Note:** This press release contains unaudited consolidated earnings established under IFRS, which were approved by Vivendi's Management Board on August 25, 2014.

- **First Half Year 2014 Earnings in line with expectations**
- **Exclusive negotiations with Telefonica to acquire GVT**

Vivendi reports half-year 2014 earnings in line with expectations. Solid performances from Universal Music Group (UMG) and GVT resulted in a slight organic increase in the Group's EBITA. Canal+ Group's results benefited from its activities outside of France.

|   | <b>Key Figures<br/>First Half 2014<sup>1</sup></b> | Change Year-on-<br>year | Change at constant<br>perimeter and currency<br>year-on-year |
|---|--|-------------------------|--|
| • <b>Revenues</b>                                     | €5,546 M   | -3.5%                   | <b>+ 1.3%</b>  |
| • <b>EBIT</b>   | €436 M   | -7.1%                   |  |
| • <b>Earnings attributable to Vivendi shareowners</b> | €1,913 M   | + 84.8%                 |  |
| • <b>EBITA</b>  | €626 M   | - 8.8%                  | <b>+ 1.2%</b>  |
| • <b>Adjusted net income</b>                          | €355 M   | - 1.1%                  |  |
| • <b>Cash Flow From Operations CFFO</b>               | €176 M   | + 57.0%                 |  |
| • <b>Financial net debt</b>                           | €7.9 bn versus €17.4 bn at end June 2013           |                         |  |

<sup>1</sup> As a reminder, in compliance with IFRS 5, SFR (as from the first quarter of 2014) as well as Maroc Telecom group and Activision Blizzard (as from the second quarter of 2013) have been reported in Vivendi's Consolidated Financial Statements as discontinued operations. In addition, Vivendi deconsolidated Maroc Telecom group and Activision Blizzard respectively as from May 14, 2014 and October 11, 2013, i.e. the date of their effective sale by Vivendi. Therefore neither SFR, nor Maroc Telecom group, nor Activision Blizzard were included in revenues, EBIT, EBITA, CFFO and adjusted net income. Their respective contributions to earnings attributable to Vivendi SA shareowners as well as capital gains were recorded under the line "Earnings from discontinued operations".

The closing of the SFR<sup>2</sup> sale is expected to occur in the coming months, subject to certain closing conditions, including receiving the approval of the relevant authorities. At closing, Vivendi should receive €12.9 billion in cash (after estimated price adjustments) and a 20% stake in the new SFR/Numericable entity.

### **Offers to acquire GVT: the Supervisory Board decided to enter into exclusive negotiations with Telefonica**

Vivendi received binding offers from Telefonica (on August 4 and 28) and Telecom Italia (on August 28) to acquire GVT

The Telecom Italia offer represents a total enterprise value of €7 billion. It includes a part in cash (€1.7 billion), a part in Telecom Italia shares (16% of share capital and 21.7% of voting rights) and a part in TIM Brasil shares (15%). The offer expires on September 20, 2014. The GVT acquisition would be submitted to Telecom Italia's Shareholders Meeting and Telecom Italia would have an exit clause in case of a loss of significant loss value for GVT.

The Telefonica offer of August 28 represents a total enterprise value of €7.450 billion. It includes a part in cash (€4.663 billion) as well as a part in Telefonica Brasil shares (12%) of which about one third can be exchanged at Vivendi's discretion for 5.7% of the share capital and 8.3% of the voting rights in Telecom Italia. This offer expires on August 29, 2014.

In the light of the Group's strategy and in the best interests of its shareholders, the Supervisory Board decided to enter into exclusive negotiations with Telefonica while emphasizing the relevance and quality of the Telecom Italia offer.

The divestment from GVT would allow selling the last telecom company wholly-owned by Vivendi after the disposals of Maroc Telecom and SFR.

Telefonica's offer is considered particularly attractive, generating a capital gain of more than €3 billion. The other conditions of the offer, limiting to a strict minimum the risk of executing the operation as well as Vivendi's commitments after the sale, are totally in line with Vivendi's objectives.

The agreement between Telefonica and Vivendi would allow the development of joint projects in content and media. In addition, if it so wish, Vivendi could become a shareholder in Telecom Italia by exchanging its Brazilian shares for Italian ones.

