



# **FULL YEAR 2017 RESULTS**

#### **IMPORTANT NOTICE:**

Financial results for the fiscal year ended December 31, 2017
Financial statements audited and prepared under IFRS
Investors are strongly urged to read the important disclaimer at the end of this presentation

#### **ARNAUD DE PUYFONTAINE**

Chairman of the Management Board Chief Executive Officer

# STRATEGIC UPDATE



#### A CLEAR AND AMBITIOUS STRATEGY





**NEW DEVELOPMENTS** 















vivendi content

Group Vivendi Africa



3

# WE HAVE SET THE FOUNDATIONS FOR ACHIEVING OUR AMBITION

Powerful and complementary assets

A solid financial situation

Lead shareholder: the Bolloré Group



# CONTINUOUS CREATION OF ORIGINAL CONTENT FOR ALL AUDIENCES, NOTABLY FOR MILLENNIALS



**Music world leader** 



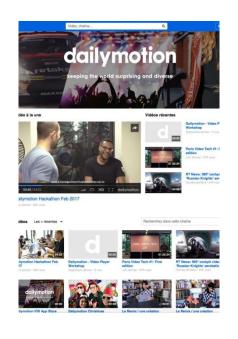
Mobile gaming world leader in downloads



A rich and diverse audiovisual content offer



# BUILDING SCALE TO GET THE BEST EXPOSURE FOR VIVENDI CONTENT



In house distribution platforms



Strong partnerships with global digital platforms



Strong local footprint through partnerships with telcos



# HAVAS ACQUISITION: ANOTHER STEP IN THE EXECUTION OF VIVENDI STRATEGY



Large network of state-of-the-art agencies

An acquisition accretive to Vivendi's operating results and cashflow

Synergies with other Vivendi's activities



#### **SETTING VIVENDI UP FOR FUTURE GROWTH**

Live & events



Intellectual property



New content formats





#### **VIVENDI: UPDATE ON STAKES IN LISTED COMPANIES**











#### 2017 ACHIEVEMENTS: VIVENDI BACK TO GROWTH

#### **UMG** Havas Strong commercial dynamics Very solid performance fueled by streaming and successful album releases Agreements with Spotify, Tencent, YouTube and Facebook **Gameloft** vivendi Solid market positions **Canal+ Group** Solid recovery in France Investments in new initiatives Ongoing growth of international activities Creating additional sources of revenue



#### **DIVIDEND**

# Proposed distribution of an ordinary dividend of €0.45 per share



HERVÉ PHILIPPE

Member of the Management Board
Chief Financial Officer

FINANCIALS



#### **SUMMARY**

- 1 Disclosure
- 2 2017 Group Results
- **3 Business Unit Performances**
- 4 Appendices



# Disclosure



### **DISCLOSURE** (1/2)

#### Main changes

Changes in disclosure to ensure the consistency of the presentation of Vivendi's Consolidated Statement of Earnings with the one prepared by Bolloré Group, which has fully consolidated Vivendi as from April 26, 2017

#### Net debt / Net cash definition

- Derivative financial instruments (net) not related to Net Debt items and commitments to purchase minority interests
   <u>are now excluded</u> from the net debt / net cash definition
- Changes were implemented end of 2017

#### Illustrated changes in net debt / net cash definition

| In euro millions  | FY 2016 | FY 2017 |
|---|---------|---------|
| Cash and cash equivalents   | 4,072   | 1,951   |
| Cash management financial assets  | 998     | 75      |
| Cash position   | 5,070   | 2,026   |
| Borrowings* and derivative instruments based on net debt items<br>Cash deposits | (3,839) | (4,366) |
| Net cash / (net debt) position - NEW DEFINITION                                 | 1,231   | (2,340) |
| Derivative financial instruments, net   | (78)    | (107)   |
| Commitments to purchase non-controlling interests                               | (85)    | (144)   |
| Net cash / (net debt) position - OLD DEFINITION                                 | 1,068   | (2,591) |



### **DISCLOSURE** (2/2)

#### Main changes

#### Income from operations

 Income from equity affiliates, excluding PPA amortization, if any, is now included in the new definition of the Income from operations

#### Illustrated changes in Income from operations definition

| In euro millions   | FY 2017        |
|--|----------------|
| Revenues   | 12,444         |
| Cost of revenues   | (7,210)        |
| Selling, general and administrative expenses excluding amortization of intangible assets acquired through business combinations Income from equity affiliates (excluding PPA amortization, if any) | (4,118)<br>206 |
| Income from operations - NEW DEFINITION  | 1,322          |
| Income from equity affiliates  | (206)          |
| Income from operations - OLD DEFINITION  | 1,116          |
|  |                |

In order to be consistent with the operating results released in 2017, this new definition will apply as from <u>January 1<sup>st</sup></u>, <u>2018</u>

#### Quarterly financial information releases

- As is the practice at most of the CAC 40 companies, starting in 2018, for the Q1 and 9M periods, Vivendi will release only revenue information
- 2018 financial information release dates: Q1 on May 17, H1 on August 30 and 9M on November 15



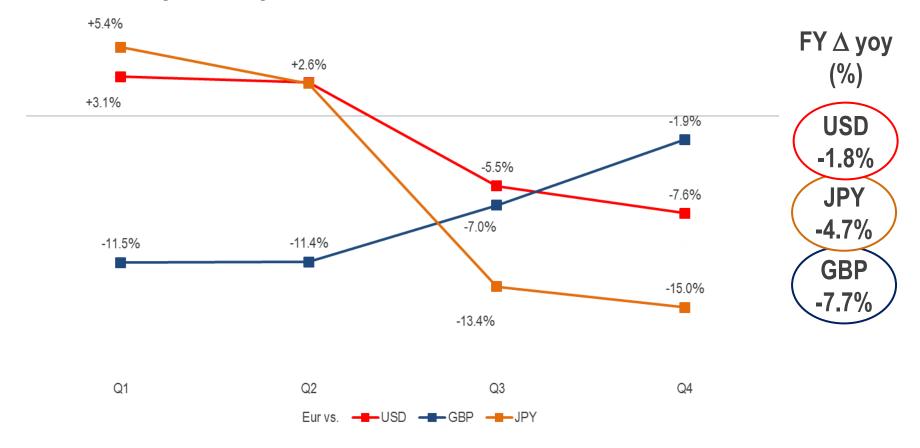
# 2017 Group Results



#### **CURRENCIES**

#### Main changes

■ In 2017, the euro strengthened against the main currencies.





#### SCOPE OF CONSOLIDATION

#### Main changes

- Havas has been consolidated since July 3, 2017
  - Impacts of Havas consolidation on Vivendi's financial statements are detailed in the note 2.1 of Vivendi's financial report as of December 31, 2017
- Constant perimeter mainly reflects the impacts of the acquisition of Havas, as well as Gameloft and Paddington, which have been consolidated since June 29, 2016 and June 30, 2016, respectively
- As a reminder, Telecom Italia and Banijay Group Holding have been accounted for as equity affiliates since December 15, 2015 and February 23, 2016, respectively
- Supplementary unaudited financial data related to Vivendi's interest in Telecom Italia is provided following the Notes to the Audited Financial Statements for the fiscal year ended December 31, 2017

Since 2017, the results of Flab Prod/Flab Presse as well as Canal Factory are reported within Canal+ Group; in 2016, they were reported within New Initiatives



