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February 19,  
2016

## Information for the employees of GAMELOFT about VIVENDI's offer to purchase the shares of GAMELOFT (supplemental to the offer document filed with the *Autorité des Marchés Financiers*, the French stock market authority (the « AMF »))

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## Introduction

**Dear Sir or Madam,**

**Your company's management has informed you of the offer to purchase for cash the shares of GAMELOFT (the "Offer"), that VIVENDI filed with the AMF on February 18, 2016.**

**This document has been especially prepared for you, a GAMELOFT employee, in order to introduce you to VIVENDI and to explain the reasons behind the Offer and VIVENDI'S ambitions for GAMELOFT.**

**The information contained herein is supplemental to the information document VIVENDI filed with the AMF, and that the management of GAMELOFT may have already provided to you.**

# Agenda

- 1- Who are we?
- 2- VIVENDI's experience in the video games industry
- 3- The video games business is central to VIVENDI's strategy
- 4- Why an Offer on GAMELOFT?
- 5- VIVENDI's ambitions for GAMELOFT
- 6- What VIVENDI will bring to GAMELOFT employees
- 7- Several promising avenues of cooperation
- 8- What are VIVENDI's intentions with respect to employees?

# 1. Who are we?

VIVENDI is a **worldwide leader in content and media.**

VIVENDI is the worldwide leader in music, a European leader in cinema and a leading international player in television.

VIVENDI is active across the entire value chain - from the discovery of talent to the creation, production and distribution of content.

# 1. Who are we?

## 1.1 The four pillars of VIVENDI:

- Universal Music Group
- Canal+ Group
- Dailymotion
- Vivendi Village

## 1.2 An international group

## 1.3 VIVENDI's strategic refocusing on media and content

# 1.1 The four pillars of VIVENDI



UNIVERSAL MUSIC GROUP



**dailymotion**

**vivendi** village

**16,395** employees\*

**€10.8bn** in total revenue\*

present in **67 countries**\*

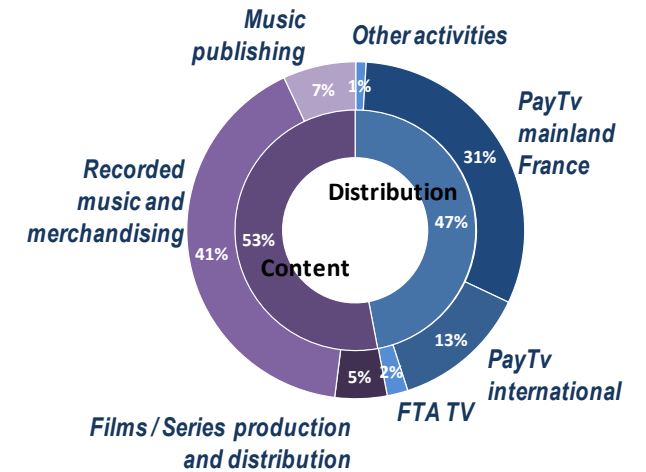
\* 2015 figures

# 1.2 Vivendi today: an international group

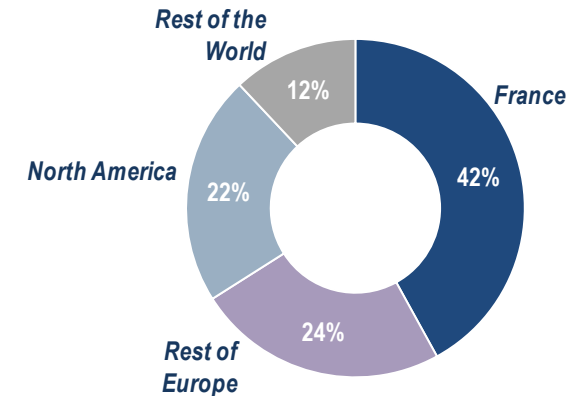
- Recorded Music & Publishing
- Pay TV
- Videos production and distri.
- Digital Distribution
- Talent and Events

- #1 worldwide in recorded music with 34%\* of market share.
- #2 in music publishing with 23%\* of market share.
- 11.2 million subscribers, of which 5.5m outside mainland France.
- Canal+ Group invested c. €800m in 2015 in the cinema industry.
- Studiocanal: the #1 European movie studio.
- World-class platforms with international footprints: Dailymotion, Radionomy and Watchever.
- Partnerships with telcos.
- Discovering and accompanying Talent.
- Ticketing & Venues (L'Olympia, Théâtre de l'Œuvre, CanalOlympia).