The Telefonica offer best meets the Group's strategic and financial objectives. Vivendi begins a new phase in its development to become an integrated industrial group focused on media and content. Its objective is to pursue its development through the organic growth of its subsidiaries and a close collaboration between them, which do not preclude the group from taking minority positions in allied companies to distribute content.

The Management Board will submit the Telefonica offer to the relevant employee representatives.

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<sup>2</sup> SFR is a discontinued operation. The completion of the SFR sale, which is subject to certain closing conditions, including receiving the approval of the relevant authorities, is expected to occur within the next months.

## Comments on Key Financial Consolidated Indicators<sup>1</sup>

**Revenues** were €5,546 million, compared to €5,745 million for the first half of 2013 (-3.5%, or +1.3% at constant currency and perimeter<sup>3</sup>). Revenues were impacted in the amount of €259 million as a result of the appreciation of the euro mainly against the U.S. dollar, Brazilian real and Japanese yen.

**EBIT** was €436 million, compared to €469 million for the first half of 2013, a 7.1% decrease.

**Earnings attributable to Vivendi SA shareowners** amounted to €1,913 million (or €1.42 per share), compared to €1,035 million (or €0.78 per share) for the first half of 2013, a 84.8% increase. It took into account the Earnings from discontinued operations (before non-controlling interests) that amounted to €1,929 million, compared to €1,180 million for the first half of 2013 and included:

- with respect to **Maroc Telecom** group, the capital gain on its divestiture on May 14, 2014 (€786 million, before taxes) as well as its earnings until its effective divestiture date (€406 million, before non-controlling interests);
- with respect to **SFR<sup>2</sup>**, earnings amounted to €500 million for the first half of 2014, compared to €330 million for the first half of 2013. These earnings reflect the discontinuation of the amortization of tangible and intangible assets since April 1, 2014 (+€409 million impact for the period) as well as the costs related to the expected sale;
- with respect to **Activision Blizzard**, the capital gain on the divestiture of 41.5 million shares on May 22, 2014 (€84 million), the gain in value of the 41.5 million shares still owned by Vivendi as of June 30, 2014 (€140 million), and the dividend received by Vivendi (€12 million).

Excluding the impact of discontinued operations and non-cash expense recorded under IFRS, which amounted to €190 million, **EBITA<sup>4</sup>** was €626 million, compared to €686 million for the first half of 2013 (-8.8%). At constant currency and perimeter<sup>3</sup>, the EBITA was up €8 million (+1.2%), primarily reflecting the good performances of Universal Music Group (+€48 million) and GVT (+€6 million), offset by a decrease at Canal+ Group (-€12 million).

EBITA also included restructuring costs for €65 million for the first half of 2014 (compared to €55 million for the same period in 2013).

In Germany, Vivendi is carrying out a transformation plan of Watchever in order to reduce costs while exploring new content and platform monetization models. In this respect, an exceptional provision of €48 million has been recorded as of June 30, 2014.

**Interest** was an expense of €53 million, compared to €156 million for the first half of 2013 (-66.0%), primarily due to the early redemption of bonds in the fourth quarter of 2013.

**Income taxes reported to adjusted net income** was a net charge of €177 million, compared to a net charge of €113 million for the first half of 2013, a €64 million increase (+57.5%). The effective tax rate reported to adjusted net income was at 30.9%, compared to 20.4% for the same period in 2013. The income tax charge for the first half of 2013 notably reflected the favorable impact of certain non-recurring items (+€56 million). Excluding this

<sup>3</sup> Constant perimeter reflects the following changes in the scope of consolidation:

- at Canal+ Group: it excludes the impacts in 2014 of the acquisitions of Red Production Company (December 5, 2013) and of Mediaserv (February 13, 2014); and
- at UMG: it excludes the 2013 impacts of operating the Parlophone Label Group repertoire.

<sup>4</sup> For more information about EBITA, see Appendix V.

impact, the effective tax rate reported to adjusted net income for the first half of 2013 would have been at 30.5%.

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

**Adjusted net income**<sup>5</sup> was €355 million (or €0.26 per share), stable compared to the same period in 2013 (€359 million or €0.27 per share).