#### **KEY FINANCIAL METRICS**

| In euro millions                       | FY 2016 | FY 2017 | ∆ yoy (%) | Organic ∆ yoy<br>(%)* |
|--|---------|---------|-----------|-----------------------|
| Revenues                               | 10,819  | 12,444  | + 15.0 %  | + 4.9 %               |
| Income from operations                 | 853     | 1,116   | + 30.9 %  | +17.0%                |
| EBITA                                  | 724     | 987     | + 36.4 %  | + 23.1 %              |
| EBIT                                   | 887     | 1,036   | + 16.8 %  |                       |
| Earnings from continuing operations    | 1,255   | 1,261   | + 0.4 %   |                       |
| Adjusted Net Income                    | 755     | 1,312   | + 73.9 %  |                       |
| Net Cash / (Net Debt)** as of Dec. 31, | 1,231   | (2,340) |           |                       |
| Market value of listed portfolio***    | 6,065   | 6,377   |           |                       |



<sup>\*</sup> At constant currency and perimeter. See details on pages 18 and 19, respectively

<sup>\*\*</sup> New definition of the Net Cash/Net Debt. Please refer to the page 15

<sup>\*\*\*</sup> as of December 31

#### **CONSOLIDATED P&L**

| In euro millions   | 2016   | 2017   | Δ (%)    |
|--|--------|--------|----------|
| Revenues   | 10,819 | 12,444 | + 15.0%  |
| Income from operations   | 853    | 1,116  | + 30.9%  |
| EBITA  | 724    | 987    | + 36.4%  |
| Amortization and depreciation of intangible assets acquired through business combinations            | (246)  | (124)  |          |
| Reversals of reserves related to the Securities Class Action and Liberty Media litigations in the US | 240    | 27     |          |
| Income from equity affiliates <sup>(1)</sup>   | 169    | 146    |          |
| EBIT   | 887    | 1,036  | + 16.8%  |
| Interest   | (40)   | (53)   |          |
| Income from investments  | 47     | 29     |          |
| Other financial income and charges   | 438    |        | <b>,</b> |
| Provision for income taxes   | (77)   | 349    | )        |
| Earnings from continuing operations  | 1,255  | 1,261  |          |
| Earnings from discontinued operations  | 20     | -      |          |
| Non-controlling interests  | (19)   | (33)   |          |
| Earnings attributable to Vivendi SA shareowners  | 1,256  | 1,228  |          |
| Adjusted net income *  | 755    | 1,312  | + 73.9%  |

<sup>(1)</sup> Including interest in Telecom Italia

<sup>(2)</sup> Of which, €576m (before taxes) represents the capital gain on the sale of Vivendi's remaining stake in Activision Blizzard

<sup>(3)</sup> Including current tax income related to the Consolidated Global Profit Tax System (BMC) of 2011 for €409m and current tax income from the refund of amounts paid with respect to the 3% tax on dividends paid for €243m

#### **REVENUES**

#### Summary by business unit

| n euro millions - IFRS   | 2016   | 2017   | Δ (%)   | ∆ (organic, in %)* |
|--------------------------|--------|--------|---------|--------------------|
| Universal Music Group    | 5,267  | 5,673  | + 7.7%  | + 10.0%            |
| Canal+ Group             | 5,253  | 5,246  | - 0.1%  | + 0.3%             |
| Havas                    | *      | 1,151  | na      | na                 |
| Gameloft                 | 132    | 258    | na      | - 0.1%             |
| Vivendi Village          | 111    | 109    | - 1.4%  | + 4.5%             |
| New Initiatives          | 103    | 51     | - 50.5% | - 24.0%            |
| Intercompany elimination | (47)   | (44)   |         |                    |
| Vivendi                  | 10,819 | 12,444 | + 15.0% | + 4.9%             |



#### **INCOME FROM OPERATIONS / EBITA**

Summary by business unit

| Income from Operations In euro millions | 2016  | 2017  | Δ (%)   | Δ (organic, in %)* |
|---|-------|-------|---------|--------------------|
| Universal Music Group                   | 687   | 798   | + 16.2% | + 18.5%            |
| Canal+ Group                            | 303   | 367   | + 21.0% | + 20.2%            |
| Havas                                   | 9     | 135   | na      | na                 |
| Gameloft                                | 10    | 10    | na      | + 12.6%            |
| Vivendi Village                         | (7)   | (6)   |         |                    |
| New Initiatives                         | (44)  | (87)  |         |                    |
| Corporate                               | (96)  | (101) |         |                    |
| Vivendi                                 | 853   | 1,116 | + 30.9% | + 17.0%            |
| EBITA In euro millions                  | 2016  | 2017  | Δ (%)   | ∆ (organic, in %)* |
| Universal Music Group                   | 644   | 761   | + 18.3% | + 20.6%            |
| Canal+ Group                            | 240   | 318   | + 32.1% | + 31.1%            |
| Havas                                   | -     | 111   | na      | na                 |
| Gameloft                                | 7     | 4     | na      | + 12.5%            |
| Vivendi Village                         | (9)   | (18)  |         |                    |
| New Initiatives                         | (56)  | (92)  |         |                    |
| Corporate                               | (102) | (97)  |         |                    |
| Vivendi                                 | 724   | 987   | + 36.4% | + 23.1%            |



<sup>\*</sup> At constant currency and perimeter. See details on pages 18 and 19, respectively

## CASH FLOW FROM OPERATIONS (CFFO)

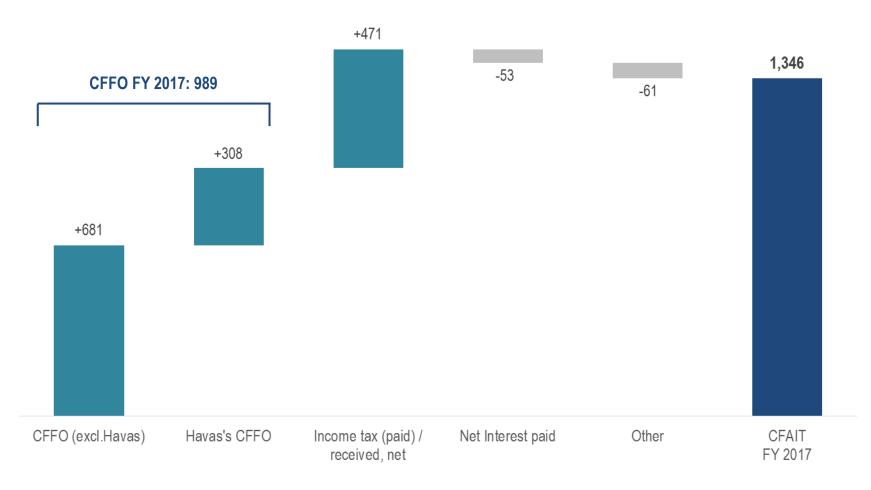
Summary by business unit

| in euro millions              | 2016 | 2017  | Δ (%)   |  |
|-------------------------------|------|-------|---------|--|
| Universal Music Group         | 663  | 646   | - 2.6%  |  |
| Canal+ Group                  | 244  | 238   | - 2.6%  |  |
| Gameloft                      | 14   | 7     | na      |  |
| Vivendi Village               | (26) | (20)  |         |  |
| New Initiatives               | (73) | (90)  |         |  |
| Corporate                     | (93) | (100) |         |  |
| Total Vivendi excluding Havas | 729  | 681   | - 6.6%  |  |
| Havas                         | -    | 308   | na      |  |
| Total Vivendi                 | 729  | 989   | + 35.7% |  |



## **CASH FLOW AFTER INTEREST & TAXES (CFAIT)**

(in euro millions)





