

Paris, May 17, 2018

Vivendi revenues: good first quarter 2018 A study initiated to enable a change in Universal Music Group's shareholding structure

- **Vivendi first quarter 2018 revenues: €3,109 million, up 16.0%¹ (+3.3%¹ at constant currency and perimeter)**
- **Universal Music Group: strong increase in operations with a 31.5%¹ growth in subscription and streaming revenues at constant currency and perimeter. 7.2% organic growth at the end of April (4.5% at the end of March)**
- **Canal+ Group: continuation of recovery with a total of 15.3 million subscribers (+620,000 year-on-year)**
- **Good start for the other businesses: Dailymotion, Gameloft, Havas and Vivendi Village**

¹ Compared to the first quarter of 2017.

This press release contains unaudited consolidated revenues² established under IFRS, which were approved by Vivendi's Management Board on May 14, 2018, reviewed by the Audit Committee on May 15, 2018, and by the Supervisory Board on May 17, 2018.

Vivendi's Supervisory Board met today under the chairmanship of Mr. Yannick Bolloré and reviewed the Group's consolidated revenue figures for the quarter ended March 31, 2018, which were approved by the Management Board on May 14, 2018.

REVENUES FOR THE FIRST QUARTER OF 2018

For the first quarter of 2018, Vivendi's revenues amounted to €3,109 million, compared to €2,680 million for the same period in 2017, an increase of 16.0% notably resulting from the consolidation of Havas (+€482 million).

At constant currency and perimeter³, revenues increased by 3.3% compared to the first quarter of 2017, driven by the growth of Universal Music Group (+4.5%) and Canal+ Group (+2.5%), which confirms its recovery, as well as the improvement in the operating performance of Dailymotion within New Initiatives.

Vivendi is confident about the prospects of its main businesses for the rest of the 2018 year.

Change in revenues by business segment

(in millions of euros)	Three months ended March 31,				
	2018	2017	% Change	% Change at constant currency	% Change at constant currency and perimeter ³
Revenues					
Universal Music Group	1,222	1,284	-4.8%	+4.5%	+4.5%
Canal+ Group	1,298	1,272	+2.1%	+2.5%	+2.5%
Havas	482	-	na ⁴	na	na
Gameloft	79	91	-13.4%	-7.4%	-7.4%
Vivendi Village	23	26	-11.1%	-10.3%	-3.3%
New Initiatives	16	10	+55.8%	+55.8%	+55.8%
Elimination of intersegment transactions	(11)	(3)			
Total Vivendi	3,109	2,680	+16.0%	+22.2%	+3.3%

² As from January 1, 2018, Vivendi has applied the new accounting standard on revenues: IFRS 15 - Revenues from Contracts with Customers, with no material impact on Vivendi's consolidated revenues and operating results. In accordance with IFRS 15, Vivendi has applied this change of accounting standard to fiscal year 2017; therefore, the data contained in this press release relative to the first quarters of 2018 and 2017 is comparable. For a detailed presentation of the impacts related to the application of this standard on revenues for the first quarter of 2017, please refer to page 10 of this press release.

³ Constant perimeter reflects the impacts of the acquisition of Havas (July 3, 2017) and the sale by Vivendi Village of Radionomy (August 17, 2017).

⁴ na: not applicable.

Universal Music Group

Vivendi's Supervisory Board approved the Management Board's proposal notably to examine and carry out the necessary preliminary legal operations required for a potential change in the Universal Music Group's shareholding structure.

Thereafter, the Management Board will present the various options for such an evolution.

The user growth recently reported by the major streaming platforms continues to support the strong increase in Universal Music Group's (UMG) subscription and streaming revenues. At the end of April 2018, UMG's revenues amounted to €1,657 million, up 7.2% at constant currency and perimeter compared to the same four-month period in 2017.

For the first quarter of 2018, revenues amounted to €1,222 million, up 4.5% at constant currency and perimeter compared to the same period in 2017 (down 4.8% on an actual basis).