**Financial net debt** under IFRS was €7.9 billion as of June 30, 2014, compared to €17.4 billion as of June 30, 2013. Vivendi would have positive net cash of approximately €4 billion taking into account the completion of the sale of SFR<sup>2</sup> for €12.9 billion (including estimated price adjustment for €0.4 billion and the financing contribution for the acquisition of Virgin Mobile for €0.2 billion), and the cash collateralization in July 2014 of the letter of credit relating to the Liberty Media lawsuit for €975 million.

## Comments on Business Highlights

### Canal+ Group

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

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

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

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

### Universal Music Group

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

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<sup>5</sup> For the reconciliation of earnings attributable to Vivendi SA shareowners to adjusted net income, see Appendix V.

3.2% compared to the first half of 2013 due to the accelerated transformation of the recorded music industry and the phasing of key releases.

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

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

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

On August 1<sup>st</sup>, UMG completed the sale of its approximate 13% ownership interest in Beats to Apple for proceeds of \$409 million.

## **GVT**

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

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

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

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

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

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

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

## SFR<sup>2</sup>

SFR's revenues amounted to €4,909 million, a 4.7% decrease on a comparable basis (-3.9%<sup>6</sup> at actual perimeter) compared to the first half of 2013. The decline in revenues has decelerated: on a comparable basis, the decrease was -3.5% during the second quarter of 2014, versus -5.8% during the first quarter.

At the end of June 2014, SFR's total mobile customer base increased by 2.0%<sup>7</sup> compared to the end of June 2013, and reached 21.379 million. The total postpaid mobile customer base reached 18.202 million, or 85.1% of the total mobile customer base. The broadband Internet residential customer base increased by 42,500 in the first half of 2014, to 5.299 million.

Retail<sup>8</sup> revenues amounted to €3,215 million, down 7.3% compared to the first half of 2013.

Within the Mobile Retail market<sup>8</sup>, the postpaid customer base decreased slightly by 17,000 in the first half of 2014 compared to December 31, 2013. As of June 30, 2014, the postpaid mobile retail customer base reached 11.364 million, a 2.2%<sup>7,8</sup> increase compared to the end of June 2013. SFR's total mobile retail customer base (postpaid and prepaid) reached 14.304 million.

Within the Fixed Retail market<sup>8</sup>, the broadband Internet residential customer base in mainland France reached 5.248 million at the end of June 2014, with 39,000 net additions compared to December 31, 2013. Within the broadband Internet customer base<sup>8</sup>, the Fiber-to-the-home (FTTH) customer base reached 238,000. The "Multi-Packs de SFR" offer increased by 400,000 customers compared to the end of June 2013 and had 2.534 million subscribers, representing 48.3% of the broadband Internet customer base.

In a challenging macro-economic environment, B2B<sup>9</sup> revenues amounted to €884 million, down 6.5% on a comparable basis (-2.2%<sup>6</sup> at actual perimeter) compared to the first half of 2013.

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

Wholesale and others<sup>10</sup> revenues increased by 9.8% year-on-year, at €810 million, mainly due to growth in the Wholesale business.

Excluding non-recurring items<sup>11</sup>, SFR's EBITDA amounted to €1,302 million, an 11.4% decrease compared to the end of June 2013. Including non-recurring items, SFR's EBITDA amounted to €1,190 million.

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<sup>6</sup> Including Telindus revenues from May 1, 2014. On a 2013 comparable basis, SFR's revenues exclude Telindus revenues.

<sup>7</sup> First Half 2013 portfolio excludes 92k inactive lines which were cancelled in Q4 2013.

<sup>8</sup> Metropolitan market, all brands combined.

<sup>9</sup> Metropolitan market, SFR Business Team and Telindus brands.

<sup>10</sup> Mainly Wholesale revenues, SRR (SFR's subsidiary in La Réunion) revenues and elimination of intersegment operations.

<sup>11</sup> An expense of €112 million was recorded in the second quarter of 2014 as a result of recent developments in legal disputes. These developments pertain in particular to certain litigation described in the 2013 financial statements.

The proposed acquisition of SFR by Numericable is expected to close within the next months subject to certain closing conditions, including receiving the approval of the relevant authorities.

On June 27, 2014, Numericable entered into definitive agreement to acquire Omer Telecom Limited (the holding company that operates in France under the Virgin Mobile brand) for a €325 million enterprise value. Vivendi has committed to providing financing of up to €200 million for this transaction, which is subject to approval by the relevant regulatory authorities.