#### **CONSOLIDATED BALANCE SHEET**

| Asse | ets |
|------|-----|
|------|-----|

#### Fauity and Liabilities

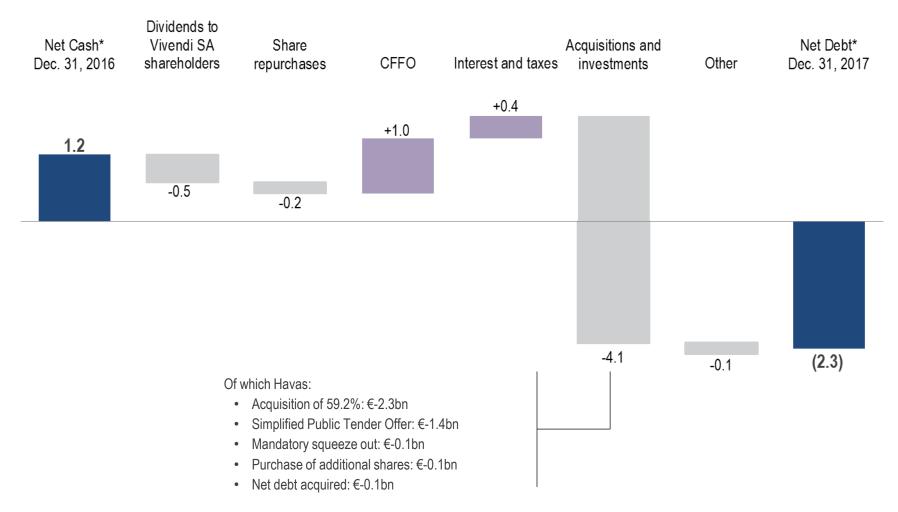
| A33613                         |                      |                      |  |                      |                      |  |
|--------------------------------|----------------------|----------------------|--|----------------------|----------------------|--|
| in euro millions               | December 31,<br>2016 | December 31,<br>2017 | in euro millions                       | December 31,<br>2016 | December 31,<br>2017 |  |
| Goodwill                       | 10,987               | 12,084               | Consolidated equity*                   | 19,612               | 17,878               |  |
| Intangible and tangible assets | 4,204                | 4,617                | Provisions                             | 2,141                | 1,927                |  |
| Financial investments          | 8,403                | 9,186                | Working capital requirements and other | 3,098                | 3,772                |  |
| Net deferred tax assets        | 26                   | 30                   |  |                      |                      |  |
| Net Cash position**            | 1,231                | -                    | Net Debt position**                    | -                    | 2,340                |  |
| Total                          | 24,851               | 25,917               | Total                                  | 24,851               | 25,917               |  |



<sup>\*</sup> Including non-controlling interests
\*\* New definition of the Net Cash/Net Debt. Please refer to the page 15

#### **FY 2017 NET DEBT\* EVOLUTION**

(in euro billions)





<sup>\*</sup> New definition of the Net Cash/Net Debt. Please refer to the page 15

## **Business Unit Performances**



# Universal Music Group



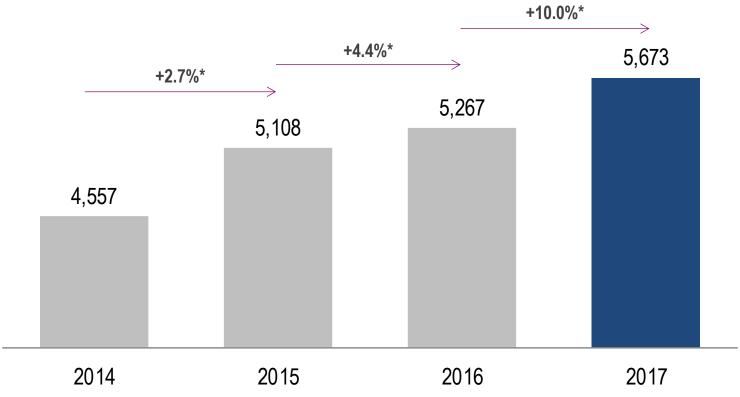
#### UNIVERSAL MUSIC GROUP



#### Revenues evolution

 Sustained rise in revenues supported by continued growth of streaming services fueled by strong releases and UMG's unique catalog

Change in revenues (in euro millions)





<sup>\*</sup> At constant currency and perimeter. See details on pages 18 and 19, respectively

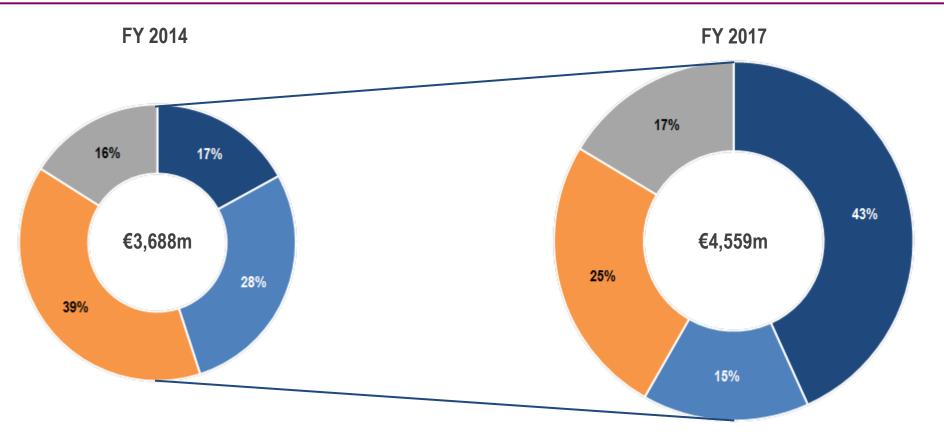
#### **UNIVERSAL MUSIC GROUP**



Recorded music revenues by format

In 2017 subscription & streaming represented 43% of UMG's recorded music revenues

Breakdown of recorded music revenues by format (2017 vs. 2014)





#### **UNIVERSAL MUSIC GROUP**

#### Key figures



| 'n euro millions   | 2016  | 2017  | Δ (%)   | ∆ (organic,<br>in %)* |
|--|-------|-------|---------|-----------------------|
| Revenues   | 5,267 | 5,673 | + 7.7%  | + 10.0%               |
| Recorded music   | 4,188 | 4,559 | + 8.9%  | + 11.3%               |
| Music Publishing   | 792   | 854   | + 7.7%  | + 9.6%                |
| Merchandising & Other  | 313   | 283   | - 9.8%  | - 7.1%                |
| Intercompany Elimination   | (26)  | (23)  |         |                       |
| Income from operations   | 687   | 798   | + 16.2% | + 18.5%               |
| Income from operations margin  | 13.0% | 14.1% | +1.1 pt |                       |
| Charges related to equity-settled share-based compensation plans                           | (3)   | (9)   |         |                       |
| Other special items excluded from income from operations (including restructuring charges) | (40)  | (28)  |         |                       |
| EBITA  | 644   | 761   | + 18.3% | + 20.6%               |



# Canal+ Group



#### **CANAL+ GROUP**

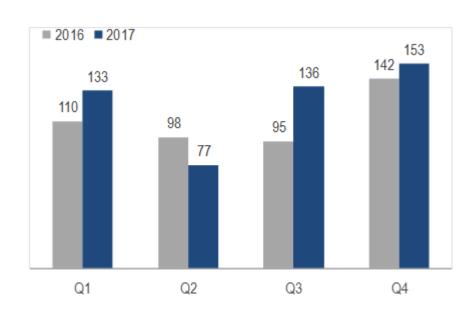
#### Subscriber base in mainland France

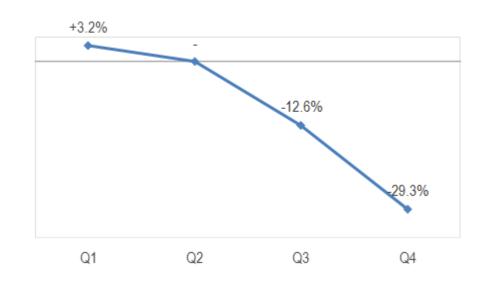


Retail subscriber base\* in mainland France: good commercial trends and churn improvement