Recorded music revenues were up 5.9% at constant currency and perimeter as growth in subscription and streaming revenues (+31.5%) more than offset the decline in physical (-26.2%) and download (-25.6%) sales.

Physical sales were particularly strong in the first quarter of 2017, notably driven by the soundtrack releases from *La La Land*, *Fifty Shades Darker* and *Moana*. For the first quarter of 2018, physical sales were also impacted by the timing of releases, with slippage into the second quarter in some markets, notably Japan, and the continued transformation of the music business.

Recorded music best sellers for the first quarter of 2018 included the *Black Panther* soundtrack, a new release from Migos and carryover sales from Post Malone, Imagine Dragons and Kendrick Lamar.

According to Nielsen, UMG had the No. 1 album in the United States with Migos's *Culture II* and the No. 1 track with Drake's *God's Plan* in the first quarter of 2018. In addition, UMG songs occupied the No. 1 spot on the Spotify Global Chart for 12 weeks of the first quarter of 2018.

Kendrick Lamar won the Pulitzer Prize for music for his album "DAMN.", the first win for a non-classical or jazz musician since music was first included in the awards 75 years ago.

In today's ever increasing global music market, UMG signed an exclusive international recording agreement with Kris Wu, one of Asia's biggest stars and an artist whose creative success spans music, film and television.

Music publishing revenues grew by 3.9% at constant currency and perimeter, also driven by increased subscription and streaming revenues, as well as better performance revenues.

Merchandising and other revenues declined by 18.7% at constant currency and perimeter, due to lower touring activity and the timing of retail promotions.

Canal+ Group

Canal+ Group's revenues amounted to €1,298 million, up 2.1% compared to the first quarter of 2017 (+2.5% at constant currency and perimeter).

This trend was driven by the significant increase in the subscriber base which reached a total of 15.3 million, representing a year-on-year increase of 620,000 subscribers. (See Appendix II)

In mainland France, the good momentum observed in the second half of 2017 continued, with a stabilization of revenues for the pay-TV business, notably resulting in a substantial decrease in the individual subscriber churn rate⁵ of 2.2 percentage points to 15.0%.

The strong year-on-year growth trend in revenues outside of France continued, mainly thanks to the African operations which recorded a 12.3% growth at constant currency and perimeter.

Studiocanal's revenues grew by 19.2% at constant currency and perimeter, thanks to more theatrical releases (*The Commuter*, *Early Man*, *The Mercy*, *Brillantissime*, *Return of the Hero (Le Retour du héros)* and *The Little Witch* in Germany) and very strong video sales, notably of *Paddington 2*.

In February 2018, Canal+ Group launched a pay-TV service in Myanmar in partnership with the Burmese media group Forever. Canal+ Myanmar offers nearly 80 channels covering all themes, including eight Canal+ channels in the Burmese language and showcasing local content. The establishment of Canal+ Group in Myanmar, one of the largest countries in Asia with annual economic growth of 7%, is part of its long-term strategy to develop in territories with strong growth potential.

In March 2018, Canal+ Group entered into an agreement with the American company DirecTV for the broadcast of several Canal+ Group channels. DirecTV customers who subscribe to the new FrenchDirect™ offer gain access to Canal+ International, a new general-interest entertainment channel, to the CNews channel and, since the beginning of May, to Studiocanal TV, which is built on Studiocanal's expansive catalog.

In April 2018, Canal+ Group and UMG launched the Deutsche Grammophon+ channel, a service that allows subscribers to enjoy the richness of this label's catalog, which celebrates its 120th anniversary this year. This

⁵ Churn per individual retail subscriber with commitment, over a 12-month period, excluding wholesale customers.

catalog is editorialized in playlists, with high-fidelity sound and, for the first time, videos are available with Dolby Atmos sound.

On May 10, 2018, Canal+ Group announced that it will now offer the Apple TV 4K as a set-top box to its subscribers in France. Subscribers and new Canal customers will enjoy the best myCanal experience, which will benefit from all the power of the Apple TV 4K and its ultra-fluid ergonomics. myCanal is the leading media app in France across all platforms with more than 13 million mobile downloads and 1 million daily users. The Apple TV 4K will be offered to Canal subscribers at the same prices as those charged for its own set-top box.