For additional information, please refer to the "Financial Report and Unaudited Condensed Financial Statements for the half year ended June 30, 2014", which will be released later online on Vivendi's website ([www.vivendi.com](http://www.vivendi.com)).

### **About Vivendi**

*Vivendi groups together leaders in content and media. Canal+ Group is the French leader in pay-TV, also operating in French-speaking Africa, Poland and Vietnam; its subsidiary Studiocanal is a leading European player in production, acquisition, distribution and international film and TV series sales. Universal Music Group is the world leader in music. GVT operates fixed very high-speed broadband, fixed-line telephony and pay-TV services in Brazil. In addition, Vivendi owns SFR, a French leader in alternative telecoms.*  
[www.vivendi.com](http://www.vivendi.com)

### **Important Disclaimers**

*Cautionary Note Regarding Forward Looking Statements. This press release contains forward-looking statements with respect to the financial condition, results of operations, business, strategy, plans and outlook of Vivendi, including the impact of certain transactions. Although Vivendi believes that such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside our control, including but not limited to the risks related to antitrust and other regulatory approvals as well as any other approvals which may be required in connection with certain transactions and the risks described in the documents Vivendi filed with the Autorité des Marchés Financiers (French securities regulator), which are also available in English on Vivendi's website ([www.vivendi.com](http://www.vivendi.com)). Investors and security holders may obtain a free copy of documents filed by Vivendi with the Autorité des Marchés Financiers at [www.amf-france.org](http://www.amf-france.org), or directly from Vivendi. Accordingly, we caution you against relying on forward looking statements. These forward-looking statements are made as of the date of this press release 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.*

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**ANALYST CONFERENCE CALL** (in English, with French translation)

**Speakers**

**Arnaud de Puyfontaine**, Chairman of the Management Board and Chief Executive Officer

**Hervé Philippe**, Member of the Management Board and Chief Financial Officer

**Date:** Thursday, August 28

6:00 pm Paris time – 5:00 pm London time – 12:00 am New York time

**Media invited on a listen-only basis.**

**Internet:** The conference can be followed on the Internet at: [www.vivendi.com](http://www.vivendi.com) (audiocast)

**Numbers to dial:**

United Kingdom: +44 (0) 203 427 1909 – code: 680 69 58

United States of America: +1646 254 3366 – code: 680 69 58

France: +33 (0) 176 77 22 25 – code: 251 75 73

**Numbers for replay:**

United Kingdom: +44 (0) 203 427 0598 – code: 680 69 58

United States of America: +1347 366 9565 – code: 680 69 58

France: +33 (0) 174 20 28 00 – code: 251 75 73

On our website **www.vivendi.com** will be available dial-in numbers for the conference call and for replay (14 days), an audio webcast and the slides of the presentation.



## APPENDIX I

### VIVENDI

#### ADJUSTED STATEMENT OF EARNINGS (IFRS, unaudited)

| 2nd Quarter<br>2014 | 2nd Quarter<br>2013 | % Change |   | 1st Half 2014 | 1st Half 2013 | % Change |
|---------------------|---------------------|----------|---|---------------|---------------|----------|
| 2,824               | 2,919               | - 3.3%   | <b>Revenues</b>   | 5,546         | 5,745         | - 3.5%   |
| (1,597)             | (1,633)             |          | Cost of revenues  | (3,233)       | (3,272)       |          |
| <b>1,227</b>        | <b>1,286</b>        | - 4.6%   | <b>Margin from operations</b>   | <b>2,313</b>  | <b>2,473</b>  | - 6.5%   |
| (806)               | (883)               |          | Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations | (1,634)       | (1,727)       |          |
| (63)                | (18)                |          | Restructuring charges and other operating charges and income  | (53)          | (60)          |          |
| <b>358</b>          | <b>385</b>          | - 6.9%   | <b>EBITA (*)</b>  | <b>626</b>    | <b>686</b>    | - 8.8%   |
| 4                   | 1                   |          | Income from equity affiliates   | (2)           | (7)           |          |
| (34)                | (76)                |          | Interest  | (53)          | (156)         |          |
| 2                   | 11                  |          | Income from investments   | 2             | 25            |          |
| <b>330</b>          | <b>321</b>          | + 3.2%   | <b>Adjusted earnings from continuing operations before provision for income taxes</b>   | <b>573</b>    | <b>548</b>    | + 4.7%   |
| (114)               | (56)                |          | Provision for income taxes  | (177)         | (113)         |          |
| <b>216</b>          | <b>265</b>          | - 18.4%  | <b>Adjusted net income before non-controlling interests</b>   | <b>396</b>    | <b>435</b>    | - 9.0%   |
| (22)                | (40)                |          | Non-controlling interests   | (41)          | (76)          |          |
| <b>194</b>          | <b>225</b>          | - 13.7%  | <b>Adjusted net income (*)</b>  | <b>355</b>    | <b>359</b>    | - 1.1%   |
| <b>0.14</b>         | <b>0.17</b>         | - 15.0%  | <b>Adjusted net income per share - basic</b>  | <b>0.26</b>   | <b>0.27</b>   | - 2.5%   |
| <b>0.14</b>         | <b>0.17</b>         | - 15.2%  | <b>Adjusted net income per share - diluted</b>  | <b>0.26</b>   | <b>0.27</b>   | - 2.7%   |