Revenues by activity



Revenues by geography



\* In 2014, source : Music & Copyright

# Universal Music Group

- UMG is the world leader in recorded music.
- UMG's labels are recognized as top-of-the-class in scouting, developing and supporting artists.
- Laser-focused on breaking new artists and optimizing existing talent
  - **7 Albums in the Top 10 in the USA\* in 2015**, including 2 of the top 3 with Taylor Swift's "1989" and Justin Bieber's "Purpose", and **9 of the Top 20 albums for the year in the UK**;
  - **The Weeknd**, the biggest industry wide breakthrough around the world in 2015;
  - UMG also **broke six artists in the U.S.**: Sam Hunt (the top selling 2015 breakout artist in the U.S.), Nick Jonas, Tove Lo, Shawn Mendes, Rae Sremmurd and Chris Stapleton;
  - **James Bay**, the winner of the UK's prestigious BBC Sound of 2015 poll, was the biggest breakthrough artist in the UK for 2015;
  - In Germany, **Helene Fischer** was the best-selling artist of the year for the third time in four years.



65%\*\*

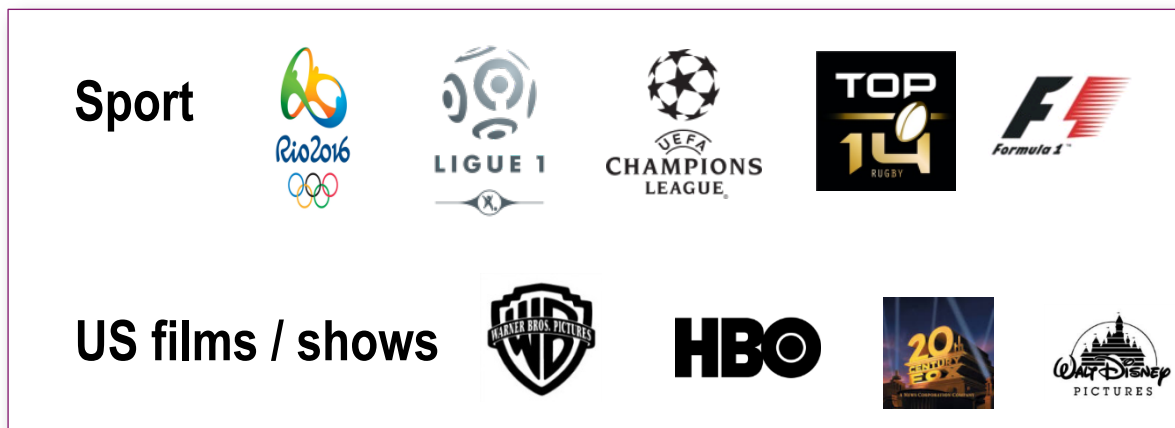
of UMG sales generated by local artists in their own country

\* 2015 Nielsen Music U.S. Report

\*\* Scope: 59 countries



## ■ A consolidated pay-TV activity



## ■ Rapid development in free-to-air TV



D8 is the number one digital analog TV channel in France and the fifth national channel.



## Original creations



## A leading video-on-demand service



■ **Studiocanal, #1 European studio.** Average of 50 movies released yearly in three European territories \*

TV shows/miniseries



2015 Successes



\$ 100m+  
global B.O.

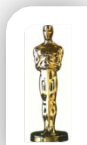


Best start in UK  
for a SC movie

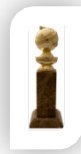


\$ 250m+  
global B.O.