Havas

The revenues (gross margin) generated by Havas, fully consolidated since July 3, 2017, amounted to €482 million in the first quarter of 2018.

North America delivered a satisfactory performance (+2.2% excluding Arnold's impact) due to the good performances of Edge, Havas Media and Havas Life. Arnold experienced a difficult start to the year due to the loss of some clients.

The various European countries reported mixed performances, notably due to the loss of the PSA media account last year, which affected several countries. Business in France was slowing down (organic growth of -2.3%) although BETC and Fullsix/Ekino performed very well. Italy and Poland both reported strong growth.

Havas had a very good start to the year in the Latin America and Asia Pacific regions (+4.6% and +7.8%, respectively, at constant currency and perimeter), both of which remain very dynamic and promising with strong development potential for Havas.

In the first quarter of 2018, Havas' organic growth stood at -0.1% excluding Arnold's impact.

Havas continues to strengthen in certain areas of strategic expertise and certain geographical regions. Since the beginning of the year, Havas has made two acquisitions: DAA (Deekeling Arndt Advisors), a German-based agency specializing in public relations and finance, and M&C Consultancy, a London-based healthcare communication agency.

In Paris, Havas created a new French agency, Plead, a subsidiary specializing in strategic and sensitive executive communication consulting. In addition, Havas Paris launched Blockchain, the first fully-integrated communications offering designed to support businesses involved in blockchain technology (a sequential distributed database without any control). This offering was launched in partnership with Blockchain Partner, the French leader in blockchain consulting. In addition, the group created the Havas China Desk, an offer aimed at supporting both clients seeking to expand their presence in China and Chinese brands looking to expand internationally.

Among the awards won in the first quarter of 2018, at the 5th edition of the Media Agency of the Year awards (*Prix Agence Média de l'Année*) in France, Havas Group's media business was named Group of the Year, while Socialyse was awarded the content prize in the Pure Player category and Agence79 won the data prize in the Pure Player category. In the United States, Havas Media was named Agency of the Year by MediaPost. The Host/Havas Australia agency was ranked the No. 2 agency on the Campaign Brief Hot List 2018. BETC was ranked among the best agencies in the world by the Gunn Report.

On April 16, 2018, Vivendi received €76.2 million in dividends from Havas.

Gameloft

With almost 2 million downloads per day across all platforms in the first quarter of 2018, Gameloft is one of the leading mobile game publishers in the world. Gameloft's revenues amounted to €79 million, down 7.4% at constant currency and perimeter compared to the first quarter of 2017, notably due to the lack of new mobile games releases in the first quarter of 2018.

The breakdown of revenues by geographical market was as follows: 36% in the EMEA region (Europe, the Middle East and Africa), 32% in North America, 24% in Asia Pacific, and 8% in Latin America.

For the first quarter of 2018, Gameloft's average number of monthly active users (MAU) reached 114 million and its average daily active users (DAU) reached 13 million. 62% of Gameloft's revenues were generated by internally developed franchises. Gameloft has benefited from the strong performance of its catalogue, notably its bestselling games such as *Dragon Mania Legends*, *Disney Magic Kingdoms*, *March of Empires*, *Asphalt 8: Airborne* and *Minion Rush*.

On May 3, 2018, Gameloft released *Dungeon Hunter Champions*, the latest game in a series with over 100 million downloads. The new game took this hack'n'slash franchise (an action role-playing video game) in a whole new direction by introducing brand new worlds and characters that go beyond the scope of the original saga. This new take on the franchise has been hailed by its players, as sales of the game were off to an excellent start even before its release in China.

Vivendi Village

Vivendi Village's revenues amounted to €23 million, compared to €26 million for the first quarter of 2017, a decrease of -3.3% at constant currency and perimeter.