In millions of euros, per share amounts in euros.

#### Nota:

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

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

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

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

(\*) The reconciliation of EBIT to EBITA (adjusted earnings before interest and income taxes) and of earnings attributable to Vivendi SA shareowners to adjusted net income is presented in the Appendix V.

For any additional information, please refer to "2014 Half Year Financial Report", which will be released online later on Vivendi's website ([www.vivendi.com](http://www.vivendi.com)).

## APPENDIX II

### VIVENDI

#### CONSOLIDATED STATEMENT OF EARNINGS

(IFRS, unaudited)

| 2nd Quarter<br>2014 | 2nd Quarter<br>2013 | % Change |   | 1st Half 2014 | 1st Half 2013 | % Change |
|---------------------|---------------------|----------|---|---------------|---------------|----------|
| <b>2,824</b>        | <b>2,919</b>        | - 3.3%   | <b>Revenues</b>   | <b>5,546</b>  | <b>5,745</b>  | - 3.5%   |
| (1,597)             | (1,633)             |          | Cost of revenues  | (3,233)       | (3,272)       |          |
| <b>1,227</b>        | <b>1,286</b>        | - 4.6%   | <b>Margin from operations</b>   | <b>2,313</b>  | <b>2,473</b>  | - 6.5%   |
| (806)               | (883)               |          | Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations | (1,634)       | (1,727)       |          |
| (63)                | (18)                |          | Restructuring charges and other operating charges and income  | (53)          | (60)          |          |
| (89)                | (109)               |          | Amortization of intangible assets acquired through business combinations  | (178)         | (202)         |          |
| -                   | 15                  |          | Impairment losses on intangible assets acquired through business combinations   | -             | (5)           |          |
| 3                   | 28                  |          | Other income  | 3             | 28            |          |
| (12)                | (11)                |          | Other charges   | (15)          | (38)          |          |
| <b>260</b>          | <b>308</b>          | - 15.6%  | <b>EBIT</b>   | <b>436</b>    | <b>469</b>    | - 7.1%   |
| 4                   | 1                   |          | Income from equity affiliates   | (2)           | (7)           |          |
| (34)                | (76)                |          | Interest  | (53)          | (156)         |          |
| 2                   | 11                  |          | Income from investments   | 2             | 25            |          |
| 46                  | 3                   |          | Other financial income  | 86            | 44            |          |
| (24)                | (128)               |          | Other financial charges   | (42)          | (151)         |          |
| <b>254</b>          | <b>119</b>          | x 2.1    | <b>Earnings from continuing operations before provision for income taxes</b>  | <b>427</b>    | <b>224</b>    | + 90.3%  |
| (88)                | 117                 |          | Provision for income taxes  | (189)         | 127           |          |
| <b>166</b>          | <b>236</b>          | - 29.8%  | <b>Earnings from continuing operations</b>  | <b>238</b>    | <b>351</b>    | - 32.3%  |
| 1,413               | 496                 |          | Earnings from discontinued operations   | 1,929         | 1,180         |          |
| <b>1,579</b>        | <b>732</b>          | x 2.2    | <b>Earnings</b>   | <b>2,167</b>  | <b>1,531</b>  | + 41.6%  |
| (97)                | (231)               |          | Non-controlling interests   | (254)         | (496)         |          |
| <b>1,482</b>        | <b>501</b>          | x 3.0    | <b>Earnings attributable to Vivendi SA shareowners</b>  | <b>1,913</b>  | <b>1,035</b>  | + 84.8%  |
| <b>1.10</b>         | <b>0.38</b>         | x 2.9    | <b>Earnings attributable to Vivendi SA shareowners per share - basic</b>  | <b>1.42</b>   | <b>0.78</b>   | + 82.2%  |
| <b>1.10</b>         | <b>0.38</b>         | x 2.9    | <b>Earnings attributable to Vivendi SA shareowners per share - diluted</b>  | <b>1.42</b>   | <b>0.78</b>   | + 82.2%  |