Gross adds (in thousands)\*

Continued decline of cancellations\* (yoy evolution)







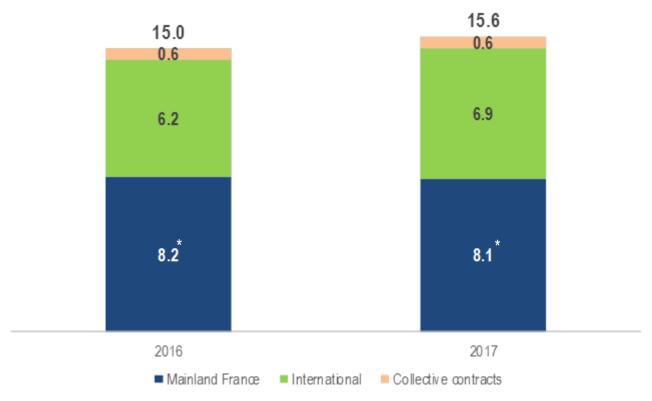
#### **CANAL+ GROUP**

#### Subscriber base



- Continued strong momentum from international operations, mainly in Africa
- Stabilization of subscriber base in mainland France

#### Subscriber base evolution (in millions)





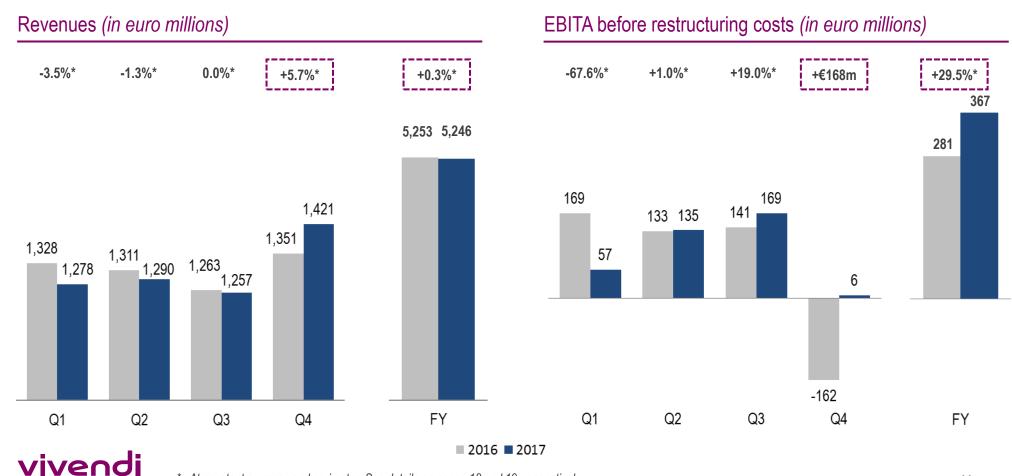
<sup>\*</sup> of which 3.1m wholesale clients as at December 31, 2017 (vs. 2.9m as at end-2016)

#### **CANAL+ GROUP**

#### Key figures



 Strong improvement of Canal+ Group results driven by sequential increase in EBITA before restructuring costs.



<sup>\*</sup> At constant currency and perimeter. See details on pages 18 and 19, respectively

# **CANAL+ GROUP**

# Key figures



| In euro millions   | 2016            | 2017            | Δ (%)                     | ∆ (organic, in %)* |
|--|-----------------|-----------------|---------------------------|--------------------|
| Revenues   | 5,253           | 5,246           | - 0.1%                    | + 0.3%             |
| TV Mainland France TV International                              | 3,395<br>1,442  | 3,267<br>1,512  | - 3.8%<br>+ 4.8%          | - 3.8%<br>+ 5.8%   |
| o/w Africa<br>Studiocanal  | <i>450</i> 416  | 511<br>467      | + 13.6%<br>+ 12.2%        | + 19.1%<br>+ 13.9% |
| Income from operations Income from operations margin             | <b>303</b> 5.8% | <b>367</b> 7.0% | <b>+ 21.0%</b><br>+1.2 pt | + 20.2%            |
| Charges related to equity-settled share-based compensation plans | (3)             | (6)             |                           |                    |
| Other special items excluded from income from operations         | (19)            | 6               |                           |                    |
| EBITA before restructuring                                       | 281             | 367             | + 30.3%                   | + 29.5%            |
| Restructuring charges  | (41)            | (49)            |                           |                    |
| EBITA  | 240             | 318             | + 32.1%                   | + 31.1%            |



<sup>\*</sup> At constant currency and perimeter. See details on pages 18 and 19, respectively.

# Havas



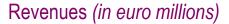
# HAVAS

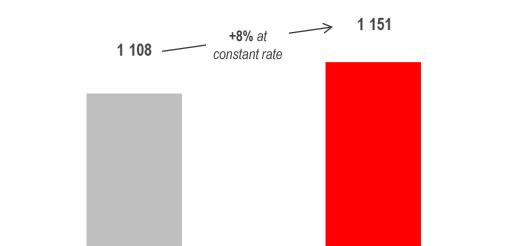
# Contribution to 2017 Vivendi's operating results

| In euro millions   | H2 2017          |
|--|------------------|
| Revenues   | 1,151            |
| Income from operations Income from operations margin                                       | <b>135</b> 11.7% |
| Equity settled share-based compensation plans  | (3)              |
| Other special items excluded from income from operations (including restructuring charges) | (21)             |
| EBITA  | 111              |



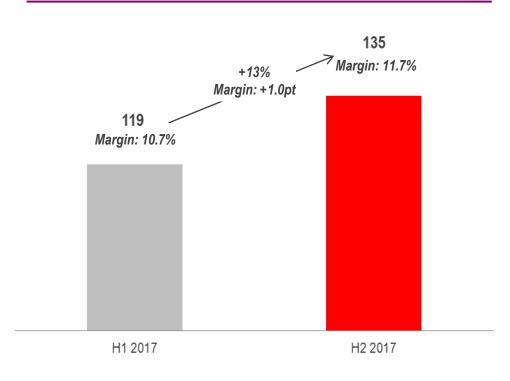
H2 2017 vs. H1 2017 evolution





H2 2017

#### Income from operations (in euro millions)





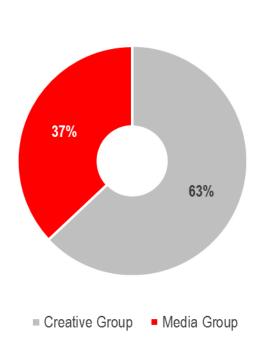
H1 2017

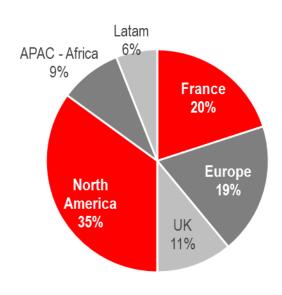
# **HAVAS**2017 Revenues

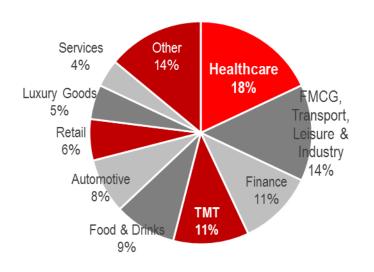
Breakdown by activity

Breakdown by geographical regions

Breakdown by sector







vivendi

# Other Business Units



# **GAMELOFT**

# Key figures



| In euro millions   | 2016*           | 2017            |
|--|-----------------|-----------------|
| Revenues   | 132             | 258             |
| o/w Advertising revenues Income from operations  | 11<br><b>10</b> | 37<br><b>10</b> |
| Charges related to equity-settled share-based compensation plans                           | (3)             | (2)             |
| Other special items excluded from income from operations (including restructuring charges) | -               | (4)             |
| EBITA  | 7               | 4               |