Vivendi Ticketing's revenues amounted to €11 million for the first quarter of 2018. In mid-April 2018, Vivendi, through See Tickets, acquired Paylogic, a ticketing and technology company based in Amsterdam, to form a global ticketing network spanning Europe and the United States. With this acquisition, the ticketing unit expects to sell more than 20 million tickets a year to over 5,000 clients in over 30 countries.

Live performance revenues were up 11.9% compared to the first quarter of 2017, primarily due to the development of Olympia Production and of eight CanalOlympia venues currently operating in Africa. At the end of April, Vivendi and Orange announced the signing of a partnership with this network of venues to make the cinema more accessible to all through the "Cinédays" program which allows Orange customers to benefit from a 2 for 1 cinema ticket, once or twice a week.

New Initiatives

New Initiatives, which groups together projects being launched or under development including Dailymotion, Vivendi Content (Studio+ and Vivendi Entertainment) and GVA (Group Vivendi Africa), recorded revenues amounting to €16 million, an increase of 55.8% compared to the first quarter of 2017, primarily thanks to Dailymotion's performance.

Dailymotion's new user experience, deployed worldwide at the end of 2017 on mobile, desktop and mobile app, has borne fruit. The share of premium content consumption increased by 17% between December 31, 2017 and March 31, 2018, and the number of views of desktop premium content per session increased by 52% when it was launched.

Designed primarily for 25-49-year-olds, Dailymotion's new user experience leverages premium content from hundreds of leading partners around the world, including Universal Music Group, CNN, and Vice.

In March 2018, GVA, a new player in the African telecoms market, in distribution partnership with Canal+ Togo, launched Canalbox its first high-speed fiber internet offer in Lomé. Already available in Libreville and Lomé, the FTTH Canalbox network will soon be deployed in several other African cities. GVA benefits from the strong expertise of the Canal+ Group in Africa and relies on the power of the brand, on the very important commercial network distributing Canal+ Group's products and on high-quality service.

FIRST QUARTER HIGHLIGHTS AND RECENT EVENTS

- On January 16, 2018, Vivendi entered into a hedging transaction to protect the value of its equity interest in Fnac Darty. The hedge involves a forward sale based on a reference price of € 91 per share (i.e., approximately € 268 million). Vivendi retains the option to unwind this transaction either in cash or in shares at maturity, i.e., during the second half of 2019 at the latest.
- On March 20, 2018, Vivendi announced the sale of its entire 27.27% interest in Ubisoft at a price of €66 per share, representing an aggregate amount of €2 billion. This interest had been acquired by Vivendi over the past three years for €794 million. On March 23, 2018, Vivendi received €1.51 billion in connection with this sale (the outstanding €0.5 billion is to be received at the beginning of October 2018 under the forward sale commitments on the balance of the Ubisoft investment).

- On April 19, 2018, Vivendi's Annual Shareholders' Meeting approved all the resolutions submitted to their vote, notably including:
 - the appointment of Michèle Reiser as a member of the Supervisory Board for a four-year period, as well as the renewal of the term of office of Philippe Bénacin, Aliza Jabès, Cathia Lawson-Hall and Katie Stanton for the same four-year period; and
 - the distribution of an ordinary dividend of €0.45 per share, up 12.5%, representing a total distribution of €568 million. The dividend was paid on April 24, 2018 (following the coupon detachment on April 20, 2018).
- Following the Shareholders' Meeting of April 19, 2018, Vivendi's Supervisory Board unanimously appointed Yannick Bolloré as Chairman, replacing Vincent Bolloré. The Supervisory Board also confirmed Philippe Bénacin as Vice-Chairman.
- During its meeting on May 17, 2018, the Supervisory Board unanimously approved the renewal of the terms of office of the entire Management Board for a four-year term.
- On May 4, 2018, Telecom Italia's Shareholders' Meeting renewed its Board of Directors, appointing five of the ten Board candidates presented by Vivendi; Vivendi's slate obtained 47% of the vote compared to 49% for Elliott's slate.