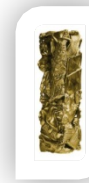
Nominations



Academy Awards (Oscars)  
2016  
**18 nominations**  
including Best Animated  
Feature: *Shaun The Sheep The  
Movie*



Golden Globes 2016  
**12 nominations**



Césars 2016  
**19 nominations**

\* France, UK and Germany



# A worldwide video platform

## One of the world's biggest video aggregation and distribution platforms

- 3.5 billion videos viewed each month
- A strong presence on all continents and the leading European website
- 300 million visitors each month
- Available on all operating systems (IOS, Android, Windows ...)



45%



55%



## New distribution opportunities for VIVENDI's content

- Access to a technical expertise in addition to that of Vivendi:
  - New video player completely redesigned and reorganized to improve the viewing experience on all screens
- The joint development of original content and new formats (e.g., short formats) with the Universal Music Group and Canal+ teams

Development in eSport with a dedicated team. 180 millions videos viewed each month.

# A «family» of companies with strong potential



- Companies having a **strong entrepreneurial spirit**
- Environment structured to **test and develop new ideas in content production, distribution and exploitation**



L'Olympia hosted artists from all over the world: the Beatles, the Rolling Stones, David Bowie, Lady Gaga, Madonna, Justin Timberlake. Dalida, Eddy Mitchell, Johnny Hallyday, Sylvie Vartan are « children » of L'Olympia.

# 1.3 VIVENDI's strategic refocusing on media and content

- **Repositioning:** disposal of VIVENDI's three telecommunications assets (SFR, Maroc Telecom, GVT) in 2014
- **Redeployment:** expansion in media and content, in particular:

Sept. 2012		Purchase of the TV channels Direct 8 et Direct Star (renamed D8 and D17) in France
March 2014		Majority stake acquired in Studio Bagel, the top comedy channel network on YouTube in France
April 2014		Acquisition of Eagle Rock Entertainment (music videos)
June 2015		90% of Dailymotion, one of the world's largest aggregation and digital distribution platforms
December 2015		30% in Mars Films, one of the French leaders in the production and distribution of movies ( <i>12 Years a Slave</i> , <i>La famille Bélier</i> )
December 2015		64.4% in Radionomy Group, a major global digital radio player
End of 2015		Largest shareholder of GAMELOFT
1st quarter 2016		26.2% of Banijay Zodiak, one of the world's largest producers and distributors of TV programs

## 2. VIVENDI's experience in the video-game sector

**VIVENDI has always been interested in video games, a business it knows well.**

- **In 1997**, Canal+ created «Le Deuxième Monde» (« The Second World »);
- **Then in 1999**, acquisition of Cendant Software;
- Thereafter, VIVENDI **reinforced its position in this market and became one of the worldwide leaders in video games** through its subsidiary, Vivendi Games (Sierra, Blizzard) **then the worldwide leader through Activision Blizzard**. These companies created or developed such flagship games as **World of Warcraft, Call of Duty, Diablo, and Skylander**;
- VIVENDI took financial risks in this industry and supported the development of the creative process. Thus, VIVENDI was able to develop Blizzard Entertainment, the creator of World of Warcraft, then brought it together with Activision to create Activision Blizzard, the **world leader in video games**.

VIVENDI's prior management team decided to sell Activision Blizzard in 2013. This step was necessary for debt reduction.

### 3. The video games business is central to VIVENDI's strategy

- VIVENDI wants to play a major global role in the video games industry, as is the case with all activities in which it invests, be it music with Universal Music, cinema and television with Canal+, or online video distribution with Dailymotion.
- Today's video games industry is facing a rapidly changing landscape, including an abundance of supply in a fragmented market. There have been important recent strategic developments in this evolving market such as the acquisition by Activision Blizzard of King Digital Entertainment, the strategic equity investments by SoftBank in GungHo and by Tencent in Glu Mobile, CJ Games and Miniclip as well as the acquisition by Microsoft of Mojang.