# **VIVENDI VILLAGE & NEW INITIATIVES**

### Key figures

C. €100m investments in new activities to build new revenue streams overtime

#### Vivendi Village

| In euro millions                        | 2016     | 2017     | Δ (%)            | ∆ (organic, in %)* |
|---|----------|----------|------------------|--------------------|
| Revenues                                | 111      | 109      | - 1.4%           | + 4.5%             |
| of which Vivendi Ticketing<br>MyBestPro | 52<br>25 | 52<br>27 | + 1.4%<br>+ 8.9% | + 6.6%<br>+ 8.9%   |
| Income from operations                  | (7)      | (6)      |                  |                    |
| EBITA                                   | (9)      | (18)     |                  |                    |

#### **New Initiatives**

| In euro millions       | 2016 | 2017 | Δ (%)   | ∆ (organic,<br>in %)* |
|------------------------|------|------|---------|-----------------------|
| Revenues               | 103  | 51   | - 50.5% | - 24.0%               |
| Income from operations | (44) | (87) |         |                       |
| EBITA                  | (56) | (92) |         |                       |



# **CORPORATE**

Key figures

| In euro millions       | 2016  | 2017  |
|------------------------|-------|-------|
| Income from operations | (96)  | (101) |
| EBITA                  | (102) | (97)  |



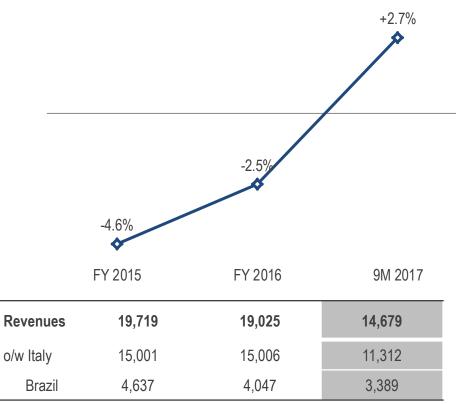
# **SHAREHOLDING IN TELECOM ITALIA** (1/3)

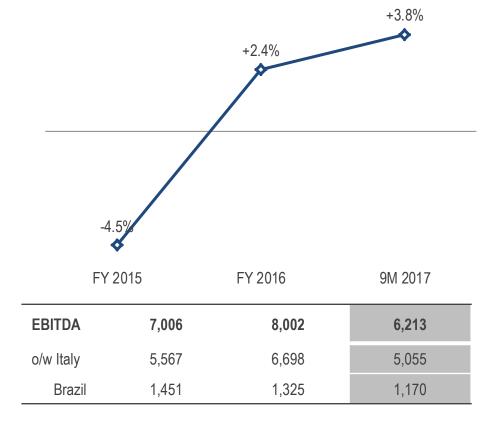


Recovery in all main financial metrics\*

Revenues\*\* (organic growth year-over-year)

EBITDA\*\* (organic growth year-over-year)







<sup>\*</sup> For additional details, please refer to Telecom Italia's website

<sup>\*</sup> As presented by Telecom Italia. In organic terms and excluding non-recurring charges

# **SHAREHOLDING IN TELECOM ITALIA** (2/3)



Vivendi is the single largest shareholder of Telecom Italia holding 23.94% of the ordinary shares

 VIVENDI: 23.94% of the ordinary shares representing 17.15% of the share capital Other holders of ordinary shares Holders of saving shares

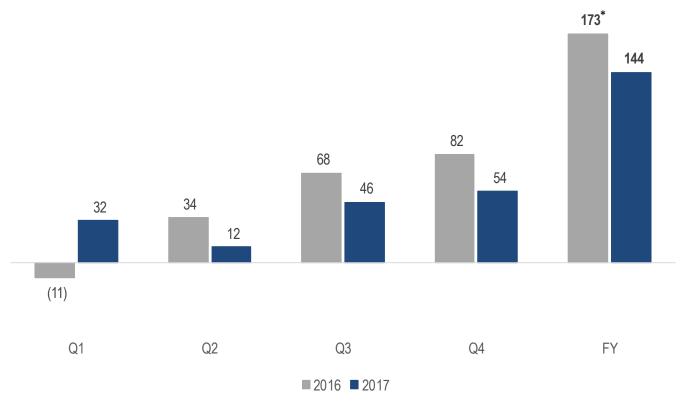


# SHAREHOLDING IN TELECOM ITALIA (3/3)



- Accounting for the TI shares
  - Under equity method since December 15, 2015
  - Recorded in Vivendi's EBIT with one-quarter lag

Contribution to Vivendi's EBIT, including amortization of the PPA (in euro millions)





Including a positive impact related to the fair value measurement through profit and loss of the embedded option included in the mandatory convertible bond issued by Telecom Italia

### **2017 KEY TAKEAWAYS**

- Strong financial performance in 2017
  - Revenues: +4.9%\*; EBITA: +23.1%\*; ANI: +73.9%
- UMG, sound growth supported by streaming growth and strong release schedule
  - Revenues: +10.0%\*; EBITA: +20.6%\*
- Canal+ Group, turnaround completed, recovery in mainland France well on track
  - Satisfactory development in Mainland France, continued strong growth of international activities
  - Revenues: +0.3%\* (+5.7%\* in Q4); EBITA before restructuring: +29.5%\*
- Havas, accretive acquisition, positive synergies starting in 2018
  - Improving performance in H2 vs. H1, with €308m CFFO generated in H2
- Gameloft, integration completed, promising pipeline
- New activities\*\*, c. €100m investment in 2017 to create additional source of revenue
  - Dailymotion repositioned as a premium content platform by mid-2017
- Proposed ordinary dividend with respect to 2017 of €0.45 per share



<sup>\*</sup> At constant currency and perimeter. See details on pages 18 and 19, respectively.

Vivendi Village (Ticketing, My Best Pro, Canal Olympia, L'Olympia, Paddington...) and New Initiatives (Dailymotion, Vivendi Content, Group Vivendi Africa...)

# **Appendices**

Details of Business Units: slides 51-58

Detailed Financial Results: slides 59-66

Glossary and Legal Disclaimer: slides 67-69



### **UNIVERSAL MUSIC GROUP**

### Key performance indicators



| In euro millions - IFRS         | 2017  | Δ (organic, in %)* |
|---------------------------------|-------|--------------------|
| Recorded music                  | 4,559 | + 11.3%            |
| Digital sales                   | 2,656 | + 20.9%            |
| o/w Streaming and subscriptions | 1,971 | + 35.4%            |
| Physical sales                  | 1,156 | - 3.3%             |
| License and Other               | 747   | + 5.9%             |
| Music Publishing                | 854   | + 9.6%             |
| Merchandising and Other         | 283   | - 7.1%             |
| Intercompany elimination        | (23)  |                    |
| Total Revenues                  | 5,673 | + 10.0%            |

| Recorded music: Best Sellers** |                |
|--------------------------------|----------------|
| 2016                           | 2017           |
| Drake                          | Taylor Swift   |
| Justin Bieber                  | Kendrick Lamar |
| Rihanna                        | Drake          |
| Ariana Grande                  | The Weeknd     |
| The Rolling Stones             | Luis Fonsi     |

| Recorded Music Revenues breakdown | 2016  | 2017  |
|-----------------------------------|-------|-------|
| North America                     | 1,806 | 2,090 |
| Europe                            | 1,481 | 1,513 |
| Asia                              | 542   | 563   |
| Latin America                     | 135   | 155   |
| Rest of the world                 | 224   | 238   |
| Recorded music                    | 4,188 | 4,559 |