In millions of euros, per share amounts in euros.

#### Nota:

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

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

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

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

## APPENDIX III

### VIVENDI

#### REVENUES AND EBITA BY BUSINESS SEGMENT

(IFRS, unaudited)

|  | 2nd Quarter<br>2014 | 2nd Quarter<br>2013 | % Change     | % Change at<br>constant rate | % Change at<br>constant rate<br>and perimeter<br>(a) |
|--|---------------------|---------------------|--------------|------------------------------|--|
| (in millions of euros)                   |                     |                     |              |                              |  |
| <b>Revenues</b>                          |                     |                     |              |                              |  |
| Canal+ Group                             | 1,350               | 1,314               | +2.8%        | +2.9%                        | +0.2%  |
| Universal Music Group                    | 1,019               | 1,145               | -11.0%       | -6.7%                        | -4.3%  |
| GVT                                      | 434                 | 446                 | -2.6%        | +13.1%                       | +13.1%   |
| Others                                   | 26                  | 17                  |              |                              |  |
| Elimination of intersegment transactions | (5)                 | (3)                 |              |                              |  |
| <b>Total Vivendi</b>                     | <b>2,824</b>        | <b>2,919</b>        | <b>-3.3%</b> | <b>+0.9%</b>                 | <b>+0.6%</b>   |
| <b>EBITA</b>                             |                     |                     |              |                              |  |
| Canal+ Group                             | 245                 | 247                 | -0.7%        | -0.8%                        | -0.9%  |
| Universal Music Group                    | 97                  | 88                  | +10.1%       | +15.6%                       | +28.0%   |
| GVT                                      | 87                  | 97                  | -9.9%        | +4.8%                        | +4.8%  |
| Others                                   | (66)                | (22)                |              |                              |  |
| Holding & Corporate                      | (5)                 | (25)                |              |                              |  |
| <b>Total Vivendi</b>                     | <b>358</b>          | <b>385</b>          | <b>-6.9%</b> | <b>-2.1%</b>                 | <b>+0.1%</b>   |
| <b>1st Half 2014 vs 1st Half 2013</b>    |                     |                     |              |                              |  |
|  | 1st Half 2014       | 1st Half 2013       | % Change     | % Change at<br>constant rate | % Change at<br>constant rate<br>and perimeter<br>(a) |
| (in millions of euros)                   |                     |                     |              |                              |  |
| <b>Revenues</b>                          |                     |                     |              |                              |  |
| Canal+ Group                             | 2,667               | 2,600               | +2.6%        | +2.7%                        | +0.7%  |
| Universal Music Group                    | 2,003               | 2,236               | -10.4%       | -6.0%                        | -3.2%  |
| GVT                                      | 839                 | 884                 | -5.1%        | +12.8%                       | +12.8%   |
| Others                                   | 47                  | 33                  |              |                              |  |
| Elimination of intersegment transactions | (10)                | (8)                 |              |                              |  |
| <b>Total Vivendi</b>                     | <b>5,546</b>        | <b>5,745</b>        | <b>-3.5%</b> | <b>+1.0%</b>                 | <b>+1.3%</b>   |
| <b>EBITA</b>                             |                     |                     |              |                              |  |
| Canal+ Group                             | 420                 | 430                 | -2.4%        | -2.5%                        | -2.8%  |
| Universal Music Group                    | 153                 | 143                 | +7.0%        | +14.5%                       | +41.9%   |
| GVT                                      | 170                 | 196                 | -13.2%       | +3.3%                        | +3.3%  |
| Others                                   | (86)                | (36)                |              |                              |  |
| Holding & Corporate                      | (31)                | (47)                |              |                              |  |
| <b>Total Vivendi</b>                     | <b>626</b>          | <b>686</b>          | <b>-8.8%</b> | <b>-2.6%</b>                 | <b>+1.2%</b>   |