## 4. Why an Offer on GAMELOFT?

- Vivendi was unable to engage GAMELOFT's top management in dialogue despite its efforts to do so. VIVENDI gradually increased its participation in GAMELOFT's share capital and decided today to launch this tender offer on the company.
- **VIVENDI believes that this acquisition will benefit all stakeholders: clients, partners and GAMELOFT employees.** Indeed, VIVENDI's plan is to provide GAMELOFT with new financial and industrial growth levers due to its position within a diversified and international media group.
- VIVENDI notes that all of its assets would complement and strengthen GAMELOFT as it will join a virtuous circle of creativity, franchises, audiences and distribution. The bringing together of VIVENDI AND GAMELOFT is part of a long-term plan to create a worldwide creative content champion.



## 5. VIVENDI's ambitions for GAMELOFT

The proposed acquisition of GAMELOFT by VIVENDI is part of VIVENDI's strategy to develop as a **worldwide content and media leader**:

- The video games business is one of **the fundamental components of the media industry**.
- **Video games for mobile devices represent almost a third of the video games market**, with a stronger presence in emerging countries.
- As one of the leading entertainment formats used by consumers in terms of time spent, video games on mobile devices are expected to experience **one of the strongest growths in the media industry**.

## 5. VIVENDI's ambitions for GAMELOFT (continued)

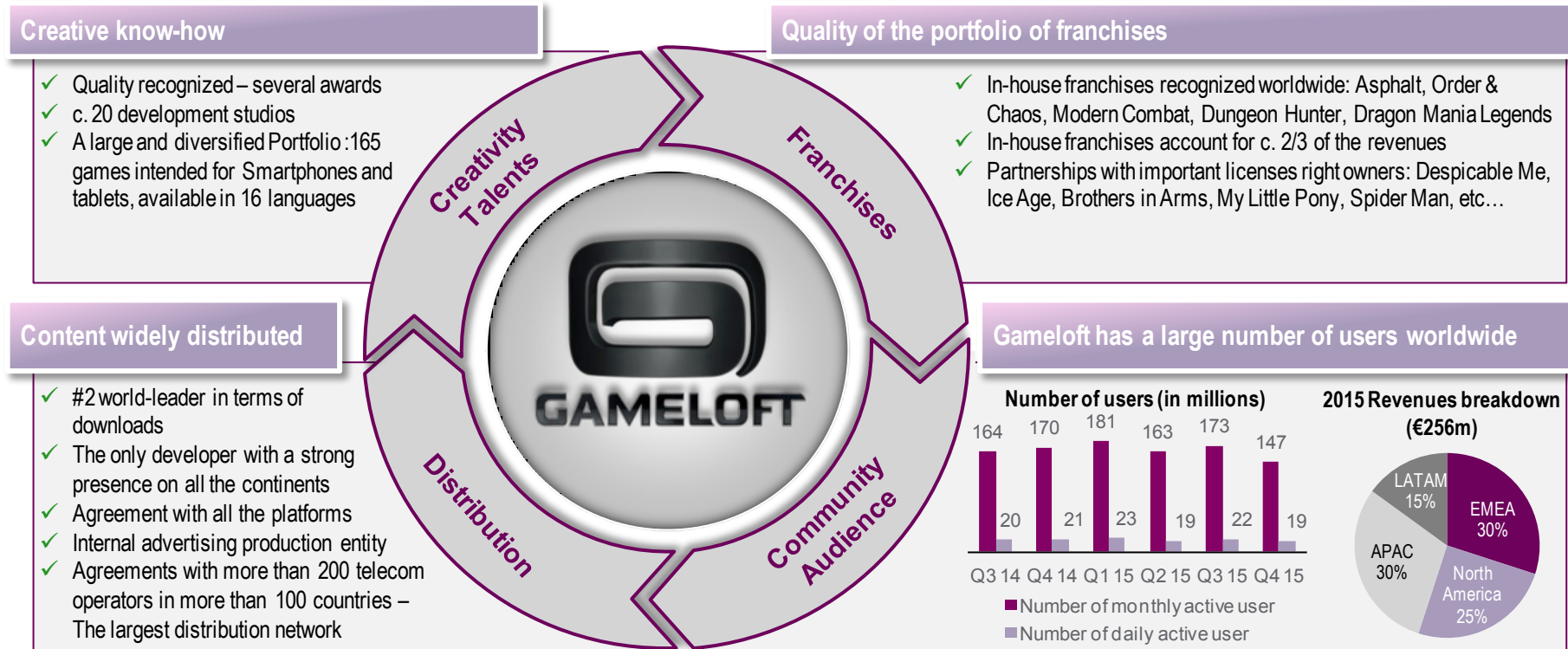
**In this context, VIVENDI'S interest in GAMELOFT, which benefits from a recognized expertise in the creation of content for mobile devices, makes perfect sense.**