#### **2018 RELEASES \*\*\***

OneRepublic

Post Malone

James Bay Migos "Black Panther" OST Nekfer

Black Panther" OST Nekfeu (France)

Sarah Connor (Germany) Ne-Yo

Fall Out Boy

"Fifty Shades Freed" OST

Florence + The Machine Thirty Seconds to Mars

Kendji Girac (France) Troye Sivan MHD (France) Snow Patrol



<sup>\*</sup> At constant currency and perimeter. See details on pages 18 and 19, respectively

<sup>\*\*</sup> Based on revenues

<sup>\*\*\*</sup> This is a selected release schedule, subject to change

# **CANAL+ GROUP**

### Key performance indicators



| In thousands                            | December 31,<br>2016         | December 31,<br>2017         | Δ                             |
|---|------------------------------|------------------------------|-------------------------------|
| Individual subscribers                  | 14,429                       | 15,015                       | + 586                         |
| Mainland France                         | 8,182                        | 8,067                        | - 115                         |
| Retail subscribers Wholesale customers  | 5,254<br>2,928               | 4,950<br>3,117               | - 304<br>+ 189                |
| International                           | 6,247                        | 6,948                        | + 701                         |
| Africa<br>Poland<br>Overseas<br>Vietnam | 2,765<br>2,119<br>508<br>855 | 3,458<br>2,171<br>530<br>789 | + 693<br>+ 52<br>+ 22<br>- 66 |

| Revenues<br>In euro millions - IFRS | 2016  | 2017  | △ (organic, in %)* |
|-------------------------------------|-------|-------|--------------------|
| TV Mainland France                  | 3,395 | 3,267 | - 3.8%             |
| TV International                    | 1,442 | 1,512 | + 5.8%             |
| o/w Africa                          | 450   | 511   | + 19.1%            |
| Poland                              | 492   | 505   | + 0.7%             |
| Overseas                            | 411   | 406   | - 1.3%             |
| Vietnam                             | 49    | 44    | - 7.2%             |
| Other                               | 40    | 46    | + 7.5%             |
| Studiocanal                         | 416   | 467   | + 13.9%            |

| Mainland France            | 2016   | 2017   | Δ        |
|----------------------------|--------|--------|----------|
| Churn (%)**                | 16.7%  | 16.1%  | - 0.6 pt |
| ARPU per subscriber (€)*** | € 45.3 | € 45.7 | € + 0.4  |

| FTA-TV audience share **** | 2016 | 2017 | Δ        |
|----------------------------|------|------|----------|
| C8                         | 4.4% | 4.1% | - 0.3 pt |
| Cstar                      | 1.5% | 1.5% | -        |
| Cnews                      | 0.8% | 0.5% | - 0.3 pt |
| Total                      | 6.7% | 6.1% | - 0.6 pt |

<sup>\*</sup> See details on pages 18 and 19, respectively

<sup>\*\*\*\*</sup> Source: Médiamétrie - Population aged 25-49



<sup>\*\*</sup> Churn per individual retail subscriber with commitment over a 12-month period, excluding wholesale customers

<sup>\*\*\*</sup> Net ARPU per individual retail subscriber with commitment, excluding wholesale customers

# Pro-forma figures



|                               | 12-month period (Pro-forma) |       |        |                    |  |  |
|-------------------------------|-----------------------------|-------|--------|--------------------|--|--|
| In euro millions              | 2016                        | 2017  | Δ (%)  | ∆ (organic, in %)* |  |  |
| Revenues                      | 2,276                       | 2,259 | - 0.7% | - 0.8%             |  |  |
| Income from operations        | 331                         | 254   |        |                    |  |  |
| Income from operations margin | 14.5%                       | 11.2% |        |                    |  |  |



# HAVAS

### Key performance indicators

#### Revenue breakdown by geographical region

| Revenues        | H2 2017 | 2016 | 2017 |
|-----------------|---------|------|------|
| Europe          | 50%     | 50%  | 50%  |
| of which France | 20%     | 19%  | 20%  |
| North America   | 34%     | 36%  | 35%  |
| APAC and Africa | 10%     | 8%   | 9%   |
| Latin America   | 6%      | 6%   | 6%   |
| Revenues        | 100%    | 100% | 100% |

#### ■ Headcount as of December 31, 2017

19,535 employees, and 19,787 employees on average

#### Growth FY 2017

Organic Growth -0.8%

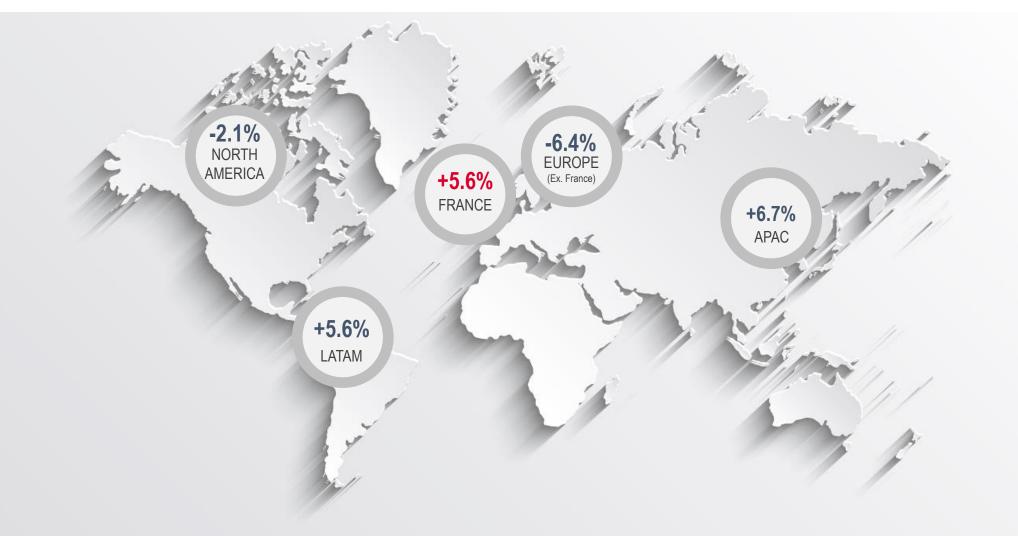
■ Forex -1.2%

Acquisitions +1.3%

■ M&A revenues in 2017: +28 M€, main contributors are Target Media (UK), Lemz (Netherlands) and A79 (France)



#### 2017 ORGANIC GROWTH BY GEOGRAPHICAL REGION



Main wins in H2 2017



















**GEMFIELDS** 





























# **GAMELOFT**

### Key performance indicators



#### Revenue breakdown by geographical region

| %             | 2016** | 2017 |
|---------------|--------|------|
| EMEA          | 33%    | 34%  |
| Asia Pacific  | 28%    | 28%  |
| North America | 26%    | 27%  |
| Latin America | 13%    | 11%  |

#### **Upcoming Releases\***



**Asphalt Legend** Genre: Racing

#### Average active users

| in million  | 2016**    | 2017      |
|---|-----------|-----------|
| Monthly Active Users (MAU) Daily Active Users (DAU) | 136<br>16 | 128<br>15 |



**Dungeon Hunter Champions**Genre: MOBA



<sup>\*</sup> Subject to change

<sup>\*\*</sup> Gameloft has been consolidated since June 29, 2016, therefore 2016 results correspond only to the 2nd half of 2016