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

**APPENDIX IV**  
**VIVENDI**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**(IFRS, unaudited)**

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

## APPENDIX V

### VIVENDI

#### RECONCILIATION OF EBIT TO EBITA AND OF EARNINGS, ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS TO ADJUSTED NET INCOME

(IFRS, unaudited)

EBITA (adjusted earnings before interest and income taxes) and adjusted net income, non-GAAP measures, should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance and Vivendi considers that they are relevant indicators to assess the group's operating and financial performance. Vivendi Management uses EBITA and adjusted net income for reporting, management and planning purposes because they better illustrate the underlying performance of continuing operations by excluding most non-recurring and non-operating items.

| 2nd Quarter<br>2014 | 2nd Quarter<br>2013 | (in millions of euros)   | 1st Half 2014 | 1st Half 2013 |
|---------------------|---------------------|--|---------------|---------------|
| <b>260</b>          | <b>308</b>          | <b>EBIT (*)</b>  | <b>436</b>    | <b>469</b>    |
|                     |                     | <i>Adjustments</i>   |               |               |
| 89                  | 109                 | Amortization of intangible assets acquired through<br>business combinations (*)      | 178           | 202           |
| -                   | (15)                | Impairment losses on intangible assets acquired through<br>business combinations (*) | -             | 5             |
| (3)                 | (28)                | Other income (*)   | (3)           | (28)          |
| 12                  | 11                  | Other charges (*)  | 15            | 38            |
| <b>358</b>          | <b>385</b>          | <b>EBITA</b>   | <b>626</b>    | <b>686</b>    |

| 2nd Quarter<br>2014 | 2nd Quarter<br>2013 | (in millions of euros)  | 1st Half 2014 | 1st Half 2013 |
|---------------------|---------------------|---|---------------|---------------|
| <b>1,482</b>        | <b>501</b>          | <b>Earnings attributable to Vivendi SA shareowners (*)</b>  | <b>1,913</b>  | <b>1,035</b>  |
|                     |                     | <i>Adjustments</i>  |               |               |
| 89                  | 109                 | Amortization of intangible assets acquired through<br>business combinations (*)   | 178           | 202           |
| -                   | (15)                | Impairment losses on intangible assets acquired through<br>business combinations (*)  | -             | 5             |
| (3)                 | (28)                | Other income (*)  | (3)           | (28)          |
| 12                  | 11                  | Other charges (*)   | 15            | 38            |
| (46)                | (3)                 | Other financial income (*)  | (86)          | (44)          |
| 24                  | 128                 | Other financial charges (*)   | 42            | 151           |
| (1,413)             | (496)               | Earnings from discontinued operations (*)   | (1,929)       | (1,180)       |
| (786)               | -                   | <i>of which capital gain on the divestiture of Maroc Telecom group</i>  | (786)         | -             |
| (224)               | -                   | <i>of which capital gain on Activision Blizzard shares</i>  | (224)         | -             |
| (14)                | (52)                | Change in deferred tax asset related to Vivendi SA's French<br>Tax Group and to the Consolidated Global Profit Tax<br>Systems | 35            | (104)         |
| 3                   | (50)                | Non-recurring items related to provision for income taxes   | 10            | (43)          |
| (15)                | (71)                | Provision for income taxes on adjustments   | (33)          | (93)          |
| 75                  | 191                 | Non-controlling interests on adjustments  | 213           | 420           |
| <b>194</b>          | <b>225</b>          | <b>Adjusted net income</b>  | <b>355</b>    | <b>359</b>    |

(\*) As reported in the Consolidated Statement of Earnings.

## APPENDIX VI

### VIVENDI

#### **ADJUSTMENTS TO COMPARATIVE INFORMATION WITH RESPECT TO FISCAL YEAR 2013: CONSOLIDATED STATEMENT OF EARNINGS AND ADJUSTED STATEMENT OF EARNINGS (IFRS, unaudited)**

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

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

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

As a result of IFRS 5 for SFR as from the first quarter of 2014, the Consolidated Statement of Earnings and the Adjusted Statement of Earnings with respect to the fiscal year 2013 have been adjusted as presented below:

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