### **In fact:**

- As a pioneer of video games on mobile devices, GAMELOFT has become **one of the preeminent actors in the market** and has commensurate international exposure, especially in Asia, Latin America and Africa.
- In 2015 GAMELOFT was **the second largest developer of mobile video games worldwide** in terms of downloads on the iOS and Google Play platforms.
- **The strength of its franchises and recognized quality of its video games** have provided GAMELOFT the opportunity to build a large gaming community (147 million active monthly gamers and 19 million active daily gamers during the 4<sup>th</sup> quarter of 2015).
- VIVENDI believes that the **principal advantages of GAMELOFT** are: the creative know-how of its employees; its development studios; a strong presence on the distribution hub; a comprehensive distribution network; an advertising department offering the most innovative formats and a large international presence.

# 5. VIVENDI's ambitions for GAMELOFT (continued)

In essence, GAMELOFT's ecosystem is based on **four pillars**:



## 5. VIVENDI's ambitions for GAMELOFT (continued)

**VIVENDI**, whose principal activities rely on creative content and talent, will be able to provide GAMELOFT **with new growth levers, in particular:**

- **The financial capacity of VIVENDI** should allow it to secure and amplify the creation, development and distribution of GAMELOFT products **for the long term;**
- **VIVENDI's creative know-how** can benefit GAMELOFT employees in their efforts to create new formats and content developed for video games on mobile devices and all present and future media produced by VIVENDI;
- **A proximity** with all the major film and TV studios, in particular through Canal+ Group, will allow GAMELOFT to **solidify and secure** its commercial relations with big franchises for the long term;
- **Strong international positions** (especially in the US, Japan and Latin America through UMG, in Africa through Canal+ Africa and in Asia with Dailymotion and UMG) could help expand GAMELOFT's gaming communities.