But the "new governance" is a concern to Vivendi, which is the largest shareholder holding 24% of the company's ordinary shares. The risk of a dismantling and a governance that would not take into account the shareholders' interests, may cause Vivendi to consider, as permitted by the law, to request the convening of a Shareholders' meeting to propose to reorganize the Board of Directors.

About Vivendi

Since 2014, Vivendi has been focused on building a world-class content, media and communications group with European roots. The clear and ambitious strategy that was set in motion three years ago has been successfully executed by the Management Board. First, in content creation, the Group owns powerful, complementary assets in music (UMG), mobile games (Gameloft) and movies/series (Canal+ Group), which are the three most popular forms of entertainment content in the world today. Second, in the distribution market, Vivendi has acquired the Dailymotion platform and repositioned it to create a new digital showcase for our content. The Group has also joined forces with several telecom operators and platforms to maximize the reach of its distribution networks. In 2017, a third building block – communications – was added to this structure, via Havas. Havas possesses unique creative expertise in promoting free content and producing short formats, which are increasingly viewed on mobile devices. www.vivendi.com, www.cultureswithvivendi.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, 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 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 of the Group filed by Vivendi with the Autorité des marchés financiers (the French securities regulator), 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, we caution readers against relying on such forward-looking statements. These forward-looking statements are made as of the date of this press release. 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

Speakers:

Arnaud de Puyfontaine

Chief Executive Officer

Hervé Philippe

Member of the Management Board and Chief Financial Officer

Date: May 17, 2018

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

Media invited on a listen-only basis.

The conference call will be held in English.

Internet: The conference call can be followed on the Internet at: www.vivendi.com (audiocast)

Numbers to dial:

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Confirmation code: 895 7076

On our website www.vivendi.com will be available an audio webcast and the slides of the presentation.

Appendix I Adoption of IFRS 15

As from January 1, 2018, Vivendi has applied the new accounting standard on revenues: IFRS 15 - *Revenues from Contracts with Customers*, with no material impact on Vivendi's consolidated revenues and operating results. In accordance with IFRS 15, Vivendi has applied this change of accounting standard to fiscal year 2017; therefore, the data contained in this press release relative to the first quarters of 2018 and 2017 is comparable.

Impacts related to the application of IFRS 15 on Vivendi's revenues for the first quarter of 2017 and for fiscal year 2017:

(in millions of euros)	Three months ended March 31, 2017	Year ended December 31, 2017
Revenues (as previously published) (A)		
Universal Music Group	1,284	5,673
Canal+ Group	1,278	5,246
Havas (a)	-	1,151
Gameloft	68	258
Vivendi Village	26	109
New Initiatives	10	51
Elimination of intersegment transactions	(3)	(44)
Total Vivendi	2,663	12,444
IFRS 15 restatements (B)		
Universal Music Group	-	-
Canal+ Group	(6)	(48)
Havas (a)	-	-
Gameloft	23	70
Vivendi Village	-	-
New Initiatives	-	-
Elimination of intersegment transactions	-	-
Total Vivendi	17	22
Restated revenues (A+B)		
Universal Music Group	1,284	5,673
Canal+ Group	1,272	5,198
Havas (a)	-	1,151
Gameloft	91	328
Vivendi Village	26	109
New Initiatives	10	51
Elimination of intersegment transactions	(3)	(44)
Total Vivendi	2,680	12,466

a. As a reminder, Vivendi has fully consolidated Havas since July 3, 2017.

No material impact is expected for Universal Music Group and Havas as their revenue recognition was already compliant with IFRS 15.

Appendix II
Canal+ Group
Key performance indicators

<i>in thousands</i>	March 31, 2017	March 31, 2018	Δ
Individual subscribers	14,135	14,747	+612
Mainland France	8,084	8,011	-73
International	6,051	6,736	+685
Collective contracts	572	580	+8
Total	14,707	15,327	+620

FTA-TV audience share *	3M 2017	3M 2018	Δ
C8	5.0%	3.9%	-1.1pt
CStar	1.4%	1.4%	-
CNews	0.5%	0.5%	-
Total	6.9%	5.8%	-1.1pt

* Source: Médiamétrie - Population aged 25-49.