# SHAREHOLDING IN TELECOM ITALIA



- Accounting for the TI' shares
  - Under equity method since December 15, 2015
  - Accounted in Vivendi's EBIT with one-quarter lag

| In euro millions  | 9M 2016 <sup>*</sup> | 9M 2017 | Q4 2016 <sup>*</sup> | Q4 2017 | FY 2016 <sup>*</sup> | FY 2017  |
|---|----------------------|---------|----------------------|---------|----------------------|----------|
| Vivendi's share of Tl's net income  | 157                  | 156     | 81                   | 76      | 238                  | 232      |
| Impact of dividend paid to saving share owners  | (15)                 | (21)    | (7)                  | (7)     | (22)                 | (28)     |
| Impact on Vivendi's Adjusted net income   | 142                  | 135     | 74                   | 69      | 216                  | 204      |
| Amortization of revaluation of intangible assets related to the purchase price allocation | (51)                 | (45)    | 8                    | (15)    | (43)                 | (60)     |
| Impact on Vivendi's Net income  | 91                   | 90      | 82                   | 54      | 173                  | 144      |
|   |                      | €1m     |                      |         |                      | > - €29m |



<sup>\*</sup> Including a positive impact related to the fair value measurement through profit and loss of the embedded option included in the mandatory convertible bond issued by Telecom Italia

# **Detailed Financial Results**



# **REVENUES / INCOME FROM OPERATIONS / EBITA**

| Q4 2016 | Q4 2017 | Δ (%)   | Δ<br>(constant<br>currency,<br>in %)* | Δ<br>(organic,<br>in %)* | Revenues<br>In euro millions - IFRS       | 2016   | 2017   | Δ (%)   | Δ<br>(constant<br>currency,<br>in %)* | Δ<br>(organic,<br>in %)* |
|---------|---------|---------|---------------------------------------|--------------------------|---|--------|--------|---------|---------------------------------------|--------------------------|
| 1,644   | 1,688   | + 2.7%  | + 8.2%                                | + 8.2%                   | Universal Music Group                     | 5,267  | 5,673  | + 7.7%  | + 10.0%                               | + 10.0%                  |
| 1,351   | 1,421   | + 5.1%  | + 5.7%                                | + 5.7%                   | Canal+ Group                              | 5,253  | 5,246  | - 0.1%  | + 0.3%                                | + 0.3%                   |
| -       | 626     | na      | na                                    | na                       | Havas                                     | -      | 1,151  | na      | na                                    | na                       |
| 69      | 65      | - 5.6%  | - 2.3%                                | - 2.3%                   | Gameloft                                  | 132    | 258    | na      | na                                    | - 0.1%                   |
| 33      | 28      | - 14.4% | - 13.5%                               | - 5.4%                   | Vivendi Village                           | 111    | 109    | - 1.4%  | + 1.4%                                | + 4.5%                   |
| 27      | 17      | - 38.2% | - 38.2%                               | + 1.2%                   | New Initiatives                           | 103    | 51     | - 50.5% | - 50.5%                               | - 24.0%                  |
| (17)    | (22)    |         |                                       |                          | Intercompany elimination                  | (47)   | (44)   |         |                                       |                          |
| 3,107   | 3,823   | + 23.0% | + 27.3%                               | + 6.8%                   | Total Vivendi                             | 10,819 | 12,444 | + 15.0% | + 16.8%                               | + 4.9%                   |
| Q4 2016 | Q4 2017 | Δ (%)   | Δ<br>(constant<br>currency,<br>in %)* | Δ<br>(organic,<br>in %)* | Income from operations (In euro millions) | 2016   | 2017   | Δ (%)   | Δ<br>(constant<br>currency,<br>in %)* | Δ<br>(organic,<br>in %)* |
| 296     | 326     | + 10.6% | + 15.4%                               | + 15.4%                  | Universal Music Group                     | 687    | 798    | + 16.2% | + 18.5%                               | + 18.5%                  |
| (136)   | 7       | na      | na                                    | na                       | Canal+ Group                              | 303    | 367    | + 21.0% | + 20.4%                               | + 20.2%                  |
| -       | 91      | na      | na                                    | na                       | Havas                                     | -      | 135    | na      | na                                    | na                       |
| 6       | 7       | + 8.2%  | + 82.0%                               | + 82.0%                  | Gameloft                                  | 10     | 10     | na      | na                                    | + 12.6%                  |
| 2       | 2       | - 22.7% | - 22.7%                               | - 32.0%                  | Vivendi Village                           | (7)    | (6)    |         |                                       |                          |
| (19)    | (29)    |         |                                       |                          | New Initiatives                           | (44)   | (87)   |         |                                       |                          |
| (26)    | (29)    |         |                                       |                          | Corporate                                 | (96)   | (101)  |         |                                       |                          |
| 123     | 375     | x 3.1   | x 3.3                                 | x 2.5                    | Total Vivendi                             | 853    | 1,116  | + 30.9% | + 33.4%                               | + 17.0%                  |
| Q4 2016 | Q4 2017 | Δ (%)   | Δ<br>(constant<br>currency,<br>in %)* | Δ<br>(organic,<br>in %)* | EBITA<br>(In euro millions)               | 2016   | 2017   | Δ (%)   | Δ<br>(constant<br>currency,<br>in %)* | Δ<br>(organic,<br>in %)* |
| 291     | 319     | + 9.9%  | + 14.6%                               | + 14.6%                  | Universal Music Group                     | 644    | 761    | + 18.3% | + 20.6%                               | + 20.6%                  |
| (187)   | (8)     | na      | na                                    | na                       | Canal+ Group                              | 240    | 318    | + 32.1% | + 31.3%                               | + 31.1%                  |
| -       | 77      | na      | na                                    | na                       | Havas                                     | -      | 111    | na      | na                                    | na                       |
| 5       | 4       | na      | + 93.6%                               | + 93.6%                  | Gameloft                                  | 7      | 4      | na      | na                                    | + 12.5%                  |
| -       | 1       | na      | na                                    | - 25.0%                  | Vivendi Village                           | (9)    | (18)   |         |                                       |                          |
| (21)    | (33)    |         |                                       |                          | New Initiatives                           | (56)   | (92)   |         |                                       |                          |
| (28)    | (18)    |         |                                       |                          | Corporate                                 | (102)  | (97)   |         |                                       |                          |
| 60      | 342     | x 5.8   | x 6.2                                 | x 4.8                    | Total Vivendi                             | 724    | 987    | + 36.4% | + 39.1%                               | + 23.1%                  |



<sup>\*</sup> At constant currency and perimeter. See details on pages 18 and 19, respectively

# **EBITDA**

| Q4 2016 | Q4 2017 | Δ (%)  | Δ<br>(constant<br>currency,<br>in %)* | Δ<br>(organic,<br>in %)* | EBITDA<br>(In euro millions) | 2016  | 2017  | Δ (%)   | Δ<br>(constant<br>currency,<br>in %)* | Δ<br>(organic,<br>in %)* |
|---------|---------|--------|---------------------------------------|--------------------------|------------------------------|-------|-------|---------|---------------------------------------|--------------------------|
| 308     | 336     | + 8.9% | + 13.6%                               | + 13.6%                  | Universal Music Group        | 747   | 832   | + 11.3% | + 13.6%                               | + 13.6%                  |
| (95)    | 65      | na     | na                                    | na                       | Canal+ Group                 | 517   | 588   | + 13.9% | + 13.5%                               | + 13.5%                  |
| -       | 97      | na     | na                                    | na                       | Havas                        | -     | 151   | na      | na                                    | na                       |
| 7       | 7       | + 7.4% | + 73.5%                               | + 73.5%                  | Gameloft                     | 12    | 14    | + 25.2% | + 60.9%                               | + 14.8%                  |
| 2       | 2       |        |                                       |                          | Vivendi Village              | (3)   | (2)   |         |                                       |                          |
| (13)    | (27)    |        |                                       |                          | New Initiatives              | (41)  | (74)  |         |                                       |                          |
| (28)    | (33)    |        |                                       |                          | Corporate                    | (101) | (114) |         |                                       |                          |
| 181     | 447     | x 2.5  | x 2.6                                 | x 2.1                    | Total Vivendi                | 1,131 | 1,395 | + 23.4% | + 25.6%                               | + 11.5%                  |