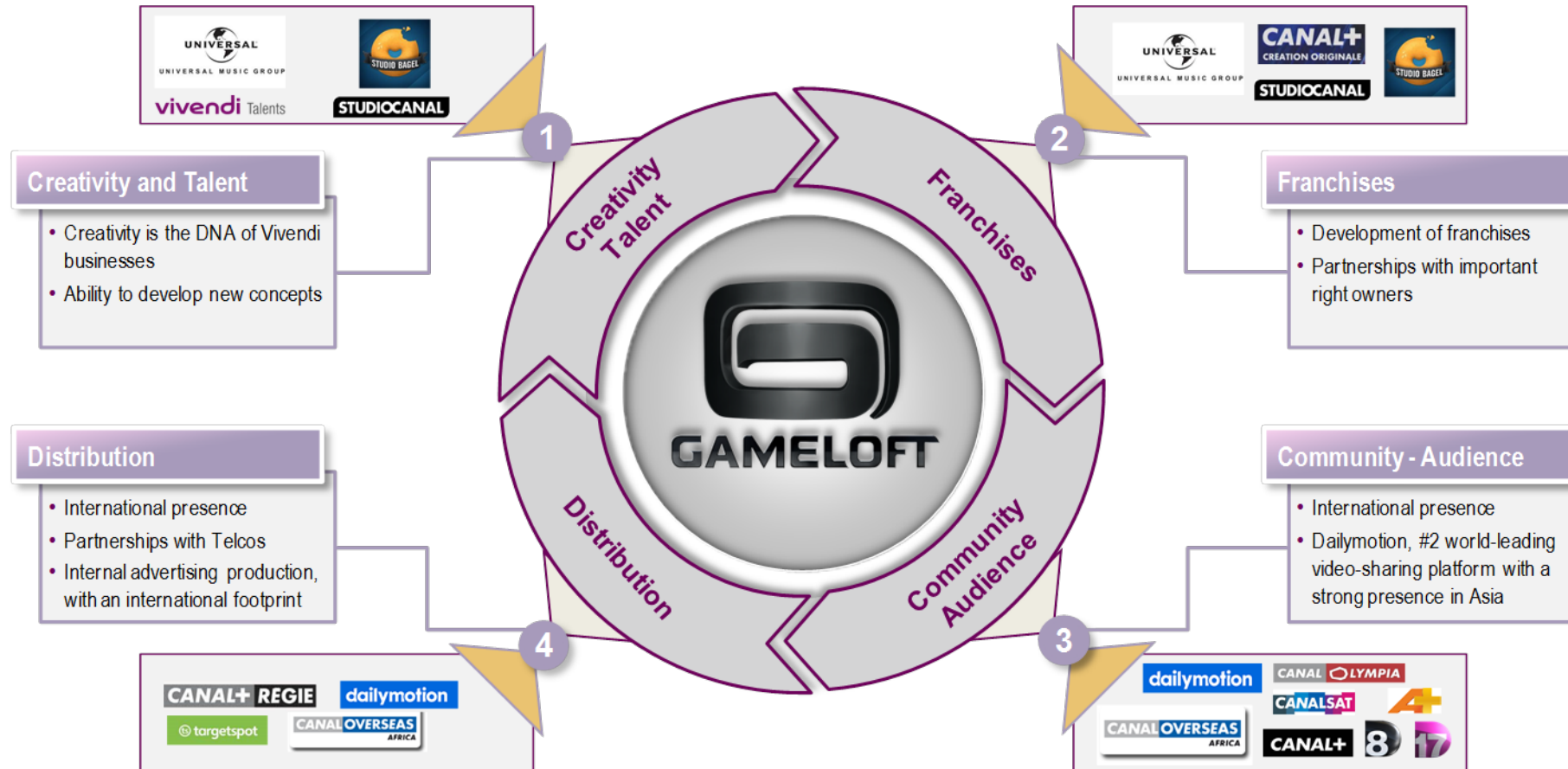
## 6. What VIVENDI will bring to GAMELOFT employees

- For GAMELOFT employees, beyond a culture of fostering creativity in the long term, **VIVENDI offers them an opportunity to pursue their adventure in a secure, structured and focused environment**, which will give them the appropriate means, within a highly fragmented industry that is experiencing a high volume of business combinations.
- VIVENDI offers GAMELOFT and its employees **the best available guarantee of benefiting from an ecosystem** that will allow them to benefit from complementary skills and experiences.
- VIVENDI's policy is to **support the production of original content**, in an environment with realistic objectives and a **coherent work organization**.

## 6. What VIVENDI will bring to GAMELOFT employees (continued)

- VIVENDI believes, and this applies to all of its activities, that it is the creative talent that is responsible for the richness of the content developed and that they are the most valuable asset of any company.
- As such, **VIVENDI has vast experience and know-how in managing talent and creative products:**
  - At the time of the acquisition of EMI Recorded Music in 2012, artists followed us and joined us. UMG's President, Lucian Grainge, constantly reminds us that accompanying talent is essential to guaranteeing the success of UMG.
  - **VIVENDI has demonstrated in the past that it is able to take risks and make industrial and financial bets in the gaming industry**, as demonstrated by the development of Vivendi Games, creator of World of Warcraft.
- **VIVENDI's objective with respect to its proposed acquisition of GAMELOFT, is to provide the company with more resources and development opportunities** by relying on the talent that contributes to its success the world over.

# 7. Several reasonable & promising avenues of cooperation



## 8. VIVENDI's intentions with respect to employees

- Based on its knowledge, VIVENDI does not believe that the takeover of GAMELOFT by VIVENDI will have any particular impact on GAMELOFT's staff.

In fact,

- There is **no overlap of the respective activities** of VIVENDI and GAMELOFT;
- VIVENDI aims to **continue and develop GAMELOFT's activities for the long term.**

VIVENDI wants to **retain and develop the talent and know-how of the GAMELOFT staff.**