# **INTEREST & INCOME TAX**

| n euro millions (except where noted) – IFRS           | 2016  | 2017  |
|---|-------|-------|
| Interest  | (40)  | (53)  |
| Interest expense on borrowings                        | (63)  | (68)  |
| Average interest rate on borrowings (%)               | 2.12% | 1.60% |
| Average outstanding borrowings (in euro billions)     | 3.0   | 4.3   |
| Interest income from cash and cash equivalents        | 23    | 15    |
| Average interest income rate (%)                      | 0.34% | 0.40% |
| Average amount of cash equivalents (in euro billions) | 6.7   | 3.7   |

|   | 20     | )16        | 20            | 017        |
|---|--------|------------|---------------|------------|
| In euro millions  | ANI*   | Net income | ANI*          | Net income |
| Impact of Vivendi SA's French Tax Group and of the Consolidated Global Profit Tax Systems   | 94     | 127        | 479           | 482        |
| Other tax components  | (256)  | (204)      | (290)         | (133)      |
| Provision for income taxes  | (162)  | (77)       | 189           | 349        |
| Effective tax rate  | 22,2%  |            | na            |            |
| Non recurring impacts recognized in 2017  Current tax income related to the Consolidated Global Profit Tax system (BMC) 2011  Current tax income from the refund of amounts paid with respect to the contribution of 3% on dividends paid | -<br>- |            | (409)<br>(25) |            |
| Provision for income taxes excluding non recurring impacts recognized in 2017   | (162)  | (77)       | (245)         | 349        |
| Effective tax rate excl. non recurring impacts  | 22,2%  |            | 25,5%         |            |
| Tax (payment) / reimbursement   | (27    | 71)        | 47            | 71         |



# RECONCILIATION OF EBIT TO INCOME FROM OPERATIONS

| euro millions   | 2016  | 2017  |
|---|-------|-------|
| EBIT  | 887   | 1,036 |
| Amortization and depreciation on intangible assets acquired through business combinations           | 246   | 124   |
| Reversals of reserve related to the Securities Class Action and Liberty Media litigations in the US | (240) | (27)  |
| Income from equity affiliates   | (169) | (146) |
| EBITA   | 724   | 987   |
| Equity settled share-based compensation plans   | 14    | 28    |
| Special items excluded from Income from operations (including restructuring costs)                  | 115   | 101   |
| Income from operations  | 853   | 1,116 |



# RECONCILIATION OF EARNINGS ATTRIBUTABLE TO VIVENDI SA SHAREOWNERS TO ANI

| n euro millions   | 2016  | 2017  |
|---|-------|-------|
| Earnings attributable to Vivendi SA shareowners (*)   | 1,256 | 1,228 |
| Amortization and depreciation of intangible assets acquired through business combinations               | 246   | 124   |
| Reversals of reserve related to the Securities Class Action and Liberty Media litigations in the US (*) | (240) | (27)  |
| Amortization of intangible assets related to equity affiliates  | 45    | 59    |
| Other financial income & charges  | (438) | 100   |
| Earnings from discontinued operations (*)   | (20)  | -     |
| Provision for income taxes on adjustments   | (85)  | (160) |
| Non-controlling interests on adjustments  | (9)   | (12)  |
| Adjusted net income (ANI)   | 755   | 1,312 |



# LIQUIDITY AND CAPITAL RESOURCES

| In euro millions                                | December 31,<br>2016 | December 31,<br>2017 |
|---|----------------------|----------------------|
| Cash and cash equivalents                       | (4,072)              | (1,951)              |
| Cash management financial assets                | (998)                | (75)                 |
| Gross Cash Position                             | (5,070)              | (2,026)              |
| Bonds   | 3,550                | 4,150                |
| Other financial liabilities, net                | 289                  | 216                  |
| Net (Cash) / Debt position*                     | (1,231)              | 2,340                |
| Market value of listed portfolio (in € million) | 6,065                | 6,377                |

Of which (as of Dec. 31, 2017):

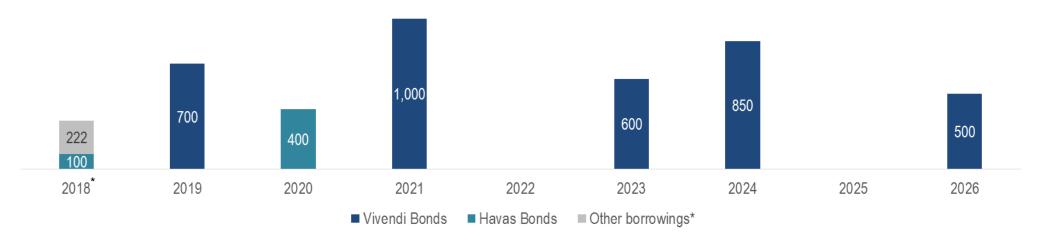
- Telecom Italia: €2,624m
- Ubisoft: €1,956m
- Mediaset: €1,099m
- Telefonica: €400m
- Fnac Darty: €297m



### **DEBT MATURITY PROFILE**

- Average maturity of total debt of 5.0 years
- Average interest rate on borrowings of 1.60% (2.12% in 2016)

(in euro millions)





# Glossary and Legal Disclaimer



# **GLOSSARY**

The non-GAAP measures defined below should be considered in addition to, and not as a substitute for, other GAAP measures of operating and financial performance and Vivendi considers this to be relevant indicators of the group's operating and financial performance. Moreover, it should be noted that other companies may have different definitions and calculations for these indicators from Vivendi thereby affecting comparability.

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

**Income from operations:** As defined by Vivendi, income from operations is calculated as EBITA before share-based compensation costs related to equity-settled plans, and special items due to their unusual nature or particular significance.

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

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

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

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

Net financial debt / Net Cash Position: Sum of value of borrowings at amortized cost, less cash and cash equivalents, cash management financial assets as well as derivative financial instruments, net (assets and liabilities) whose underlying instruments are financial net debt items, and cash deposits backing borrowings.

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



# IMPORTANT LEGAL DISCLAIMER / CONTACTS

#### **Cautionary Note Regarding Forward-Looking Statements**

This presentation contains forward-looking statements with respect to Vivendi's financial condition, results of operations, business, strategy, plans, and outlook of Vivendi, including the impact of certain transactions and the payment of dividends and distributions as well as share repurchases. Although Vivendi believes that such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside Vivendi's control, including, but not limited to, the risks related to antitrust and other regulatory approvals as well as any other approvals which may be required in connection with certain transactions and the risks described in the documents of the group filed by Vivendi with the Autorité des Marchés Financiers (French securities regulator) and its press releases, if any, which are also available in English on Vivendi's website (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, or directly from Vivendi. Accordingly, readers of this presentation are cautioned against relying on these forward-looking statements. These forward-looking statements are made as of the date of this presentation. 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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#### **Investor Relations Team**

| Xavier Le Roy   | +33.1.71.71.18.77 | xavier.leroy@vivendi.com    |
|-----------------|-------------------|-----------------------------|
| Nathalie Pellet | +33.1.71.71.11.24 | nathalie.pellet@vivendi.com |
| Julien Dellys   | +33.1.71.71.13.30 | julien.dellys@vivendi.com   |

For all financial or business information, please refer to our Investor Relations website at: <a href="http://www.vivendi.com">http://www.vivendi.com</a>

